

RIDER EE (NC) ENERGY EFFICIENCY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments for new energy efficiency and demand-side management programs approved by the North Carolina Utilities Commission (NCUC). The Rider Adjustments are not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

As of January 1, 2024, cost recovery under Rider EE consists of the four-year term program, years 2014-2017, as well as rates under the continuation of that program for years 2018-2024 as outlined below. This Rider applies to service supplied under all rate schedules, except rate schedules OL, PL and NL for program years 2017-2024.

GENERAL PROVISIONS

This Rider will recover the cost of new energy efficiency and demand-side management programs beginning January 1, 2014, using the method approved by the NCUC as set forth in Docket No. E-7, Sub 1032, Order dated October 29, 2013, and as revised by Docket No. E-7, Sub 1130, Order dated August 23, 2017, and Docket No. E-7, Sub 1032, Order dated October 20, 2020.

TRUE-UP PROVISIONS

Rider amounts will initially be determined based on estimated kW and kWh impacts related to expected customer participation in the programs, and will be true-up as actual customer participation and actual kW and kWh impacts are verified. If a customer participates in any vintage of programs, the customer is subject to the true-ups as discussed in this section for any vintage of programs in which the customer participated.

RIDER EE OPT OUT PROVISION FOR QUALIFYING NON-RESIDENTIAL CUSTOMERS

The Rider EE increment applicable to energy efficiency programs and/or demand-side management programs will not be applied to the energy charge of the applicable rate schedule for customers qualified to opt out of the programs where:

- a. The customer has notified the Company that it has implemented, or has plans for implementing, alternative energy efficiency measures in accordance with quantifiable goals.
- b. Electric service to the customer must be provided under:
 1. An electric service agreement where the establishment is classified as a "manufacturing industry" by the Standard Industrial Classification Manual published by the United States Government and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes. Additionally, all other agreements billed to the same entity associated with the manufacturing industry located on the same or contiguous properties are also eligible to opt out.
 2. An electric service agreement for general service as provided for under the Company's rate schedules where the customer's annual energy use is 1,000,000 kilowatt hours or more. Additionally, all other agreements billed to the same entity with lesser annual usage located on the same or contiguous properties are also eligible to opt out.

The following additional provisions apply for qualifying customers who elect to opt out:

For customers who elect to opt out of energy efficiency programs, the following provisions also apply:

- Qualifying customers may opt out of the Company's energy efficiency programs each calendar year only during the annual two-month enrollment period between November 1 and December 31 immediately prior to a new Rider EE becoming effective on January 1. (Qualifying new customers have sixty days after beginning service to optout.)
- Customers may not opt out of individual energy efficiency programs offered by the Company. The choice to opt out applies to the Company's entire portfolio of energy efficiency programs.
- If a customer participates in any vintage of energy efficiency programs, the customer, irrespective of future opt out decisions, remains obligated to pay the remaining portion of the lost revenues for each vintage of energy efficiency programs in which the customer participated.

**RIDER EE (NC)
ENERGY EFFICIENCY RIDER**

- Customers who elect to opt out during the two-month annual enrollment period immediately prior to the new Rider EE becoming effective may elect to opt in to the Company's energy efficiency programs during the first 5 business days of March each calendar year. Customers making this election will be back-billed retroactively to the effective date of the new Rider EE.

For customers who elect to opt out of demand-side management programs, the following provisions also apply:

- Qualifying customers may opt out of the Company's demand-side management program during the enrollment period between November 1 and December 31 immediately prior to a new Rider EE becoming effective on January 1 of the applicable year. (Qualifying new customers have sixty days after beginning service to opt out.)
- If a customer elects to participate in a demand-side management program, the customer may not subsequently choose to opt out of demand-side management programs for three years.
- Customers who elect to opt out during the two-month annual enrollment period immediately prior to the new Rider EE becoming effective may elect to opt in to the Company's demand-side management program during the first 5 business days of March each calendar year. Customers making this election will be back-billed to the effective date of the new Rider EE.

Any qualifying non-residential customer that has not participated in an energy efficiency or demand-side management program may opt out during any enrollment period, and has no further responsibility to pay Rider EE amounts associated with the customer's opt out election for energy efficiency and/or demand-side management programs.

ENERGY EFFICIENCY RIDER ADJUSTMENTS (EEA) FOR ALL PROGRAM YEARS

The Rider EE amounts applicable to the residential and nonresidential rate schedules for the period January 1, 2024 through December 31, 2024 including utility assessments are as follows:

Residential

Vintage 2016 ¹ , 2017 ¹ , 2018 ¹ , 2019 ¹ , 2020 ¹ , 2021 ¹ , 2022 ¹	(0.0503) ¢ per kWh
Vintage 2021 ² , 2022 ² , 2023 ² , 2024 ²	<u>0.4320 ¢ per kWh</u>
Total Residential Rate	0.3817 ¢ per kWh

Nonresidential

Vintage 2018 ³	
Energy Efficiency	(0.0001) ¢ per kWh
Demand Side Management	0.0000 ¢ per kWh
Vintage 2019 ³	
Energy Efficiency	(0.0014) ¢ per kWh
Demand Side Management	(0.0001) ¢ per kWh
Vintage 2020 ³	
Energy Efficiency	(0.0068) ¢ per kWh
Demand Side Management	0.0002 ¢ per kWh
Vintage 2021 ³	
Energy Efficiency	0.0231 ¢ per kWh
Demand Side Management	(0.0073) ¢ per kWh
Vintage 2022 ³	
Energy Efficiency	(0.1264) ¢ per kWh
Demand Side Management	(0.0017) ¢ per kWh

Duke Energy Carolinas, LLC

Electricity No. 4

North Carolina Eighteenth Revised Leaf No. 62

Superseding North Carolina Seventeenth Revised Leaf No. 62

RIDER EE (NC)
ENERGY EFFICIENCY RIDER

Vintage 2023 ³	
Energy Efficiency	0.0802 ¢ per kWh
Demand Side Management	0.0000 ¢ per kWh
Vintage 2024 ³	
Energy Efficiency	0.3869 ¢ per kWh
Demand Side Management	0.0897 ¢ per kWh
Total Nonresidential Rate	0.4363 ¢ per kWh

¹ Includes the true-up of program costs, shared savings and lost revenues from Vintages 2016, 2017, 2018, 2019, 2020, 2021 and 2022

² Includes prospective component of Vintages 2021, 2022, 2023 and 2024

³ Not applicable to Rate Schedules OL, PL and NL

Each factor listed under Nonresidential is applicable to nonresidential customers who are not eligible to opt out and to eligible customers who have not opted out. If a nonresidential customer has opted out of a Vintage(s), then the applicable energy efficiency and/or demand-side management charge(s) shown above for the Vintage(s) during which the customer has opted out will not apply to the bill.