

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1294

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Progress, LLC for)
Approval of Demand-Side Management and)
Energy Efficiency Cost Recovery Rider)
Pursuant to N.C. Gen. Stat. § 62-133.9 and)
Commission Rule R8-69)

ORDER REQUIRING FILING OF
ADDITIONAL TESTIMONY

BY THE CHAIR: Pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69, Duke Energy Progress, LLC (DEP), will file its annual application for approval of a rate rider for recovery by DEP of the costs and incentives of its demand-side management (DSM) and energy efficiency (EE) programs on or before the second week of June 2022. North Carolina General Statutes Section 62-133.9 was effective on January 1, 2008. Since that time, the Commission has approved numerous DSM and EE programs for implementation and cost recovery by DEP and other electric public utilities. The first docket to comprehensively address DSM/EE measures and cost recovery under the statute was Docket No. E-7, Sub 831. In that docket the Commission approved Duke Energy Carolinas, LLC's (DEC's) modified save-a-watt proposal, which was supported by the Public Staff and numerous other intervenors (Stipulating Parties), based on a settlement agreement. Order Approving Agreement and Joint Stipulation of Settlement Subject to Certain Commission-Required Modifications and Decisions on Contested Issues (Save-A-Watt Order), *Application of Duke Energy Carolinas, LLC for Approval of Save-A-Watt Approach, Energy Efficiency Rider, and Portfolio of Energy Efficiency Programs*, Docket No. E-7, Sub 831 (Feb. 9, 2010). In summary, the Save-A-Watt Order approved several DSM/EE programs, energy-saving performance targets, and cost recovery guidelines. The Commission's approval was based on the DSM/EE measures and cost recovery mechanism being a four-year pilot program. In addition, the Commission approved the Stipulating Parties' proposal to establish a regional energy efficiency advisory group. According to the terms of the settlement, in pertinent part:

The role of the advisory group is to collaborate on new program ideas, review modifications to existing programs, ensure an accurate public understanding of the programs and funding, and review the M&V process.

Agreement and Joint Stipulation of Settlement, ¶ K.3., at 26.

The regional advisory group, now referred to as the DSM/EE Collaborative, has evolved into a joint group of DEC's and DEP's stakeholders that meets four to six times a year. In addition, between meetings the group regularly communicates through

conference calls and emails to discuss agenda items, priorities, and new program developments.

On June 15, 2009, in Docket No. E-2, Sub 931, the Commission issued an Order Approving Agreement and Stipulation of Partial Settlement, Subject to Certain Commission-Required Modifications in DEP's first DSM/EE rider proceeding (Sub 931 Order). In the Sub 931 Order the Commission approved, with certain modifications, an Agreement and Stipulation of Partial Settlement between DEP, the Public Staff, and Wal-Mart Stores East, LP, and Sam's East, Inc. (DEP Stipulation), setting forth the terms and conditions for approval of DSM/EE measures and the annual DSM/EE rider proceedings pursuant to N.C.G.S. § 62-133.9 and Commission Rules R8-68 and R8-69. The DEP Stipulation included a Cost Recovery and Incentive Mechanism for DSM and EE Programs (Original Mechanism), which was modified by the Commission in the Sub 931 Order. In addition, the Original Mechanism has been reviewed and modified by the Commission in two subsequent proceedings in Sub 931 in 2015 and 2020.

In the almost 13 years since the Sub 931 Order was issued, the DSM/EE landscape has changed dramatically due to increased internet capacity and availability and related technological advances. For example, DEC and DEP have deployed Automated Meter Infrastructure (AMI) that enables customers to obtain real-time information about their energy usage and time-of-use rates that enable customers to adjust their energy usage to reduce electric demand during peak hours. In addition, advances in cellular phones have made it possible and more convenient for customers to monitor and adjust their electricity usage at any time from most any location.

Although the Commission has, through prior DSM/EE proceedings and general rate cases, obtained much information about how technological and other developments affect DSM/EE programs and savings, the Chair concludes that the Commission, DEP, ratepayers, the Public Staff, and other stakeholders will benefit from additional testimony in DEP's 2022 proceeding addressing these developments. As a result, the Chair finds good cause to issue this Order requiring DEP and the Public Staff to file testimony in response to the Commission Questions attached hereto as Appendix A and allowing other parties to this docket to file such testimony if they desire to do so. Finally, the Chair finds good cause to serve this Order on all parties who participated in DEP's 2021 DSM/EE proceeding in Docket No. E-2, Sub 1273.

IT IS, THEREFORE, ORDERED as follows:

1. That when Duke Energy Progress, LLC, files its 2022 DSM/EE rider application and testimony, it shall include in its testimony and exhibits responses to the Commission Questions attached hereto as Appendix A;
2. That when the Public Staff files its testimony in this matter, it shall include in its testimony and exhibits responses to the Commission Questions attached hereto as Appendix A, and/or provide information responsive to DEP's responses to said Commission Questions;

3. That other persons who are granted intervention in this docket may file testimony and exhibits in response to the Commission Questions attached hereto as Appendix A, and/or provide information responsive to DEP's responses to said Commission Questions; and

4. That the Chief Clerk shall serve a copy of this Order by electronic means on all parties to Docket No. E-2, Sub 1273.

ISSUED BY ORDER OF THE COMMISSION.

This the 20th day of May, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, reading "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk

Commission Questions

1. Describe how the new customer data analysis and visualization components of AMI and Customer Connect are being used to market existing EE and DSM programs in general and, specifically, what DEP will do to integrate the new AMI/Customer Connect capabilities with the MyHER Program to avoid redundancy and reduce costs.
2. Provide an update on the progress of expanding the use of customer data in determining EE and DSM savings in program evaluations and cost effectiveness tests.
3. Provide a table comparing the performance of DEP's DSM/EE portfolio's first year costs, levelized costs, and annual savings during the 2020 DSM/EE rider test year with the performance in the 2021 DSM/EE rider test year. The table should show both projected and actual savings and projected and actual program first year costs and levelized costs.
4. Provide a response to Public Staff witness Williamson's testimony in Docket No. E-2, Sub 1273 related to the provisions of Commission Rule R8-69(b)(5) as applied to the overlap of AMI informed services and the specialized tips supported by the MyHER program. Has Duke investigated modifying or expanding the capabilities of the MyHER program now that it has AMI data that can track customer usage and, therefore, EE opportunities at a much more granular level?
5. Has Duke investigated modifying or expanding the capabilities of the MyHER program now that Customer Connect paired with AMI data has created expanded opportunities for communicating with customers?
6. Does DEP have metrics that show the number of MyHER participants that have utilized new AMI/Customer Connect capabilities, such as the percentage of MyHer customers that have visited the AMI usage web site compared with the number of MyHER participants that have visited the MyHER online portal? If so, provide that information.
7. Describe any impacts that DEP's new dynamic pricing tariffs are expected to have on existing EE and DSM program marketing, implementation, cost effectiveness calculations, and evaluation. Specifically, will the savings attributed to the implementation of an EE measure for a customer subscribed to a dynamic pricing tariff be different from those of a customer on a traditional rate structure?
8. Provide a summary of key DEP DSM and/or EE program modifications or additions introduced during and as a product of the DSM/EE collaborative during 2020 and 2021, and estimate the energy savings and economic impacts attributed to those actions.

9. Describe any implications that any of the new components of S.L. 2021-165 will have or is expected to have on DEP's EE and/or DSM programs and the rider application.

10. Provide a summary of the most up-to-date projected and actual program participation (residential accounts), direct savings per participant (provisional and if applicable corrected), and total program direct savings (provisional projected in rider year application and final after all adjustments). Do not include any avoided cost or resulting PPI in the savings totals – only provide direct participant annual energy savings attributed to program participation. For “final” and “adjusted” totals – use any adjustments that were made in the years after initial rider application based on actual data or data from revised EM&V reports.

Historical (and projected for 2023 and 2024) North Carolina Energy Savings for MyHER Program

Year (Rider Rate Period)	Rider Docket	Projected/ Provisional Participants (Rider Application for the given Year)	Annual Savings (kwh) per Participant Presented in Rider Application for the year	Total Projected Savings as Presented in Rider Application	Actual Participants based on adjustments made after initial application	Final Annual Savings per Participant (if changed from EM&V after initial application)	Actual Total Savings Attribute d to the Program
2017	E-2 Sub 1108						
2018	E-2 Sub 1145						
2019	E-2 Sub 1174						
2020	E-2 Sub 1206						
2021	E-2 Sub 1252						
2022	E-2 Sub 1273				NA	NA	
2023	E-2 Sub 1294				NA	NA	
2024	TBD				NA	NA	

11. Taking into account any adjustments made after the initial rider application, provide a summary of the different MyHER Program Costs and other Revenue Requirement components that occurred during actual Rider Rate Years. For later years such as 2021 or 2022 onwards when actual costs were not available, provide estimates. Values should coincide with the Rate Year they were incurred, not the year when they were ultimately included in the rider revenue requirements.

Year (Rider Rate Year)	Actual* Net Lost Revenues attributed to the MyHer program	Actual* total program costs/expenditures	Actual* PPI	
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

* For years when final adjustments were not available, provide estimates/projections and indicate as estimates.

12. Explain how the anticipated savings shown in the table above are incorporated or reflected in future load projections (e.g. load projections presented in the Carbon Plan)?

13. Provide estimates of the number of MyHER participants that began participation for the first time during each Rider Rate Year.

MyHER Customer Account Participation – Total and New Participants

Year (Rider Rate Year)	Total Participants (actual or provisional)	Estimated Participants participating in program for first time.
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		