

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)	COMMENTS OF GREENLOTS ON PROPOSED MAKE-READY CREDIT (MRC) PROGRAMS
)	

Pursuant to the *Order Requesting Comments* issued on May 28, 2021, by the North Carolina Utilities Commission (the “Commission”) in the above-captioned docket, Zeco Systems, Inc. d/b/a Greenlots (“Greenlots”), submits the following comments regarding the Proposed Make-Ready Credit Programs (“MRC Programs”) filed by Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”), (collectively, “the Companies” or “Duke”) on April 30, 2021.

I. BACKGROUND

In the Commission’s *Order Approving Electric Transportation Pilot Program, In Part* (“ET Pilot Order”) in the above-captioned docket, the Commission directed Duke to propose a “Make-ready approach” which leverages Duke’s “familiarity with permitting requirements, the interconnection process, and the design, operations, and maintenance of the distribution system to efficiently identify and develop appropriate preparations for EV infrastructure.”¹

¹ Order Requesting Comments at 1.

In response to this directive, Duke filed a *Joint Request for Approval of Respective Make Ready Credit Programs* (“Joint Request”). Duke’s intent for the program is “to defray installation costs associated with EV chargers.”² To defray these customer costs, Duke proposes to offer a credit equal to the estimated additional electricity revenue attributable to the incremental load facilitated by the make-ready. For residential customers this revenue will be estimated for a five-year period; for non-residential customers the revenue will be estimated over a three year period.

II. COMMENTS

i. **Greenlots supports the Make-Ready Credit Programs.**

Greenlots commends the Commission for recognizing the need to help drive down installation costs associated with EV charging make-ready infrastructure, and for directing the Companies to engage with stakeholders and propose such a program. Make-ready costs often comprise a significant share of the overall upfront capital expense associated with installing charging stations, and can often exceed the costs of the charging stations themselves.

Greenlots also commends the Companies for putting forward a proposal which, if approved, will support the state policy goal of increasing the number of registered zero-emission vehicles to at least 80,000 by 2025.³ To come close to meeting this goal, utility programs—including but by no means limited to make-ready programs—will need to ramp up significantly across the state, supporting broad EV infrastructure build-out across geographies and market segments.

² Joint Request at 9.

³ Executive Order 80. <https://governor.nc.gov/documents/executive-order-no-80-north-carolinas-commitment-address-climate-change-and-transition>

ii. **Make-ready investments should be an expectation of utility service, not a program model.**

Greenlots agrees with the principle articulated in Duke's filing of enabling broad MRC eligibility regardless of whether a customer participates in one of Duke's EV Pilot offerings. Indeed, the provision of make-ready infrastructure represents a core utility function necessary to support transportation electrification. This should be offered in a predictable and ongoing manner, as it is essential to reducing a major barrier to widespread transportation electrification at scale.

Coupling this make-ready regulatory strategy with programs that further incentivize or facilitate station deployment where it is most needed or beneficial, and programs that focus on managing charging—all of which Duke has proposed, and continues to propose, in this and other dockets—will help deliver widespread benefits, including putting significant downward pressure on rates and ensuring equitable access to electric vehicles.

iii. **Ratepayer financing is an appropriate complement to the revenue credit approach of the MRC Programs, and it offers additional benefits.**

Greenlots encourages adoption of a mechanism whereby make-ready investments are rate-based as a core utility functionality in a similar manner to other prudent utility investments required to provide service. This would allow consideration of mechanisms to spur infrastructure deployment to move beyond this necessary make-ready investment and focus instead on features of program design that ensure equitable access to—and benefits from—transportation electrification. Such a mechanism would support the development of a private market for charging products and services in a more rapid manner, providing assurance that basic funding will be provided and will not be subject to implementation

delays or limitations due to the economics of the revenue credit. It would also level the playing field between participants in utility infrastructure programs and customers not able or interested in participating in these programs, improve certainty for independent market participants, and provide a foundation upon which other utility or state programs can unlock the build-out of transportation electrification infrastructure.

iv. Make-ready alone is insufficient for sustainable market development -- additional incentives for EVSE and operations are necessary.

Greenlots views a make-ready program, at scale, as a positive step for the state, and make-ready investments as a necessary element and floor for meaningful EV infrastructure deployment. Greenlots notes, however, that make-ready investments—whether financed by the customer of record or included in the utility’s rate base—are not in and of themselves sufficient to develop a sustainable market at this stage. Make-ready investments are perhaps best suited to facilitate the deployment of charging infrastructure in locations that are lower cost, higher utilization, and have a willing and interested site host. Many locations do not meet these conditions but are nonetheless critical for building a sufficient and equitable foundational network of electric vehicle charging locations. These locations should be addressed through other carefully designed programs instead of, or as a complement to, a make-ready program.

Indeed, a make-ready program alone is neither the sole nor even the most appropriate mechanism for spurring the EV market at this stage. On the contrary, in Greenlots’ experience, far more flexibility and variety in program design beyond make-ready is needed to support the development of a competitive market and ensure charging infrastructure is built out in a way that is both equitable and sufficient. This docket includes what Greenlots considers to be thoughtfully designed and meritorious examples of such

programs in Duke’s approved Phase I Electric Transportation (“ET”) Pilot Programs and its pending Phase II ET Pilot Programs, regarding the latter of which Greenlots will be filing separate comments.

v. Utility ownership offers broader benefits and solves for more challenges than third-party ownership alone.

As an alternative and complement to the customer-owned make-ready infrastructure Duke seeks to incentivize with its MRC Programs, Greenlots encourages Duke and the Commission to also consider the benefits of utility-installed and owned make-ready and is encouraged in this regard by Duke’s Phase II filing, which includes these elements. Other make-ready program designs that include utility ownership are used in other jurisdictions. Indeed, California, the most mature market for electric vehicles in the United States, leverages a variety of models, including utility ownership, customer ownership, and hybrids (for example, models in which customers can choose between utility-owned infrastructure and site-host developed and owned infrastructure).

Pacific Gas & Electric (“PG&E”), a national leader in utility EV charging programs, has acquired deep insights into the customer experience over many years of administering multiple EV charging programs – including the largest delivered to date in the U.S. – and managing different types of incentives. As PG&E noted in recent comments filed before California’s commission, the value and benefits of turnkey-nature utility involvement and ownership is often greater than the value of financial incentives alone:

[C]ustomers have all expressed gratitude for the turnkey nature of utility ownership of all EV make-ready infrastructure (including [behind-the-meter] make-ready and EVSE), as this greatly simplifies and speeds up the installation process for what is still a very nascent endeavor for most, if not all, entities. Even customers outside of underserved communities have expressed that without a

turnkey option, they likely wouldn't have been able to install charging infrastructure.⁴

As the Commission considers how to further leverage Duke and the state's other utilities to achieve the state's policy goals for transportation electrification, Greenlots encourages the Commission to consider how utility installation and ownership of make-ready infrastructure—which is consistent with the Commission's established support for utility ownership of charging stations—can at this stage of the market streamline the process of charging station deployment, avoid unnecessary expenses and delays, and accelerate customer adoption.

III. CLOSING

As stated, Greenlots commends the Commission for identifying the need to address make-ready investments and for directing the Companies to propose approaches regarding such. Greenlots further commends Duke for proposing the MRC Programs as an important element of a broader strategy to support ET which includes its Phase I and Phase II ET Pilots, tariffs and other filings. Greenlots notes, however, that make-ready programs are only one facet of a broader strategy needed at this stage of the market to support ET in an equitable manner for multiple customer segments and across multiple geographies.

Greenlots appreciates the Commission's consideration of these comments and looks forward to continued engagement in efforts to support electric transportation in North Carolina

⁴ *In re*: Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification, Ca. PUC Docket No. R. 18-12-006, Opening Comments of PG&E on Proposed Decisions Setting Near-Term Priorities for Transportation Electrification Investments by the Electrical Corporations (June 21, 2021) at p. 2.

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

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CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing document, has been served on all counsel of record for all parties in this docket, by either depositing same in a depository of the United States Postal Service, first-class postage prepaid and mailed by the means specified below, or by electronic delivery.

This the 8th day of July, 2021.

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