

December 15, 2023

**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 Submission of Jointly-Prepared Pre-Filed Materials for Technical Conference*  
Docket No. E-100, Sub 179; E-7, Sub 1032; and E-2, Sub 931

Dear Ms. Dunston:

I write on behalf of the Carolina Industrial Group for Fair Utility Rates II & III (CIGFUR). As indicated in the List of Presenters on Large Customer Panel filed in the above-referenced dockets on December 11, 2023, PJ Klein, P.E., Business Continuity Program Manager and Assistant Division Manager, Corning Incorporated, will be speaking on behalf of CIGFUR.

Enclosed please find Mr. Klein's professional biography, as well as a copy of the slide deck he will be referencing during his introductory remarks during the Large Customer Panel portion of the technical conference to be held on December 18, 2023.

Please contact me directly should you have any questions.

Best regards,

Electronically submitted  
/s/ Christina D. Cress  
*Counsel for CIGFUR*

Encls.

cc: Parties of Record

**CERTIFICATE OF SERVICE**

The undersigned attorney for CIGFUR hereby certifies that she caused the foregoing letter and enclosures to be served upon counsel of record for all parties to this proceeding, consistent with the Service List maintained by the NCUC Chief Clerk's office, by electronic mail.

This the 15<sup>th</sup> day of December, 2023.

/s/ Christina D. Cress  
Christina D. Cress



PJ Klein, PE, CEM, CBCP  
Business Continuity Program Manager and Assistant Division Energy Manager  
Corning

PJ has a total of 15 years power experience in various capacities including operating nuclear power plant, new nuclear power plant design and industrial manufacturing.

PJ has worked for Corning for 9 years and is currently the Business Continuity Program Manager, as well as the Assistant Division Energy Manager, within the Optical Fiber and Cable Division. Previously, PJ was the Facilities Power Subject Matter Expert in Division Engineering, a knowledge base the company continues to leverage. In that role PJ led two multi-million dollar capacity expansions in addition to supporting several other projects and capacity expansions around the world. Prior to coming to Corning, PJ was an Electrical Engineer for United Engineers & Constructors (previously URS/AECOM) for 6 years supporting design changes for operating nuclear power plants and working on new nuclear plant designs.

PJ holds three professional licenses and certifications: Professional Engineer, Certified Energy Manager, and Certified Business Continuity Professional. PJ graduated from the University of New Orleans with a BS in Electrical Engineering with a concentration in Power.

# EE/DSM Mechanism Review Technical Conference

## Perspectives of Carolina Industrial Group for Fair Utility Rates

PJ Klein, PE, CEM, BCPC

Business Continuity Program Manager, Assistant Division Energy Manager

Corning

(Note: PJ Klein's bio will be filed in these dockets before the Technical Conference.)

# CORNING

- In 2023, Corning was named the ENERGY STAR® Partner of the Year by the U.S. Environmental Protection Agency (EPA) for the tenth consecutive year
- Corning's Global Energy Management (GEM) program strategically manages the company's global energy usage with consideration to energy productivity, power supply reliability, and environmental impact
- GEM recently expanded its scope to include water management and a greater focus on renewable energy
- GEM's mission is to "innovate and be responsible users of energy, water, and other natural resources"
- Inspired by Corning's culture of innovation, GEM will continuously improve reliability, efficiency, and productivity in a quest to make customers and the company more competitive and to support healthier communities around the world

# Strategies for Achieving GEM's Mission

- Continuously improve energy, water, and natural resource management in operations
- Incorporate energy, water, and natural resource innovation in product development, product design, and manufacturing processes
- Engage employees and suppliers in energy, water, and natural resource management
- Ensure Corning meets customer requirements regarding energy, water, and natural resource utilization
- Analyze and communicate Corning's progress and successes in energy, water, and natural resource innovation to internal and external stakeholders

# CIGFUR's Perspectives

1. Energy costs are often one of the top 3 expenses incurred by an industrial customer. As a result, large manufacturers, data centers, and other industrial customers are heavily economically motivated to conserve energy and implement EE and DSM measures independently of utility-administered EE/DSM programs. Importantly, these EE/DSM measures undertaken independently from utility-administered EE/DSM programs are funded by the customers themselves, meaning the costs of such measures are not passed on to other ratepayers—even though other ratepayers indirectly benefit from such investments because of the energy savings created at no incremental cost to the system. In short, these investments provide a net benefit to all ratepayers and classes of ratepayers.
2. Thus, the policy rationale underlying the NC General Assembly's enactment of Senate Bill 3, which codified in statute large industrial customers' right to opt out of participating in utility-administered EE/DSM programs remains just as applicable in 2023 as it did in 2007 when this provision became law.
3. Unless and until the law changes, the industrial opt-out should be continued as directed by the NCGA. This is very important for those large industrial customers whose load is not flexible.
4. For those large industrial customers whose load is flexible, CIGFUR believes changes are needed to the EE/DSM Cost Recovery Mechanism to better incentivize Duke Energy to offer EE/DSM programs that are attractive enough to motivate an opted out customer to opt in to EE and/or DSM.
5. Large industrial customers are not a monolith. EE/DSM programs should maximize flexibility and be tailorable to unique load profiles and unique operational capabilities of large non-residential customers.

# DSM – Making Demand Response a More Attractive Option to Large Customers with Flexible Load

1. Adjust demand response programs to emphasize load sharing, in addition to load shedding
  - A. Proposed change – increasing bill credits to offset expenditures for customers to install and utilize emergency on-site generation assets
  - B. Net benefit – avoid ratepayer capital expenditures for incremental capacity and reliability in times of grid strain
  
2. Modify the EE/DSM cost recovery mechanism to enable Duke Energy to offer a tiered bill credit
  - A. Proposed change – tiered approach with differential value of bill credits based on varying response times and amount of load able to be shed, among other differentials
  - B. Net benefit – avoid ratepayer capital expenditures for incremental capacity
  
3. Separate emergency and non-emergency (economic) demand response programs enabling customer participation in either or both
  - A. Proposed change – separate programs and modifications to incentivize Duke Energy to maximize participation
  - B. Net benefit – economic savings for ratepayers and reliability in times of grid strain



# Key Takeaways

- EE/DSM measures are a key component to achieving North Carolina's carbon dioxide emissions reduction goals set forth in House Bill 951
- The EE/DSM mechanism should be updated to ensure:
  - Alignment between the incentives Duke Energy receives and the policy goals of this State, in order to sufficiently motivate the utility to design and offer attractive EE/DSM programs to its customers
  - That both EE and DSM are valued as high-priority resources that will help Duke Energy continue providing reliable, adequate power while achieving HB951's CO2 reduction goals
- In order to enable potential participation in such new and/or improved programs for Vintage Year 2025, action is needed as soon as possible to allow time for mechanism changes to be implemented
- CIGFUR looks forward to continued collaboration with Duke Energy in both the EE/DSM Mechanism Review process and in the EE/DSM Collaborative