



Ladawn S. Toon  
Associate General Counsel

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

o: 919.546.2148

Ladawn.Toon@duke-energy.com

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**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 Duke Energy Carolinas, LLC's Residential Energy Assessment Program (a/k/a Home Energy House Call Program); Docket No. E-7, Sub 1032**

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 modification to its existing Residential Energy Assessment Program, which is known as the "Home Energy House Call Program" (the "Program"). This Program is an energy efficiency ("EE") and conservation program approved in accordance with Commission Rule R8-68. This Program was originally approved by the Commission on February 26, 2009, in Docket No. E-7, Sub 831 and has been subsequently modified to expand the Program's available measures eligible for upgrade or installation.<sup>1</sup>

**A. Overview of Existing Program.**

The current Program assists residential customers in assessing and reducing their energy usage through a free in-home assessment conducted by a certified energy specialist. During the assessment, the energy specialist assesses the customer's home and analyzes energy usage to identify energy savings opportunities. After conducting the analysis, the energy specialist provides a report to the customer that contains customized recommendations that would improve the EE of the customer's home. To emphasize the value of the recommended measures, the energy specialist provides a one-on-one education

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<sup>1</sup> See *Order Resolving Certain Issues, Requesting Information on Unsettled Matters, and Allowing Proposed Rider to Become Effective Subject to Refund* in Docket No. E-7, Sub 831, February 25, 2020.

session with the customer to discuss the potential impact of each measure and how to maintain those measures, as well as any additional recommendations that might reduce energy usage. In addition, participants are offered free home EE measures, such as showerheads, pipe wrap, and weather stripping.<sup>2</sup> As such, the Program identifies those customers who are likely to benefit most from improving EE practices and provides actionable recommendations to create energy savings at no cost to those customers.

## **B. Proposed Modifications.**

The Company seeks to modify the Program by (1) offering a virtual audit option as well as (2) providing direct installation of measures by an energy specialist upon the conclusion of an on-site audit. The virtual audit option is designed to increase and expand eligible participants who were previously not eligible for an on-site audit. Additionally, by requiring direct installation of measures by a contractor upon the conclusion of an on-site audit, the modification will help increase the cost-effectiveness of the Program. This requirement will bring immediate benefits to the customer's home by ensuring that the EE measures are installed appropriately and will alleviate any burden on the customer related to that installation.

### **a. Virtual Audit.**

Currently, the Program only offers an on-site audit option to owner-occupied residences, excluding manufactured housing. The proposed modification would add a virtual audit option (the "Virtual Audit") to renters of single-family residences and to owners and/or renters of townhomes, condominiums, and manufactured housing. By offering a free Virtual Audit option, the Company seeks to engage with customers that may not participate in the existing Program because those customers prefer not to have an auditor actually enter their home, which is a required component to participate in the current Program. To mitigate this barrier to participation, the Virtual Audit can be conducted in a variety of ways, all of which can be completed without an auditor ever entering a customer's home.

For example, the Virtual Audit can be conducted over the phone, through a web-based evaluation, or through a video call. Just like the existing on-site audit under the Program, the Virtual Audit will provide a detailed report to the customer that includes EE recommendations that could save the customer money by reducing energy usage.<sup>3</sup> This additional audit option will minimize the need for a contractor to enter the customer's home and can be tailored to a customer's specific needs and schedule. This expansion was recommended in and supported by the DSM/EE Carolinas Collaborative as a way to serve a broader range of customers—including under-represented customers that are typically harder to engage in traditional EE/DSM program offerings.

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<sup>2</sup> Customers may also request additional or upgraded EE measures at an additional cost.

<sup>3</sup> The Virtual Audit will also offer participants a home EE measure such as a kit; however, given that the audit will not be performed on-site, no direct installation option will be offered under the Virtual Audit option.

b. Direct Installation Under the On-Site Audit.

Currently, the Program's on-site audit option does not require recommended EE measures to be installed by the energy specialist upon the conclusion of the audit. Rather, the energy specialist may leave those measures behind with the customer. Although the customer may choose to install these measures on their own, thereby creating EE savings, there is no requirement that they do so under the existing Program. The proposed modification seeks to maximize energy savings under the existing on-site audit option by requiring the energy specialist to install that measure in the customer's home upon conclusion of the audit. By directly installing the measures at the conclusion of the on-site audit, the Program would bring immediate benefits to the customer's home that may not otherwise be realized and alleviate any burden on the customer related to that installation.

C. Cost Effectiveness.

As evidenced by the below cost-effectiveness scores, these modifications will expand the pool of potential energy savings by reaching a broader range of customers through a low-cost virtual option. The modifications will also ensure that customers can experience immediate benefits that may not otherwise be realized under the on-site option through direct installation of EE measures. The previously reported cost effectiveness results (provided in Fields Exhibit 7 in Docket No. E-7, Sub 1285) and the impacts, associated with the modifications, are provided in the following table as a one-year view:

<b>Cost Effectiveness Test<sup>4</sup></b>	<b>Existing Program</b>	<b>Modification</b>	<b>Existing Program + Modification</b>
Utility Cost Test (UCT)	1.32	3.65	1.64
Total Resource Cost Test (TRC)	1.29	3.65	1.61
Rate Impact Measure Test (RIM)	0.49	0.89	0.57
Participant Cost Test (PCT)	19.02	12.68	17.03

Therefore, given the potential benefits to the Company's customers and the Program's continued EE goals, the Company respectfully requests that the Commission:

1. Approve the Residential Energy Assessment Program modifications and tariff until such time that the Commission orders otherwise.

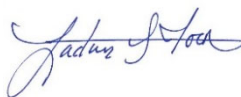
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<sup>4</sup> An EM&V report was recently completed for the existing Program and was included in the Company's DSM/EE Rider 16 filing. The results of the EM&V report and impact to the Program compared to the proposed modification also provides similar positive impacts to the cost effectiveness results.

2. Find that the Residential Energy Assessment 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 Residential Energy Assessment Program will be eligible for consideration for cost recovery through the Company’s annual DSM/EE rider in accordance with Rule R8-69(b).
4. Approve the proposed utility incentives for inclusion in the Company’s annual DSM/EE rider in accordance with Rule R8-69.
5. Approve the proposed Program modifications at the Commission’s earliest convenience.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Ladawn S. Toon", written in a cursive style.

Ladawn S. Toon

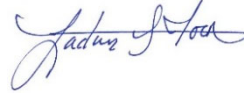
Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Proposed Modifications to its Residential Energy Assessment Program (a/k/a Home Energy House Call Program), in Docket No. E-7, Sub 1032, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1<sup>st</sup> Class Postage Prepaid, properly addressed to parties of record.

This the 18th day of March, 2024.



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Ladawn S. Toon