



# Duke Energy Progress, LLC Demand Side Management (DSM)/ Energy Efficiency (EE) Rider

Sam Watson  
North Carolina Utilities Commission

# North Carolina Utilities Commission

## Commissioners

Edward S. Finley, Jr., Chairman

Bryan E. Beatty

ToNola D. Brown-Bland

Don M. Bailey

Jerry C. Dockham

James G. Patterson

Dobbs Building, 430 North Salisbury Street

4325 Mail Service Center 27699-4325

Phone: (919) 733-4249

Fax: (919) 733-7300

[www.ncuc.net](http://www.ncuc.net)

# Public Staff – North Carolina Utilities Commission



Representing the Using and Consuming Public

Christopher J. Ayers, Executive Director

Dobbs Building, 430 North Salisbury Street  
4326 Mail Service Center 27699-4326  
[www.pubstaff.commerce.state.nc.us](http://www.pubstaff.commerce.state.nc.us)

■ ■ ■

Consumer Services Division (Consumer Complaints)  
Phone: (919) 733-9277  
Toll Free: 1-866-380-9816  
Fax: (919) 733-4744

# DSM/EE Rider

The banner at the top of the slide has a dark blue background. On the left, there is a faint, circular seal of the State of North Carolina, which includes the date 'MAY 20. 1775' and the words 'SEAL OF THE STATE OF NORTH CAROLINA'. To the right of the seal is a map of North Carolina. Overlaid on the map is a stylized image of a power transmission tower, with its base glowing with an orange and yellow light, suggesting a sunset or sunrise.

- Statutory Authority
- Commission Implementation

# Statutory Authority

## **§ 62-133.9. Cost recovery for demand-side management and energy efficiency measures.**

(a) The definitions set out in G.S. 62-133.8 apply to this section. As used in this section, "new," used in connection with demand-side management or energy efficiency measure, means a demand-side management or energy efficiency measure that is adopted and implemented on or after January 1, 2007, including subsequent changes and modifications.

(b) Each electric power supplier shall implement demand-side management and energy efficiency measures and use supply-side resources to establish the least cost mix of demand reduction and generation measures that meet the electricity needs of its customers. An electric membership corporation or municipality that qualifies as an electric power supplier may satisfy the requirements of this section through its purchases from a wholesale supplier of electric power that uses supply-side resources and demand-side management to meet all or a portion of the supply needs of its members and their retail customers, and that, by aggregating and promoting demand-side management and energy efficiency measures for its members, meets the requirements of this section.

(c) Each electric power supplier to which G.S. 62-110.1 applies shall include an assessment of demand-side management and energy efficiency in its resource plans submitted to the Commission and shall submit cost-effective demand-side management and energy efficiency options that require incentives to the Commission for approval.



# Statutory Authority (cont'd)

(d) The Commission shall, upon petition of an electric public utility, approve an annual rider to the electric public utility's rates to recover all reasonable and prudent costs incurred for adoption and implementation of new demand-side management and new energy efficiency measures. Recoverable costs include, but are not limited to, all capital costs, including cost of capital and depreciation expenses, administrative costs, implementation costs, incentive payments to program participants, and operating costs. In determining the amount of any rider, the Commission:

- (1) Shall allow electric public utilities to capitalize all or a portion of those costs to the extent that those costs are intended to produce future benefits.
- (2) May approve other incentives to electric public utilities for adopting and implementing new demand-side management and energy efficiency measures. Allowable incentives may include:
  - a. Appropriate rewards based on the sharing of savings achieved by the demand-side management and energy efficiency measures.
  - b. Appropriate rewards based on capitalization of a percentage of avoided costs achieved by demand-side management and energy efficiency measures.
  - c. Any other incentives that the Commission determines to be appropriate.

# Commission Implementation



- Most recent Progress DSM/EE Rider proceeding: Docket No. E-2, Sub 1070
  - Application filed on June 17, 2015
  - Order approving rider issued November 13, 2015
- Commission approved an increase in the amount of the DSM/EE Rider for residential customers from \$0.00425 / kWh in 2015 to \$0.00621 / kWh in 2016

# Net Decrease in Total Rider Amounts

- Overall decrease in Progress annual riders from 2015
- Example for residential customer using 1,000 kWh per month

Rider	2015	2016	Change
Fuel (G.S. 62-133.2)	\$31.34	\$25.70	- \$5.64
REPS (G.S. 62-133.8)	\$0.83	\$1.17	+ \$0.34
DSM/EE (G.S. 62-133.9)	\$4.26	\$6.21	+ \$1.95
JAAR (G.S. 62-133.14)	\$0.00	\$1.83	+ \$1.83
<b>Total</b>	<b>\$36.43</b>	<b>\$34.91</b>	<b>- \$1.52</b>



# Contact Information



## North Carolina Utilities Commission

<http://www.ncuc.net>

Sam Watson

General Counsel

(919) 715-7057

[swatson@ncuc.net](mailto:swatson@ncuc.net)