



Kendrick C. Fentress
Associate General Counsel

Mailing Address:
NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.6733

Kendrick.Fentress@duke-energy.com

September 30, 2022

VIA ELECTRONIC FILING

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

**Re: Duke Energy Carolinas, LLC – Update on Tariffed On-Bill Pilot
Program
Docket No. E-7 Sub 1214**

Dear Ms. Dunston:

Pursuant to Commission’s March 31, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* in Docket No. E-7, Subs 1213, 1214, and 1187 (the “March Order”), Duke Energy Carolinas, LLC (“DEC” or the “Company”) hereby notifies the North Carolina Utilities Commission (the “Commission”) of the status of its work with stakeholders on the Tariffed on Bill (“TOB”) Pilot.

In the March Order, the Commission approved DEC’s July 23, 2020, Agreement and Stipulation of Settlement with Stipulating Parties¹ which, among other things, contains provisions relating to establishing a tariffed on-bill pilot program (“DEC Stipulation”). The Stipulating Parties agreed to collaborate to design a TOB pilot program, either a Pay-As-You-Save® or other mutually agreeable alternative program designs. The Company further agreed to either: (1) file the mutually agreed upon tariffed on-bill pilot program for approval with the Commission or (2) file a status report with the Commission on or before September 30, 2022.

¹ Duke Energy Carolinas, LLC, the North Carolina Sustainable Energy Association (“NCSEA”), the North Carolina Justice Center (“NCJC”), the North Carolina Housing Coalition (“NCHC”), the Natural Resources Defense Council (“NRDC”), and the Southern Alliance for Clean Energy (“SACE”) (collectively “NCSEA/NCJC et al.”).

In April 2021, Stipulating Parties organized the Tariffed On-Bill Working group (“TOB Working Group”) with other interested stakeholders, and commenced working in good faith to develop and design a common set of terms for a residential retrofit TOB pilot program for existing single-family homes (“Retrofit Program”). During development, as costs were evaluated and opportunities were identified, DEC and Duke Energy Progress, LLC (“DEP”) proposed developing and designing a multi-family new construction TOB pilot program for multi-family project developers (the “MFNC TOB Pilot”). Certain members of the TOB Working Group, including Stipulating Parties, agreed to developing the MFNC TOB Pilot, provided that the Companies agreed to file the Retrofit Program, as a new program, (and not as pilots) in both DEC and DEP service territories to meet the new statutory requirements of HB951. The Companies agreed to work with the TOB Working Group to design and develop the MFNC TOB Pilot in parallel with the Retrofit Program.

As the work designing the MFNC TOB Pilot progressed through the TOB Working Group, the Companies have become concerned that operational considerations complicated offering the MFNC TOB Pilot in both the DEC and the DEP service territories. One such consideration is that the DEC and DEP² Settlement Agreements establish a 700-1000 participant threshold for tariffed on-bill pilot programs in the DEC and DEP service territories combined. Developers have informed the Companies that they would only be interested in the MFNC TOB Pilot program if it is for all units in a new project. Given the average size of the projects, the MFNC TOB Pilot would be limited to only a handful of projects, and the maximum number of customers would be reached quickly in one service territory alone. Having two such MFNC TOB Pilots operating concurrently will necessarily result in duplicative evaluation, measurement, and verification, as well as operational and regulatory costs. In other words, the costs of establishing and operating two separate MFNC TOB Pilots in each service territory exceed the likely benefits.

On September 19, 2022, the Companies filed the Joint Motion to Amend Settlement Agreements on Scope of Tariff On-Bill (“TOB”) Pilots (“Joint Motion”), in Docket Nos. E-7, Sub 1214 and E-2, Sub 1219, reflecting the concerns detailed in the above paragraphs.

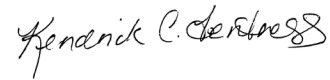
On September 30, 2022, DEP filed its Proposed Multi-Family New Construction Tariffed On-Bill (“TOB”) Pilot program in Docket No. E-2, Sub 1307.

As committed to in the Companies’ September 19, 2022, Joint Motion, the Companies submit this letter for filing in this dockets as a status update confirming the DEP-only MFNC TOB Pilot program filed with the Commission on September 30, 2022.

² April 16, 2021 Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice in Docket Nos. E-2, Subs 1219 and 1193

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kendrick C. Fentress". The signature is written in a cursive style with a large, stylized "K" and "F".

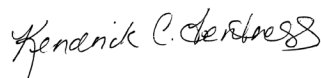
Kendrick C. Fentress

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC Update on Tariff On-Bill Pilot Program, in Docket No. E-7, Sub 1214, has been served on all parties of record either by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid.

This the 30th day of September, 2022.



Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/ NCRH 20
Raleigh, North Carolina 27602
Tel: 919.546.6733
kendrick.fentress@duke-energy.com