



June 16, 2023

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Joint Application of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of Electric Vehicle Supply Equipment Program Docket No. 2022-158-E

Dear Ms. Boyd:

Enclosed are comments of Charge Ahead Partnership (“CAP”) in reference to Docket No. 2022-158-E (in the matter of the joint application of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for approval of an electric vehicle supply equipment program.)

Sincerely,

/s/ Jay Smith

Jay Smith
Executive Director
Charge Ahead Partnership
Jay@chargeaheadpartnership.com
www.ChargeAheadPartnership.com



STATE OF SOUTH CAROLINA

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

**JOINT APPLICATION OF DUKE ENERGY
CAROLINAS, LLC AND DUKE ENERGY
PROGRESS, LLC FOR APPROVAL OF
ELECTRIC VEHICLE SUPPLY EQUIPMENT
PROGRAM**

DOCKET NO. 2022-158-E

COMMENTS OF CHARGE AHEAD PARTNERSHIP

I. Introduction

On April 29, 2022, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, “Duke Energy”) submitted a joint application to the South Carolina Public Service Commission (Commission) for approval of an Electric Vehicle Supply Equipment Program (EVSE Program). The EVSE Program would establish a “rental program” for electric vehicle (EV) chargers in which Duke customers, residential and non-residential, could pay a flat amount each month for the installation and maintenance of an EV charger. Duke Energy would own and install the charging equipment and the participating customer would operate it. Throughout the interceding months the Commission has heard testimony from stakeholders such as electric vehicle supply equipment (EVSE) companies, Duke Energy, and the Office of Regulatory Staff (ORS). While Charge Ahead Partnership (CAP) was not an intervener in these proceedings we appreciate the Commission’s consideration of our comments in opposition to Duke Energy’s proposed EVSE program.

II. About Charge Ahead Partnership

CAP’s membership is comprised of businesses, organizations and individuals that share the common goal of expanding South Carolina’s EV charging network and ensuring South Carolina is positioned to meet EV drivers’ expectations of quality service, safety and the affordable, competitive pricing to which they have grown accustomed with the established refueling network. Our corporate members, from big box retailers, to grocery stores and restaurants, to existing fuel retailers, own the real estate that is best suited for direct current fast charging (DCFC) infrastructure. Many of these businesses are located along highway corridors, and all of them offer the amenities that drivers will demand while refueling.

The biggest challenge to widespread EV adoption in South Carolina is the lack of a robust, statewide EV fast charging network that is co-located with the services and amenities, such as food vendors, restrooms, lighting and security, that consumers have come to expect when they refuel. CAP believes that a competitive, market-based approach is the most efficient and economical way to build

South Carolina’s EV charging network so that it promotes fair competition and encourages private investment in the EV charging business.

Included below is an overview of CAP’s concerns with the EVSE Program proposed by Duke Energy. Our comments are divided into two parts: the negative impacts of regulated electric utilities participating in competitive markets and concerns regarding the ratepayer impact of the EVSE program. Our comments are focused primarily on the non-residential side of the EVSE Program.

III. The Impact of Regulated Utility Involvement in the Competitive EV Charging Market

EV charging services and the ownership and operation of charging stations should be left to private companies that compete on price and quality of services. As noted in ORS Witness Ron Nelson’s direct testimony, “When regulated utilities enter competitive markets it introduces a unique type of cost shift risk that is not typically present when utilities operate only in markets most efficiently served by a natural monopoly.”¹ Indeed, electric utility participation in the EV charging market creates a major barrier to private businesses investing in DCFC stations as private businesses simply cannot compete with regulated electric utilities that have the ability to pass on the costs of their investments to all of their ratepayers.² Duke Energy’s proposed EVSE program, while seemingly well-intentioned, would undoubtedly discourage the development of a competitive EV charging market in South Carolina.

CAP acknowledges that South Carolina’s electric utilities will play a critical role in ensuring South Carolina’s grid infrastructure is prepared to support a statewide fast charging network. The most effective way to build out South Carolina’s charging network is through a coordinated partnership between South Carolina’s electric utilities and private, unregulated businesses. The Commission, through its jurisdiction over electric utilities, should implement regulatory policy to facilitate that partnership through the make-ready model, such as the jointly filed Docket 2022-159-E. This model will allow utilities to recover the costs of make-ready infrastructure to prepare charging sites for DCFC stations while unregulated businesses that compete on price and quality of service own and operate publicly available DCFC stations. This will encourage private investment and increase consumer choices in South Carolina’s EV charging market.

IV. The Potential Impact of the Program Upon South Carolina Ratepayers

Allowing Duke Energy to rate base the costs associated with building and owning DCFC fast chargers will adversely affect the entire rate base, regardless of how many customers actually drive an electric vehicle. This would have the largest impact on individuals in low-income and fixed-income communities who are more sensitive to price fluctuations and are less likely to own EVs. In this sense, spreading these costs operates like a regressive tax, particularly on those least able to afford it or directly benefit from it.

¹ See, Direct Testimony of Ron Nelson on behalf of the South Carolina Office of Regulatory Staff, pg. 19.

² See, e.g., Peter G. Scholtz, Assistant Attorney General, Minnesota Office of Attorney General comment letter in Docket No. 22-432. “Xcel’s EV proposals — particularly \$193 million earmarked for an expanded fast-charging network — implicate important public policy questions about whether and under what conditions the Company should be allowed to use its ratepayer-funded monopoly to compete in a new business area,” Scholtz wrote.

Private businesses need certainty that their investments in EV charging services will not be subject to unfair competition by electric utility owned charging stations. To address this uncertainty, CAP believes that regulated electric utilities that choose to own EV charging stations should do so through a separate, unregulated entity that cannot be cross subsidized with their regulated business as such, they can compete fairly with other private sector entities in the free market. Just this year Oklahoma passed legislation that enacts this policy.³ There is also pending legislation (SB 684) before the South Carolina General Assembly that would embrace this fair competition model for EV charging.⁴

In stark contrast to Duke Energy's proposed EVSE program, passage of SB 684 would ensure that South Carolina's EV charging market is based on fair competition and transparency making EV charging infrastructure more attractive for free-market investment.⁵ Robust competition will facilitate the development of a more positive customer experience for EV drivers, which will support the growth of South Carolina's EV fast charging network. CAP firmly believes that without an emphasis on quality consumer service as well as charging availability, EV adoption rates will lag.

V. Conclusion

For the reasons mentioned above and the concerns raised by other participants in this proceeding, chiefly ORS, we encourage you to reject Duke Energy's proposed EVSE program. Doing so will protect captive ratepayers from footing the bill to support an EV charging program that they will never participate in or benefit from. Additionally, this action by the Commission will support the development of South Carolina's EV charging market in a manner that facilitates competition and innovation, to the benefit of EV drivers and all consumers.

Thank you for your consideration of CAP's comments. As the Commission studies this issue, CAP is prepared to be a resource and welcomes all future opportunities to participate in this process.

Sincerely,

/s/ Jay Smith

Jay Smith
Executive Director
Charge Ahead Partnership
Jay@chargeaheadpartnership.com
www.ChargeAheadPartnership.com

³ Oklahoma Senate Bill 502, <http://www.oklegislature.gov/BillInfo.aspx?Bill=sb502&Session=2300>

⁴ South Carolina Senate Bill 684, https://www.scstatehouse.gov/sess125_2023-2024/bills/684.htm.

⁵ Sen. Larry Grooms, *South Carolina's EV predicament ... and its golden opportunity*, The Post and Courier, April 23, 2023, available at https://www.postandcourier.com/opinion/commentary/grooms-south-carolina-s-ev-predicament-and-its-golden-opportunity/article_b61277ae-dfb5-11ed-8cfd-5f9c7cca3187.html