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October 21, 2022

VIA ELECTRONIC FILING

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

**Re: Joint Low-Income Affordability Collaborative October 24, 2022
Presentation Materials
Docket Nos. E-7, Subs 1213, 1214, and 1187 and E-2, Subs 1219 and
1193**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced dockets are the Joint Low-Income Affordability Collaborative (LIAC) Presentation Materials of Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and the Public Staff in advance of the October 24, 2022 LIAC Update to the Commission.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Kathleen H. Richard

Enclosure

cc: Parties of Record

OFFICIAL COPY

Oct 21 2022

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and the Public Staff's Joint Low-Income Affordability Collaborative October 24, 2022 Presentation Slides, filed today in Docket Nos. E-7, Subs 1213, 1214, and 1187 and E-2, Subs 1219 and 1193, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 21st day of October, 2022.



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North Carolina Low Income Affordability Collaborative

North Carolina Utilities Commission Briefing

October 24, 2022

Convened by



Public Staff
North Carolina Utilities Commission

Stakeholder work is conducted through subteams. Key subteam outputs are posed to the LIAC for endorsement.

| | Subteam A | Subteam B | Subteam C | Subteam D |
|---------------|--|--|---|--|
| Subteam Tasks | Assess Customer Challenges: Assess current energy affordability challenges facing residential customers | Develop Affordability Metrics: Develop suggested metrics or definitions for “affordability” and explore trends in affordability | Investigate Existing Rates & Programs: Investigate the strengths and weaknesses of existing rates, rate design, billing practices, customer assistance programs and energy efficiency programs in addressing affordability | Drive Collaborative Coordination: Coordinate between the affordability collaborative and the comprehensive rate review and energy efficiency stakeholder groups |
| Co-Leads | <p>Rory McIlmoil Appalachian Voices</p> <p>Arnie Richardson Duke Energy</p> | <p>Conitsha Barnes Duke Energy</p> <p>La'Meshia Whittington Advance Carolina</p> | <p>Detrick Clark NC Community Action Association</p> <p>Ken Szymanski Apartment Association of NC</p> | <p>Thad Culley Sunrun</p> <p>Paula Hemmer NC DEQ State Weatherization</p> |
| Teams | 20 LIAC members 12 LIAC organizations | 19 LIAC members 9 LIAC organizations | 23 LIAC members 13 LIAC organizations | 15 LIAC members 10 LIAC organizations |

Sub-Team A

Prepare an assessment of current affordability challenges facing residential customers.

| Task | Activities Completed |
|---|---|
| Analysis of affordability challenges | <ul style="list-style-type: none">• Iterative delivery of analytics addressing items outlined in the commission order and LIAC member requests• Developed three statistical models to enhance the descriptive analytics that shows likelihood of low income customers to:<ul style="list-style-type: none">• Meet the arrears definition• Receive a 24-hour disconnect notice• Experience a disconnect non-pay given that they received a 24-hour DNP notice to be disconnected. |
| Assessment of affordability challenges ² | <ul style="list-style-type: none">• Finalized a written assessment detailing key takeaways of completed analysis.<ul style="list-style-type: none">• Approx. 29% of customers are low income \leq 200% of federal poverty guidelines• Approx. 16% of all customers, and 24% of low-income customers, meet Duke Energy's "arrears definition"² during analytical period• Energy intensity (kWh/square foot) is a driving factor in low-income affordability challenges, likely in part due to poor housing quality/efficiency. For example, LIEAP/CIP customers use 2x more electricity in winter months per square foot than customers above 200% FPL.• Key factors that both significantly predicted being in arrears and being disconnected for non-pay, and are issues programs and policies could mostly readily address were electric burden, winter impact, and summer impact• House attributes were also statistically significant and suggest that focusing on renters across all types of homes could reduce the likelihood of households falling into arrears |

¹Information reflects accounts included in the LIAC analysis

²Arrears is defined as two months spent at two times (2x) the average bill overdue or six months spent at one times (1x) the average bill overdue

Sub-Team B

Develop suggested metrics or definition for “affordability” and explore trends in affordability

| Task | Activities Completed |
|--|---|
| Identified and researched existing programs designed to energy address affordability | <ul style="list-style-type: none">• Evaluated programs designed to address affordability to understand targeted customers for the following programs:<ul style="list-style-type: none">• Low Income Energy Assistance Program• Crisis Intervention Program• North Carolina Housing Opportunities and Prevention of Evictions Program• North Carolina – State Administered Weatherization Programs• Neighborhood Energy Saver (DEC and DEP)• Weatherization Program and Equipment Replacement Program |
| Explored regulatory activities to address affordability | <ul style="list-style-type: none">• Pennsylvania Public Utilities Commission• California Public Utilities Commission• New York Public Service Commission |

Metrics implemented to track energy affordability include:

- California Public Utilities Commission
 - Affordability Ratio
 - Hours At Minimum Wage
 - Socioeconomic Vulnerability Index
- New York Public Service Commission
 - Energy burden target $\leq 6\%$ of household income for low income households

Sub-Team C

Investigating existing customer offerings and practices, in addressing affordability.

| Task | Activities Completed |
|---|--|
| Provide overview of income-qualified programs | <ul style="list-style-type: none">Completed overview of existing income-qualified offerings including:<ul style="list-style-type: none">- Energy Efficiency Programs- Bill Pay Assistance Programs- Helping Home Fund Program- DEC Supplemental Security Income Bill Discount Program |
| Compile program-specific participation data requested by North Carolina Utilities Commission "Commission" | <ul style="list-style-type: none">Filed compilation of program-specific participation data in Q1 LIAC Progress Report |
| Provide overview of rate design topics | <ul style="list-style-type: none">Completed overview of rate topics including:<ul style="list-style-type: none">- Cost of service- Cost causation and cost allowances- Minimum bill versus fixed charge- Segmentation by residential class |
| Develop proposal process for LIAC members | <ul style="list-style-type: none">Completed program proposal process. Proposals were requested from LIAC members no later than April 8, 2022. Twenty-two individual proposals were submitted. |

Sub-Team C

Investigating existing customer offerings and practices, in addressing affordability.

| General Category | Proposal Number, Name, and LIAC Final Report Page Number |
|---|---|
| Energy Efficiency/ Demand Side Management | <ul style="list-style-type: none">• 1 - Closing the Energy Efficiency Spending and Savings Gap (Appendix G, page 4)• 2 - Duke Energy Progress Income Qualified Weatherization (Appendix G, page 6)• 3 - Income Qualified High Energy Use (Appendix G, page 11)• 4 - Residential Electric Resistance and Hybrid Heat Pump Water Heater Rental (Appendix G, page 15)• 5 - Manufactured Homes Energy Efficiency Retrofit and Replacement (Appendix G, page 18)• 6 - Arrearage Management Pilot Energy Efficiency (Appendix G, page 21)• 7 - Low Income Carve-Out from Market Energy Efficiency (Appendix G, page 24)• 20 - Duke Energy Progress Weatherization Program (Appendix G, page 63)• 23 - Smart \$aver Low Income Multi-Family Retrofit (Appendix G, page 79) |
| Bill Pay Assistance | <ul style="list-style-type: none">• 24 - Customer Assistance Program (Appendix G, page 83) |

Sub-Team C

Investigating existing customer offerings and practices, in addressing affordability.

| General Category | Proposal Number, Name, and LIAC Final Report Page Number |
|---------------------------------------|---|
| Regulatory Procedural and Other | <ul style="list-style-type: none"><li data-bbox="639 334 2466 429">• 10 - Comprehensive Definition of Affordability and Develop Metrics and Methodologies for Assessing and Monitoring the Relative Affordability of Electric Service (Appendix G, p. 29)<li data-bbox="639 482 2466 529">• 11 - Prioritized Marketing and Distribution LI Funds (Appendix G, page 33)<li data-bbox="639 582 2466 629">• 12 - Required Credit and Collections Data Reporting Service (Appendix G, page 36)<li data-bbox="639 682 2466 729">• 13 - Minimum Bill Pilot Program (Appendix G, page 39)<li data-bbox="639 782 2466 878">• 14 - Voluntary Weatherization, Energy Efficiency, Urgent Repair Partnership Forum (Appendix G, page 42)<li data-bbox="639 931 2466 978">• 15 - Duke Energy Winter Moratorium (Appendix G, page 45)<li data-bbox="639 1031 2466 1078">• 16 - Re-examine Regulatory Consumer Protection (Appendix G, page 48)<li data-bbox="639 1130 2466 1178">• 19 - NC Healthy Homes Initiative (Appendix G, page 55)<li data-bbox="639 1230 2466 1278">• 21 - NC Low-Income Energy Major Home Repair (Appendix G, page 70) |

Final Recommendations – Duke Energy and Public Staff

- The Commission should consider FPG at or below 200% when determining eligibility for programs to address affordability.
- The Commission should approve and adopt the metrics recommended for monitoring affordability program impacts that are designed to support
 - Minimize barriers for customers to participate
 - Significantly and sustainably help participating customers
 - Low administrative cost of program operations
 - Minimize bill impacts for non-participants
 - Eligible for cost recovery
- The Commission should initiate a rulemaking docket to review the existing regulatory consumer protections detailed in NCUC Rule R12-11.