



Kendrick C. Fentress  
Associate General Counsel

Mailing Address:  
NCRH 20 / P.O. Box 1551  
Raleigh, NC 27602

o: 919.546.6733

Kendrick.Fentress@duke-energy.com

OFFICIAL COPY

Apr 27 2023

April 27, 2023

**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 and Duke Energy Progress, LLC –  
Initiation of Commission-Directed Review of DSM/EE Cost Recovery  
Mechanisms  
Docket Nos. E-2, Sub 931, E-7, Sub 1032, and E-100, Sub 179**

Dear Ms. Dunston:

On December 30, 2022, the North Carolina Utilities Commission (“NCUC”) issued an Order (the “Carbon Plan Order”) in Docket No. E-100, Sub 179 (the “Carbon Plan Docket”) requiring Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) and together with DEC, the “Companies”) to “initiate a docket to review the DEC and DEP DSM/EE cost recovery mechanisms” to consider the inclusion of four specific enablers.<sup>1</sup>

In compliance with the Carbon Plan Order, I am writing on behalf of DEC and DEP to commence the above-referenced review.<sup>2</sup> As directed by the Carbon Plan Order, this targeted review will focus upon how DEC’s and DEP’s DSM/EE cost recovery mechanisms (collectively, the “Mechanisms”) should be revised to incorporate four specific enablers, which include:

- Updating the inputs underlying the cost benefit test in the Mechanisms;

---

<sup>1</sup> Carbon Plan Order, ordering paragraph 31.

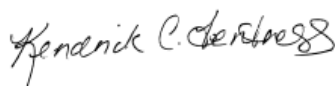
<sup>2</sup> The Companies are filing this letter in the Carbon Plan Docket as well as the dockets in which the Mechanisms were most recently reviewed. The Companies anticipate this review taking place in the existing Mechanism dockets and understand the Public Staff has no objection to this approach.

- Using the as-found baseline for EE measures;
- Changing the definition of low-income customer; and
- Developing guidelines for expedited regulatory approval of DSM/EE programs.

In connection with this review, the Companies will solicit stakeholder feedback on the above four items, with an initial stakeholder meeting expected to take place no later than the end of June 2023. After receiving stakeholder input, the Companies will propose updated Mechanisms to the NCUC in time to allow for Commission review and to receive the approvals necessary to implement the updated Mechanisms no later than January 1, 2024.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,



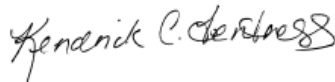
Kendrick C. Fentress

c: Parties of Record

## CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Initiation of Commission-Directed Review of DSM/EE Cost Recovery Mechanisms, in Docket Nos. E-2, Sub 931; E-7, Sub 1032 and E-100, Sub 179, has 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, the 27<sup>th</sup> day of April 2023.



---

Kendrick C. Fentress  
Associate General Counsel  
Duke Energy Corporation  
P.O. Box 1551/NCRH 20  
Raleigh, North Carolina 27602  
Tel 919.546.6733  
[Kendrick.Fentress@duke-energy.com](mailto:Kendrick.Fentress@duke-energy.com)