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June 4, 2021

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Update on the Collaborative on the Affordability of Electric Service for
Low-Income Customers
Docket Nos. E-2, Sub 1219 and E-7, Sub 1214**

Dear Ms. Campbell:

This letter is to update the Commission on the status of collaborative on the affordability of electric service for low-income customers (“Low-Income Collaborative”) established by the Commission in its April 16, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase and Requiring Customer Notice* in Docket Nos. E-2, Sub 1219 and Sub 1193 and its March 31, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* in Docket Nos. E-7, Sub 1213, Sub 1215, and Sub 1187. In those Orders, the Commission directed Duke Energy Progress, LLC (“DEP”) and Duke Energy Carolinas, LLC (“DEC”, collectively, the “Companies”) and the Public Staff of the North Carolina Utilities Commission (“Public Staff”), within 90 days of the Orders, to convene a collaborative for interested stakeholders to address the affordability of electric service for low-income customers. The Commission further directed that Stakeholder groups that want to be directly represented in the collaborative’s work should contact the Public Staff to signal their interest in participating and that a final list of participants, including support for their participation, should be submitted to the Commission.

The Companies have worked with the North Carolina Justice Center (“NCJC”), the Public Staff, and the North Carolina Attorney General’s (“NCAGO”) office to identify a pool of potential participants with experience, interest, or both, in issues regarding the affordability of electric service for low-income customers. The Companies sent this pool of potential participants an email to solicit their participation in the Low-Income Collaborative. The interested stakeholders and identified participants are shown on Appendix A to this filing.

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A number of the listed stakeholders above have participated in or are currently participating in other dockets or stakeholder groups where issues regarding affordability and accessibility to electric utility services for low-income customers are being discussed. Other stakeholders have expertise in issues of affordability of electric utility rates. These dockets and stakeholder groups include the above-captioned dockets, the Duke Energy Demand-Side Management/Energy Efficiency Collaborative, and the Electric Transportation (“ET”) Stakeholder group.

The Commission further directed that the Low-Income Collaborative should be facilitated by a third party with experience in affordability issues. For purposes of transparency and to engage an experienced and independent third party, the Companies issued a request for proposals (“RFP”) to a list of potential facilitators. Prior to issuing the RFP, the Companies worked with the Public Staff, the NCAGO, and NCJC in drafting the RFP and identifying the potential bidders. A copy of the RFP is attached hereto as Appendix B. The following is the timeline agreed to for engaging the independent facilitator.

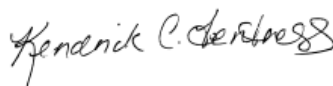
5/24/2021	Send RFP to potential bidders
6/8/2021	RFPs due
Week of 6/14/2021	Duke Energy and Public Staff Evaluate Proposals

After the Public Staff and the Companies select the independent, third-party facilitator, they anticipate that the first meeting of the Low-Income Collaborative will be in early to mid-July.

The Public Staff has reviewed these documents prior to filing.

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

Sincerely,



Kendrick C. Fentress

Enclosure

cc: Parties of Record

**Interested Stakeholders and Participants in the Collaborative on the Affordability
of Electric Utility Service for Low-Income Customers**

June 4, 2021

**The Public Staff of the North Carolina
Utilities Commission**

Lucy Edmondson
Jack Floyd

**North Carolina Attorney General's
Office**

Peggy Force

**Duke Energy Carolinas/Duke Energy
Progress**

Kendal Bowman
Conitsha Barnes
Kendrick Fentress
Tim Duff
Nancy Loehr

North Carolina Justice Center

Al Ripley
Claire Williamson

AARP

William Malcolm
Lisa Riegel
Steve Hahn

Advance Carolina

Lameshia Kaminski

**Apartment Association of North
Carolina:**

Ken Szymanski

Appalachian Voices

Tom Cormons
Rory McIlmoil

**Carolina Small Business Development
Fund**

Kevin Dick

ChargePoint

Matthew Deal

Charlotte Area Fund

Nick Wharton

CIGFUR

Christina Cress
Patrick Buffkin

City of Raleigh

Gregory Jenkins

Crisis Assistance Ministry

Carol Hardison

Dominion:

Cory McCann:
Lisa Messina FaJohn
Lauren Wood Biskie

NC League of Municipalities

Sarah Collins

Nicholas Institute

Jennifer Weiss
Kay Jowers

Rowan Helping Ministries

Kyna Grubb

SACE

Forest Bradley-Wright
Heather Pohnan

Sierra Club

Dave Rogers
Will Harlan

Southeast Energy Efficiency Alliance

Anne Blair

Southern Environmental Law Center
David Neal

NCEMC
Tim Dodge

North Carolina Community Action Association
Sharon Goodson

Sunrun
Thad Culley

Vote Solar
Tyler Fitch

National Institute Economic Development
Kevin Price

Legal Aid of North Carolina
Scheree Gilchrist

NCSEA
Peter Ledford
Ward Lenz
Laura Langham

NAACP
TBD

2019 NC DEC & DEP Rate Case Order Low Income Collaborative Requirement

Purpose of this Request for Proposal

The purpose of this request is to solicit proposals from candidate organizations with demonstrated experience in energy affordability issues to serve as third party facilitator for the Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”) and the North Carolina Utilities Commission Public Staff (“Public Staff”) low-income collaborative in North Carolina. The third-party facilitator will receive guidance surrounding its duties by DEC, DEP, and the Public Staff.

Scope of Work

- Schedule, facilitate and manage low-income collaborative meetings including creation of meeting minutes and action items, as well as, maintaining a list of contact information for all stakeholders and communicating with them appropriately about upcoming meetings.
- Ensure outcomes, actions and questions are properly recorded and assigned to responsible parties, including following-up with appropriate parties to ensure appropriate and timely responses are made and actions taken in response to collaborative meetings.
- Coordinate scheduling of expert speakers to share information with low-income collaborative.
- Create plan with schedule of activities related to key milestones and requirements defined in the order issued by North Carolina Utilities Commission approving the low-income collaborative (See Appendix below).
- Draft reports for final approval by DEC, DEP, and the Public Staff in support of filings with North Carolina Utilities Commission (including a final report at the end of the collaboration)
- As directed conduct research on low-income program offers and affordability, including but not limited to bill pay assistance, rate design and arrears management.
- Develop a thorough understanding of DEC and DEP’s current low-income programs.
- Work product derived from this process is to be used only in association with the North Carolina low-income collaborative

Detailed Reporting Requirements

- Third party facilitator to draft reports on behalf of DEC, DEP, and the Public Staff for the use of regulatory filings.
 - All reports shall be provided to DEC, DEP and the Public Staff in a Microsoft Word document in the Word version being used by DEC, DEP, and the Public Staff at the time of submission or a version that is compatible for all text, graphics, charts, and other features.
 - Final reports shall also be provided in pdf format.
 - Completed reports, including draft and final versions, shall be accompanied by a spreadsheet containing the calculations that were used to populate the report tables, if applicable.
 - Report will be considered final after review by DEC, DEP, and the Public Staff.

Response to Regulatory and Stakeholder Requests

- If requested by the requesting regulatory party or by DEC, DEP and the Public Staff, third-party facilitator will provide written and/or oral testimony regarding Plans, methods, best practices, data, analysis, reports, and other relevant topics.

Schedule

Step	Date
Send request to identified parties.	5/24/2021
Proposals Due	6/4/2021
DEC, DEP and Public Staff Evaluation of Proposals	Week of 6/8/2021

**2019 NC DEC & DEP Rate Case Order
Low Income Collaborative Requirement**

Appendix

1. **Low-Income Collaborative** (p. 178 of Order)
 - Prepare an assessment of current affordability challenges facing residential customers.
 - Within 90 days of the date of the Order:
 - o Company and the Public Staff shall convene a collaborative for interested stakeholders to address the affordability of electric service for low-income customers.
 - o Collaborative should be facilitated by a third party with experience in affordability issues.
 - o Company should solicit from interested stakeholders the names of individual that should be invited to participate in the collaborative (e.g., Public Staff, AGO, NCJC, NCHC, NAACP, AARP, Legal Aid, etc.)
 - Stakeholder groups that want to be directly represented in collaborative work should contact the Public Staff.
 - o Final list of participants including support for their participation should be submitted to the Commission, who will then either accept or suggest modifications to the list.
 - Within 180 days of the date of the order:
 - o Company and the Public Staff shall file a report (individually or jointly) that briefly summarizes progress to-date, including any noteworthy interim findings or recommendations.
 - Quarterly reports are to commence thereafter.
 - Progress reports should include a section that describes the major interactions and connections between the affordability collaborative and the rate study and EE stakeholder groups.
 - Within 12 months of the date of the first workshop:
 - o Company and Public Staff to file a joint final report with the Commission outlining the feedback and recommendations obtained in the collaborative, including any new programs, rate schedules, and funding mechanisms that have wide or consensus support of stakeholders.
 - o Report should also identify programs that were studied and supported by a number of stakeholders but may not have reached full consensus.
 - o Collaborative recommendations should include a mix of proposed programs that can be implemented in the near term and those that will require additional lead time to implement due to complexities. Commission anticipates/expects concrete proposals that:
 - (a) include both elements of rate design and programs that can be layered on top of existing or future rate plans
 - (b) can be implemented by petition and proceedings prior to the next general rate case because the proposals do not include rate design changes
 - (c) will be proposed by DEC for consideration in its next general rate case, and
 - (d) have been fully costed out
 - Commission will then issue a procedural order allowing for the public and interested parties to comment on joint final report.
 - Collaborative should as part of its work:
 - o 1. Prepare an assessment of current affordability challenges facing residential customers. The assessment should
 - Provide an analysis of demographics of residential customers, including number of members per household, types of households (single family or multi-family), the age and racial makeup of households, household income data, and other data that would describe the types of residential customers the Company now serves. To the extent demographics vary significantly across the Company's service area, provide additional analysis of these demographic customers.

2019 NC DEC & DEP Rate Case Order Low Income Collaborative Requirement

- Estimate the number of customers who live in households with incomes at or less than 150% of the federal poverty guidelines (FPG), and those who incomes are at or less than 200% of the FPG.
 - For the different demographic groups identified as part of a. and b., provide an analysis of patterns and trends concerning energy usage, disconnections for nonpayment, payment delinquency histories, and account write-offs due to uncollectibility
- 2. Develop suggested metrics or definitions for “affordability” in the contest of the Company’s provision of service in its North Carolina service territory and explore trends in affordability. Questions to be answered include:
 - How is “affordability” defined and applied in other jurisdictions particularly for those with similar legal and regulatory frameworks (i.e., vertically integrated IOUs)
 - What criteria (both qualitative and quantitative) should the Commission consider when determining who would be eligible for different types of affordability programs?
- 3. Investigate the strengths and weaknesses of existing rates, rate design, billing practices, customer assistance programs, and energy efficiency programs in addressing affordability. Questions that should be addressed include:
 - What defines a “successful program” and what metrics should be monitored and presented that show the impact of programs on addressing or mitigating affordability challenges?
 - What percentage of residential customers are eligible for each existing program and what percentage of eligible customers enroll in and/or take advantage of these programs?
 - What is the impact of existing programs on the energy burden for enrolled customers?
 - Should existing programs be maintained, replaced, or terminated? If maintained, should any changes be made to improve results? If programs are replaced, what would replace them?
 - Are the following programs, in addition to any others agreed upon by the collaborative, appropriate for implementation in North Carolina and, if so, what statutory or regulatory changes are necessary to permit implementation: (1) minimum bill concepts as a substitute for fixed monthly charges; (2) income-based rate plans, such as Ohio’s percentage of income payment plan; (3) segmentation of the existing residential rate class to take into account different levels of usage; (4) expanding eligibility for DEC’s current SSI-based program to include additional groups of ratepayers (*and implementing a program for DEP*); and (5) the inclusion of a specific component in rates to be used to fund supplemental support programs.
 - Priority should be given to identifying affordability programs that comply with the current statutory framework, however the collaborative may describe high potential programs that have been successful in other jurisdictions, but which would require statutory changes for implementation in North Carolina.
 - How do specific programs addressing affordability affect cost-causation and allowance of costs among classes?
 - How does cost-of-service allocation affect rate design and affordability of rates?
 - What, if any, practices, and regulatory provisions related to disconnections for nonpayment should be modified or revised?

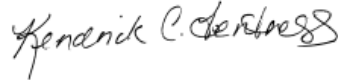
**2019 NC DEC & DEP Rate Case Order
Low Income Collaborative Requirement**

- What existing utility and external funding sources are available to address affordability? Estimate the level of resources that would be required to serve additional customers.
 - What are the opportunities (and challenges) of the utilities working with other agencies and organizations to collaborate and coordinate delivery of programs that affect affordability concerns?
- Collaboration with rate design and EE collaboratives:
- Affordability and comprehensive rate design are not mutually exclusive or contingent upon the completion of either process.
 - If consensus is achieved on particular issues surrounding affordability, proposals may be brought forward for consideration as soon as practical.
 - Parties are required to stay abreast of the rate design and EE collaboratives.
 - Interim material produced from each of the three groups should be made available to each of the other groups.
 - Commission recommends holding at least one joint meeting of the three groups to specifically identify and discuss key areas of concern.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's Update on the Collaborative on the Affordability of Electric Service for Low-Income Customers, in Docket Nos. E-2, Sub 1219 and E-7, Sub 1214, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 4th day of June, 2021.



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