BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, Sub 1167

DOCKET NO. E-7, Sub 1166

In the Matter of:

Application of Duke Energy Progress, LLC
and Duke Energy Carolinas, LLC Requesting
Approval of Solar Rebate Program Pursuant to
N.C. Gen. Stat. § 62-155(f)

DUKE ENERGY PROGRESS,
LLC AND DUKE ENERGY
CAROLINAS, LLC'S
REPLYCOMMENTS

NOW COMES Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (collectively "Duke Energy"), pursuant to the Commission's Order on April 24, 2019, *Order Allowing Comments*, and respectfully submits reply comments in response to the comments filed by the Public Staff – North Carolina Utilities Commission ("Public Staff") and the North Carolina Sustainable Energy Association ("NCSEA") filed on June 6, 2019 and June 7, 2019, respectively.

The Public Staff and the NCSEA did not request the Commission to make any changes at this time to the Solar Rebate Program. Neither the Public Staff nor the NCSEA opposed Duke Energy's intention to continue monthly updates on its website for the Solar Rebate Program for the remainder of 2019 because the residential and non-residential capacity limits were reached after the initial 2019 launch period. Duke Energy will resume weekly updates in the 2020 program year.

In its comments, the NCSEA states that legislative changes may be required to achieve the best possible Rebate Program. The NCSEA advocates modifying the Rebate Program to allow for more consumers and businesses to have the opportunity to participate. Duke Energy agrees with NCSEA that legislative action by the General Assembly would be required in this instance. The Solar Rebate Program's capacity limits were set by the General Assembly as part of House Bill 589; consequently, changes to the program size would require action by the General Assembly.

The Public Staff anticipates that, similar to 2018 and 2019, the residential and non-residential capacity limits in 2020 will be reached quickly, but the non-profits may not meet their capacity limitations. If that is the case, the Public Staff states it would be appropriate for Duke to re-evaluate and adjust the rebate incentive amounts prior to the 2021 rebate windows to reduce the rebate incentive amount for residential and non-residential customers and to increase the rebate incentive amount for non-profit customers with a balanced approach in order not to increase the overall cost of the program. In the Commission's April 3, 2018 *Order Modifying and Approving Riders Implementing Solar Rebate Program*, it directed Duke Energy to include information in its annual report, on an ongoing basis, that monitors the reasonableness of the incentives offered.

Next year, as well as in future years of the Solar Rebate Program, Duke Energy will continue to evaluate the reasonableness of the incentives offered and propose adjustments to rebate incentive amounts based on those evaluations. The annual report in 2020 will provide an opportunity for the parties and the Commission to review and

approve potential changes to the rebate incentive amount, while still allowing time for installers to prepare for the launch of the program in 2021.

Respectfully submitted this 3rd day of July 2019.

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ATTORNEYS FOR DUKE ENERGY PROGRESS, LLC AND DUKE ENERGY CAROLINAS, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's Reply Comments has been served by electronic mail (email), hand delivery, or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This, the 3rd day of July 2019.

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