

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1032
DOCKET NO. E-7, SUB 1164

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1032)	
)	
In the Matter of)	
Application of Duke Energy Carolinas, LLC,)	
for Approval of Modifications to Residential)	
Smart \$aver Energy Efficiency Program)	
)	
DOCKET NO. E-7, SUB 1164)	ORDER APPROVING
)	PROGRAM MODIFICATIONS
)	
In the Matter of)	
Application of Duke Energy Carolinas, LLC,)	
for Approval of Demand-Side Management)	
and Energy Efficiency Cost Recovery Rider)	
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	
Commission Rule R8-69)	

BY THE COMMISSION: On October 31, 2018, Duke Energy Carolinas, LLC (DEC or Company), filed a request seeking approval to modify its Residential Smart \$aver Energy Efficiency Program (Program).

The proposed modifications were made in response to the Commission's *Order Approving DSM/EE Rider and Requiring Filing of Customer Notice* issued on September 11, 2018, in Docket No. E-7, Sub 1164, where the Commission ordered the Company to propose modifications to the Program no later than October 31, 2018, with the goal of restoring the TRC score to 1.0 or greater. In its application, DEC indicates that the modifications to the Program are intended to increase its overall cost-effectiveness. DEC's proposed modifications to the Program include: acknowledging lower actual incremental customer costs; improving trade ally participation to make it more streamlined and less costly; reducing program administration costs; and implementing a three-year transition period to a referral-only channel. The Company also proposes to eliminate from the tariff the listing of the maximum incentives for the measures, as well as to reduce the maximum incentive for HVAC (Heating, Ventilation, and Air Conditioning) equipment from \$600 to \$400.

DEC's application indicates that the effect of these proposed modifications would be a Total Resource Cost Test (TRC) score of 1.01.

DEC's application requests that the Commission: (1) approve the Program and tariff as modified; (2) find that the Program continues to meet the requirements of a "new" energy efficiency program pursuant to Commission Rule R8-69; (3) find that all costs of the Program will be eligible for cost recovery; and (4) approve the proposed utility incentives for inclusion in the annual DSM/EE rider.

The Public Staff filed comments on December 7, 2018, regarding the Company's proposal. The Public Staff noted that the modifications are estimated to make the Program only marginally cost effective and that the Company used very optimistic assumptions in forecasting participation, program costs, and avoided costs to achieve the 1.01 cost effectiveness score. The Public Staff stated it is not opposed to the approval of the modifications of the Program.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on January 7, 2019. The Public Staff summarized its filed comments and recommended that the Commission issue its proposed order on the Company's request.

Based on the foregoing, the Commission is of the opinion that the proposed modifications to the Program should be approved.

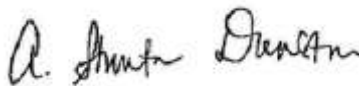
IT IS, THEREFORE, ORDERED:

1. That DEC's proposed modifications to the Residential Smart \$aver Energy Efficiency Program are hereby approved;
2. That the Residential Smart \$aver Energy Efficiency Program continues to be eligible for recovery of program costs and incentives, in accordance with Gen. Stat. § 62-133.9 and Commission Rule R8-69; and
3. That DEC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of January, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "A. Shonta Dunston".

A. Shonta Dunston, Acting Deputy Clerk