

**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)	INITIAL COMMENTS OF THE
Requesting Approval of Solar Rebate)	PUBLIC STAFF
Program Pursuant to N.C. Gen. Stat.)	
§62-155(f)		

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and respectfully submits initial comments on the Solar Rebate Program Annual Report (Report) filed by Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) (collectively, Duke or the Companies) in the above-captioned docket on April 1, 2021.

On March 23, 2021, the Commission issued an Order Modifying Solar Rebate Program and Allowing Comments allowing the Public Staff and other parties to file initial comments addressing the Report on or before May 6, 2021, and to file reply comments on or before June 3, 2021. The Commission's Order also requested that Duke address in its Report the appropriate period of time for a residential or small commercial customer to install a system after receiving a rebate reservation (Reservation Install Period), after denying Duke's request of 180 days. The Commission found that the proposed time period of 180 days would preclude Duke from assigning unused capacity to customers on the waitlist or in

the subsequent enrollment window in a timely manner. The Commission requested additional information with regard to the determination of the appropriate length of time for the Reservation Install Period that would provide customers a reasonable amount of time to install the system while also accomplishing one of the following two ends: (1) free up unused capacity¹ in time to be allocated to waitlisted customers from the same enrollment period, or (2) free up unused capacity in time to be rolled over to the following enrollment period lottery.²

The Public Staff has reviewed the Report filed by Duke. The Report provides a summary of program activities in 2020 and requests approval of an amendment to its Solar Rebate Program to address the Commission's concerns with regard to the appropriate length of the Reservation Install Period.

In its Report, Duke provides details as to the participation rates of the program in 2020. Between DEC and DEP, the following customers received a rebate in 2020: 1,831 residential, 70 non-residential, 20 non-profit, and 3 NC Green Power. Total program costs were \$11.6 million, split approximately evenly between DEC and DEP, with administrative costs of approximately \$720,000, or 6.2% of total program costs.

Duke notes that no fraud was detected in 2020. Duke provides a summary of rejected applications, noting that most applications were rejected as duplicates or due to the project being completed more than 90 days prior to the application

¹ Some customers who receive a rebate reservation will decide not to install the solar system within the Reservation Install Period, or they may install a smaller system than the rebate reservation was claimed for. This is referred to as "unused capacity."

² Order at 21-22.

submission. Approximately 1,595 applications were cancelled at year end, almost all residential. Duke also notes that the two early termination fees assessed in DEC have not yet been paid. Duke will refer these fees to collection agencies should they remain unpaid.

Duke also states that as a result of the technology challenges in 2020, it accepted evidence from 390 customers who were able to demonstrate that they successfully applied but the Duke system did not receive the application. If the provided time stamp was prior to the sellout time of the rebates in 2020, those customers were granted a rebate. The Public Staff notes that after the 2020 rebate application issues, it received numerous customer complaints regarding failed applications and worked with Duke and the affected customers extensively to provide relief where appropriate. The Public Staff is satisfied that Duke has made reasonable efforts to remedy the issue and is pleased that 390 customers were able to provide the required evidence of proper application, although it is likely that many more customers experienced technical issues but did not have text messages, emails, or screenshots to provide evidence of their application.

Regarding the proposed changes to the Reservation Install Period, Duke states that it explored four options after the Commission rejected its proposed 180 day Reservation Install Period: 90 days, 120 days, 150 days, and alignment with the end of the enrollment time period. Duke eliminates the options of 120 days and 150 days as both would put the end of the July 2021 Reservation Install Period around major holidays, Thanksgiving and Christmas, respectively. Duke does not object to the 90 day option but states that it prefers the fourth option to align the

Reservation Install Period with the end of the enrollment period. Duke states that this date would allow unused capacity from the current enrollment period to be reallocated to the next enrollment period, but not to waitlisted customers from the current enrollment period. Duke's proposal would equate to an approximately 156 day Reservation Install Period.³

The Public Staff believes that the most equitable method is to utilize a Reservation Install Period that both allows an opportunity for unused capacity from the current enrollment period to be allocated to waitlisted customers from the current enrollment period and a reasonable amount of time to install. The Public Staff also notes that there is little difference between ending the Reservation Install Period for the July enrollment window on December 24 (using a 150 day Reservation Install Period) or December 31 (using Duke's preferred Reservation Install Period). Therefore, the Public Staff recommends the use of a 150 day Reservation Install Period. This time period would allow Duke approximately one week to allocate any unused capacity to waitlisted customers from the current enrollment period. If a waitlisted customer receives a rebate reservation, that customer would similarly have 150 days to install their system, pursuant to the program terms. Any unused capacity at that expiration of that term would be made available to the waitlist in effect at that time.

In making this recommendation, the Public Staff notes that of the dozens of customer calls and complaints it has received regarding the rebate reservation

³ Report at 6-7.

program, a common theme is that the customers placed on the waitlist have very little faith that unused capacity will ever be allocated to them. The Public Staff believes it is appropriate to select a timeframe that allows an opportunity for those on the waitlist to be allocated unused capacity prior to the opening of the new enrollment window while allowing a sufficient amount of time to customers that have been awarded a rebate time to install a system. However, the Public Staff believes the comments of solar installers on this matter are valuable because they may have a better understanding of customer timelines and the impact of ending the July Reservation Install Period right before a major holiday. The Public Staff will consider any initial comments from intervenors on their preferred timeframe and respond in reply comments as appropriate.

Respectfully submitted this the 6th day of May, 2021.

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Electronically submitted
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CERTIFICATE OF SERVICE

I certify that a copy of these Comments has been served on all parties of record or their attorneys, or both, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 6th day of May, 2021.

Electronically submitted
/s/ Layla Cummings