

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)	INITIAL COMMENTS OF GREENLOTS ON PROPOSED
For Approval Of Proposed Electric)	PHASE II ELECTRIC
Transportation Pilot)	TRANSPORTATION PILOT

Pursuant to the *Order Requesting Comments on Proposed Revised Pilot Programs* filed on June 14, 2021 and the *Order Granting Extensions of Time* filed on July 8, 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 Phase II Electric Transportation Pilot Program (“Phase II Pilot”) filed by Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”), (collectively, “the Companies” or “Duke”) on May 24, 2021.

I. ABOUT GREENLOTS

Greenlots is a leading provider of electric vehicle (“EV”) charging software and a member of the Shell Renewables & Energy Solutions group. The Greenlots network supports a significant percentage of the DC fast charging infrastructure in North America, and an increasing amount of the Level 2 infrastructure. Greenlots’ smart charging solutions are built around an open standards-based focus on future flexibility while helping site hosts, utilities, and grid operators manage dynamic EV charging loads and improve system efficiency.

The Greenlots network is also supporting the deployment of Shell Recharge, which in the U.S. is beginning to be deployed to provide Shell’s retail customers—including convenience stores, service stations, and drivers—on the go charging. Shell is recognized by customers for trust, quality and loyalty, and over time can work with Duke to build a sustainable charging station network that will help consumers who desire to transition to electric transportation.

II. BACKGROUND

In the Commission’s *Order Approving Electric Transportation Pilot Program, In Part* (“ET Pilot Order”) in the above-captioned docket, the Commission approved a modified set of four subprograms which Duke had originally proposed in its *Application for Approval of Proposed Electric Transportation Pilot* (“Phase I Application”) filed on March 29, 2019, specifically the Public Direct Current Fast Charging (“DCFC”), Public Level 2 Charging, Multifamily Dwelling Charging, and Electric School Bus Charging subprograms.¹ The Commission further directed Duke “to explore and create a second pilot of these three programs in a stakeholder process.”²

In response to this directive, Duke convened a stakeholder process in collaboration with Public Staff—in which Greenlots has been an active participant—which led to the filing of multiple proposals. These include dynamic rate designs (in a separate docket), a Customer-Operated EVSE Tariff Pilot (“EVSE Tariff Pilot”), Make-Ready Credit Programs (“MRC Programs”) and Duke’s *Joint Request for Approval of Phase II Electric Transportation Pilot Programs* (“Joint Request”) filed on May 24, 2021.³

¹ ET Pilot Order at 22.

² ET Pilot Order at 19.

³ See Docket No. E-7, Sub 1253: Petition of Duke Energy Carolinas, LLC Petition for Approval of Three Dynamic Rate Designs.

The Phase II Pilot includes four subprograms, summarized as follows.⁴

- Highway Corridor Fast Charging: \$28.5 million to install, own and operate up to 180 DCFC stations at 90 locations in rural Tier I and Tier II counties.
- Public Level 2 Charging: \$6.5 million to install, own and operate up to 480 chargers. Half of the deployments will be targeted to rural Tier I and Tier II counties, and half to low-to-moderate income (“LMI”) communities.
- Multifamily Level 2 Charging: \$6.5 million to install, own and operate up to 480 stations. As with the Public Level 2 program, half of the deployments will be targeted to rural counties and half to LMI communities.
- EV School Bus Program: \$13.5 million for up to 60 electric buses at 10 to 15 locations, for which Duke would cover the incremental cost difference between a comparable diesel school bus and the electric school bus.

III. GREENLOTS’ PRIOR DOCKET PARTICIPATION

Duke’s Joint Request proposes a new pilot portfolio of subprograms, but it is part of, and stems from, an ongoing proceeding in the above-referenced docket to which Greenlots has been, and remains, a party. Greenlots submitted a number of filings in this docket pertaining to the Phase I Pilot including initial comments, reply comments, and a motion to allow comments on the proposed settlement.⁵ These previous filings all expressed principles and views that continue to be reflected in Greenlots’ perspective on the instant Phase II Pilot, but because those documents are already contained in the docket record, Greenlots will refrain from repeating or reiterating them again in full.

⁴ Phase II Pilot at 15-19.

⁵ See: Initial Comments of Greenlots (July 5, 2019); Reply Comments of Greenlots (August 9, 2019); Greenlots’ Motion that Parties Be Allowed to Comment on Settlement Agreement (April 24, 2020).

Indeed, the Commission’s ET Pilot Order captured many of the points Greenlots articulated in these prior filings. Broadly, these themes include: support for “targeted utility investment” to overcome “several impediments in the state, including a lack of fast charging stations and general charging infrastructure, mostly notably public charging stations [which] leads to a lack of adoption due to...‘range anxiety;’” that “there is a market void stemming largely from the fact that private equity funded development often requires rapid and high returns on investment that can be at odds with capital investments such as public EVSE;” and, that “the private EV charging marketplace alone cannot adequately meet North Carolina’s transportation electrification and emissions goals, let alone achieve market transformation or maximize future growth and associated benefits.”⁶ These themes and others in Greenlots’ prior filings in this proceeding are directly relevant to the Phase II Pilot. Greenlots therefore draws attention to its prior filings in this docket and hereby incorporates them by reference into these comments about the Phase II Pilot.

IV. COMMENTS

i. Greenlots strongly supports the Phase II Pilot Program.

Greenlots commends the Commission for its recognition of the need for further collaboration by the Companies and stakeholders, and for its direction to the Companies to propose a new set of programs within six months of the ET Pilot Order. The Commission’s sense of urgency as reflected in that timetable was both appropriate and welcome, given the significant gap between the state’s policy goal of increasing the number of registered zero-emission vehicles

⁶ ET Pilot Order at 10, 13 and 18.

to at least 80,000 by 2025 and the lagging pace of EV infrastructure deployment that persists today in the state.⁷

Greenlots also commends the Companies for putting forward a proposal which, if approved, will not only support the statewide goal of Executive Order 80, but will pursue that goal in an equitable manner. To meet this goal equitably for all North Carolina residents and communities, a range of utility investment approaches is needed to support the significant ramp up of broad EV infrastructure build-out across geographies and market segments. Utility-installed, owned and operated fast chargers are an essential piece of this puzzle. Without it, EV infrastructure buildout will likely not only fail to keep pace with meeting the state's top line goal but will also be deployed in a scattered and geographically imbalanced manner, concentrated in more urban and wealthier communities while leaving behind rural and lower income communities.

Access to technology is a key enabler of economic growth and development. Unfortunately, communities that lack access to such technology often struggle to attract new—and even retain existing—jobs and businesses. One notable recent example of this technology divide is broadband internet. The lack of such high-speed infrastructure has posed an enormous challenge to the economic vitality of communities not just across North Carolina but across America.⁸ In these communities without broadband, small businesses are challenged to meet their customers' expectations for service; students are often unable to access online resources for

⁷ Executive Order 80. <https://governor.nc.gov/documents/executive-order-no-80-north-carolinas-commitment-address-climate-change-and-transition>

⁸ See, e.g., “Low levels of broadband adoption in rural areas lead to declines in the number of firms and total employment numbers in the county.” in B. Whitacre et. al. Broadband's contribution to economic growth in rural areas: Moving towards a causal relationship. Published in Telecommunications Policy 38 (2014) 1011-1023. Available at <https://doi.org/10.1016/j.telpol.2014.05.005>.

remote learning; and health care providers are often unable to offer adequate tele-health services to their remote clients.

Just as the broadband infrastructure gap has been emblematic of the technology divide during the first two decades of the 21st century, the EV infrastructure gap—absent intentional intervention by regulators and policymakers—is poised to become a newly impactful technology divide during the next decade. The consequences of the EV infrastructure gap will be similar, at least in broad respects, to the lack of broadband: communities that have the infrastructure will benefit, and communities that lack it—many of which are already underserved in other respects too—will become further disadvantaged. Families and businesses with access to charging may be able to own or access, and operate vehicles with lower total costs of ownership, including fuel and maintenance costs over the life of the vehicle, than their neighbors and competing businesses, respectively; students who ride electric school buses will be subject to far less diesel exhaust and air pollutants than their fellow students who still ride diesel-fueled school buses; and communities with access to EV infrastructure will generally enjoy improved air quality and respiratory health outcomes compared to communities without it.

Duke’s Phase II proposal is clearly intended to help forestall such inequitable development of EV infrastructure across the state and thereby avoid widening the gap between urban/rural and wealthy/low-income communities. Indeed, Duke’s three charging-related subprograms “are specifically dedicated to expanding equity and access to electric transportation mobility to low- and moderate-income customers or customers in more rural areas.”⁹

In addition, by supporting EV use and adoption in rural and LMI communities, the Phase II Pilot will also help grow the market for third party EV charging operators in these currently

⁹ Phase II Pilot at 14.

underserved areas. As Greenlots noted in its comments on the Phase I Pilot, this aspect of utility-owned charging stations is a vital but at times overlooked benefit of such programs.¹⁰ By helping build out a foundational backbone of charging stations across the state, Duke's utility-owned and operated charging stations will help move the market beyond its current stage characterized by low driver demand and limited deployment of stations—especially evident in underserved areas—towards an inflection point at which widespread demand for charging will support more profitable ownership and operation of stations by private operators. This, in turn, will help attract private investment even into underserved areas currently seen as having limited appeal for such capital.

ii. The Phase II Pilot should be considered within a broader context of Duke's previous and future EV infrastructure-related filings.

While utility owned and operated EV infrastructure is a critically important part of an equitable, statewide charging strategy, it is not the only part. Greenlots believes the Phase II Pilot can only be fully and properly considered within the broader context of the Companies' other EV-related filings to date—which include Duke's proposed dynamic rate designs, the EVSE Tariff Pilot and the MRC Programs—and additional filings to follow.

Together, these EV filings not only help increase EV adoption across a variety of customer segments, they also help support a variety of business models for companies that provide EV charging products and services in North Carolina. The Phase II Pilot's utility ownership incentive supports utility-led deployment of charging stations while creating commercial opportunity for charging companies that sell directly to utilities. The MRC Programs and EVSE Tariff Pilot support and facilitate deployment both by companies that sell to third-party site hosts and by companies that own and operate their own networks of charging stations

¹⁰ Initial Comments of Greenlots at 11-12; Reply Comments of Greenlots at 8.

and sell charging services directly to drivers. Considered together, the Company's use of these different incentives—make-ready credits, on-bill financing and utility ownership and operation of charging stations—acknowledges that multiple types of financial incentives are both appropriate and necessary to expand EV access and adoption in an equitable way for Duke customers. Additionally, these incentives together support a range of business models, including those represented by the market participants engaged in this proceeding.

While Greenlots strongly supports the instant pilot filing and considers Duke's EV-related filings thus far as being beneficial and, indeed, needed given current market conditions, Greenlots is convinced that further filings by Duke are warranted. The Phase II Pilot is a meaningful step forward in the state's electrification journey, but more support by Duke and the state's other utilities will be needed. Additional programs can further incentivize EV infrastructure deployment and investment by third parties, and also support broader electrification of more use cases, such as fleets, and of medium- and heavy-duty vehicles.

One such approach is to institutionalize make-ready investments as an expectation of utility service, not a program model, as Greenlots noted in its comments on the MRC Programs.¹¹ Incorporating make-ready as a core utility function will help round out Duke's range of EV charging incentives by complementing the Companies' utility-owned charging pilots with more direct support for private investment in charging stations beyond that enabled by the proposed MRC Programs.

Utility programs are also valuable to support electrification of fleets and of medium- and heavy-duty vehicles such as delivery vans, short-haul drayage trucks, regional-haul and long-haul trucks, forklifts and other ground service equipment, refuse trucks, transit buses and—as

¹¹ Comments of Greenlots on Proposed MRC Programs at 3.

Duke’s Phase II Pilot intends—school buses. For these classes of vehicles and use cases, upfront costs are often the most significant barriers to electrification, both for the vehicles themselves and for the charging equipment and associated infrastructure and installation. The availability of supportive utility tariffs—including financial incentives—can often be determinative as to the feasibility of electrifying a medium- or heavy-duty fleet. The current Stakeholder Collaborative process offers a useful venue for Duke and other stakeholders to explore and consider such tariffs and incentives to inform future Duke filings.

V. CLOSING

Greenlots strongly supports the instant Phase II Pilot Program as appropriate, necessary, and complementary to its Phase I Pilot and respectfully recommends its approval. The Phase II Pilot is consistent with the Commission’s direction; it is appropriately designed to support equitable access to ET by focusing on rural and LMI communities; and it reflects input received during the Stakeholder Collaborative process. Greenlots encourages Duke and the Commission to expand upon Duke’s current portfolio of approved and pending programs with additional filings designed to further incentivize charging deployments by third parties and to support electrification of additional use cases and medium- and heavy-duty vehicles.

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

Respectfully submitted, this the 29th day of July, 2021.

BURNS, DAY & PRESNELL, P.A.

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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 29th day of July, 2021.

BURNS, DAY & PRESNELL, P.A.

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