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May 11, 2022

**VIA ELECTRONIC FILING**

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint Motion to Withdraw Customer-Operated Electric Vehicle Supply Equipment Pilots from Phase II Pilot Proposals and to Hold Phase II Pilot Dockets in Abeyance  
Docket Nos. E-7, Sub 1195 and E-2, Sub 1197**

Dear Ms. Dunston:

Enclosed please find Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint Motion to Withdraw Customer-Operated Electric Vehicle Supply Equipment Pilots from Phase II Pilot Proposals and to Hold Phase II Pilot Dockets in Abeyance for filing in the above-referenced dockets.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Kendrick C. Fentress

Enclosure

cc: Parties of Record

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-7, SUB 1195  
DOCKET NO. E-2, SUB 1197

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	JOINT MOTION TO WITHDRAW
	)	CUSTOMER-OPERATED ELECTRIC
Application by Duke Energy Carolinas,	)	VEHICLE SUPPLY EQUIPMENT
LLC and Duke Energy Progress, LLC for	)	PILOTS FROM PHASE II PILOT
Approval of Proposed Electric	)	PROPOSALS AND TO HOLD PHASE II
Transportation Pilots	)	PILOT DOCKETS IN ABEYANCE

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and together with DEC, “the Companies”), pursuant to the North Carolina Utilities Commission’s (“Commission” or “NCUC”) *Order Requiring Collaboration and Report on Proposed Phase II Pilot Programs* (Phase II Pilot Order), issued in the above-captioned dockets on February 21, 2022, and respectfully make the following two requests.

- First, the Companies request that, with the exception of their respective Customer-Operated Electric Vehicle Supply Equipment Pilots (“EVSE Tariff Programs”), the Commission issue an order holding the above-captioned dockets in abeyance. The Companies’ request to hold the dockets in abeyance until October 1, 2022 to enable them to fully evaluate the impacts that changes in regulatory and economic policies and circumstances since the May 2021 Phase II Pilots filing may have on the Companies’ proposed Phase II Pilots and whether those impacts compel the Companies to revise their Phase II Pilots.

- Second, the Companies request that the Commission allow the Companies to withdraw the EVSE Tariff Programs from the Commission's review in the aforementioned dockets, instead of holding them in abeyance. The Companies intend to quickly refile the EVSE Tariff Programs for approval as standalone, commercial programs, because they: (i) are fully funded by participating customers that have voluntarily elected to participate; (ii) are less impacted by the changing circumstances, (iii) complement the Companies' previously-approved Make Ready Credit Programs and pending managed subscription charging pilots, (iv) along with the Make Ready Credit Programs will complement and aid in the Companies' future innovative demand response pilots around EV batteries and (v) continue to support North Carolina State policy.

This Joint Motion pertains only to the pending EV programs proposed in the Companies' May 24, 2021 Phase II EV Pilot filing. Nothing in this Joint Motion, however, is intended to, or should be interpreted as intending to, impact any of the ongoing Phase I EV pilots, as approved by the NCUC's *Order Approving Transportation Pilot, in Part* (Phase I Pilots Order), issued in the above-captioned dockets on November 20, 2020. Additionally, this Joint Motion is filed after consultation about its contents with the Electric Transportation Stakeholder Group. In support of their Joint Motion, the Companies include the following:

#### **Background**

1. On November 24, 2020, the Commission issued the Phase I Pilots Order, wherein it approved the Companies' Public Level 2 Charging Program, as proposed, and limited versions of the Companies' proposed Multifamily Dwelling Charging, Direct

Current Fast Charging, and EV School Bus Charging programs. The Commission also directed the Companies and the Public Staff of the North Carolina Utilities Commission (“Public Staff”) to co-chair a collaborative process to engage in stakeholder discussions about the EV Pilots and required the Companies to file their proposed Phase II Pilots within six months of the Phase I Pilots Order.

2. Almost immediately after the Commission issued its Phase I Pilots Order, the Companies and the Public Staff convened an ET Stakeholder group (“ETSG”) that met monthly from December 2020 to May 2021 to discuss the proposals for the upcoming EV proposals.

3. In its Phase I Pilots Order, the Commission, noting the Companies’ familiarity with permitting requirements, the interconnection process, and the design, operations and maintenance of the distribution system, directed them to efficiently identify and develop appropriate preparations for EV infrastructure. Phase I Pilots Order, at 21. The Companies complied and, on April 21, 2021, they filed their respective proposed Make Ready Credit (“MRC”) programs. These programs were not filed as pilot programs, but instead filed separately as proposed fully commercialized programs.

4. Numerous parties, including the Public Staff, the Carolinas Clean Energy Business Alliance (“CCEBA”), ChargePoint, Inc., North Carolina Sustainable Energy Association, Zeco Systems, Inc. d/b/a Greenlots, and, jointly, North Carolina Justice Center with the Southern Alliance for Clean Energy, filed generally supportive comments on the proposed MRC programs. No party opposed approval of the MRC programs. Accordingly, the Commission issued its *Order Approving Make Ready Programs with Conditions*, in the above-captioned dockets on February 18, 2022.

5. On May 24, 2021, after further engagement with and input from the ETSG, the Companies filed a Request for Approval of Phase II Electric Transportation Pilot Programs (“Phase II Pilots”). The proposed Phase II Pilots included:

- EVSE Tariff Programs – The Companies would install EV chargers and charging infrastructure for Level 2 (“L2”) and Direct Current Fast Charging (“DCFC”) at locations on DEP’s and DEC’s distribution system. The chargers and infrastructure would be owned and maintained by the Companies but operated by the participating customer. Customers participating in the EVSE Tariff Programs would be subject to a new all-in rate modeled after the Companies’ existing outdoor lighting program.
- Utility-Operated Public Charging Pilots – The Companies would own and operate at least 240 Public L2 charging stations that would be installed at publicly accessible sites in their respective service territories and up to 240 Multi-Family Dwelling L2 stations. Half of the chargers would be deployed in Tier I and II counties, and the other half would be installed in low- to moderate-income communities.
- Highway Corridor DCFC – The Companies would own and operate a network of up to 90 DCFC stations in approximately 45 locations. The operations and maintenance of the stations might be performed by third-party qualified service providers. The charging stations would be dispersed in Tier I and Tier II counties at key highway corridor locations throughout the Companies’ respective service territories.

- EV School Bus Program – The Companies proposed a concentrated deployment of 4-6 buses at 10-15 sites for a total of 60 buses. The customer would own the electric vehicle school bus (“EVSB”) and would operate and maintain the EVSB during the pilots; however, the Companies would retain ownership rights to the EVSB battery and be allowed to repurpose or remove the EVSB battery at the end of its useful life.

6. On February 22, 2022, the Companies filed their request for Approval of Proposed Electric Vehicle Managed Charging Pilot Programs in Docket Nos. E-2, Sub 1291 and E-7, Sub 1266. The Companies described managed charging as a process during which EV battery charging could be paused prior to a full EV battery charge level or the customer's desired battery charge level, under certain circumstances. This matter remains pending.

7. On February 21, 2022, the Commission issued its Phase II Pilots Order wherein it directed the Companies to “refine and modify” the Phase II Pilots to account for changed circumstances since May 2021. Specifically, the Commission directed the Companies to: (i) investigate options for planning, designing, and implementing its Phase II Pilots that consider the possibility of funding under the Infrastructure Investment and Jobs Act, H.R. 3684, 117<sup>th</sup> Cong. (2021) (“IIJA”); (ii) continue working with the ETSG to refine the proposed Phase II Pilots, giving attention to continuing to apply the criteria for such pilots stated in the Phase I Pilot Order, data collected from the Phase I Pilots, and opportunities to leverage available federal or other funding, and (iii) file a report updating the Commission on the status of progress meeting these requirements no more than 90 days (Monday, May 23, 2022) after the Phase II Pilot Order.

### Motion to Hold Proposed Phase II Pilots, Other than EVSE Tariffs, in Abeyance

8. As the Commission has recognized, the regulatory and economic circumstances that impact or potentially impact the Companies' EV proposals have changed markedly since the Companies' first Phase I Pilot filing in March 2019 and even since their second Phase II Pilot filing in May 2021. Although the Commission allowed the Companies 90 days to report on their status in reviewing the Phase II Pilots, a number of these circumstances have compelled the Companies to undertake a comprehensive review of their proposed EV offering to ensure that they are maximizing the benefits and minimizing the costs of those programs, while, at the same time, working to transform North Carolina to a clean, equitable economy consistently with Governor Cooper's recent Executive Order 246.<sup>1</sup> These circumstances include both the progress made and lessons learned thus far in the Phase I Pilots, passage of new state and federal legislation, and the impact of the Commission's approval of the Companies' MRC Programs.

9. As discussed in the Phase I Pilot Order, the Commission approved Public Level 2 Charging Program, as proposed, and limited versions of the Companies' proposed Multifamily Dwelling Charging, Direct Current Fast Charging, and EV School Bus Charging programs as pilot programs. Notably, the Companies first filed their Phase I Pilots in 2019, prior to the COVID-19 pandemic, and resulting lock-downs and supply chain issues. The Commission approved the Phase I Pilots in November 2020, when circumstances were still far from normal.

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<sup>1</sup>Specifically, Executive Order 246 provides that the State of North Carolina will increase the total number of registered zero emission vehicles ("ZEVs") to at least 1,200,000 by 2030 and increase the sale of ZEVs so that 50% of the in-state sales of new vehicles are zero-emission by 2030.

10. The impacts of the COVID-19 pandemic on the Companies' implementation of the Phase I Pilots have been significant. Although recovery appears to be underway, the State of North Carolina remains in a State of Emergency. The Commission itself remarked on the "unforeseen complications and challenges caused by COVID" on the Companies' Phase I and II Pilots.<sup>2</sup> As with many EV market participants, the resulting supply chain shortages and bottlenecks have hindered the Companies' abilities to install EV L2 and DCFC chargers as previously contemplated. As early as May 2020, reports emerged regarding EV charging infrastructure investments being halted, with most EVSE manufacturers across the globe being affected by government restrictions, caused by the pandemic, which resulted in the suspension of manufacturing operations. Lockdowns to combat the pandemic have resulted in disruptions in supply chains and production schedules.<sup>3</sup> The difficulty in obtaining the necessary components for the Companies' Phase I Pilots has lessened, but it still impeded the Companies' roll out of the Phase I Pilots.

11. Additionally, the reason for pilot programs in the first place is for learning what works well and what does not, and implementation of the Phase I Pilots has afforded the Companies some lessons learned. These lessons have revealed unforeseen complications in implementation. For example, the Companies' distribution practices call for landowners to sign easements and releases of liability to receive electric service. Landowners are willing to make such commitments because they require (vs. desire) electric service and require it indefinitely. In applying these same terms to voluntary and

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<sup>2</sup> Phase II Pilots Order, at 3.

<sup>3</sup> [How Supply Chain Disruptions May Affect Your EV Charging Operations \(assetworks.com\)](#) (Oct. 29, 2021); [COVID-19 pandemic: EV charging industry wrestles with a new magnitude of underutilization | IHS Market](#) (May 6, 2020) (explaining how lockdowns in early pandemic slowed manufacturing of EVSE.)



temporary agreements for customers to host company assets, customers have been less willing to sign standard agreements. As a result, reworking the verbiage of standard agreements to better fit the pilot structure was necessary. The Companies also worked to assign real estate matters to a single point of contact for each of the eastern and western parts of the state. An estimated six to nine months of delays was incurred between initial customer reluctance to sign agreements as well as the time necessary to revise processes. Today, the Companies are seeing the benefits of their “lessons learned,” as the combination of revised contract language and streamlined abilities for a subject matter expert to advise customers as well as engage the Companies’ legal resources has sped up the pace of agreements. In sum, although the constructive adaptations have been made and will continue, the Companies’ installation of EV chargers is not expected to reach targeted levels until the latter portion of 2022.

12. Because of these delays, specific data available from installation of chargers from the Phase I Pilots is currently insufficient to inform the Companies’ EM&V efforts and potential modification of the Phase II Pilots. The unanticipated impact on data collection supports the Companies’ request to hold the Phase II Pilot Programs (other than the EVSE Tariffs) in abeyance.

13. Additionally, as the Commission rightfully indicated, the passage of the IJJA may also fundamentally affect how the Companies plan and design their EV offerings. The IJJA authorizes federal funds for the investment in utility infrastructure, including electric transportation infrastructure, but how it will impact the Companies’ Phase II Pilots remains uncertain. As the Companies stated in their comments on the IJJA filed in Docket No. M-100, Sub 164 on March 16, 2022:

In essence, it appears that the [Department of Administration] DOE itself is in the beginning stages of undertaking a particularly important expansion of its organization. That said, significant uncertainty remains regarding the specific processes and eligibility criteria that DOE will employ regarding the receipt and deployment of funds under the IIJA. While the Act appropriates discrete federal funds for programs that meet certain criteria and provides a general framework for those funding areas, it relies on the administering entities, such as DOE, to further define the scope and eligibility criteria of specific programs and develop the processes that will guide the manner in which eligible entities may apply for, receive, and use the funds.

Not only the DOE, but also the Federal Highway Administration (“FHA”) and other elements of the Department of Administration will play a significant role in the funding. In sum, the Companies will continue to review the IIJA, with a particular focus on how it might impact EV transportation and infrastructure development for lower income and less-served areas in North Carolina. That review, however, may take more time than 90 days, because it may dovetail with the Companies’ development of a Carbon Plan by December 31, 2022 under House Bill 951 (S.L. 2021-165) and also may impact the Companies’ efforts to meet Governor Cooper’s aggressive electrification goals for the transportation sector under Executive Order 246. Moreover, the State’s initial plan for use of IIJA funds, to which the Companies are key developmental contributors, will begin to shed light on infrastructure gaps that will remain after IIJA funding is exhausted. This plan is not due until August of 2022. At that time, it will be reviewed by the FHA.

14. For the reasons set forth above, the Companies believe a comprehensive and detailed review of their proposals in the Phase II Pilots is necessary to incorporate these new state and federal laws and policy. The Companies believe that review should include review of the State’s initial plan for use of the IIJA funds, which, as noted above, is not due until August of 2022. The Companies therefore request for the Commission to hold

the Phase II Pilots in abeyance until October 1, 2022. This date should allow the Companies, and other stakeholders as necessary, sufficient time to evaluate the impact of the State's completed plan to use IJA funds as well as the evolving economic and regulatory circumstances. This should result in a more informed recommendation to the Commission on the best path forward. Therefore, the Companies request that the Commission issue an order holding the Phase II Pilots in abeyance until October 1, 2022. During the abeyance period the Company will explore bringing forward additional EV related rate offerings to continue to send different price signals to customers around EV charging.

The Companies respectfully also request to withdraw the EVSE Tariff Programs from the Phase II Pilots, and, consequently, from being held in abeyance, for the reasons explained below.

**Request to Withdraw the EVSE Tariff Programs from Phase II Pilots to  
Be Refiled as Standalone EV Programs**

15. The Companies request to withdraw the EVSE Tariff Programs from consideration as part of the Phase II Pilots because the EVSE Tariff Programs proposal is better suited to be a standalone, fully commercialized offering. Furthermore, customer participation in the EVSE Tariff Programs will aid in meeting the Governor's goals in Executive Order 246 by making EVSE installation more affordable. A brief description of the EVSE Tariff Programs, for the Commission's convenience, is provided below:

- The EVSE Tariff Programs are available to individual customers for EV chargers and charging infrastructures installed on the Companies' distribution systems.
- They are similar to the Companies' outdoor lighting programs in that they include a low upfront cost and all-in rate.

- The EVSE Tariff Programs provide customers with an affordably-priced charging service where the Companies own and maintain the EVSE, but it is operated by the Customer.
- The EVSE Tariff Programs provide for installment of Level 2 and DC fast charging infrastructure on the Customer's side of the meter, and monthly charges involve equipment, maintenance, and, if applicable, annual software networking fees.
- Internet connectivity may be required to enable software networking and/or for customers to participate in other Company programs.
- The EVSE Tariff Programs allow for multiple vendor options and a wide product selection.

16. The EVSE Tariff Programs differ from the Phase II Pilots in a number of significant ways. First, the EVSE Tariff Programs are fully funded by participating customers that have voluntarily chosen to participate in the programs. Accordingly, questions regarding the IIJA do not impact the EVSE offerings. The IIJA includes funding that is specifically directed toward public access highway corridor fast charging and public access community charging (with emphasis on underserved communities) and to electric school and transit buses. As a result, the DCFC (highway corridor) charging, general public charging, multi-unit dwelling charging and electric school bus components of the Companies' Phase II Pilot filing are likely to be impacted by IIJA. There is no current expectation that private citizens, businesses or municipalities could broadly access IIJA funding for charging applications that are not available to the public without restriction or specific to buses. The EVSE Tariff Programs fill this gap. As such, the EVSE Tariff

Programs specifically complement the Companies' approved MRC programs and will complement the Companies' Managed Charging Pilots if they are approved. Additionally, working together, the MRC and the EVSE Tariff Programs may broaden the customer base that could participate in future, innovative demand response pilots involving EV battery storage. If the Commission allows the Companies' request to withdraw the EVSE Tariff Programs, they intend to refile them with additional information on how they complement the MRC and the proposed Managed Charging Pilots.

17. Additionally, the EVSE Tariff Programs are designed solely as an option for customers to leverage for their specific charging needs. They are not built to provide (only) for public charging, as is the case with the remainder of proposed Phase II programs (EV School Bus notwithstanding), but also instead to allow low or no capital access to hardware needed for private use cases ranging from charging at home to workplace charging for employees to fleet vehicle charging.

18. Next, unlike the other Phase II Pilots, the Companies' proposed EVSE Tariff Programs do not evolve nor extend from Phase I Pilots. As a result, data from the Phase I Pilots is not as informative to the EVSE Tariff Programs as is the case with the other Phase II Pilots. For these reasons, the Companies intend to withdraw the EVSE Tariff Programs from the Commission's consideration as Phase II Pilots and to quickly refile them as fully commercial EVSE Tariff programs. The Companies discussed this with the Public Staff before making this filing, and the Public Staff recommended this procedure.

WHEREFORE, the Companies respectfully request the Commission to issue an order:

1. Holding the Phase II Pilots, with the exception of the EVSE Tariff Programs, in abeyance until October 1 2022 to allow the Companies to complete their review of the changed economic and regulatory circumstances and determine their impact on the pilots going forward,
2. Allowing the Companies to withdraw the EVSE Tariff Programs from consideration as part of the Phase II Pilots and to refile them for approval as standalone, fully commercial programs, and
3. Granting any other relief the Commission deems just and proper.

Respectfully submitted, this the 11<sup>th</sup> day of May, 2022.



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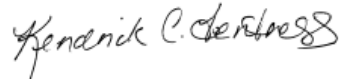
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CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint Motion to Withdraw Customer-Operated Electric Vehicle Supply Equipment Pilots from Phase II Pilot Proposals and to Hold Phase II Pilot Dockets in Abeyance, in Docket Nos. E-7, Sub 1195 and E-2, Sub 1197, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1<sup>st</sup> Class Postage Prepaid, properly addressed to parties of record.

This the 11<sup>th</sup> day of May, 2022.



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