



July 8, 2021

Ms. Antonia Dunston, Acting Chief Clerk
North Carolina Utilities Commission
(NCUC)4325 Mail Service Center
Raleigh, NC 27699-4300

**Re: Dockets E-2, Sub. 1197, and E-7, Sub. 1195
Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Requests for Approval of Make-Ready Credit Programs**

Dear Ms. Dunston:

We wish to express our strong support of two filings made in these Dockets by the two operating utilities of Duke Energy in North Carolina, namely DEC and DEP (hereinafter "Duke Energy") and ask that these comments be entered into these Dockets. The filing for which we provide comments today are in response to the companies' filing of April 30, 2021 to Request Approval of Make Ready Credit Programs.

The Alliance, a 501(c)(6) non-profit corporation, is led by electric vehicle (EV) infrastructure firms and service providers, automobile manufacturers, utilities, and EV charging industry stakeholders and affiliated trade associations. We started with 20 organizations at the launch just over three years ago and now we have nearly 55 members nationally. We take a "big tent" approach to advance the industry and focus not just on accelerating EV charging deployments—which necessarily requires a strong utility role—but also promoting public accessibility and open standards. We are presently involved in about 25 proceedings in the States before the PSCs, state energy offices, Legislatures, Governors, state DOTs and DEPs, and other agencies.

A. Make-ready credit (MRC) program

First, with respect to the proposed Make Ready Credit program, the Duke Energy Filing of April 30, 2021 is in direct response to the Commission's Order in this Docket approving Duke Energy's Phase I Pilot Programs. In that Order, issued November 24, 2020, the Commission stated several attributes for Duke Energy to consider and incorporate into the pilot programs, including the following:

Make-ready Approach: Duke should leverage 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. (ET Pilot Order, at 21).

As Duke points out in its Filing, the request of the Companies to offer credits for make-ready investments by its customers is consistent not only with the November 24 Order in these Dockets, but is also consistent with several critical objectives as North Carolina moves forward in adopting electric vehicles. Specifically, we agree with Duke that their Filing is consistent with Governor Cooper's Executive Order 80, with the North Carolina Clean Energy Plan, with the need to ensure safe and reliable installation and operation of EV charging facilities, ensuring proper investment in low and moderate income areas, and providing a framework to proactively manage the Companies' grid so they can address system upgrades that are necessary for wide-scale electrification. All of these objectives are critical in striving to meet the Governor's goal of increasing the number of registered, zero-emission vehicles to at least 80,000 by 2025 (Executive Order 80).

This program builds upon the success of make-ready investment programs by utilities approved by Commissions in many states in the country, with certain requirements and features. Again, this is well designed and balanced in the sense of trying to share costs equitably between customers and Duke in the provision of the electrical interconnection equipment from the distribution transformer to the stub for the EVSE which augments the existing line extension tariff by going beyond the meter (BTM) to the stub in designing a crediting mechanism.

The program's underlying principle of matching revenues with costs is appropriate and attempts to be consistent with traditional cost-based ratemaking principles. Certainly, the electricity usage will increase with residential customers through the adoption of an EV and an installation of Level 2 charger, perhaps in the range of 3,000 to 4,000 kWh per year depending on the EV owner's charging behavior. Duke has done a good job in trying to estimate both the incremental revenues associated with this load, as well as the estimated costs (Demonstrated Costs) to do this build-out. As the Alliance has stated in many other jurisdictions, the meter should no longer be regarded as a demarcation point between the utility and customer sides of the meters for the design, operating, and perhaps ownership of make-ready and EVSE. Some of the customer sites, especially for C&I customers but also residential, will pose unique challenges for the utility and customer to resolve with the vendors and contractors due to the site design, meter location, and finding the most convenient place to locate the EVSE. This program allows flexibility in the process to maximize customer choice and mitigate cost shifts.

The application process including customer requirements for both residential and C&I customers appear to be reasonable, and consistent with utility programs in other jurisdictions. For residential customers, the option of the customer to either pursue a Contractor Credit approach or a direct crediting approach to it provides good diversity in approach. The Alliance especially notes that requirement for evidence of EV registration (with the North Carolina DMV) and believes that sort of data will increasingly be necessary in a higher-penetration EV future where Duke will need to know where the vehicles and chargers are located for purposes of grid operation and reliability. Likewise, we believe the eligibility and application process for C&I customers is reasonable in that it limits the crediting directly to the customer and doesn't require any evidence of DMV registration (since the vehicles being charged will not be under the control of the customer/site host).

For the multi-family dwelling and Housing Authorities, the Alliance believes the Company is taking the right approach by providing special provisions in the proposed tariff for such units. Again, the

approach for determining the proper amount of MRC will be based on the estimated aggregate revenues, compared to costs, over a three to five year period. This should provide focus within Duke and the stakeholder process, including the underserved (Tier 1 and Tier 2 counties) and the low-moderate income neighborhoods, for working with the landlords and authorities in determining the best approach to deploy Level 2 chargers in such facilities.

Finally, for new construction of housing units and working with contractors and homebuilders, the Alliance believes that the utility has developed a reasonable approach to encourage such builders to build out make-ready infrastructure for chargers at a convenient location on the site. If a jurisdiction does not have a code or standard mandating for the provision of EV-ready infrastructure, such incentives even at the modest amount of \$150 should send the proper signal to homebuilders for new construction in the state.

B. Overall comments and key issues

Broad and diverse portfolio of programs: We will file another round of initial comments on the other programs in a broader portfolio of end use cases, which Duke filed as Phase 2 pilot programs in late May. But we wish to state at the outset that we believe that Duke has done a commendable job in addressing the concerns in the Commission Order, as well as listening to the concerns of North Carolina stakeholders. It has engaged in a constructive stakeholder process with Public Staff and other selected stakeholders. Duke has also examined other States, including both utility program designs and Commission Orders both in neighboring states like Virginia (Dominion Energy) and by other forward-leaning utilities on transportation electrification in the country. A portfolio approach is essential to both spreading the benefits of electric transportation to all ratepayers, including varying geographies and income levels in North Carolina, as well as developing broader metrics and reporting requirements for the Commission and stakeholders. We are involved in over 20 State proceedings and utility filings in the country and can attest that these programs are best practices that have been tested and deployed in other jurisdictions.

Infrastructure gap: While the Alliance believes that the vehicle adoption goal in the Governor's EO 80 is modest compared to other State goals by 2025, it will still be a "stretch goal" to achieve with about four years remaining. Currently (end of February 2021), North Carolina only has about 25,000 registered electric vehicles in the state, both full battery electric (BEVs) and plug-in hybrid electric (PHEV). "Range anxiety" remains perhaps the biggest obstacle to a consumer purchasing an EV, which can only be resolved through designing and building more charging stations in the right locations. In order to reach this goal, an all-hands-on-deck approach is needed for this 2025 goal and beyond to 2030 and 2035 (when General Motors has announced the phasing out of sales of internal combustion vehicles). Duke demonstrates adequately in this filing that there is insufficient infrastructure deployed in the state now, and even with the modest additions proposed in this Phase II filing, the state will have to work with multiple organizations such as third-party providers, municipalities, host sites, transit agencies and school districts to achieve the Commonwealth's goals.

Commission directives in Order: As stated above, the Commission approved in part but denied in part Duke's filings of programs in the Phase 1 pilots. It directed the utility and the Public Staff to carry out a stakeholder process to vet and further discuss program designs. The Alliance has participated in the stakeholder process, and while improvements can always be made to the process, in this nascent market development stage with many new players and organizations interested, we believe that Duke

has engaged constructively and actively. Furthermore, it has proposed an ongoing ET stakeholder process to continue in the future, with meetings to be held on a quarterly basis. This is also a “best practice” that either utilities or Commissions are carrying out in most of the active ET states.

Hybrid market development: While Duke proposes a robust utility role in this early stage of market development, including owning and operating both the make-ready and EVSE in certain end uses, it also recognizes the critical role that non-utility third party providers and host sites will play in the development of the market. Both types of market development can co-exist, and in fact, the provision by the utility of make-ready infrastructure will help provide foundational capital assets that will enable many market participants to succeed with proper program design. The Alliance believes that this is not a black-and-white situation, and that a strong utility role is essential along with the EV service providers (EVSPs) and many other market participants.

Equity and LMI issues: Duke listened to the concerns expressed by organizations concerned with Equity and LMI issues and has attempted to address them in the program design in these portfolios. For example, the special focus in the proposed tariff schedule on landlords of multi-family dwellings and housing authorities, cited above, is a constructive way to allow these communities to enjoy the benefits of credits for make-ready investments that are consistent with single-family houses. Undoubtedly, more will need to be done to ensure that the benefits of transportation electrification are spread to low-income households, of which many reside in such dwellings either owned by a landlord or a public housing authority. The Alliance encourages utilities, EVSPs and all stakeholders to “engage early” with these communities and listen well to their concerns and unique needs. This will be an ongoing process, but we believe that with the make-ready credit program and other Phase II programs, Duke is making good progress in meeting these concerns.

In summary, the Alliance appreciates all the hard work, creative thinking, innovative rate and program designs, and learning from best practices from other jurisdictions that Duke has incorporated in these make-ready credit (MRC) programs. The Alliance urges expeditious review and approval of these programs.

Sincerely,

Philip B. Jones

Philip B. Jones, Executive Director
Alliance for Transportation Electrification (ATE)
1402 Third Avenue, Suite 1315
Seattle, WA 98101
Email: phil@evtransportationalliance.org