

SOUTHERN ENVIRONMENTAL LAW CENTER

Telephone 919-967-1450

601 WEST ROSEMARY STREET, SUITE 220
CHAPEL HILL, NC 27516-2356

Facsimile 919-929-9421

July 8, 2021

Via Electronic Filing

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina
27699-4300

RE: In the Matter of: Application for Approval of Proposed Electric
Transportation Pilot
Docket Nos. E-2, Sub 1197 and E-7, Sub 1195

Dear Ms. Campbell:

Enclosed for filing in the referenced docket, please find the Comments of North Carolina Justice Center and Southern Alliance for Clean Energy on the Make Ready Credit Programs.

Please let me know if you have any questions regarding this filing.

Sincerely,

s/ David Neal
David Neal

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1197

DOCKET NO. E-7, SUB 1195

)	
)	COMMENTS OF NORTH
In the Matter of:)	CAROLINA JUSTICE CENTER
Application of Duke Energy Carolinas,)	AND SOUTHERN ALLIANCE
LLC and Duke Energy Progress, LLC for)	FOR CLEAN ENERGY ON THE
Approval of Proposed Electric)	MAKE READY CREDIT
Transportation Pilot)	PROGRAMS
)	

The North Carolina Justice Center (NC Justice Center) and the Southern Alliance for Clean Energy (SACE) appreciate the opportunity to submit the following comments on Duke Energy Carolinas, LLC (DEC) and Duke Energy Progress, LLC’s (DEP) (together, “Duke Energy”) Application for Approval of the Make Ready Credit Programs filed in docket numbers E-2, Sub 1197 and E-7, Sub 1195 (“Make Ready Credit Programs”). NC Justice Center and SACE generally support the Make Ready Credit Programs and ask the Commission to approve them subject to the modifications set forth in these comments.

I. Introduction

Electric vehicle (EV) ownership continues its growth in North Carolina. With state and local policies and goals supporting the expansion of electric vehicles, as well as technological advances that are decreasing prices while increasing range, sales will likely continue to increase in the coming years. NC Justice Center and SACE see significant benefits from electrifying our transportation sector for EV drivers, utility customers, and North Carolina’s public health and environment. As the Commission observed in its

November 24, 2020 Order in these dockets, “there is general agreement that there are many potential benefits to electric ratepayers and society at large in the transition from gasoline- and diesel-powered vehicles to electric transportation.” *Order Approving Electric Transportation Pilot, in Part*, at p. 16 (Nov. 24, 2020).

The Duke Energy proposed Make Ready Credit Programs, though filed in the Electric Transportation (ET) Pilot dockets, are not pilots, but permanent programs. The Make Ready Credit Programs provide the infrastructure necessary to make a location ready for the installation of Electric Vehicle Supply Equipment (EVSE), but not the EVSE itself. Duke Energy states that unlike the other approved Phase I or pending Phase II EV Pilot programs, the Make Ready Credit Programs will be available to all customers regardless of the ultimate ownership or operation model for EV charging, whether Duke Energy-owned, customer-owned, or third-party owned. Make Ready App. at 6-7. Duke Energy’s Make Ready Credit Programs work similarly to their existing Line Extension policies, basing the credits on increased revenue from EV charging for the first three to five years after installation.

Barriers to more widespread EV adoption remain, including the upfront cost of upgrading customer-sited infrastructure for public, workplace, and residential charging applications. Additionally, the high upfront cost of EVs remains a barrier, especially for low- and moderate-income communities. NC Justice Center and SACE anticipate that well-designed programs that lower barriers to entry, combined with the low cost of operation, will make EVs a viable option for a broader array of customers in the near future. NC Justice Center and SACE appreciate the discussions that have taken place thus far in the ET Pilot dockets and stakeholder process (and proposed Phase II Pilots) to

help make EV charging infrastructure more available to low-income households and apartment dwellers and look forward to working with Duke Energy to make sure that the Make Ready Credit Programs similarly benefit harder-to-reach segments of the market.

In its 2019 ET Pilot Application, Duke Energy set forth a number of important goals for the ET Pilot, including ensuring that “electrification projects benefit all customers”; supporting “the development of a competitive market for EV charging services and ensur[ing] customer choice in EV charging technology”; and determining how to “cost-effectively integrate vehicle charging by actively managing charging loads.” ET Pilot App. at 8. While the Make Ready Credit Programs provide a logical framework for achieving the goals of supporting the development of a competitive market for EV charging services, it is not yet structured in a way to help manage future EV charging loads. And some adjustments may be needed to make sure that the Make Ready Credit can benefit all customers.

Because these Make Ready Credit Programs are being proposed as permanent programs and not as pilot programs, it is important to consider potential grid impacts when the Programs are accessed by customers at scale. As Duke Energy develops EV-specific rate designs and options for managed charging across the various EV charging use cases such as residential, workplace, public and fleet charging, NC Justice Center and SACE recommend considering whether (1) tying the Make Ready Credit to participating in one of those options; or (2) providing an additional incentive in the Make Ready Credit Programs for customers who commit to participating in one of those options. Doing so will help to make sure that these utility incentives are more likely to lead to load growth that is carefully managed to avoid the need for expensive new system upgrades.

II. NC Justice Center and SACE generally support the proposed Make Ready Credit program

NC Justice Center and SACE support the Make Ready Credit Programs because they have the potential to further accelerate EV adoption in North Carolina. The credits will help offset the upfront costs that many customers will face when seeking to install EVSE. They have the potential to bring increased private capital in additional EV charging infrastructure by supporting shorter sales cycles and reducing overall project costs for consumers. The Make Ready Credit Programs also have the potential to leverage and expand the availability of VW Settlement funds and other public funding sources as demand for EV charging infrastructure continues to increase.

The make-ready approach has several benefits. First, the utility provides credits to customers to offset the wires and other infrastructure that is required for EV charging, whereas customers or other third parties own the actual charging stations. Duke Energy is thus in a position to leverage its experience and expertise with distribution system expansion along the same lines as its line extension program, which in turn better prepares the system for EV charging at scale. And customers will retain choice over the actual charging equipment that will ultimately be installed, providing for competition in the market for EVSE that should work to keep costs lower for consumers. As NC Justice Center and SACE noted in initial comments on Duke Energy's ET Pilot, the Commission should remain vigilant to ensure that a regulated utility's entry into the market for EV charging infrastructure does not adversely impact competitive providers of EV charging services. The purpose of utility investments in the Pilots and from the Make Ready Credit Programs should be to help jumpstart the EV market and spur the proliferation of additional charging locations. NC Justice Center and SACE are comfortable that the

Make Ready Credit Programs do not create additional risk that Duke Energy would abuse its competitive advantage in this space.

III. Recommendations for Improvement

A. Require Evaluation, Measurement and Verification (EM&V) of Make Ready Credit Programs

NC Justice Center and SACE have some concern around how the Make Ready Credit Programs will be implemented. Because the Make Ready Credit Programs are not structured as pilot programs, there are no built-in mechanisms for data collection and sharing of lessons learned with stakeholders. Duke Energy notes that it retains “the right to install...metering and load research devices it deems appropriate” to collect data about the usage and characteristics of the EVSE. Made Ready App. at 13. But it is not sufficient to leave data collection solely to the unfettered discretion of Duke Energy. Instead, NC Justice Center and SACE recommend that Duke Energy devise a plan, with stakeholder input, for using the Make Ready Credit Programs to collect and report data. This could initially be accomplished as part of the EM&V for the ET Pilot Programs, as it is critical to incorporate data from the Make Ready Credit Programs to understand that the Programs’ influence on the success of the ET Pilots. However, because the Make Ready Credit Programs are proposed as permanent programs, EM&V would likely need to continue after the conclusion of the ET Pilot Programs.

Another consequence of not launching the Make Ready Credit Programs as pilot programs is that there is no built-in mechanism for reevaluating and, if necessary, recalibrating the credit amounts offered by Duke Energy to make sure that the program is effectively meeting its goal of encouraging the installation of EVSE. Ongoing EM&V

for the Make Ready Credit Programs could provide this oversight without additional proceedings before the Commission.

With these recommendations, NC Justice Center and SACE are not asking the Commission to turn the Make Ready Credit Programs into pilot programs, but instead to require built-in opportunities to learn from and make potential adjustments as would be the case if they were introduced as pilots. Data from the Make Ready Credit Programs could help to determine the importance of implementing EV-specific rates, managed charging, or adoption of time-of-use rates for some or all customers who install charging.

B. Equity and Access

NC Justice Center and SACE recommend some additional steps that the Commission should direct Duke Energy to take to help make the Make Ready Credit Programs more equitable. First, it will be important to provide the credits within one billing cycle of installation of the make-ready infrastructure. Otherwise, two problems are potentially created: 1) site hosts are left uncertain of when the credit will be received, adding a barrier to participation, and 2) lower-income customers will be at a disadvantage in participating because it will be difficult to cover the expense in the time between being billed for the installation and the receipt of the credit.

Second, NC Justice Center and SACE recommend that the Commission direct Duke Energy to make special efforts in its marketing and outreach to make the Make Ready Credit program accessible to lower-income communities, rural residents, and communities of color. This would include outreach and training opportunities to historically underutilized businesses to reach a more racially diverse group of contractors and construction companies to participate as pre-approved licensed contractors in the

residential and homebuilder programs. Duke Energy should develop the criteria for qualification in consultation with the Department of Administration's Office of Historically Underutilized Businesses and should make the criteria for qualification clear and publicly available.

Further, Duke Energy should make a special effort to ensure that its contractor network extends into rural areas. Expanding the number of pre-approved licensed contractors is an important way to reach low-wealth communities because when customers receive the credit through that option they pay no upfront cost, rather than having to wait a billing cycle to be reimbursed when many may not have the additional money on hand. Access to this streamlined credit option should be available to all customers in Duke Energy's service territory.

It is also important to make sure that school systems that are participating the Electric School Bus Pilot Programs have access to the Make Ready Credit Programs to help further reduce the upfront costs of adopting electric buses and attendant charging infrastructure. Likewise, in the event that the Phase II Multi-family Level 2 Charging Programs are approved, Duke Energy should explore pairing them with the Make Ready Credit Programs as needed.

C. Recommendations for Non-Residential Program

NC Justice Center and SACE recommend that the Commission direct Duke Energy to evaluate the appropriate sizing of customer-sited infrastructure (panel capacity, transformer, and conduit) for the Non-Residential Program so that additional EV chargers could be added at minimal expense as EV penetration increases. In other words, Duke Energy should consider whether an inexpensive, incremental increase in the capacity of

upgrades would allow for additional EV chargers without the need for further upgrades down the road. This kind of evaluation would be site-specific and should take into consideration the size of the non-residential parking facility or size of vehicle fleet, current and projected EV penetration in that area, population density, and proximity to other EV charging options. Transformers, panel boxes and conduit installed as part of the Make Ready Credit Programs should take into account the anticipated future demand to enable cost-effective expansion.

One of the goals of the Make Ready Credit Programs is to “defray the cost of make-ready infrastructure installed by customers to create the foundation necessary for [EV] programs and pilots.” Make Ready App. at 1. Therefore, the Commission should also direct Duke Energy to remove the uncertainty around the amount of reimbursement available for different types of commercial customers. As proposed, the amount will depend on the customer’s response to a customer usage profile form that will be made available on Duke Energy’s website. Duke Energy should provide this form, along with a transparent explanation of its calculations, up-front for prospective applicants and enable applicants to calculate the potential credit before applying. Reducing uncertainty around the credit amount will encourage applicants to apply.

Finally, the Commission should direct Duke Energy to make the availability of the homebuilder credit subject to objective criteria rather than the utility’s sole discretion. Again, reducing uncertainty around the availability of the credit can be expected to increase interest.

IV. Requests for Clarification

Upon review of Duke Energy's Make Ready Credit Programs proposal, NC Justice Center and SACE recommend that the Commission request clarification on two specific questions:

- a. What assumptions were used to determine reimbursement amounts across technology types and use cases including how anticipated demand charges are accounted for in DEC and DEP?
- b. What is the marketing/outreach plan to reach all customer segments, including the plan to reach low- and moderate-income and rural communities?

The Commission could request that Duke Energy provide responses to these questions in its reply comments or, if it needs additional time, separately.

V. Conclusion

NC Justice Center and SACE appreciate the opportunity to submit comments on Duke Energy's Make Ready Credit Programs, and generally support the Programs because of their potential to accelerate EV adoption in North Carolina. For all the reasons discussed above, NC Justice Center and SACE respectfully request that the Commission approve the Make Ready Credit Programs subject to the recommendations and modifications provided throughout these comments.

Respectfully submitted this the 8th day of July, 2021.

s/ Nicholas Jimenez

Nicholas Jimenez

s/ David Neal

David Neal

s/ Christina Andreen Tidwell

Christina Andreen Tidwell*

Admitted *pro hac vice*

Southern Environmental Law Center
601 West Rosemary Street, Suite 220
Chapel Hill, NC 27516
Telephone: (919) 967-1450
Fax: (919) 929-9421
njimenez@selcnc.org
dneal@selcnc.org
ctidwell@selcal.org

Attorneys for North Carolina Justice Center and Southern Alliance for Clean Energy.

*On July 7, 2021, Christina Tidwell (previously Christina Andreen) sent a Notice of Name Change and Request to Update Service Lists to the Commission notifying the Commission of changes to her name and email address.

CERTIFICATE OF SERVICE

I certify that all parties of record on the service list have been served with the foregoing comments either by electronic mail or by deposit in the U.S. Mail, postage prepaid.

This the 8th day of July, 2021.

s/ David Neal