

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

E-2, Sub 936
E-2, Sub 1174
E-7, Sub 1032
E-7, Sub 1164

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 936)

In the Matter of)
Application of Duke Energy Progress, LLC,)
for Approval of Modifications to Residential)
Smart \$aver Energy Efficiency Program)

DOCKET NO. E-2, SUB 1174)

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

**ORDER APPROVING
PROGRAM MODIFICATIONS
AND EXPANSION**

DOCKET NO. E-7, SUB 1032)

In the Matter of)
Application by Duke Energy Carolinas, LLC,)
for Approval of Modifications to Residential)
Smart \$aver Energy Efficiency Program)

DOCKET NO. E-7, SUB 1164)

In the Matter of)
Application of Duke Energy Carolinas, 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)

BY THE COMMISSION: On September 11, 2023, Duke Energy Carolinas,
LLC (DEC), and Duke Energy Progress, LLC (DEP and, together with DEC, Duke

Energy or the Companies) filed a request for approval of Proposed Modifications to the Existing Commission-Approved Residential Smart \$aver Energy Efficiency Program (Program(s)) in the above-captioned dockets pursuant to Commission Rule R8-68 (Modification Proposals).¹ The Programs are intended to encourage and assist residential customers with the installation of energy efficiency (EE) measures to reduce energy usage.

In the Modification Proposals, Duke Energy explained that the Companies will: (1) expand the Programs' availability to multi-family residential customers; (2) update the HVAC measures so that eligible measures must be above the federal baseline updated on January 1, 2023; and (3) require duct sealing to be part of the HVAC replacement measure where applicable. In addition, the Companies' proposed tariffs demonstrate the addition of a provision that incentive payments shall be determined by the Company in an amount not to exceed 50 percent of the installed cost difference between standard equipment or service and higher efficiency equipment or service.² According to the Companies, the expansion to multi-family residential customers and the change to the customers' incentive

¹ DEP's Program was initially approved as the Home Energy Improvement Program on April 30, 2009, in Docket No. E-2, Sub 936, and was later modified pursuant to the Commission's Order Approving Program Modifications issued on September 11, 2017, in Docket No. E-2, Sub 936; and the Commission's Order Approving Program Modifications issued on February 27, 2019, in Docket No. E-7, Subs 936 and 1174. DEC's Program was initially approved as the Heating Ventilation and Air Conditioning (HVAC) Energy Efficiency Program on October 29, 2013, in Docket No. E-7, Sub 1032, and was later modified pursuant to the Commission's Order Approving Program Modifications issued on September 11, 2017, in Docket No. E-7, Sub 1032; and the Commission's Order Approving Program Modifications issued on January 7, 2019, in Docket No. E-7, Subs 1032 and 1164.

² The Companies note that the update to the HVAC measures and duct sealing requirement will not necessitate changes to the tariff because the tariff language provides the Companies the flexibility to institute this type of update.

payment will increase the Programs' participation and savings, and the changes collectively will drive increased EE savings to the benefit of all customers.

The Companies' Proposals request that the Commission: (1) approve the Programs, provided as Attachment G to the Companies' Proposals, at the Commission's earliest convenience; (2) find that the Programs meet the requirements of "new" EE programs consistent with Commission Rule R8-69; (3) find that the costs of the Programs continue to be eligible for recovery through the respective company's annual DSM/EE riders in accordance with Commission Rule R8-69(b); and (4) approve the proposed utility incentives for inclusion in the annual DSM/EE riders in accordance with Commission Rule R8-69.

On October 11, 2023, the Public Staff filed a letter stating that it reviewed the Proposed Modifications and that Duke Energy has been complying with the updated federal baseline since the change became effective on January 1, 2023. In addition, the Public Staff noted that the modifications sought by the Companies would result in increased participation and energy savings of approximately 2.5 percent for both metrics. In the Public Staff's view, the changes proposed have the potential to encourage EE, are consistent with the Companies' integrated resource plans, are in the public interest, and should be approved as "new" EE Programs pursuant to Commission Rule R8-68. As a result, the Public Staff recommended that: (1) the Commission approve the Program modifications as set forth within the Proposals; (2) order that the Programs are eligible for consideration of recovery of Program costs and PPI; and (3) order the Commission to determine the appropriate recovery of costs and PPI associated with the Programs in the annual

DSM/EE rider proceedings consistent with N.C.G.S. § 62-133.9, Commission Rule R8-69, and the currently approved DSM/EE cost recovery mechanism.

Based on the foregoing, the Commission is of the opinion that the Modification Proposals to the Programs should be approved.

IT IS, THEREFORE, ORDERED:

1. That the Companies' proposed modifications to the Residential Smart \$aver Energy Efficiency Programs are hereby approved;

2. That the Companies' Residential Smart \$aver Energy Efficiency Programs are eligible for recovery of program costs and incentives, in accordance with N.C.G.S. § 62-133.9 and Commission Rule R8-69;

3. That the proposed utility incentives be included in the annual DSM/EE rider in accordance with Commission Rule R8-69;

4. That the Commission shall determine the appropriate ratemaking treatment for the Residential Smart \$aver Energy Efficiency Programs, including program costs and utility incentives, in the Companies' respective annual cost recovery riders, in accordance with N.C.G.S. § 62-133.9 and Commission Rule R8-69; and

5. That the Companies shall file with the Commission, within 10 days following the date of this order, revised tariffs showing the effective date of the tariffs.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of October, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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