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OFFICIAL COPY

May 26 2022

May 26, 2022

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's DSM/EE Cost Recovery Rider –
Rebuttal Testimony
Docket No. E-7, Sub 1265**

Dear Ms. Dunston:

Enclosed for filing is Duke Energy Carolinas, LLC's ("DEC's") Rebuttal Testimony of Jean P. Williams and the Rebuttal Testimony of Lynda S. Powers for filing in connection with the referenced matter. DEC's witness Robert P. Evans has retired from Duke Energy; therefore, Jean P. Williams intends to adopt Mr. Evans's pre-filed direct testimony if necessary for an evidentiary hearing.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kendrick C. Fentress". The signature is written in a cursive, flowing style.

Kendrick C. Fentress

Enclosures

cc: Parties of Record

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1265

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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)

**REBUTTAL TESTIMONY
OF JEAN P. WILLIAMS
FOR DUKE ENERGY
CAROLINAS, LLC**

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May 26 2022

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **POSITION WITH DUKE ENERGY.**

3 A. My name is Jean Williams, and my business address is 411 S. Wilmington
4 Street, Raleigh, North Carolina 27601. I am employed by Duke Energy
5 Corporation as Manager, Evaluation Measurement & Verification in the Grid
6 Strategy & Enablement Group.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
8 **PROFESSIONAL EXPERIENCE.**

9 A. I have a Bachelor of Science degree in Business Administration from North
10 Carolina Wesleyan and a Master's degree in Business Administration from
11 Meredith College. I began working with Glaxo Pharmaceuticals as a Sales
12 Analyst in May 1997 and later moved into a role developing long-term forecasts
13 for products in development. In 1997, I took a position in Marketing Research
14 with Blue Cross Blue Shield of North Carolina. I left that role in October 1998
15 to become Manager of Business Planning for a division of Sara Lee. Beginning
16 in April 2001, I began working at Progress Energy where, as Lead Analyst, I
17 led marketing research activities for the company. After the merger of Progress
18 Energy, Inc. and Duke Energy Corporation, I joined the Evaluation,
19 Measurement and Verification ("EM&V") team as a Lead Analyst in
20 September 2014 and became manager of the group, my current role, in July
21 2016.

22 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**
23 **COMMISSION?**

24 A. No, I have not.

1 **Q. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN THIS**
2 **PROCEEDING?**

3 A. No, I did not. Mr. Robert P. Evans has retired from Duke Energy Carolinas,
4 LLC (“DEC” or the “Company”); therefore, I am adopting his direct testimony
5 in addition to offering rebuttal testimony.

6 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

7 A. The purpose of my rebuttal testimony is to respond to the direct testimony of
8 David Williamson of the Public Staff of the North Carolina Utilities
9 Commission (“Public Staff”) concerning the Company’s Advanced Metering
10 Infrastructure (“AMI”) data, customers’ usage of that data, and its potential
11 impact on the My Home Energy Report (“MyHER”) EM&V processes.

12 **Q. HOW DOES THE EM&V PROCESS CURRENTLY DETERMINE**
13 **SAVINGS ATTRIBUTABLE TO THE MYHER PROGRAM?**

14 A. The Company’s evaluation of the savings attributable to the MyHER program
15 is conducted by a third-party evaluator. The third-party evaluator employs a
16 randomized control trial (“RCT”) design to establish an unbiased estimate of
17 savings. First, the evaluator randomly assigns eligible customers to either a
18 treatment group or a control group. The customer group that regularly receives
19 MyHER reports is deemed the “treatment” group, while the non-participating
20 customers are deemed the “control” group. The evaluator then verifies that the
21 treatment and control groups are statistically equivalent in their respective
22 energy consumption to ensure the RCT will provide meaningful results. The
23 third-party evaluator conducts this verification through a consumption analysis
24 that tests each set of randomly-selected customer groups for equivalent

1 consumption patterns. By separating customers in this way, the third-party
2 evaluator is able to clearly delineate the estimated savings attributable to
3 MyHER.

4 **Q. DOES THE COMPANY AGREE WITH WITNESS WILLIAMSON'S**
5 **ASSERTION THAT THE EM&V PROCESS SHOULD DISTINGUISH**
6 **BETWEEN SAVINGS ARISING FROM MYHER AND SAVINGS**
7 **ARISING FROM AVAILABILITY OF AMI DATA?**

8 A. No, the Company does not believe it is necessary to specifically identify savings
9 arising due to the availability of AMI data. Importantly, customers in both the
10 treatment group and control group have access to their AMI data. This means
11 that, as the third-party evaluator analyzes the benefits of the MyHER program,
12 any reductions in energy consumption that customers may achieve through
13 AMI engagement in the treatment group effectively cancel out similar
14 reductions seen in the control group due to that group's AMI engagement.

15 In addition, the third-party evaluator's dual participation analysis
16 quantifies annual electricity savings attributable to incremental demand-side
17 management ("DSM") participation, should it exist, and subtracts it from
18 MyHER impact estimates. This downward adjustment prevents savings from
19 being double counted by both the MyHER program and the program where
20 savings were originally claimed. As a result, the remaining observed
21 differences in energy consumption between the treatment and control group are
22 directly attributable to the MyHER program.

23 **Q. SHOULD DUKE ENERGY INCREASE THE RIGOR OF THE MYHER**
24 **EM&V PROCESS TO SHOW HOW AMI USAGE DATA INFLUENCES**

1 CUSTOMERS' BEHAVIORS, AS WITNESS WILLIAMSON
2 SUGGESTS?

3 A. The Company agrees that additional research may be done to determine the
4 satisfaction, usage, and engagement with AMI usage data in both the treatment
5 and control groups. However, this additional research should be conducted
6 outside of the MyHER EM&V process because, as described above, the RCT
7 inherently controls for AMI usage. As such, the Companies are committed to
8 exploring ways in which this independent research can be conducted, via
9 EM&V, to determine the impacts from customers having the ability to
10 instantaneously access slightly delayed interval data.

11 **Q. DOES THE COMPANY AGREE WITH THE PUBLIC STAFF'S**
12 **STATEMENT THAT DYNAMIC PRICING TARIFFS ON THEIR OWN**
13 **SHOULD NOT BE CONSIDERED A PROGRAM WITHIN THE**
14 **COMPANY'S DEMAND-SIDE MANAGEMENT AND ENERGY**
15 **EFFICIENCY ("DSM/EE") PORTFOLIO?**

16 A. Yes, the Company agrees with this statement because a rate in isolation is a
17 mechanism to recover the costs associated with serving a customer, not an
18 DSM/EE Program. For this reason, to date, the Company has neither requested
19 nor filed for approval any of the current time-differentiated or dynamic pricing
20 rates to be recovered through the DSM/EE portfolio rider. However EM&V
21 may indicate that such pricing tariffs do impact customers' energy consumption
22 or demand profiles in a way that would make such recovery appropriate in the
23 future.

24 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

1 A. Yes.

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1265

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
)	
Application of Duke Energy Carolinas, LLC)	REBUTTAL TESTIMONY
for Approval of Demand-Side Management)	OF LYNDA S. POWERS
and Energy Efficiency Cost Recovery Rider)	FOR DUKE ENERGY
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	CAROLINAS, LLC
Commission Rule R8-69)	

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **POSITION WITH DUKE ENERGY.**

3 A. My name is Lynda S. Powers, and my business address is 400 S. Tryon Street,
4 Charlotte, North Carolina. I am employed by Duke Energy Corporation as
5 Senior Strategy and Collaboration Manager for the Carolinas in the Portfolio
6 Strategy and Support group.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
8 **PROFESSIONAL EXPERIENCE.**

9 A. I have a Bachelor of Science degree from Bob Jones University and two
10 Master's degrees from the University of South Carolina, a Master of Business
11 Administration and of English. I began working with the Office of Regulatory
12 Staff ("ORS") in South Carolina in 2009 as a Program Specialist in
13 telecommunications and later as a Regulatory Analyst in the Electricity, Gas
14 and Economics Department. While at ORS, I completed the National
15 Association of Regulatory Utility Commissioners ("NARUC") Regulatory
16 Studies program at Michigan State University and Eastern NARUC Utility Rate
17 School. In 2016, I became a Financial Analyst for Santee Cooper where I was
18 responsible for evaluating existing and proposed programs for cost
19 effectiveness, coordinating collaboration among subject matter experts
20 regarding renewables and demand-side management programs, and preparing
21 the annual budget for energy efficiency operations. While at Santee Cooper, I
22 completed the North Carolina State University McKimmon Center for
23 Continuing Education Meter School.

1 In 2018, I began working in my current role at Duke Energy. I am the
2 regulatory lead in South Carolina for Energy Efficiency and Demand-Side
3 Management (“EE/DSM”) programs and the facilitator of the EE/DSM
4 Collaborative stakeholder group (hereinafter “Collaborative” or
5 “stakeholders”) for both Duke Energy Carolinas, LLC (“DEC” or the
6 “Company”) and Duke Energy Progress, LLC (“DEP”, collectively, the
7 “Companies” in North and South Carolina or “Duke Energy”). I also represent
8 the Company as a member of the Board of Directors for the Southeast Energy
9 Efficiency Alliance.

10 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION**
11 **OR OTHER REGULATORY BODIES?**

12 A. Yes, I testified before this Commission in 2021 as part of the DEP EE/DSM
13 proceeding. I have also testified before the Public Service Commission of South
14 Carolina (“PSCSC”) on multiple occasions. In my role as a regulator at ORS,
15 I testified before the PSCSC in two general rate cases, three annual fuel
16 adjustment cases and one distributed energy resource program application.

17 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

18 A. The purpose of my rebuttal testimony is to respond to portions of the testimony
19 of Forest Bradley-Wright filed on behalf of the North Carolina Justice Center
20 (“NCJC”), the North Carolina Housing Coalition, and the Southern Alliance for
21 Clean Energy (“SACE”).

22 **Q. PLEASE DESCRIBE THE PORTIONS OF WITNESS FOREST**
23 **BRADLEY-WRIGHT’S TESTIMONY TO WHICH YOU ARE**
24 **RESPONDING.**

1 A. I am addressing the portions of witness Bradley-Wright's testimony that pertain
2 to the Collaborative, particularly his assertion that the Company has not acted
3 on program suggestions appropriately. I will also address his concerns related
4 to the one percent savings target and the request to quantify and monetize
5 carbon savings within the demand-side management and energy efficiency
6 programs.

7 **COLLABORATIVE**

8 **Q. PLEASE DESCRIBE YOUR ROLE AS THE FACILITATOR OF THE**
9 **COLLABORATIVE.**

10 A. I am the Collaborative's primary point of contact for stakeholders in North and
11 South Carolina who have ideas, input, or questions related to the Company's
12 EE/DSM programs. My responsibilities in that role include responding to
13 stakeholders' questions or requests for information and connecting them with
14 the appropriate subject matter experts at Duke Energy. Additionally, I organize
15 the bimonthly Collaborative meetings and most of the working group calls
16 between meetings. I also ensure the preparation and distribution of meeting
17 materials and minutes.

18 **Q. WHAT IS THE ROLE OF THE COLLABORATIVE?**

19 A. The Collaborative is a long-standing advisory group of interested stakeholders
20 from across North and South Carolina. In its mission statement, which was
21 written as part of a cooperative effort in 2019, the Collaborative defined its role
22 as "a forum for providing insight and input concerning topics related to energy
23 efficiency and demand-side management including program design and
24 development; measurement and evaluation; regulatory and market conditions;

1 specific issues or topics as requested by the NC Utilities Commission and the
2 Public Service Commission of SC; and emerging opportunities to achieve cost-
3 effective energy savings.”

4 The Collaborative serves as a key source for input into the Company’s
5 EE/DSM portfolio and allows a diverse group of stakeholders to share potential
6 new programs and programmatic enhancements offered by other utilities in
7 different regions of the country. The Collaborative brings together members
8 from several advocacy groups, as well as regulators, academics, and members
9 of trade organizations – all representing unique interests and, at times, differing
10 priorities. Additionally, the Collaborative is attended by the Public Staff of the
11 North Carolina Utilities Commission (“Public Staff”) and the ORS, which
12 represent the interests of all customers.

13 **Q. HOW DOES DEC SUPPORT THE COLLABORATIVE SO THAT IT**
14 **CAN FULFILL ITS ROLE?**

15 A. The Company has established a process by which members determine the
16 agenda, request subject matter experts to present on a wide range of topics, and
17 receive meeting materials in advance to ensure adequate time for review. The
18 Company also hosts working groups and initiates separate conference calls to
19 discuss items that cannot be fully explored during bimonthly meetings. Twice
20 a year, I present each of the residential and nonresidential programs one-by-one
21 and lead a discussion between Collaborative members and the Companies’
22 program managers. The analytics team presents evaluation, measurement, and
23 verification studies (“EM&V”) twice a year as well. The Companies’ subject

1 matter experts also carve out opportunities to solicit Collaborative feedback at
2 various stages of program design, implementation, and review.

3 **RESPONSE TO WITNESS BRADLEY-WRIGHT**

4 **Q. DO YOU AGREE WITH WITNESS BRADLEY-WRIGHT THAT DEC**
5 **HAS TAKEN LITTLE VISIBLE ACTION IMPEMENTING**
6 **STAKEHOLDER MEMBER RECOMMENDATIONS UNTIL**
7 **RECENTLY?**

8 A. No, I do not. The Company is eager to find new ways to encourage customers'
9 energy efficiency efforts though the exchange of ideas within the Collaborative.
10 Transforming those ideas into cost-effective, scalable, commercially viable
11 programs, however, is complex. Remember, it is not enough for a program to
12 further a specific special interest. Rather the program must comply with the
13 Mechanism, which includes certain cost-effectiveness thresholds and required
14 characteristics (such as commercially available technology). As such, simply
15 because certain ideas or recommendations were not reflected in a final program
16 is not an indication that the Company ignores stakeholder feedback.

17 To illustrate this point, I will respond to each of the seven specific ideas
18 submitted by the Collaborative that witness Bradley-Wright cites in his
19 testimony. In the paragraphs below, it is clear that, contrary to witness Bradley-
20 Wright's testimony, the Company took meaningful actions toward
21 implementing each of these program ideas.

22 **Low-Income Housing Tax Credit ("LIHTC")**

23 Members originally brought this idea to the Company in March 2019 as a
24 suggestion for a stand-alone program to reach multifamily housing

1 developments that were applying for tax credits. Upon further investigation,
2 the Company found and shared with the Collaborative that all the measures that
3 would be part of this idea for a stand-alone program, along with substantial
4 design assistance, were already offered to customers through the Smart \$aver
5 Custom New Construction Energy Efficiency Design Assistance program
6 (“NCEEDA”).

7 Although LIHTC was ultimately not appropriate for a stand-alone new
8 program for the reasons stated above, DEC recognized and acted upon an
9 opportunity to utilize a concept within this initiative to pair these incentives
10 with federal tax credits in a way not previously administered under the existing
11 NCEEDA program. The Company and several Collaborative members
12 scheduled a joint statewide workshop with developers, architects, and
13 contractors who construct or renovate low-income multifamily developments
14 to generate interest in the NCEEDA program. Although the time between
15 planning and completion is often long, developers are seeing the benefits of
16 pairing rebates with tax credits, and the Company is continuing to pursue these
17 projects.

18 Energy Star Retail Products Platform (“ESRPP”)

19 The Collaborative submitted the ESRPP for consideration in January 2020. At
20 a high level, the ESRPP offers incentives directly to retailers of Energy Star
21 appliances and those retailers, in turn, offer discounts on those appliances to
22 consumers. However, the Company investigated the ESRPP when the
23 Collaborative submitted the idea for consideration and found that it replicated
24 many of the features that were part of a DEC program already in operation. The

1 Company determined at that time that the best course of action was to allow the
2 existing program to mature and not to pursue an external alternative
3 simultaneously.

4 However, the Company recently, at the request of the Collaborative,
5 revisited the idea of utilizing the ESRPP and found that the platform offered no
6 additional cost savings or measure expansion but could serve as a reference
7 point in the future when the Company searches for new measures. DEC
8 communicated that finding to the Collaborative in July 2021. Yet again, the
9 Company acted on a specific recommendation and did its due diligence to
10 determine whether the recommendation would provide savings to customers
11 and meet the required thresholds for such EE programs under the Mechanism.
12 In this instance, the recommendation would not have provided any additional
13 savings, which is why it was not implemented by the Company.

14 Program Savings from Codes and Standards

15 In early 2020, members of the Collaborative suggested that the Companies
16 could claim savings from advancing building energy codes and appliance
17 standards in the Carolinas and suggested creating a program to capture those
18 savings. However, North and South Carolina do not have a statutory or
19 regulatory framework that defines the actions a utility must take to claim
20 attributed savings or to determine the appropriate attribution methodology.¹ As
21 such, there is no avenue by which the Companies could implement such a

¹ The Companies informed the Collaborative of this in both January 2020 and July 2021.

1 program. If and when the regulatory or statutory frameworks change, DEC will
2 revisit this recommendation.

3 Residential Low-Income Single-Family Heat Pump Water Heater Rental
4 Program

5 In recognition of the energy savings potential of heat pump water heaters
6 (“HPWH”), members recommended in June 2020 that DEC offer a program
7 whereby low-income customers rent a HPWH for their homes directly from
8 DEC and add the rent payment to their electric bills. Members explained that
9 eligible homes must have certain physical characteristics to ensure an HPWH
10 functions properly. For example, members noted that an HPWH needs a
11 minimum of 750 cubic feet of unobstructed space for proper ventilation or
12 exhaust vents and should be located near a drain (like the one used for washing
13 machines) or be connected to a condensate pump.

14 The Company immediately began investigating the feasibility of
15 installations of an HPWH and determined there were several obstacles to
16 implementation of such a program. For example, in addition to the required
17 physical characteristics of the home mentioned above, the program would
18 require the Company to implement an on-bill collection mechanism for
19 receiving payments and also identify qualified vendors capable of installing
20 HPWH on a wide scale. Then the Company would have to locate low-income
21 customers – either homeowners or renters with owner approval – that would
22 want to participate in the program and have the required physical
23 characteristics to install the HPWH in their dwelling. Although these efforts
24 will take time, the Company continues to research and investigate (for example,

1 the Company has already reached out to vendors) this recommendation to
2 determine whether it can be transformed into a feasible program option that
3 would create additional savings for customers.

4 Non-Residential Multifamily Heat Pump Water Rebate Program

5 Also in 2020, members suggested that the Company approach multifamily
6 property owners with the offer of a rebate for installing HPWHs. Each HPWH
7 would serve multiple units within the building. To date, the Company has
8 determined that it can include HPWH in the New Construction Energy
9 Efficiency Design Assistance (“NCEEDA”) program, but no developer has
10 expressed an interest in participating.

11 Manufactured Homes Retrofit Program

12 In late 2020, members suggested a program that retrofits manufactured homes
13 to make them more energy efficient by installing more efficient heating and air
14 conditioning equipment, replacing or repairing duct work, and insulating and
15 sealing the structure’s envelope. However, all of the recommended measures
16 are part of the Company’s existing Residential Smart Saver program and are
17 currently available to manufactured homes. Therefore, the Company did not
18 develop a new program in response to this recommendation.

19 Manufactured Home New and Replacement Programs

20 Also in late 2020, members suggested that the Company begin offering an
21 incentive to replace inefficient manufactured homes with Energy Star
22 manufactured homes. In response to this recommendation, the Company is
23 investigating whether an incentive of this type can be included in the
24 Residential New Construction program. If the Company determines that the

1 program is feasible and will provide additional savings to customers, it will
2 formalize the concept into a program and petition the Commission for approval.

3 **Q. WHY CAN'T THE COMPANY ADOPT WITNESS BRADLEY-**
4 **WRIGHT'S SUGGESTIONS AND AVOID HIM REPEATEDLY**
5 **FILING SIMILAR COMMENTS?**

6 A. DEC is a regulated company and with that comes the responsibility to develop,
7 propose, implement and administer cost-effective EE/DSM programs that
8 comply with (i) this Commission's Rules, and (ii) the Mechanism that the
9 Commission has approved for use by the Company for EE/DSM program cost
10 recovery purposes. Witness Bradley-Wright's testimony does not account for
11 this technical side of program development or the time-consuming process by
12 which these programs are developed. These additional hurdles add complexity
13 and time to the program development process. Even the program design
14 processes for the High Energy Use Low-Income Energy Efficiency Pilot and
15 the Tariffed On-Bill Pilot that he touts as examples of successful collaboration
16 have been analyzed in meetings for more than a year, and no applications for
17 approval have been filed for these programs. Although I understand that
18 witness Bradley-Wright may want to see these recommendations implemented
19 immediately, the reality is that taking an idea and turning it into a cost-effective,
20 legally-compliant program is a time-consuming process containing factors that
21 neither the Company nor the Collaborative can control.

22 **Q. DO THESE RECOMMENDATIONS PROVIDE ANY INSIGHT TO THE**
23 **COMPANY, EVEN IF THEY ARE NOT ULTIMATELY APPROVED**
24 **BY THE COMMISSION?**

1 A. Yes, they do. Even if the recommendation is not feasible from an
2 implementation standpoint, the continued dialogue and exchange of ideas
3 assures the Company is aware of potential opportunities to enhance and provide
4 cost-effective programs for all DEC customers. For example, in response to the
5 LIHTC recommendation outlined above, the Company opened up a new
6 conversation with developers, and there are currently over a dozen multifamily
7 projects in the pipeline (at various stages) that pair incentives with federal tax
8 credits. Additionally, ESRPP will be a source in the future to confirm that the
9 measure list remains expansive because ESRPP contains a comprehensive list
10 of all Energy Star appliances – regardless of cost-effectiveness.

11 **Q. SHOULD THE COMPANY BE REQUIRED TO RESPOND WITHIN A**
12 **CERTAIN AMOUNT OF TIME TO THE COLLABORATIVE’S**
13 **RECOMMENDATIONS AND TRACK ANY RESULTING SAVINGS,**
14 **AS WITNESS BRADLEY-WRIGHT SUGGESTS?**

15 A. No, it should not. As I stated above, program development is already
16 challenging and requires an open exchange of ideas. Imposing arbitrary
17 deadlines to speed up the process will likely undermine the Company’s ability
18 to give each suggestion the amount of research and investigation it warrants.
19 Tracking savings from each recommendation is also problematic. For example,
20 deciding what portion of energy savings is attributable to the Collaborative’s
21 recommendation and what portion the Company achieved on its own contains
22 inherent gray areas (e.g., proposed by the Collaborative, but improved upon by
23 the Company). Aside from the difficulty of correctly ascertaining this amount,
24 the calculation does not create any benefit to customers – which is the entire

1 point of the Collaborative – and is antithetical to the nature of true collaboration,
2 because it would “keep score” between the Company and the Collaborative.
3 Instead, the Collaborative should continue to be guided by its mission to create
4 additional savings for all customers – regardless of where the ideas originate –
5 through thoughtful, considered deliberation and a free-flow of information.

6 **Q. SHOULD DEC BE REQUIRED TO “QUANTIFY AND ANALYZE THE**
7 **FULL LIFETIME CARBON SAVINGS ASSOCIATED WITH DUKE’S**
8 **EE/DSM PORTFOLIO IN FUTURE COST RECOVERY RIDER**
9 **PROCEEDINGS” AS WITNESS BRADLEY-WRIGHT SUGGESTS?**

10 A. No. At this time, the Company does not agree with the inclusion of a
11 requirement to report full lifetime carbon savings as a component of its future
12 recovery proceedings. However, the Company agrees that it will be appropriate
13 to report the carbon reductions associated with EE/DSM programs in future
14 EE/DSM rider recovery proceedings after the Commission approves a Carbon
15 Plan and an agreed upon methodology for determining carbon reduction
16 associated with EE/DSM programs. It will be equally important to
17 appropriately include any Commission-approved modification to the
18 determination of utility system benefits associated with EE/DSM programs in
19 the evaluation of cost-effectiveness. Once the Carbon Plan has been approved
20 by the Commission, the Company will share its proposed reporting method and
21 the projected impacts the modification will make on the determination of cost
22 effectiveness for the portfolio of programs offered and the Company’s projected
23 portfolio performance incentive (“PPI”) and program return incentive (“PRI”).
24 Keeping the calculations of cost effectiveness, which determine if a program

1 should be offered, and the underlying calculations of PPI and PRI consistent is
2 important to maintain alignment between the benefits customers realize, the
3 efficiencies which occur on the utility system, and the Company's incentives.

4 **Q. SHOULD THE COMMISSION ENDORSE THE ENERGY-RELATED**
5 **RECOMMENDATIONS OF THE LOW-INCOME AFFORDABILITY**
6 **COLLABORATIVE ("LIAC") AND DIRECT DUKE TO DEVELOP**
7 **PROGRAM APPLICATIONS AS A RESULT?**

8 A. No, not at this time. As directed by this Commission, the LIAC has worked in
9 conjunction with the Collaborative to explore a full spectrum of opportunities
10 to address affordability for low- and moderate-income customers. However,
11 witness Bradley-Wright's suggestion is premature since the final
12 recommendations have not been submitted to the Commission yet. The
13 Company is committed to the work of the LIAC and to acting on behalf of the
14 customers for which the LIAC is working, after the recommendations are final
15 and approved by the Commission.

16 **Q. DO YOU AGREE WITH WITNESS BRADLEY-WRIGHT THAT DEC**
17 **HAS YET TO COMMIT TO WORKING WITH THE**
18 **COLLABORATIVE TO EXPLORE OPTIONS FOR REVERSING THE**
19 **FORECASTED DECLINE IN EE/DSM SAVINGS?**

20 A. Frankly, witness Bradley-Wright's assertion is disconcerting because it
21 suggests that the Company has not committed to working with the
22 Collaborative to develop strategies to support closing the 1% gap. In fact, these
23 efforts are well underway, and witness Bradley-Wright has been involved in a
24 number of ongoing discussions related to this topic, including those discussions

1 regarding (i) carbon-reduction planning with EE/DSM savings at or above 1%,
2 (ii) widening the scope of the market potential study to capture any and all
3 potential savings opportunities, and (iii) expanding low-income programs and
4 pilots to increase future savings forecasts. Even more perplexing is that witness
5 Bradley-Wright himself volunteered to lead the working group within the
6 Collaborative to identify opportunities and document a specific plan for closing
7 the gap between forecasted savings and the 1% aspirational goal in future
8 filings. Although witness Bradley-Wright has yet to convene a meeting in this
9 role, the Company is hopeful that the working group will meet in the near future
10 and produce meaningful recommendations that further EE/DSM measures in
11 North Carolina.

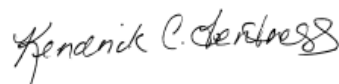
12 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

13 **A. Yes.**

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's DSM/EE Cost Recovery Rider – Rebuttal Testimony of Jean P. Williams and Lynda S. Powers, in Docket No. E-7, Sub 1265, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 26th day of May, 2022.



Kendrick C. Fentress
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