

BAKER DONELSON
BEARMAN, CALDWELL & BERKOWITZ, PC

MARION "WILL" MIDDLETON, III, ASSOCIATE
Direct Dial: 854.214.5915
E-Mail Address: wmiddleton@bakerdonelson.com

2235 GATEWAY ACCESS POINT
SUITE 220
RALEIGH, NC 27607

PHONE: 984.844.7900
www.bakerdonelson.com

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September 11, 2023

VIA ELECTRONIC FILING

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

**Re: Proposed Modifications to the Existing Commission-Approved
Residential Smart Saver Energy Efficiency Program; Docket No. E-7,
Subs 1032 and 1164**

Dear Ms. Dunston:

Enclosed for filing with and approval by the North Carolina Utilities Commission (the "Commission") is Duke Energy Carolinas, LLC's ("DEC" or the "Company") proposed modifications to its existing Commission-approved Residential Smart Saver Energy Efficiency Program ("Program" or "Smart Saver EE"), an energy efficiency ("EE") program approved in accordance with Commission Rule R8-68. This Program, formerly known as the HVAC EE Program, was originally approved by the Commission in its October 29, 2013 Order in Docket No. E-7, Sub 1032.

The proposed tariff modifications to the existing Program are intended to expand Program availability to multi-family residential customers. Additionally, the Company will update the heating ventilation and air conditioning ("HVAC") measures so that eligible measures must be above the current federal baseline, which was updated on January 1, 2023, and require duct sealing to be part of the HVAC replacement measure, where applicable.¹ Together, as evidenced by the cost-effectiveness scores below, these changes will drive increased EE/DSM savings, which benefit all customers.

¹ No tariff changes are required to update the HVAC standards or require duct sealing because the tariff is written in a way that provides the Company with flexibility to do so. The Company is providing these details to the Commission to ensure transparency and inform the Commission of the Company's ongoing EE/DSM improvements.

As the Commission is aware, Smart Saver EE is a long-standing and critical component of the Company's portfolio of EE programs. The Program encourages the installation of EE measures to reduce energy usage and assists customers with the installation of those measures. The Program was initially designed to encourage the installation of high efficiency HVAC, the largest single source of energy consumption in a residential customer's home. It has since been modified² to target additional sources of energy consumption in a residential customer's home. The Program enables residential households in the DEC territory to make eligible home improvements that will result in further EE savings.

DEC believes the modifications proposed in this filing are necessary to continue to provide meaningful savings for participating customers under the Program. The Company has modeled the Program's updated cost effectiveness results arising from these modifications. Consistent with past practice, the Company is providing the Commission with cost-effectiveness scores for (i) the existing Program ("Existing Program"), which were filed with the Commission as Exhibit 7 to the direct testimony of Robert P. Evans on 3/1/2022 in Docket E-7, Sub 1265 with an estimated five year view, (ii) the modification only ("Modification Only"), and (iii) the existing Program as modified herein ("Existing Program + Modification"). The results are below:

Cost Effectiveness Test	Existing Program	Modification Only	Existing Program + Modification
Utility Cost Test (UCT)	1.34	1.27	1.36
Total Resource Cost Test (TRC)	1.11	0.85	0.93
Rate Impact Measure Test (RIM)	0.71	0.65	0.63
Participant Cost Test (PCT)	1.82	1.47	1.77

DEC requests the modified Residential Smart Saver Energy Efficiency tariff become effective upon the earlier of (i) October 1, 2023, or (ii) the date on which the Commission approves the Program. The Company is also aware that under Commission Rule R8-68(d)(2) other parties have thirty days from the date of the filing in which to petition for intervention, protest, or file comments.

DEC respectfully requests that the Commission:

1. Approve the Residential Smart Saver Energy Efficiency Program and tariff (provided on Attachment G) to become effective upon the earlier

² The Commission subsequently approved Program modifications in its January 7, 2019, *Order Approving Program Modifications* in Docket Nos. E-7, Subs 1032 and 1164; and its September 11, 2017, *Order Approving Program Modifications* in Docket Nos. E-7, Sub 1032.

of (i) October 1, 2023, or (ii) the date on which the Commission approves the Program, until such time that the Commission orders otherwise.

2. Find that the Residential Smart Saver Energy Efficiency Program continues to meet the requirements of a “new” EE program consistent with Rule R8-69.
3. Find that all costs incurred by DEC associated with the Residential Smart Saver Energy Efficiency Program continue to be eligible for cost recovery through the annual Demand-Side Management and EE rider in accordance with Rule R8-69(b).
4. Approve the proposed utility incentives for continued inclusion in the annual DSM/EE rider in accordance with Rule R8-69.

The attached filing package contains a more detailed description of the Program, prepared in accordance with Rule R8-68(c)(2) and (3). Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,



Marion “Will” Middleton, III

*Appearing as counsel for Duke Energy
Carolinas, LLC*

N.C. State Bar No. 50877

Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Proposed Modifications to the Existing Commission-Approved Residential Smart Saver Energy Efficiency Program, filed in Docket No. E-7, Subs 1032 and 1164, 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 11th day of September 2023.

A handwritten signature in blue ink, appearing to read "Will M.", is written on a light gray rectangular background.

Marion "Will" Middleton, III