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Alliance for Transportation Electrification

May 13, 2019

Jocelyn Boyd, Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, S.C. 29211

Re: Application of Duke Energy Carolinas, LLC for approval of proposed ET (electric transportation) pilot program, et al
Docket Nos: 2018-321-E & 2018-322-E (not consolidated)
NMRS File No: 058046.09000

Dear Ms. Boyd:

The Alliance for Transportation Electrification wishes to file the attached Comments for filing with the Commission in the above-mentioned Dockets. Please contact me, or Bruce Edelston (at 404-374-9812), a Senior Advisor of the Alliance, if you have any questions regarding this filing.

Sincerely,

Philip B. Jones, Executive Director
Alliance for Transportation Electrification
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Seattle, WA 98101
Tel: 206-453-4157

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cc.: Service List (via pdf)

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STATE OF SOUTH CAROLINA

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application of Duke Energy Carolinas, LLC	)	Docket No. 2018-321-E
For Approval of Proposed Electric Transportation	)	
Pilot and an Accounting Order to Defer	)	
Capital and Operating Expenses	)	
	)	
In re: Application of Duke Energy Progress, LLC	)	Docket No. 2018-322-E
For Approval of Proposed Electric Transportation	)	
Pilot and an Accounting Order to Defer	)	
Capital and Operating Expenses	)	(Not Consolidated)

COMMENTS OF THE ALLIANCE FOR TRANSPORTATION ELECTRIFICATION

The Alliance wishes to file some brief comments at this stage of the proceeding following our earlier written comments in support of the Duke Energy filings last November. Moreover, we participated in the full-day workshop organized by Office of Regulatory Staff (ORS) staff in Columbia on January 28th, which we believed to be a thorough and comprehensive analysis and vetting of the issues. We believe that the report and matrix of issues produced by the ORS fairly reflected the views of the parties at the workshop, which provided Duke Energy with valuable feedback. Duke Energy's staff responsible for EV infrastructure and regulatory affairs deliberated on those comments and feedback and produced several amendments and revisions to its original filings which we believe to be well scoped and appropriate. This sort of give and take in a policy-oriented workshop and deliberation is typical of the process in other state jurisdictions as well as they assess either specific utility filings for EVSE programs and tariffs or engage in a policy-oriented Docket on EV infrastructure issues including the utility role.

In particular, the ORS staff noted that "consensus" for program modifications was possible on many of the topics in the filings, but that there were certain areas in which the various and diverse parties were not able to reach agreement or consensus. In addition, certain parties made clear that Duke Energy's proposals in the area of medium and heavy duty EVs (metro transit and school buses) needs to be revised to reflect perhaps a higher rebate level to enable procurements to be successful. And most parties recognized the need for public-facing infrastructure, especially DC fast charging, in South Carolina and the important role that Duke Energy could play in helping to kick-start or catalyze the market in this early stage of development. After the conference call organized by ORS on March 7th, Duke Energy responded to such comments and made program modifications. Finally, ORS recognized that the issues of interoperability and open standards, both for hardware and software in the network management issues, was a complex and technical issue in which parties could not reach consensus quickly, and that further discussions were needed.

While we recognize that the Commission may not be ready to move forward on interoperability and open standards issues, we believe it is critical for us to respond here specifically to comments filed in

this docket by ChargePoint on April 23, 2019 which we believe may create some confusion with respect to some critical issues. First, ChargePoint argues for the need for "competitive markets" and suggests that Duke Energy should not be able to assess the issues of interoperability in its EVSE programs as they are implemented. Secondly, ChargePoint argues that the modification made by Duke Energy to increase the number of DCFC's from 30 to 60 should be rejected because it would unfairly advantage Duke relative to competitors.

Issue Number 1 (raised by ChargePoint):

ChargePoint requests in their April 23rd letter that the Commission require amendment of the Duke Energy filing, at this late date in the process, to specifically allow for what it terms "competitive markets" and the ability of all customers and host sites to pursue choice in both the hardware of EVSE as well as the network management systems (software) with respect to the charging rebate programs.

These same arguments were made at the workshop in January in Columbia and are now repeated in its April filing. While they seem appealing on the surface, the Alliance wishes to point out that these are quite complex issues under the surface and that the Commission should not accept these arguments on their face, especially regarding the issues of choice of multiple software and network management systems. We do not intend to engage in too much detail in these comments, and think it is inappropriate to do so at this stage of the proceeding at the Commission. But we want to ensure that the ORS and Commission understand our views (as well as many others in the EV ecosystem) on these critical issues. The Alliance believes that these issues are especially important to understand and distinguish some of the key issues that affect not only utilities and the non-utility service providers, but also EV owners and ratepayers of the utility. At the end of the day, the Commission needs to focus its concerns on the needs of the owners of the EVs who will be using and paying for this public-facing infrastructure that will be funded through ratepayer investment, hopefully with Commission approval.

It certainly makes sense to promote competitive markets for charging services, and there is no evidence that these markets are not or will not be competitive. In fact, customers can order hardware of their choice (usually a Level 2 charger) on Amazon or from their local Home Depot or Lowes and find multiple electricians willing and able to install the hardware. Frankly, it is a reality in the marketplace today, and we really don't need to be spending too much time discussing this in this Docket. The real issues with hardware procurement, in the context of the extant Duke Energy filing, are issues such as how Duke will pre-qualify such vendors, the requirement that such equipment has to be connected to the distribution grid of Duke so that integration services can be done, the sharing of data from the EVSE, and so on.

But issues of "competitive markets" and the need for customers and host sites to be able to choose "network services" is considerably more complicated. There is an important and vital distinction to be made between choice of hardware and that of a network management provider. The network management systems (fundamentally software systems that from the cloud control remotely all aspects of the charging session and experience) are complex systems that have a variety of functions and controls that are valuable both to the host site, the customer, and the utility. The Alliance believes that introducing multiple network management systems - particularly if those networks are private and not open and interoperable with other networks - into the EV ecosystem is neither efficient, safe (including

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network and cybersecurity), or reliable. Having private networks on the system will reduce efficiencies that can otherwise be gained and may seriously compromise the customer experience.

Private networks can only be interoperable with other parts of the network if there are voluntary agreements among owners of those networks with other network operators. But it's not clear that transfer of data would be seamless, even if such agreements exist. Furthermore, it is not clear that private network operators will make data available to or work with the local utility to ensure proper planning and operations of the electric system.

The customer in reality does not have a choice of a network operator – only a choice of charging station. Whatever network is attached to the charging station will be used for the customer's transaction. The customer cannot pull up to a charging station and then select a competing network. And if it's a proprietary network, the customers' choice of charging stations could be limited because if that customer has chosen hardware that only works with the hardware provider's proprietary network, the customer now has limited choice. The customers' best interest is served when networks use open standards and are interoperable with one another, which limits vendor lock-in and mitigates any potential risk of stranded assets over their depreciable lives. These outcomes should benefit the consumer and EV owner choosing a vehicle and public infrastructure funded with ratepayer dollars in South Carolina. The Commission should keep that simple fact in mind.

Issue Number 2 (raised by ChargePoint):

ChargePoint also raises the issue in its April 23rd filing about the number of DCFC chargers being proposed by Duke, which has been revised upward from 30 to 60. ChargePoint states "As part of a limited pilot effort, the utility should not be foundationally positioned to occupy a direct and substantial place in the market, as such expansive pilots may effectively predetermine market outcomes, capture prime locations for charging infrastructure, and slow the broader entrance of competitive market participants." The Alliance believes that these issues have been appropriately raised in the Duke Energy original filing and were discussed adequately at the earlier workshop and conference call. Several studies have been introduced in the record to demonstrate the urgent need for accelerated deployment of public EV infrastructure, including both DC fast charging and Level 2, and no overall objections were raised to the existence of this "infrastructure gap." ChargePoint (in its comments) itself references an NREL study that suggests a need for over 400 DCFCs in the state in just the next decade. Based on this estimate, Duke Energy's 60 chargers would give it only 15% of the projected DCFC market. The NREL based its estimate on a need for about 2.3 DCFC ports for each 1,000 EVs in South Carolina. But if EV market penetration is faster, then Duke Energy's share would be even smaller. And Duke does not have any special access to "prime locations." ChargePoint and other competitors can access the same sites in the same timeframe should they wish.

Therefore, the issues raised by ChargePoint really centers on the role of the regulated utility, and how much public infrastructure it should be allowed to build. We believe that 60 DCFC ports is an eminently reasonable number that will help kickstart the charging market in South Carolina, but will not crowd out any potential competitors.

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In conclusion, the Alliance for Transportation Electrification believes that the ChargePoint arguments suggesting that there should be a "competitive market" for both charging hardware and network services is potentially misguided. The Alliance believes that network services must be subject to open standards and be interoperable, which we believe will support competitive applications and innovations that can ride on such open networks. We believe that there was broad support for interoperability and open standards in initial comments and the workshop in this proceeding, and that is the proper path for the South Carolina Commission ultimately, although a decision is not needed at this time to approve the pilot.

The Alliance also believes that a program for 60 utility owned- and operated DCFC's is reasonable and in no way will crowd competitors out of the market. Nor will Duke have any special access to prime sites not available to third parties. We believe ORS should recommend approval of the amended Duke Energy request for pilot programs as submitted.

Respectfully submitted this 13th day of May, 2019

The Alliance for Transportation Electrification

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STATE OF SOUTH CAROLINA

BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Application of Duke Energy Carolinas, LLC For Approval of Proposed Electric Transportation Pilot and An Accounting Order to Defer Capital and Operating Expenses	)	Docket No. 2018-321-E
In Re: Application of Duke Energy Progress, LLC For Approval of Proposed Electric Transportation Pilot and An Accounting Order to Defer Capital and Operating Expenses	)	Docket No. 2018-322-E (Not Consolidated)

CERTIFICATE OF SERVICE

This is to certify that I, Philip B. Jones, have this date served *Comments of the Alliance for Transportation Electrification* in the above referenced matter to the person(s) named below by causing said copy to be forwarded via email, and addressed as shown below:

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signed, Philip B. Jones

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Dated: May 13, 2019

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