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DOCKET NO. E-2, SUB 936

FILED

DEC 30 2008

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Clerk's Office  
N.C. Utilities Commission

In the Matter of  
Application by Carolina Power & Light Company, )  
d/b/a Progress Energy Carolinas, Inc. for Approval )  
of Residential Home Energy Improvement Program )

RESPONSE TO  
PETITION FOR  
PROGRAM APPROVAL

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Robert P. Gruber, pursuant to Commission Rule R8-68(d)(1), and responds as follows to the petition filed on October 31, 2008 by Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (PEC), for approval of its proposed Residential Home Energy Improvement Program:

1. The Residential Home Energy Improvement Program (the Program) has been submitted by PEC for Commission approval as an energy efficiency (EE) program under G.S. 62-133.9 and Commission Rule R8-68. Under the Program, residential customers will be offered a variety of energy conservation measures (ECMs) designed to increase energy efficiency. The available ECMs include duct testing and repair; attic insulation and air sealing; a tune-up of the customer's heating, ventilation and air conditioning (HVAC) system; a second, more extensive HVAC maintenance package; replacement of existing heat pumps with more efficient systems; and window replacement. For each ECM installed, the customer will be paid a specified monetary incentive. The Program is open only to customers in single-family homes that are at least one year old. Occupants of rented single-family residences may participate in the Program with the permission of the landlord. The Program is similar in some respects to PEC's Residential Home Advantage Program, approved by the Commission on October 14, 2008 in Docket No. E-2, Sub 928, which makes ECMs available to certain newly constructed residential dwellings.

2. PEC states at page 1 of its petition that the Program "will utilize a network of pre-qualified contractors to install energy efficiency measures." In response to a data request, PEC has advised the Public Staff that it will require specific licensing and training qualifications for each contractor, but it has not yet developed the specific qualifications to be used.

3. At page 2 of its petition, PEC states that "financing will also be offered to customers to install the recommended energy-saving home improvements." In response to a data request, PEC indicated that the financing will be provided by a third party to be selected in January. The maximum amounts to be financed, and the interest rate to be charged, are not yet known. This financing plan may overlap with PEC's existing Energy Efficiency Financing (EEF) Program, and it appears likely that the EEF Program will be discontinued when the new financing option is fully developed.

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4. In response to a data request, PEC advised the Public Staff that there are errors in the tables on pages 12 and 20 of the petition and provided corrections. Since the utility's petition is the primary documentation for a demand-side management or EE program, the Public Staff recommends that PEC amend its petition so that the correct information is readily available to all interested parties.

5. PEC has proposed a measurement and verification plan consistent with previous programs approved by the Commission. A third-party consultant will be employed to provide independent data collection and analysis. PEC will submit an annual report on Program activity.

6. PEC has acknowledged, at page 24 of its petition, that the Commission's decision in the pending Docket No. E-2, Sub 931 will determine the nature and levels of utility incentives available to the Program.

7. The Public Staff has reviewed the petition and believes that it contains all the information required by Commission Rule R8-68(c). The Public Staff also believes that the Program is in the public interest, will encourage energy efficiency and reduce PEC's peak load and system energy consumption, is consistent with PEC's integrated resource plan, is cost-effective, and meets the criteria specified in Rule R8-68(e) for program approval.

WHEREFORE, the Public Staff prays:

1. That this Response be treated as the Public Staff's notice of intervention and, to the extent appropriate, as a partial protest under Commission Rule R1-6;

2. That the Commission approve the Program;

3. That, if PEC has not already done so at the time the Commission's order in this docket is issued, the Commission direct PEC to file an amended version of its petition, correcting the errors in the tables on pages 12 and 20; and

4. For such other and further relief as the Commission may deem just and proper.

Respectfully submitted this the 30th day of December, 2008.

PUBLIC STAFF  
Robert P. Gruber  
Executive Director

Antoinette R. Wike  
Chief Counsel



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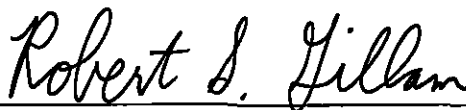
Robert S. Gillam  
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CERTIFICATE OF SERVICE

I certify that a copy of this Response to Petition for Program Approval has been served on all parties of record or their attorneys, or both, by depositing a copy in the United States Mail, first class postage prepaid, properly addressed.

This the 30th day of December, 2008.



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Robert S. Gillam