



November 29, 2022

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

**RE: Applications by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of Residential Smart Saver Early Replacement and Retrofit Energy Efficiency Program
Docket Nos. E-7, Sub 1278 and E-2, Sub 1308**

Dear Ms. Dunston,

On October 25th, 2022, the North Carolina Utilities Commission (Commission) issued an Order Granting Extension of Time (Order) for interested parties to comment on Duke Energy Carolinas, LLC's (DEC) and Duke Energy Progress, LLC's (DEP, and collectively with DEC, Duke Energy) respective applications for approval of new energy efficiency programs, the Residential Smart Saver Early Replacement and Retrofit Energy Efficiency Program. The North Carolina Sustainable Energy Association (NCSEA) respectfully submits this letter in lieu of comments in response to the Commission's Order. These energy efficiency programs were designed and developed through the collaborative efforts of the Tariffed On-Bill (TOB) Working Group, which was established by the parties to a Stipulation of Settlement from each of DEC's and DEP's 2019 general rate cases, filed on July 23, 2020 in Docket Nos. E-7, Sub 1214 and E-2, Sub 1219 respectively.



Attached to this letter please find a statement from Mr. Daniel Pate, Energy Program Manager at NCSEA (Attachment A), who facilitated the TOB Working Group that designed the proposed Residential Smart Saver Early Replacement and Retrofit Energy Efficiency Programs along with the other participants in the TOB Working Group.

NCSEA thanks the Commission for its consideration of these matters. By copy of this letter, I am serving copies of the attached to all parties of record by electronic delivery. Please do not hesitate to contact me if any questions or concerns arise in connection with this filing.

Thank you,

/s/ Taylor Jones

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Enclosures
cc: Parties of Record



November 29, 2022

To the North Carolina Utilities Commission,

I appreciate the opportunity to have participated in the Tariffed On-Bill (TOB) Working Group on behalf of the North Carolina Sustainable Energy Association (NCSEA), which focused on a collaborative approach to developing residential energy efficiency programs for single-family and multi-family units. The approval of the filings referenced above are critical to implementation of the TOB residential retrofit energy efficiency program that was developed through extensive discussions between Duke Energy, the Public Staff, and a range of other stakeholders over the past eighteen months.

TOB provides a unique opportunity where the utility offers a service to customers that can unlock residential energy efficiency at a large scale. This in turn helps residents lower their energy bills and improve their standards of living at low-to-no cost. It also provides Duke Energy an opportunity to achieve the emissions reductions goals set forth by House Bill 951, particularly to achieve a 70 percent reduction of emissions by 2030 and carbon neutrality by 2050.

Duke Energy and regional stakeholders have collaborated in the TOB Working Group since April 2021 to develop and file the TOB residential retrofit energy efficiency program. TOB is a customer-focused program where energy upgrades are capitalized up front by the utility and costs are recovered through a monthly charge on the bill that is less than the estimated savings, helping customers remove the upfront cost barrier to

(Attachment A - 1)



energy efficiency. The Commission approved a settlement agreement in which Duke Energy committed to developing a TOB program in consultation with NCSEA, the North Carolina Justice Center, the North Carolina Housing Coalition, the Natural Resources Defense Council, and the Southern Alliance for Clean Energy as part of Duke Energy’s 2019 general rate cases. In October 2021, House Bill 951 ordered that Duke Energy “establish an on-utility-bill repayment program related to energy efficiency investments.”

NCSEA led the working group starting in September 2021 after the departure of the former working group facilitator. The group consisted of more than 40 regional stakeholders meeting monthly to explore each program development stage that included market research, data gathering, data analysis and program design. NCSEA also met with the Duke Energy team between full working group meetings to develop meeting agendas and strategize on working group engagement.

Throughout the TOB Working Group period, Duke has shown commitment and urgency in working with stakeholders to develop the program. While there were differences in opinion on the methodology and vision of the program at the beginning of the working group’s process, over time Duke made a concerted effort to learn from the group and incorporate real-time feedback into the TOB program design process. The utility’s buy-in and efforts to consider the interests of all stakeholders involved appears to have led to a program that meets the core objectives of all involved.

As part of the program design agreed upon by the TOB Working Group, NCSEA supports Duke using an “as found” baseline to calculate energy savings for prospective

(Attachment A - 2)



homes in the TOB program. By using this baseline Duke can model savings based on the resident's current equipment in order to match higher energy savings with higher customer incentives. NCSEA believes this approach will help ensure the customer achieves the energy savings needed for a cash-flow positive scenario, which is a critical component of the TOB design. Additionally, NCSEA has had the chance to review the comments being submitted by the NC Justice Center, NC Housing Coalition, and Southern Alliance for Clean Energy, and agrees with their comments and recommend minor adjustments.

NCSEA remains committed to working with Duke Energy and other stakeholders to implement the program and track its progress throughout the rollout period. We appreciate the Commission's interest in and engagement with TOB and likewise we appreciate Duke Energy's collaborative approach to working with stakeholders to put together the Residential Smart Saver Energy Efficiency Program-Early Replacement and Retrofit. NCSEA requests that these programs and tariffs become effective on January 1, 2023, so that Duke Energy and the working group can continue to build on the momentum from recent TOB Working Group meetings and begin implementation of the program. Thank you for considering these comments.

Sincerely,

Daniel Pate

Energy Program Manager

NC Sustainable Energy Association

(Attachment A - 3)

CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing filing by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 29th day of November, 2022.

/s/ Taylor Jones
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