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September 27, 2021

**VIA ELECTRONIC FILING**

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

**RE: Duke Energy Progress, LLC and Public Staff's North Carolina Low-Income Affordability Collaborative 180-day Progress Report  
Docket Nos. E-2, Sub 1219 and E-2, Sub 1193**

Dear Ms. Dunston:

Pursuant to North Carolina Utilities Commission's April 16, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* in Docket Nos. E-2, Sub 1219 and E-2, Sub 1193, Duke Energy Progress, LLC ("DEP") and the Public Staff enclose for filing in the above-referenced dockets DEP and Public Staff's North Carolina Low-Income and Affordability Collaborative 180-day Progress Report.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

Kendrick C. Fentress

Enclosure

cc: Parties of Record

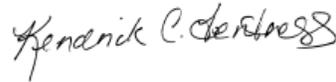
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Sep 27 2021

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Progress, LLC and Public Staff's North Carolina Low-Income Affordability Collaborative 180-day Progress Report, in Docket Nos. E-2, Sub 1219 and E-2, Sub 1193, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1<sup>st</sup> Class Postage Prepaid, properly addressed to parties of record.

This the 27<sup>th</sup> day of September, 2021.



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# North Carolina Low Income Affordability Collaborative

180-day Progress Report

Prepared for:



Duke Energy

Submitted by:

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Reference No.: 219312  
September 27, 2021

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## 1. Collaborative Mobilization

This progress report details the status and efforts of the collaborative on the affordability of electric service for low-income customers (“LIAC” or “Affordability 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 1214, and Sub 1187 (“Rate Case Orders”). In those Rate Case Orders, the Commission directed Duke Energy Progress, LLC (“DEP”) and Duke Energy Carolinas, LLC (“DEC”, collectively, “Duke Energy”) and the Public Staff - North Carolina Utilities Commission (“Public Staff”), within 90 days of the Rate Case Orders, to convene a collaborative for interested stakeholders to address the affordability of electric service for low-income customers. The Rate Case Orders also directed that the Affordability Collaborative should be facilitated by a third party with experience in affordability issues. On June 28, 2021, the Commission approved the list of member organizations, proposed by Duke Energy and endorsed by the Public Staff, for participation in the Affordability Collaborative. On July 16, 2021, Duke Energy filed with the Commission a second Update on the Collaborative on the Affordability of Electric Service for Low-Income Customers, which was approved by the Commission on July 21, 2021. For purposes of transparency and to engage an experienced and independent third party, Duke Energy issued a request for proposals (“RFP”) to a list of potential facilitators. Prior to issuing the RFP, Duke Energy worked with the Public Staff, the North Carolina Attorney General’s Office (“NCAGO”), and North Carolina Justice Center (“NCJC”) in drafting the RFP and identifying the potential bidders. Duke Energy and the Public Staff secured Guidehouse, Inc. (“Guidehouse”) to serve as a third-party facilitator for the Affordability Collaborative’s initiatives.

Additionally, the Commission directed Duke Energy and the Public Staff in its Rate Case Orders to file a report that briefly summarizes the progress to date made by the Affordability Collaborative within 180 days of the date of the DEC Rate Case Order. Guidehouse prepared this report on behalf of Duke Energy and the Public Staff to fulfill the 180-day reporting requirement set forth in the Rate Case Orders. The Commission further directed that progress reports be filed quarterly thereafter. Duke Energy and the Public Staff will file the Q4 progress report on January 15, 2022 and will plan to make subsequent quarterly filings on the 15<sup>th</sup> day of the month immediately following the end of each reporting quarter (e.g., the Q1 report will be filed on April 15, 2022) in accordance with the requirements set forth in the Rate Case Orders.

The Affordability Collaborative, comprised of interested stakeholder organizations from across the state (listed in **Table 1**), was convened by Duke Energy and the Public Staff on July 29, 2021. Duke Energy and the Public Staff mobilized the Affordability Collaborative with the task of working within the collaborative stakeholder process to develop a set of recommendations for a suite of energy affordability program options to address the affordability of electric service for low-income customers for Commission consideration in accordance with the Rate Case Orders.

**Table 1. List of North Carolina Organizations Invited to Participate in the Collaborative**

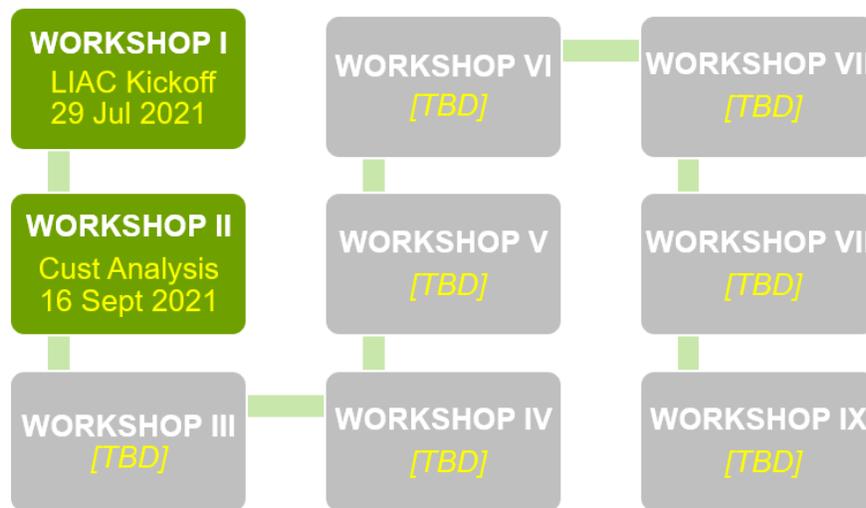
NC Low Income Affordability Collaborative
<ul style="list-style-type: none"> <li>• AARP</li> <li>• Advance Carolina</li> <li>• Apartment Association of North Carolina</li> <li>• Appalachian Voices</li> <li>• Carolina Small Business Development Fund</li> <li>• ChargePoint</li> <li>• Charlotte Area Fund</li> <li>• Carolina Industrial Groups for Fair Utility Rates (CIGFUR)</li> <li>• City of Raleigh</li> <li>• Crisis Assistance Ministry</li> <li>• Dominion Energy</li> <li>• Duke Energy</li> <li>• Legal Aid of North Carolina</li> <li>• National Association for the Advancement of Colored People (NAACP)</li> <li>• National Institute Economic Development</li> <li>• North Carolina Attorney General's Office</li> <li>• North Carolina Community Action Association</li> <li>• North Carolina Department of Environmental Quality (State Weatherization Assistance Program)</li> <li>• North Carolina Department of Health and Human Services (Low Income Energy Assistance Program)</li> <li>• North Carolina Justice Center</li> <li>• North Carolina League of Municipalities</li> <li>• North Carolina Office of Recovery &amp; Resiliency – Housing Opportunities and Prevention of Eviction Program (HOPE/ERA)</li> <li>• North Carolina Sustainable Energy Association</li> <li>• North Carolina Electric Membership Corporation (NCEMC)</li> <li>• Nicholas Institute (Duke University)</li> <li>• Public Staff of the North Carolina Utilities Commission</li> <li>• Rowan Helping Ministries</li> <li>• Sierra Club</li> <li>• Southeast Energy Efficiency Alliance (SEEA)</li> <li>• Southern Alliance for Clean Energy (SACE)</li> <li>• Southern Environmental Law Center (SELC)</li> <li>• Sunrun</li> <li>• Vote Solar</li> </ul>

## 2. Collaborative Workshops

As part of its initial convention, Guidehouse led the Affordability Collaborative in a discussion about the level of commitment requested from each Affordability Collaborative member and the high-level expectations around member participation and engagement in Affordability Collaborative activities. Affordability Collaborative members acknowledged the overall expectation that the Affordability Collaborative will need to be convened for no less than one year and will meet as a full collaborative, virtually or in-person, approximately every six (6) weeks in order to meet the *key* directives of the Commission. As illustrated in **Figure 1**, this would result in a total of nine Affordability Collaborative workshops, with the option of engaging sub-teams to provide optional, supplemental effort where needed.

**Figure 1. Low income Affordability Collaborative Baseline Level of Engagement**

Planning for nine (9) **LIAC workshops** every six (6) weeks.



Planning for key activities to be conducted via **LIAC subteams**



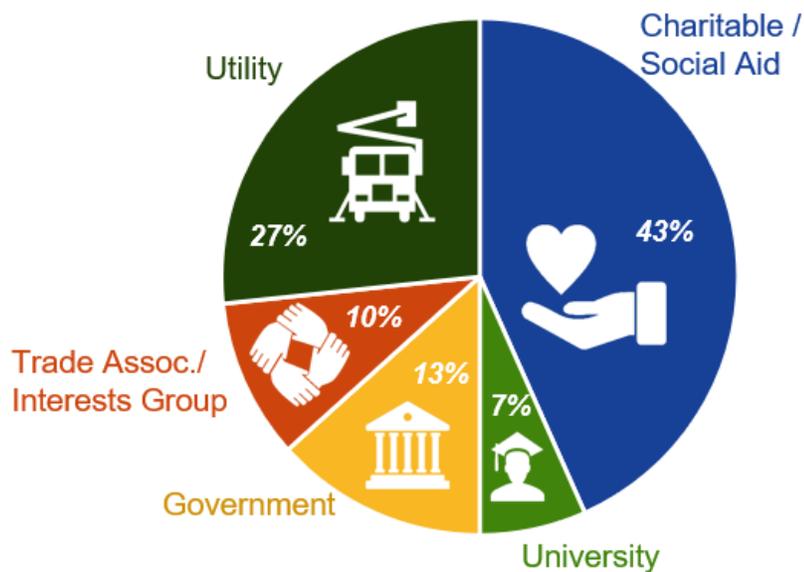
## 2.1 LIAC Workshop I (July 29, 2021)

Duke Energy and the Public Staff hosted LIAC Workshop I on July 29, 2021. The primary objectives of the initial Affordability Collaborative session were threefold.

1. Convene the North Carolina Low Income Affordability Collaborative.
2. Establish a common understanding of Affordability Collaborative goals and objectives.
3. Align around a comment set of Affordability Collaborative protocols and core principles.

Thirty-four (34) separate organizations, along with Guidehouse, participated in Workshop I. As illustrated in **Figure 2**, created by the results of live Workshop I polling, the type of organization representation in the workshop varied, with most participants self-identifying as charitable or social aid organizations.

**Figure 2. Results of Self-Identification Exercise in LIAC Workshop I**



**Table 2** offers a list of specific organizations actively engaged in LIAC Workshop I. Active engagement consists of organizations attending the LIAC Workshop I, participating in the input survey, providing input directly to Guidehouse via email, or simply participating in Workshop II.

**Table 2 . Organizations In Attendance for Workshop I**
**Affordability Collaborative Workshop I Engagement**
**Collaborative Members (In Attendance)**

- Advance Carolina
- Appalachian Voices
- Carolina Industrial Group for Fair Utility Rates (CIGFUR)
- Crisis Assistance Ministry
- City of Raleigh
- Dominion Energy
- Duke Energy
- Duke Univ – Nicholas Institute for Environmental Policy Solutions
- Legal Aid of North Carolina
- National Consumer Law Center
- NC Community Action Association
- NC Dept of Environmental Quality
- NC Justice Center
- NC Office of Recovery & Resiliency
- NC Sustainable Energy Association
- NC Electric Membership Corporation
- Public Staff - NC Utilities Commission
- Rowan Helping Ministries
- Sierra Club – Asheville
- Southern Alliance for Clean Energy
- Southern Environmental Law Center
- Sierra Club
- Vote Solar

## 2.2 LIAC Workshop II (September 16, 2021)

Guidehouse conducted Workshop II on September 16, 2021. During the workshop, Guidehouse presented summarized results of a pre-workshop survey sent to Affordability Collaborative members regarding core LIAC principles and sub-team participation interest. Subject matter experts from Duke Energy then presented an initial analysis of North Carolina customer demographic data to the Affordability Collaborative to prepare the group for assessing affordability challenges of Duke Energy’s North Carolina residential electric customers.

In summary, Affordability Collaborative members collectively identified Workshop Preparedness as their highest priority core principle, followed by their value for respectful debate and their desire for problems raised to be paired with possible solutions (**Figure 3**). During Workshop II, Affordability Collaborative members also aligned around the need for four specific sub-teams, listed below, and confirmed their individual preferences for sub-team participation (or sub-team co-leadership).

The four LIAC sub-teams established are bulleted below, with additional information about the focus and composition of each of the sub-teams provided in **Appendix A**.

- Sub-team A – Customer Challenges
- Sub-team B – Affordability Metrics
- Sub-team C – Current State Customer Offerings
- Sub-team D – Collaborative Coordination

The Affordability Collaborative will leverage sub-teams as a means of dividing the Affordability Collaborative's workload so that multiple tasks can be addressed concurrently. As work progresses within the sub-teams, each LIAC sub-team is expected to report out to the larger Affordability Collaborative with any findings or recommendations developed in their respective areas.

Finally, as part of Workshop 2, Duke Energy subject matter experts presented an overview of an initial analysis of North Carolina residential electric customer demographic data with the goal of positioning the Affordability Collaborative to begin its assessment of affordability challenges facing North Carolina residential customers.

**Figure 3. Survey Results for Highest Prioritized LIAC Core Principles**



### 3. LIAC Summary of Progress

In summary, as of the date of this report, the following progress has been made:

- The Low Income Affordability Collaborative has been mobilized.
- Guidehouse has conducted two (2) of nine (9) planned LIAC workshops.
- Affordability Collaborative member input has been collected and synthesized into Affordability Collaborative objectives and core principles.
- Affordability Collaborative sub-team focus areas have been identified.
- Sub-team members and co-leads have been confirmed.
- An initial analysis of Duke Energy North Carolina residential customer demographic data have been compiled and presented to the Collaborative to support its assessment of customer challenges.
- Duke Energy has tentatively targeted January 2022 for a combined collaborative session (LIAC, Energy Efficiency and Comprehensive Rate Design).

## Appendix A. LIAC Sub-team Descriptions

The Collaborative identified four (4) sub-teams to address issues in specific areas:

**SUB-TEAM A**  
Customer Challenges

**SUB-TEAM FOCUS**

Position the LIAC to **prepare an assessment of current affordability challenges** facing residential customers

- Consider the customer demographic data and other information
- Use the data and information to identify affordability challenges for NC residential customers
- Develop “assessment” recommendations

**SUB-TEAM TASKS\***

- 1) Compile data inputs needed to conduct assessment
- 2) Align on interpretation of data
- 3) Develop insights to share with boarder LIAC and propose assessment

\* Subject to change

*Exploring customer energy affordability challenges*

**NUMBER OF SUB-TEAM MEMBERS**     **17**

**SUB-TEAM COMPOSITION**

Organization Type	Percentage
Utility	24%
Trade Association or Interests Group	24%
Charitable / Social Aid	24%
Government	24%
Univ.	6%

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**SUB-TEAM B**  
Affordability Metrics

**SUB-TEAM FOCUS**

Position the LIAC to develop suggested metrics or definitions for “affordability” in the context of the Company’s provision of service in its North Carolina service territory and explore trends in affordability.

- Address associated questions posed in the Commission order
- Report findings to broader LIAC

**SUB-TEAM TASKS\***

- 1) Identify and compile information to be investigated
- 2) Align on questions to be answered
- 3) Identify any expert input / opinions needed to support positions (LIAC education)
- 4) Suggest metrics / definition for “affordability”
- 5) Prepare and present suggestions to broader LIAC for consideration

\* Subject to change

*Benchmarking definitions of and metrics used for defining “affordability”*

**NUMBER OF SUB-TEAM MEMBERS**     **16**

**SUB-TEAM COMPOSITION**

Organization Type	Percentage
Utility	31%
Charitable / Social Aid	25%
Government	31%
Trade Association or Interests Group	13%

**SUB-TEAM C**  
**Current State Customer Offerings**

**SUB-TEAM FOCUS**

Investigate the strengths and weaknesses of existing rates, rate design, billing practices, customer assistance programs and energy efficiency programs in addressing affordability

Address associated questions posed in the Commission order

Report findings to broader LIAC

**SUB-TEAM TASKS\***

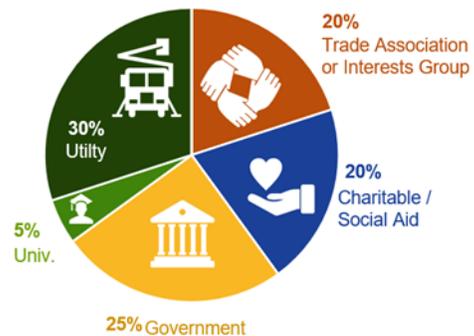
- 1) Identify and compile information to be investigated
- 2) Align on questions to be answered
- 3) Identify any expert input / opinions needed to support investigation (LIAC education)
- 4) Conduct investigation(s)
- 5) Prepare and present findings to broader LIAC for consideration

\* Subject to change

*Investigating current assistance programs, rate designs, cost impacts*

**NUMBER OF SUB-TEAM MEMBERS** 20

**SUB-TEAM COMPOSITION**



**SUB-TEAM D**  
**Collaborative Coordination**

**SUB-TEAM FOCUS**

Identify interim material produced from this collaborative to be shared and information available from each of the other two groups available to our groups.

Support LIAC in development of approach for reaching LIAC "consensus" for making recommendations to the Commission

**SUB-TEAM TASKS\***

- 1) Identify information to be shared with EE and Comprehensive Rated Design Collaboratives
- 2) Identify information available from the EE and Comprehensive Rated Design Collaboratives
- 3) Determine, compile and report out to LIAC any relevant input from other two collaboratives
- 4) Develop and present recommended approach to LIAC "consensus"

\* Subject to change

*Engaging the EE and CRD Collaboratives; proposing consensus and prioritization rules*

**NUMBER OF SUB-TEAM MEMBERS** 14

**SUB-TEAM COMPOSITION**



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