

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 931
DOCKET NO. E-7, SUB 1032
DOCKET NO. E-100, SUB 179

| | | |
|--|---|------------------|
| DOCKET NO. E-2, SUB 931 |) | |
| |) | |
| In the Matter of |) | |
| Application by Carolina Power & Light |) | |
| Company, d/b/a Progress Energy Carolinas, |) | |
| Inc., for Approval of Demand-Side |) | |
| Management and Energy Efficiency Cost |) | |
| Recovery Rider Pursuant to G.S. 62-133.9 |) | |
| and Commission Rule R8-69 |) | |
| |) | |
| DOCKET NO. E-7, SUB 1032 |) | |
| |) | COMMENTS OF CUCA |
| In the Matter of |) | |
| Application of Duke Energy Carolinas, LLC, |) | |
| for Approval of New Cost Recovery |) | |
| Mechanism and Portfolio of Demand-Side |) | |
| Management and Energy Efficient Programs |) | |
| |) | |
| DOCKET NO. E-100, SUB 179 |) | |
| |) | |
| In the Matter of |) | |
| Petition of Duke Energy Progress, LLC, and |) | |
| Duke Energy Carolinas, LLC, 2022 Biennial |) | |
| Integrated Resource Plans and Carbon Plan |) | |

The Carolina Utility Customers Association, Inc. (“CUCA”), through counsel, respectfully submits these Comments pursuant to the Commission’s *Order Granting Public Staff’s Motion for Procedural Relief and Scheduling Technical Conference*, issued on October 30, 2023, in the above-referenced dockets (“Order”). The Order seeks comment on a specified list of issues relating to demand-side management (DSM) and

energy efficiency (EE) cost recovery mechanisms of Duke Energy Carolinas, LLC (“DEC”), and Duke Energy Progress, LLC (“DEP”) (together, “Duke” or “Duke Energy”).

COMMENTS

Among the issues on which the Commission seeks comment is the following:

How to most effectively encourage industrial and commercial participation in EE/DSM programs, given that the right of industrial and large commercial customers to opt-out of ratepayer-funded EE/DSM measures is codified at G.S. 62-133.9(f) and whether to change the threshold for a “large commercial customer” under Rule R8-69 that can opt-out[.]

Order, at 3-4 (Issue h.). As an Association comprised of large industrial users, CUCA would make the following observations:

- The load and energy requirements of industrial users vary widely and are highly specialized. *See generally* Technical Conference Presentations of Dr. Stephen Terry on behalf of CUCA; Steve Chriss on behalf of WalMart; and P.J. Klein, P.E., on behalf of CIGFUR; Tr. at 134-176.
- As regards EE, given that energy costs are one of the top three expenses incurred by industrial customers,¹ industrial customers are highly incented to design and implement their operations in the most energy-efficient manner possible given the limits of the applicable technology. Industrial customers spend enormous resources to make their operations as efficient as possible, but the specific practices and techniques employed are industry and technology specific. Generally speaking the consumer-focused initiatives of Duke Energy’s existing EE offerings are not compelling to industrial customers because they do not offer meaningful operational benefits and the cost of participation exceeds any benefit received.²
- As regards DSM, the ability of industrial customers to curtail or shift load in response to price or other signals varies—some customers have no such flexibility because of the inherent nature of their operations, but others do have such flexibility. For customers with such flexibility, the challenge is to design programs which are tailored to their operational imperatives and which offer properly scaled benefits to justify and incent participation—whether those programs are designed within or outside the existing DSM/EE Mechanism. CUCA fully supports the

¹ Presentation of P.J. Klein.; Tr at 150.

² *See generally* Presentation of Dr. Stephen Terry on behalf of CUCA.

design and implementation of such voluntary programs which can provide much needed “peak shaving” benefits to the grid in a period of escalating load forecasts.³

CUCA reserves the right to submit further comments on the issues identified by the Commission in the Order, including the proposed enablers and adjustments to the DSM/EE Mechanism, in reply comments.

CONCLUSION

CUCA submits these Comments for the Commission’s consideration.

Respectfully submitted, this 26th day of January, 2024.

/s/ Marcus Trathen

Marcus W. Trathen

BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, LLP

Suite 1700, Wells Fargo Capitol Center

150 Fayetteville Street

P.O. Box 1800 (zip 27602)

Raleigh, NC 27601

(919) 839-0300

mtrathen@brookspierce.com

*Attorneys for Carolina Utility Customers
Association, Inc.*

³ The specific challenges associated with the programs and suggestions for reform were the subject of the large customer panel at the December 18, 2023 Technical Conference. *See generally* Technical Conference Presentations of Dr. Stephen Terry on behalf of CUCA; Steve Chriss on behalf of WalMart; and P.J. Klein, P.E., on behalf of CIGFUR; Tr. at 134-176.

Certificate of Service

I hereby certify that a copy of the foregoing *Comments of CUCA* has been served this day upon all parties of record in this proceeding, or their legal counsel, by electronic mail or by delivery to the United States Post Office, first-class postage pre-paid.

This the 26th day of January, 2024.

BROOKS, PIERCE, MCLENDON,
HUMPHREY & LEONARD, LLP

By: /s/ Marcus Trathen