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May 1, 2024

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Responses to Commissioner Questions During April Technical Conference
Docket Nos. E-100, Sub 179; E-7, Sub 1032; and E-2, Sub 931**

Dear Ms. Dunston:

I am writing on behalf of Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and together with DEC, the "Companies") with respect to the Technical Conference held on Monday, April 22, 2024. During the Technical Conference, the Companies' panel of presenters received requests from Commissioners Duffley and Hughes to provide certain additional information upon conclusion of the Technical Conference. Those Commissioner questions, along with the Companies' responses, are included below.

- 1. Commissioner Duffley requested information on whether the Companies' Large Account Managers ("LAMs") made calls to non-residential opt-out customers to reduce demand during periods where the Companies were short energy supply or otherwise worried that they might be unable to meet demand and maintain adequate reserves.**

The Companies' LAMs keep the availability of the Companies' DSM/EE programs front and center for our large industrial customers and consistently encourage participation in the same. However, the Companies' LAMs have not made phone calls to the non-residential opt-out customers in these situations. When feasible (*i.e.*, when time permits), the Companies have generated emails to customer contacts to ask for voluntary load reductions using messaging consistent with what is sent to the general public. Given that the Companies have more than 2,200 large customers in the Carolinas, emails are a more practical method of reaching all customers quickly during such events. It is also worth noting that many of the Companies' largest customers receive service under hourly pricing tariffs, including real time pricing or day ahead hourly pricing

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structures. When forecasted reserve margins are tight, these customers receive higher hourly price signals through these tariffs, which provide the customers with strong financial incentives to curtail load above and beyond the Companies' demand response programs.

2. Commissioner Duffley requested that the Companies identify whether there are tariffs enabling the Companies to call on its non-residential opt-out customers to reduce demand or whether the reductions are voluntary.¹

The tariffs listed below are responsive to Commissioner Duffley's request, and each of these tariffs is enclosed for filing as **Exhibit A**.

DEC Rider IS – Interruptible Power Service: Under this Rider the customer agrees, at the DEC's request, to reduce and maintain load at a level specified in the individual contract. This rider is closed to new enrollments.

DEC Rider PS – Powershare Nonresidential Load Curtailment: Under this Rider's Mandatory Curtailment Option, DEC may request that the customer curtail service at any time DEC has capacity constraints, including generation, transmission or distribution capacity constraints or reactive power concerns, and the customer agrees to reduce and maintain load to the Firm Demand specified in the contract. Under this Rider's Voluntary Curtailment Option, DEC may request to curtail service at any time, and the customer agrees, upon acceptance of DEC's curtailment offer, to reduce load to a Firm Demand.

DEC On-Site Generation Service Program: Under the terms of this program, DEC owns, installs, operates, and maintains an on-site generator designed to provide a supply of electricity to the customer's facility in the event that the normal supply of electricity is interrupted. In addition, DEC reserves the right to operate the generator at times when the supply of electricity has not been interrupted to the customer's facility and thereby provide a source of capacity to the utility system.

DEC Schedule HP – Hourly Pricing: This tariff provides customers with day-ahead hourly pricing that provides price signals to customers to motivate them to reduce usage during periods of high demand.

DEC Rider SG – Standby Generator Control: This tariff allows DEC to request operation of standby generators to provide a source of capacity through load reduction at any time DEC has capacity problems. This rider is closed to new enrollments.

3. Commissioner Hughes requested the calculations supporting the Measure Life Adjustment Factor for DEC.

Exhibit B shows the calculations supporting the 2023 weighted average measure life of 6.81 years included in the proposed "Consensus Mechanism" to be used as the initial baseline for determining the DEC Measure Life Adjustment Factor ("MLAF") to be applied in the

¹ As permitted by the Commission's *Order Scheduling Technical Conference* issued April 5, 2024, the Companies' presentation at the Technical Conference presented rate impacts and analysis for DEC. As a result, the responses provided herein focus upon DEC tariffs only.

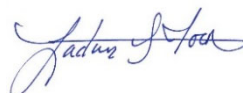
determination of the Portfolio Performance Incentive. For informational purposes, **Exhibit B** also provides further detail breaking down the weighted average measure life by customer class and reflects a Non-Residential weighted average measure life of 13.94 years (page 7) and a Residential weighted average measure life of 4.04 years (page 9).²

4. Commissioner Hughes requested that the Companies' explain how DEC's non-energy benefits ("NEBS") multiplier was determined based on the Skumatz Report.

For ease of reference, the relevant portion of the Skumatz Report (Figure ES.7 on page 10-11) is enclosed for filing as **Exhibit C**. Figure ES.7 identifies the estimated multiplicative adder for "DEC Weighted" as 0.98. This number reflects a NEBS adder, so it is added to 1.0 to get the NEBS multiplier of 1.98 for all programs that accurately reflects the impact of the additional NEBS benefit on the Total Resource Cost ("TRC") test for programs not specifically targeting low-income customers. The same Figure ES.7 identifies the estimated NEBS multiplicative adder for "DEC IQ NES" as 1.8 and for "DEC IQ Wx" as 0.64, which results in an average of 1.22. Similar to the determination for the NEBS adder for programs not targeting low income customers, this average NEBS multiplier is added to 1.0 to get the NEBS multiplier of 2.22 to reflect the impact of the additional NEBS benefit for the TRC test of programs specifically targeting low-income customers.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,



Ladawn S. Toon

Enclosures

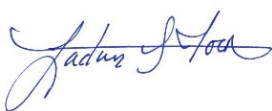
cc: Parties of Record

² Please note that although Exhibit C is broken down by customer class in response to Commissioner Hughes' question, the MLAF calculation does not account for customer classes separately as it is applied at the portfolio level for purposes of calculating the Companies' Portfolio Performance Incentive ("PPI").

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Responses to Commissioner Questions During April Technical Conference in Docket Nos. E-100, Sub 179; E-7, Sub 1032; and E-2, Sub 931 have been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the parties of record.

This 1st day of May, 2024.



Ladawn S. Toon