

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 927
DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 927

In the Matter of)
Application by Duke Energy Progress, LLC,)
for Approval of Income Qualified)
Residential Service Load Control Program)

DOCKET NO. E-7, SUB 1032

In the Matter of)
Application by Duke Energy Carolinas, LLC,)
for Approval of Income Qualified)
Residential Service Power Manager Load)
Control Program)

**COMMENTS OF
THE PUBLIC STAFF**

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission (Commission), by and through its Executive Director, Christopher J. Ayers, and respectfully submits the following comments.

BACKGROUND

1. On September 11, 2023, Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC, and DEP and DEC collectively, Duke), filed separate applications for approval of their proposed Income Qualified Load Control Programs (collectively, Proposed Programs) in the above-captioned dockets.

2. Pursuant to Commission Rule R8-68(d)(2), after an electric public utility files a request for approval or modification of a demand-side management (DSM) or energy efficiency (EE) program, the Public Staff and other interested parties have 30 days from the date of the filing to file a protest pursuant to Rule R1-6, a petition for intervention pursuant to Rule R1-19, or comments.

3. On September 28, 2023, the Public Staff filed a motion requesting that the Commission extend the time for filing protests, interventions, and comments on the Proposed Programs to Friday, November 10, 2023. On October 9, 2023, the Commission granted the Public Staff's motion and extended the deadline for filing protests, interventions, and comments to November 13, 2023, as November 10, 2023, is a state holiday.

PUBLIC STAFF REVIEW

4. The Proposed Programs are intended to provide income-qualified customers with a DSM program opportunity that mirrors Duke's existing residential demand response (DR) programs, namely the EnergyWise Home and Power Manager programs for DEP and DEC, respectively.

5. Customers enrolling in the Proposed Programs can choose between two options: (1) a load control device provided by Duke; or (2) the installation of an eligible thermostat that will be customer-owned following enrollment in the program. If the customer chooses the thermostat option, they will receive the

thermostat at no cost, and the thermostat will be installed and registered at no cost to the customer.¹ Duke will monitor the costs of the thermostats and installation.

6. The Proposed Programs, as filed, will be offered as separate programs from the existing residential DR programs. Like the existing DR programs, the thermostat option for the Proposed Programs provides for activations during both summer and winter events. However, whereas the direct load control device option for the existing residential DR programs only provides for activations during summer events, the direct load control device option for the Proposed Programs only provides for activation during winter events. If an income-qualified customer wishes to participate in summer events as well, the customer will have the option to have additional load control devices installed. The impacts from summer load control events, however, will only be tracked in the existing DR programs.

7. The Public Staff learned through the discovery process that system operators will not see distinctions between residential income-qualified DSM participants and participants of the existing residential DR programs. In fact, the system operator will only see eligible load curtailment options in the event of system need. Duke also indicated that the same aggregator that operates its existing residential DSM programs will control activations for the Proposed Programs as well. As such, Duke does not expect incremental costs associated

¹ In the existing residential DR programs, the customer receives an initial payment of \$75 and annual payments of \$25 thereafter, and is responsible for purchasing their own thermostat.

with creating new income-qualified load control programs, as compared to including the income-qualified programs in the existing residential DR programs.

8. Should a participant decide to leave the Proposed Programs, the customer-owned thermostat will remain installed.

9. Duke indicated that it will monitor the Proposed Programs through evaluation, measurement, and verification (EM&V) for several years to observe changes in participants' usage and system benefits. If it is determined that the Proposed Programs are cost-effective, Duke may consider combining them with the existing residential DR programs.

10. The Proposed Programs are projected to be cost-effective, low-income programs and will follow the Portfolio Performance Incentive (PPI) protocols instead of the Program Return Incentive (PRI) protocols.

11. The Public Staff believes that the filing satisfies the requirements of Commission Rule R8-68(c).

PUBLIC STAFF RECOMMENDATIONS

12. Based on its review, the Public Staff recommends (1) that the proposed Income Qualified Load Control Programs be approved as "new" DSM programs pursuant to Commission Rule R8-68 because they have the potential to encourage capacity savings, are consistent with the Companies' integrated resource plans, and are in the public interest; and (2) that the Commission determine the appropriate recovery of costs, net lost revenues, and performance

incentives associated with the Proposed Programs in the annual DSM/EE rider proceedings, consistent with N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69.

Respectfully submitted this the 13th day of November, 2023.

PUBLIC STAFF
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CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing Comments of the Public Staff on all parties of record in accordance with Commission Rule R1-39, by United States Mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 13th day November, 2023.

Electronically submitted
/s/ Nadia L. Luhr