

**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:
Duke Energy Carolinas, LLC and Duke
Energy Progress, LLC's Request for
Approval of Phase II Electric Transportation
Pilot Programs

**REPLY COMMENTS OF
CAROLINAS CLEAN ENERGY
BUSINESS ALLIANCE**

1. Introduction

Consistent with the North Carolina Utilities Commission's ("Commission") Order filed November 24, 2020, in the above-captioned proceedings, the Carolinas Clean Energy Business Association ("CCEBA") respectfully submits these reply comments on the proposed Phase II transportation electrification pilots ("Phase II Pilots") in the Application submitted by Duke Energy Progress ("DEP") and Duke Energy Carolinas ("DEC") (the "Companies"). CCEBA filed its initial comments on the Companies' Phase II Pilots on July 27, 2021.

In these reply comments, CCEBA will respond to initial comments filed by CALSTART's Coalition for Commercial Electric Vehicles ("CCEV"); ChargePoint, Inc. ("ChargePoint"); EVgo Services, LLC ("EVgo"); North Carolina Justice Center (NCJC) and the Southern Alliance for Clean Energy (SACE), along with the Sierra Club (together, "Joint Commenters"); North Carolina Utilities Commission Public Staff ("Public Staff"); and Zeco Systems, Inc. d/b/a Greenlots ("Greenlots"). CCEBA reiterates our position that the Phase II Pilots would have substantial and deleterious impacts to the rapidly growing

market for electric vehicle (“EV”) charging in North Carolina if approved by the Commission. We respectfully request that the Commission deny the Companies’ Application and reconsider the appropriate role for monopoly utilities in the competitive EV charging marketplace. At a minimum, the Companies should refile any Phase II Pilots programs after soliciting additional stakeholder input.

2. The Phase II Pilots fail to meet the Commission’s ET Pilot Order requirements.

There is broad agreement that the Phase II Pilots fail to consider pathways where private industry can play a bigger role. Public Staff, ChargePoint, and EVgo argued that the Phase II Pilots failed to meet the Commission’s requirement to consider additional ownership and partnership models besides utility owned and operated stations.¹ Public Staff stated that the Companies’ proposed Make Ready Program (“MRC Program”), which is being considered in a separate docket, should not be considered a component of the Phase II Pilots, because the Companies “clearly stated that the MRC Program was not a pilot.”²

While CCEBA supported the Companies’ MRC Program, our support does not change the fact that the Companies failed to consider a make ready approach in the Phase II Pilots. As we noted in our Initial Comments, “the Companies are merely proposing to own and operate more EVSE in the same market segments the ET Pilots already approved by the Commission: school buses, public Level 2, multifamily, and highway corridors.”³ The Companies have provided the Commission sufficient reason to reject the Phase II

¹ Public Staff Initial Comments at 7, ChargePoint Initial Comments at 8, and EVgo Initial Comments at 1.

² Public Staff at 11

³ CCEBA Initial Comments at 7

proposal by failing to consider additional ownership and partnership models for EV infrastructure.

3. The Phase II Pilots would primarily allow the Companies to unfairly compete against the private market and with utility customers.

CCEBA notes that several parties put forward strong views that the Phase II Pilots would negatively impact North Carolina’s existing and growing EV charging market. NCSEA argued that “the ability for the utility to recover its ET charging infrastructure investments via rate base gives it a competitive advantage over other market participants.”⁴ Public Staff similarly observed that approval of the Phase II Pilots “would allow Duke Energy’s regulated utilities to control a substantial proportion of the marketplace at the same time as it grows its unregulated EV subsidiary, eTransEnergy.”⁵

Even the parties that expressed support or neutrality for utility ownership of EV charging stations still acknowledged that utilities have a competitive advantage over non-utility market participants. For example, the Joint Commenters noted that the “Fast Charge Fee proposed by the Companies would not be competing on a level playing field with third-party EVSE fast charging providers, who would be hit with steep demand charges under existing tariffs.”⁶ CCEV similarly identified an unlevel playing field, explaining that “Duke’s proposed program designs would make itself whole when it owns, installs and operates chargers, but private developers would receive a smaller incremental incentive through the make-ready credit, or may end up paying more than the direct costs for EVSE purchase, installation and network fees under the Phase 2 pilot.”⁷ Parties that

⁴ NCSEA Initial Comments at 3.

⁵ Public Staff at 9

⁶ Joint Commenters Initial Comments at 22.

⁷ CCEV Initial Comments at 10.

are not philosophically opposed to utility-ownership of EVSE still recognize the disadvantage it can convey to participants in the existing and emerging market.

CCEBA agrees with the concerns identified by NCSEA and Public Staff, which are consistent with our argument that approval of the Phase II Pilots as proposed would effectively allow the Companies to compete against private sector deployments of charging, as well as those utility customers who operate charging on their sites.⁸ As observed by the Joint Commenters and CCEV, such competition would not be on a level playing field and would stifle competition across North Carolina. This result will frustrate the natural maturation of the EV market and hamper the end objective of meeting the state's ambitious EV penetration goals, necessitating further ongoing policy interventions by the Commission.

4. Conclusion

CCEBA thanks the Commission for the opportunity to provide reply comments in these proceedings. The Commission should reject the Companies' proposals to own and operate charging infrastructure to ensure that competitive market dynamics stay intact. At a minimum, the Companies should be required to refile any Phase II Pilots with additional stakeholder input to address the concerns identified above.

[SIGNATURE PAGE FOLLOWS]

⁸ CCEBA at 5.

Respectfully submitted this 13th day of September 2021.

CAROLINAS CLEAN ENERGY
BUSINESS ASSOCIATION

BY: /s/ John D. Burns
John D. Burns
General Counsel
N.C. Bar No. 24152
811 Ninth Street
Ste. 120-158
Durham, NC 27705
(919) 306-6906
counsel@carolinasceba.com

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing REPLY COMMENTS OF CCEBA has been duly served upon counsel of record for all parties to this docket by either depositing a true and exact copy of same in a depository of the United States Postal Service, first-class postage prebaid, and/or by electronic delivery as allowed by rule.

This 13th day of September 2021.

/s/ John D. Burns
John D. Burns
General Counsel
811 Ninth St. – Ste. 120-158
Durham, NC 27705
(919) 306-6906
counsel@carolinasceba.com