

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 931
DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 931)	
)	
In the Matter of)	
Application of Duke Energy Progress, LLC, for)	
Approval of Demand-Side Management and)	ORDER REQUESTING
Energy Efficiency Cost Recovery Rider)	COMMENTS AND REPLY
Pursuant to N.C.G.S. § 62-133.9 and)	COMMENTS
Commission Rule R8-69)	
)	
DOCKET NO. E-7, SUB 1032)	
)	
In the Matter of)	
Application of Duke Energy Carolinas, LLC, for)	
Approval of New Cost Recovery Mechanism)	
and Portfolio of Demand-Side Management)	
and Energy Efficiency Programs)	

BY THE CHAIR: On January 20, 2015, the Commission issued an Order Approving Revised Cost Recovery Mechanism and Granting Waivers (DEP Mechanism Order), in Docket No. E-2, Sub 931. The Order approved changes to the demand-side management and energy efficiency (DSM/EE) mechanism by which Duke Energy Progress, LLC (DEP) recovers its DSM/EE costs and incentives (DEP Mechanism). In Ordering Paragraph No. 7, the Commission directed

That the Public Staff shall initiate a formal review of the Company's Mechanism not later than February 1, 2019, unless requested to do so earlier by the Commission, the Company, or another interested party. The Public Staff's review should specifically address whether the incentives in the Commission-approved Mechanism are producing significant DSM and EE results; whether the customer rate impacts from the DSM/EE rider are reasonable and appropriate; whether overall portfolio performance targets should be adopted; and any other relevant issues that may be identified during the review process.

DEP Mechanism Order, at 7.

On August 23, 2017, in Docket No. E-7, Sub 1032, the Commission issued an Order Approving DSM/EE Rider, Revising DSM/EE Mechanism, and Requiring Filing of Proposed Customer Notice. The Order, among other things, revised the DSM/EE mechanism by which Duke Energy Carolinas, LLC (DEC) recovers its DSM/EE costs and incentives (DEC Mechanism), effective January 1, 2018.

On February 1, 2019, the Public Staff filed a Motion to Establish Comment Cycle in Docket Nos. E-2, Sub 931 and E-7, Sub 1032. In summary, the Public Staff recommended that the Commission initiate a review of the DEP and DEC Mechanisms in a joint proceeding, with initial comments due in 120 days and reply comments due 30 days thereafter. In addition, the Public Staff recommended that the parties address the topics specified by the Commission in Ordering Paragraph No. 7 of the DEP Mechanism Order, as well as other relevant issues.

On February 6, 2019, the Commission issued an Order Requesting Comments consistent with the Public Staff's procedural recommendations.

On July 10, 2019, after one extension of time was granted by the Commission, initial comments were filed jointly by Southern Alliance for Clean Energy, Sierra Club, Natural Resources Defense Council, South Carolina Coastal Conservation League, and North Carolina Sustainable Energy Association (collectively, Joint Commenters), the Public Staff, and the North Carolina Attorney General's Office.

On January 15, 2020, after additional extensions of time were granted by the Commission, DEP, DEC, and those parties who filed initial comments (collectively, Joint Parties) filed proposed revisions to the DEP and DEC Mechanisms. In summary, the Joint Parties stated that they participated in a number of meetings, conference calls and other communications in an attempt to resolve some or all of the issues identified in the Joint Parties' initial comments. Further, the Joint Parties outlined several revisions to the Mechanisms that they have agreed upon. In addition, they attached as Exhibits A and B redlined copies of their proposed revised versions of the DEC and DEP Mechanisms, respectively. Finally, the Joint Parties requested that the Commission issue an order allowing parties to file comments and reply comments on the proposed revisions, and on other issues as identified by such parties.

Also on January 15, 2020, the Joint Commenters filed comments stating that they support the proposed revisions filed by the Joint Parties. Further, the Joint Commenters made several additional recommendations for the Commission's consideration.

Based on the Joint Parties' filing and the record in these dockets, the Chair finds good cause to request comments and reply comments addressing the revisions to DEC's and DEP's Mechanisms proposed by the Joint Parties, the additional recommendations

of the Joint Commenters, and any other issues deemed relevant to DEC's and DEP's Mechanisms.

IT IS, THEREFORE, ORDERED as follows:

1. That on or before February 17, 2020, the parties may file comments addressing the recommended changes and other possible changes to the DEP and DEC Mechanisms.

2. That on or before March 9, 2020, the parties may file reply comments.

3. That if parties have suggested changes to the revised Mechanisms filed by the Joint Parties those changes shall be presented by filing a redlined version of the Joint Parties' Exhibits A and B, with the party's proposed deletions and additions in a color different from the red used by the Joint Parties.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of January, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a light gray circular stamp.

Janice H. Fulmore, Deputy Clerk