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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,
Comments and Request for Approval of Revised EE/DSM Mechanisms
Docket Nos. E-100, Sub 179; E-7, Sub 1032; and E-2, Sub 931**

Dear Ms. Dunston:

Enclosed for filing on behalf of Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (together, the "Companies"), please find the Companies' initial comments in the above-referenced dockets (the "Comments"). The Comments are submitted pursuant to the North Carolina Utilities Commission's ("Commission") *Order Adopting Initial Carbon Plan and Providing Direction for Future Planning*, dated December 30, 2022 ("Initial Carbon Plan Order"), and its *Order Granting Public Staff's Motion for Procedural Relief and Scheduling Technical Conference*, dated October 30, 2023 (the "Scheduling Order").

Importantly, the Comments (i) provide the Companies' responses to the issues identified in the Scheduling Order and (ii) submit for and the Commission's approval revisions to the Companies' respective demand side management ("DSM") and energy efficiency ("EE") mechanisms that are attached as Exhibit A and Exhibit B to the Comments (together, the "Mechanisms").¹

¹ DEC's revised Mechanism is attached as Exhibit A and DEP's revised Mechanism is attached as Exhibit B. In each case, the exhibit contains a clean version of the revised Mechanism, along with a redlined version that shows the revisions against the existing, Commission-approved Mechanisms. Given the Companies' ongoing dialogue with stakeholders, the Companies expressly reserve the right to further modify the Mechanisms.

I. Overview of Consensus Items and the Companies' Comments

As described in the Comments, the Companies conducted extensive stakeholder engagement over several months during which the Companies and stakeholders discussed the existing Mechanisms and potential modifications thereto. These conversations were wide-ranging and encompassed items related to best practices, the Proposed Enablers (as defined in the Comments), and the topics identified by the Commission in the Scheduling Order. The Companies sincerely appreciate the constructive engagement of the Public Staff and all parties in this process, which, as shown below, has resulted in support on a number of revisions—including revisions related to the Proposed Enablers identified in the Initial Carbon Plan Order.

Importantly, most of the Companies' proposed revisions have express support from Public Staff and/or are unopposed by all parties, reflecting the success of the extensive, months'-long stakeholder engagement process. For ease of reference, **Table 1** highlights for the Commission the revisions that are being jointly-supported, supported by Public Staff, and/or are unopposed.

Table 1

Revisions Supported By All Parties ²
Revised Paragraph Number
DEC # 10 and DEP # 11
DEC # 37(b) and DEP # 34B
DEC # 46 and DEP # 29
DEC # 81 and DEP # 87
Additional Revisions Supported by Public Staff and Companies
Revised Paragraph Number
DEC # 3 and DEP # 4
DEC # 15 and DEP # 16
DEC # 21(a) and DEP # 21
DEC # 21(b) and DEP # 21B
DEC # 23 and DEP # 24
DEC # 31 and DEP # 31
DEC # 38 and DEP # 36
DEC # 45 and DEP # 28
DEC # 51 and DEP # 51
DEC # 55(b) and DEP # 50(d)
DEC # 80 and DEP # 86
DEC # 90 and DEP # 96
DEC # 91 and DEP # 97
DEC # 92 and DEP # 99

² The Companies have been authorized to represent that these changes are supported by Public Staff, SELC, NCSEA, CIGFUR, AGO, Walmart, and CUCA.

DEC # (N/A) and DEP # 58
Additional Revisions Supported or Unopposed by All Parties ³
Revised Paragraph Number
DEC # 3 and DEP # 4
DEC # 15 and DEP # 16
DEC # 21(a) and DEP # 21
DEC # 21(b) and DEP # 21B
DEC # 23 and DEP # 24
DEC # 38 and DEP # 36
DEC # 45 and DEP # 28
DEC # 55(b) and DEP # 50(d)
DEC # 90 and DEP # 96
DEC # 91 and DEP # 97
DEC # 92 and DEP # 99
DEC # (N/A) and DEP # 58

The Companies are not proposing material modifications to the fundamental regulatory construct, including the incentive structure, that serves as the foundation of the Mechanisms. Instead, as detailed in the Comments, the proposed revisions attempt to improve the Mechanisms through, among other items, (i) incorporating the Proposed Enablers, (ii) allowing for increased incentives so that customers may have greater access to longer-lived savings, and (iii) ensuring continued transparency in the evaluation, measurement, and verification (“EM&V”) process.⁴ The Companies address the topics from the Commission’s Scheduling Order one-by-one in the Comments and explain corresponding edits, if any, to the revised Mechanisms for which the Companies are requesting Commission approval.

II. Conclusion

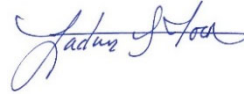
Taken together, the proposed one-time Vintage 2025 reconciliation mechanism updates and the revisions to the Mechanisms will enable the Companies and their customers to achieve deeper, longer-lasting energy savings that will benefit participants and non-participants alike. Therefore, as explained in greater detail in the enclosed Comments, the Companies respectfully request that the Commission approve the respective Mechanisms attached as Exhibit A and

³ The Companies solicited feedback from Public Staff, SELC, NCSEA, CIGFUR, AGO, Walmart, and CUCA regarding these revisions. Certain parties have expressed support for these revisions, and the remaining parties have not expressed any objection to these revisions. Although parties may submit comments that provide context or propose certain qualifications regarding their positions on these specific revisions, the Companies have been authorized to represent the positions of the parties reflected in this table.

⁴ The revised Mechanisms also incorporate certain ministerial changes that may not be expressly addressed in this letter. These changes are made primarily to accommodate the revisions discussed herein or address certain non-substantive items.

Exhibit B to the Comments and grant any other relief as the Commission deems just and reasonable in the furtherance of the public interest.⁵

Sincerely,

A handwritten signature in blue ink, appearing to read "Ladawn S. Toon", written in a cursive style.

Ladawn S. Toon

Enclosures

cc: Parties of Record

⁵ Given the Companies' ongoing dialogue with stakeholders, the Companies expressly reserve the right to further modify Exhibit A and Exhibit B.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Comments and Request for Approval of Revised EE/DSM Mechanisms in Docket Nos. E-100, Sub 179; E-7, Sub 1032; and E-2, Sub 931 have been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the parties of record.

This 26th of January, 2024.



Ladawn S. Toon