



August 16, 2019

Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, NC 27603

Re: Duke Energy Carolinas, LLC's Application for Approval of
Residential New Construction Program
Docket No. E-7, Sub 1155

Aug 16 2019

Dear Chief Clerk,

The North Carolina Sustainable Energy Association ("NCSEA") requests that the Commission reject Duke Energy Carolinas, LLC's ("DEC") Motion to Withdraw its application for the Residential New Construction ("RNC program") originally proposed in this docket. Instead, the Commission should approve the RNC program as a new energy efficiency program in accordance with Commission Rule R8-68 or hold a hearing as suggested by the Southern Alliance for Clean Energy's ("SACE") August 7, 2019 letter to transparently evaluate and consider the reasons DEC gave for requesting to withdraw the program.

NCSEA shares the disappointment expressed by longtime NCSEA member Southern Energy Management in its June 2019 Consumer Statement of Position that DEC has chosen not to expand the successful RNC program that already exists in the Duke Energy Progress ("DEP") territory into the DEC territory. As noted by Owner and Co-Founder, Bob Kingery, a successful RNC program can provide very long-lived energy efficiency opportunities that are not as easily accessible once a new home has been built, and by withdrawing the application for this program, "Now NC ratepayers are going to get more electricity demand and usage for 50 plus years and our utilities will make more money off of all of us."

In its RNC program proposal filed in September 2017, DEC projected that there would be 110,529 new residential construction permits in its territory by the end of 2021



and would be eligible residences to participate in this program. DEC also projected that total costs for participants in the RNC program would be \$41.8 million while the total benefits would be \$88.8 million, a 2.12 benefit/cost ratio while the total resource cost benefit/cost ration would be 1.41. With such high financial and energy efficiency benefits relative to program and participant costs, NCSEA finds it deeply troubling DEC would allow nonpublic concerns raised by “natural gas utilities subject to the Commission’s jurisdiction” to result in the full withdrawal of such a potentially beneficial energy efficiency program.

In its Motion to Withdraw the RNC Program, DEC states that concerns raised by natural gas utilities regarding potential unintended consequences of the RNC program design led DEC to request the program to be withdrawn. Although these concerns are not described in the Motion, NCSEA has heard from other parties that the natural gas utilities are concerned about perceived fuel switching issues even though this program focuses on residences that have yet to be built and therefore do not have any preexisting fuel sources to “switch” from. As noted by the Public Staff in their October 2017 Comments, “The Public Staff has not discovered any information suggesting that the Program would affect a customer’s decision to install natural gas or electric service.” If the natural gas utilities that DEC refers to in its Motion to Withdraw have legitimate concerns about fuel switching issues, Commission Rule R8-68 provides a clear and public process for addressing these concerns. Instead it appears the natural gas utilities engaged DEC directly in exclusive discussions that have now resulted in DEC’s Motion to Withdraw this promising RNC program.

Commission Rule R8-68(d)(2) states that:

The electric public utility or electric membership corporation filing for approval of a measure or program shall serve a copy of its filing on the Public Staff; ... *the natural gas utilities* [emphasis added] ... operating in the filing electric public utility’s or electric membership corporation’s certified territory ... Those served, and others learning of the application, shall have thirty (30) days from the date of the filing in which to petition for intervention pursuant to Rule R1-19, file a protest pursuant to Rule R1-6, or file comments on the proposed measure or program. In comments,



any party may recommend approval or disapproval of the measure or program or identify any issue relative to the program application that it believes requires further investigation. The filing electric public utility or electric membership corporation shall have the opportunity to respond to the petitions, protests, or comments within ten (10) days of their filing. If any party raises an issue of material fact, the Commission shall set the matter for hearing. The Commission may determine the scope of this hearing.

For reasons unknown, the natural gas utilities did not avail themselves of this established process and instead pursued a shadow campaign that excluded proper Commission oversight and input from other potentially interested parties.

If the Commission simply grants DEC's Motion to Withdraw based on the vague reasoning provided, this would set a troubling precedent for a shadow process outside the procedure clearly outlined in Commission Rule R8-68 where electric and natural utilities can secretly decide the fate of energy efficiency and demand-side management programs that could bring significant benefits to North Carolina consumers of both types of energy. Instead, the Commission should either reject DEC's Motion to Withdraw and approve the proposed RNC program or order a hearing to be held so the Commission and others can transparently evaluate and consider the reasons DEC gave for requesting to withdraw the program.

Sincerely,

s/ Daniel Brookshire
Regulatory and Policy Analyst
NCSEA