STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

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

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for Approval of Proposed Electric Transportation Pilot	))))	**INITIAL COMMENTS OF THE PUBLIC STAFF**

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and pursuant to the Commission's May 28, 2021 *Order Requesting Comments*, respectfully submits the following initial comments for the Commission's consideration.

On March 29, 2019, Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (collectively Duke or the Companies) filed an Application for Approval of Proposed Electric Transportation Pilot in the above-captioned dockets. On November 24, 2020, the Commission issued its *Order Approving Electric Transportation Pilot, In Part* (ET Pilot Order), approving the proposed Public Level 2 Charging program and limited versions of the Multifamily Dwelling Charging program, the Direct Current Fast Charging (DCFC) program, and the Electric Vehicle (EV) School Bus Charging program. The Commission also required Duke and the Public Staff to convene a collaborative stakeholder process to develop a second phase of the approved programs and any other pilot programs that met certain essential criteria set out in the ET Pilot Order. One of the seven characteristics the Commission required a pilot program to include was a make-

ready approach that should leverage Duke's "familiarity with permitting requirements, the interconnection process, and the design, operation, and maintenance of the distribution system to efficiently identify and develop appropriate preparations for EV infrastructure." The Commission stated that any stakeholder developed pilot programs must be filed by May 24, 2020.

The stakeholder process began on December 12, 2020 and the stakeholders met five times within the six-month window. Duke first presented the make-ready credit (MRC) at the February 11, 2021 stakeholder meeting, basing the idea on Duke's current Line Extension Plan (LEP). At the April 7, 2021 stakeholder meeting, Duke announced that the make-ready credit would not be filed as a pilot program but as a stand-alone tariff. On April 30, 2021, Duke filed its Joint Request for Approval of Respective Make Ready Credit Programs (MRC Request) in the above captioned dockets. Duke then filed its Joint Request for Approval of Phase II Electric Transportation Pilot Programs (Phase II Request) on May 24, 2021.

Duke states that the purpose of its MRC Request is to defray the cost of make-ready infrastructure installation and therefore help promote EV adoption by creating the foundation necessary for other EV programs and pilots. Duke also states that the MRC Request supports and aligns with the Commission's ET Pilot Order; Executive Order 80; North Carolina's Clean Energy Plan; the need to ensure that new electric infrastructure is installed safely and reliably to protect the customer's investment and the grid from the significant new load; the electrification of transportation for low- to moderate-income customers that otherwise may be

delayed through burdensome up-front installation costs; and a framework to proactively manage the Company's grid to properly address system upgrades necessary for wide-scale electrification.

The MRC Request allows Duke to install the infrastructure necessary to make a location ready for installation of Electric Vehicle Supply Equipment (EVSE), including the cost of investments in wiring installation and other upgrades that support EV charging stations, but do not include the charging station itself. The Companies' proposal is specifically tailored to address the cost of the EVSE located on the customer's side of the meter or point of delivery (POD). Any infrastructure installed on the Companies' side of the meter or POD would already be recovered pursuant to each Company's LEP. This will allow the Companies to defray the installation costs of EV infrastructure in an effort to boost EV adoption. Duke states that the MRC Request will provide credits based on increased revenue from EV charging for the first three to five years after an installation, and is structured to support, on a level basis, Company-owned, customer-owned, or third party owned EV charging equipment. The Companies also state that these programs build upon the experience and design of other successful EV make-ready infrastructure programs from around the country.

The Companies clearly state that the MRC Request is not a pilot program and will be available to all customers regardless of their desired ownership and operation model in order to support customer adoption of EVs across market segments and the development of a competitive market for EV charging infrastructure. The MRC will be available to residential and non-residential

customers, at their premises or places of business, and to homebuilders for the construction of new homes. The MRC Request is structured to allow residential customers the option of either applying for the credit themselves, or allowing a company-approved contract installer to include the credit as part of the installation costs charged to the customer. Non-residential customers, however, would not be eligible for the contractor option and would be required to develop a usage profile to facilitate the design of the EVSE needed for the installation. Duke also states that the MRC Request include a revenue crediting policy that is particularly advantageous for Multifamily Dwellings or Housing Authorities by providing an additional incentive to promote EV adoption in high density areas and low-income areas with fewer single family homes, and to ensure equitable opportunities.

The Companies provided projected EVSE costs and revenue credits for typical installation scenarios to stakeholders at the April 15, 2021 meeting, stating that the Companies relied on similar calculations and inputs from their affiliate company Duke Energy Florida for the initial determination of credits. Based on the Companies' projections, the Public Staff has calculated that residential customers would receive revenue credits ranging between 18% of the cost (for new or upgrade service) and 67% of the cost (for existing service). Non-residential Level-2 and DCFC EVSE would receive revenue credits that cover 11-14% of the cost (for new or upgraded service) to 14-23% of the cost (for existing service).

The Public Staff agrees with the Commission's statement in the ET Pilot Order that there are many potential benefits to electric ratepayers and society at large in the transition from gasoline-and diesel-powered vehicles to electric

transportation. To that end, the Public Staff generally supports the MRC Request, as it is a measured step based on long standing policies already in place at the Companies. These programs must balance the costs of extending service with the costs of serving new loads, and the LEPs have provided a good illustration of how to balance these costs and loads. The MRC Request also incentivize customer owned and operated charging stations. The Public Staff believes that the MRC Request is a beneficial way to enable the build out of the infrastructure necessary to promote EV adoption in North Carolina without sanctioning Duke's general participation in the EV charging market and will provide useful information for possible future program development. The Public Staff also believes that Duke has done a good job in tailoring these programs for all customers and developing added incentives for multifamily dwellings and Housing Authorities in an attempt to help low- and moderate-income areas develop the infrastructure needed to promote EV adoption in those neighborhoods.

The Public Staff does not agree with Duke that the MRC Request aligns with the ET Pilot Order, as the Order required make-ready solutions to be part of potential pilot programs. The presence of the MRC Request should not alleviate Duke's from the make-ready requirement for all future pilot programs as stated in the ET Pilot Order and therefore, should not be considered in the review of the Phase II Request. Nevertheless, the Public Staff believes that Duke's MRC Request is appropriate as fully commercial tariffs.

The Public Staff is also concerned at the level of information Duke intends to include in its report to the Commission and the stakeholders. In the MRC

Request, Duke states that "the Companies will commit to reporting on the progress of the Make Ready Credit programs, including how many customers served, on an annual basis." Further, in response to a Public Staff Data Request, Duke stated that it has no immediate plans to use provisions in the MRC Request and "has not designated conditions that would trigger use of metering equipment" that would allow the Companies to install metering and load research devices at the premises of the participating customers to collect data about the usage characteristics of the charging stations. The Public Staff is unclear how the Companies claim that the MRC Request creates a framework to manage the grid and properly address system upgrades necessary for wide-scale EV adoption without some level of monitoring. Regardless of whether or not additional metering is installed as part of the MRC Request, the Public Staff believes it is imperative that any MRC Request approved by the Commission include sufficient reporting and data analytics designed to determine the success of the program.

The Public Staff also believes that the Companies should be required to file reports more often that annually as the Company suggests. The Public Staff recommends semiannual reports to be filed with the Commission and distributed to stakeholders on a semiannual basis and include (1) the amounts of the credits and the estimates of costs, which are tentative in nature and may need to be adjusted to maintain the balance between EVSE costs and EV loads;(2) adoption rates for each type of EVSE;(3) EV loads; (4) the costs observed per installation; (5) the revenue credits paid; (6) and any other distribution system cost impacts associated with EVSE deployment.

Respectfully submitted this the 8th day of July, 2021.

PUBLIC STAFF
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Dianna W. Downey
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Electronically submitted
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VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

I, EVAN D. LAWRENCE, being duly sworn, depose and say:

I am a Utilities Engineer of the Electric Division of the Public Staff of the North Carolina Utilities Commission (Public Staff); I have read the foregoing Public Staff's Comments on the application filed March 29, 2019, by Duke Energy Progress, LLC and Duke Energy Carolinas, LLC, for approval of their respective Electric Transportation Pilots, filed on July 8, 2021, in Docket Nos. E-2, Sub 1197, and E-7, Sub 1195, and know the contents of these Comments.

I believe the information contained in these Comments to be true and correct to the best of my knowledge, information, and belief.

Evan Lawrence
Evan D. Lawrence

Sworn to and subscribed before me

This 8th day of July, 2021.

Cleo L. Ackerman
Notary Public

Cleo L Ackerman
NOTARY PUBLIC
WAKE COUNTY, N.C.
My Commission Expires 01-08-2023

My Commission Expires: 1-8-2021

CERTIFICATE OF SERVICE

I certify that a copy of the Public Staff Comments has been served on all parties of record or their attorneys, or both, in accordance with Commission Rule R1-39, by United States Mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 8th day July, 2021.

Electronically submitted
/s/ Robert B. Josey