

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1155

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,) ORDER SCHEDULNG
for Approval of Residential New Construction) HEARING AND PROVIDING NOTICE
Program) OF TOPICS

BY THE COMMISSION: On September 21, 2017, Duke Energy Carolinas, LLC (DEC) filed an application in the above-captioned docket for approval of DEC's proposed Residential New Construction Program (RNC Program). In summary, DEC requested that the Commission find that the RNC Program meets the requirements of Commission Rule R8-68 for a new energy efficiency (EE) program, and that all costs incurred by DEC and incentives associated with the RNC Program will be eligible for recovery through DEC's DSM/EE rider filed in accordance with Commission Rule R8-69. In addition, DEC stated that the RNC Program would provide incentives to residential builders in order to encourage the use of energy efficient building practices and equipment/appliances for new home construction. Further, DEC stated that eligibility would be based on the High Efficiency Residential Option (HERO) standard and upon requirements for energy efficient appliances, and that its proposal was intended to mirror Duke Energy Progress, LLC's (DEP's) Residential New Construction Program, as approved by the Commission in Docket No. E-2, Sub 1021.

On October 23, 2017, the Public Staff filed comments on DEC's application. In summary, although the Public Staff expressed concern that DEC had not yet fully developed a plan for the evaluation, measurement, and verification (EM&V) of the energy savings from the program, and noted that the program passed three cost-effectiveness tests, but failed the Rate Payer Impact test, the Public Staff concluded that

[t]he Program has the potential to encourage EE, appears to be cost effective, is consistent with DEC's IRP, is in the public interest, and should be approved on a Program basis as a "new" EE program.

Public Staff Comments, at 6.

No further filings were made in the docket for over a year and a half, and the docket was not placed on a Regular Staff Conference agenda by the Public Staff, as is typically done in such applications.

On June 7, 2019, DEC filed a motion requesting that the Commission allow DEC to withdraw the RNC Program application. DEC stated:

Following numerous discussions with natural gas utilities subject to the Commission's jurisdiction aimed at resolving their concerns regarding potential unintended consequences of the program design, the Company has decided to withdraw the request for approval of the RNC Program at this time.

Motion to Withdraw Program, at 1.

Since the filing of DEC's motion to withdraw its application, the Commission has received over 50 consumer statements of position. All or most of the statements are from residential housing construction professionals, and are statements in support of the RNC Program.

On August 7, 2019, the Public Staff filed a letter stating that it does not object to DEC's motion to withdraw the RNC Program.

On August 8, 2019, Southern Alliance for Clean Energy filed a letter in support of the RNC Program, and requesting that the Commission reject DEC's motion to withdraw the program.

On August 16, 2019, North Carolina Sustainable Energy Association and the North Carolina Building Performance Association filed letters in support of the RNC Program, and requesting that the Commission reject DEC's motion to withdraw the program.

Based on the foregoing and the record in this docket, the Commission finds good cause to schedule a hearing in this docket on Monday, January 27, 2020, at 2:00 p.m.

In addition, the Commission finds good cause to provide the parties with the following list of some of the topics that the Commission expects to ask questions about during the hearing.

1. Details of the concerns of the natural gas providers regarding potential unintended consequences of the RNC Program.
2. Details of the efforts made by DEC to resolve the concerns of the natural gas providers regarding potential unintended consequences of the RNC Program.
3. The factors that allowed the RNC Program to be successfully implemented by DEP, without concerns of the natural gas providers in DEP's service territory regarding potential unintended consequences of the RNC Program being a barrier.

Therefore, the Commission directs that DEC have available at the hearing DEC and DEP personnel who are prepared to address the above topics, as well as other issues

involved in DEC's application for approval of its proposed RNC Program and subsequent motion to withdraw its application.

Finally, the Commission is not requesting testimony and will not allow cross-examination of the persons responding to the Commission's questions, although the Chair may in her discretion allow questions on the Commission's questions.

IT IS, THEREFORE, ORDERED as follows:

1. That this matter shall be, and is hereby, scheduled for a hearing on Monday, January 27, 2020, at 2:00 p.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.
2. That DEC shall have available at the hearing DEC and DEP personnel who are prepared to address the topics identified in the body of this Order, as well as other issues involved in DEC's application for approval of its proposed RNC Program and subsequent motion to withdraw its application.

ISSUED BY ORDER OF THE COMMISSION.

This the 25th day of November, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, flowing style.

Kimberley A. Campbell, Chief Clerk