

**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) ORDER MODIFYING
Approval of Solar Rebate Program) RESERVATION INSTALL PERIOD
Pursuant to N.C. Gen. Stat. § 62-155(f))

BY THE COMMISSION: On March 23, 2021, the Commission issued an Order Modifying Solar Rebate Program and Allowing Comments (March 23, 2021 Order) in Docket Nos. E-2, Sub 1167 and E-7, Sub 1166. In pertinent part, the Commission granted Duke Energy Progress, LLC's and Duke Energy Carolinas, LLC's (collectively, Duke) request to implement a lottery for the Solar Rebate Program, as outlined in Duke's March 3, 2021 Application for Approval to Revise Solar Rebate Program. The Order further required Duke to submit the first of two biannual solar rebate program reports on or before April 1, 2021.

The Commission also directed that Duke address in its upcoming biannual report the appropriate period of time for residential and small (under 20kW) commercial customers to install a solar system after receiving a rebate reservation (Reservation Install Period), after denying Duke's request for a Reservation Install Period of 180 days. The Commission found that Duke's proposed timeframe 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 proposals for residential and small commercial customer installation time periods that are less than 180 days and that would free up unused capacity in time to be allocated to waitlisted customers from the same enrollment period or free up unused capacity in time to be rolled over to the following enrollment period, while still providing these customer groups with sufficient time to install their systems.

The March 23, 2021 Order further allowed interested parties to submit responsive comments on these issues and allowed the Public Staff and intervenors to file initial comments addressing Duke's first 2021 biannual report on or before May 6, 2021, and to file reply comments on or before June 3, 2021.

On April 1, 2021, Duke filed its Joint Annual Solar Rebate Program Report and Request to Amend Program Application Periods, providing additional information regarding the installation time periods for residential and small commercial customers. In its report, Duke requested approval of an amendment to its solar rebate program to address the Commission's concerns about the appropriate length of the Reservation Install Period.

On May 6, 2021, the Public Staff, the Southern Alliance for Clean Energy (SACE), and the North Carolina Sustainable Energy Association (NCSEA) filed initial comments.

On May 28, 2021, the Public Staff filed a motion requesting an extension of time up to and including June 14, 2021, to file reply comments. In support of the motion, the Public Staff stated that it reached out to the commenting parties and believed further conversations would be useful to potentially reaching an agreement on a recommendation for the appropriate length of the Reservation Install Period. On June 3, 2021, the Commission issued an Order granting the Public Staff's motion.

On June 14, 2021, the Public Staff filed reply comments and Duke filed a letter in lieu of reply comments.

RECOMMENDATIONS OF THE PARTIES

Duke's Request to Amend the Reservation Install Period

Regarding proposed changes to the Reservation Install Period, Duke states that it explored four options for the installation time periods: 90 days, 120 days, 150 days, and alignment with the end of the enrollment period. In evaluating these options, Duke eliminated the options of 120 days and 150 days from July 27, 2021 (the date by which Duke expects to announce the random selection for the July capacity opening) because both would fall around major holidays — Thanksgiving and Christmas, respectively. Duke also states that the solar rebate program would benefit by having the time periods end on the same dates each year. Duke proposes two options based on this information.

The first option proposed by Duke allows customers with rebate reservations to have 90 days from June 27, 2021, to complete their installations. For the July 2021 application window, these reservations would have from July 27, 2021, to October 25, 2021, for a bidirectional meter to be installed. Any unused capacity would be reallocated to the waitlist after the expiration of the 90 days. New reservations allocated from the waitlist would also have 90 days to complete their installations. According to Duke, although the date of the expiration of the second 90-day period would fall after the start of the enrollment period for January 2022, it provides an opportunity for the capacity to be reallocated within approximately a week of the waitlist being published. Future enrollment periods would have the same timeframes.

The second option, which is preferable to Duke, aligns the deadline of the installation with the last day of each enrollment period. Residential and small commercial customers with reservations in July 2021 would have until December 31, 2021, to have a bidirectional meter installed. Reservations for the January 2022 enrollment period would have until June 30, 2022, to complete their meter installments, and so forth. This timeframe would allow customers approximately 156 days from the day Duke communicates the reservation to the deadline date. Duke states that this option does not allow sufficient time for the unallocated capacity to be reallocated to the current waitlist because the waitlist expires on the last day of the enrollment period. However, according to Duke, it would likely provide for more capacity to be included in the following enrollment period. Duke states that this alignment would provide a larger window to install than 90 days, which may be challenging for some customers and/or installation companies. Duke

indicates having the same dates would decrease the possible confusion that multiple dates could cause.

Public Staff's Initial Comments

The Public Staff 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 proposes the use of a 150-day Reservation Install Period. According to the Public Staff, this time period allows Duke approximately one week to allocate any unused capacity to waitlisted customers from the current enrollment period. The Public Staff states that if a waitlisted customer receives a rebate reservation, that customer would similarly have 150 days for system installment, pursuant to the program terms. Any unused capacity at the expiration of that term would be made available to the waitlist in effect at the time.

In making its recommendation, the Public Staff states that of the dozens of customer calls and complaints it received regarding the solar rebate reservation program, a common theme was that the customers placed on the waitlist had very little faith that unused capacity would ever be allocated to them. The Public Staff states that 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. The Public Staff further states that comments of solar installers on this issue would be valuable and that it would consider any initial comments from intervenors on their preferred timeframe and respond in reply comments.

SACE's Initial Comments

SACE states that it shares Duke's concern that 90 days does not give customers enough time to complete their system installations, which is essential to the functioning of the program. SACE recommends a slight modification to Duke's preferred option involving end-of-year and mid-year deadlines. SACE proposes that the deadline be set at the fifteenth of the months of December and June. According to SACE, this would provide enough time to tabulate the installations and incentives claimed in the period that is closing and free up unused capacity in time for the following enrollment lottery. SACE states that this proposal would provide some time between the installation deadline and the major holidays — New Year's Day and the Fourth of July (Duke proposed June 30 and December 31).

SACE opines that this proposal would not allow time to take unused capacity from one period and reallocate it to customers on the waitlist for that period. A proposal that would do so would result in installing more capacity sooner, with benefits for customers, the economy, and the climate. However, according to SACE, the only concrete proposal that would allow sufficient time — 90 days — is unworkable. SACE further states that if waitlist recipients receive the same amount of time to install as the initial rebate reservation recipients, then, as Duke points out, even at 90 days the waitlist would run into the next enrollment window and capacity could not be reallocated for the start of the window. SACE opines that if there were a viable window somewhere between 90 days

and 180 days, combined with a shorter timeline for waitlist recipients so that the entire enrollment window finished in time to reallocate capacity for the next window, SACE would entertain such a proposal. However, SACE indicates that it understands that solar installers support, and might require, a minimum window of 150 to 160 days to complete initial installations. In the alternative, SACE does not oppose Duke's preferred option.

NCSEA's Initial Comments

NCSEA states that it supports, in part, Duke's preferred option of aligning the deadline of the installation with the last day of each enrollment period. NCSEA agrees that Duke's other proposal of a 90-day installation window is not a workable option for many of NCSEA's solar installer members because a 90-day window would be too short for installers to be able to guarantee their customers a timely installation. NCSEA states that its solar installer members generally preferred approximately 150-day to 160-day window.

Accordingly, NCSEA supports an end-of-year installation deadline for residential and small commercial customers awarded rebates in the July 2021 lottery, as proposed by Duke. However, NCSEA stated that it is concerned about the treatment of customers on the waitlist when the installation deadline passes and, as Duke proposes, any leftover capacity from unbuilt projects would flow to the next rebate window. While NCSEA is supportive of rolling over excess capacity to the next lottery window, it states that customers with projects near the front of the waitlist queue may be unnecessarily harmed unless certain protections are adopted.

While NSCEA supported the 150-plus day window for rebate lottery winners to install their systems, NCSEA states that it does not believe that this abbreviated window, where a greater number of projects might not be timely built than in the past, would provide the same opportunities that prior rebate installation windows provided waitlisted customers. NCSEA proposes two changes to Duke's preferred proposal: (1) waitlisted customers that have already installed should be granted rebates if their places in the queue open up at the end of the initial lottery installation window; and (2) customers on the waitlist who have not already installed and that are awarded capacity in the final 90 days, up to and including the end-of-2021 installation deadline, should be granted extra time to install their systems.

NCSEA recommends that the window for customers on the waitlist that are awarded capacity in the final 90 days up to and including the end-of-2021 installation deadline could match up with the next lottery allocation window, *i.e.*, a waitlisted and then late-awarded 2021/2022 project would have until approximately July 2022 to install. NCSEA states that it is also willing to discuss a longer window if parties are interested.

The Public Staff's Reply Comments

The Public Staff states that it discussed with Duke, SACE, and NCSEA a joint proposal that incorporates aspects of each intervenor's initial comments (the Consensus Proposal) and that all parties have indicated their support for the Consensus Proposal.

Under the Consensus Proposal, residential and small commercial customers that receive a rebate reservation in the upcoming July 2021 application window will have until December 15, 2021, to install their solar systems, in alignment with SACE's proposal. Customers that have not installed their systems by that date will have their application cancelled and their unused capacity reallocated to the July 2021 waitlist.

Waitlisted customers who are allocated unused capacity and have installed their systems will receive a rebate check. Waitlisted customers that are allocated unused capacity as a rebate reservation will have until June 15, 2022, to install their systems, aligning them with the installation deadlines for customers who receive a rebate reservation during the January 2022 application window.

The Public Staff states that this process would repeat for the January 2022 window, with rebate reservation customers having until June 15, 2022, to install their systems before their applications are cancelled and the unused capacity is allocated to the January 2022 waitlist.

The Public Staff states that this approach would provide customers that receive a rebate reservation sufficient time (approximately 140 days) to install their systems. The Consensus Proposal would also provide the opportunity for unused capacity from an enrollment window to be reallocated to the waitlisted customers in that enrollment window, potentially alleviating some frustration and disappointment. According to the Public Staff, the Consensus Proposal will result in some waitlisted customers who receive a rebate reservation having more time to install their systems than customers who received a rebate reservation in the initial lottery, but the Public Staff opines this is preferable to waitlisted customers having less time.

Duke's Letter in Lieu of Reply Comments

Duke filed a letter in lieu of reply comments to express support for the Consensus Proposal. Duke states that the Consensus Proposal allows sufficient time for customers to install their systems and allocates unused capacity for waitlisted customers.

DISCUSSION AND CONCLUSIONS

The Commission has carefully reviewed Duke's first 2021 biannual report and its request to amend program application periods and the initial and reply comments of the Public Staff and intervenors. The Commission gives significant weight to the fact that all parties support the Consensus Proposal and commends the parties for working together toward a proposal that addresses each party's respective concerns while providing a proposal with the potential to achieve the overall goal of alleviating some of the frustration and disappointment traditionally felt by waitlisted customers. The Commission finds persuasive the statements of the Public Staff and Duke that the Consensus Proposal

provides customers a reasonable amount of time to install their systems. The Commission also finds the proposed treatment of waitlisted customers reasonable in light of the totality of the circumstances. Based on the foregoing and the entire record in this proceeding, the Commission finds good cause to accept the Consensus Proposal as outlined in the Public Staff's Reply Comments.

IT IS, THEREFORE, ORDERED as follows:

1. That residential and small commercial customers who receive a rebate reservation in the July 2021 application window shall have until December 15, 2021, to install their solar systems;

2. That residential and small commercial customers who have received a rebate reservation in the July 2021 application window but who have not installed their systems by December 15, 2021, shall have their applications and rebate eligibility cancelled and the resulting unused rebate capacity reallocated to customers on the July 2021 waitlist;

3. That waitlisted residential and small commercial customers who are allocated unused capacity pursuant to Paragraph 2 of this Order and who have installed their systems by the date set forth in Paragraph 4 of this Order shall receive a rebate;

4. That waitlisted customers who are allocated unused capacity pursuant to Paragraphs 2 and 3 of this Order shall have until June 15, 2022, to install their systems, thereby aligning the deadline for such customers with the installation deadlines for customers who receive a rebate reservation during the January 2022 application window; and

5. That the process described in the preceding paragraphs of this Order shall repeat for the January 2022 application period. For the January 2022 application window, residential and small commercial rebate reservation customers shall have until June 15, 2022, to install their systems before their applications are cancelled and the unused capacity allocated to customers on the January 2022 waitlist.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of July, 2021.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Interim Chief Clerk