

CHAPTER 8 APPENDIX

REVISED GUIDELINES FOR RESOLUTION OF ISSUES REGARDING INCENTIVE¹ PROGRAMS

1. To obtain Commission approval of a residential or commercial program involving incentives per Rule R1-38 [now Rule R6-95 or R8-68], the sponsoring utility must demonstrate that the program is cost effective for its ratepayers.
 - (a) Maximum incentive payments to any party must be capable of being determined from an examination of the applicable program.
 - (b) Existing approved programs are grandfathered. However, utilities shall file a listing of existing approved programs subject to these guidelines, including applicable tariff sheets, and amount and type of incentives involved in each program or procedure for calculating such incentives in each program, all within 60 days after approval of these guidelines.
 - (c) Utilities shall file a description of any new program or of a change in an existing program, including applicable tariff sheets, and amount and type of incentives involved in each program or procedure for calculating such incentives in each program, all at least 30 days prior to changing or introducing the program.
 - (d) The matter of the relative efficiency of electricity versus natural gas under various scenarios (space heating alone, space heating plus A/C, etc.) cannot now be resolved. A better approach at this time would be to determine the acceptability of incentive programs herein based on the energy efficiency of electricity alone or of natural gas alone, as applicable.
 - (e) The criteria for determining whether or not to approve an electric program pursuant to G.S. 62-140(c) should not include consideration of the impact of an electric program on the sales of natural gas, or vice versa.
 - (f) Approval of a program pursuant to Commission Rule R1-38 [now Rule R6-95 or R8-68] does not constitute approval of rate recovery of the costs of the program. The appropriateness of rate recovery shall be evaluated in general rate cases or similar proceedings.
2. If a program involves an incentive per Rule R1-38 [now Rule R6-95 or R8-68] and the incentive affects the decision to install or adopt natural gas service or electric service in the residential or commercial market, there shall be a rebuttable presumption that the program is promotional in nature.
 - (a) If the presumption that a program is promotional is not successfully rebutted, the cost of the incentive may not be recoverable from the ratepayers unless the Commission finds good cause to do so.
 - (b) If the presumption that a program is promotional is successfully rebutted, the cost of the incentive may be recoverable from the ratepayers. The cost shall not be disallowed in a future proceeding on the grounds that the program is primarily designed to compete with other energy suppliers. The amount of any recovery shall not exceed the difference between the cost of installing equipment and/or constructing a dwelling to current state/federal energy efficiency standards and the more stringent energy efficiency requirements of the program, to the extent found just and reasonable by the Commission.
 - (c) The presumption that a program is promotional may generally be rebutted at the time it is filed for approval by demonstrating that the incentive will encourage construction of dwellings and installation of appliances that are more energy efficient than required by state and/or federal building codes and appliance standards, subject to Commission approval.
3. If a program involves an incentive paid to a third party builder (residential or commercial), the builder shall be advised by the sponsoring utility that the builder may receive the incentive on a per structure basis without having to agree to:
 - (a) a minimum number or percentage of all-gas or all-electric structures to be built in a given subdivision development or in total; or
 - (b) the type of any given structure (gas or electric) to be built in a given subdivision development.
 - (a) Electric and gas utilities may continue to promote and pay incentives for all-electric and all-gas structures respectively, provided such programs are approved by the Commission.

¹ All incentives referenced in these Revised Guidelines are participation incentives as now defined in Rule R8-68(b)(7).

- (b) A builder shall be advised by the sponsoring utility of the availability of natural gas or electric alternatives, as appropriate.
 - (c) A builder receiving incentives shall not be required to advertise that the builder is exclusively an all-gas or all-electric builder for either a particular subdivision or in general.
4. The promotional literature for any program offering energy-efficiency mortgage discounts shall explain that the structures financed under the program need not be all-electric or all-gas.
 5. Duke's proposed Food Service Program shall be modified to include a definition of qualifying equipment and of conventional equipment, and is subject to approval in accordance with guideline number 1 above.
 - (a) The nature or amount of incentive contained in each program encouraging the installation of commercial appliances (electric or gas) that use the sponsoring utility's energy product, such as Duke's Food Service Program, shall be unaffected by the availability or use of alternate fuels in the applicable customer's facility.
 - (b) Commercial clients (builders, customers, etc.) who are offered incentives for installation of appliances shall be advised by the sponsoring utility of the availability of natural gas or electric alternatives, as appropriate.
 6. Rates, rate design issues, and terms and conditions of service approved by the Commission are not subject to these guidelines.
 7. Pending applications involving incentive programs are subject to these guidelines.

PUBLIC NOTICE OF FILING OF PRELIMINARY PLANS TO MAKE APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-___, SUB ___

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of (Electric Public Utility) for)	
a Certificate of Public Convenience and Necessity to)	PUBLIC NOTICE
Construct a (Nameplate Generating Capacity)(Renewable)	
Resource Fuel Source) Electric)	
Generating Facility in (County Name))	
County, North Carolina)	
)	

NOTICE IS HEREBY GIVEN that on (DATE), (ELECTRIC PUBLIC UTILITY), filed a letter in this docket giving notice of its intent to file an application on or after (DATE), for a certificate of public convenience and necessity (CPCN) to construct a (NAMEPLATE GENERATING CAPACITY)(RENEWABLE RESOURCE FUEL SOURCE) located at (E911 ADDRESS, IF AVAILABLE; LOCATION DESCRIPTION, IF E911 ADDRESS IS NOT AVAILABLE) in (COUNTY NAME) County, North Carolina. (ELECTRIC PUBLIC UTILITY) will apply for this certificate under the procedure for expedited review of a CPCN for a facility that is owned by an electric public utility and participating in the Competitive Procurement of Renewable Energy Program established pursuant to G.S. 62-110.8.

The North Carolina Utilities Commission anticipates considering this matter at the Regular Commission Staff Conference scheduled for (DATE OF 3rd MONDAY FOLLOWING FILING OF APPLICATION) to be held at 10:00 a.m., in the Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.

Details of the application, once filed, may be obtained from the Office of the Chief Clerk of the North Carolina Utilities Commission, 430 N. Salisbury Street, 5th Floor, Dobbs Building, Raleigh, North Carolina 27603

or 4325 Mail Service Center, Raleigh, North Carolina 27699-4325 or on the Commission's website at www.ncuc.net.

Persons desiring to be heard with respect to the application may file a statement with the Commission and should include in such statement any information that they wish to be considered by the Commission in connection with the application. If significant complaint(s) are filed with the Commission prior to the Regular Commission Staff Conference on (DATE OF 3rd MONDAY FOLLOWING FILING OF APPLICATION), the Commission will schedule this matter for hearing. Such statements will be included in the Commission's official files; however, any such written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements. Such statements should reference Docket No. E-__, Sub ____ and should be addressed to Chief Clerk, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, NC 27699-4325.

Statements may also be directed to Christopher J. Ayers, Executive Director, Public Staff-North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326 or to The Honorable Josh Stein, Attorney General of North Carolina, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

PUBLISHED PURSUANT TO COMMISSION RULE R8-71(k).

NOTE TO PRINTER: Advertising cost shall be paid by (Electric Public Utility). It is required that an Affidavit of Publication be filed with the Commission by (Electric Public Utility).

(NCUC Docket No. E-100, Sub 113, 02/29/08; NCUC Docket No. E-100, Sub 150, 11/06/2017.)