

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas,
LLC, Proposing Modifications to the
PowerShare® Nonresidential Load
Curtailment Program

COMMENTS OF CIGFUR III

NOW COMES the Carolina Industrial Group for Fair Utility Rates III (CIGFUR III), by and through undersigned counsel, and respectfully submits the following comments in the above-captioned matter.

PROCEDURAL HISTORY

1. On February 8, 2019, CIGFUR III filed a Petition to Intervene in Docket No. E-7, Sub 1032.
2. On February 15, 2019, the Commission granted CIGFUR III's Petition to Intervene in Docket No. E-7, Sub 1032.
3. On October 9, 2023, Duke Energy Carolinas, LLC (DEC or the Company) filed in this docket its Proposed Modifications to the PowerShare® Nonresidential Load Curtailment Program (Proposed PowerShare® Modifications), pursuant to Commission Rule R8-68, setting forth changes to the program in its current form, which was approved by the Commission in this docket on February 26, 2009.
4. Pursuant to Commission Rule R8-68(d)(2), after an electric public utility files a request for approval or modification of a demand-side management (DSM) or energy

efficiency (EE) program, interested parties have 30 days from the date of the filing to file protests, interventions, and/or comments.

5. On November 1, 2023, the Public Staff filed a motion requesting an extension of time until November 17, 2023, for interested parties to file comments, interventions, or protests in response to the Company's Proposed PowerShare® Modifications.

6. On November 6, 2023, the Commission granted the Public Staff's November 1, 2023 motion requesting an extension of time, allowing until November 17, 2023, for interested parties to file comments, interventions, or protests.

COMMENTS AND RECOMMENDATIONS

7. CIGFUR III appreciates that the Company has incorporated some of the feedback CIGFUR III has provided to it through the Comprehensive Rate Design Study and various other stakeholder processes and channels. CIGFUR III wishes to highlight in particular the Company's incorporation of the feedback that it is important to have both economic and emergency demand response programs, because economic demand response and emergency demand response serve different purposes.

8. While CIGFUR III appreciates that the Company was receptive to some of its feedback, CIGFUR III notes that it would have been helpful if the Company had provided CIGFUR III an opportunity to review these proposed program modifications and provide feedback in advance of filing these modifications for Commission approval in this docket. In the future, CIGFUR III hopes the Company will discuss proposed new or modified non-residential demand response programs with CIGFUR III and its member companies before filing same for Commission approval.

9. In addition, CIGFUR III offers a few key suggestions for how to further modify PowerShare® to maximize non-residential customer participation consistent with the policy goals set forth in G.S. 62-110.9 and the Commission's initial Carbon Plan ordered issued on December 30, 2022.

10. First, CIGFUR III recognizes that demand response initiated as quickly as possible provides maximal value to the Company and the system. However, demand response initiated at different notice intervals also provides value to the Company and the system. Because demand response initiated less rapidly also provides value, albeit to a lesser extent, to the Company and the system, the Company should structure PowerShare® to offer a value differential in the credits provided to reflect the relative benefits provided to the system at different notice intervals.

11. Modifying the PowerShare® program to reflect differential value provided by different notice intervals is necessary because load flexibility and responsiveness is not a one-size-fits-all analysis. The Company should offer a variety of demand response program options so that the programs can be tailored to the unique needs and load profiles of non-residential customers.

12. The Company has some non-residential customers which would otherwise potentially be willing and able to participate in PowerShare® but which cannot participate in the program as presently designed/proposed because they would not be able to safely shed load within the current required response times or in the time frames provided for in the Company's Proposed PowerShare® Modifications.

13. Moreover, modifying the PowerShare® program to reflect differential value provided by different response times is important to maximize the number of customers

who choose to opt-in to this voluntary demand response program. Maximizing the number of customers who choose to opt-in to demand response programs is important both to advance the State's carbon emissions reduction goals and because the more demand response that a utility can deploy, the less capital they might need to deploy to build new generation assets. In addition to the system benefits provided by demand response, demand response also helps all ratepayers by avoiding the need for incremental capital expenditures for capacity expansion.

14. For these reasons, CIGFUR III recommends that the Company revise its PowerShare® program to provide a tiering program structure, with different levels of bill credits corresponding to varying response times in order to reflect the differential value provided to the system.

15. Second, CIGFUR III recommends that in order to enable different kinds of customers with unique load profiles to participate, the new economic (i.e., non-emergency) curtailment option should function independently from the Mandatory Curtailment Option. In other words, the Mandatory Curtailment Option should be a stand-alone program separate and apart from DEC's proposed new non-emergency economic dispatch demand response program. This will ensure that only those customers who are truly ready, able, and willing to respond in an emergency situation will volunteer to participate in emergency demand response programs. Moreover, it will maximize the number of customers who opt-in to the economic non-emergency option.

16. With these few critically important modifications, CIGFUR III recommends that the Company's proposal be approved as a new DSM program pursuant to Commission Rule R8-68.

Respectfully submitted, this the 17th day of November, 2023.

BAILEY & DIXON, LLP

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CERTIFICATE OF SERVICE

The undersigned attorney for CIGFUR III hereby certifies that she caused to be served by electronic mail the foregoing *Comments of CIGFUR III* upon the parties of record to this proceeding, as set forth in the service list for the above-captioned dockets maintained by the Chief Clerk of the North Carolina Utilities Commission.

This the 17th day of November, 2023.

/s/ Christina D. Cress
Christina D. Cress