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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 TRANSPORTATION PILOT

REPLY COMMENTS OF EVgo SERVICES, LLC ON PROPOSED PHASE II ELECTRIC TRANSPORTATION PILOT PROGRAMS

Pursuant to the North Carolina Utilities Commission's ("Commission") *Order Granting Extensions of Time* issued on July 8, 2021, EVgo Services, LLC ("EVgo") offers the following reply comments addressing initial comments filed by various parties on July 29, 2021 regarding Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's ("Duke") May 24, 2021 *Joint Request for Approval of Phase II Electric Transportation Pilot Programs* ("Proposed Phase II Pilot Program").

INTRODUCTION

These reply comments focus on the DC Fast Charging ("DCFC") component of Duke's Proposed Phase II Pilot Program. As noted in our initial comments, EVgo is a leader in the transportation electrification space, owning and operating public fast charging infrastructure in more than 800 locations across the U.S., including 27 DCFC in North Carolina. Broadly, we suggested that the November 24, 2020 *Order Approving Electric Transportation Pilot, In Part* ("Phase I Order") directed Duke to propose a Phase

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II pilot program with a DCFC component focused on "make-ready" build-out of utility infrastructure to foster private investment and ownership of DCFC stations. However, Duke proposed roughly the same scale of utility ownership of DCFC stations that it proposed in Phase I, instead, and without a make-ready option.

EVgo's primary position is shared by several other parties: it would be premature for Duke to expand upon the Phase I deployments with the same approach (utility ownership). First, because the Commission has not yet had the opportunity to evaluate the effectiveness of this first phase, and second, because the approach proposed here does more of the same rather than advancing diverse, competitive third-party market participation. We address the nuances of other parties' positions regarding Duke ownership of public DCFC here. As well, we address the claim that Duke's DCFC proposal is designed to serve low- to moderate-income ("LMI") communities that would otherwise not be served, which several parties properly argue is incorrect in several respects. Duke is proposing DCFC stations along highways in 80% of the state's counties which is an overly broad area. The DCFC program description in Duke's Attachment G and H is absent of any locational siting and planning criteria regarding the Company's proposed deployment. Nor does the Company demonstrate how its proposed Phase II deployments would potentially overlap with coverage provided by the competitive market and third-party Electric Vehicle Service Providers ("EVSPs") for which highway corridors (regardless of the socio-economic status of the surrounding region) already serve as a prime area for deployment of charging infrastructure.

In line with several other commenters, EVgo suggests that as an alternative to Duke's DCFC proposal, the Commission authorize Duke to provide make-ready

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infrastructure for third-party EVSPs, in conjunction with charger incentives geared to address specific public policy objectives (for example, higher incentives for development in LMI communities, as has been pursued by many other utilities in make-ready programs across the country[1]) – and commercial EV rate designs – allowing a greater and faster build-out of DCFC stations, healthy market competition at competitive rates, and greater access for LMI communities. This approach would not only be market transformative for North Carolina, it also would complement and support both the state's public grant funding programs administered by North Carolina Department of Environmental Quality ("NCDEQ"), as well as federal programs being debated in Congress, which would direct billions in funding to the states to administer Electric Vehicle Service Equipment ("EVSE") grant programs.[2]

COMMENT

a. At this stage, given that the Commission's Phase I Order directed Duke to develop a make-ready proposal for DCFC, and since the Commission has not evaluated the outcome of the Phase I deployments, Duke should not be authorized to build and operate more DCFC than were authorized in Phase I.

The Public Staff of the Commission ("Staff") makes a strong case that Duke's DCFC proposal is out-of-step with the Phase I Order in terms of size, scope, and timing. With regard to scope, Staff points out that Duke's separately proposed Make-Ready Program is explicitly not a pilot, so Duke has not complied with the Phase I Order's requirement to consider make-ready in their Phase II pilot.[3] EVgo agrees with Staff

[1] *See, e.g.,* Connecticut Public Utilities Regulatory Authority Docket No. 17-12-03-RE04, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Interconnection Standards and Practices, Decision, p. 28. (July 14, 2021).
[2] Both NCDEQ's Phase I DCFC program and the federal infrastructure bill (H.R. 3684 – Infrastructure Investment and Jobs Act) are discussed further in these comments.
[3] Staff comments, p. 11.

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regarding the make-ready directive in the Phase I Order, and agrees with the North Carolina Sustainable Energy Association ("NCSEA") regarding the logical basis for that directive: "Duke should follow best practices established in other states which have resulted in a healthy and robust [electrification transportation] infrastructure buildout where the utility enables the market rather than dominates it."[4]

Regarding the size and timing of Duke's DCFC proposal, EVgo believes that an imminent third-party focused Phase II program, specifically providing utility make-ready investments (potentially paired with charger incentives) would complement other state agency programs underway,[5] as well as federal programs being debated in Congress as we speak, which would direct funding to the states.[6] Duke's make-ready program could complement such existing efforts, and North Carolina needs a multi-pronged approach to meet the challenge, including a make-ready pilot program without delay.

As Staff points out (and EVgo pointed out as well), Duke has made little progress on development of what was authorized by the Phase I Order, including 20 DCFC stations, making it premature to say at this point whether expansion of Duke's ownership of public charging infrastructure is a reasonable approach.[7]

ChargePoint, CALSTART and the Carolinas Clean Energy Business Alliance all echoed the concern that Duke should not be in the business of DCFC station ownership. Carolinas Clean Energy Business Alliance went even further on the first page of its

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[4] NCSEA comments, p 2.
[5] North Carolina DEQ's Phase I DCFC Program made available $3.45 million for DCFC. NCDEQ solicited feedback on its remaining funding from the Volkswagen Settlement through public comments due earlier this month.
[6] H.R. 3684 – Infrastructure Investment and Jobs Act – being debated in Congress presently. https://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=117&session=1&vote=00314.
[7] Staff comments, p. 7.

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comments, noting that Duke's proposal would be a "major encroachment of monopoly activity into an active and rapidly growing competitive market. If approved, the ET Pilots would supplant opportunities for competitive players in the charging marketplace, potentially locking out opportunities at high value EV charging sites for years to come."

b. Duke's DCFC proposal covers 80% of the state, belying its claim of targeting low- to moderate-income ("LMI") communities, and the actual proposals provide little information on locational criteria and much less insight into the Company's network planning.

In its initial comments, EVgo raised that Duke's DCFC proposal had no apparent focus on LMI communities, based on the proposals provided in Attachments G and H of Duke's proposed Phase II Pilot Program. Those attachments are absent any data or analytics on the location of DCFC stations in LMI communities. However, on page 15 of Duke's proposal the Company claims that it "will install, own, operate, and maintain each fast charger throughout the term of the Phase II Pilot in Tier I and Tier II North Carolina counties."

As pointed out in joint comments of the North Carolina Justice Center, Southern Alliance for Clean Energy, and the Sierra Cub ("NCJC/SACE/Sierra"), Tiers I and II counties constitute 80% of the state's counties, which would give Duke an unfettered advantage in the Tiers I and II counties that it serves,[8] without a clear indication of how deployment in these areas would complement or even overlap with third-party deployments, as well as complement other efforts as mentioned above. The map in Figure 1 shows the Tier designation of North Carolina's 100 counties, and the publication cited there lists those counties by tier, with 40 Tier 1 counties, 40 Tier 2 counties, and 20

[8] NCJC/SACE/Sierra comments, p. 21.

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Tier 3 counties.[9] By cross-tabulating with population data by county, one can establish that 60.2% of the population is in Tiers 1 and 2 counties. Figure 2 provides the service area map for the state, and a comparison of the two maps roughly indicates that the majority of Duke's service territory is in Tiers 1 and 2 counties.

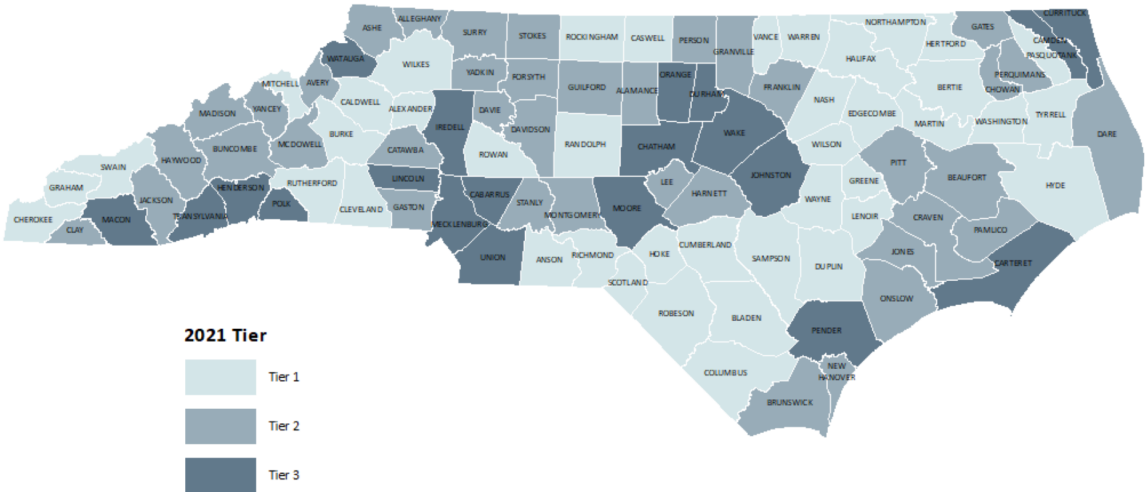

Figure 1. 2021 Development Tier Designations[10]

[9] The Department of Commerce publication uses Arabic numerals (1, 2, 3 . . .), while Duke used Roman numerals (I, II, III).
[10] North Carolina Department of Commerce, *North Carolina Development Tier Designations*, November 30, 2020, p. 4.

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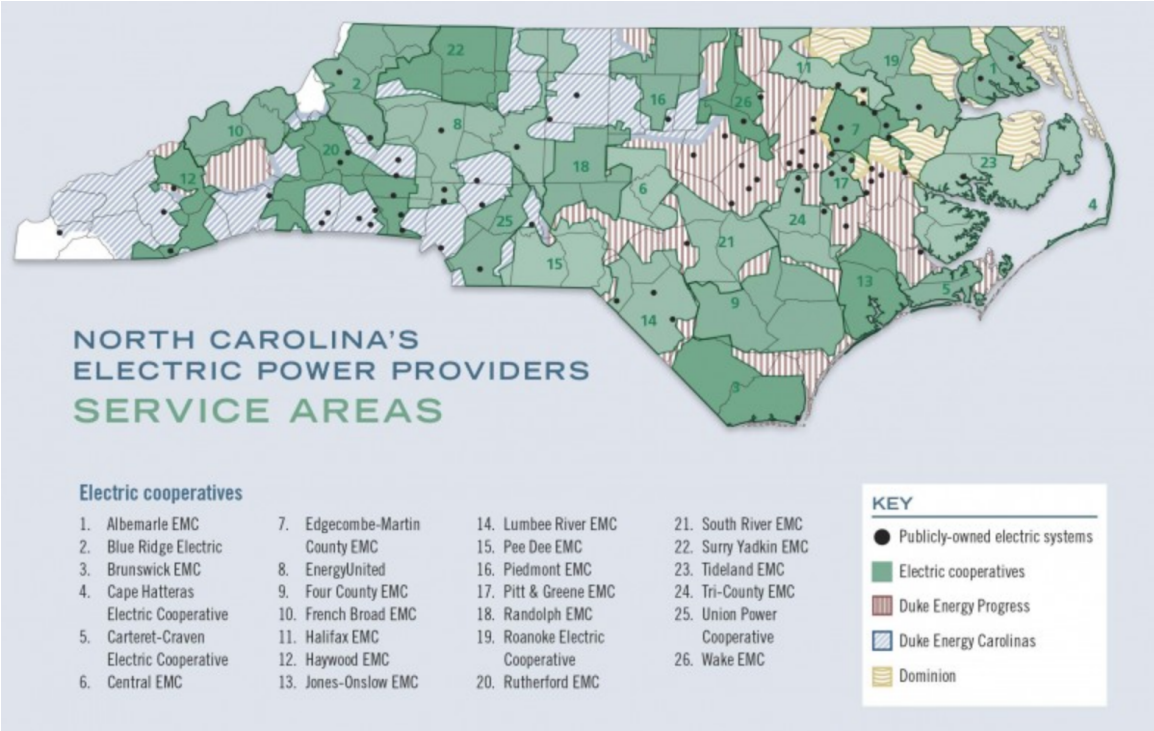

Figure 2. North Carolina Electric Power Providers[11]

c. Highway corridors represent a public charging use case whose needs are already served by third-party EVSPs; Duke's DCFC proposal is not addressing an unmet need.

Without support, the Alliance for Transportation Electrification claims that EVSPs will fail to fill the need of LMI communities for DCFC alongside highways.[12] EVgo disagrees. Beyond the fact that highway corridors continue to represent an important (and perhaps one of the first) use cases for third-party deployment of public fast charging, EVgo adds that income levels of the surrounding area have little to do with making a location attractive for public charging. Rather, dense, urban and suburban populations of all income levels can support competitive DCFC investment, and further,

[11] Accessed at https://www.carolinacountry.com/your-energy/energy-education/electric-utilities-in-north-carolina.
[12] Alliance for Transportation Electrification comments, p. 3.

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several factors play a role in identifying locations for DCFC, including but not limited to: density of Battery Electric Vehicle ("BEV") ownership, proximity to amenities, proximity to other fast chargers, distance to or location of major roadways, preponderance of residents of multi-unit dwellings that do not have access to home charging, and utility tariffs, among others.

In fact, EVgo supports Electric for All and in our network planning, we use the U.S. Environmental Protection Agency EJSCREEN tool to help guide our investments in environmental justice communities.[13] In addition, our network planning is a sophisticated and highly analytical effort supported by a decade of experience and informed by demand-prediction models, tools and data and a site selection process rooted in customer-centricity that focuses on site attractiveness and optimization. It is simply inaccurate to claim that a marketplace failure exists and it is too early to determine that there is an unmet need, and also premature to assume that a make-ready program, which comes at a lower cost to the ratepayer than utility ownership, could not direct third-party investments to LMI communities. Charging infrastructure programs with mandatory investments in environmental justice communities have increasingly become a best practice in program design and have been adopted in many jurisdictions.[14] NCSEA states

[13] Available at, https://www.epa.gov/ejscreen. EVgo supports electric for all and advancing greater equity in transportation electrification, and in our own mapping, EVgo uses EJ Screen as we consider investments in transportation electrification. We believe equitable outcomes can be achieved through effective program design that prioritizes disadvantaged, LMI or EJ communities, in proposals or site applications, and targeted rebates which will help direct private investment in these communities.

[14] *See, e.g.,* Connecticut PURA Decision (fn. 1), regarding equitable siting of DCFC. In approving the EV program, PURA directed the electric distribution companies ("EDCs") to "offer a higher upfront incentive to participating site hosts (also defined as customer of record) located in underserved communities." The DCFC program directed the EDCs to "adopt a make-ready utility investment model, combined with an upfront incentive for the purchase and installation of DCFCs, to increase access to the statewide DCFC network." In addition to the make-ready utility investment covering up to 100% of the cost of installing the infrastructure at the EVSE site, subject to the established maximum per site incentive, the EDCs are required to provide an upfront incentive, via a rebate, to participating site hosts to offset up to 50% of the costs of purchasing DCFCs.

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that it supports New Jersey's "last-resort" approach of allowing utility ownership of EV service equipment where the market is not meeting a need,[15] and EVgo agrees, but Duke has not demonstrated to date, that the market is not meeting the need for DCFC stations along North Carolina highways and could not with effective program design.[16]

d. EVgo proposes that the Commission authorize Duke to develop make-ready infrastructure for EVSP-owned DCFC stations.

As noted above, several parties have articulated that the Phase I Order required Duke to pursue make-ready infrastructure for DCFC, rather than ownership of DCFC stations themselves. It seems feasible to redirect Duke's Phase II DCFC proposal towards make-ready. Also noted earlier, EVgo supports utility ownership of DCFC stations as a "last resort," and that concept could be included as well. In fact, as EVGo explained in its initial comments[17], at the onset, prior to evaluating the merits of individual utility EV programs, the New Jersey BPU developed and sought input from stakeholders on the foundational questions of roles and responsibilities in deploying the state's charging infrastructure network and adopted a framework whereby the utilities

In California, Pacific Gas & Electric was allocated $22.4M for a make-ready DCFC program that has a goal to support 234 DCFCs and a stated requirement for a percentage of deployments to occur in disadvantaged communities where site hosts –d efined as the customer of record on the utility bill – receive an additional $25,000/charger rebate for installations in disadvantaged communities to help mitigate the high upfront capital costs of DCFC (CPUC Decision 18-05-040, p. 62). The Southern California Edison Charge Ready 2 program, approved in the summer of 2020 (CPUC Decision 20-08-045) employs a similar approach and does not include utility ownership of DCFC. As a result of effective program designs such as these, a recent report from the California Energy Commission of all infrastructure investments made to date in the state shows that DCFC charging is equitably located across all income levels. (California Energy Commission, *Electric Vehicle Infrastructure Deployment Assessment Senate Bill 1000 Report*; December 21, 2020. Figure 2.22 shows public Level 2 and DC Fast Chargers Per Capita by Community Income Level).

[15] NCSEA comments, pp. 3-6.

[16] As noted earlier, the NCDEQ's Phase I DCFC program can be a template for station siting based on multiple criteria, including serving LMI communities.

[17] EVgo initial comments, p. 9.

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would serve as provider of "last resort," whereby the utility can own only after meeting certain criteria[18]. EVgo urges the NCUC consider this approach for utility-owned charging infrastructure and we recommend the Commission redirects this Phase II proposal to a program that focuses on make-ready and incentives for third-party charging providers and explore the POLR framework through a stakeholder process at the conclusion of Phase I.

e. EVgo recommends that the Commission address DCFC rate design in its decision, particularly since the Phase I Order directed Duke to consider rate design.

As pointed out by several commentors, the Phase I Order directed Duke to consider rate design in future pilot proposals, and yet DCFC-specific rate design is conspicuously absent from Duke's proposal.[19] The Commission should insist that DCFC-specific rate design be addressed.

As noted by several parties, across the country, electric distribution utilities have recognized the important barrier demand charges create to the deployment of public fast charging infrastructure. EVgo recommends the inclusion of rate reform as part of the Commission's decision. Addressing rate design is a critical component of a holistic EV program. EVgo continues to endorse rate design principles that help make EV refueling more competitive with gasoline and address a key barrier to DCFC deployment in existing commercial tariff structures, thus encouraging greater private sector investment in fast charging development. It is imperative that commercial EV rates be included as

[18] EVGo initial comments, p. 9.
[19] NCJC/SACE/Sierra, p. 5; Environmental Defense Fund ("EDF"), pp. 11-13, and EDF attached Duke's responses to EDF's data requests (sent before the submission of Duke's Phase II proposal) regarding rate design; while Duke responded with its thoughts, none made it into Duke's Phase II proposal.

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part of Duke's DCFC program, and EVgo looks forward to engaging with the Commission and stakeholders to aid in the development of a DCFC commercial EV rate.

f. EVgo supports recommendations for a robust evaluation, measurement and verification plan.

Staff, CALSTART, and NCSEA properly point out that Duke's proposal has virtually no evaluation, measurement and verification plan, which should be rectified to have the data to make better decisions in the future, since we view deployment of the state's charging infrastructure to be a multi-pronged, iterative process. EVgo did not address this point in its initial comments, but supports the position that such a plan is a necessary element.

CONCLUSION

Once again, EVgo appreciates the opportunity to participate in this docket, and looks forward to the development of a successful program, particularly with respect to Duke's DCFC proposal. As discussed herein, EVgo agrees with Staff, NCSEA and others that Duke has ignored the directive of the Phase I Order to focus on make-ready infrastructure for DCFC and instead has resurrected its Phase I proposal to own 80 to 180 DCFC chargers. EVgo and others have suggested that Duke should be directed to focus on make-ready infrastructure.

Respectfully submitted, this 13th day of September, 2021.

By: /s/ Jason B. Keyes

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CERTIFICATE OF SERVICE

The undersigned attorney for EVgo Services, LLC hereby certifies that he served the foregoing Reply Comments upon the parties of record in this proceeding by electronic mail and/or depositing copies in the U.S. Mail, first-class, postage prepaid.

This 13th day of September, 2021.

/s/ Jason B. Keyes

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