

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1167
DOCKET NO. E-7, SUB 1166

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application of Duke Energy Progress, LLC,) and Duke Energy Carolinas, LLC, for) Approval of Solar Rebate Program) Pursuant to N.C. Gen. Stat. § 62-155(f))	ORDER MODIFYING SOLAR REBATE PROGRAM AND ALLOWING COMMENTS
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BY THE COMMISSION: On November 6, 2020, the Commission issued an Order Modifying the Fourth Year of Solar Rebate Program and Requesting Additional Comments (November 6, 2020 Order). In pertinent part, the Commission ordered that Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC (collectively, Duke or the Companies), open the 2021 and 2022 solar rebate programs for applications twice each year, in January and July, and that the July 2021 application period open on Wednesday, July 7, 2021. Responding to comments on the 2021 program submitted by parties to the docket, the Commission declined to modify rebate amounts for the first 2021 solar rebate application period, as proposed by the Public Staff, but requested comments addressing appropriate modifications to the rebate incentive amounts, including a tiered rebate program, for future program periods. The Commission also directed Duke to include in its initial comments detailed information regarding the characteristics of residential, commercial, and nonprofit installations receiving rebates, including the distribution and average capacity of applications and installations for each customer group.

The following parties submitted initial and reply comments regarding rebate incentive amount modifications: Duke, the Public Staff, the Southern Alliance for Clean Energy (SACE), and the North Carolina Sustainable Energy Association (NCSEA).

On December 30, 2020, the Commission issued an Order Requiring Additional Information, posing five questions to Duke, including requesting an update on the January 2021 solar rebate program, and Duke made a responsive filing on January 25, 2020.

On March 3, 2021, Duke filed an Application for Approval to Revise Solar Rebate Program (Application) requesting that the Commission make certain modifications to the solar rebate program structure, to become effective for the enrollment period beginning on July 7, 2021.

On March 10, 2021, NCSEA filed a response to Duke's Application.

On March 12, 2021, Duke filed reply comments regarding its Application.

The Commission also notes that, following the January 6, 2021 opening of the first 2021 solar rebate enrollment period, it has received approximately nine consumer statements from solar rebate applicants who, generally speaking, are frustrated at not having received a solar rebate despite having submitted their applications relatively quickly within the enrollment opening, e.g., within approximately three minutes. These consumer statements raise issues, including the Commission's decision to split the available annual capacity into two application windows (a change from previous years when all available capacity was offered during a single application period) and the timing of the November 6, 2020 Order; potential technical issues with the application technology infrastructure; disadvantages suffered by applicants with physical or other disabilities who may not be able to type as quickly as other applicants; disadvantages based on an applicant's internet speed (or lack thereof); and whether, given the speed at which the residential capacity made available on January 6 sold out, the program continues to be "first come, first serve."

SUMMARY OF DUKE'S COMMENTS REGARDING THE CHARACTERISTICS OF INSTALLATIONS RECEIVING REBATES

For residential customers, Duke reports that more than 75% of the residential installations that receive a rebate are less than 10 kW. Further, Duke states that there is not a significant difference in the kW size of the rebate applications based on customer income. In 2020, rebate participants with income of less than \$20,000 had an average system size of 7.1 kW. Rebate participants with incomes of more than \$150,000 had an average system size of 7.9 kW. Half of the applications received in 2020 were from households with incomes of \$80,000 or more, and residential customers with higher incomes received a greater share of rebates. Duke opines that "[w]hile intuition might suggest that smaller systems are more likely to be installed by customers with greater budget constraints, the data paints a different picture. For residential customers, the sizing of an installation averages 7.6 kW." Duke's December 4, 2020 Initial Comments at 4. Duke attributes this trend to the fact that a popular inverter used by installers in its service territories is 7.6 kW.

For commercial and nonprofit customers, Duke reports that more than 75% of commercial installations are sized at less than half of the 100 kW capacity maximum, with an average installation size of 34.89 kW.

RECOMMENDATIONS OF THE PARTIES REGARDING MODIFICATIONS TO THE REBATE INCENTIVE AMOUNTS

Duke's Initial Comments

Duke states that based on historical and forecasted solar price data, prices for residential solar installations have decreased by 35% and commercial by 45% since 2018. Duke notes that reducing the current residential rebate of \$0.60 per watt by the 35% would reduce the price to \$0.40 per watt; reducing the current rebate amount for

commercial customers by 45% would reduce the price from \$0.50 per watt to \$0.30 per watt.

With regard to nonprofit customer rebates, Duke states that while nonprofit customers have not participated in the solar rebate program to the same extent as residential and commercial customers, it believes that more nonprofits have secured funding to move forward on projects and that local governments may also begin to utilize the rebate program. Because the nonprofit rebates are undersubscribed, Duke does not recommend reducing the rebates for the nonprofit class.

With regard to using a tiered system with a declining incentive structure up to 10 kW for residential customer installations and 100 kW for nonresidential customer installations, Duke states that it does not think this will encourage smaller solar installations or incentivize customers with more modest incomes. Duke notes that residential customers typically install systems between 7 and 8 kW, regardless of income, and more than half of commercial installations are already sized at less than one-quarter capacity.

Duke states that it believes that the best way to incentivize moderate-income customers to participate is to vary the rebate amount based on income, not system size; however, Duke states that such an approach is not viable because it would require installers and Duke to verify customer incomes, which would be too cumbersome for the customers, installers, and Duke. Duke states that it could change the rebate process to verify income and provide customers with a certificate of their rebate level at the beginning of the application process but that it would be a costly modification given that the program only has three enrollments remaining. Duke also states that such a modification would not guarantee an increase in the participation of moderate-income customers.

Duke does not recommend that the Commission implement a tiered structure, but recommends, that if the Commission opts to adopt a tiered system, a simple tier structure for residential customers: \$0.50 per watt for up to the first 5 kW of capacity and \$0.40 per watt for any additional capacity up to 10 kW.

Duke's primary recommendation is that the Commission decrease the residential rebate to \$0.40 per watt, reduce the commercial rebate to \$0.30 per watt, and keep the nonprofit rebate at \$0.75 per watt, without a tier structure, as evidenced by the table below:

Customer Class	Current Rebate (\$/W)	Modified Rebate (\$/W)	Maximum Capacity Eligible	Maximum Current Rebate	Maximum Modified Rebate
Residential	0.60	0.40	10 kW	\$6,000	\$4,000
Commercial	0.50	0.30	100 kW	\$50,000	\$30,000
Nonprofit	0.75	0.75	100 kW	\$75,000	\$75,000

Public Staff's Initial Comments

The Public Staff recommends that any adjustments to the rebate incentive amounts not result in any increase in the overall costs of the solar rebate program, which are recovered from DEC and DEP customers via the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Rider pursuant to N.C. Gen. Stat. § 62-133.8(h)(1). The Public Staff also states that ensuring revenue neutrality of a tiered rebate structure is more complex than the current flat rebate amounts, but it opines that a tiered rebate structure may provide incentives to size systems to meet the customer's energy needs and may have the added benefit of increasing the amount of rebate capacity remaining for other interested customers to participate. The Public Staff recommends that any proposal for a tiered rebate structure include an evaluation of the program cost implications for consideration.

NCSEA's Initial Comments

NCSEA states that its overall goal is to increase the number of customers who receive a solar rebate, and it believes that increasing the number of people who receive a rebate will alleviate the pressure caused by the "first-come, first-served" structure of the program. NCSEA states that it is concerned that implementing a tiered rebate program aimed at incenting smaller systems may confuse customers or "result in program apathy." NCSEA's December 4, 2020 Initial Comments at 5. NCSEA also states that "most consumers and builders" seek the largest system possible because larger systems, despite being more costly, produce more net metered credits, thereby shortening the period over which the system pays for itself. *Id.* Given that consumers want larger systems, NCSEA states that it does not see a reason to incent them to install smaller systems.

NCSEA also states that the federal investment tax credit (ITC) provides a tax credit to a customer based on the cost of the system, so that larger systems, which are more expensive, provide a greater ITC. NCSEA opines that if the Commission orders a tiered rebate system, then customers may become confused by competing incentive goals.

NCSEA questions whether a dramatic change to the program is worth the effort and education for customers and installers given that there are only three remaining program application windows.

Finally, NCSEA states that it expects that a very small number of nonprofit entities, each with multiple installations, will take all of the 2021 nonprofit rebates. NCSEA requests that the Commission consider "whether and how to react to a single or small number of entities taking an entire non-profit rebate bucket comports with the directives of the underlying statute."

SACE's Initial Comments

SACE states that it is interested in exploring whether a tiered system would serve the goal of making access to clean energy more affordable to the broadest set of customers possible, but that it does not have sufficient information at the time of its initial comments to determine whether the tiered approach would be the best option to pursue.

Duke's Reply Comments

Duke reaffirms its support for its recommendation that the Commission decrease the residential rebate to \$0.40 per watt, reduce the commercial rebate to \$0.30 per watt, and keep the nonprofit rebate at \$0.75, without a tier structure.

Public Staff's Reply Comments

The Public Staff states that it does not share NCSEA's concerns that the 2021 available nonprofit rebate allocation has the potential to be taken up by one or two government entities that have the ability to house multiple solar projects, potentially preventing other nonprofit entities such as churches or synagogues from being able to receive the rebate. Further, the Public Staff opines that "[s]o long as a participating nonprofit entity meets the statutory requirements in N.C. Gen. Stat. § 62-155(f)(3), the Public Staff does not believe that any additional limitations or criteria on solar rebate eligibility are needed at this time." Public Staff's December 15, 2020 Reply Comments at 3.

With regard to Duke's initial comments, the Public Staff agrees that implementing an income-based tiered rebate structure will be challenging. The Public Staff further opines that it does not believe that a tiered structure would result in a significant change in the capacity of systems being installed by customers given the average installation sizes noted by Duke's and NCSEA's statements that consumers prefer larger systems.

Finally, the Public Staff states that it believes the rebate reductions proposed by Duke meet the "reasonable incentives" provision of N.C.G.S. § 62-155(f), and that, even if the Commission implements the recommended decreases, it anticipates that there will continue to be significant interest in the residential and commercial programs. The Public Staff also notes that Duke's proposal would result in an overall decrease in the program cost. Lastly, the Public Staff opines that any changes in the rebate amounts for the residential and commercial groups can be incorporated into the rebate program and communicated effectively to customers, marketers, and installers prior to the July 2021 enrollment window.

NCSEA's Reply Comments

First, NCSEA states that it strongly opposes Duke's recommendation to reduce the per watt rebate amounts for the residential and commercial customer classes. NCSEA argues that lowering the residential and commercial rebates will not enable more

customers to receive rebates. NCSEA also suggests that the Commission consider “external factors,” including that the ITC is also set to lower its incentive amounts in 2021 and 2022.¹ Finally, NCSEA suggests that lowering the rebate amounts would be inconsistent with N.C.G.S. § 62-155(f) because it will discourage low-to-moderate income customers from installing solar.

NCSEA also restates its opposition to the concept of a tiered rebate program, including the alternative proposal made by Duke in its initial comments.

SACE’s Reply Comments

SACE states that it does not recommend implementing a tiered incentive structure, noting that the information filed by Duke regarding customer installation characteristics indicates that the size of the installations “correlates only very weakly with the customer’s income.” SACE December 15, 2020 Reply Comments at 1. SACE states its agreement with Duke that a more targeted way to make the rebate available to all customers would be to base the incentive amount on income, but SACE also agrees that doing so would be complicated and might not be advisable at this stage in the rebate program.

SACE opposes Duke’s proposal to decrease the residential and commercial rebates. SACE notes that pursuant to N.C.G.S. § 62-155(f), the purpose of the rebate program is to create an incentive for customers to install small solar energy facilities, and the current residential and commercial rebates are successful as evidenced by the strong demand. SACE argues:

[I]t is not clear how low the rebate values could be cut before the rebates would be insufficient to create an incentive for the marginal customer to install solar. Lowering the rebate amount could undermine the purpose of the program without sufficient information about the proper threshold to create a reasonable incentive for adoption.

Id. at 2. SACE also argues that Duke does not explain how it calculated the percentage reductions it presents in its initial comments.

Finally, SACE states, per the customer income data included in Duke’s initial comments, that the existing incentive amounts are allowing a meaningful number of low-income customers to install systems — noting that 123 customers with total household incomes below \$15,000 installed systems. SACE opines that the solar rebates are likely necessary to enable such installations and cautions that reducing the rebate value without sufficient information about the threshold at which systems are affordable could foreclose participation by lower-income customers.

¹ On December 27, 2020, President Trump signed into law the Bipartisan-Bicameral Omnibus COVID Relief Deal, which extended the ITC extended by two years. A solar project that begins construction in either 2020, 2021, or 2022 is eligible for the 26% ITC.

SUMMARY OF DUKE'S FILING OF ADDITIONAL INFORMATION REQUESTED BY THE COMMISSION

On December 30, 2020, the Commission issued an Order Requiring Additional Information, posing five questions to Duke, to which Duke responded.

First, Duke provides an evaluation of the implementation costs of the tiered residential rebate structure that it posed as an alternative to its primary proposal. Duke projects that additional program costs attributable to implementing a tiered rebate structure would include testing of the new tiering functionality — a one-time cost of approximately \$5,400. Duke states that the variation to the largest program expense, the rebate, is difficult to project; however, Duke estimates that if the Commission were to implement a tiered rebate structure for residential customers (\$0.50 per watt for the first 5 kW, then \$0.40 per watt up to 10kW) the cost of residential rebates would be approximately \$6 million dollars, compared to a cost of \$7.8 million based on the current rebate amount of \$0.60 per watt.

Next, Duke reports on the performance of the solar rebate program application technology architecture during the most recent application period, which opened on Wednesday, January 6, 2021. Duke states that between the rebate program opening on January 6 and January 15, 2021, 3,747 applications were correctly received and processed, and customers correctly received confirmation messages. However, Duke further reports that its Information Technology resources accidentally generated and sent erroneous emails at approximately 10:00 p.m. on January 6, 2021, and 6:00 a.m. on January 7, 2021, to customers and installers regarding approximately 2,150 applications. Duke states that it sent a follow-up email to impacted customers and installers notifying them that the initial email was sent in error and may not reflect the customer's actual rebate application status. Duke states that "[d]espite the unfortunate error, the program results were as intended per the program design; however, the Companies have enacted significant customer follow-up to address customer concerns and express our apologies for any confusion." Duke January 25, 2020 Additional Information Filing at 2-3.

Third, Duke provides a report on the number of applications received and fulfillment for the residential, commercial, and nonprofit classes for the January 2021 enrollment period. Duke reports that the January 2021 solar rebate enrollment period opened at 9 a.m. EST on January 6, 2021. Duke states that the residential customer rebates were exhausted within minutes, with the DEP residential solar rebate program reaching capacity limits at 09:02:06 a.m., and the residential customer capacity for DEC reaching capacity limits at 09:02:41 a.m. The commercial customer rebates also reached program capacity limits.

Duke reports that it received applications for the customer classes as follows:

DEP

Customer Class	Received Applications	Accepted Applications	Waitlisted Applications	Rejected Applications
Residential	1,978	413	1,400	165
Commercial	71	9	60	2
Nonprofit	9	9	-	-
NC Green Power	-	-	-	-
Total	2,058	431	1,460	167

DEC

Customer Class	Received Applications	Accepted Applications	Waitlisted Applications	Rejected Applications
Residential	1,625	366	1,052	207
Commercial	58	14	34	10
Nonprofit	6	6	-	-
NC Green Power	-	-	-	-
Total	1,689	386	1,086	217

Next, Duke offers information regarding the relationship between the amount of customers' electric bill/electricity usage and the size of their installed system, stating that customers that installed systems in 2020 saw a decrease of billed usage by about half compared to their pre-solar installation 2018 bills. Duke also notes that a larger installation, *i.e.*, more MW, will more greatly reduce the customer's billed usage.

Further, Duke also provides information on the capacity and number of residential installations receiving rebates in 2020:

kW	No. of Installations	Average Installation Size (kW)	Estimated Average Income	2018 Average Yearly KWH	2020 Average Yearly KWH	KWH Reduction
0.00 - 2.50	3	2.27	\$131,667	4,695	3,679	22%
2.51-5.00	236	4.32	\$78,483	9,127	5,032	45%
5.01 - 7.50	314	6.08	\$86,267	11,000	4,776	57%
7.51 - 10.00	1,000	8.82	\$91,514	14,189	5,879	59%
10.01 - 12.50	174	11.31	\$99,625	18,999	7,678	60%
> 12.50	105	15.87	\$95,051	27,262	11,136	59%
	1,832	8.11	\$97,101	14,212	6,362	55%

Finally, Duke addresses two recent statements from residential consumers who submitted rebate applications just past the time when the residential rebate capacity was exceeded. Duke states that the solar rebate program has been immensely popular. Duke

notes that meeting capacity limits so early in the application window must be disappointing to customers that submitted their applications early after the application window opened; however, Duke states that in implementing the opening of the January 2021 application window, it followed the terms and conditions of the program as publicized and as on file with the Commission. Lastly, Duke states that it will continue to work to ensure that customers are satisfied with their experience to the extent possible under the terms and conditions of the programs.

RECOMMENDATIONS OF THE PARTIES REGARDING DUKE'S APPLICATION FOR APPROVAL TO REVISE SOLAR REBATE PROGRAM

Duke's Application

As an initial matter, Duke notes:

Since its inception in 2018, the Solar Rebate Program implemented by Duke Energy has provided more than 5,973 rebates to commercial and residential [customers] in North Carolina, contributing to a total of 60.9 megawatts (MW) of solar being installed. Despite challenges, the Program has in large part been successful, helping to spur onsite solar adoption for residential and commercial customers beyond where it was when the Program began. While any Program that has significantly more demand than supply is likely to result in disappointment for some customers, the existing allocation of capacity, as currently designed, continues to cause concern and highlights inequities amongst certain customer groups.

Duke's Application at 1-2. Particularly, Duke notes the following as inequities or problems inherent to the program's design: (1) rapid subscription of eligible capacity,² *i.e.*, how quickly the residential and commercial programs sell out, which "magnifies the potential ramification of technology issues, some of which the Companies cannot control;" (2) opposition to the program rule which requires that customers who install solar prior to applying for a rebate must complete and submit an application on the Company's website requesting service under the program no later than 90 days following installation of the system (90-Day Rule); and (3) "[t]he current first-come, first-serve design also disadvantages customers with the inability to type quickly[.]"³ *Id.* at 2. Duke further notes that, "[w]hile these conditions have always existed, the extraordinary speed with which the Program sold out in January 2021, coupled with reduced rebate capacity resultant from the biannual application window, exacerbated the issues." *Id.* In response to the described inequities, Duke proposes changes to the program design, which it states "will lessen customers' anxiety when capacity opens and significantly reduce overall

² Duke states that "[u]nder the current Program, if there is a problem with the application, customers do not have any time to correct the issue and will likely miss their opportunity." Duke's Application at 6.

³ Duke argues that "[f]or customers who do not have equal access to the Internet or do not have the ability to operate keyboards quickly, having the Program sell out in less than three minutes puts these customers at an unfair disadvantage." Duke's Application at 4.

complaints.” *Id.* Duke further states, “[t]he Companies believe that, absent changes in the rebate amounts, the increase in applications is unlikely to wane before the Program ends and thus believe that changes to the allocation process are imperative to implementing the Program in a fairer manner that will be understandable and acceptable to customers.” *Id.* at 2-3.

Duke proposes three changes to the program to address the issues described above. First, Duke proposes to alter the mechanism to determine which applicants receive a rebate by transitioning from the current “first come, first serve” paradigm to a lottery system. In accordance with the current program structure, Duke proposes that the lottery occur every six months, beginning with the enrollment period set to open on July 7, 2021. Second, to address consumer complaints, Duke proposes to eliminate the 90-Day Rule and allow customers who have already installed a system on or after October 6, 2020, to apply every six months until the Program ends.⁴ Third, “in order to streamline the Program’s remaining schedule, the Companies propose that the timeline to install systems for residential and commercial customers under 20kW with a rebate reservation should be decreased to 180 days.”⁵ *Id.* at 3. Duke further asserts that the proposed modifications are consistent with the program perimeters set forth in N.C.G.S. § 62-155(f).

In support of the proposed changes, Duke states that “[t]he Companies have learned and heard about perceived shortcomings in the Program, and while the Program has succeeded in further incentivizing roof top solar, the Companies wish to improve the Program and gain experience with a modified plan in the time remaining.” *Id.* at 12.

Lottery

Duke notes that while the Commission was not persuaded to implement a lottery when initially proposed by the Public Staff and supported by Duke in 2020,⁶ “. . . in the

⁴ Duke does not propose to change the program rule that allows customers who have not installed a system to apply prospectively to reserve a rebate.

⁵ Under the current program rules, “a residential customer who obtains a rebate reservation in January-June must complete the installation by December 31 of the same year; a residential customer who obtains a rebate reservation in July-December must complete the installation by June 30 of the following year[;]” further, “[f]or a nonresidential customer with a project under 20 kW that does not require an interconnection agreement, the installation must be completed no later than 365 days from the date the rebate reservation was obtained.” DEC Solar Rebate Rider SRR (NC) Terms and Conditions § M; DEP Solar Rebate Rider SRR-5 Terms and Conditions § M. Residential rebates may not exceed 10kW of installed capacity. N.C.G.S. § 62-155(f).

⁶ A lottery system was first proposed by the Public Staff in these dockets in its initial comments, regarding the structure of the 2021 solar rebate program, filed on June 5, 2020. At the time, the Public Staff opined that a lottery might “ensure that all customers interested in participating in the Program have equitable access to the limited supply of available incentives.” Public Staff June 5, 2020 Initial Comments at 5. In Duke’s July 6, 2020 reply comments, it responded with a willingness to implement a lottery program and opined that “[t]here are advantages and disadvantages to first-come, first served systems and to lottery systems. Generally, first-come, first-served programs allow customers to have more control, while lottery systems avoid a frenzied rush and allow more opportunities to address issues which may arise.” DEP and DEC July 6, 2020 Reply Comments at 1-2. However, NCSEA and SACE opposed the implementation of a

short time since that decision was made by the Commission. . . circumstances have changed to warrant reexamining the merits of implementing a lottery.” *Id.* at 4. Duke observes that “[r]esidential and non-residential allocations sold out in less than three minutes on January 6, 2021, as opposed to the eight to ten minutes in previous windows.”⁷ *Id.* Duke also notes that:

Applications have also increased each year from 2,474 in 2018 to 5,165 in 2020. Almost 3,900 have been received this year as of February 16. With a second opening in July, unique applications are expected to exceed last year's total. In this way, the Program has outgrown its original allocation process, beyond even where the Companies expected it to be in 2020 when the lottery was requested. In its current form, the likelihood of significant complaints related to the fairness of the process will likely continue as interest in onsite solar adoption continues.

Id. at 5.

Duke proposes to implement a lottery system on a biannual basis beginning with the enrollment period opening on July 7, 2021. Duke opines that a biannual lottery will reduce the wait time for customers whose rebates are not accepted. Using the July 7, 2021 enrollment as an example, Duke proposes that upon opening, it will accept applications for one week, beginning at 9:00 a.m. on July 7, 2021, and ending at 9:00 a.m. on July 14, 2021. Duke states that, consistent with current practice, customers would apply using the existing Rebates Program application on Duke's website and the information would be stored in Salesforce. During the above-stated enrollment period, Duke would “review submissions as they are submitted for eligibility and work with customers to resolve issues with their applications. Eligible applications would be entered in the lottery.” *Id.* Next, Duke proposes that, following the close of the enrollment period, it would finish determining eligibility of the submitted applications, and “[i]f there is any doubt as to an application's eligibility, it would be placed in the lottery, but the outstanding issue with the application will be resolved before communicating rebate status after the lottery.” *Id.* Then, Duke would pass off the eligible installations to SAS, which Duke proposes to contract to implement the selection of the winning applications from the applicant pool. Duke states that SAS's Random Sampling function would randomly assign rebates for projects in each Duke jurisdiction and place any nonwinning applications on a waitlist. After Duke performs quality assurance, it would prepare customer notifications

lottery, with NCSEA arguing that “NCSEA and its members believe that a lottery system would actually be more unfair for customers by doing away with what limited control they currently have over whether they will receive a rebate[;]” and stating that “its members, solar installers were universally opposed to the measure.” NCSEA July 6, 2020 Reply Comments at 8-9. In issuing the November 6, 2020 Order, the Commission gave weight to NCSEA's objections to a lottery program and declined to implement one for the 2021 solar rebate program.

⁷ Duke attributes this to “splitting the available annual capacity in half for two launches” which “resulted in increased volume on the system and exacerbated the rush to apply for rebates immediately after the enrollment window open[ed].” Duke Application at 4.

of the lottery results, and Duke anticipates that it would be able to notify customers of the lottery results no later than July 27, 2021.

Duke states that “[i]f the participation limit for a specific customer class, such as non-profit organizations, is not reached in the lottery allocation, the Companies will reopen the application process for any group that has capacity available.” *Id.* at 6.

Duke states that it conferred with NCSEA about its lottery proposal. Duke represents that while NCSEA does not oppose transitioning to a lottery system, it “does not support changing the process for the July 2021 opening due to concerns that there is not sufficient time to educate the customer base and train the respective sales groups for the solar companies.” *Id.* at 7. Rather, Duke represents that NCSEA would prefer to delay implementation of a lottery system until 2022. In response to NCSEA’s concerns, Duke states that:

In order to alleviate concerns that customers and installers will have insufficient notice to prepare for a lottery, the Companies are prepared to accelerate training and notifications. Within one week, pending the Commission's approval of this application, the Companies are committed to have an instructional video available to customers explaining the changes and to send emails explaining the changes to all customers who have submitted an interconnection application for net metering. The Companies will also send emails to installers to notify them of the changes and are willing to accelerate the installer's webinar, too.

Id. at 7-8.

In further support of its proposal, Duke states that the costs to implement a lottery “are minimal,⁸ offset by expenses for other IT items and are outweighed by the benefits of reducing customers' anxiety and complaints while creating a more equitable program.” *Id.* at 3.

Finally, in support of its lottery proposal, Duke opines that:

Under the lottery, every customer who applies would have an equal opportunity to receive a rebate as other customers in that class, regardless of their Internet connection, physical abilities and time constraints. The Company will also conduct the lottery in a transparent fashion and provide sufficient documentation to demonstrate a fair process in the lottery's

⁸ “[T]he Companies estimate that the cost to implement a lottery is only \$20,000, which is minor considering Program administrative costs for some calendar years have been more than \$500,000. The Companies expect a similar level of administration costs going forward under a lottery, but to the extent administrative costs associated with responding to customer complaints and staffing needs are reduced, those costs could offset the costs to implement the lottery.” Duke’s Application at 8.

selection. Perhaps most importantly, customers who need help submitting an application would be able to timely receive such help from the Company.

90-Day Rule

Duke notes that it has received complaints that the 90-Day Rule “unfairly disadvantages customers who decided to install a solar facility prior to receiving a rebate reservation.” *Id.* at 8-9. “In the January 2021 Program opening, 40% of projects that applied for a rebate had already installed their project.” *Id.* at 11, footnote 5. Duke states that “customers who install a system have to be especially mindful of when they install and are only able to apply for a solar rebate once.” *Id.* at 9. Duke notes that it has received commentary that preinstalled system applications should receive priority for rebates over customers applying to prospectively reserve a rebate, but notes that “the provision of rebate reservations remains critical for customers whose decision to install is dependent upon receiving a rebate.” *Id.* at footnote 4. To address claims of unfairness regarding the 90-Day Rule, Duke proposes to eliminate it and allow any customer that has installed a system since October 6, 2020, to apply for a rebate for any allocation during the remainder of the solar rebate program.

Duke notes that the Commission twice had to issue orders to modify application of the rule, most recently on November 25, 2020. Duke states that customers who installed after October 6, 2020, but before the Commission’s November 6, 2020 Order did so without knowing that the annual capacity available at the launch on January 6, 2021, would be reduced by half. Duke references that “[m]ultiple consumer statements received by the Commission have complained of this[.]” and opines that by removing the 90-Day Rule the customers who may have been impacted by the timing of the Commission’s November 6, 2020 Order will be able to apply for future rebates. *Id.* at 10.

Finally, Duke states that the 90-Day Rule is not required by N.C.G.S. § 62-155(f), and the Commission could eliminate it without running contrary to the legislative directives governing the solar rebate program.

Deadline to Install for Rebate Reservations

With regard to its third and final proposed modification, Duke states that it seeks to “streamline the remaining life of the Program,” by “align[ing] certain timelines customers have to install their systems with the biannual launch once a rebate reservation is received.” *Id.* Duke states that:

A residential customer who obtains a rebate reservation between January and June must complete the installation by December 31 of the same year; a residential customer who obtains a rebate reservation in July-December must complete the installation by June 30 of the following year. For a nonresidential customer who obtains a rebate reservation prior to installation, the installation must be completed no later than 365 days from the date of an executed interconnection agreement by the Company.

However, for a nonresidential customer with a project less than 20 kW that does not require an interconnection agreement, the installation must be completed no later than 365 days from the date the rebate reservation was obtained.

Id. at 10-11. Duke proposes to modify the current rule as follows: (1) allow residential customers 180 days from the date that they receive the rebate reservation to install their system; and (2) likewise, allow nonresidential customers with systems less than 20 kW 180 days from the date that they receive the rebate reservation to install their system. Duke opines that its proposed modification will give these customers “sufficient time to install their systems[.]” while “[a]ligning the timeframe to install with the biannual launch will provide for more capacity that will not be installed to be included in the following lottery[.]” *Id.* at 11. For nonresidential customers with rebate reservations for systems over 20kW, Duke supports keeping a 365-day installation window. Duke also supports keeping a 365-day installation window for nonprofit rebate reservations, “as the organizations often need a full year for fundraising and implementation of their projects.” *Id.* at 11.

In its closing comments, Duke notes that “due to the limited supply and high demand for [solar] rebates[.]” complaints are inevitable; however, Duke puts forward that its proposed modifications “will eliminate many complaints in the Solar Rebate Program.” *Id.* at 12. Further, Duke opines that the proposed modifications will “offer a fairer approach to allow customers equal access to receive a rebate.” *Id.* Finally, Duke states that it has been authorized to indicate that the Public Staff supports its proposed modifications.

NCSEA’s Response⁹

In its response, NCSEA requests that the Commission “reject the Application.” NCSEA Response at 1. NCSEA begins its comments by stating that:

From NCSEA’s perspective, the January 2021 rollout caused more issues for consumers than any prior rollout since the beginning of the program. There are a range of issues, but the biggest sole issue that the NCSEA solar installer members face is heavy demand outweighing supply. To that end, NCSEA has advised its member solar installer companies not to market or otherwise “sell” distributed solar by mentioning the rebate program to potential customers. Success in the rebate program – namely clicking the computer mouse in a timely fashion and being processed before the commercial and residential tranches are gone – is too uncertain. By NCSEA’s estimate, the January 2021 window rebate “success” rate for commercial and residential customers was less than one in four.

Id. at 1-2. NCSEA continues, stating that the solar rebate program “as statutorily tailored and interpreted by this Commission, will never meet demand.” *Id.* at 2. However, NCSEA notes that “[d]espite widespread installer interest in changing the program and general

⁹ Neither the Public Staff nor SACE filed comments in response to Duke’s Application.

disapproval with the last few rebate window rollouts, there is no consensus among the solar companies in NCSEA's membership on how the solar rebate program should be revised." *Id.* at 1.

NCSEA states that under the current circumstances, the program is not aligned with customer expectations of a "first come, first serve" program. NCSEA "believes that consumer expectations should be reset and positioning the program as a lottery rather than "first come, first serve" will do just that." *Id.* at 2. As such, NCSEA states that it "does not generally oppose the implementation of a lottery system in the solar rebate program[.]" *Id.*

Despite its general non-opposition, NCSEA opposes the Commission implementing any changes to the upcoming enrollment period opening on July 7, 2021. More particularly, NCSEA states:

NCSEA's member installers do not oppose a lottery system beginning in January 2022. While the current system is flawed, the NCSEA member installers are concerned that they will not be able to adequately train their staff for another marked change to the rebate program. NCSEA is also not confident in the ability to educate the public about these changes.

Id. at 2.

With regard to (1) the other details of Duke's proposed lottery, (2) the proposed elimination of the 90-Day Rule, and (3) the proposal to shorten the timeframe in which residential and commercial customers with a rebate reservation may install their systems, NCSEA states that it members could not reach consensus.

In concluding, NCSEA states that it "agrees with Duke that the solar rebate program needs to be adjusted[.]" and that it "does not conceptually oppose a lottery program[.]" however, it advises the Commission that "the lottery program should not be implemented until January 2022 to allow sufficient time for training and consumer education." *Id.* at 3.

Duke's Reply

In reply to NCSEA's opposition to the Commission ordering implementation of Duke's proposed changes for the upcoming July enrollment period, Duke argues that given "NCSEA's assertion that the January 2021 rollout caused more issues for consumers than any prior rollout, then the program should be changed as soon as possible." Duke's Reply at 1. Duke also contends that NCSEA's position does nothing to fix outstanding issues with the program and "[i]f no changes are made to the program, the Companies expect the same outcome in July that occurred in January, which no one, including the NCSEA, wants." *Id.* at 2.

Countering NCSEA's contention that implementing the proposed changes in July 2021 will not allow sufficient preparation time, Duke states that it is committed to accelerate training and notifications beginning within one week of a Commission order approving changes. Duke opines that the "main changes" being made to the program, "how the applications are selected, which applicants are eligible, and the time period to install after receiving a rebate reservation[,] are "the responsibility of Duke Energy and not the NCSEA or its members." *Id.* at 2-3. Further, Duke argues that:

If a solar installer fails to communicate how the process is going to work, customers will still be in a better place under Duke Energy's proposal than under a first-come, first-served process because even if an eligible applicant misses the opportunity to apply in July, despite having a week to do so, all eligible customers will be permitted to apply at later openings.

Id. at 3.

In support of its proposal to eliminate the 90-Day Rule and open up future enrollments to any customer that installs their system on or after October 6, 2020, Duke states that it "carefully considered approaches debated internally by NCSEA's installers and decided eliminating the 90-day rule and allowing installations installed after October 6, 2020 is the most equitable approach. The Public Staff agrees." *Id.* Duke further contends that:

[A]llowing customers who installed on or after October 6, 2020 to continue to apply is not an arbitrary cutoff. Customers who decided to install between October 6, 2020 and November 6, 2020 could not have been fully aware that capacity would be reduced by half in January 2021. Although Duke Energy proposed reducing the capacity in half earlier in 2020, the decision was not finalized until November 6, 2020. Additionally, any customer who installed prior to October 6, 2020 did so with the knowledge that they were already ineligible for the January 2021 opening.

Id.

Finally, Duke states that its position regarding reducing rebates for residential and commercial customers "has not changed[.]" *Id.* at 4. "[I]f the Commission decides to reduce the rebate . . . those rebate values can be assigned under the random selection process and implemented along with the other proposed changes in the application." *Id.*

DISCUSSION AND CONCLUSIONS

The objective of the legislatively mandated solar rebate program is to provide an economic incentive for residential, commercial, and nonprofit customers to adopt solar power by reducing the cost of installing solar equipment. Historically, the program has been extremely popular with residential and commercial customers. The January 2021 enrollment was no different, with both DEP and DEC residential rebates meeting the

allotted capacity in fewer than three minutes each. In fact, the Commission notes that since the program's inception, the residential and commercial rebate capacities have been exhausted in increasingly quick timeframes: per NCSEA's comments filed in these dockets on June 5, 2020, in 2018, the supply of residential and commercial rebates was exhausted within two weeks of the opening of the application period; in 2019, the supply of rebates for these sectors was exhausted within 1 hour and 28 minutes; in 2020, the supply was exhausted within 21 minutes.

The Commission appreciates the disappointment and frustration felt by customers that do not receive rebates, particularly those who may have preinstalled their systems based on a belief that a rebate was reasonably attainable; however, the Commission is bound by the capacity limits set forth by the General Assembly in N.C.G.S. § 62-155(f). Given the firm legislative capacity restraints, the Commission, Duke, solar installers, and solar marketers cannot guarantee a rebate to any customer. Because the demand for residential and commercial rebates exceeds the allowed capacity, it is simply a reality of the solar rebate program that, regardless of the program design, not all customers who seek a rebate will receive a rebate. Any customer who installs their system prior to submitting a rebate application assumes the risk that they will not receive a rebate to offset their installation costs.

Tiered Rebates

In the Commission's November 6, 2020 Order it requested that the parties provide comments as to whether a tiered rebate system might help to encourage smaller solar installations. The Commission observes that the parties unanimously agree that implementing a tiered rebate structure will be challenging and most likely not worthwhile given the limited remaining duration of the solar rebate program. The parties also appear to be in agreement that a tiered structure would likely not result in a significant change in the capacity of systems being installed by customers. Finally, no party supports the implementation of a tiered structure. As such, the Commission declines to implement the tiered residential rebate program proposed by Duke as an alternative to its primary proposal.

Nonprofit Rebate Capacity

In NCSEA's initial comments responsive to the Commission's November 6, 2020 Order it stated that its members had "voiced concerns about the non-profit programs," particularly that:

NCSEA is concerned that the non-profit rebate bucket has the potential to be eaten up by one or two entities. While the non-profit sector has been slow to embrace the solar rebates, NCSEA's members believe that a very small number of entities, each with multiple installations, will take all of the 2021 non-profit rebates. NCSEA would like the Commission to consider whether and how to react to a single or small number of entities taking an entire non-profit rebate bucket comports with the directives of the underlying

statute. Of course, NCSEA is not opposed to non-profit entities receiving the rebate, but governmental entities have a unique ability to house multiple solar projects, for instance, which allows them to flood the market for rebates against a church or synagogue.

NCSEA December 4, 2020 Initial Comments at 6. The Public Staff responded to NCSEA's comment noting that it did not share NCSEA's concern and further opining that "[s]o long as a participating nonprofit entity meets the statutory requirements in N.C. Gen. Stat. § 62-155(f)(3), the Public Staff does not believe that any additional limitations or criteria on solar rebate eligibility are needed at this time." Public Staff's December 15, 2020 Reply Comments at 3.

The Commission agrees with the Public Staff's conclusion that the rebate program rules for nonprofits comply with the legislative perimeters set out in N.C.G.S. § 62-155(f)(3) and that no additional restrictions are needed at this time.

Solar Rebate Incentive Amounts

With regard to the existing incentive amounts, the Commission notes that the General Assembly has tasked the Commission with offering "reasonable incentives." N.C.G.S. § 62-155(f). In the Public Staff's comments filed in these dockets on June 5, 2020, it noted that the current incentive amounts were based in part on the price of installing solar systems in or around January 2018, that the cost of solar installations has dropped since that time, and it recommended that the Commission adjust the rebate amounts to ensure that the incentives being offered are reasonable. In the Commission's November 6, 2020 Order it stated that it agreed with the Public Staff that rebates, which are recovered from DEC and DEP customers via the REPS Rider pursuant to N.C.G.S. § 62-133.8(h)(1), should reflect true and reasonable costs. The Commission finds persuasive Duke's commentary that based on historical and forecasted solar price data, prices for residential solar installations have decreased by 35% since 2018 and that prices for commercial solar installations have decreased by 45% since 2018. As a result of this analysis, Duke recommends that the Commission decrease the residential rebate by 35% to \$0.40 per watt and reduce the commercial rebate by 45% to \$0.30 per watt, but that it keep the nonprofit rebate at \$0.75 per watt. While NCSEA and SACE oppose Duke's proposal, neither party disputes Duke's analysis of decreasing solar prices nor do they offer alternative analyses.

The Commission is cognizant of SACE's concern that it is not clear how low the rebate values could be cut before the rebates would be insufficient to create an incentive for the marginal customer to install solar; however, the Commission must balance providing incentives that will drive solar installation with setting incentives that are economically reasonable. The evidence before the Commission, including the Public Staff's comment that the reductions proposed by Duke meet the "reasonable incentives" provision of N.C.G.S. § 62-155(f), tends to show that reducing the current incentives would be consistent with the legislative requirement that the incentives be reasonable per N.C.G.S. § 62-155(f). Further, the Commission agrees with the Public Staff that even if

the Commission reduces the residential and commercial incentives, there will continue to be significant interest in the residential and commercial programs. Thus, the Commission is persuaded that the solar rebate incentives for residential and commercial customers should be reduced consistent with Duke's recommendation, effective beginning with the solar rebate enrollment window opening on July 7, 2021.

The Commission appreciates SACE's concern that reducing the rebate value may impact participation by lower-income customers. The Commission is committed to exploring proposals intended to either assist low-income residential customers in installing desired solar resources or reduce the burden of energy costs on these households. The Commission encourages the parties to address these goals and consider responsive program structures in any future stakeholder collaborations meant to address these, and other, affordability issues.

Lottery

The Commission notes that a lottery system was first proposed by the Public Staff in these dockets in its initial comments, regarding the structure of the 2021 solar rebate program, filed on June 5, 2020. At the time, the Public Staff opined that a lottery might "ensure that all customers interested in participating in the Program have equitable access to the limited supply of available incentives." Public Staff June 5, 2020 Initial Comments at 5. In Duke's July 6, 2020 reply comments, it responded with a willingness to implement a lottery program and opined that "[t]here are advantages and disadvantages to first-come, first served systems and to lottery systems. Generally, first-come, first-served programs allow customers to have more control, while lottery systems avoid a frenzied rush and allow more opportunities to address issues which may arise." DEP and DEC July 6, 2020 Reply Comments at 1-2. However, NCSEA and SACE opposed the implementation of a lottery, with NCSEA arguing that "NCSEA and its members believe that a lottery system would actually be more unfair for customers by doing away with what limited control they currently have over whether they will receive a rebate[;]" and stating that "its members, solar installers were universally opposed to the measure." NCSEA July 6, 2020 Reply Comments at 8-9. In issuing the November 6, 2020 Order, the Commission gave weight to NCSEA's objections to a lottery program and declined to implement one for the 2021 solar rebate program.

The Commission notes that the January 2021 enrollment appears to have demonstrated that the "first come, first serve" program structure is no longer providing customers with any degree of control over whether they receive a rebate; thus the innate benefit of the "first come, first served" structure has been rendered moot. Further, since the program's inception, the "frenzied rush" experienced by residential and commercial customers attempting to submit their applications has been compounded each year as capacity has been exhausted in an increasingly quick amount of time. The Commission agrees with Duke, that the January 2021 enrollment process highlighted inherent issues with the "first come, first serve" structure, including inequities caused by internet speed and physical disabilities. Prior years have demonstrated that technical issues are also exacerbated by the "first come, first serve" structure. Finally, customers that require

assistance with their applications are essentially excluded from receiving a rebate under the current structure. The Commission agrees that, given these circumstances, it is time to try something new. The Commission finds the Companies' lottery proposal, which is supported by the Public Staff, to be an acceptable alternative.

Regarding the timing of the implementation of the lottery, the Commission appreciates NCSEA's objections — that if the Commission approves a lottery for the July 7, 2021, enrollment period, installers will not have adequate time to prepare for the change; however, the Commission believes that this concern is outweighed by the issues highlighted by the January 2021 enrollment, which as NCSEA states "caused more issues for consumers than any prior rollout since the beginning of the program." NCSEA Response to Application for Approval to Change Solar Rebate Program at 1. From the Commission's perspective, these issues should be addressed in time for the July 2021 enrollment period. Thus, the Commission agrees with Duke that the lottery should be implemented beginning with the enrollment period opening on July 7, 2021.

90-Day Rule

Duke's Application proposes to eliminate the 90-Day Rule, which limits applications from customers that have installed their systems prior to applying for a rebate to only those installations that have occurred within 90 days prior to the application date. In support of its proposal, Duke states that the 90-Day Rule has caused issues in the past and is the subject of consumer complaints. Instead, Duke proposes to allow customers who installed a system on or after October 6, 2020, to apply for a rebate for any allocation during the remainder of the Program. The Commission notes that no party has offered substantive commentary on this proposal; however, Duke represents that the Public Staff is supportive.

As discussed in detail herein, there is significantly more demand for residential and commercial rebates than there is available capacity. The Commission surmises that expanding the universe of potential applicants for this limited capacity by eliminating the 90-Day Rule and allowing customers that installed systems on or after October 6, 2020, to apply for a rebate for any allocation during the remainder of the program is likely to further aggravate the demand/supply issue. For this reason, the Commission is not inclined to accept this portion of Duke's Application.

The Commission is sympathetic to the issue caused by the timing of the November 6, 2020 Order to those residential and commercial customers that installed systems between October 6, 2020 and a date uncertain when installers and customers would have reasonably become aware of the November 6, 2020 Order. To address these customers' concerns, the Commission will allow January 2021 waitlisted residential and commercial customers with systems installed between October 6, 2020, and January 6, 2021, to submit an application for the July 2021 program enrollment. The Commission notes, out of an abundance of caution, that these customers still have no guarantee of receiving a rebate and, if successful, the customer's rebate will be at the reduced applicable incentive amount ordered herein.

Deadline to Install for Rebate Reservations

Under the current program rules, “a residential customer who obtains a rebate reservation in January-June must complete the installation by December 31 of the same year; a residential customer who obtains a rebate reservation in July-December must complete the installation by June 30 of the following year[.]” further, “[f]or a nonresidential customer with a project under 20 kW that does not require an interconnection agreement, the installation must be completed no later than 365 days from the date the rebate reservation was obtained.” DEC Solar Rebate Rider SRR (NC) Terms and Conditions § M; DEP Solar Rebate Rider SRR-5 Terms and Conditions § M.

Duke proposes to alter this rule by shortening, to 180 days from the rebate reservation award,¹⁰ the timeframe within which residential customers and small (under 20 kW) commercial customers with rebate reservations must install their systems. Duke opines that its proposed modification will give these customers “sufficient time to install their systems[.]” while “[a]ligning the timeframe to install with the biannual launch will provide for more capacity that will not be installed to be included in the following lottery[.]” Application at 11.

The Commission notes that, under Duke’s lottery proposal, which the Commission is approving, customers will likely not be notified of their rebate reservation award until July 27, 2021.¹¹ If these customers are given 180 days to install their systems, their installation deadline would be January 23, 2022, well-after the start of the January 2022 enrollment period, which is scheduled to open on January 5, 2022. For this reason, the Commission does not believe that the proposed modification will function as intended by Duke, in that it may not free up the unused capacity in time for the following enrollment lottery. Therefore, the Commission does not approve this portion of Duke’s Application.

Further, while the Commission appreciates that it is Duke’s intention to free up the unused capacity in time for the following enrollment period and next group of applicants, the Commission also observes that, if the installation period for residential and small commercial projects tolled prior to the end of the enrollment period, then capacity assigned to rebate reservations for projects that go uninstalled could be allocated to customers waitlisted during that enrollment period. The Commission further finds persuasive Duke’s commentary that, “once a rebate is received, customers decide fairly quickly whether to move forward with the installation.” *Id.* at 11. The Commission propounds that if it were feasible to award unused capacity to waitlisted customers, this could potentially alleviate some frustration and/or disappointment — at least for some customers.

¹⁰ “. . . the Companies propose to allow residential customers 180 days from the rebate reservation award to install their systems. Nonresidential customers with systems less than 20 kW will also be allowed 180 days from the rebate reservation award to install their systems.” Application at 11.

¹¹ “. . . no later than July 27, 2021, the Companies will send emails to customers informing them of their placement and post the waitlist to the website.” Application at 6.

At present, the Commission does not have adequate information before it to determine exactly what period of less than 180 days is a reasonable amount of time for a residential or small commercial customer to install a system. The Commission is interested receiving proposals for residential and small commercial customer installation time periods that are less than 180 days and that would accomplish either of the two ends discussed above while still providing these customer groups with sufficient time to install their systems. The Commission requests that Duke address these issues in its upcoming solar rebate program report and encourages interested parties to submit responsive comments on these issues, if desired, as is further ordered below.

Finally, given the transition to biannual enrollments per the Commission's November 6, 2020 Order, the Commission finds good cause to modify, as ordered below, the requirements of the April 3, 2018 Order Modifying and Approving Riders Implementing the Solar Rebate Program (April 3, 2018 Order) requiring Duke to submit an annual report on or before April 1 each year.

IT IS, THEREFORE, ORDERED as follows:

1. That, beginning with the solar rebate enrollment window opening on July 7, 2021, the incentive amounts for residential and commercial customers shall be reduced to reflect the current reasonable cost of these solar installations, as follows: \$0.40 per watt for residential customer installations, \$0.30 per watt for commercial customer installations. The incentive for nonprofit customer installations shall remain \$0.75 per watt;

2. That, the Commission hereby grants Duke's request to implement a lottery for the solar rebate program, as outlined in its March 3, 2021 Application, beginning with the scheduled July 2021 application period;

3. That, within one week of this Order, Duke shall have an instructional video available to customers and installers explaining the changes ordered herein and shall proactively communicate these changes to all customers who submitted an interconnection application for net metering, as well as to all residential and commercial January 2021 program applicants with preinstalled systems currently on the waitlist;

4. That, within 30 days of notifying rebate applicants of the results of the July 2021 lottery, Duke shall file with the Commission a report detailing how the initial lottery functioned and identifying any issues as well as cures implemented or proposed. That within 14 days of Duke's lottery report, the Public Staff and intervenors may file comments raising or responding to any observed issues with the implementation of the lottery;

5. That, waitlisted residential and commercial systems installed between October 6, 2020, and January 6, 2021, shall be eligible to submit an application for the July 2021 program enrollment;

6. That, going forward, Duke shall submit biannual reports on or before April 1, 2021, and every year thereafter for the duration of the solar rebate program and, on or before October 1, 2021, and every year thereafter for the duration of the solar rebate program, which shall include : (1) all information offered by the Companies to be included in the report; (2) all additional information directed by the Commission in the April 3, 2018 Order and the November 6, 2020 Order; and (3) any proposed changes to the Solar Rebate Rider; and

7. That, on or before May 6, 2021, the Public Staff and intervenors may file initial comments addressing Duke's first 2021 biannual report. And on or before June 3 2021, all parties may file reply comments responding to the initial comments filed by other parties.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of March, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, flowing style.

Kimberley A. Campbell, Chief Clerk