BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-7, SUB 1146

In the Matter of:	**)**
Application of Duke Energy Carolinas,	**)**
LLC for Adjustment of Rates and	**)**
Charges Applicable to Electric Utility	**)**
Service in North Carolina	**)**

DIRECT TESTIMONY OF MICHAEL E. MURRAY ON BEHALF OF NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Michael E. Murray. I am President of the Mission:data Coalition ("Mission:data"). My business address is 1752 NW Market Street #1513, Seattle, WA 98107.

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND YOUR RELEVANT PROFESSIONAL EXPERIENCE.

A. I co-founded Mission:data in 2013 and have led our efforts to intervene at public utility commissions in 14 states as well as the District of Columbia on issues of advanced meters, data privacy, and the benefits to ratepayers of electronic access to energy usage data. Prior to Mission:data, I led an unincorporated coalition of innovative companies called the Open Energy Network that in 2012-2013 intervened at the California Public Utilities Commission to successfully institute the first state-wide implementation of Green Button Connect My Data, further described below.

Since 2012, I have authored publications and presented at conferences on the value of energy usage data for energy efficiency purposes. I recently published several reports, including "Energy Data: Unlocking Innovation With Smart Policy," which is attached to my testimony as Attachment MEM-1. In 2016, I co-authored "Got Data? The Value of Energy Data Access to Consumers," which includes an analysis of state policies governing access to advanced meter data, and "New Smart Meter Policies Yielding Data (and Savings) for End

Users," published November, 2016 in the journal *Natural Gas & Electricity*. I have presented at dozens of conferences on state developments in energy data access. In 2012, I presented at the White House with former Secretary of Energy Steven Chu and former U.S. Chief Technology Officer Aneesh Chopra on Green Button.

I began my career in 2004 as co-founder and CEO of Lucid, an energy management software company for commercial buildings, where I grew the company from zero to over 40 employees, raised $10 million in venture capital and recruited board members from Apple, Intuit, and Bear Stearns. Lucid offers a cloud-based service that analyzes real-time meter data from thousands of commercial buildings across North America to support energy efficiency. Lucid's customers include over 350 organizations. I hold two U.S. patents relating to energy data collection, sharing, and analysis, #8,176,095 and #8,375,068. I earned a B.A. with highest honors from Oberlin College in 2004.

Q. ON WHOSE BEHALF ARE YOU FILING THIS ANSWER TESTIMONY?

A. I am filing this testimony on behalf of North Carolina Sustainable Energy Association ("NCSEA"), an intervenor in this case.

Q. WHAT IS THE MISSION:DATA COALITION?

A. The Mission:data Coalition, a non-profit organization, is a national coalition of more than 35 technology companies delivering consumer-focused, data-enabled energy savings for homes and businesses. The exciting industry our companies represent is based on advances in computational capability that did not exist a

decade ago. For the residential sector, the real game changer is the availability of continuous energy usage information collected by Advanced Metering Infrastructure ("AMI") and made available through Customer Information Systems ("CIS"). Our members – with sales in excess of $1 billion per year – have developed innovative services leveraging advanced meter and utility bill data that benefit consumers and utilities. Our companies are focused on bringing energy efficiency solutions to a national market. To realize that objective, it is vital that we empower consumers with convenient access to their own energy data in a consistent manner from state to state. Mission:data works with industry and policymakers to advance customers' ability to quickly and conveniently share their meter data with energy management companies of their choice. More information about Mission:data is available on our website at www.missiondata.org.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. Duke Energy Carolinas ("DEC" or "the Company") seeks to recover its costs of AMI and CIS deployment in the present case. It is important that customers directly receive the full range of benefits from these investments before full cost recovery is permitted. While the deployment of AMI offers significant operational benefits to utilities, between 33% and 66% of the total potential benefits of AMI may be customer benefits, such as bill savings, as I explain below. A major lesson from prior state deployments of AMI and CISs is that full realization of consumer benefits from efficiency (or time-shifting of usage) will not occur unless

consumers have convenient access to their own energy data made available by advanced meters. It is also critical that such policies are timely and consistently implemented. My objective is to highlight DEC's shortfalls in these areas so that important consumer benefits are fully realized for DEC's customers.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. Customers pay for AMI and the CIS in rates, so I recommend that utilities should adopt certain best practices from other jurisdictions in order to enable customers to obtain the full potential of energy savings that can be obtained. To ensure that DEC's customers have convenient and secure access to new data-enabled technologies and services to help them save energy and money, I recommend several steps:

1. Provide consumers easy access to the best available information about their energy usage through two interfaces. These interfaces include (i) energy usage information transmitted through the Company's AMI network and back to the Company's CIS and provided to the consumer and authorized third parties; and (ii) real-time information directly from the Home Area Network ("HAN") radio in the advanced meter to a device controlled by the consumer.

To promote competitive markets for "behind the meter" services, the data collected by advanced meters should be provided in a standardized protocol, as a component of basic utility service, in order to support innovative new technologies. Meter data transmitted through the

AMI network should be provided to the consumer via the Green Button Connect My Data standard, further described below. The HAN radio contained in each meter should be enabled as meters are deployed so that customers can experience immediate, tangible benefits. The Company should provide a "Bring Your Own Device" ("BYOD") offering to allow customers to easily connect any HAN-compatible device to the advanced meter.

2. Provide customers and authorized third parties with access to historic billing information in a machine-readable, automated manner. Access to billing data is important so that new digital services can provide information to consumers on the exact bill impacts of their energy decisions. Historical bills should also be able to be transmitted directly from the utility to any authorized third party electronically via a standardized, machine-readable XML format.

3. Provide consumers and third parties with rate information in standardized, machine-readable formats. Utility rate schedules should be published in standardized, machine-readable forms because it allows new technologies across the U.S. to easily calculate the bill impacts of certain decisions regarding energy efficiency or other distributed energy resources. Most consumers care about dollars, not kilowatt-hours. Providing innovative companies with access to the Company's approved rates in a standardized, machine-readable format, maintained in a

centralized database, is important because it takes human beings out of the cost-calculation process and lets software do the work, regardless of how complex rates may become. The Commission should require DEC to maintain accurate and up-to-date rates in the National Renewable Energy Laboratory's Utility Rate Database so that software applications can easily convert kilowatt-hours into dollars and present customers with accurate options for cost-saving measures.

4. The customer authorization process should be easy for consumers to use and require the least number of steps. Signing up for third party energy management services should be easy, like downloading a smartphone "app." By simplifying the user experience online and minimizing the number of customer actions required, i.e. the reducing the number of clicks, the Company can ensure that its customers can immediately gain additional value from their advanced meter with numerous software applications now available on the market, which I further describe below. Customer authorization processes that require many inputs from customers or that require many steps will result in significantly less adoption of data-enabled energy management services and fewer benefits for consumers from the AMI investment.

Q. WHY DO YOU BELIEVE YOUR RECOMMENDATIONS ARE TIMELY?

A. I believe my recommendations are timely because DEC seeks to recover costs from two large infrastructure projects that directly affect customers' ability to

manage their energy use with detailed consumption data: AMI deployment and a CIS. The Company states that AMI is expected to cost approximately $197 million and the CIS is expected to cost approximately $285 million to $295 million.[1] These investments can, if built with energy information applications in mind, be "future-proof" and facilitate customer benefits for a long period of time. However, if DEC embarks on expensive information technology upgrades without accommodating my recommendations, then it will be much more difficult and costly to make such changes in the future, and consumers will not have access to energy management services that can save them money.

Q. HAS MISSION:DATA HELPED DEVELOP DATA ACCESS POLICIES IN OTHER STATES?

A. Yes. Mission:data, which focuses on empowering consumers with convenient, easy access to their energy data, has engaged in more than a dozen states across the country and offers experience on lessons learned, from which North Carolina can benefit. Mission:data has filed comments or otherwise provided information for proceedings in the following states: Arizona, California, Colorado, Illinois, Maryland, Massachusetts, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Texas, as well as the District of Columbia. Copies of our comments or other filings are available on our website.[2]

[1] Direct Testimony of Donald Schneider, Jr. for Duke Energy Carolinas, LLC, p. 10 (August 25, 2017) (hereinafter "Schneider Direct"). Direct Testimony of Retha Hunsicker for Duke Energy Carolinas, LLC, p. 11 (August 25, 2017) (hereinafter "Hunsicker Direct").
[2] *See* www.missiondata.org/activities.

Q. WHY IS ACCESS TO ENERGY DATA IMPORTANT FOR HELPING CONSUMERS SAVE ENERGY?

A. The opportunity for consumers to save energy and save money with advanced meter data is based on advances in computational capability that did not exist a decade ago. With energy efficiency efforts, one fundamental problem has been the expense of evaluating the amount of energy wasted by a home or building and identifying appropriate steps to reduce that waste. In the industrial and large commercial sectors, the amounts of energy consumed are large enough to justify significant investments in customer-owned sub-meters on electric circuits and information technology ("IT") systems to analyze energy use (even though those investments are often unnecessary because the utility's advanced meters collect the same information). However, in the residential sector, loads are much smaller and more diverse, meaning that efficiency solutions that depend on usage data have been severely limited up until recently because of a multi-hundred-dollar cost per home in metering equipment, communications systems, and installation is necessary when advanced meter data are not easily accessible.

A real opportunity in the residential sector is the availability of continuous energy usage information in a secure, standard electronic format collected by AMI and made available by CIS. Energy usage patterns vary greatly across households – very few homes are alike. A detailed analysis of each home's use opens the door to tailored and highly effective strategies for managing energy use and helping consumers save money. Research and experience in other states

shows that energy conservation solutions that use granular and real-time data generate bill savings more effectively and, in many instances, can cost ratepayers significantly less than traditional energy efficiency programs.

Q. WHAT ARE THE BENEFITS TO NORTH CAROLINA OF USING PROVEN TECHNOLOGY STANDARDS DEVELOPED FOR A NATIONAL MARKET?

A. A vibrant, competitive national marketplace is developing to take advantage of consumers having access to their own usage data and the ability to share that data with energy management providers, also known as "third parties," of their choice. In the past, many energy efficiency solutions were required to be tailored to each utility – essentially, to accommodate utilities' idiosyncrasies. With over 3,000 utilities across the country, an approach that focuses on unique solutions for individual utilities results in a balkanized, fragmented market that fails to take advantage of the economies of scale enabled by software and inexpensive computing power. Thus, the kind of Internet-based consumer innovation that has transformed mobile communications is largely absent in the electricity sector.

To realize timely, tangible consumer benefits from AMI deployments, it is important to undertake several specific steps to provide consumers with convenient, reliable and secure access to their own data. Five states – California, Colorado, Illinois, Texas and most recently New York – have led the way in empowering consumers with such access on a statewide basis. These states represent a total market of over 32.5 million data-enabled AMI meters – almost

half of the 70 million advanced meters deployed (or soon to be deployed) nationwide.[3] Arkansas and Maryland are also considering whether to implement data access "best practices" statewide.[4] In addition to leading the development of a national market for low-cost energy management offerings, I believe that the aforementioned states provide valuable lessons from which North Carolina can learn, namely how best to leverage AMI to help consumers save money, spur adoption of clean energy resources, including energy efficiency, and enhance the state's technology leadership and economic growth. I discuss later in my testimony specific standards that should be adopted to ensure maximum value from DEC's AMI investments.

Q. PLEASE DESCRIBE THE BENEFITS OF CONSUMER DATA ACCESS ENABLED BY ADVANCED METERING FOR CONSUMERS AND STATES.

A. The initial results from other states are very promising and impressive. Data-driven energy savings generated by third party energy management solutions can save consumers between 6% and 18% of their energy use.[5] In one example in California, energy management technologies are cutting up to $20 per month or

[3] Adam Cooper, *Electric Company Smart Meter Deployments: Foundation for A Smart Grid, Edison Foundation Institute for Electric Innovation*, p. 2 (September 2016).
[4] *Staff Report From the Competitive Markets and Consumer Choice Workgroup*, Maryland Public Service Commission, Public Conference 44, (June 30, 2017), *available at* http://webapp.psc.state md.us/newIntranet/AdminDocket/NewIndex3_VOpenFile.cfm?ServerFilePath=C%3A%5CAdminDocket%5CPublicConferences%5CPC44%5C65%2Epdf. Arkansas Public Service Commission Docket No. 16-028-U, Order No. 5 (November 9, 2017), *available at* http://www.apscservices.info/pdf/16/16-028-U_97_1.pdf.
[5] Michael Murray and Jim Hawley, *Got Data? The Value of Energy Data Access to Consumers*, Mission:data Coalition and More Than Smart (2016), *available* at http://www missiondata.org/s/Got-Data-value-of-energy-data-access-to-consumers.pdf.

more off residential utility bills.[6] Adjusted to the average North Carolina rate for residential customers of 11.28 cents/kWh, that would equate to $13.28 per month bill savings.[7] Adjusted to the average residential DEC rate proposed in this proceeding of 11.998 cents/kWh, it would equate to $14.12 per month bill savings.[8] Companies are developing low-cost, innovative ways of engaging consumers, such as a new service that helps parents direct monthly bill savings to tax-deferred college savings accounts for their children.[9]

Harnessing competitive market forces for informational services can provide consumers with many more choices of offerings and yield energy savings much more cost-effectively than traditional efficiency programs, thus avoiding ratepayer subsidies for duplicative programs and technologies. In one case, analytical software created weekly energy reports with individualized recommendations utilizing 60-minute usage data delivered energy savings averaging more than 5% across all participating households – comparable to those delivered by a traditional non-targeted efficiency program investing in equipment and structural retrofits – at 1/25th of the cost.[10]

---

[6] *See, e.g.*, http://www.wattzon.com/wp-content/uploads/2016/07/PartnerStudy_Livermore_061015.pdf.
[7] Average residential electric rates in North Carolina were 11.28 ¢/kWh, and California was 18.68 ¢/kWh in 2015. *See*, Energy Information Administration, Electric Power Monthly, Table 5.6.A, Average Price of Electricity to Ultimate Customers by End-Use Sector by State.
[8] Derived from Duke Energy Carolinas, LLC's Application to Adjust Retail Rates and Charges, Request for an Accounting Order and to Consolidate Dockets, Exhibit A, p. 2 and Exhibit B, p. 2 (August 25, 2017).
[9] *See, e.g.*, http://www.wattzon.com/news/clinton/.
[10] *Energy Upgrade Mountain View Final Report*, p. 3, City of Mountain View, Acterra, and Home Energy Analytics (January 2015), *available at* http://corp hea.com/results/.

Q. IS IT POSSIBLE TO QUANTIFY THE CONSUMER BENEFITS OF BILL SAVINGS DUE TO ENERGY EFFICIENCY RESULTING FROM ADVANCED METERING AND DATA ENABLEMENT?

A. Yes. Several utilities in other states have provided estimates for their AMI investments. In 2007, Southern California Edison Company ("SCE") submitted its application for AMI. In that case, operational benefits alone were not sufficient to fully offset the costs of five million AMI meters. SCE worked with the California's Office of Ratepayer Advocates to develop estimates of consumer benefits and determined that, overall, consumer benefits would total about $816 million, compared to operational benefits of approximately $1.1 billion. As for consumer conservation benefits specifically, SCE estimated a minimum of $164 million in benefits. To reach this estimate, SCE made a number of assumptions regarding residential consumer adoption of both real-time information feedback technology and historical information provided through SCE's website.[11] SCE anticipated residential customers that use interval data provided through their website can achieve a 2% reduction in their energy consumption.[12] Unfortunately, SCE implemented Green Button Connect My Data and the HAN years behind schedule, a mistake North Carolina can avoid.

[11] For example, SCE assumed residential customers who adopt real-time technology can achieve a 6.5% reduction in energy consumption; 10% of new homes constructed in their territory will be equipped with in-home displays with real-time data; existing homes will have an initial adoption rate of 0.5% and an annual growth rate of 0.05% for in-home graphical displays. SCE also assumed computer-based graphical displays using near real-time data would have a 1% initial market penetration with an additional 1% of growth each year thereafter.

[12] Opening Brief of Southern California Edison Company (U 338-E), p. 3, California Public Utilities Commission Docket No. A.07-07-026 (April 4, 2008) (in support of settlement agreement with Office of Ratepayer Advocates and others regarding SCE AMI deployment). For assumptions regarding adoption rates, *see* Settlement Agreement, p. A-1 filed in the same docket.

Ameren Illinois Company also quantified the consumer benefits of energy savings as a result of enhanced access to information made possible with AMI. Ameren Illinois Company, a utility with 1.5 million customers, calculated the benefit of energy efficiency stemming from AMI to be $23.7 million.[13]

The technology industry is continuing to develop more effective methods of engaging consumers and studies suggest that savings of similar magnitudes can be achieved. I believe that estimates based on this type of methodology offer a reasonable basis to quantify the consumer-side benefits of AMI, with the important proviso that standards-based data access via the two interfaces I have discussed is promptly implemented by the Company.

Q. IS IT REASONABLE FOR DEC TO ADOPT DATA ACCESS "BEST PRACTICES" TO ENABLE CUSTOMERS TO OBTAIN THE FULL ENERGY SAVINGS RELATED TO AMI DEPLOYMENTS?

A. Yes. Customers pay for the full cost of AMI and CIS in rates, so DEC should adopt data access "best practices" to enable customers to obtain the full potential of energy savings that can be obtained with AMI. Several independent studies have validated the notion that consumer energy savings can be quantified and achieved in an AMI deployment. A report from the Edison Foundation's Institute for Electric Efficiency ("IEE") found that consumer bill savings, either from load-shifting or conservation as a result of the information provided by AMI, account

[13] Direct Testimony on Rehearing of Dr. Ahmad Faruqui, Ameren Exhibit 5.6RH, Illinois Commerce Commission Docket No. 12-0244 (June 28, 2012).

for 33% of total AMI benefits for a hypothetical "cautious" utility and 66% of total AMI benefits for a hypothetical "pioneer" utility.[14]

By providing customers with data access, DEC can achieve not only energy efficiency savings but also peak demand savings. Many researchers have studied the conservation impacts of time-shifting behaviors on the part of consumers. One notable study in *Public Utilities Fortnightly* considered whether efficiency and demand response were "twins, siblings or [merely] cousins." The authors found an average 4.0% conservation effect as a result of dynamic pricing across 23 different utilities. Long-term conservation effects were found even though dynamic pricing was intended to address only certain peak hours – likely because consumer habits inevitably bleed into off-peak times.[15] The causal factor of bill savings – enhanced information and pricing signals that change consumer behavior – can be attained through both efficiency and demand savings.

Q. WHAT IS YOUR ESTIMATE OF THE MAGNITUDE OF THE CUSTOMER ENERGY SAVINGS AND PEAK DEMAND SAVINGS THAT DUKE ENERGY CAROLINAS CAN OBTAIN BY ADOPTING DATA ACCESS "BEST PRACTICES"?

A. I cannot conduct a rigorous analysis because I lack information such as the appropriate market segmentation data of the Company's customer base. However, it is possible, and appropriate, to broadly apply the findings from other studies to

[14] Ahmad Faruqui et al., *The Costs and Benefits of Smart Meters for Residential Consumers*, p. 27, The Institute for Electrical Efficiency, The Edison Foundation (July 2011).
[15] Chris King and Dan Delurey, *Twins, Siblings or Cousins? Analyzing the conservation effects of demand response programs*, PUBLIC UTILITIES FORTNIGHTLY, pp. 54-61 (March 2005).

DEC in order to see that the benefit could be very significant and deserves further consideration.

A valuable reference point is the IEE analysis mentioned previously which estimated a customer efficiency benefit of $100 per customer for a "cautious" utility and an efficiency benefit of $150 per customer for a "pioneer" utility over a 20-year time horizon. Assuming DEC has two million residential electricity customers in North Carolina, the magnitude of projected customer benefits from data access would be approximately $200 million to $300 million.[16]

Ameren's potential customer efficiency benefit of $23.7 million was derived from the IEE analysis but with different assumptions on customer segmentation, time-of-use rates, and other variables.[17] Again, I cannot say which analysis is more accurate or appropriate for DEC. But the potential magnitude is quite large. My recommendation is that the Commission require the Company to thoroughly examine customer benefits of energy savings – using the methodologies demonstrated in the literature I have cited – as a precondition to receiving full cost recovery through rates.

II. ACCESS TO ENERGY USE DATA

Q. PLEASE DESCRIBE YOUR FIRST RECOMMENDATION THAT DEC SHOULD PROVIDE CUSTOMERS AND AUTHORIZED THIRD PARTIES WITH BOTH HISTORIC AND REAL-TIME ENERGY USAGE INFORMATION.

[16] Ahmad Faruqui et al., *supra* note 14, p. 27.
[17] *Id*., p. 11.

A. There are two distinct interfaces by which utilities can provide customer energy usage data to customers for their own use. First, historic interval data collected by the meter and transmitted through the utility's AMI network should be made available to consumers and authorized third parties as soon as possible after it is collected by the utility. Energy usage data should be provided through a nationally standardized and automated method, "Green Button Connect My Data" ("GBC").[18] A principal advantage of GBC is that consumers can automatically transmit data to third parties without having to purchase additional metering equipment for their home or building. Energy usage data is typically provided after some delay to the consumer's authorized third party because it must go through the utility's AMI network and CIS. Second, real-time data should be provided through the HAN radio contained in the advanced meter and transmitted directly to a device on-site owned by the consumer, typically called a "gateway," in-home display or another device capable of receiving the signal from the meter. Real-time data access can unlock a host of new applications and services, but only if the Company enables the HAN radio on the advanced meter and makes it easy for a customer to connect any HAN device of their choice with their meter.

A. Access to Energy Usage Data With Some Delay (As Opposed to Real-Time)

Q. WHAT IS GREEN BUTTON?

A. Green Button refers to an industry-led standard, ratified by the ANSI-accredited NAESB, for downloading and sharing customer usage and cost data. The standard

[18] Green Button Connect My Data is also known by its technical name, the Energy Services Provider Interface or the North American Energy Standard Board's ("NAESB") REQ.21.

was developed by the National Institute of Standards and Technology ("NIST") and the Smart Grid Interoperability Panel. Green Button has its roots in the American Recovery and Reinvestment Act of 2009 ("ARRA"), which directed the Federal Communications Commission to develop a national broadband plan to include digital strategies for "energy independence and efficiency." Goal #6 of the National Broadband Plan states, "To ensure that America leads in the clean energy economy, every American should be able to use broadband to track and manage their real-time energy consumption."[19]

Federal support for the deployment of advanced meters in America stemming from ARRA included the development of interoperability standards for grid investments, such as customer energy usage data. NIST, as well as the Smart Grid Interoperability Panel, coordinated the standard's development over many years with input from many stakeholders, including utilities. Green Button uses common Internet web services methods and modern IT standards such as XML. More than 50 utilities nationwide have implemented Green Button "Download My Data," a subset of the standard that is limited to the particular file containing energy usage data. The complete version of the Green Button standard, GBC, has been deployed by investor-owned utilities across the states of California and Illinois, and in Washington, D.C. In New York, the Commission has required its regulated utilities pursuing advanced metering to implement GBC, with the first implementation expected by Consolidated Edison in 2018. In Colorado, Xcel

[19] *Connecting America: The National Broadband Plan*, pp. xiv-xv, Federal Communications Commission (2010), *available at* https://transition.fcc.gov/national-broadband-plan/national-broadband-plan.pdf.

Energy will provide GBC to all customers in 2020 as part of its AMI deployment. Of the 70 million advanced meters in the U.S., over 25 million currently have, or will soon have, access to data via the GBC standard.

Q. PLEASE EXPLAIN THE DIFFERENCE BETWEEN GREEN BUTTON DOWNLOAD MY DATA AND GREEN BUTTON CONNECT MY DATA.

A. Green Button Download My Data ("DMD") allows customers to manually download their electricity usage information in a standardized, machine-readable file format known as XML. This file can be uploaded by a consumer to third party software applications. DMD is useful, but it requires customers to manually log into their utility's website, download the Green Button XML file, and manually import it to another software tool each time they want to access or use their data. DMD is helpful for one-time uses, such as sending the file to a solar installer to get a price quote. But DMD is too burdensome for ongoing data collection to be useful. Most applications for energy efficiency require ongoing access; therefore, DMD is considered very limited in terms of overall usefulness.

The real breakthrough, critical to enabling the kind of ongoing monitoring and control that consumers expect with modern apps, is GBC. With GBC, the utility hosts an automated web service through which developers of energy management software can, with customer authorization, automatically and securely retrieve meter data in their software. There is no need for the customer to repeatedly log in to the utility's website and download files. These authorizations are valid for an agreed upon time and can be revoked at any time by the

consumer. The data can then be accessed and analyzed with third party software, including mobile applications.

While the term "Green Button" can refer to both DMD and GBC, it is important to understand the differences between the two. The stark contrast of usefulness between DMD and GBC to utility customers was recognized by the Edison Foundation in 2012. They wrote:

> Green Button [DMD] requires customers to download their energy usage data to a computer and then manually upload it to a third party application. The downloading process is a barrier. As the Green Button movement matures, an automation process, known as "Green Button Connect My Data," where the customer clicks a button to push the data to a third-party, will become the norm.[20]

Q. WHAT STANDARD SHOULD BE USED FOR EXCHANGING CUSTOMER USAGE DATA FROM THE UTILITY'S IT SYSTEMS?

A. GBC has emerged in the past four years as the leading technical standard for exchanging customer energy information. Furthermore, I recommend that any implementation of GBC should be compliant with the most current NAESB standard and documented best practices. When implementing GBC, DEC should be subjected to periodic certifications by an independent third party, the Green Button Alliance, a 501(c)(3) non-profit organization, to provide assurances that it is fully compliant. Some utilities across the country have non-compliant DMD implementations, for example, which fragments the marketplace. Finally, non-

[20] *Green Button: One Year Later*, Edison Foundation IEE Issue Brief, p. 7 (September, 2012), *available at* http://www.edisonfoundation net/iee/Documents/IEE_Green%20Button%20Report_Final.pdf.

compliant implementations that do not pass the certification process should be promptly remedied, with penalties imposed for prolonged non-compliance.

Q. WHAT ARE THE CUSTOMER BENEFITS OF GREEN BUTTON CONNECT MY DATA?

A. Commercial and residential buildings make up approximately 41 percent of total energy use in the U.S.[21] – the single largest energy-consuming sector. In 2010, the American Council for an Energy Efficient Economy's ("ACEEE") review of 57 studies concluded that timely consumer access to granular energy data yielded household energy savings of between 4% and 12% or more.[22] Even the more modest savings identified through the use of delayed information feedback approaches identified by ACEEE are significantly larger than the savings that many demand-side management customer engagement strategies are attaining today. As new energy efficiency services evolve and improve, potential savings are likely to increase. In my 2016 report, I found an additional 12 studies beyond those identified previously by ACEEE in which the savings ranged from 6% to 18%.

As an example, in Alameda and Santa Clara Counties in California, the use of data access functionality now available broadly across the state has demonstrated significant household savings: a study in Alameda County found electricity savings of 7.4% for electricity and 13% for natural gas, and another in

[21] U.S. Energy Information Administration, State Energy Profiles, *available at* http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_sum/html/rank_use_gdp.html

[22] Karen Ehrhardt-Martinez, Kat Donnelly, et.al., *Advanced Metering Initiatives and Residential Feedback Programs: A Meta-Review for Household Electricity-Saving Opportunities*, p. iii, American Council for an Energy Efficient Economy (June 2010).

Mountain View found 5.5% savings in electricity and 16.4% savings in gas – at a cost per household a small fraction of the cost of traditional efficiency programs.[23] Moreover, these gains are extremely cost-effective because data analysis parses the individualized usage patterns of each building and can identify targeted strategies that are the most relevant.

Q. HAS DEC QUANTIFIED OPERATIONAL BENEFITS FROM CUSTOMERS RECEIVING ENHANCED ACCESS TO THEIR ENERGY USAGE INFORMATION GENERALLY, OR FROM GREEN BUTTON CONNECT MY DATA SPECIFICALLY?

A. No, DEC has not quantified these benefits. In its 2017 Smart Grid Technology Plan, DEC cited only operational benefits for the utility in its benefits calculations: reduced expenses for DEC, avoided operations and maintenance costs, avoided capital costs, and increased revenue.[24] With regard to GBC specifically, in response to a discovery request calling for documents in the past five years reflecting or discussing an analysis of the costs or benefits of GBC, the Company replied that no responsive documents exist.[25] The Company has not analyzed, nor even attempted to analyze, how improving access to granular energy data would benefit their customers.

---

[23] Rebecca Brown, *Bringing It All Together: Design and Evaluation Innovations in the Alameda County Residential Behavior Pilot*, Presentation to the Behavior, Energy and Climate Change Conference (December 8, 2014). *Energy Upgrade Mountain View Final Report*, City of Mountain View, Acterra, and Home Energy Analytics (January 2015).

[24] Duke Energy Carolinas 2017 Smart Grid Technology Plan Update, Appendix C, Exhibit A, p. 6, Docket No. E-100, Sub 147 (October 2, 2017).

[25] Duke Energy Carolinas, LLC Response to NCSEA Data Request No. 12-1 (attached as Attachment MEM-2).

Q. HAS THE NORTH CAROLINA UTILITIES COMMISSION CONSIDERED DATA ACCESS BEFORE?

A. Yes. In **Docket No. E-100, Sub 147, in an order accepting the Smart Grid Technology Plans of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC**, the Commission discussed data access. Although the Commission declined at that time to consider rule changes relating to data access, the Commission observed the importance of data access in future AMI deployments:

> The Commission agrees with EDF's comments that AMI meters, which are able to record consumption data in near real-time, could have an important impact on the residential energy sector. . . . As the utilities expand the use of AMI technologies across North Carolina, the Commission finds that it is imperative that protocols for customer access to energy usage information be properly developed and kept current, consistent with the value proposition of these new technologies.[26]

Q. DOES DEC'S APPLICATION DISCUSS ANY BENEFITS TO CUSTOMERS OF THE INFORMATION COLLECTED BY ADVANCED METERS?

A. Yes, but only in very generic statements. DEC's testimony does not provide any substantive detail. For example, DEC Witness David Fountain stated:

> And we are nearly complete with our deployment of smart meters for DE Carolinas' customers that will help them more actively manage their energy use. . .[27]

[26] Order Accepting Smart Grid Technology Plans, p. 22, Docket No. E-100, Sub 147 (March 29, 2017).
[27] Direct Testimony of David B. Fountain for Duke Energy Carolinas, LLC, p. 10, line 12-14 (August 25, 2017).

> Also, customers increasingly want access to information about their energy usage and tools to manage that energy use and save money.[28]

> Customers expect greater access to information about their account and energy use, and greater control over that information. Through the consolidation of the older information systems into a new information system, combined with the continued rollout of AMI, the Company will be able to deliver a customer experience that will simplify, strengthen and advance our ability to serve our customers in this digital age.[29]

Similarly, in response to the question, "How will the advanced metering infrastructure implementation directly benefit the Company's customers?", Company witness Mr. Donald Schneider states:

> The AMI technology is customer-focused; it enables greater convenience, control and transparency over a customer's energy consumption.[30]

Q. DO YOU BELIEVE THOSE CLAIMS ARE REASONABLE?

A. No. In my opinion, the Company provides very little evidence to substantiate its claim that its proposed AMI upgrade is "customer-focused." With the exception of a smartphone app that is in a pilot phase, which I discuss below, I believe the Company has exaggerated its characterizations of customer benefits – such as customers having "greater control" over their energy use – when, in fact, the AMI and CIS systems, as proposed, are merely a more efficient way to bill its customers. For example, the Company provides no detail about how customers will use AMI or CIS to control their energy usage. Do AMI or CIS allow

[28] *Id.*, p. 11, line 11-21.
[29] *Id.*, p. 17, line 18-23.
[30] Schneider Direct, p. 7, line 19-20.

customers to reduce their energy usage by activating switches of some sort? Will the advanced meter turn on and off devices in the premise? If so, how will the advanced meter interact with customer equipment that is not owned or controlled by the utility? No such information is provided by DEC.

Similarly, the Company provides no detail about how customers will have "greater control over [their] information," although this is touted as one of the primary benefits of the CIS. The definition of control is "to exercise authoritative or dominating influence over." But there is nothing in DEC's application about how customers can meaningfully exercise their purported control over their information, other than the ability to *see* one's information on a website in the context of paying a bill. I would posit that "controlling my information" includes the concept of *portability* – the ability to take one's personal information, including information collected by advanced meters and made available through the CIS, and take it for one's own purposes, or elect to have the utility transmit the information to a third party on my behalf, for any purpose I choose. Unfortunately, portability of one's information does not appear anywhere in DEC's application. Instead, in response to a data request about how Duke Energy Progress, LLC ("DEP") thinks about sharing information with third parties, DEP provided a reference to two forms that must be filled out and returned to DEP either by email or by U.S. postal service delivery, along with payment for the cost of $48 plus $0.20 per customer for processing, before one's information can be

released.[31] For a company that claims to understand that its customers "favor more modern communication channels, where information is almost immediately available,"[32] it is remarkable how un-modern its proposed communication channels are when it comes to empowering ratepayers to exercise meaningful control over the information collected by an expensive advanced metering system and customer information system.

In my experience in 13 other states and Washington, D.C. working on AMI cases before state commissions, it is very common to see utilities propose AMI investments in alluring terms such as "customer empowerment," "transparency," and "control," but these enticements all too often do not result in tangible benefits to consumers. That is why I have provided concrete recommendations in my testimony so that the laudable goals of customer empowerment and greater control over energy bills are actually achieved.

Q. IS GBC A BEST PRACTICE IN PROVIDING ENERGY USAGE DATA TO CUSTOMERS?

A. Yes. Prior to 2013 when California became the first state to mandate GBC, it would not have been possible to say that GBC is a best practice because there was no large-scale deployment in existence. But today, approximately 24 million advanced meters across the U.S. have, or will soon have, the ability to transmit information to third parties via GBC. The Edison Foundation stated in 2013 that GBC would take over as "the norm." Utilities around the country such as

[31] Duke Energy Progress, LLC Response to Environmental Defense Fund Production of Documents Request No. 1-6, Docket No. E-2, Sub 1142.
[32] Hunsicker Direct, p. 8, lines 1-2.

Commonwealth Edison ("ComEd") have praised GBC as a best practice, saying, for example:

> "We are pleased to offer our customers the latest in data analytic technology bringing more opportunities for them to leverage their smart meters and manage daily electric usage . . . Today, ComEd customers are enjoying record power reliability and they have greater insight and control over their own energy usage through smart meter-enabled programs like Green Button Connect. We are proud to deliver on yet another smart grid promise and look forward to continuing to deliver even more value to our customers in the future," said Val Jensen, senior vice president of customer operations for ComEd.[33]

Q. IS GREEN BUTTON CONNECT MY DATA COSTLY TO IMPLEMENT?

A. No. In Colorado, Xcel Energy indicated that the cost to implement GBC in its multi-state service territory was $1.5 to $2.0 million.[34] This equates to a one-time cost of $1.00 to $1.30 per meter for Xcel's Colorado customers, but the cost per customer would drop accordingly if other Xcel-owned operating utilities adopt GBC. I submit that GBC's cost is very modest compared with its potential benefits. As with Xcel Energy, the costs of GBC to North Carolina ratepayers would be further reduced if and when Duke Energy affiliates in other states adopt it.

Q. IS THERE ANY OTHER STANDARD BESIDES GREEN BUTTON CONNECT MY DATA THAT COULD CONSIDERED BE A NATIONALLY RECOGNIZED STANDARD AND BEST PRACTICE?

---

[33] Commonwealth Edison press release (May 24, 2016), *available at* http://www.businesswire.com/news/home/20160524006420/en/ComEd-Customers-Green-Light-Share-Energy-Data.

[34] Settlement agreement between Public Service Company of Colorado d/b/a Xcel Energy and Mission:data Coalition, Colorado Public Utilities Commission Proceeding 15A-0789E (April 25, 2016).

A. I cannot think of one. Perhaps the best answer to this question comes from Consolidated Edison ("ConEd"). In its testimony concerning a 3.5 million advanced meter application that was approved in 2016, ConEd testified:

> Q. Has the Company [ConEd] identified any alternatives to GBC that should be explored?
>
> A. The Company is not aware of any alternatives that provide the functionality, standardization, and customer-driven authorization protocols inherent in GBC…the Company [ConEd] believes that GBC is the appropriate protocol for transferring customer usage information. Development of an alternative would be costly and duplicative, and not based on a nationwide standard.[35]

Q. DO ANY OTHER PARTIES TO THIS CASE BELIEVE THAT THE COMPANY SHOULD IMPROVE THE PROVISION OF ENERGY USAGE DATA TO CUSTOMER-AUTHORIZED THIRD PARTIES?

A. Yes. Environmental Defense Fund Witness Paul Alvarez testifies that utilities such as DEC can increase the benefits to customers of grid modernization by providing energy usage information from advanced meters to customers and customer-selected energy management companies. For example, in response to the question "What can utilities do to increase the benefits delivered by AMI via time-varying rates?", Mr. Alvarez states,

> The Commission may also wish to consider the potential for third parties to offer such [demand response] programs in recognition of the fact that energy management services do not constitute a natural monopoly. In such a scenario, third party energy managers might require the capability to securely access customers' usage data in a standardized, automated manner when authorized by

[35] Customer Operations Panel testimony of Marilyn Caselli, Michael Murphy, Christopher Grant et al., pp. 45-46, New York Public Service Commission Case No. 16-E-0060 (January 29, 2016), *available at* http://documents.dps ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7b18A56129-99CB-445B-9FC3-209A60FE9393%7d.

customers. Smart phone applications which access customers' usage data to help them manage energy use and time-varying rate participation are already available at low cost or no cost.[36]

Also, in Duke Energy Progress's rate case E-2, Sub 1142, Public Staff witness Mr. Jack Floyd appears to agree with the idea that customer energy information should be more portable. Mr. Floyd was cross-examined with the question, "Would you agree that the raw data that is used by the Company's smartphone app should be available to customers if they choose to go and use a different company's application?" Mr. Floyd answered, "Yes."[37]

B. Access to Real-Time Energy Usage Data

Q. PLEASE DESCRIBE IN MORE DETAIL THE ADVANTAGES OF ACCESS TO REAL-TIME DATA THROUGH THE HOME AREA NETWORK, THE SECOND INTERFACE METHOD YOU ARE RECOMMENDING.

A. According to the ACEEE study, programs with real-time, highly-granular data produced the most powerful savings for consumers: As ACEEE observed "the implementation of real-time plus feedback programs is likely to generate the most dramatic energy savings across a given community."[38] In the ACEEE study and

[36] Direct Testimony of Mr. Paul Alvarez on Behalf of Environmental Defense Fund, pp. 39-40 (January 18, 2018).
[37] Transcript Vol. 19, p. 173, Docket No. E-2, Sub 1142 (December 11, 2017).
[38] Karen Ehrhardt-Martinez et. al. *Advanced Metering Initiatives and Residential Feedback Programs: A Meta-Review for Household Electricity-Saving Opportunities*, p. iv, American Council for An Energy Efficient Economy (June 2010).

others, consumers saved up to 12% or more when the data is real-time, compared to lower savings rates from delayed interval data.[39]

Customers have extremely high expectations in 2018: they expect seamless services, push notifications on their smartphones the instant an event occurs, and an effortless interaction with service providers online. Bringing digital experiences from other industries such as personal banking or health and fitness trackers to the energy industry offers tremendous potential to benefit consumers, but only if real-time data are available, and only when such access is technologically consistent across the nation.

The exciting trend – made possible by ever cheaper computing power and individual consumption data in standard electronic formats – is the development of customer energy efficiency products and services that are specifically tailored to their own energy use patterns and development of individual strategies and provide prompt feedback.

These tailored offerings are more effective than mass-market programs and produce greater energy savings. For example, virtual energy audits that address a customer's specific energy use can be prepared without a visit to the customer's home. What used to cost hundreds of dollars with an on-site home visit can now be performed for $5 or $10, or less. Also, comparative benchmarking can be performed to compare the energy use of the customer's

[39] *Id*. *See also* Carrie Armel, Abhay Gupta, Gireesh Shrimali, and Adrian Albert, *Is Disaggregation the Holy Grail of Energy Efficiency? The Case of Electricity*, ENERGY POLICY 52, p. 213-234 (January, 2013), *available at* http://web.stanford.edu/group/peec/cgi-bin/docs/behavior/research/disaggregation-armel.pdf.

appliances against normal energy use for the same appliances using statistical disaggregation and machine-learning techniques.

Providing highly granular real-time usage data also enables: (a) diagnosis of large energy loads in real time, by allowing the customer to turn off certain appliances and immediately see their impact; (b) rapid and immediate verification of load reduction, which is required for some demand response applications; and (c) non-intrusive load disaggregation, which is the use of algorithms to differentiate energy loads without measuring them directly, thereby enabling customers to understand how individual devices are consuming energy. Statistical disaggregation offers a virtual "itemized bill" and the development of automated, personalized recommendations and alerts, such as "stove left on," or "window A/C unit left on with windows open." Hourly interval data can enable very basic disaggregation, but the most powerful disaggregation tools require short-interval data, such as 5- or 10-second data, of the sort generated through direct consumer access to the meter via activation of the HAN radio.

Q. MORE SPECIFICALLY, WHAT IS THE HOME AREA NETWORK?

A. The HAN refers to a communications network in a home (or commercial building) wherein an advanced meter can transmit read-only information about instantaneous or historic energy use to a customer-owned device. Generically speaking, a HAN can enable devices to communicate with one another, such as in-home automation applications, and utility meters are not necessarily part of a HAN. But most other utilities that have implemented the HAN in advanced

meters have offered the ability to receive read-only, real-time readings directly from the meter, and the control functions from the utility to in-home devices are not supported. The particular wireless protocol that is widely used across the U.S. is known as Zigbee. More specifically, the protocol is Smart Energy Profile v1.1 ("SEP1.1"), part of the Zigbee family of standards.

Q. WILL THE HOME AREA NETWORK HARDWARE YOU DESCRIBE ADD COSTS TO DEC'S AMI SYSTEM?

A. No. In my experience, HAN radio hardware is included in virtually all advanced meters available on the market at no additional cost. In a discovery response about the HAN, DEP confirmed this to be the case, saying "The meter hardware proposed for the DEP AMI project are equipped with a Zigbee radio."[40] The issue is that DEC seeks to recover 100% of its costs of up to $285 million to $295 million for its CIS, and $197 million for AMI,[41] yet the valuable customer features I describe are not in service.

Q. HAVE OTHER STATES REQUIRED UTILITIES TO PROVIDE THE HAN?

A. Yes. Regarding data access on a real-time basis from the HAN, Texas in 2007 was the first state to require real-time access to data through the HAN,[42] and California promulgated a HAN implementation order in 2012 directing that the investor-owned utilities be capable of supporting an unlimited number of HAN

[40] Duke Energy Progress, LLC Response to Environmental Defense Fund Data Request No. 1-3, Docket No. E-2, Sub 1142 (attached as Attachment MEM-3).
[41] Schneider Direct, p. 10. Hunsicker Direct, p. 11.
[42] Rulemaking Relating to Advanced Metering, Texas Public Utility Commission Project No. 31418 (May 10, 2007), *available at* http://www.puc.texas.gov/agency/rulesnlaws/subrules/electric/25.121/31418adt.pdf.

deployments.[43] In Illinois, Commonwealth Edison is already enabling use of the HAN radio where it has deployed advanced meters.[44] These states represent three of the largest four states in energy consumption in the U.S,[45] accounting for 23.4 million of the 70 million advanced meters that have been deployed in the U.S.

Furthermore, Pennsylvania law requires certain large electric distribution companies to, "with customer consent, make available direct meter access and electronic access to customer meter data to third parties. . ."[46] Pennsylvania utilities with advanced meters – along with utilities in the competitive areas of Texas and investor owned utilities in California and Illinois – each implemented the Zigbee Smart Energy Profile 1.1 ("SEP1.1") standard.

National Grid in New York (also known as Niagara Mohawk Power Corporation) also filed an application recently for advanced meters that support Zigbee SEP1.1.[47] If approved by the New York Commission, National Grid would add 1.7 million advanced meters with SEP1.1 functionality.

---

[43] Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System, California Public Utilities Commission Rulemaking No. 08-12-009 (Decision 11-07-056) (July 28, 2011), *available at* http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/140369.PDF.

[44] Investigation into the Customer Authorization Required for Access by Third Parties Other Than Retail Electric Suppliers to Advanced Metering Infrastructure Interval Meter Data, Illinois Commerce Commission Case No. 15-0073 (Proposed Order) (December 23, 2015), *available at* http://www.icc.illinois.gov/docket/files.aspx?no=15-0073&docId=237768.

[45] U.S. Energy Information Administration, State Energy Profiles, available at http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_sum/html/rank_use_gdp.html.

[46] 66 PA. CONS. STAT. § 2807(f)(3) (2017).

[47] Niagara Mohawk Power Corporation d/b/a National Grid Initial Distributed System Implementation Plan, p. 74, New York Public Service Commission Case 14-M-0101 (June 30, 2016).

Q. DOES MISSION:DATA HAVE RECOMMENDATIONS AS TO WHEN GBC AND HAN (ZIGBEE SEP1.1) SHOULD BE ENABLED FOR THE BENEFIT OF NORTH CAROLINA CONSUMERS?

A. One of the lessons learned from prior deployments in other states is that consumers should be provided access to their energy data concurrently with deployment of advanced meters or as soon as possible. The Company, the North Carolina Utilities Commission, and the consumer all benefit when the AMI deployment is timely and tangibly linked to empowering consumers with easy access to their own real-time data. AMI deployments across the country were often predicated on the notion that customers would be empowered to use energy in the unique ways they want to. Customers are empowered and supportive when an upgrade from a regular meter to an advanced meter comes with the tangible additional benefit for the user and the ability to use new data-driven services. Frustration and confusion have resulted in other states where no actual benefits of AMI were immediately apparent to customers.

In Illinois, ComEd is activating the HAN radio upon request as meters are deployed, a process that initially has been manual and will soon be automated. In New York, ConEd plans to activate GBC by the end of 2017 for all customers, even though the AMI rollout will not be completed until 2022. Other utilities in New York pursuing AMI such as Avangrid and National Grid are also required to offer GBC as part of AMI deployment.

Q. PLEASE DESCRIBE WHAT "BRING YOUR OWN DEVICE" MEANS.

A. In relation to the HAN, Bring Your Own Device ("BYOD") means the capability for a customer to buy any Zigbee-compatible device and connect it to their meter. There are at least a dozen different manufacturers of Zigbee gateways across North America; some include an LCD display for showing real-time usage, while others transmit the information over the customer's broadband connection to cloud-based software. The key component of BYOD is on the utility's web portal, and it allows the customer to type in the serial number of their gateway, and another number known as an "installation code" for security purposes, and the utility instantly provisions the device.

Q. DOES DEC SUPPORT "BYOD" HAN DEVICES?

A. No. DEP is piloting a HAN gateway from only a single company, called Powerley, but despite proposing to invest millions in IT systems, DEC does not mention the critical capability of supporting HAN devices made by multiple other vendors.

Q. IN YOUR VIEW, WHY IS BYOD IMPORTANT?

A. Without BYOD capability, customers are "locked in" to only the HAN devices offered by DEC. That means customers miss out on technological innovations, and lower prices, in the areas of home energy management that are available from a competitive market.

DEC's lack of consideration for BYOD reminds me of an apt historical analogy in the history of telecommunications. Prior to 1968, if customers wanted to purchase a telephone for their home, they could buy from only one company:

AT&T. AT&T, through their tariffs, prohibited any third-party telephone from connecting to their network. Telephones at that time were bulky and expensive, though the technology itself was fairly rudimentary. The FCC's 1968 "Carterfone" decision was a landmark development because it established that any manufacturer could make a telephone – not just AT&T – and connect it to the telephone network. In addition to immediately reducing prices on handsets, the Carterfone decision paved for the way for innovations like answering machines, fax machines and dial-up modems in the 1980s.

I believe electric utilities pursuing advanced metering are in a very similar situation today. Customers want to be able to access real-time readings from their meter, and many entrepreneurs have sprouted up to meet this demand. Restricting AMI access to a single HAN gateway vendor is just as absurd an idea as buying telephones from a single company. As a result, DEC's lack of BYOD capability inevitably leads to an extension of DEC's monopoly into home energy management, because other vendors are prohibited from accessing the meter. For these reasons, I find that DEC's oversight of BYOD capability very troubling.

III. ACCESS TO BILLING DATA

Q. PLEASE DESCRIBE YOUR SECOND RECOMMENDATION THAT BILLING DATA SHOULD BE AUTOMATICALLY ACCESSIBLE TO CUSTOMERS AND AUTHORIZED THIRD PARTIES.

A. Most consumers care about dollars, not kilowatt-hours. When third parties have customer authorization to access bill histories, such third parties can help

customers estimate cost and energy savings from potential energy efficiency improvements, verify performance against actual energy data, and continue to monitor efficiency and savings over time. Similar to my first recommendation of providing customers with a way to share energy usage data with third parties, I recommend that the Company provide electronic, machine-readable, and automatic transfer of at least 24 months of historical bills to customer-authorized third parties.

Q. WHY DO YOU RECOMMEND AT LEAST 24 MONTHS?

A. Many energy efficiency applications require historic monthly bills through one complete "heating season" and one complete "cooling season" in order to accurately assess energy savings after some retrofit has occurred. A history of 24 months ensures that seasonal and meteorological effects can be properly accounted for.

Q. WHAT TECHNICAL STANDARD DO YOU RECOMMEND FOR EXCHANGING BILLING DATA WITH AUTHORIZED THIRD PARTIES?

A. I recommend GBC because it has an extension that supports billing histories. Every line item of a bill can be captured with the same XML standard for securely transmitting energy consumption data. Line items of bills can include complex terms like meter charges, demand charges, time of use charges, fuel charges, program charges, franchise fees, taxes, and other information. All of this information is important to companies that provide energy management and cost

management services. A wide variety of billing line items and billing structures are accommodated in the GBC technical standard.

Q. PLEASE DESCRIBE THE IMPLICATIONS IF THE COMPANY DOES NOT PROVIDE ELECTRONIC BILLING HISTORY AS YOU HAVE RECOMMENDED.

A. Without standardized, machine-readable access to historical billing data, customers will not be able to access new services that depend upon streamlined, zero-cost electronic accessibility, including, but not limited to: cost analysis software, automated bill audits that search for overcharges, financial benchmarking services against peers, and even certain financial products that allow customers to borrow money for efficiency improvements. It will also be difficult for customers to know whether investments they have made in distributed energy resources are paying off because distributed energy resource ("DER") companies cannot easily access customer bills.

For commercial customers, including multifamily property owners, the lack of software-readable billing histories means that many such customers turn to the market and pay for bill digitization services. An industry in its own right, bill digitization serves the needs of many multi-site building owners or managers who must capture, understand, benchmark, and ultimately pay dozens, hundreds or even thousands of bills from different utilities across the U.S. every month. The inclusion of 24 months of historical billing data, as well as ongoing bills as they are generated, in GBC would significantly benefit these customers by avoiding

the costs of bill digitization services and drastically reducing the time needed to process data and launch solutions for new clients.

While larger commercial customers have access to bill digitization to manage their utility expenses and track usage, these types of solutions are prohibitively expensive for smaller customers such as nonprofit low-income housing organizations, small businesses, and individual owners and tenants. These customers cannot afford bill digitization and instead often use inefficient, paper-based processes. For these customers, access to detailed machine-readable bill data means that it will become easier to monitor and pay their bills, save money, and access new services.

Organizations such as property owners with a nation-wide presence want to perform analysis for properties across states, utility companies, and types of tariffs, for example by studying demand charges and peak kW demand usage. While these categories can be interpreted from bills, this is difficult and unreliable as utility companies use different names for usages and charges, sometimes between different tariffs of the same utility company. Including standard categorizations in GBC bill data will significantly decrease the time and money it takes to do this type of analysis and increase data quality for the users of these services. In addition, the bill digitization process can introduce inaccuracies, because optical character recognition and other techniques performed to extract data from printed bills and bill images are not always perfect. Customers would

benefit by having accurate representation of their bills available from the Company in an electronic, automated fashion.

Q. ARE THERE OTHER BENEFITS OF PROVIDING BILLING DATA IN AN ELECTRONIC, MACHINE-READABLE, AUTOMATED MANNER?

A. Digital bill data will open up the possibility for third party suppliers to provide richer, digital context to customers, for example via links to better explain rates, or instructional videos for how to weatherize a single-family home. With machine-readable bill data, software can be developed for vision-impaired customers to hear or feel their bills, giving them easy access to this information. Access to digital bill data will also make it easier for customers to use tailored third party services to pay their bill. With these types of services, customers can, for example, aggregate their bills and payments by property or by geographic area.

Q. DO ANY OTHER UTILITIES ACROSS THE U.S. PROVIDE BILLING HISTORIES TO THIRD PARTIES IN AN AUTOMATED FASHION?

A. Pacific Gas and Electric ("PG&E") provides historical billing information as part of its GBC offering. PG&E customers can choose to securely transmit their usage data alone, or in conjunction with, their 48-month billing history to a third party. Also in California, SCE, and San Diego Gas & Electric have stated they will support historical billing data as their GBC implementations are enhanced over time. New York utilities ConEd and Orange and Rockland Utilities will provide historical billing data as part of "Phase 2" of their GBC implementation in 2019.

IV. ACCESS TO UTILITY RATE DATA

Q. PLEASE DESCRIBE YOUR THIRD RECOMMENDATION THAT UTILITY RATE INFORMATION SHOULD BE PUBLISHED IN STANDARDIZED, MACHINE-READABLE FORM.

A. Tariff information – including the prices that consumers pay for electricity and natural gas – is publicly available today, since the Commission approves rates. However, owing to the complexity of modern rate structures, projecting a given customer's bill with consumption data in kilowatt-hours, given an approved rate in PDF form, is extremely difficult. It requires detailed knowledge of how the tariff works, a close reading of the legalistic language, and faithful translation of the text into correct mathematical operations to calculate a price in dollars. With time-of-use ("TOU") rates, careful analysis becomes even more important because customer bills can vary widely depending on when the consumption occurred. Re-packaging customer tariffs in a publicly-accessible, machine-readable form, rather than a PDF file, would thus make rate structures much more accessible and usable to DER providers.

Fortunately, much work has already been done in this area around standardization. The National Renewable Energy Laboratory ("NREL") has already developed the Utility Rate Database and last year engaged with California utilities on a pilot program to develop a uniform, web-based repository of machine-readable tariffs. This digital repository already exists today and contains over 40,000 rates from utilities across the country. But rates across the country are

kept up to date only with the significant effort of NREL. If the Company's approved rates were maintained in the NREL Utility Rate Database, it would be possible for software applications to immediately and instantly create accurate cost estimates of energy efficiency or distributed energy. With more than 3,000 retail electric utilities in the United States, each of which may maintain dozens or hundreds of rate structures, it would be extraordinarily costly for DER providers to accurately maintain an up-to-date tariff database with nationwide coverage. There is also the issue of "reinventing the wheel" where each DER provider has its own mathematical interpretation of the rate structure. Without a central repository, cost savings estimates from DER providers may lack the accuracy and rigor important for household decision-making across the state of North Carolina. It is not uncommon to see savings estimates from some companies based upon a flat rate per kilowatt-hour (i.e., $0.12/kWh) that masks the realities of TOU intervals, seasonal variations, tiers, demand charges, taxes and the like. Thus, a key benefit – both for consumers and DER providers – of a machine-readable central repository of tariffs kept up to date by the utilities is the accuracy of cost information provided to the marketplace at large.

NREL already has a head start with a machine-readable format and thousands of tariffs in its Utility Rate Database. Also, it should be mentioned that DEC's new CIS already calculates dollar amounts routinely; the last remaining obstacle is simply externalizing those calculations from the CIS and publishing

rates in NREL's format. This minor action would bring significant new benefits to consumers.

V. EASE OF USE AND THE CUSTOMER AUTHORIZATION PROCESS

Q. PLEASE DESCRIBE YOUR FOURTH RECOMMENDATION THAT THE CONSENT PROCESS SHOULD BE ELECTRONIC AND EASY TO USE.

A. Based on DEC testimony, the Company clearly has a complex IT infrastructure. In my experience as a software entrepreneur, it is easy for any IT manager to be overwhelmed by technical requirements and implementation challenges in a large-scale project and lose sight of the end customer. How does the customer actually share his or her energy use or billing data with a third party? Where in the process of using the Company's web portal will customers get confused and abandon the authorization process? Can the customer's tasks be completed in the fewest number of steps? How long does it take the customer to complete a common function, and can that time be reduced? These are the questions that are often forgotten when deadlines and technical challenges loom, but they are nevertheless essential because the benefits from GBC or the HAN, and thus many benefits from DEC's investments, won't be realized if customers can't easily interact with the system and authorize the third-party service provider of their choice. I note that Amazon.com is famous for its "1 click" purchase button. Customers are more likely to follow through with an online transaction – whether buying a product from an online retailer, or an energy management service – if the fewest number of clicks is required. This lesson of simplicity should be taken

to heart by the Company so that the maximum number of users can take advantage of new technological offerings. In fact, DEC Witness Retha Hunsicker recognized the importance of the user experience when she lamented the fact that, under DEC's antiquated CIS, "it can take a customer service representation [*sic.*] over 25 screens to get all of the necessary information input."[48]

To quantify the impact of streamlining the online process for customers, a study by EnergyHub found dramatically different rates of consumer participation in demand response programs – 3% vs. 40% – among eligible customers when the enrollment forms were electronic, dramatically simplified and consumers could instantly sign up.[49] EnergyHub and other innovative companies rely on a streamlined process for their customers to share energy usage data, as well as to enroll in certain utility programs. The impact of ease of use can positively impact utilization of these offers by literally an order of magnitude. This is the reason why the California Public Utilities Commission recently ordered a "click-through" website enrollment process in which electronic signatures are accepted and "the click-through process shall begin and end on the third-party demand response provider's website."[50] More detailed technical recommendations and best practices can also be found in a report from the California "click-through"

[48] Hunsicker Direct, p. 7, lines 11-13.
[49] *Optimizing the demand response program enrollment process*, EnergyHub, Inc. (April, 2016), *available at* http://www.energyhub.com/blog/optimizing-demand-response-enrollment
[50] California Public Utilities Commission Decision D.16-06-008, Order Para. 1 (June 6, 2016), *available at* http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M163/K294/163294060.PDF.

working group dated October 12, 2016,[51] and as memorialized in the California Commission's August, 2017 resolution.[52]

I recommend the Company should be required to hold stakeholder meetings to discuss and implement these recommendations for improving the GBC experience in North Carolina.

Q. PLEASE FURTHER DESCRIBE YOUR FOURTH RECOMMENDATION THAT THE CONSENT PROCESS SHOULD BE ELECTRONIC AND EASY TO USE.

A. In the case of GBC, the Company should provide a streamlined online sharing process that includes a minimum number of clicks and screens for the user for the pass through. It is also very important for the Company to adhere to the authorization process element of the GBC standard known as OAuth 2.0. OAuth 2.0 is the standard process adopted by Facebook, Microsoft, LinkedIn, and many other online services use for securely authenticating a customer's identity. Strict adherence to the standard is important, because consumers have a familiarity with OAuth 2.0 from other online services used throughout daily life, and deviations from what customers expect will result in confusion and reduced utilization of GBC. My previous recommendation is that the Company be required to attain periodic certification from an independent third party known as the Green Button

[51] Status Report Ordered by the Assigned Commissioner's Office During Discussions at the October 5, 2017 Click-Through Workshop, California Public Utilities Commission Application Nos. 14-06-001, 14-06-002, and 14-06-003 (October 12, 2016).

[52] California Public Utilities Commission Resolution E-4868 (August 25, 2017), *available at* http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M194/K746/194746364.PDF.

Alliance. Such certification will help ensure an optimal customer experience, since OAuth 2.0 is incorporated into the GBC standard.

I further recommend that there should be alternative methods of authenticating users who do not want an online utility account. In this scenario, the utility can ask for the customer account number and other identifying information required as proof of the customer's authorization, similar to the paper form used today. But the customer would not have to create an online account, which is a barrier for many people who already have hundreds of online accounts for different services and do not wish to create new ones.

VI. SECURITY AND PRIVACY

Q. DO YOU HAVE RECOMMENDATIONS TO ENSURE SECURITY?

A. Adoption and implementation of solutions based on nationally recognized open standards offer the best opportunity to ensure robust security. One of the values of widely adopted standards is that larger numbers of experts from across the country have studied, tested, and evaluated the standards, and probed them for vulnerabilities. The Company can take advantage of that work for the benefit of consumers by adhering to widely adopted national standards.

With regard to real-time data, SEP1.1 is a secure protocol that should be used by the Company. Any security concerns raised by activation of the HAN radio with Zigbee SEP1.1 are not of sufficient magnitude to deny North Carolina consumers and the North Carolina economy a significant percentage of the benefits of the AMI investment with access to real-time energy usage data.

SEP1.1 uses symmetric encryption keys and strong 128-bit Elliptic Curve Cryptography ("ECC") to prevent an eavesdropper from listening to the messages broadcast from the meter. Significant time and effort from the Zigbee Alliance – whose board of directors includes representatives from Philips, Samsung SmartThings, Itron, Landis+Gyr, Huawei, and Comcast – have ensured that the latest security best practices are incorporated into SEP1.1. As described above, numerous other utilities across the country have implemented SEP1.1 after having vetted the standard and concluded it is secure.

I note that California, Illinois, Pennsylvania, and Texas and Illinois have all ordered utilities to activate the HAN radio for the benefit of consumers. I have carefully researched this issue and I am not aware of any security breaches or successful attacks on utility systems or consumers through the HAN interface.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

ENERGY DATA

UNLOCKING INNOVATION WITH SMART POLICY

BY **MICHAEL MURRAY, LAURA KIER AND BOB KING, P.E.**

DECEMBER, 2017

MISSION:DATA
empowering energy savings

advanced energy management alliance

ABOUT

MISSION:DATA
empowering energy savings

Mission:data Coalition is a non-profit coalition of 35+ innovative technology companies that empower consumers with access to their own energy usage data. Mission:data advocates for customer-friendly data access policies throughout the country in order to deliver energy-savings benefits for consumers and to enable an innovative, vibrant market for energy management services.

advanced energy management alliance

Advanced Energy Management Alliance (AEMA) is made up of distributed energy resource (DER) companies that are united to overcome barriers to nationwide use of demand-side resources. We advocate for policies that empower and compensate customers appropriately for managing their energy use in a manner that contributes to a more efficient, cost-effective, resilient, reliable and environmentally sustainable grid.

EXECUTIVE SUMMARY

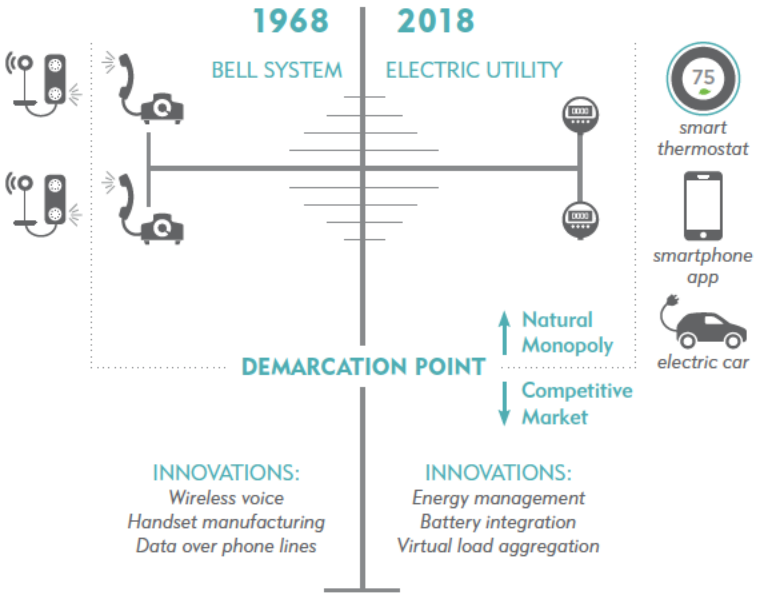
This report outlines how state policymakers and advocates can empower consumers to manage their utility bills with access to their own energy usage information.

There are over 70 million "smart" meters installed by electric utilities across the U.S. But getting the most value from smart meters for consumers hasn't been fast or easy. That's why we synthesized the data-sharing policies of leading states into a single, comprehensive guide. Based on our experience working in over a dozen states and the District of Columbia, we outline the best practices that promote the portability of, and customer control over, their energy information. The 10 policy elements discussed in this report are meant to instruct public utility commissions (PUC) in addressing all of the relevant issues in a comprehensive data sharing policy: privacy, consumer protections, technical standards, enforcement issues and more.

State policymakers don't have to reinvent the wheel. Leading states such as California, Illinois, New York and Texas have carefully considered data privacy and electronic access to customer data held by utilities. We believe that any state can incorporate our recommendations, even states that do not yet have smart meters. All customers benefit when they have control over their energy information in a modern, technologically-consistent manner from state to state, and from utility to utility.

As customer-owned distributed energy resources (DERs) grow at the "grid edge," we can learn from other industries about the importance of clear policy boundaries around regulated utilities. In telecommunications some 50 years ago, the Federal Communication Commission's (FCC) "Carterfone" decision enabled customers to attach their own accessories to AT&T's telephone network. Before this point, telephone handsets could only be purchased from AT&T. This pivotal decision defined a demarcation point between competitive services and monopoly telephony services; it sparked innovations that include the modem and wireless voice. Today, energy consumers seek to connect their own electrical "accessories" to the grid: solar panels, electric vehicles, batteries and advanced energy management systems. The FCC's Carterfone decision provides an excellent historical analog for defining the interface point at which regulated services should end and competitive services should begin. In that spirit, we believe that our data-sharing "rules of the road" will help create the conditions for market animation necessary for a more interactive, efficient and flexible electric grid.

The FCC's 1968 Carterfone decision defined the boundaries of monopoly telephone service.



SNAPSHOT OF ENERGY DATA SHARING POLICIES

(as of late 2017)

CALIFORNIA

11.5 MILLION ELECTRIC METERS

2013: *CPUC approves applications for GBC implementation at investor-owned utilities (D.13-09-025)*

2017: *CPUC approves resolution on the "click-through" process to streamline the customer authorization process (Resolution E-4868)*

COLORADO

1.5 MILLION ELECTRIC METERS (XCEL ENERGY)

2017: *PUC approves settlement agreement for deployment of advanced meters with GBC to go live in 2020 (16A-0588E)*

HAWAI'I

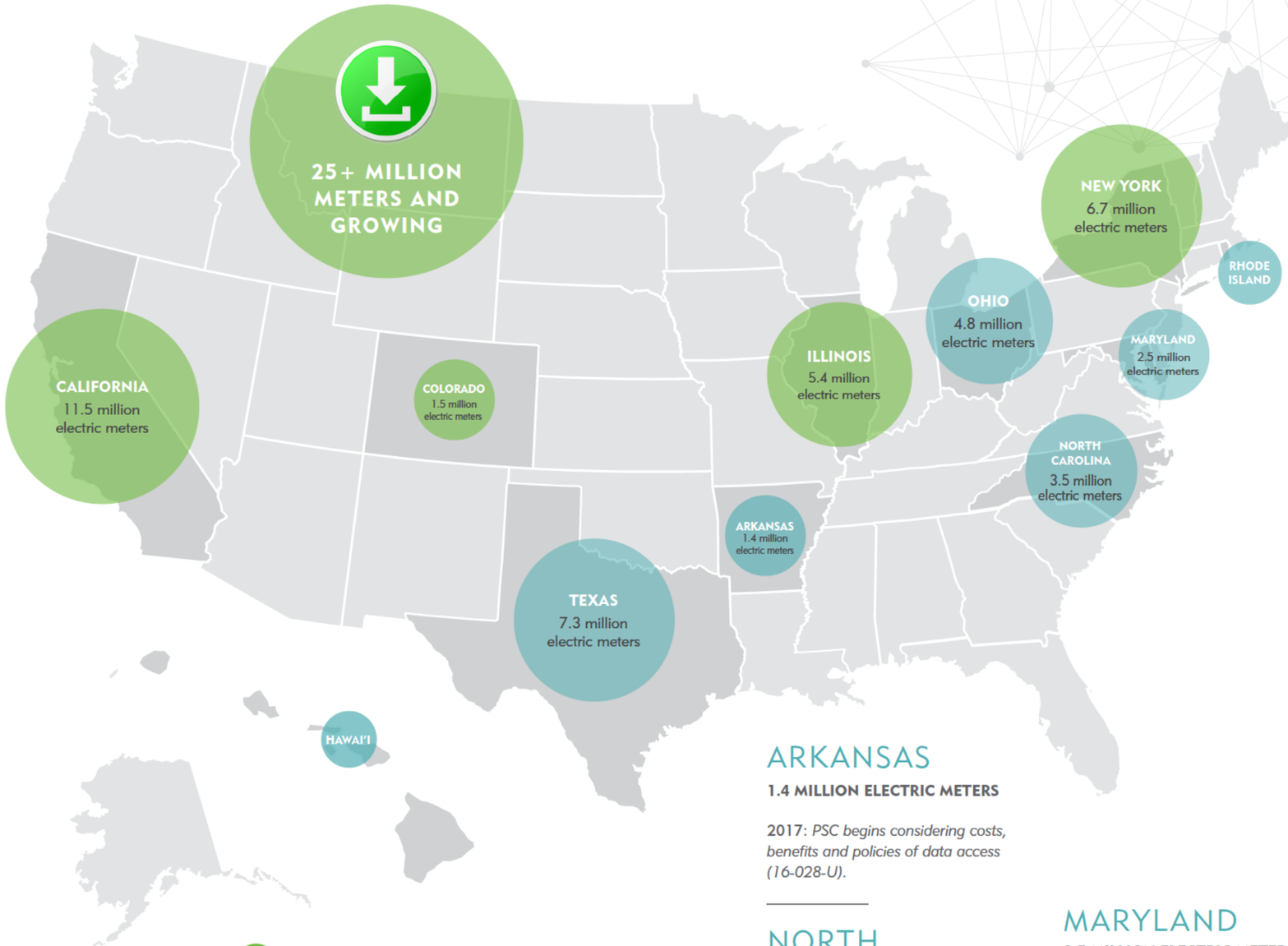
0.4 MILLION ELECTRIC METERS

2017: *PUC requires grid modernization plan to address "data access and privacy"; in response, HECO's plan hints at GBC for "customer-authorized third parties" (2016-0087)*

TEXAS

7.3 MILLION ELECTRIC METERS (ERCOT REGION)

2015-2017: *PUCT considers changes to Smart Meter Texas (SMT) to adhere to the GBC standard (46204, 46206, 47472)*



NEW YORK

6.7 MILLION ELECTRIC METERS

2016: *PSC's REV Track Two order requires GBC for any utility that pursues advanced metering (14-M-0101). GBC planned by ConEd, Orange & Rockland, NYSEG, RG&E and National Grid*

RHODE ISLAND

0.5 MILLION ELECTRIC METERS

2017: *PUC report on "Power Sector Transformation" calls for National Grid to address data access*

OHIO

4.8 MILLION ELECTRIC METERS

2016: *AEP Ohio agrees to hold gridSMART collaborative meetings to discuss data access (ongoing)*

2017: *PUCO approves Dayton Power & Light settlement that mentions GBC (16-395-EL-SSO); Duke Energy Ohio cases ongoing*

ARKANSAS

1.4 MILLION ELECTRIC METERS

2017: *PSC begins considering costs, benefits and policies of data access (16-028-U).*

NORTH CAROLINA

3.5 MILLION ELECTRIC METERS

2017: *NCUC considers GBC in Smart Grid Technology Plans, saying data access is "essential" but declines to open a rulemaking process (E-100, Sub 147). Duke Energy rate cases underway.*

MARYLAND

2.5 MILLION ELECTRIC METERS

2016: *PSC considers "maximizing AMI's benefits for Maryland ratepayers" (PC44)*

2017: *PSC cites the benefits of new technologies to consumers; declares that customer data "belongs to the customer"; draft rules call for GBC implementation (PC44)*

ILLINOIS

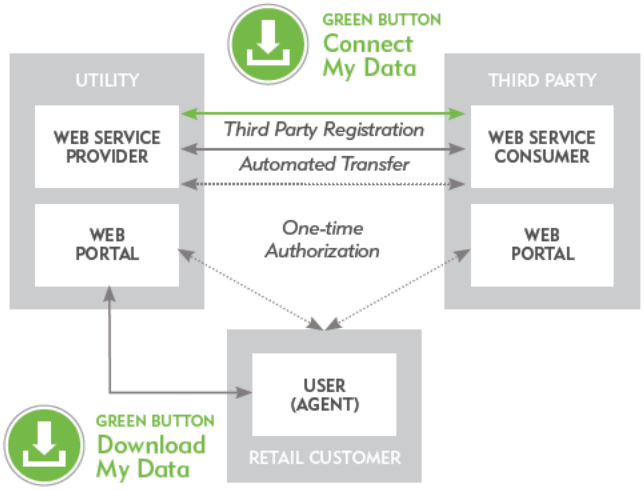
5.4 MILLION ELECTRIC METERS

2016: *ICC approves authorization processes for non-retail electric service providers, a prerequisite to GBC (15-0073)*

2017: *ICC approves Open Data Access Framework in which Ameren Illinois and ComEd agree to implement GBC (14-0507)*

GLOSSARY OF TERMS

CUSTOMER	*A utility customer – residential, commercial or industrial.*
THIRD PARTY	*An energy management company, solar company, consultant or other entity authorized by the customer to receive the customer's energy information held by utilities.*
GREEN BUTTON CONNECT MY DATA (GBC)	*GBC is the standard for sharing energy information from a utility to a Third Party with customer consent. Also known by its technical name, the North American Energy Standards Board's Energy Services Provider Interface (ESPI).*



For more information about Green Button Connect, see "Got Data? The Value of Energy Data Access to Consumers."

ELEMENTS OF A DATA SHARING POLICY

Based on our experience with public utility commissions in over a dozen states and the District of Columbia, AEMA and Mission:data propose a 10-point framework of a comprehensive energy data sharing policy. By making customers' energy information held by electricity and natural gas utilities portable and easily accessible, customers can take advantage of new technologies that will help them manage their monthly utility bills.

Our objectives in creating this framework are:

- To effectively balance consumers' rights to privacy and security of their personal information with the rights to conveniently access energy information and new energy management technologies.
- To promote consistency in data-sharing policies from state to state, and utility to utility, so that technology providers can flourish in a more uniform environment across the nation.
- To assist state commissions in holistic treatment of data access and data privacy, thereby avoiding many pitfalls of piecemeal treatment.

Our recommendations are intended to apply to both electric and natural gas utilities.

1. DEFINITION OF ENERGY DATA: The following four categories of information capture the range of customer information that should be portable, meaning that customers should be able to instruct utilities to transmit the information to a Third Party. Any information that is specific to the customer, or generated by the activity of the customer — such as energy usage and resulting bills is referred to as "standard customer data."

Customer data: Name, address, phone number, etc.

Billing data: Information generally contained on bills and having to do with payment such as what rate(s) the customer is on, what retail provider the customer uses, billing cycle dates, account number(s), meter number(s), payment history, and line items of costs such as volumetric charges, delivery charges, demand charges, taxes, fees, etc. Utilities should support up to four (4) years of historic billing data, or the length of the time the customer has been at the premise in question, whichever is less.

Usage data: Electric or natural gas usage in kilowatt-hours, cubic feet or therms, containing both "register reads" (i.e. representing the overall usage to date, equivalent to the dial positions of an older, analog meter) and "interval reads," also known as a "load profile," which is time-series energy use typically in hourly or 15-minute periods. Utilities should support up to four (4) years of historic usage data, or the length of the time the customer has been at the premise in question, whichever is less.

Systems data: This could include the customer assigned peak load contribution, energy and capacity loss factors, or other information needed for wholesale market participation. Examples from different wholesale grid operators are below.

	CALIFORNIA (CAISO)	NEW YORK (NYISO)	PJM
Examples of systems data necessary for wholesale market participation	*Pnode* *Sublap* *LCA* *LSE* *MDMA* *MSP*	*Installed Capacity tag (ICAP)*	*Peak load contribution (capacity and transmission)*

2. **FORMAT AND TRANSMISSION PROTOCOL:** Recognizing that customer choice is enhanced when utilities adhere to nationally-recognized, open standards and best practices, Green Button Connect (GBC) should be adopted by utilities to transfer standard customer data to authorized Third Parties.

3. **THIRD PARTY ELIGIBILITY CRITERIA:** Third parties should be required to meet the following eligibility criteria:

   1. Provide utilities its contact information, including federal tax ID number;
   2. Provide a certificate of good standing from the state;
   3. Agree to reasonable terms of utility data access (see #4 below);
   4. Complete a technical interoperability test with a utility's GBC platform.

4. **BINDING TERMS OF USE:** Third Parties should agree to binding terms of use when registering with a utility to receive customer data. A contractual agreement should address the following:

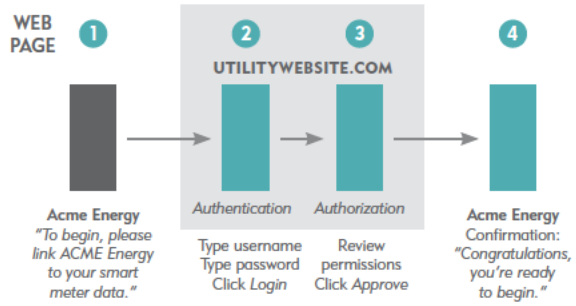
   1. Privacy policy: A Third Party's privacy policy must be conspicuously posted on its website.
   2. Prohibited uses: Third Parties may not use standard customer data for anything other than the purposes specified. The "purpose" statement should be succinct and understandable. In addition, Third Parties may not sell standard customer data to other entities, except to contractors or affiliates that must abide by requirements of equal or greater stringency.
   3. Waiver of liability: Third Parties must waive liability claims against the utility for the Third Party's use of standard customer data.

5. **CLEAR AUTHORIZATION LANGUAGE.** Standardized language should be presented to the customer to support informed consent. Authorization language should address the following:

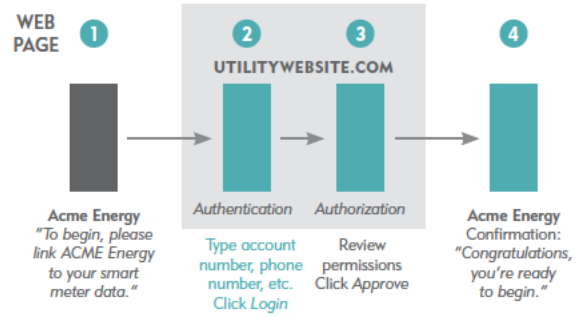
   1. **Description of standard customer data.** The customer should have a clear, plain-English description of the standard customer data (or relevant subset) to be shared with a Third Party.
   2. **Length of authorization.** The term length (e.g., number of months). Unlimited terms should be permitted at the option of the customer. This is also known as "valid until rescinded." Third Parties should be able to optionally specify a minimum term.
   3. **Purpose specification.** A succinct, plain-English statement of the Third Party's purpose in accessing standard customer data, as defined by the Third Party.
   4. **Revocation procedure.** A succinct statement about how a customer can revoke access at any time (see also #7 below). If a Third Party will not terminate access or is not responding to customer requests, then a customer should always be able to revoke authorization by contacting the utility.

6. **STREAMLINED CUSTOMER EXPERIENCE AND EASE-OF-USE.** There are five (5) discrete authorization processes. These processes should make use of a customer's online utility account, if one is already created, but a utility account should not be required. The first two processes use the GBC standard and OAuth 2.0[1] for online authentication and authorization. Two additional processes are discussed that further reduce customer effort, or "friction," required to share their data; these approaches place more burden and expense on third parties, but also allow increased control over the customer experience. The final process is paper-based and should be retained for customers who do not want to use an online account.

   1. **Customer has an online utility account.**



   2. **Authorization *without* a utility account.**



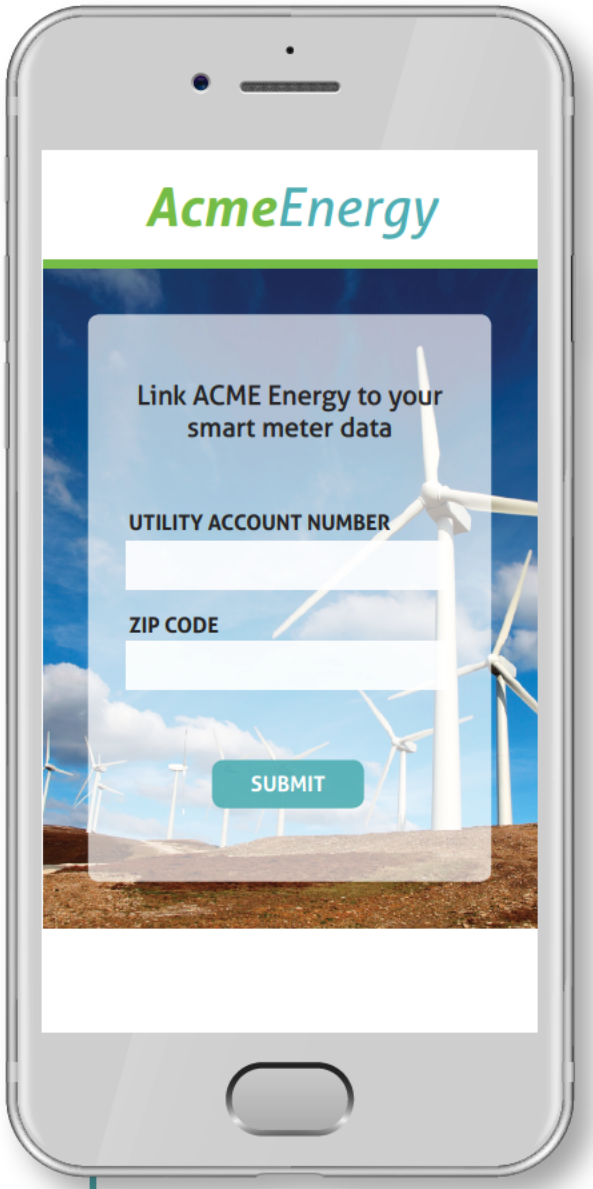
1 OAuth 2.0 is used by major websites such as Facebook, Twitter and LinkedIn. For information on the Oauth 2.0 standard, see https://oauth.net/2/

In the above scenarios, the utility should strive to minimize the number of "screens" required of the consumer as much as possible. For example, in scenarios #1 and #2 above, there is one (1) authentication page and one (1) authorization page.

Nevertheless, while one (1) authentication page and one (1) authorization page is helpful in reducing "customer fatigue," empirical evidence suggests that even the above process leads to customer drop-offs, with mobile web browsers being particularly vulnerable.[2] Therefore, utilities should support authorization processes that use Third Party designs, as discussed below.

3. **Customer authorization via Third Party designs.** This process allows the Third Party to more completely manage the communication with the utility and the customer experience. The utility will verify customer credentials, but the Third Party can embed the authentication function into its website or mobile application, further reducing friction associated with the transaction. The authentication and authorization information are securely passed to the utility and confirmed in real time.
4. **Warrant process.** A "warrant process" allows utility verification of the authorization to be delayed or waived entirely. The Third Party would obtain the authentication and authorization required, and keep such authorization on file, where it could be confirmed at any time by an audit. This allows the utility or regulatory authority to confirm anytime that a valid authorization has been obtained, but does not require the development of real-time response capabilities by the utilities' systems. This option gives the Third Party maximum flexibility in designing the user experience and adapting it to technological changes over time. It also minimizes any additional technical functionality that the utility would have to create to accommodate customer authentication and authorization. The warrant process is used today by retail energy providers in states with competition and is generally offered only to entities licensed by state commissions.

   Both authorization options #3 and #4 give Third Parties the power to create a seamless customer experience, and to modify such designs as technologies and user expectations change without burdening the utility. In these scenarios, Third Parties are less vulnerable to a poor user interface offered by the utility that does not sufficiently accommodate evolving customer needs.
5. **A paper-based form** (intended primarily for commercial and industrial customers) should continue to be permitted for data sharing.



Secure authorization fully designed by Third Party

7. FEATURES OF UTILITY DATA-SHARING PLATFORMS FOR THIRD PARTIES:

1. **Testing and production environment.** Utilities should provide a testing environment and a production environment of GBC for Third Parties' use.
2. **Multiple display names to reduce customer confusion.** Utilities should enable third parties to use data services or other contracted support, while operating under their own consumer brand. For example, if "SmithCo" manages the collection of standard customer data on behalf of "AcmeEnergy,"

2 See, e.g., "Optimizing the demand response program enrollment process." White paper by EnergyHub, Inc. dated April, 2016. Available at http://www.energyhub.com/blog/optimizing-demand-response-enrollment

then "SmithCo" should be able to be seen by the customer as "AcmeEnergy," in addition to its own name.

8. **REVOCATION PROCESS:** The revocation process should first encourage the customer to revoke the service by contacting the Third Party directly, to avoid bothering the utility. However, if a customer is unable to contact a Third Party, or a Third Party is not responding, the customer should be able to terminate a data-sharing agreement at any time through the utility's GBC web portal or by calling the utility.

9. **ENFORCEMENT PROCESS AGAINST A "BAD ACTOR."** In our experience, agreement of a consumer to share their data with a specified Third Party does not require state commissions to adopt the same level of regulation for third parties as that reserved for retail electric providers.[3] Nevertheless, an enforcement process is both reasonable and necessary, and should include the following elements:

1. Either the utility on its own motion, or a consumer via complaint, should be able to trigger an investigation by the state commission of the Third Party's adherence to the data sharing agreement with the utility, and the scope of the given customer's authorization;

2. A customer complaint about a breach of agreement by a Third Party can trigger an investigation, but until a commission judgment has been made, Third Party access may not be suspended by the utility unilaterally for the customer in question;

3. Inadvertent mistakes may eventually occur through simple data transpositions (i.e. "fat fingers"), misunderstandings or other unwitting actions. In all cases, due process should be afforded to Third Parties in any dispute, including reasonable notice, the opportunity to respond to contemplated enforcement actions, the ability to defend its actions, and provision of a cure period. Most Third Parties want to have customer feedback in order to be able to respond appropriately to customer complaints.

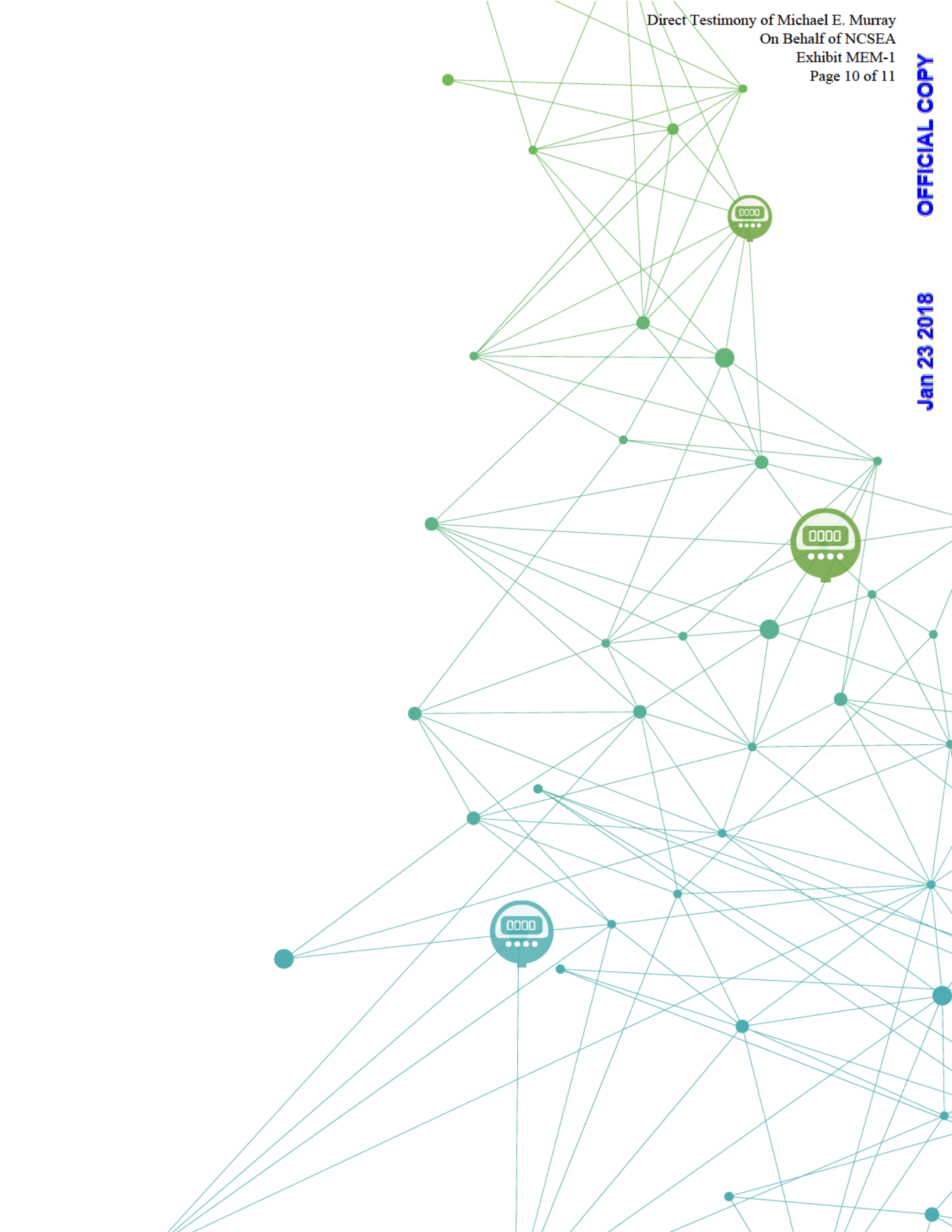
3 In states with retail competition, retail energy providers must comply with various consumer protection rules.

4. Ultimately, based on its own investigation, state commissions can order a utility to shut off data to a Third Party for a "pattern or practice" of violating requirements. Termination should be proportional to the judged offenses, enabling termination of a specific customer(s) data, temporary suspension, or complete termination.

   For clarity, a customer may terminate a data sharing agreement at any time. Data-sharing agreements should expire upon the date specified by the customer, unless earlier terminated by order of the commission.

10. **QUALITY OF SERVICE; TRANSPARENCY.** The following requirements ensure that customer choice of energy management services is fully realized by providing web services and GBC platforms at a sufficiently high level of service such that market participants can depend upon the GBC platforms.

    1. Utilities should strictly adhere to the most current GBC standard and documented best practices.
    2. Utilities must attain periodic certification of GBC by the nonprofit Green Button Alliance, with non-compliance remedied in a timely manner.
    3. Utilities should make their best efforts to implement GBC in technologically consistent ways with one another, with customers having nearly identical user experiences.
    4. Utility performance metrics reported on daily basis, including technical support response times and resolution times, data fulfillment times, customer webpage loading times, system outage statistics, mobile device compatibility, and usage statistics such as number of historic data transfers and number of ongoing data-sharing agreements.
    5. Data accuracy must be properly denoted in GBC by using the "QualityOfReading" feature, allowing the utility to specify whether energy readings are "raw," "validated" or "billing quality." Updates to any data as a result of the validation, editing or estimation (VEE) process should be automatically provided at no charge to Third Parties.
    6. Service level agreement: GBC downtime should not exceed 6 hours per calendar month, including scheduled maintenance windows.
    7. A clear enforcement process against the utility should be articulated if the utility does not honor authorizations in a timely manner, breaches the service level agreement, or is subject to a verified complaint by a Third Party.



MISSION:DATA
empowering energy savings

advanced
energy
management
alliance

Duke Energy Carolinas Response to
Twelfth Data Request of NCSEA
Data Request No. 12-1

Docket No. E-7, Sub 1146

Date of Request: **January 5, 2018**
Date of Response: **January 15, 2018**

☐ **CONFIDENTIAL**

☒ **NOT CONFIDENTIAL**

Confidential Responses are provided pursuant to Confidentiality Agreement

The attached response to NCSEA Data Request No. 12-1, was provided to me by the following individual(s): Kathy Lowe, CSS Senior Business Analyst, Customer Connection Business Process Design, and was provided to NCSEA under my supervision.

John T. Burnett
Deputy General Counsel
Duke Energy Carolinas

NCSEA
Docket No. E-7 Sub 1146
DEC General Rate Case
NCSEA Data Request No. 12
Item No. 12-1
Page 1 of 1

NCSEA 12-1

Request:

Please produce a copy of any documents created during the past five years reflecting or discussing an analysis of the costs and benefits of (i) providing customers with access to their detailed energy usage information via a web portal and (ii) providing Green Button Connect.

Response:

No responsive documents exist.

Duke Energy Progress
Response to
Environmental Defense Fund Interrogatory Request
Interrogatory Request No. EDF 1-3

Docket No. E-2, Sub 1142

Date of Request: **September 25, 2017**
Date of Response: **October 10, 2017**

[ ] **CONFIDENTIAL**

[X] **NOT CONFIDENTIAL**

Confidential Responses are provided pursuant to Confidentiality Agreement

The attached response to Environmental Defense Fund Interrogatory Request No. 1-3, was provided to me by the following individual(s): Brian Hughes, Smart Grid Planning Manager, Grid Solutions, Regulatory Planning, and was provided to NC Public Staff under my supervision.

Heather Smith
Deputy General Counsel
Duke Energy Progress

Environmental Defense Fund
Interrogatory Request No. 1
DEP Docket No. E-2 Sub 1142
Item No. 1-3
Page 1 of 1

EDF Interrogatory 1-3

Request:

When Duke deploys smart meters, are the meters equipped with a Zigbee radio?

Response:

The meter hardware proposed for the DEP AMI project are equipped with a Zigbee radio.