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December 18, 2015

**VIA ELECTRONIC FILING**

Ms. Gail Mount, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Progress, LLC's Compliance Demand Side  
Management and Energy Efficiency Program Tariffs  
Docket No. E-2, Sub 931**

Dear Ms. Mount:

Pursuant to the Commission Rule R8-25(a) and the Commission's order dated January 20, 2015 in the above referenced docket, enclosed please find Duke Energy Progress, LLC's ("DEP") compliance demand side management and energy efficiency ("DSM/EE") program tariffs that have been revised to reflect a change from a 10-year to a 3-year DSM/EE opt-in requirement for program participants. The revision includes a phase-in of this change for existing program participants based upon DEP's negotiations with the Public Staff. An opt-in requirement is included on all general service program tariffs to make clear to opt-out eligible customers that participation in a program requires the customer to opt-in to paying the DSM or EE rate for three years upon receipt of an initial incentive.

The approved tariffs rates are effective for service rendered on and after January 1, 2016.

Thank you for your attention to this matter. If you have any questions, please let me know.

Respectfully Submitted,



Brian L. Franklin

Enclosure

cc: All Parties of Record

OFFICIAL COPY

Dec 18 2015

COMMERCIAL, INDUSTRIAL AND GOVERNMENTAL ENERGY EFFICIENCY  
PROGRAM CIG EE-5

PURPOSE

The purpose of this program is to promote the installation of energy efficient measures by non-residential customers by providing incentives through (1) a set of pre-defined prescriptive measures, (2) custom measures specifically designed to meet Customer's individual need, (3) technical assistance to identify energy efficiency opportunities, and (4) custom whole-building measures and design incentives for a new facility, or major renovation.

AVAILABILITY

This Program is available to non-residential customers receiving metered service in conjunction with any of Company's general service schedules. Technical assistance and design incentives under the Program are only available to Customers either (1) consuming 500,000 kWh or more in the previous 12 months or (2) for new construction with 20,000 square feet or more of conditioned space. Custom whole-building measures and design incentives are only available to new construction, and major renovation applications which are defined as the design and construction of a new facility, or a major renovation of an existing facility where the interior is completely demolished down to the studs, including the removal of the space conditioning and lighting systems, and the space is completely redeveloped.

INCENTIVE PAYMENTS

In most cases, Customer must complete and submit a pre-notification application before installing equipment or a measure for which an incentive is requested. The Policies and Procedures manual available at the program website (<http://progress-energy.com/carolinasBusiness>) describes the specific incentives that do not require a pre-notification application. Upon approval of the pre-notification application and within ninety (90) days of completion of installation, Customer must submit an Application for Incentive Payment, supporting documentation, and verification that the energy efficient measures meriting an incentive payment meets Program requirements. Company may inspect Customer's premise before, during and after measure implementation to verify installation.

Incentive payments will be one-time payments and shall be determined as follows:

1. Prescriptive Measures – Customer shall receive an incentive payment for the installation of certain high efficiency equipment and measures, including lighting; heating, ventilating and air conditioning equipment; and refrigeration measures and equipment. A list of eligible equipment and measures and specific incentive amounts are available at the Program website: <http://progress-energy.com/carolinasBusiness>
2. Custom Measures – Customer shall receive an incentive payment for the implementation of energy efficiency measures and equipment not included in the Prescriptive Measures category upon the provision of studies or other analyses to quantify expected energy reductions. The incentive payment shall be \$0.08 times the estimated first year kWh reduction following implementation of the energy efficiency measure, based upon Company confirmation of the study results.

3. Technical Assistance – Customer shall receive an incentive payment of 50% of Customer's cost for a feasibility study, energy assessment, or retro-commissioning service. In no case shall the incentive payment under this category exceed \$10,000 for customers with annual consumption from 500,000 to 2,000,000 kWh or \$20,000 for customers with annual consumption in excess of 2,000,000 kWh.
4. Custom Whole-Building Measures – For new buildings, or major renovations achieving an energy reduction of 10% to 20%, Customer shall receive an incentive payment of \$0.09 times the estimated first year kWh reduction following installation. For energy reductions in excess of 20%, Customer shall receive an incentive payment of \$0.14 times the estimated first year kWh reduction following installation. Estimated energy savings shall be supported by Customer studies and analyses using PEC approved methodologies and techniques and is subject to Company's confirmation of the study results. Customer utilizing Custom Whole-Building Measure cannot receive Prescriptive or Custom measure incentives for the same project.
5. Design Incentives – For new buildings and major renovations of at least 20,000 square feet, Customer shall receive an incentive payment of (a) \$0.05 times the estimated first year kWh reduction following installation, not to exceed \$50,000 **or** (b) the cost of a building energy modeling service, not to exceed \$20,000. Estimated energy savings shall be supported by Customer studies and analyses using PEC approved methodologies and techniques and is subject to Company's confirmation of the study results.

In no case shall Customer's cumulative project incentive payment at one facility in a calendar year exceed 75% of Customer's total project cost and shall furthermore be limited as follows:

1. Incentives payments of \$100,000 or less shall be paid at 100% of the earned amount;
2. Incentives payments between \$100,001 and \$500,000 shall be paid at 50% of the earned amount;
3. Incentives payments between \$500,001 and \$1 million shall be paid at 25% of the earned amount; and
4. Incentives payments in excess of \$1 million will be paid at 10% of the earned amount.

#### RESPONSIBILITY OF PARTIES

Upon the occurrence of any of the following events, Company may request Customer to refund within thirty (30) days of such request incentive payments received:

1. Customer does not install and operate incentivized equipment or other measures, or
2. Customer removes incentivized equipment or other measures before the earlier of five (5) years from the date of equipment or measure installation or the end of the equipment or measure life; or
3. If upon any sale, lease or other disposition by Customer of the premise where the incentivized equipment or measure is located or installed, Customer does not secure an agreement transferring all related rights, obligations and liabilities (including payment obligations of the DSM/EE rate) and including Program participation to the buyer of the premise upon which the incentivized equipment or measure is located or installed.

In the event Company requests a refund, Company's refund will be a prorated amount of incentive payments originally provided by Company to Customer based on the period of time that the related equipment or measure was installed and operated. If the equipment or measure was never installed, the full amount of originally provided incentive payments shall be refunded to Company by Customer.

The customer is responsible for any and all income tax payments that may result from receipt of an incentive payment.

#### GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

#### COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

#### DSM/EE OPT-OUT ELIGIBILITY

An opt-out eligible customer participating in this program on and after January 1, 2016, or accepting incentives under this program on and after that date, loses the right to be exempt from the EE Rate for three (3) years following the receipt of incentives under this program. An opt-out eligible participant receiving incentives under this program prior to December 1, 2010 may not request to be exempt from the EE Rate any earlier than August 1, 2017. An opt-out eligible participant receiving incentives under this program on or after December 1, 2010, but prior to July 1, 2012, may not request to be exempt from the EE Rate any earlier than January 1, 2018. An opt-out eligible participant receiving incentives under this program on or after July 1, 2012, but prior to February 1, 2014, may not request to be exempt from the EE Rate any earlier than July 1, 2018. An opt-out eligible participant receiving incentives under this program on or after February 1, 2014, but prior to January 1, 2016, may not request to be exempt from the EE Rate any earlier than January 1, 2019.

Supersedes Program CIG EE-3B  
Effective for service rendered on and after January 1, 2016  
NCUC Docket No. E-2, Sub 931

DEMAND RESPONSE AUTOMATION  
RIDER DRA-5

AVAILABILITY

This Rider is available to non-residential customers receiving metered service in conjunction with any of Company's general service schedules provided Customer contracts under the provisions of this Rider for a Contracted Curtailable Demand of 75 kW or greater during summer peak periods. Customer shall contract to curtail electric load under either the Curtailable Option or the Emergency Generator Option, as described below. The Curtailable Option under this Rider is available to all qualified non-residential customers that can curtail electrical load in response to a Company curtailment request. The Emergency Generator Option is available only to Customer transferring electrical load from Company's source to a standby generator.

Within each option, Customer shall have the opportunity to: (1) allow Company to install load control devices to remotely control its electrical equipment, or (2) forgo Company remote load control and manually curtail its load upon receiving notification from Company that a Curtailment Event is being declared. If Customer elects to be controlled remotely by Company, eligible electrical equipment shall be identified by Company during a Site Survey with the control scheme to be agreed upon by Customer and Company. Customer shall be responsible for any cost required to support the automated control equipment and for ensuring that the Rider's minimum demand response requirements are met.

Company shall provide service using a meter designated for this Rider that is capable of recording electrical consumption on a 15-minute interval basis. If Customer does not have designated meter based upon Customer's Contract Demand, such meter shall be provided in accordance with the "Non-Standard Metering" provisions contained in Section III of the METER-RELATED OPTIONAL PROGRAMS RIDER MROP. Rates stated in Section III of Rider MROP apply and are not modified by this Rider.

This Rider is not available for (1) short-term or temporary service, (2) Customer electing to Opt-Out of the DSM/EE Programs, (3) Customer participating in Large Load Curtailable Rider LLC, Dispatched Power Rider No. 68, or Incremental Power Service Rider IPS, or (4) demand served by Premier Power Service Rider PPS generation.

The Schedule used in conjunction with the Rider is modified only as indicated within the Rider.

DEFINITIONS

1. CONTRACTED CURTAILABLE DEMAND

The Contracted Curtailable Demand, established for both summer (calendar months June through September) and winter (calendar months of December through February) peak periods, shall be the amount of demand Customer agrees to curtail during a Curtailment Event consistent with findings from Site Survey of Customer's facilities and analysis of historical load profiles, if available. The summer Contracted Curtailable Demand shall be used to determine Monthly Availability Credits. The winter Contracted Curtailable Demand shall not be subject to a minimum of 75 kW.

2. CURTAILMENT EVENT

The Curtailment Event shall be a period of no more than 8 hours and the total number of Curtailment Events shall be no more than 10 during a calendar year, but no less than 3 for the Curtailable Option and no less than 1 for the Emergency Generator Option. An annual summer test event shall be applicable to the Emergency Generator Option. The test event shall be a continuous period of no greater than 8 hours and shall be considered a Curtailment Event. Company reserves the right for a longer curtailment duration or higher number of annual Curtailment Events under either Option if continuity of service is threatened; however, the Emergency Generator Option shall not exceed 80 hours per calendar year.

Company shall send notification to Customer a minimum of 30 minutes before the requested Curtailment Event is to take place. Company shall use reasonable diligence to notify Customer of an impending Curtailment Event and having used reasonable diligence shall not be liable to Customer should Customer not receive notification or an automated demand control signal.

3. EVENT DEMAND REDUCTION

The Event Demand Reduction shall be the Event Baseline Demand less the Curtailment Event Demand, but not greater than 150% of Contracted Curtailable Demand and not less than zero. This value will determine the kW demand reduction for which Customer will receive an Event Performance Credit. In months where multiple Curtailment Events occur, the Event Performance Credit shall be based on the sum of Event Demand Reductions for each Curtailment Event.

4. CURTAILMENT EVENT DEMAND

The Curtailment Event Demand shall be the average 15-minute kW demand registered or computed by or from Company's metering facilities during a single Curtailment Event.

5. EVENT BASELINE DEMAND

The Event Baseline Demand shall be the average 15-minute kW demand during the Curtailment Event hours for the immediate 3 prior days (excluding weekends, days with Curtailment Event, and Holidays), which shall be determined by dividing the sum of kWh during the corresponding Curtailment Event hours by the total number of hours. Holidays are defined as New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. For purposes of calculating Event Baseline Demand, when one of the holidays falls on a Saturday, the Friday before the holiday will be excluded, and when the holiday falls on a Sunday, the following Monday will be excluded.

6. NON-COMPLIANCE EVENT

A Non-Compliance Event occurs when Customer's Event Demand Reduction falls below 90% of the seasonal Contracted Curtailable Demand. Multiple Non-Compliance Events can occur within a single month.

7. CURTAILMENT EVENTS OUTSIDE THE PEAK PERIOD

System conditions may result in the need to initiate Curtailment Events outside of summer and winter peak periods. For Curtailment Events occurring during the calendar months of March through May and October through November, Non-Compliance Events will not be applicable and Customer's summer Contracted Curtailable Demand will be used to establish the maximum allowable Event Demand Reduction.



### MONTHLY RATE

The Monthly Rate shall be an amount computed under the applicable Schedule for the Billing Demand and the kilowatt-hours used during the current month, plus a Monthly Rate for non-standard meter installation under Section III of Rider MROP, if applicable, less a Monthly Availability Credit and less an Event Performance Credit where:

- 1) Monthly Availability Credit =  $\$3.25/\text{kW} \times \text{Summer Contracted Curtailable Demand}$
- 2) Event Performance Credit =  $\$6.00/\text{kW} \times \text{Sum of Event Demand Reductions in Current Month}$

Event Performance Credit shall be zero (\$0) in all months with no Curtailment Events. Each Non-Compliance Event will result in the loss of four (4) months of future Monthly Availability Credits under the Curtailable Option or the loss of six (6) months of future Monthly Availability Credits under the Emergency Generator Option. The total months of lost Monthly Availability Credits will be allowed to accrue with no limit. Customer whose service under the Rider is terminated may reinstate service under the Rider at anytime, but will not be eligible to receive a Monthly Availability Credit for twelve (12) months or for the remainder of the accrued months of lost Monthly Availability Credits at the time Customer terminated service, whichever is greater. The number of Non-Compliance Events accumulated by Customer shall not be affected by renewal of Contract Period.

### COMMUNICATIONS REQUIREMENTS

Customer must provide satisfactory space and electrical power supply for Company's two-way communication equipment. In the event that a continuous cellular connection cannot be maintained at the location of Company's equipment, Customer must provide, at Customer's expense, a dedicated telephone line or other adequate media, as approved by Company, to establish uninterrupted communication with Company's equipment. Customer must also provide, at Customer's expense, a telephone line or other adequate media, as approved by Company, in order to receive the 30-minute advance notification from Company.

### PARTICIPATION INCENTIVE

During the first year of the initial 5-year Contract Period, Customer will receive a one-time Participant Incentive, in the amount of \$50.00/kW, to support Customer investment related to participation in the program, including purchase and installation of automation controls and DR-enabling equipment. Under the Curtailable Option, this incentive will be based on an average of Customer's Event Demand Reduction for the first two summer Curtailment Events following execution of a Contract. Under the Emergency Generator Option, this incentive will be based on Customer's Event Demand Reduction for the first summer Curtailment Event following execution of a Contract. Any Customer having service under the Rider terminated during the initial 5-year Contract Period shall be charged by Company an amount equal to the Participation Incentive received by Customer under the Rider. A Customer account is eligible for only one Participation Incentive credit for the life of this Rider.

### CONTRACT PERIOD

The Contract Period shall be five (5) years, with automatic extensions of two (2) years thereafter, unless terminated by either party at the end of the Contract Period by giving not less than sixty (60) days written prior notice. At Company's sole option, Company may terminate the Customer's Contract under this Rider upon written notice to the Customer for the failure to perform satisfactorily during three consecutive Curtailment Events or for violation of any of the terms or conditions of the applicable Schedule or this Rider.

### ADJUSTMENTS TO CONTRACTED CURTAILABLE DEMAND

Customer may reduce the Contracted Curtailable Demand without charge at the end of any Contract Period. The Contracted Curtailable Demand may also be adjusted, upon Company approval, during a 4-week period immediately following any Curtailment Event, provided it is not adjusted more than 2 times in a calendar year. Customer may request, by providing 30-days advance written notice, a downward adjustment to Contracted Curtailable Demand related to a permanent change in equipment or operations.

### SALES TAX

To the above charges will be added any applicable North Carolina Sales Tax.

### GENERAL

Service rendered under this Rider is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission. The provisions of this Rider are subject to change upon approval by the North Carolina Utilities Commission.

### DSM/EE OPT-OUT ELIGIBILITY

An opt-out eligible customer first participating in this program on and after January 1, 2016, or renewing its participation on and after that date, loses the right to be exempt from the DSM Rate for the greater of three (3) years from initial receipt of incentives under this program or the Contract Period. An opt-out eligible participant receiving incentives under this program prior to December 1, 2010 may not request to be exempt from the DSM Rate any earlier than August 1, 2017. An opt-out eligible participant receiving incentives under this program on or after December 1, 2010, but prior to July 1, 2012, may not request to be exempt from the DSM Rate any earlier than January 1, 2018. An opt-out eligible participant receiving incentives under this program on or after July 1, 2012, but prior to February 1, 2014, may not request to be exempt from the DSM Rate any earlier than July 1, 2018. An opt-out eligible participant receiving incentives under this program on or after February 1, 2014, but prior to January 1, 2016, may not request to be exempt from the DSM Rate any earlier than January 1, 2019.

Supersedes Rider DRA-3A

Effective for service rendered on and after January 1, 2016

NCUC Docket No. E-2, Sub 931



## SMALL BUSINESS ENERGY SAVER PROGRAM – SBES – 3

### PURPOSE

The purpose of this program is to encourage the installation of energy efficiency measures by commercial businesses. The program targets improvements in lighting; refrigeration; and heating ventilating and air conditioning. All program services shall be provided by a Company-authorized vendor that will solicit participants, complete and provide non-binding site surveys at no cost to Customer, and provide a Small Business Energy Saver Program Participation Agreement that states the scope and cost of the proposed improvements. Upon execution of this Agreement by Customer, all work will be performed by independent contractor(s) selected by the Company-authorized vendor. The vendor shall warranty all parts and labor.

### AVAILABILITY

The program is available to existing individually-metered buildings occupied by a commercial business as determined by its standard industrial classification (SIC) code with an annual demand requirement of 100 kW or less that cannot be classified as new construction. A Landlord Consent Agreement must be executed prior to completion of the site survey when Customer doesn't own the occupied facility. Program participation is limited to no more than three premises per calendar year for an individual business entity. The program is only available, in Company's sole discretion, to qualifying customers in areas served and selected by Company.

### INCENTIVE PAYMENTS

The amount of the incentive shall be a percentage of the installed cost of the measures and is subject to modification over time to enhance participation and the cost-effectiveness of the program. All incentives shall be paid by Company directly to the Company-authorized vendor upon receipt of a Project Completion form that states the existing and improved energy efficiency measure(s) have been installed. All project costs above the incentive amount shall be the responsibility of the Customer and shall be paid based upon payment terms arranged between Customer and vendor. Extended payment options may be available to a customer requesting this option.

### RESPONSIBILITY OF PARTIES

Prior to the provision of any services under this program, Customer shall execute or cause to be executed an Energy Survey Agreement, Owner Consent Agreement, Small Business Energy Saver Program Participation Agreement or Project Completion form, as appropriate. Customer agrees to not remove or resell equipment or other measures installed pursuant to this program and they shall remain at their current location. Disputes regarding the installation shall be subject to the terms and conditions of the executed Participation Agreement and shall be resolved in accordance with the terms thereof. Company has no liability and makes no guarantee with respect to the installation or performance of the installed measure(s).

Customer shall permit Company and its authorized vendor the right of ingress and egress to Customer's premises at all reasonable hours for the purpose of pre-installation and post-installation inspection of the project to determine the actual kW reduction and energy savings for program evaluation purposes.

### COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

### DSM/EE OPT-OUT ELIGIBILITY

An opt-out eligible customer participating in this program on and after January 1, 2016 loses the right to be exempt from the EE Rate for three (3) years following receipt of an incentive under this program.

### GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the North Carolina Utilities Commission.

Supersedes Program SBES-1B

Effective for service rendered on and after January 1, 2016

NCUC Docket No. E-2, Sub 931

## ENERGYWISE FOR BUSINESS RIDER EWB-3

### AVAILABILITY

This Rider is available on a voluntary basis, solely at Company's option, to non-residential Customers receiving electric service under a nonresidential rate schedule and where the establishment has one or more qualifying central air conditioning or electric heat pump unit(s) which operate to maintain a conditioned space on weekdays during the calendar months May through September as determined by Company, for this Rider under a Summer Control Option. Eligible participants who also have an electric heat pump unit(s) with electric resistance heating which operates on weekdays during the calendar months November through March, as determined by Company, may also elect the Winter Control option. Weekdays are defined as Monday through Friday. This Rider is not available to customers served under Schedules LGS-RTP and SI, Riders NM, DRA, 57, 68, IPS, LLC, or NFS.

### GENERAL PROVISIONS

This Rider is available where the following requirements are met:

1. Customer must agree to control of all installed qualified central air conditioning or electric heat pumps units in the establishment under a single control option as set forth below.
2. During the billing months of May through September, Customer's electric usage must average a minimum of 1,000 kilowatt hours per month.
3. Company shall have the right to require that the owner of the controlled equipment, if different than Customer, give satisfactory written approval for Company's installation and operation of load control devices or thermostats on that equipment before Customer may enter into an agreement for this Rider.
4. Neither Customer nor his agent shall disconnect or otherwise interfere with the proper operation of Company-provided equipment required to control Customer's central air conditioning or electric heat pump system.
5. Customer shall immediately notify Company of the removal, damage or discontinued use of Customer's controlled equipment during weekdays or removal or damage to Company-provided load control device or thermostat.
6. Where Company has the necessary communications equipment installed and where a communication signal can be satisfactorily delivered to allow Company to communicate with Company-provided equipment, Customer shall allow Company's representative to install and operate equipment to interrupt service to each installed, approved electric air conditioning and/or electric heat pump unit using one of the following types of control equipment below:
  - a. Thermostat Control Option (a web-enabled programmable thermostat): If this option is selected, Customer must provide password-protected broadband/Wi-Fi internet access to the thermostat, at no cost to Company. Customer will receive access from Company to the installed thermostat through a web portal for setting and controlling the system remotely through Customer's smart phone, tablet or computer. In order to participate in the Winter Control option, the Thermostat Control Option is required.
  - b. Wi-Fi Load Control Device Option: If this option is selected, Customer must provide both (1) a password-protected broadband/Wi-Fi internet access to the load control device, at no cost to Company and (2) the necessary wiring for a circuit, exclusive of any other load, suitable for the installation of a load control device. In no event will Company be required to install additional wiring if Company determines the wiring cannot be done in a manner which is economically feasible.

- c. Cellular (or Other Technology) Load Control Device Option: Customer must provide the necessary wiring for a circuit, exclusive of any other load, suitable for the installation of a load control device. In no event will Company be required to install additional wiring if Company determines the wiring cannot be done in a manner which is economically feasible. This option is only available where suitable cellular or other communications service is present.

7. Company shall be allowed to monitor Customer's load, or any part thereof, and the operation of controlled appliances.

Customers selecting the Thermostat Control option, and utilizing electric heat pumps with electric resistance heating elements, may also elect to participate in a Winter Control option applicable to their weekday operations, but customers may not participate in a Winter Control option only.

### CONTROL CREDITS

The credits as set forth below for each option will be applied to Customer's first monthly bill following successful installation and testing of each load control device or thermostat. After the first year, Customer will receive a credit annually upon the anniversary date of the initial credit issued.

#### Summer Control Option:

Customer shall select one of the following summer-cycling options based upon the percent reduction of the normal on/off frequency of the air conditioning or heat pump compressor for all controlled cooling equipment:

1. 30% Summer Cycling Level - \$50 per load control device
2. 50% Summer Cycling Level - \$85 per load control device
3. 75% Summer Cycling Level - \$135 per load control device

The cycling option selected must be the same for each controlled unit, but once selected may not change for 12 months.

#### Winter Control Option:

Summer Control customers may also elect to participate in a Winter Control Option provided Customer utilizes the Thermostat Control Option and have electric heat pumps with electric resistance heating elements. Under the Winter Control Option, 100% of Customer's electric resistance heating elements will be controlled during the Interruption Period; however, the heat pump compressor will not be interrupted. If Customer selects the Winter Control option, Credits will be made to Customer's first monthly bill following successful installation and testing of each thermostat control of an additional \$25 per thermostat.

### REQUIREMENTS FOR AIR CONDITIONING AND ELECTRIC HEAT PUMP UNIT

An approved electric air conditioning and/or electric heat pump unit is a permanently installed package or split system that conditions all or part of the enclosed floor space. All qualifying units installed in the establishment for the purpose of human comfort in spaces not separated by firewalls must participate under this Rider in order to receive credit. Such units controlled by whole building energy management systems, direct digital controls or multiple temperature sensors may not be compatible with a Company-supplied thermostat, but may still participate under this Rider using the load control device option.

### INTERRUPTION PERIODS

Company shall be allowed, at its sole discretion, to interrupt service to Customer's air conditioner and/or electric heat pump at any time, based upon the customer-elected cycling option. The control period under the Summer Control option may be for up to four hours each day during the months of May through September. Interruption of cooling equipment for cycling purposes shall be limited to a total of no greater than 40 hours during any one summer season for cycling purposes.

For those customers selecting the Winter Control option, Company shall be allowed, at its discretion, to interrupt service to the resistance heating elements associated with each electric heat pump unit for up to four hours per day during each day November through March. Resistance heating element interruptions shall be limited to a total of no greater than 40 hours during any one winter season.

Company, at its sole discretion may limit requests for service under this Rider to geographic regions for valid reasons. Also, in addition to the control period for cycling purposes, Company reserves the right to control the customer's equipment for additional periods in the event Company has capacity problems.

Company reserves the right to test the load control equipment at any time, and such test periods shall be counted towards the maximum hourly interruption limits. Customer shall have the option to override two (2) control events each calendar year without forfeiting the credit by calling or contacting Company in accordance with Company's instructions; however, if Customer requests an override for more than two (2) control events in a calendar year, Customer's service under this Rider will either be terminated or Customer will forfeit the next Annual Incentive Credit. A control event override is defined as Customer requesting exemption from any portion of the control event.

#### EQUIPMENT INSPECTION AND SERVICING

Company or its agents shall have the right of ingress and egress to Customer's premises at all reasonable hours for the purpose of inspecting the installed load control equipment and/or web-enabled programmable thermostat; changing, exchanging, reconnecting, or repairing, as necessary; or removing after termination of service if requested by Customer. Upon discontinuance of service under this Rider, any Company installed equipment becomes the property of Customer who is solely responsible for its operation and maintenance thereafter.

#### CONTRACT PERIOD

Customer shall enter into an agreement for a minimum original term of one (1) year and thereafter until terminated by either party by giving at least 30 days prior written notice to the other party. Upon termination of service under this Rider, the installed equipment at the premises will be remotely disabled to prevent further load control, but will only be removed upon request by Customer. Company reserves the right to terminate Customer's agreement under this Rider at any time upon written notice to Customer for violation of any of the terms or conditions of the applicable Schedule or this Rider. If, during the original term, Customer requests termination of service under this Rider and remains at the same location without participating in a called Summer Control event, Customer will be required to repay the annual incentive. Upon discontinuance of service under this Rider, Customer may not enter into a new agreement for this Rider for a period of 12 months.

#### DSM/EE OPT-OUT ELIGIBILITY

An opt-out eligible customer participating in this program on and after January 1, 2016 loses the right to be exempt from the DSM Rate for three (3) years following receipt of an incentive under this program.

Supersedes Rider EWB-1  
Effective for service on and after January 1, 2016  
NCUC Docket No. E-2, Sub 931

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Progress, LLC's Compliance Demand Side Management and Energy Efficiency Program Tariffs, in Docket Nos. E-2, Sub 931, has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This, the 18th day of December 2015.



Brian L. Franklin

Associate General Counsel

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ATTORNEY FOR DUKE ENERGY  
PROGRESS, LLC