



December 18, 2023

Ms. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699

**RE: Application of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC for Approval of Demand Side Management and Energy Efficiency Cost Recovery Rider Pursuant to G.S. § 62-133.9 and Commission Rule R8-6 Customer Program Offerings
Docket Nos. E-2, Sub 931; E-7, Sub 1032; E-100, Sub 179**

Dear Ms. Dunston,

On October 30, 2023, the Commission filed its *Order Granting Public Staff's Motion for Procedural Relief and Scheduling Technical Conference*, in the above-referenced dockets. In its Order, the Commission found that a “technical conference will assist the Commission and the parties to examine the [Demand Side Management and Energy Efficiency Cost Recovery] Mechanisms thoroughly and efficiently” and scheduled a technical conference to discuss 1) the existing mechanisms; and 2) a summary of the work of the DSM/EE Mechanism stakeholder process. Order at 6, 8. The Commission further requested “that parties to this proceeding shall file . . . a list of individuals who will appear at the technical conference and the subjects on which they will speak, on or before December 11, 2023. *Id.* at 8.

On December 11, 2023, in accordance with the Order, the North Carolina Sustainable Energy Association (NCSEA) duly submitted a letter notifying the



Commission that Daniel Pate, Director of Data & Research at NCSEA, will appear to present on the historical and ongoing roles stakeholders play in the functioning and review of the DSM/EE Mechanism, including the EE/DSM Collaborative, the Tariffed On-Bill Working Group, and the current stakeholder review process.

NCSEA, cognizant of time constraints in convening the Technical Conference and out of an abundance of caution, now hereby submits the attached written statement (**Attachment A**) to supplement the oral testimony offered by Mr. Pate during the Technical Conference. At the appropriate moment, NCSEA will request the statement be incorporated into the transcript as if given orally at the Technical Conference.

NCSEA thanks the Commission for its consideration of Mr. Pate's testimony. By copy of this letter, I am serving copies of the attached to all parties of record by electronic delivery. Please do not hesitate to contact me if any questions or concerns arise in connection with this filing.

Kind regards,

/s/ Ethan Blumenthal
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Enclosures
cc: Parties of Record



CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing filing by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 18th day of December, 2023.

/s/ Ethan Blumenthal

Ethan Blumenthal

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Attachment A

Pre-Filed Statement of Daniel Pate

The Historical Role of Stakeholder Collaboration in the Operation of the Mechanism

Historically, the Duke Energy Energy Efficiency/Demand-Side Management (EE/DSM) Collaborative has served as a key venue for collaboration between the utilities and stakeholders interested to implement customer programs that achieve significant energy savings and help residents facing high energy burdens. The initiative started more than a decade ago when formed by a settlement agreement concluding the 2009 proceeding for Duke Energy Carolina's Save-A-Watt Program. In the EE/DSM Collaborative, Duke directly engages with a group of stakeholders that includes nonprofit advocates, local governments, and other organizations through bimonthly calls, in addition to email updates and discussion in between calls. In the EE/DSM Collaborative, Duke directly engages with a group of stakeholders that includes nonprofit advocates, local governments, and other organizations through bimonthly calls, in addition to email updates and discussion in between calls. In these meetings, Duke provides a platform for two-way discussion to give updates on utility programs, solicit feedback, review Evaluation Measurement and Verification (EM&V), and discuss new program ideas.

The utilities and stakeholders also collaborate, as needed, on initiatives to develop specific utility customer programs. An example is the Tariffed On-Bill (TOB) Working Group that launched in May 2021 to develop two TOB energy efficiency programs, which were filed with the commission in September 2022 and later approved. The working group successfully reached agreement on programs that met many of the mutual objectives of the participating organizations. This group involved a number of organizations that were already involved with the EE/DSM Collaborative, and this allowed for an already-established rapport among stakeholders who had knowledge of the utility operations. This group also experimented with a stakeholder engagement model where a member of the stakeholder group, in this case myself as representative for NCSEA, served as the liaison between the utilities and the working group.

Additionally, the Low-Income Affordability Collaborative (LIAC) and the development of the Residential Income-Qualified High-Energy Use Pilot are further examples of collaboration efforts between the utilities and stakeholders that were productive. Both the LIAC and High-Energy Use Pilot were convened following the Commission's 2021 rate case orders, directing the companies and interested stakeholders to analyze affordability concerns for low-income customers and collaborate to design additional low-income EE/DSM program pilots. The LIAC investigated the affordability of electric service for low-income customers and resulted in a Final Report filed with the



Commission on August 12, 2022, sharing findings that helped inform advocacy in this year’s Multi-Year Rate Plan & Performance Based Regulation proceedings. The High-Energy Use Pilot was filed in June 2022 and later approved by the Commission. The pilot was developed in collaboration with the utilities and a subset of the EE/DSM Collaborative using a project management-driven process that focused on answering research questions and using agreed-upon objectives to drive the program design.

Overall, the EE/DSM Collaborative has been an effective platform due to an approach where Duke has 1) created an open communications channel for all attendees, 2) made concerted efforts to collect and incorporate feedback into customer programs, 3) provided quality materials and presentations to stakeholders, and 4) made program managers available for questions to the stakeholders. These same principles have been employed in the Mechanism Review stakeholder group. Also, like the EE/DSM Collaborative, the Mechanism Review is comprised of a number of groups advocating for solutions that address energy equity. Duke has shown similar interest in trying to use the Mechanism Review to identify incentives that address energy equity and will harmonize all programs developed through the previous and ongoing collaborations.

Current EE/DSM Cost Recovery Mechanism Review Stakeholder Process

The current EE/DSM Cost Recovery Mechanism Review Stakeholder process (the “Mechanism Review”), much like the other stakeholder processes outlined above, was convened following a Commission Order. In this instance, the Mechanism Review followed a directive in the final order for the Initial Carbon Plan. Due to the legal nature of the Mechanism Review, NCSEA’s attorneys have taken the lead engaging in this particular process. However, the specific details pertaining to the Mechanism Review process, as conducted so far, can be found in Duke Energy’s Submission of Jointly-Prepared¹ Pre-Filed Materials for Technical Conference filed in the above-captioned dockets on December 12, 2023—specifically pages 20-28.

Providing for More Effective Stakeholder Collaboration in the Future

Overall, what has historically been the linchpin for effective collaboration between Duke Energy and stakeholders is for the utilities to demonstrate a commitment to working in tandem with the stakeholders to support the ideation process and work towards deliverables that meet as many common objectives as possible. We have seen this the most when a program or other initiative is ordered by the Commission and detailed requirements are established on how the group should work together and what outcomes they shall

¹ These parties include NCSEA, Duke Energy, the North Carolina Public Staff, the North Carolina Attorney General’s Office, the Carolina Industrial Group for Fair Utility Rates, the Carolina Utility Customers Association, the Southern Environmental Law Center, and Walmart Inc.



produce. Once there are legislative and/or regulatory enforcement processes in place, we have seen great efforts from the utilities in creating a collaborative and productive setting.

Collaboration success can also be attributed to the relationships and the knowledge developed between utility representatives and stakeholders throughout years of previous engagement. This has allowed the utilities to better understand the issues that stakeholders identify—particularly energy equity-focused issues—and, consequently, they are better equipped to design utility programs and other outcomes that address those issues. Likewise, the stakeholders have built up a knowledge of the utility business model and other technical practices so that ideas that are elevated to the Commission are sound to the utility. Collectively, these processes lead to a higher likelihood that an innovative and impactful program will be filed with the Commission.

Additionally, for initiatives focused on designing specific incentives and programs, it has been helpful to designate a liaison who is a stakeholder group member not from the utility who understands the interests of both parties and of the fundamentals of the utility incentive or program being designed. This has shown to help with aligning the respective strategies of the two sides, vetting ideas before pitching to the full group, and instilling a project management approach to the stakeholder processes.

Thank you, I now conclude my statement.