STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

STAFF CONFERENCE AGENDA March 22, 2021

IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO VIEW
THE MEETING WILL BE POSTED ON THE COMMISSION'S
WEBSITE, NCUC.NET

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

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TO: Agenda – Commission Conference – March 22, 2021

FROM: PUBLIC STAFF – North Carolina Utilities Commission

C. COMMUNICATIONS

P1. <u>DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE</u> FOR UNIVERSAL SERVICE SUPPORT

EXPLANATION: On July 17, 2020, Atlantic Telecom Multimedia Consolidated, LLC (ATMC), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in the state for the areas in which the provider wishes to receive universal service support.

In its July 17, 2020 application, ATMC seeks ETC designation for the census blocks located in Bladen, Brunswick and Columbus counties in southeastern North Carolina specified in Attachment A of the application. ATMC requests ETC designation for additional census blocks located in Bladen, Brunswick, Columbus, Duplin, Pender, and Robeson counties by way of a supplement filing made on February 27, 2021; the additional census blocks are specified in Attachment C of the supplement filing. Funding awarded to ATMC's parent corporation, Atlantic Telephone Membership Corporation, through the USDA-Rural Utilities Service's ReConnect Loan and Grant Program and the North Carolina Department of Information Technology's Broadband Infrastructure Office's Growing Rural Economies with Access to Technology Program has been assigned to ATMC.

ATMC is a competing local provider (CLP) and was granted a certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on February 17, 2011, in Docket No. P-1523, Sub 0.

The Public Staff has investigated ATMC's application and supplement filings, including review of responses to Public Staff data requests. The Public Staff concludes that ATMC satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, ATMC has indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Lastly, the Public Staff has determined that ATMC is current with all Commission filing requirements to operate as a CLP in North Carolina.

RECOMMENDATION: (Proffitt/Coxton) That the Commission issue an order finding that ATMC has met the requirements to serve as an ETC in the requested census blocks in Bladen, Brunswick, Columbus, Duplin, Pender, and Robeson counties, and designating ATMC as an ETC for those census blocks as requested.

D. <u>ELECTRIC</u>

P1. <u>APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES</u>

EXPLANATION: The following applications seek amended certificates of public convenience and necessity for construction of a solar photovoltaic (PV) electric generating facilities, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Duke Energy Carolinas:

<u>Docket No. SP-8431, Sub 0</u> – Application of Saw Solar, LLC, for an amended certificate of public convenience and necessity to construct a 4.999-MW solar PV facility in Rowan County, North Carolina. (registration statement issued previously)

<u>Duke Energy Progress</u>:

 <u>Docket No. SP-8116, Sub 0</u> – Application of Slender Branch Solar, LLC, for an amended certificate of public convenience and necessity to construct an 80-MW solar PV facility in Bladen County, North Carolina. (registration statement issued previously)

The Public Staff has reviewed the applications and determined that they comply with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

RECOMMENDATION: (Lawrence/Saillor) That the Commission issue orders approving the applications and issuing the requested amended certificates for the facilities. Proposed orders have been provided to the Commission Staff.

P2. <u>DOCKET NO. E-101, SUB 0 – WEAVING WATER, LLC – REQUEST FOR WAIVER OF MASTER METERING PROHIBITION IN N.C. GEN. STAT. § 143-151.42</u>

EXPLANATION: On February 4, 2021, Weaving Water, LLC (Weaving Water), filed a request for approval of the use of master metering for central heat, air conditioning, and hot water systems that accomplish greater energy conservation than separate systems for each residential unit. In support of its request, Weaving Water stated that it is developing a cohousing neighborhood consisting of 24 condominium units at 3912 Rivermont Road in Durham, North Carolina. The units have full kitchens but are supplemented by shared community facilities such as a central kitchen, dining room, and laundry room. Weaving Water plans to start construction in March or April 2021.

N.C. Gen. Stat. § 143-151.42 provides, in part, as follows:

From and after September 1, 1977, in order that each occupant of an apartment or other individual dwelling unit may be responsible for his own conservation of electricity and gas, it shall be unlawful for any new residential building, as hereinafter defined, to be served by a master meter for electric service or natural gas service. Each individual dwelling unit shall have individual electric service with a separate electric meter and, if it has natural gas, individual natural gas service with a separate natural gas meter, which service and meters shall be in the name of the tenant or other occupant of said apartment or other dwelling unit.

The prohibition on master meters has several possible exemptions and exceptions. Weaving Water requests approval pursuant to the following:

Provided, however, that any owner or builder of a multi-unit residential building who desires to provide central heat or air conditioning or central hot water from a central furnace, air conditioner or hot water heater which incorporates solar assistance or other designs which accomplish greater energy conservation than separate heat, hot water, or air conditioning for each dwelling unit, may apply to the North Carolina Utilities Commission for approval of said central heat, air conditioning or hot water system, which may include a central meter for electricity or gas used in said central system, and the Utilities Commission shall promptly consider said application and approve it for such central meters if energy is conserved by said design.

Weaving Water has integrated energy-saving mechanical systems into the residential development, including ground-source heat pumps with a shared geothermal well field that will utilize a community loop to feed the individual heat pumps and water heaters of each dwelling. Solar photovoltaic panels along with battery storage will power the pumps circulating the fluid in the geothermal loop to all of the homes.

For electric service, Weaving Water proposes to use one master meter for all electrical

usage, including common areas, not provided by the solar photovoltaic system. The residents will pay their electric bill through the community's homeowners association (HOA). Seventy percent of a resident's electric bill will be based on the square footage of each residential unit divided by the total square footage of the community's residential units. The remaining thirty percent of the total bill will be based on the number of full-time residents living in each unit divided by the total number of full-time residents in the community. The HOA will annually assess each homeowner in advance as part of its annual budget. The electric bill will be adjusted up or down each year based on the previous year's actual billing.

Accordingly, Weaving Water is requesting a ruling by the Commission that it is exempt from the requirements of N.C. Gen. Stat. § 143-151.42 prohibiting the use of master meters and for approval of its master metering plan.

The Public Staff reviewed Weaving Water's request and recommends that the request be granted. The Public Staff agrees that Weaving Water will achieve greater energy conservation than separate heating, air conditioning, and hot water systems for each residential unit and the common areas. Therefore, the proposed central systems should be approved because the statutory goal of energy conservation is met and the residents remain financially responsible for energy usage through their homeowner fees.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Lucas) That the Commission issue the Public Staff's proposed order allowing a waiver of the master metering prohibition in N.C. Gen. Stat. § 143-151.42.

P3. <u>DOCKET NO. E-2, SUB 1059 – DUKE ENERGY PROGRESS, LLC – MODIFICATION OF RESIDENTIAL MULTI-FAMILY ENERGY EFFICIENCY PROGRAM</u>

EXPLANATION: On February 3, 2021, Duke Energy Progress, LLC (DEP), filed a request for approval to modify its Residential Multi-Family Energy Efficiency program (Program). The proposed modification would add upgraded low flow water measures and smart thermostats to the existing list of measures offered by the program.

The Program was originally approved December 18, 2014, as an energy efficiency (EE) program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The Program is designed to achieve energy savings through the installation of certain energy efficient lighting and water saving measures in multi-family dwellings. Under the Program, property managers of multi-family dwellings receive energy efficient light bulbs, low-flow faucet aerators and showerheads, and pipe wrap insulation and have the option of installing the measures themselves or having them installed by a DEP vendor at no additional charge. The Program is currently available to property owners and managers of multi-family residential dwellings that have four or more individually-metered units per building.

The Public Staff reviewed DEP's request and did not discover any information that would suggest that the addition of these new measures would adversely impact the cost effectiveness of or savings from the Program. Based upon its review, the Public Staff recommends that the Commission approve DEP's request, including DEP's request to have the costs and incentives considered by the Commission as provided by Commission Rule R8-68.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (D. Williamson) That the Commission issue the Public Staff's proposed order approving DEP's proposed modification to its Multi-Family Energy Efficiency program as filed.

P4. <u>DOCKET NO. E-7, SUB 1032 – DUKE ENERGY CAROLINAS, LLC – MODIFICATION OF RESIDENTIAL MULTI-FAMILY ENERGY EFFICIENCY PROGRAM</u>

EXPLANATION: On February 3, 2021, Duke Energy Carolinas, LLC (DEC), filed a request for approval to modify its Residential Multi-Family Energy Efficiency program (Program). The proposed modification would add upgraded low flow water measures and smart thermostats to the existing list of measures offered by the program.

The Program was originally approved October 29, 2013, as an energy efficiency (EE) program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The Program is designed to achieve energy savings through the installation of certain energy efficient lighting and water saving measures in multi-family dwellings. Under the Program, property managers of multi-family dwellings receive energy efficient light bulbs, low-flow faucet aerators and showerheads, and pipe wrap insulation and have the option of installing the measures themselves or having them installed by a DEC vendor at no additional charge. The Program is currently available to property owners and managers of multi-family residential dwellings that have four or more individually-metered units per building.

The Public Staff reviewed DEC's request and did not discover any information that would suggest that the addition of these new measures would adversely impact the cost effectiveness of or savings from the Program. Based upon its review, the Public Staff recommends that the Commission approve DEC's request, including DEC's request to have the costs and incentives considered by the Commission as provided by Commission Rule R8-68.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (D. Williamson) That the Commission issue the Public Staff's proposed order approving DEC's proposed modification to its Multi-Family Energy Efficiency program as filed.

EXHIBIT NO. P-1 PAGE 1 OF 3

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-101, Sub 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Request of Weaving Water, LLC, for Approval of) ORDER GRANTING
Master Electrical Metering Plans) REQUEST

BY THE COMMISSION: On February 4, 2021, Weaving Water, LLC (Weaving Water), filed a request for approval of the use of master metering for central heat, air conditioning, and hot water systems that accomplish greater energy conservation than separate systems for each residential unit. In support of its request, Weaving Water stated that it is developing a cohousing neighborhood consisting of 24 condominium units at 3912 Rivermont Road in Durham, North Carolina. The units have full kitchens but are supplemented by shared community facilities such as a central kitchen, dining room, and laundry room. Weaving Water plans to start construction in March or April 2021.

N.C. Gen. Stat. § 143-151.42 provides, in part, as follows:

From and after September 1, 1977, in order that each occupant of an apartment or other individual dwelling unit may be responsible for his own conservation of electricity and gas, it shall be unlawful for any new residential building, as hereinafter defined, to be served by a master meter for electric service or natural gas service. Each individual dwelling unit shall have individual electric service with a separate electric meter and, if it has natural gas, individual natural gas service with a separate natural gas meter, which service and meters shall be in the name of the tenant or other occupant of said apartment or other dwelling unit.

The prohibition on master meters has several possible exemptions and exceptions. Weaving Water requests approval pursuant to the following:

Provided, however, that any owner or builder of a multi-unit residential building who desires to provide central heat or air conditioning or central hot water from a central furnace, air conditioner or hot water heater which incorporates solar assistance or other designs which accomplish greater

EXHIBIT NO. P-1 PAGE 2 OF 3

energy conservation than separate heat, hot water, or air conditioning for each dwelling unit, may apply to the North Carolina Utilities Commission for approval of said central heat, air conditioning or hot water system, which may include a central meter for electricity or gas used in said central system, and the Utilities Commission shall promptly consider said application and approve it for such central meters if energy is conserved by said design.

Weaving Water has integrated energy-saving mechanical systems into the residential development, including ground-source heat pumps with a shared geothermal well field that will utilize a community loop to feed the individual heat pumps and water heaters of each dwelling. Solar photovoltaic panels along with battery storage will power the pumps circulating the fluid in the geothermal loop to all of the homes.

For electric service, Weaving Water proposes to use one master meter for all electrical usage, including common areas, not provided by the solar photovoltaic system. The residents will pay their electric bill through the community's homeowners association (HOA). Seventy percent of a resident's electric bill will be based on the square footage of each residential unit divided by the total square footage of the community's residential units. The remaining thirty percent of the total bill will be based on the number of full-time residents living in each unit divided by the total number of full-time residents in the community. The HOA will annually assess each homeowner in advance as part of its annual budget. The electric bill will be adjusted up or down each year based on the previous year's actual billing.

Accordingly, Weaving Water is requesting a ruling by the Commission that it is exempt from the requirements of N.C. Gen. Stat. § 143-151.42 prohibiting the use of master meters and for approval of its master metering plan.

The Public Staff presented this matter at the Commission's Regular Staff Conference on March22, 2021, and recommended that the request be granted. The Public Staff stated that it agrees that Weaving Water will achieve greater energy conservation than separate heating, air conditioning, and hot water systems for each residential unit and the common areas. Therefore, the proposed central systems should be approved because the statutory goal of energy conservation is met and the residents remain financially responsible for energy usage through their homeowner fees.

Based upon the foregoing, after careful consideration, the Commission concludes that Weaving Water's request should be granted. Weaving Water's residential development will achieve greater energy conservation through common or centralized electrical loads than would be accomplished through separate metering. The conservation purpose of the statute is additionally met because the residents remain directly responsible for the electric bills through their HOA. The Commission notes that the determination in this Order is based on the particular facts and circumstances presented herein.

EXHIBIT NO. P-1 PAGE 3 OF 3

IT IS, THEREFORE, ORDERED as follows:

- 1. That Weaving Water's requests for approval of its master electric metering plan for its 24 housing units in Durham, North Carolina, is approved.
- 2. That this determination is based on the facts and representations set forth in the request filed by Weaving Water, and the Commission reserves the right to change or alter its ruling if the development is operated differently than described in the requests or in this Order.

ISSUED BY ORDER OF THE COMMISSION.	
This the day of March, 2021.	
NORTH CAROLINA UTILITIE	S COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-2 PAGE 1 OF 2

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-2, SUB 1059

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Petition by Duke Energy Progress,)	ORDER APPROVING
LLC, for Approval of Multi-Family)	PROGRAM
Energy Efficiency Program)	MODIFICATION

BY THE COMMISSION: On February 3, 2021, Duke Energy Progress, LLC (DEP), filed a request for approval to modify its Residential Multi-Family Energy Efficiency program (Program). The proposed modification would add upgraded low flow water measures and smart thermostats to the existing list of measures offered by the program.

The Program was originally approved December 18, 2014, as an energy efficiency (EE) program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The Program is designed to achieve energy savings through the installation of certain energy efficient lighting and water saving measures in multi-family dwellings. Under the Program, property managers of multi-family dwellings receive energy efficient light bulbs, low-flow faucet aerators and showerheads, and pipe wrap insulation and have the option of installing the measures themselves or having them installed by a DEP vendor at no additional charge. The Program is currently available to property owners and managers of multi-family residential dwellings that have four or more individually-metered units per building.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on March 22, 2021. The Public Staff stated that it had reviewed the request and did not discover any information that would suggest that the addition of these new measures would adversely impact the cost effectiveness of or savings from the Program. The Public Staff concluded by recommending that the Commission approve DEP's request, including DEP's request to have the costs and incentives considered by the Commission as provided by Commission Rule R8-68.

Based on the foregoing, the Commission is of the opinion that DEP's request to modify the Multi-Family Energy Efficiency program should be approved as filed.

EXHIBIT NO. P-2 PAGE 2 OF 2

IT IS, THEREFORE, ORDERED:

- 1. That DEP's proposed modifications to the Multi-Family Energy Efficiency program are hereby approved as filed, effective this date;
- 2. That the Multi-Family Energy Efficiency program continues to be eligible for recovery of program costs and incentives, in accordance with N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68; and
- 3. That DEP shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the __ day of March, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Ms. Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-3 PAGE 1 OF 2

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Petition by Duke Energy Carolinas,)	ORDER APPROVING
LLC, for Approval of Multi-Family)	PROGRAM
Energy Efficiency Program)	MODIFICATION

BY THE COMMISSION: On February 3, 2021, Duke Energy Carolinas, LLC (DEC), filed a request for approval to modify its Residential Multi-Family Energy Efficiency program (Program). The proposed modification would add upgraded low flow water measures and smart thermostats to the existing list of measures offered by the program.

The Program was originally approved October 29, 2013, as an energy efficiency (EE) program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The Program is designed to achieve energy savings through the installation of certain energy efficient lighting and water saving measures in multi-family dwellings. Under the Program, property managers of multi-family dwellings receive energy efficient light bulbs, low-flow faucet aerators and showerheads, and pipe wrap insulation and have the option of installing the measures themselves or having them installed by a DEC vendor at no additional charge. The Program is currently available to property owners and managers of multi-family residential dwellings that have four or more individually-metered units per building.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on March 22, 2021. The Public Staff stated that it had reviewed the request and did not discover any information that would suggest that the addition of these new measures would adversely impact the cost effectiveness of or savings from the Program. The Public Staff concluded by recommending that the Commission approve DEC's request, including DEC's request to have the costs and incentives considered by the Commission as provided by Commission Rule R8-68.

Based on the foregoing, the Commission is of the opinion that DEC's request to modify the Multi-Family Energy Efficiency program should be approved as filed.

IT IS, THEREFORE, ORDERED:

1. That DEC's proposed modifications to the Multi-Family Energy Efficiency program are hereby approved as filed, effective this date;

EXHIBIT NO. P-3 PAGE 2 OF 2

- 2. That the Multi-Family Energy Efficiency program continues to be eligible for recovery of program costs and incentives, in accordance with N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68; and
- 3. That DEC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the __ day of March, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Ms. Kimberley A. Campbell, Chief Clerk