Oct 16 2020

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION DOCKET NO. E-2, SUB 1252

In the Matter of:

Application of Duke Energy Progress, LLC For Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider Pursuant to G.S. 62-133.9 and Commission Rule R8-69 MOTION TO CORRECT EXHIBIT REFERENCES IN THE TESTIMONY OF FOREST BRADLEY-WRIGHT BY THE NORTH CAROLINA JUSTICE CENTER, NORTH CAROLINA HOUSING COALITION, AND SOUTHERN ALLIANCE FOR CLEAN ENERGY

The North Carolina Justice Center, North Carolina Housing Coalition, and Southern Alliance for Clean Energy, (collectively, Justice Center *et al.*) respectfully request leave from the North Carolina Utilities Commission to file corrected exhibit references to the pre-filed testimony of Forest Bradley-Wright as set forth below.

1. On August 26, 2020, Justice Center *et al.* timely filed the testimony and sixteen exhibits of Mr. Bradley-Wright.

2. On September 14, 2020, the Commission issued an Order Excusing Expert Witnesses, Accepting Testimony and Exhibits, and Canceling Expert Witness Hearing. As a result of this Order, Mr. Bradley-Wright's testimony and exhibits were entered into evidence on that date.

3. Undersigned counsel recently discovered an error in the labeling of certain exhibits in Mr. Bradley-Wright's testimony. The following three exhibits were mislabeled (but correctly described) in the exhibit list and in the footnotes of Mr. Bradley-Wright's testimony:

- Exhibit FBW-3 DEP Response to Justice Center *et al.* Data Request
 1-20 [mislabeled in the testimony as Ex. FBW-4]
- Exhibit FBW-4, DEP Response to Justice Center *et al.* Data Request
 1-18 [mislabeled in the testimony as Ex. FBW-5]
- Exhibit FBW-5 DEP Response to Justice Center *et al.* Data Request
 1-4 [mislabeled in the testimony as Ex. FBW-3]

4. Attached is the corrected Exhibit List and testimony pages with corrections to footnotes 4, 6, 9, and 12 of Mr. Bradley-Wright's testimony.

5. Counsel for Duke Energy Progress, the Public Staff, and all other intervening parties have stated that they have no objection to the relief sought in this motion.

6. The Justice Center *et al.* respectfully request that the Commission accept the attached corrected pages of the testimony of Mr. Bradley-Wright into evidence.

Respectfully submitted this 16th day of October, 2020.

<u>/s/ David L. Neal</u> David L. Neal N.C. Bar No. 27992

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Motion to Correct Exhibit References in Testimony with attached corrections of testimony of Forest Bradley-Wright were served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This 16th day of October, 2020.

s/ David L. Neal

David L. Neal

Corrected Testimony of Forest Bradley-Wright Docket No. E-2, Sub 1252, October 16, 2020, Exhibit List

EXHIBITS

Exhibit FBW-1 Resume of Forest Bradley-Wright

Exhibit FBW-2 DEP Response to Justice Center et al. Data Request 1-17

Exhibit FBW-3 DEP Response to Justice Center et al. Data Request 1-20

Exhibit FBW-4 DEP Response to Justice Center *et al.* Data Request 1-18

Exhibit FBW-5 DEP Response to Justice Center et al. Data Request 1-4

Exhibit FBW-6 DEP Response to Justice Center et al. Data Request 1-14

Exhibit FBW-7 DEP Response to Justice Center et al. Data Request 1-16

Exhibit FBW-8 DEP Response to Justice Center et al. Data Request 1-24

Exhibit FBW-9 DEP Response to Justice Center et al. Data Request 1-28

Exhibit FBW-10 Energy Efficiency Collaborative Portfolio Level Opportunities and Challenges 2019 Summary Report (January 2020)

Exhibit FBW-11 DEP Response to Justice Center et al. Data Request 1-27

Exhibit FBW-12 Evaluation of Duke Energy's Helping Home Fund, Advanced Energy (October 15, 2017)

Exhibit FBW-13 DEP Response to Justice Center et al. Data Request 1-30

Exhibit FBW-14 Excerpts from Michigan Public Service Commission, Case No. U-20757 (April 15, 2020)

Exhibit FBW-15 Presentation to Collaborative

Exhibit FBW-16 Excerpt of Forest Bradley-Wright Testimony from 2020 DEC DSM/EE Rider Docket No. E-7, Sub 1230

| 1 | | in incremental savings from 2018, ² for which DEP reported annual savings of |
|--|-----------------|--|
| 2 | | 0.88% of the prior year's retail sales. DEP still has not yet reached the 1% annual |
| 3 | | savings target and continues to lag considerably behind DEC. Nevertheless, the |
| 4 | | Company should still be commended for delivering savings for its customers that |
| 5 | | are among the highest in the Southeast, particularly against the backdrop of a |
| 6 | | disappointing further decline in commercial and industrial customers |
| 7 | | participating in the DSM/EE Rider. I also recognize that DEP achieves these |
| 8 | | savings against the headwinds of lower avoided cost rates and changes in |
| 9 | | efficiency baselines that were identified by DEP in its filing. ³ |
| | | |
| 10 | Q: | WAS THE COMPANY'S EE PORTFOLIO COST-EFFECTIVE IN 2019? |
| 10 11 | Q: A: | WAS THE COMPANY'S EE PORTFOLIO COST-EFFECTIVE IN 2019? Yes. Although cost-effectiveness test scores for the total portfolio declined for |
| | • | |
| 11 | • | Yes. Although cost-effectiveness test scores for the total portfolio declined for |
| 11 12 | • | Yes. Although cost-effectiveness test scores for the total portfolio declined for the second year in a row, the value of DSM/EE programs continued to |
| 11 12 13 | • | Yes. Although cost-effectiveness test scores for the total portfolio declined for the second year in a row, the value of DSM/EE programs continued to significantly exceed costs in 2019, delivering nearly \$215 million of net present |
| 11 12 13 14 | • | Yes. Although cost-effectiveness test scores for the total portfolio declined for the second year in a row, the value of DSM/EE programs continued to significantly exceed costs in 2019, delivering nearly \$215 million of net present value benefits ⁴ and demonstrating that DEP customers realize considerable value |
| 11 12 13 14 15 16 | A: | Yes. Although cost-effectiveness test scores for the total portfolio declined for the second year in a row, the value of DSM/EE programs continued to significantly exceed costs in 2019, delivering nearly \$215 million of net present value benefits ⁴ and demonstrating that DEP customers realize considerable value from the Company's investment in energy efficiency programs. HOW DID RESIDENTIAL SAVINGS RELATE TO TOTAL SAVINGS IN |

energy savings, making up nearly 70% of total savings in 2019.⁶ Within DEP's

 $^{^{2}}$ Id.

³ Direct Testimony of Robert P. Evans for Duke Energy Progress, Docket No. E-2, Sub 1252 at p. 12, lines 13-18 (June 9, 2020) ("Evans Testimony").

⁴ Duke Energy Progress Response to Justice Center *et al.* Data Request No. 1-4 (Docket No. E-2, Sub 1252) (Ex. FBW-5).

⁵ For consistency with DEP's filing, unless otherwise specified energy savings figures are at the generator.

⁶ Duke Energy Progress Response to Justice Center *et al.* Data Request No. 1-20 (Docket No. E-2, Sub 1252) (Ex. FBW-3).

| 1 | | residential portfolio, the largest savings came from My Home Energy Report |
|----------|----|---|
| 2 | | (MyHER), Energy Efficient Appliances and Devices, and the Energy Efficient |
| 3 | | Lighting program. MyHER alone was responsible for 154.6 GWh in reported |
| 4 | | savings, making up 41.6% of total savings from just this one program. While |
| 5 | | such high savings are commendable, overreliance on a handful of short-term |
| 6 | | savings programs continues to be cause for concern. In 2018, Chris Neme of the |
| 7 | | Energy Futures Group provided testimony in DEP's DSM/EE Rider docket, ⁷ |
| 8 | | raising concerns about the Company's overreliance on these types of measures. |
| 9 | | Mr. Neme recommended a focus on deeper and longer lived measures to maintain |
| 10 | | a more balanced and robust portfolio going forward. I share that view and |
| 11 | | testified to the same issue in last year's docket. ⁸ The solution to this overreliance |
| 12 | | is not necessarily to reduce comparatively shallow and short-term savings from |
| 13 | | MyHER and lighting measures, but rather to increase savings achieved from |
| 14 | | deeper and longer-term saving measures. |
| 15 16 | Q: | HOW DID NON-RESIDENTIAL SAVINGS RELATE TO TOTAL SAVINGS IN 2019? |
| 17 | A: | Non-residential savings declined significantly from past years to 112.7 GWh, or |

18 30.3% of overall savings⁹. In 2018, non-residential savings were 145.5 GWh¹⁰

19 and in 2017 they were $157.7 \text{ GWh}^{11} - 40\%$ higher than DEP reported for 2019.

⁷ Direct Testimony of Christopher Neme on Behalf of the North Carolina Justice Center, North Carolina Housing Coalition, Southern Alliance for Clean Energy, and Natural Resources Defense Council, Docket No. E-2, Sub 1174 at pp. 45-54 (Sept. 4, 2018).

⁸ Direct Testimony of Forest Bradley-Wright on Behalf of the North Carolina Justice Center, North Carolina Housing Coalition, and Southern Alliance for Clean Energy, Docket No. E-2, Sub 1206 (Aug. 19, 2019).

⁹ Duke Energy Progress Response to Justice Center *et al.* Data Request No. 1-20 (Docket No. E-2, Sub 1252) (Ex. FBW-3).

¹⁰ Evans Exhibit 1, p. 1, Docket No. E-2, Sub 1252 (June 9, 2020).

¹¹ Evans Exhibit 1, p. 3, Docket No. E-2, Sub 1192 (June 11, 2019).

Corrected Testimony of Forest Bradley-Wright Docket No. E-2, Sub 1252, October 16, 2020, Page 9

- These persistent declines in non-residential savings are largely a result of
 commercial and industrial opt outs, which have driven down overall savings and
- 3 benefits from DEP's DSM/EE portfolio.
- 4 5

Q: WHAT EFFECT DO COMMERICAL AND INDUSTRIAL OPT OUTS HAVE ON PERCENT OF ENERGY SAVINGS?

- 6 A: In 2019, approximately 56% of the non-residential load opted out of DEP's
- 7 energy-efficiency Rider.¹² Because commercial and industrial efficiency savings
- 8 can be among the most economic, greater savings among these customers would
- 9 likely translate into even higher utility-system cost reductions. While I recognize
- 10 that commercial and industrial customers who opt out also certify that they have
- 11 implemented their own energy-efficiency or demand-side management measures,
- 12 there is no requirement to report any resulting savings to the Company or the
- 13 Commission. This creates uncertainty about how much efficiency savings are
- 14 actually being captured by customers who opt out, which inhibits DEP's ability to
- 15 plan.

16 Q: IS IT REASONABLE TO INCLUDE DEP OPT-OUT CUSTOMERS IN A 17 PERCENTAGE OF RETAIL SALES CALCULATION?

- 18 A: Yes. It is important for the Commission and stakeholders to understand the actual
- 19 impact that energy efficiency program savings have on total load. "Net of opt-
- 20 out" figures are rarely used outside of DSM rider applications because they are
- 21 not well-suited for most utility planning purposes, such as integrated resource
- 22 plan (IRP) proceedings where the utility is required to make plans based on the

¹² Duke Energy Progress Response to Justice Center *et al.* Data Request No. 1-18 (Docket No. E-2, Sub 1252) (Ex. FBW-4).