

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-2, SUB 1206

In the Matter of:)
Application of Duke Energy Progress,) **POST-HEARING BRIEF OF NORTH**
LLC For Approval of Demand-Side) **CAROLINA JUSTICE CENTER,**
Management and Energy Efficiency) **NORTH CAROLINA HOUSING**
Cost Recovery Rider Pursuant to) **COALITION, AND SOUTHERN**
N.C.G.S. § 62-133.9 and Commission) **ALLIANCE FOR CLEAN ENERGY**
Rule R8-69)

Pursuant to Rule R1-25 of the North Carolina Utilities Commission, the North Carolina Justice Center (“Justice Center”), the North Carolina Housing Coalition (“Housing Coalition”), and the Southern Alliance for Clean Energy (“SACE”) (collectively, “Intervenors”), respectfully file this post-hearing brief on Duke Energy Progress, LLC’s (“DEP” or “the Company”) application for approval of its annual demand-side management (“DSM”) and energy efficiency (“EE”) cost recovery and incentive rider for 2020 (“Rider 11”).

I. Introduction

Overall, Intervenors support DEP’s application as DEP remains a regional leader in energy efficiency. However, DEP once again fell short of the energy savings target agreed to by the Company during the Duke Energy and Progress Energy merger.¹ In that Merger Settlement, DEP agreed to a target of one-percent savings of prior year retail

¹ The Merger Settlement with SACE and other intervenors calls for annual energy savings of at least one percent of prior-year retail sales beginning in 2015 and cumulative savings of at least seven percent over the period from 2014 through 2018. The Merger Settlement was approved by the Public Service Commission of South Carolina in Docket No. 2011-158-E and the one-percent goal was incorporated into the North Carolina Commission-approved mechanism by way of the bonus incentive available to DEP for reaching one-percent savings of prior-year retail sales. Docket No. E-2, Sub 1206, Testimony of Michael Maness, Appendix A, p. 2, Hearing Tr. 204 (Sept. 9, 2019).

sales. Yet DEP has consistently failed to meet that target and forecasts a substantial decline in the near future.

We encourage the Commission to look at ways for DEP to meet that agreed-to savings target by expanding and improving its program offerings. DEP's continued efforts to refine its portfolio of programs to achieve increased participation and sustain cost effectiveness is encouraging, but there are several portfolio performance improvements that can be made.

The Company forecasts a decline in efficiency savings for 2020 down to 0.72% of prior-year retail sales, which is especially troublesome in light of DEP's continued failure to reach its one-percent annual savings target. We believe the effort required to achieve and sustain savings levels in excess of one percent is in the public interest and should be a high priority for the Commission, Duke, and Collaborative stakeholders. Furthermore, we continue to have concerns with the Company's overreliance on lighting and short-lived measures, particularly its residential behavioral program, My Home Energy Report ("MyHER"). Expansion of programs that deliver longer term savings would balance the portfolio and protect against future risk from shifts in baselines and cost effectiveness. We strongly urge the Commission, Duke, and Collaborative stakeholders to dedicate additional effort and invest more resources to increase energy and bill savings for those with the greatest need, DEP's low-income customers. Specifically, we ask the Commission either to order the Company to propose for Commission approval an income-qualified weatherization program that is comparable to DEC's successful program (including a proportionate budget) or, in the alternative, to direct the Collaborative to evaluate and make a recommendation to the Commission on whether

DEP should propose a comparable program by the date of the Company's next DSM/EE Rider application. We also encourage DEP to move towards Standard Annual Reporting Protocols that clearly indicate projected-to-actual performance comparisons and indicate top-line trends, such as annual savings as a percentage of prior-year sales and portfolio cost effectiveness. Finally, we urge to Commission to observe and evaluate the work of the Duke Collaborative to ensure it remains an effective tool for supporting DEP's DSM/EE efforts.

The Justice Center, Housing Coalition, and SACE filed the direct testimony of Forest Bradley-Wright, Energy Efficiency Director for SACE, who appeared before the Commission at the hearing on DEP's DSM/EE rider application on September 9, 2019. Mr. Bradley-Wright provided a review of DEP's DSM/EE portfolio, commented on the ongoing work of the Collaborative, made recommendations to expand energy-efficiency for low-income households, and suggested data-reporting improvements for future rider proceedings.

II. Duke Energy Progress' Performance in Delivering Energy-Efficiency Savings to its Customers

A. DEP Once Again Failed to Achieve its Target of One-Percent of Savings of Prior-Year Sales and Fell Short of Reaching the Seven-Percent Cumulative Target by 2018

While DEP has remained a regional leader for energy efficiency, it has once again failed to achieve the annual savings targets it agreed to in its merger agreement. DEP also failed to meet its seven-percent cumulative savings target from 2014 to 2018. Tr. p. 83. And yet, the Company maintains that the savings target remains an important goal for the Company. Tr. p. 83. At the evidentiary hearing, DEP witness Bob Evans implied that the one-percent target was only part of the South Carolina approval of the Duke-Progress

merger. Tr. 102. But Mr. Evans otherwise acknowledged that this agreed-to savings target has been incorporated in North Carolina by way of the bonus incentive available to DEP in the event that the Company meets the one-percent savings goal that is included in the Company's approved cost-recovery mechanism. Tr. pp. 83; 102-03.

Given that DEP has come to the end of the period set for the cumulative savings target and given the continuing need for more savings from energy-efficiency programs, it is time to establish new energy savings targets. Tr. p. 130. SACE was among the parties calling for a new savings target in the rider mechanism Dockets, numbers E-2, Sub 931 and E-7, Sub 1032.² As set forth in the rider mechanism comments, an energy efficiency resource standard is the single most effective policy to promote energy-efficiency savings, particularly when paired with a portfolio performance incentive.³ Moving forward, the Justice Center, the Housing Coalition, and SACE also recommend that the Company report on annual savings achievements as a leading component of its DSM/EE rider application filing, rather than requiring intervenor data requests or independent calculations to track down this information. Tr. p. 130. Doing so has clear value for public awareness and regulatory decision-making.

B. DEP's Energy-Savings Projections

DEP exceeded its projected energy savings for 2018 by approximately 10%. Tr. p. 132. While it is encouraging that the Company has exceeded its projected energy savings, the Justice Center, the Housing Coalition, and SACE are concerned that DEP projected

² Joint Initial Comments of Natural Resources Defense Council, Southern Alliance for Clean Energy, Sierra Club, South Carolina Coastal Conservation League and North Carolina Sustainable Energy Association, N.C.U.C. Docket Nos. E-2, Sub 931 and E-7, Sub 1032 (July 10, 2019); Attorney General's Office Initial Comments on the Duke Energy Progress and Duke Energy Carolinas Demand-side Management and Energy Efficiency Mechanisms, NCUC Docket Nos. E-2, Sub 931 and E-7, Sub 1032 (July 10, 2019).

³ *Id.* at p. 5.

savings below the one-percent level they had agreed to, and DEP is now projecting it will not sustain even current savings levels in the near future. Instead, DEP projects a decline in efficiency savings of more than 25 GWh in 2020, with a corresponding drop in the percent of annual sales down to 0.72%. Tr. p. 132. This 7.1% drop in GWh savings would indicate a need for increased attention by DEP, the Commission, and the Collaborative to increase savings from the Company's program offerings and / or expand those offerings with new programs, measures, and delivery strategies.

C. Declines in Non-Residential Savings, Largely as a result of Non-Residential Opt Outs

Commercial and industrial customers often represent the most cost-effective energy savings opportunities and can significantly reduce the overall cost of a utility's energy-efficiency portfolio. In fact, the utility cost score for DEP's non-residential portfolio was 42% higher than their residential portfolio, demonstrating a far higher financial return per dollar invested when serving commercial and industrial customers.⁴ The overall total savings from 2017 to 2018 declined by 21.7 GWh.⁵ While the decline in non-residential savings was less dramatic than realized by Duke Energy Carolinas, DEP did not make up the difference through increased residential savings the way its sister company did. Tr. p. 134. In light of DEP's consistent failure to achieve its one-percent savings target, this decrease in both non-resident and residential savings is especially concerning. In 2018, 55% of the non-residential load opted out of DEP's energy-efficiency rider, reflecting large amounts of lost opportunity for additional potential energy savings with utility efficiency programs. Tr. p. 135. Adjusted to exclude non-residential opt outs, DEP's savings as a percentage of prior-year sales in 2018 was

⁴ DEP response to SACE *et al.* Data Request 1-2

⁵ DEP response to SACE *et al.* Data Request 1-3

1.19%, compared to 0.79% of total retail sales. While DEP has not provided specific analysis, it is at least possible that if all non-residential customers had been part of the efficiency programs, and had saved at comparable levels to those who were, DEP would have met their Merger Settlement cumulative savings targets. *Id.* Non-residential opt-outs represent a significant drag on DEP's overall performance and have been a consistent concern for several years. Tr. pp. 161-162. Capturing energy savings through commercial and industrial programs is one of the best ways to expand total efficiency savings, increase overall cost effectiveness, and keep energy prices low for all customers.

D. Overreliance on short-lived Measures in Residential Behavioral Programs

My Home Energy Reports (“MyHER”) and lighting measures have dominated DEP's residential portfolio in recent years. Tr. p. 129. Behavioral programs, like MyHER, provide no significant long-term or deep savings, while standard residential lighting measures are now under pressure due to increasing federal standards. The Justice Center, the Housing Coalition, and SACE recommend that DEP work with the Collaborative to develop a pathway for focusing on deeper and longer lived measures to maintain a more balanced and robust program going forward. *Id.* Among the myriad benefits of capturing deeper savings is the potential to make up savings declines from lighting as federal standards go into effect.

III. The Importance of Providing Energy Bill Savings for DEP's low-income Customers

North Carolinians experience high levels of poverty and correspondingly high customer energy burdens.⁶ This indicates a need for efficiency programs that are both

⁶ US Census Bureau, American Community Survey 5-year Estimates (2013-2017); South East Energy Efficiency Alliance and the North Carolina Justice Center, “The Power of Energy

extensive in reach and capable of delivering deeper savings sufficient to materially impact household finances for customers who struggle to pay their energy bills and still afford other basic necessities. In the Collaborative, the Justice Center, the Housing Coalition, and SACE have observed DEP's commitment to increasing savings for low-income customers and strongly encourage the Company to continue pursuing this goal. DEP's pay-for-performance pilot in Buncombe County and contemplated measure expansion for the Neighborhood Energy Saver program are steps in the right direction. In addition, we believe there are further opportunities for increasing the impact of efficiency programs to benefit low-income customers that the Collaborative should continue to explore, including: expanding budget allocations for programs targeted to low-income customers; refining and expanding existing program offerings; deploying new programs; and prioritizing increasing low-income customer impact through non-income qualified programs. Tr. pp. 150-153.

The most compelling opportunity currently available to DEP and this Commission is to replicate the success of DEC's Income-Qualified Weatherization program for customers in DEP territory. Tr. pp. 156-57; 166-71. The Income-Qualified Weatherization program delivers far deeper savings to targeted customers than DEP's Neighborhood Energy Saver program. *Id.* Acting swiftly on this opportunity has the potential to deliver even more impact for customers with the greatest need, particularly those that might not otherwise be served - by utilizing Helping Home Funds to address critical health, safety and incidental repairs. Tr. pp. 157; 169-70. Pairing ratepayer and

Efficiency: Expanding Access to Energy Efficiency Improvements for Low and Moderate Income North Carolina Households," <http://www.ncjustice.org/sites/default/files/ENERGY%20EFFICIENCY%20report-REVISED-web.pdf>.

shareholder funds in this way has already delivered impressive results for DEC customers. But while DEC's Helping Home Funds are almost entirely depleted, DEP has enough Helping Home Funds remaining to leverage a ratepayer-funded Income-Qualified Weatherization program for potentially many years to come. Tr. p. 170.

A. Recommendations to Expand Low-Income Efficiency

1. Expand Budget Allocations for Programs Targeted to Low-Income Customers

The Justice Center, the Housing Coalition, and SACE continue to push for a greater alignment between the overall DSM/EE program budget and the percentage of DEP's ratepayers who are near or below the poverty level. That increased spending must be matched with well-designed programs, effective delivery channels, and evaluation approaches that properly inform and support periodic refinements to overcome challenges to serving this segment of customers. Tr. p. 151. The Justice Center, the Housing Coalition, and SACE believe the Helping Home Fund could be a model for inclusion in the Company's ratepayer programs funded through the DSM/EE Rider, Tr. p. 157, and they have encouraged the Company to evaluate the program from a cost-effectiveness perspective while recognizing the benefits of leveraged dollars from the federal weatherization program as additional benefits that are of no cost to ratepayers. As noted above, existing Helping Home Funds can also be matched with a ratepayer-funded Income Qualified Weatherization program as has been done by Duke Energy Carolinas. Tr. p. 169-70.

2. Refine and Expand Existing Program Offerings

Duke has shown a willingness to modify current program offerings to deliver more impact to low-income customers. Over the past year, Duke has proposed adding measures to the Neighborhood Energy Saver (NES) program. While Duke has initiated

some discussion with the Collaborative on this and the Pay-for-Performance Pilot in Buncombe County, further effort is warranted to explore changes to existing program offerings. Tr. pp. 146-147.

3. Deploy New Programs

DEP should work to adopt new programs aimed at meeting the unique needs of low-income customers. There are numerous programs that DEP could promote including programs for manufactured homes, multifamily housing, increasing support for the Helping Home Fund, and tariffed on-bill financing. Each of these programs has been the subject of previous testimony from the Justice Center, the Housing Coalition, and SACE. Tr. p. 152. As noted above, one program that the Justice Center, the Housing Coalition, and SACE strongly support is deployment of an Income-Qualified Weatherization program for DEP customers. Tr. p. 152. Duke has already successfully implemented an Income-Qualified Weatherization program in its DEC territory, and the program presents an opportunity to expand DEP's program offerings to low-income customers. The Income-Qualified Weatherization program provides larger and deeper levels of energy savings for low-income customers than those offered through DEP's other programs. Tr. pp. 156-157. The Commission should direct DEP to implement an Income-Qualified Weatherization program comparable to that which has been implemented by DEC.

4. Prioritize Increasing Low-Income Customer Impact Through Non-Income Qualified Programs

At the January 2019 Collaborative meeting, Duke presented its tracking data of low-income impact across its portfolio of residential programs. Tr. p. 153. The Justice Center, the Housing Coalition, and SACE strongly support this attention and hope that Duke and the Collaborative continue tracking the impact of Duke's entire portfolio of

efficiency programs on low-income customers, including both income-qualified programs and standard programs. The Justice Center, the Housing Coalition, and SACE look forward to working with Duke to use its tracking data to inform strategies for capturing more impact to low-income customers in all residential programs going forward. Tr. p. 153.

The Justice Center, the Housing Coalition, and SACE remain committed to supporting DEP in its efforts to better meet the needs of its low-income customers and will continue to work through the Collaborative in each of the above areas.

IV. Activity at the Duke Collaborative and its Role in Supporting Continued Success of DEP DSM/EE Efforts

The Collaborative is comprised of a broad spectrum of regional stakeholders representing balanced interests, as well as national energy-efficiency advocates and experts. The Commission has routinely referred work to the group on a range of matters arising in recovery rider dockets, and required the Company to report back to the Commission on progress made on these issues. The Collaborative has been working with Duke to implement a number of positive changes that improve the likelihood of current and future work. These include:

- More frequent in-person meetings to achieve greater momentum on Collaborative priorities;
- Shared agenda setting to identify pertinent topics, achieve greater stakeholder buy-in, and increase discussion among participants;
- Higher levels of stakeholder involvement;
- A shift in focus away from formulaic reporting by the Company towards a greater emphasis on problem-solving opportunities and the development of program enhancement recommendations;

- Group decision-making on setting the Collaborative's annual work priorities;
- More communication and project work occurring between regular Collaborative meetings;
- More research and project work conducted by DEP and Collaborative parties between Collaborative meetings;
- New expectations around tangible project deliverables; and
- Active focus on two specific priorities selected by the group: addressing portfolio-level opportunities and challenges to reach and exceed the 1% annual savings target and increasing energy and bill savings for low-income customers.

Tr. pp. 142-143.

There has been strong stakeholder participation in the Collaborative and Duke Energy has continued to involve a broad range of their staff, including program management staff, in the meetings. With Duke's continued willingness to accommodate the changes above, and the stakeholders' commitment of more time and resources to the Collaborative, we anticipate better outcomes with the Collaborative over the next year.

Tr. p. 144.

While there have been great strides in improving the work of the Collaborative, there have been some historic challenges and deficiencies that require continued attention. Prior to September 2018, the Collaborative's efforts to develop new program ideas, modify existing programs, or otherwise impact the overall efficiency savings of Duke's efficiency programs were not as strong as they could be. Tr. p. 139. The Collaborative has dedicated time, energy, and resources to develop programs that either are not implemented by Duke or acted on by the Commission. Tr. p. 140. To overcome this lack of efficacy, we believe it is important to learn from jurisdictions that have

experienced greater success from similar stakeholder processes and consider factors that could impact the Collaborative in the future, which are discussed in further detail below. Tr. p. 154.

A. Enhancing the Value of the Collaborative

The Justice Center, the Housing Coalition, and SACE continue to believe that the Collaborative is useful because detailed efficiency program implementation issues are best addressed through joint problem solving and collaboration, rather than contested proceedings before the Commission. Moreover, many efficiency issues do not fit effectively into existing formal docketed proceedings. Tr. p. 141. Mr. Bradley-Wright's recommendation is to continue using the Collaborative for these types of issues but to monitor whether the effort proves more effective this year than in the past, and evaluate whether better results have been achieved at the end of the year, or whether additional operational changes or Commission direction is warranted. *Id.*

One example of an efficiency issue that does not fit squarely into existing formal docketed proceedings is refining cost effectiveness testing. DEP noted that cost effectiveness remains a barrier to achieving greater savings. Tr. p. 84. DEP acknowledges that under the Total Resource Cost ("TRC") test, there are Non-Energy Benefits ("NEBs") that are not currently reflected – causing programs to appear less cost-effective than they actually are. Tr. p. 88. The Justice Center, the Housing Coalition, and SACE believe that the Collaborative presents a valuable resource for quantifying NEBs and urge the Commission to direct the Collaborative to undertake that effort.⁷ Tr. p. 141. In the meantime, the Justice Center, the Housing Coalition, and SACE believe the Commission

⁷ Post-hearing Brief of North Carolina Justice Center, North Carolina Housing Coalition, Southern Alliance for Clean Energy, and Natural Resources Defense Council, N.C.U.C. Docket No. E-2, Sub 1174 (October 18, 2018) at 8-10.

should adopt the Utility Cost Test (“UCT”) as the primary test for cost effectiveness as it more accurately reflects the full costs and benefits of energy efficiency programs than the TRC as it is presently calculated. Tr. p. 133.

Additionally, Mr. Bradley-Wright stressed that one of the principal challenges to effectiveness at the Collaborative today is the need for more timely provision of pertinent information about potential program modifications. By the same token, the Collaborative needs sufficient time and space for group discussion to work through issues and develop practical recommendations in time to materially impact the decision making process for Duke Energy. Tr. p. 145. Mr. Bradley-Wright provided recent examples where Duke Energy brought forward ideas for program modifications or additions to the Collaborative without sufficient time to solicit or incorporate input from the Collaborative before the issue was brought before the Commission. Tr. pp. 146-147. The Justice Center, the Housing Coalition, and SACE believe that improvements in how Duke engages with the Collaborative during the development of new programs and modification of existing programs is extremely important for fulfillment of the purpose the Commission directed for stakeholder engagement. *Id.*

In rebuttal testimony, DEP took issue with Mr. Bradley-Wright’s characterization of the past track record of the Collaborative and questioned the validity of Mr. Bradley-Wright making such assessments. Tr. pp. 85-89. First, there is no dispute regarding who speaks for the Collaborative. Mr. Bradley-Wright provided his perspective, as informed by his experiences from both this Collaborative and other energy-efficiency stakeholder processes. Similarly, Mr. Evans has provided his perspective from his years of experience as a Duke Energy employee. Having considered the Company’s rebuttal

testimony, the Justice Center, the Housing Coalition, and SACE stand by the perspective offered by Mr. Bradley-Wright. Indeed, these conflicting perspectives highlight the need for the Commission to hear from more than just the Company when evaluating the effectiveness of the Collaborative, particularly in light of the Commission having historically referred matters raised by stakeholders in these rider dockets to the Collaborative for further discussion and refinement.

V. Continue to Make Improvements to the Collaborative

Mr. Bradley-Wright provided examples of several practices from other jurisdictions that could help the Collaborative function more productively, including:

Structural approach guided by the Commission: A more structured approach with direction by the Commission could lead to more tangible outcomes. For example, the Arkansas Public Service Commission has a significant role in setting the agenda for its stakeholder group, and sets deliverables and deadlines that the collaborative group is required to meet. Tr. p. 154. By comparison, the North Carolina Utilities Commission has referred issues raised in testimony to the Collaborative, without established deliverables, timelines or requirements beyond DEP submitting testimony stating that the topics have been discussed. Tr. p. 155. In Arkansas, issues referred to their stakeholder group are also typically brought back to the Commission for specific decision-making.

Independent facilitator: An independent facilitator helps at building consensus between parties and enables participants in the Collaborative to focus on the topic at hand rather than the actual running of meetings. Collaborative parties in other jurisdictions, like Arkansas, select an independent facilitator that increases confidence in the process among participants and assists in making the meetings run more effectively. *Id.*

Observe the work of the Collaborative: The Justice Center, the Housing Coalition, and SACE request that the Commission closely monitor the work of the Collaborative this year and assess whether significant additional progress has been made, particularly with regards to tangible results from the Collaborative's work. Tr. p. 155.

The current specific work tasks of the Collaborative involve:

- *Portfolio-level assessment of opportunities and challenges to maintain and exceed 1% annual energy savings;*
- *Expansion of efficiency savings impact for low-income customers; and*
- *Modification and additions to DEP efficiency programs reflecting direct input from the work of the Collaborative.*

Id.

The Justice Center, the Housing Coalition, and SACE respectfully request that in 2020, the Commission seek comment from Collaborative participants on whether the Collaborative has sufficiently corrected its course, or whether additional changes are needed that would warrant Commission action. Tr. p. 156.

DSM/EE Recovery Rider annual reporting protocol: The Justice Center, the Housing Coalition, and SACE recommend the establishment of a standard annual reporting protocol for Duke's DSM/EE Recovery Rider filings to clearly present top-level data on portfolio- and program-level impact metrics and performance trends for the benefit of the Commission and the public. While the majority of information needed for such reporting is already prepared by Duke to support its annual filings, much of the information can only be acquired through data requests, which means only parties to the proceedings have access to them. Tr. p. 158.

Currently, the DEP DSM/EE Recovery Rider Application is not organized in a way that is convenient for review and analysis, nor presented in a way that would allow

the Commission or the public to efficiently identify topline trends. *Id.* For example, the Merger Settlement set annual and cumulative savings targets, but DEP does not report on progress towards meeting those targets in its Application filings. *Id.* DEP should develop a standard annual reporting protocol similar to the one used in Arkansas as explained by Mr. Bradley-Wright in his testimony.⁸ *Id.* Mr. Bradley-Wright pointed out key features of the reports stating that Entergy Arkansas' Excel workbook provided a narrative of its annual efficiency performance filing and made topline analysis available in an easy to use format. Tr. p. 125. The report included:

- Planned Versus Actuals – Side-by-side comparisons of projected and actual program budgets, demand savings, and energy savings;
- Budget breakdowns – indicating expenditures on incentives/direct install costs compared to marketing, administration, and EM&V costs;
- Cost/Benefit – TRC and Program Administrator Costs test results (also known as the Utility Cost Test), and TRC Net Present Value;
- Levelized cost of energy saved;
- Annual percentage of savings compared to baseline year; and
- Historic comparisons on budgets and energy savings.⁹

Tr. pp. 158-159.

Mr. Bradley-Wright also recommended that DEP incorporate the tools developed by the Lawrence Berkley National Laboratory which has developed a set of standard

⁸ See, e.g., Direct Testimony of Forest Bradley-Wright, Exhibit FBW-5, Arkansas Public Service Commission Standardized Annual Reporting Workbook.

⁹ The Commission adopted a similar requirement in the DEC's DSM/EE rider, requiring future DSM/EE applications to include test period DSM/EE costs and savings compared to the previous five years. *Order Approving DSM/EE Rider and Requiring Filing of Proposed Customer Notice*, N.C.U.C. Docket No. E-7, Sub 1192 at 35-36 (October 18, 2019).

annual reporting tools that can be used by adopted by individual jurisdictions.¹⁰ Tr. p. 157. The Justice Center, the Housing Coalition, and SACE likewise recommends that the Commission order DEP to adopt a streamlined reporting tool that can be used to track the Company's performance, or, in the alternative, to work with the Collaborative on developing a standard reporting tool that would allow for easier tracking of the Company's performance – as the Commission ordered in the DEC DSM/EE proceeding.¹¹

VI. Conclusion

While DEP failed to live up to the targets set in its merger settlement, DEP remains a regional leader in the scope and quality of its energy-efficiency programs. It has established a strong track record of developing a portfolio of cost-effective programs that deliver value for both participating customers and all rate payers. The ingredients to allow the Company to build on its successes are present. North Carolina has: (1) established policies and regulations that enable utility-run energy-efficiency programs; (2) a Commission that supports and understands the value of energy efficiency; (3) strong management at, and leadership from DEP on energy efficiency; and (4) a diverse array of committed stakeholders who are willing to contribute knowledge, experience, time, and effort to improve upon Duke Energy's progress.

¹⁰ Alex Hofman, *et al.*, *Energy Efficiency Reporting Tool for Public Power Utilities*, Lawrence Berkeley National Lab, (March 2016), <https://emp.lbl.gov/publications/energy-efficiency-reporting-tool>.

¹¹ *Order Approving DSM/EE Rider and Requiring Filing of Proposed Customer Notice*, N.C.U.C. Docket No. E-7, Sub 1192 at 35 (October 18, 2019) (concluding that the Collaborative should explore the development of a standard annual reporting protocol).

In conclusion, the Justice Center, the Housing Coalition, and SACE recommend the following steps to help the Company to increase its energy savings from DSM/EE programs and to work more effectively with stakeholders through the Collaborative:

- 1) The Commission should direct the Company to further engage with the Collaborative during the development of new programs and modification of existing programs in a timely, structured manner that permits the stakeholders to provide meaningful recommendations;
- 2) The Commission should direct the Company to continue collaborative working group discussions for low-income, multifamily, manufactured housing and non-residential opt outs as discussed above;
- 3) With regard to the portfolio-level assessment of opportunities and challenges mentioned above, the Commission should order the Collaborative to address the projected decline in annual savings from DEP forecasts for 2020, and develop a plan to maintain and grow current savings levels;
- 4) The Commission should direct DEP to implement an Income-Qualified Weatherization program comparable to that which has been implemented by DEC; and
- 5) The Commission should closely monitor the work of the Collaborative over the next year, invite input from stakeholders who participate in the Collaborative to report back to the Commission in 2020 on progress, and approve development of a standard annual reporting

protocol for Duke's DSM/EE Recovery Rider filings along the lines of the reporting used in Arkansas.

Respectfully submitted this the 14th day of November, 2019.

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CERTIFICATE OF SERVICE

I certify that the persons on the service list have been served with the foregoing Post-Hearing Brief of North Carolina Justice Center, North Carolina Housing Coalition, and Southern Alliance for Clean Energy either by electronic mail or by deposit in the U.S. Mail, postage prepaid.

This the 14th day of November, 2019.

s/ David Neal