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VIA ELECTRONIC FILING

April 5, 2024

Ms. Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

**Re: Case No. 2022-00398
In the Matter of the Annual Cost Recovery Filing for Demand Side Management
by Duke Energy Kentucky, Inc.**

Dear Ms. Bridwell:

In its final order in this case, the Kentucky Public Service Commission (Commission) found that Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company) “adequately kept the Commission informed of the progress and status of its DSM programs.”¹ In that spirit, Duke Energy Kentucky wishes to inform the Commission of its plans for implementing the recent adoption of federal minimum energy efficiency standards, beginning on May 1, 2024, and the corresponding impact on its Non-Residential Smart Saver[®] Program.

The US Department of Energy (DOE) has mandated new energy efficiency standards for all newly manufactured residential and commercial air conditioners and heat pumps which took effect on January 1, 2023.

Duke Energy Kentucky plans to implement these new standards on May 1, 2024. The Company does not believe these changes will impact the current budget through June 2024. If there is an increase in budget required for the next fiscal year (July 1, 2024 – June 30, 2025), a revised budget will be filed in the annual amendment filing due on August 15, 2024.

With the implementation of the new standards, four of the Non-Residential Smart Saver[®] measures will no longer be cost-effective. The Company plans to stop offering these measures for the short period remaining in this fiscal year (from May 1 through June 30, 2024), and to formally remove them from the program in its next annual amendment filing, due on August 15, 2024.

¹ Order, p. 7 (March 7, 2023).

The previous minimum requirements and the current requirements for each impacted Non-Residential Smart Saver[®] measure are listed in the table below, along with the updated cost-effectiveness scores for each measure:

Measure Name	UCT_Cost Based Norm	TRC_Cost Based Norm	RIM (Net Fuel)_Cost Based Norm	Participant Test	Incentives	Previous Minimum Efficiency Requirements	New Minimum Efficiency Requirements
HVAC DX AC 135-240kBtuh	1.61	1.5	0.84	2.22	\$110	12.2 EER, 13.2 IEER	14.2 IEER
HVAC DX AC 240-760kBtuh	2.93	2.7	0.93	4.3	\$55	10.8 EER, 12.3 IEER	13.2 IEER
HVAC DX AC greater than 760kBtuh	6.07	5.64	1.15	8.67	\$22	10.4 EER, 11.6 IEER	12.5 IEER
HVAC DX HP 135-240kBtuh	2.78	2.59	0.85	4.64	\$47	11.3 EER, 12.2 IEER	14.1 IEER
HVAC DX HP 65-135kBtuh	2.87	2.68	0.9	4.43	\$47	10.9 EER, 11.6 IEER	13.5 IEER
HVAC DX HP greater than 240kBtuh	9.79	9.18	1.25	15.27	\$14	10.3 EER, 10.6 IEER	12.5 IEER
HVAC DX AC 65-135kBtuh	0.85	0.79	0.49	1.89	\$151	12.2 EER, 14 IEER	14.8 IEER
HVAC DX AC less than 65kBtuh SEER2	0.76	0.70	0.54	1.37	\$121	16 SEER, 12 EER	16 SEER, 15.2 SEER2
HVAC DX HP Packaged less than 65kBtuh SEER2	0.71	0.66	0.47	1.56	\$224	15 SEER, 12 EER	15.47 SEER or 14.7 SEER2
HVAC DX HP split less than 65kBtuh SEER2	0.48	0.44	0.36	1.28	\$268	15 SEER, 12.5 EER	16.1 SEER or 15.3 SEER2

I certify that this electronically filed document is a true and accurate copy of the original document and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission’s July 22, 2021 Order in Case No. 2020-00085, no paper copies of this filing will be made.

Respectfully submitted,

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