

June 14, 2021

VIA ELECTRONIC DELIVERY

Kim Campbell
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina

RE: Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's Letter in
Lieu of Reply Comments
Docket No. E-2, Sub 1167 and Docket No. E-7, Sub 1166

Dear Ms. Campbell:

Pursuant to the Commission's March 23, 2021 *Order Modifying Solar Rebate Program and Allowing Comments*, Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (collectively, the "Companies") file this letter in lieu of reply comments to express support for the proposal in the Public Staff's reply comments. The proposal, which is also supported by the Southern Alliance for Clean Energy ("SACE") and North Carolina Sustainable Energy Association ("NCSEA"), allows sufficient time for customers to install their systems and allocates unused capacity for waitlisted customers.

The Companies also wish to address concerns expressed by SACE in its Initial Comments filed on May 6, 2021. First, SACE noted there appeared to be a discrepancy between the number of rebates that Duke Energy states in the body of its report and the number shown in the appendix. Second, SACE noted the number of rejections and cancelled projects appear to be high in proportion to the total number of applications. Third, and finally, SACE is concerned about new customers whose accounts might be sent to collections as for result of failing to pay the early termination fee.


As for the early termination fee, the Companies are not initiating collection proceedings against new customers who did not receive a rebate. When a customer who received a solar rebate leaves a premises and a new customer moves into that premises, the Companies contact the new customer to try to get their account on the net metering tariff. If the new customer declines to enroll in net-metering, then the Companies seek early termination payment from the original customer who received the rebate.

In terms of the number of application rejections and cancelled projects, DEP had significantly more duplicate applications and applications for projects that had been completed more than 90 days prior to submission in 2020, compared to 2019. DEC also saw an increase in the number of applications for projects that had been completed more than 90 days prior to the submission. Both Companies saw increases in the number of customers who did not acknowledge the terms and conditions within thirty days. The Companies carefully review each application and applications may be rejected if they do not meet all the criteria to be eligible for a rebate. The Companies will continue to monitor the trends in applications being rejected and provide this information in its reports, which are now biannual.

Finally, SACE notes a potential discrepancy between the 2,422 total rebates that were paid in 2020, which is found on the first page of the Companies' annual report, and the total number of customer paid for rebates for 2020 program year, which is calculated by adding the last column of Appendix A for DEC and DEP in the Annual Report and totals 1,924. Notably, the 2,422 number reflects the number of customers paid from January 1, 2020 to December 31, 2020 for all program years. Appendix A is only reflective of 2020's program year payments from January 1, 2020 to March 10, 2021. As the footnote 1 in Appendix A states, "Some large non-residential projects accepted into the Rebates program in 2019 and 2020 have not completed yet. Those projects are allowed 365 [days] to install from the interconnection date." Therefore, the number of rebates paid in a year may be higher than the number of rebates paid in a program year because large commercial customers from an earlier program year can be paid a rebate in subsequent years.

Thank you for your assistance in this matter.

Sincerely,


Brady W. Allen

Enclosure

Cc: Parties of Record