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VIA ELECTRONIC FILING AND HAND DELIVERY

Ms. M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**Re: Duke Energy Carolinas, LLC's DSM/EE Cost Recovery Rider –
Rebuttal Testimony
Docket No. E-7, Sub 1192**

Dear Ms. Jarvis:

Enclosed for filing is Duke Energy Carolinas, LLC's Rebuttal Testimony of Robert P. Evans for filing in connection with the referenced matter. Fifteen (15) paper copies of the Rebuttal Testimony will be delivered to the Clerk's Office by close of business on May 31, 2019.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Kendrick C. Fentress

Enclosures

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1192

In the Matter of)	
Application of Duke Energy Carolinas, LLC)	REBUTTAL TESTIMONY OF
for Approval of Demand-Side Management)	ROBERT P. EVANS FOR
and Energy Efficiency Cost Recovery Rider)	DUKE ENERGY CAROLINAS,
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	LLC
Commission Rule R8-69)	

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION**
2 **WITH DUKE ENERGY.**

3 A. My name is Robert P. Evans, and my business address is 410 S. Wilmington Street,
4 Raleigh, North Carolina. I am employed by Duke Energy Corporation
5 (“Company”) as Senior Manager-Strategy and Collaboration for the Carolinas in
6 the market solutions regulatory strategy and evaluation group.

7 **Q. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN SUPPORT OF**
8 **DEC’S APPLICATION IN THIS DOCKET?**

9 A. Yes.

10 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

11 A. The purpose of my rebuttal testimony is to respond to portions of the testimony of
12 Forest Bradley-Wright filed on behalf of the North Carolina Justice Center
13 (“NCJC”) and the Southern Alliance for Clean Energy (“SACE”). I would like to
14 clarify some interactions between the Company and the Collaborative described by
15 Witness Bradley-Wright.

16 **Q. ARE YOU TESTIFYING ON BEHALF OF THE COLLABORATIVE?**

17 A. No. While a longtime member and former Collaborative facilitator, I cannot speak
18 or testify on behalf of the Collaborative.

19 **Q. IS WITNESS BRADLEY-WRIGHT TESTIFYING ON BEHALF OF THE**
20 **COLLABORATIVE?**

21 A. No. Because the Collaborative was created as an advisory forum, participants may
22 neither testify nor speak on behalf of the Collaborative without its unanimous
23 consent as a whole. Members of the Collaborative may submit comments to this

1 Commission representing the positions of their respective organizations on matters
2 related to the Collaborative and the Company's programs in general.

3 **Q. YOU INDICATED THAT CERTAIN INTERACTIONS BETWEEN THE**
4 **COMPANY AND THE COLLABORATIVE NEED TO BE CLARIFIED.**
5 **CAN YOU ELABORATE ON YOUR STATEMENT?**

6 A. Yes. Although Witness Bradley-Wright has not had the opportunity to participate
7 in the Collaborative until recently, the Company welcomes his enthusiasm and
8 active participation. However, several of his statements warrant a response from
9 the Company. I am concerned by the statement beginning on line 16 of page 12 of
10 his testimony:

11 *Despite the dedication of extensive time, energy, and resources by Duke*
12 *and participating stakeholders, these efforts have produced little to no*
13 *tangible results, having neither been implemented by Duke directly nor*
14 *resulted in further specific action by the Commission.*

15 I am also concerned about that statement when it is coupled with the statement
16 beginning on line 15 of page 16 of his testimony:

17 *Over the past few months Duke has presented several program changes*
18 *for discussion, but rather than engaging stakeholders earlier in the*
19 *process, this typically occurs after their ideas about how to proceed have*
20 *been nearly or fully baked.*

21 Finally, I would like to respond to the statement on line 18 of page 24 of his
22 testimony:

23 *Stakeholders are aware of, and frustrated by, the lack of tangible results from*
24 *the work of the Collaborative in past years.*

1 **Q. DO YOU AGREE THAT THE COLLABORATIVE HAS NOT ALLOWED**
2 **PARTICIPANTS INPUT WITH RESPECT TO PROGRAM CHANGES?**

3 A. No. Witness Bradley-Wright provided examples based on his concerns that the
4 Collaborative has had limited potential to provide the Company feedback, thereby
5 diminishing the value that the Collaborative could bring with respect to program
6 modification and development. The programs identified were the Residential
7 Smart Saver (“Smart Saver”), Pay for Performance, and Neighborhood Energy
8 Saver (“NES”) programs. The following are comments relating to his concerns.

9 • **Smart Saver:** The Smart Saver program’s difficulties in achieving cost
10 effectiveness have been noted in the semi-annual program updates and have
11 been discussed for some time by the Collaborative. In 2016, the addition of
12 the quality installation procedure was cited as a means of increasing program
13 cost effectiveness. In 2017, the Company added referral fees to reduce
14 program costs because of cost effectiveness challenges. In addition, the
15 Commission’s directive to file program modifications was well known to
16 Collaborative members, many of whom are also intervenors. The
17 presentation in September 2018 may have been the first time Witness
18 Bradley-Wright became aware of the issue because it was his first time joining
19 the Collaborative.

20 • **Pay for Performance:** In response to questions and recommendations from
21 the Collaborative, the Company added language to the vendor contract prior
22 to executing it, initiated talks with additional non-profits regarding their
23 willingness to participate in the program, and consulted with the program
24 development team to ensure that if the program is expanded beyond a pilot,

1 members' recommendations will be considered. In fact, the delay in
2 implementing the recommendations regarding non-profits from the outset of
3 the pilot program reflected the first non-profit's staffing capabilities, not the
4 Company's unwillingness to include input from the Collaborative.

- 5 • **NES:** The Company began to solicit feedback from the Collaborative in
6 December 2018 when background information about the proposed NES
7 program expansion was distributed via email. The topic was covered again
8 in January 2019 with program management staff. In February 2019, program
9 staff joined the conference call with the Collaborative to hear suggestions and
10 respond to questions. Witness Bradley-Wright is correct when he says the
11 Company did not offer a detailed description initially. The Company
12 intentionally did not distribute the detailed list of measures being considered
13 internally, to keep the discussion open-ended so that members would feel free
14 to make suggestions beyond the scope of the ones the Company was already
15 proposing. Nevertheless, Collaborative members asked to be given the
16 technical list for reference, and the Company emailed it to them the same day.
17 Additionally, the window for the Collaborative to offer suggestions was open
18 from the January 2019 Collaborative meeting to February 22, approximately
19 three weeks.

20 Finally, I note that some changes to programs need to be made quickly, because
21 program managers are encouraged to respond to customer needs and market
22 changes as quickly as possible. In those cases, the Collaborative membership is
23 consulted as soon as possible for input.

1 **Q. DO YOU AGREE THAT THE EFFORTS OF THE COLLABORATIVE**
2 **HAVE NOT PRODUCED TANGIBLE RESULTS?**

3 A. No. Witness Bradley-Wright provided examples of what the Collaborative has
4 worked on developing. These include: On-Bill Financing, Combined Heat and
5 Power, Development of a Technical Resource Manual, and others including Non-
6 energy benefits.

7 The On-Bill Financing (“OBF”) working group determined that it was not cost
8 effective to modify the Company’s existing Customer Information / Billing System
9 (“CIBS”) to accommodate OBF at this time; however, it was agreed that OBF
10 functionality would be included in the Company’s next generation CIBS. It is
11 expected that this effort should come to fruition in 2022.

12 As to Combined Heat and Power (“CHP”), consistent with the outcome of the
13 Collaborative’s discussions on potential changes to enhance the Company’s
14 programs’ ability to incentivize CHP, upon clarification of the definition of eligible
15 CHP, the Company modified its program tariffs to promote both Topping and
16 Bottom Cycling CHP.

17 With respect to the development of a Technical Resource Manual (“TRM”), this
18 issue has come up before. A taskforce was put together to evaluate the
19 implementation of a TRM. Given the varied interests and perceived lack of benefits
20 from a TRM, this taskforce was disbanded. The TRM issue has been discussed by
21 the Collaborative several times, but it reached no consensus with respect to benefits.

22 Therefore, continuing to discuss the TRM was not a productive use of the
23 Collaborative’s time and resources.

1 The topic of Non-Energy Benefits (“NEBs”) has been brought up several times by
2 Collaborative members for use in program cost effectiveness studies. The
3 Collaborative seemed to agree that NEBs do exist; however, there was no consensus
4 as to the use of NEBs in determining program cost effectiveness.

5 These examples illustrate that the Collaborative has produced tangible results and
6 explored implementing the proposals mentioned by Witness Bradley-Wright. The
7 Collaborative is not intended to rubber-stamp any and all proposals that come
8 before it. Thus, when some proposals are ultimately not implemented, it does not
9 represent a failure on the part of the Collaborative. Additionally, if circumstances
10 were to change, the Collaborative could re-examine these proposals.

11 **Q. HAS THE COMPANY REACHED OUT TO THE COLLABORATIVE**
12 **MEMBERSHIP FOR IDEAS RELATED TO NEW PROGRAMS?**

13 A. Yes. To facilitate proposals for new programs, the Company developed a new
14 program template (“template”). The template lays out what information program
15 staff needs to evaluate a program’s cost effectiveness and implementation
16 strategies. The Company has distributed the template to stakeholders in the past
17 (the most recent distribution was February 21, 2019), regularly reminds the
18 Collaborative members regarding the template and offers to provide it directly via
19 email to Collaborative members upon request, to keep it easily accessible.

20 Collaborative members are encouraged to provide feedback with respect to both
21 new and existing programs. The Company’s programs are not static; they can and
22 do evolve over time. That is why the template must be utilized so that specific
23 recommendations can be evaluated based on the data at the time, which is a more

1 effective and useful process than generalized requests for program additions and
2 modifications.

3 Q. DO YOU AGREE WITH WITNESS BRADLEY-WRIGHT THAT IT IS
4 NECESSARY FOR THE COMMISSION TO SEEK COMMENT FROM
5 COLLABORATIVE PARTICIPANTS ON WHETHER ON NOT THE
6 COLLABORATIVE HAS “SUFFICIENTLY CORRECTED ITS COURSE”?

7 A. No, I do not. Collaborative members can intervene in DSM/EE related proceedings
8 and provide input with respect to any perceived inadequacies. This would be the
9 appropriate method to put such opinions into the record before the Commission so
10 that the Company may respond, as appropriate, on the record.

11 Q. DO YOU AGREE WITH WITNESS BRADLEY-WRIGHT REGARDING
12 THE NEED TO REVISE THE COMPANY’S ANNUAL RIDER FILING TO
13 ADHERE TO THE FORMAT USED IN ARKANSAS?

14 A. No. The Company believes that its already voluminous annual filing (over 1,700
15 pages) complies with the Commission’s well-considered Rule R8-68 and contains
16 all the pertinent information associated with the Company’s programs’
17 performance and the associated requested cost recovery. Additionally, an
18 interested party to the proceeding may submit data requests to ascertain relevant
19 information not included in the filing, to make that information part of the record if
20 necessary. Stakeholders in both North and South Carolina are familiar with the
21 format employed today, and making a change would likely only lead to stakeholder
22 confusion and unnecessary time to adopt a format that differs from the
23 Commission’s already comprehensive procedures set out in its Rule.

24

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Rebuttal Testimony of Robert P. Evans, in Docket No. E-7, Sub 1192, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 30th day of May, 2019.



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