STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

STAFF CONFERENCE AGENDA
OCTOBER 8, 2018

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

P1. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

EXPLANATION: The following applications seeking certificates of public convenience and necessity pursuant to Gen. Stat. § 62-110.1 for construction of solar photovoltaic electric generating facilities were filed pursuant to Commission Rule R8-64.

Duke Energy Carolinas:

- Docket No. SP-8229, Sub 0 – Application of Peake Road Farm, LLC, for a Certificate of Public Convenience and Necessity to Construct a 5-MW Solar Facility in Granville County, North Carolina

Duke Energy Progress:

- Docket No. SP-9590, Sub 0 – Application of Stanly Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 50-MW Solar Facility in Stanly County, North Carolina

The Public Staff has reviewed the applications and determined that they comply with the requirements of Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Unless otherwise indicated above, the applicants also filed registration statements for new renewable energy facilities pursuant to Commission Rule R8-66(b). The registration statements included certified attestations that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with Gen. Stat. § 62-133.8; and (4) the applicant will consent to the auditing of books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

RECOMMENDATION: (Lawrence/Lucas) That the Commission issue orders approving the applications and issuing the requested certificates for these facilities. Proposed orders have been provided to the Commission Staff.

P2. DOCKET NO. E-22, SUB 507 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF NORTH CAROLINA-ONLY NON-RESIDENTIAL HEATING AND COOLING EFFICIENCY PROGRAM

EXPLANATION: On August 16, 2018, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application seeking approval of its North Carolina-only Non-Residential Heating and Cooling Efficiency Program (Program) as a new energy efficiency (EE) program under N. C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program is a continuation of the current system-wide program that was approved October 27, 2014. No changes to the incentives or incentive structure are proposed.

The Company states that the system-wide program is set to expire in Virginia pursuant to an order issued by the State Corporation Commission of Virginia (VSCC)[1]. The Company stated that it does not plan to seek an extension of the system-wide program in Virginia, but will file a new program in October 2018, that will include new non-residential heating and cooling measures. If approved by the VSCC, the Company would also seek approval of the program in North Carolina.

DENC evaluated the Program and determined that the Program can continue to be cost-effectively offered on a North Carolina-only basis. DENC would operate the Program on a North Carolina-only basis, and 100% of the benefits and costs of the Program would flow to North Carolina.

The application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost, and the Participant tests, but not under the Rate Impact Measure test.

The Public Staff has reviewed the application and believes it contains the information required by Commission Rule R8-68(c) and is consistent with N. C. Gen. Stat. § 62-133.9, R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs, approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464. The Public Staff also believes that DENC's estimates of program costs, net lost revenue, and performance incentive appear to be consistent with the requirements of the Mechanism.

Based on our review, the Public Staff has concluded that the Program has the potential to encourage EE, is consistent with DENC's integrated resource plan, and is in the public interest. The Public Staff recommends that the Commission approve the Program, and determine the appropriate recovery of program costs, net lost revenues, and performance incentives associated with the Program in the annual DSM/EE rider proceeding consistent

[1] Order dated April 29, 2014 in Docket No. PUE-2013-00072.

with N. C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Floyd) That the Commission issue the proposed order approving DENC's proposed North Carolina-only Non-Residential Heating and Cooling Efficiency Program as filed.

P3. DOCKET NO. E-22, SUB 508 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF NORTH CAROLINA-ONLY NON-RESIDENTIAL LIGHTING SYSTEMS AND CONTROLS PROGRAM

EXPLANATION: On August 16, 2018, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application seeking approval of its North Carolina-only Non-Residential Lighting Systems and Controls Program (Program) as a new energy efficiency (EE) program under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program is a continuation of the current system-wide program that was approved October 27, 2014. No changes to the incentives or incentive structure are proposed.

The Company states that the system-wide program is set to expire in Virginia pursuant to an order issued by the State Corporation Commission of Virginia (VSCC)[2]. The Company stated that it does not plan to seek extension of the system-wide program in Virginia, but will file a new program in October 2018, that will include new non-residential lighting measures. If approved by the VSCC, the Company would also seek approval of the program in North Carolina.

DENC evaluated the Program and determined that the Program can continue to be cost-effectively offered on a North Carolina-only basis. DENC would operate the Program on a North Carolina-only basis, and 100% of the benefits and costs of the Program would flow to North Carolina.

The application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost, and the Participant tests, but not under the Rate Impact Measure test.

The Public Staff has reviewed the application and believes it contains the information required by Commission Rule R8-68(c) and is consistent with N.C. Gen. Stat. § 62-133.9, R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs, approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464. The Public Staff also believes that DENC's estimates of program costs, net lost revenue, and performance incentive appear to be consistent with the requirements of the Mechanism.

Based on our review, the Public Staff has concluded that the Program has the potential to encourage EE, is consistent with DENC's integrated resource plan, and is in the public interest. The Public Staff recommends that the Commission approve the Program, and determine the appropriate recovery of program costs, net lost revenues, and performance incentives associated with the Program in the annual DSM/EE rider proceeding consistent

[2] Order dated April 29, 2014 in Docket No. PUE-2013-00072.

with N.C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Floyd) That the Commission issue the proposed order approving DENC's proposed North Carolina-only Non-Residential Lighting Systems and Controls Program as filed.

P4. <u>DOCKET NO. E-22, SUB 509 – DOMINION ENERGY NORTH CAROLINA – MOTION TO CLOSE NON-RESIDENTIAL WINDOW FILM PROGRAM</u>

EXPLANATION: On August 16, 2018, Virginia Electric and Power Company (VEPCO), operating in North Carolina as Dominion Energy North Carolina (DENC), filed a motion to close its Non-Residential Window Film Program (Program), originally approved by the Commission on October 27, 2014, as an energy efficiency (EE) program under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Company stated that it is not planning to seek an extension of the Program, but instead plans to replace it with a new program that is currently under development. DENC will request Commission approval for the new program after approval of the program in Virginia. VEPCO plans to file for approval from the State Corporation Commission of Virginia (VSCC) for this new program in October 2018, with an anticipated approval by June of 2019.

The Company stated that its EE program portfolio is designed to be managed and operated on a consolidated, system-wide basis in both North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment.

The Company further stated that it is not seeking approval of the Program on a North Carolina-only basis due to the lack of participation and savings from the Program. Since initial program approval, only one customer in North Carolina has participated.

The Non-Residential Window Film program was initially offered on a system wide basis for a period of five years as required by the VSCC. As with other system wide EE programs, the VSCC has limited approval of EE programs to a spending cap or a certain amount of time, whichever occurs first.

The Public Staff has reviewed the Company's request and agrees with the Company's conclusion that a North Carolina-only version of the Program is not anticipated to be cost-effective. The limitations required by the VSCC continue to impact how the Company delivers its EE portfolio in North Carolina.

The Public Staff also reviewed the Company's annual evaluation, measurement, and verification report filed May 1, 2018, in Docket No. E-22, Sub 545, regarding participation and savings. The results of the EM&V report indicate the Program has only achieved 15% and 13% of the projected participation and savings for the Program, respectively.

Based on this review, the Public Staff believes that the Company's request to close the Program effective December 31, 2018, and wind down the Program through March 29, 2019 is reasonable. The period of time between January 1 and March 29, 2019, is needed to allow DENC to complete processing any rebate applications received prior to closure of the Program.

EXHIBIT: A proposed Order is attached as Exhibit No. P-3.

RECOMMENDATION: (Floyd) That the Commission issue the proposed order granting the Company's request to close the Non-Residential Window Film Program as filed.

P5. DOCKET NO. E-22, SUB 539 – DOMINION ENERGY NORTH CAROLINA – MOTION TO CLOSE RESIDENTIAL RETAIL LED LIGHTING PROGRAM

EXPLANATION: On August 16, 2018, Virginia Electric and Power Company (VEPCO), operating in North Carolina as Dominion Energy North Carolina (DENC), filed a motion to close its Residential Retail LED (light emitting diode) Lighting Program (Program), which was originally approved by the Commission on December 20, 2016, as an energy efficiency (EE) program under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program was initially approved for a two-year period through the end of 2018. In its October 31, 2016, application letter filed by DENC's predecessor, Dominion North Carolina Power, the Company stated that "Assuming Commission approval, the program is planned to be offered in North Carolina through the end of 2018, with the intent of including LED upgrades as a measure rather than a stand-alone program in a future North Carolina Program approval application prior to the end of 2018." To date, no new EE program has been filed. However, the Company has indicated that it is preparing to file a new round of EE programs with the State Corporation Commission of Virginia (VSCC) in October 2018. In response to the Public Staff's data request, one of those programs could be a residential energy assessment program that could include LED lighting measures if federal standards for lighting are not implemented. DENC will request Commission approval for the new program after approval of the program in Virginia.

The Company stated that its EE program portfolio is designed to be managed and operated on a consolidated, system-wide basis in both North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment. VEPCO plans to file for approval from the VSCC for its new EE programs in October 2018 with an anticipated approval by June of 2019.

The Public Staff has reviewed the Company's request and does not object to the proposed closure. Through June 2018, the Program has cost-effectively[3] provided approximately 173,000 LED bulbs to customers in North Carolina. However, as the Public Staff has stated in other EE rider proceedings, beginning January 1, 2020, the standards associated with general service lighting (approximately 86% of the bulbs delivered by the Program) are expected to diminish the cost-effectiveness of general service lighting. Considering the pending changes to lighting standards, as well as the market transformation toward LED lighting, it is the Public Staff's opinion that continuation of the Program is not in the public interest.

EXHIBIT: A proposed Order is attached as Exhibit No. P-4.

RECOMMENDATION: (Floyd) That the Commission issue the proposed order granting the Company's request to close the Residential Retail LED Lighting Program as filed.

---

[3] See Docket No. E-22, Sub 545, Exhibit DRK-1, Schedule 2, page 7 of 9.

EXHIBIT NO. P-1
PAGE 1 OF 3

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 507

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Approval of Non-Residential Heating and Cooling Efficiency Program	))))	ORDER APPROVING PROGRAM

BY THE COMMISSION: On August 16, 2018, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application seeking approval of its North Carolina-only Non-Residential Heating and Cooling Efficiency Program (Program) as a new energy efficiency (EE) program under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program is a continuation of the current system-wide program that was approved October 27, 2014. No changes to the incentives or incentive structure are proposed.

The Company stated that the system-wide program is set to expire in Virginia pursuant to an order issued by the State Corporation Commission of Virginia (VSCC)[4]. The Company stated that it does not plan to seek extension of the system-wide program in Virginia, but will file a new program in October 2018, that includes new non-residential heating and cooling measures. If approved by the VSCC, the Company would also seek approval of the program in North Carolina.

DENC evaluated and determined that the Program can continue to be cost-effectively offered on a North Carolina-only basis. DENC would operate the Program on a North Carolina-only basis, and 100% of the benefits and the costs of the Program would flow to North Carolina.

The application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost, and the Participant tests, but not under the Rate Impact Measure test.

[4] Order dated April 29, 2014 in Docket No. PUE-2013-00072.

EXHIBIT NO. P-1
PAGE 2 OF 3

The Public Staff presented this matter at the Commission's Regular Staff Conference on October 8, 2018. The Public Staff stated that it had reviewed the application and believed it contained the information required by Commission Rule R8-68(c) and is consistent with N.C. Gen. Stat. § 62-133.9, R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs, approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464. The Public Staff also stated that DENC's estimates of program costs, net lost revenue, and performance incentive appeared to be consistent with the requirements of the Mechanism.

The Public Staff concluded by stating that the Program had the potential to encourage EE, was consistent with DENC's integrated resource plan, and was in the public interest. The Public Staff recommended that the Commission approve the Program, and determine the appropriate recovery of program costs, net lost revenues, and performance incentives associated with the Program in the annual DSM/EE rider proceeding consistent with N.C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

Based on the foregoing and the entire record in this proceeding, the Commission finds good cause to approve the Program as filed. The Commission further finds and concludes that the appropriate ratemaking treatment for the Program, including program costs, net lost revenues, and performance incentives, should be determined in DENC's annual cost recovery rider approved pursuant to Commission Rule R8-69.

IT IS, THEREFORE, ORDERED as follows:

1. That the Program meets the requirements of a "new" energy efficiency program pursuant to Commission Rule R8-68, and is hereby approved effective January 1, 2019.

2. That the Commission shall determine the appropriate ratemaking treatment for the Program, including program costs, net lost revenues, and performance incentives, in DENC's annual cost recovery rider, in accordance with N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69.

3. That in its annual cost recovery rider proceeding, DENC shall allocate 100% of the costs and benefits associated with the Program to DENC's North Carolina retail jurisdiction and non-residential customer classes that will be participating in the Program and receiving the benefits.

4. That DENC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

EXHIBIT NO. P-1
PAGE 3 OF 3

ISSUED BY ORDER OF THE COMMISSION.

This the __ day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 508

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Approval of Non-Residential Lighting Systems and Controls Program	))))	ORDER APPROVING PROGRAM

BY THE COMMISSION: On August 16, 2018, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application seeking approval of its North Carolina-only Non-Residential Lighting Systems and Controls Program (Program) as a new energy efficiency (EE) program under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program is a continuation of the current system-wide program that was approved October 27, 2014. No changes to the incentives or incentive structure are proposed.

The Company stated that the system-wide program is set to expire in Virginia pursuant to an order issued by the State Corporation Commission of Virginia (VSCC)[5]. The Company stated that it does not plan to seek extension of the system-wide program in Virginia, but will file a new program in October 2018, that will include new non-residential lighting measures. If approved by the VSCC, the Company would also seek approval of the program in North Carolina.

DENC evaluated the Program and determined that the Program can continue to be cost-effectively offered on a North Carolina-only basis. DENC would operate the Program on a North Carolina-only basis, and 100% of the benefits and costs of the Program would flow to North Carolina.

The application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost, and the Participant tests, but not under the Rate Impact Measure test.

[5] Order dated April 29, 2014 in Docket No. PUE-2013-00072.

EXHIBIT NO. P-2
PAGE 2 OF 3

The Public Staff presented this matter at the Commission's Regular Staff Conference on October 8, 2018. The Public Staff stated that it had reviewed the application and believed it contained the information required by Commission Rule R8-68(c) and is consistent with N.C. Gen. Stat. § 62-133.9, R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs, approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464. The Public Staff also stated that DENC's estimates of program costs, net lost revenue, and performance incentive appeared to be consistent with the requirements of the Mechanism.

The Public Staff concluded by stating that the Program had the potential to encourage EE, was consistent with DENC's integrated resource plan, and was in the public interest. The Public Staff recommended that the Commission approve the Program, and determine the appropriate recovery of program costs, net lost revenues, and performance incentives associated with the Program in the annual DSM/EE rider proceeding consistent with N.C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

Based on the foregoing and the entire record in this proceeding, the Commission finds good cause to approve the Program as filed. The Commission further finds and concludes that the appropriate ratemaking treatment for the Program, including program costs, net lost revenues, and performance incentives, should be determined in DENC's annual cost recovery rider approved pursuant to Commission Rule R8-69.

IT IS, THEREFORE, ORDERED as follows:

1. That the Program meets the requirements of a "new" energy efficiency program pursuant to Commission Rule R8-68, and is hereby approved effective January 1, 2019.

2. That the Commission shall determine the appropriate ratemaking treatment for the Program, including program costs, net lost revenues, and performance incentives, in DENC's annual cost recovery rider, in accordance with N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69.

3. That in its annual cost recovery rider proceeding, DENC shall allocate 100% of the costs and benefits associated with the Program to DENC's North Carolina retail jurisdiction and non-residential customer classes that will be participating in the Program and receiving the benefits.

4. That DENC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the __ day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

EXHIBIT NO. P-3
PAGE 1 OF 2

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 509

In the Matter of Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Approval of Non-Residential Window Film Program	))))	ORDER CANCELLING PROGRAM

BY THE COMMISSION: On August 16, 2018, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (Company) filed a motion seeking approval to close its Non-Residential Window Film Program (Program). The Program was originally approved as an energy efficiency program on October 27, 2014 under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Company stated that it is not planning to seek an extension of the Program, but instead plans to replace it with a new program that is currently under development. DENC has stated that VEPCO plans to file for approval from the State Corporation Commission of Virginia (VSCC) for this new program in Virginia in October 2018 with an anticipated approval by June of 2019.

The Company stated that its EE program portfolio is designed to be managed and operated on a consolidated, system-wide basis in both North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment.

The Company further stated that it is not seeking approval of the Program on a North Carolina-only basis due to the lack of participation and savings from the Program. Since the initial program approval, only one customer in North Carolina has participated.

The Non-Residential Window Film program was initially offered on a system wide basis for a period of five years as required by the Virginia State Corporation Commission (VSCC). As with other system wide EE programs, the VSCC has limited approval of EE programs to a spending cap or a certain amount of time, whichever occurs first.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on October 8, 2018. The Public Staff stated that it had reviewed the Company's request, and agreed with the Company's conclusion that a North Carolina-only version of the Program would likely not be cost-effective. The Public Staff noted that the limitations required by the VSCC continue to impact how the Company delivers its EE portfolio in North Carolina.

The Public Staff also reviewed the Company's annual evaluation, measurement, and verification report filed May 1, 2018, in Docket No. E-22, Sub 545, regarding participation and savings. The results of the EM&V report indicate the Program has only achieved 15% and 13% of the projected participation and savings for the Program, respectively.

The Public Staff concluded by stating that the Company's request to close the Program effective December 31, 2018, and wind down the Program through March 29, 2019, was reasonable, and that the period of time between January 1 and March 29, 2019, was needed to allow DENC to complete processing any rebate applications received prior to closure of the Program.

Based on the foregoing, the Commission is of the opinion that the Company's request to close the Non-Residential Window Film program is reasonable and should be approved as filed.

IT IS, THEREFORE, ORDERED.

1. That DENC is hereby authorized to close the Non-Residential Window Film Program effective December 31, 2018.

2. That DENC shall file a revised tariff stating that (1) the Program will close effective December 31, 2018, (2) that applications for rebates through the Program must be submitted by February 11, 2019, and (3) that the tariff will end effective March 29, 2019.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

EXHIBIT NO. P-4
PAGE 1 OF 2

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 539

In the Matter of Application by Virginia Electric and Power Company d/b/a Dominion Energy North Carolina, for Approval of Residential Retail LED Lighting Program	))))	ORDER CANCELLING PROGRAM

BY THE COMMISSION: On August 16, 2018, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (Company) filed a motion seeking approval to close its Residential Retail LED (light emitting diode) Lighting Program (Program). The Program was originally approved as an energy efficiency program on December 20, 2016 under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on October 8, 2018. The Public Staff stated that the Program was initially approved for a two-year period through the end of 2018. In its October 31, 2016, application letter filed by DENC's predecessor, Dominion North Carolina Power, the Company stated that "Assuming Commission approval, the program is planned to be offered in North Carolina through the end of 2018, with the intent of including LED upgrades as a measure rather than a stand-alone program in a future North Carolina Program approval application prior to the end of 2018." To date, no new EE program has been filed. However, the Public Staff indicated that the Company was preparing to file a new round of EE programs with the State Corporation Commission of Virginia (VSCC) in October 2018. The Public Staff further stated that one of those programs could be a residential energy assessment program that could include LED lighting measures if federal standards for lighting are not implemented. DENC will request Commission approval for the new program after approval of the program in Virginia.

The Company stated that its EE program portfolio is designed to be managed and operated on a consolidated, system-wide basis in both North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment. VEPCO plans to file for approval from the VSCC for its new EE programs in October 2018 with an anticipated approval by June of 2019.

EXHIBIT NO. P-4
PAGE 2 OF 2

The Public Staff stated it had reviewed the Company's request and did not object to the proposed closure. Through June 2018, the Program has cost-effectively[6] provided approximately 173,000 LED bulbs to customers in North Carolina. However, as the Public Staff has stated in other EE rider proceedings, beginning January 1, 2020, the standards associated with general service lighting (approximately 86% of the bulbs delivered by the Program) are expected to diminish the cost-effectiveness of general service lighting. Considering the pending changes to lighting standards, as well as the market transformation toward LED lighting, the Public Staff stated that, in its opinion, continuation of the Program was not in the public interest.

Based on the foregoing, the Commission is of the opinion that the Company's request to close the Residential Retail LED Lighting program is reasonable and should be approved as filed.

IT IS, THEREFORE, ORDERED, that DENC is hereby authorized to close the Residential Retail LED Lighting Program effective December 31, 2018.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

[6] See Docket No. E-22, Sub 545, Exhibit DRK-1, Schedule 2, page 7 of 9.