

October 7, 2019

Ms. Martha Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300

Duke Energy's Electric Transportation Pilots – Dockets E-2, Sub. 1197 and E-7, Sub. 1195

The Alliance of Automobile Manufacturers, the Association of Global Automakers, General Motors LLC, Ford Motor Company, Jaguar Land Rover North America, Daimler North America Corporation, Mitsubishi Motors R&D of America, American Honda Motor Company Inc, Kia Motors Corporation, and Hyundai Motor Company (collectively referred to as “Joint Automakers”) thank you for the opportunity to provide this second letter in support of Duke Energy’s Electric Transportation (ET) Pilot program.

The Joint Automakers appreciate North Carolina’s commitment to transportation electrification. In order to achieve Governor Cooper’s goal of 80,000 zero emission vehicles (ZEVs) by 2025¹, it is extremely critical for North Carolina to expand transportation electrification infrastructure and consumer outreach efforts. The Joint Automakers are supportive of Duke Energy’s Electric Transportation (ET) Pilots and believe they are a step in the right direction. North Carolina currently has fewer than 16,000 ZEVs², so there is no time to delay if the state intends to meet its goal of 80,000 ZEVs by 2025. Delaying approval of this application will only slow the state’s response to the need for electrification infrastructure.

Our associations and companies are invested in and support the electrification of vehicles, and are working diligently to expand offerings. This includes plug-in electric vehicles (PEVs) and fuel cell electric vehicles (FCEVs) in a variety of ranges, price points and vehicle types to meet all customers’ needs and further the reduction of transportation-related carbon emissions. Today there are over 40 models of plug-in electrified cars ranging from battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and FCEVs. On top of the vehicles already available for purchase, over the past year, virtually every major automaker has announced broad electrification plans that will more than double the number of models on sale in the coming years. However, transforming mobility requires more than large numbers of high-quality energy efficient models. Customers must see how electric vehicles (EVs) benefit them and their family when shopping for a new vehicle. In order to do this, a broad range of contributors are needed to move the industry forward.

¹ <https://files.nc.gov/ncdeq/climate-change/EO80--NC-s-Commitment-to-Address-Climate-Change---Transition-to-a-Clean-Energy-Economy.pdf>

² <https://autoalliance.org/energy-environment/advanced-technology-vehicle-sales-dashboard/>

The Time for Action is Now

The ET Pilot program proposed by Duke Energy comes at an important time, as it represents an opportunity to increase charging stations and equipment. These are critical components for building a robust electric vehicle market and for encouraging people to drive electric vehicles. More specifically, expanding infrastructure will ultimately support an increase in the number of electric vehicles in North Carolina. Putting more vehicles on the road without adequate refueling infrastructure could result in a poor consumer experience, harm the market for years to come, and prevent North Carolina from meeting its goals.

North Carolina should act with a sense of urgency and be proactive in anticipating the market transformation of both transportation and electric power sectors. Pilot programs, such as those proposed by Duke Energy, are a good way to test the market development model. Lessons learned from a pilot program are critical inputs into the next phase of infrastructure development. Duke Energy's proposal is a legitimate series of seven pilot programs to test and experiment in North Carolina.

Another important reason to act now is that the regulatory process takes time. A year or more may elapse between the initial utility submission and a final decision, with many complicated processes still needed after approval. Following approval of the submission, the utility has to issue a request for proposal (RFP), a process that can take months and is subject to Commission staff review. The various code, permitting, and other regulatory processes with other state and local government agencies in North Carolina for specific projects like DC Fast Charging and Level 2 charging will take time as well. From a utility planning and program implementation point of view, 2021 and 2022 are right around the corner; that is all the more reason to implement these pilot programs without further delay.

All stakeholders (vehicle manufacturers, utilities, commissions, consumer advocates, and others) must keep their eye squarely on the consumer at all times. Lack of consumer awareness regarding EV technologies and vehicle types and lack of adequate public infrastructure must be solved sooner than later.

Duke Energy's Pilot Program Design

The ET Pilot program addresses seven specific objectives, all of which are important to increase the amount of electric vehicle infrastructure available to accommodate the growing number of EVs entering the market. The programs range from residential EV charging to DC Fast Charging capabilities of up to 70 ports (35 locations) by Duke Energy Carolinas, and 50 ports (25 locations) for Duke Energy Progress in respective territories. Given North Carolina's electrification goals and the infrastructure needed to achieve them, the total \$76 million expenditure for Duke Energy's 3-year pilot programs should be considered a reasonable starting point. The pilots highlighted by Duke Energy are Phase 1 type pilot projects, designed to engage consumers, OEMs, and vendors in the EV ecosystem during the early stage of market development.

Utility operations, and the consumer experience, are very state and location-specific. This means that while Duke can learn from best practices and the successes and challenges of fellow utilities in other states, it must actually develop programs and most importantly implement them on the ground in North Carolina to get the highest value proposition for consumers.

Duke Energy's investments in these pilot programs will actually help stimulate the overall marketplace by engaging with the consumer, increasing public awareness, and involving various vendors, like companies that manufacture and sell charging station equipment, through the RFP process. Most importantly, learning important lessons through these pilot programs will help the overall market in North Carolina become larger and more efficient.

Conclusion

The Joint Automakers continue to invest heavily in transportation electrification, and it is expected that the EV market will continue to grow. However, auto companies cannot grow the market alone. Utilities have an important role to play in helping achieve North Carolina's transportation electrification goals, and the utilities bring the right knowledge set to address the specific needs of their consumers. The Joint Automakers applaud Duke Energy's pilot program proposal as a key step. As such, we recommend that Duke Energy's ET Pilot proposal be approved without delay.

Sincerely,

Dan Bowerson
Director, Vehicle Electrification & Fuels, Alliance of Automobile Manufacturers

Julia M. Rege
Senior Director, Environment and Energy, Association of Global Automakers

Jamie Hall
Manager, Advanced Vehicle & Infrastructure Policy, General Motors LLC

Steve Henderson
Manager, Electrification Policy and Projects, Ford Motor Company

Chris Marchand
Vice President, Government and Industry Relations for the Americas, Jaguar Land Rover North America

David M. Trebing
General Manager, State and Local Relations, Daimler North America Corporation

Stephane Thiriez
Director, Regulatory Affairs, Mitsubishi Motors R&D of America

Jessalyn Ishigo
Connected and Environmental Business Development, American Honda Motor Co., Inc.

James Alvis
Senior Manager, Government Affairs, Kia Motors Corporation

David E. Bauer
Senior Manager, Government Affairs, Hyundai Motor Company