

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH  
DOCKET NO. E-2, SUB 1287  
DOCKET NO. E-7, SUB 1261**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, Sub 1287	)	
	)	
In the Matter of:	)	
Application of Duke Energy Progress, LLC	)	
For Approval of Smart \$aver Solar Energy	)	
Efficiency Program	)	
	)	
DOCKET NO. E-7, Sub 1261	)	COMMENTS OF
	)	THE ATTORNEY GENERAL'S
In the Matter of:	)	OFFICE
Application by Duke Energy Carolinas, LLC	)	
for Approval of Smart \$aver Solar Energy	)	
Efficiency Program	)	

The North Carolina Attorney General's Office (AGO) respectfully submits these initial comments regarding Duke Energy Progress, LLC (DEP) and Duke Energy Carolinas, LLC (DEC) (together, Duke) applications for approval of the Smart \$aver Solar Energy Efficiency Program (the Program). The Program would allow eligible customers to receive an upfront monetary incentive for installing residential rooftop solar. Duke's current Solar Rebate Programs have been a valuable resource to residential customers across North Carolina—leading to increased cost-effective residential solar installations. The AGO is supportive of incentives for installing residential rooftop solar, but believes that the Commission should postpone issuing an order concerning Duke's applications. As explained further below, these dockets are closely connected to other dockets pending before the Commission and may be impacted by analysis that has yet to be performed.

On December 31, 2021, Duke filed applications for approval of this Program. Under the Program, residential customers can receive an upfront monetary incentive in the form of a rebate for installing rooftop photovoltaic (PV or solar) systems on their homes. The rebate is set at \$0.36/Watt-DC. The average per participant rebate is estimated to be approximately \$3,000.<sup>1</sup> Participating customers are also required to commit to 25 years of participation in the winter-focused Power Manager Load Control Service Rider also known as the Bring Your Own Thermostat (BYOT) program. Finally, eligibility is limited to customers that have all-electric water heating, clothes drying, and environmental space conditioning.

Commission Rule R8-68(d)(2) allows interested parties to file comments within 30 days of the filing of an application for the approval or modification of a demand-side management (DSM) or energy efficiency (EE) program. The Commission has granted two requests for extensions filed by the by the Public Staff and the AGO, extending the deadline to file comments until March 15, 2022.

Duke's applications' terms were agreed to in a Memorandum of Understanding (MOU) entered into between Duke, North Carolina Sustainable Energy Association; Southern Environmental Law Center on behalf of Vote Solar and Southern Alliance for Clean Energy; Sunrun, Inc.; and Solar Energy Industries

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<sup>1</sup> Duke Energy Carolinas, LLC's Application for Approval of Smart \$aver Solar Energy Efficiency Program, Docket No. E-7, Sub 1261 (Dec. 16, 2021) (DEC Application), Exhibit 1, Attachment D; Duke Energy Progress, LLC's Application for Approval of Smart \$aver Solar Energy Efficiency Program, Docket No. E-2, Sub 1287 (Dec. 16, 2021) (DEP Application), Exhibit 1, Attachment D.

Association (together, the Parties) on November 29, 2021.<sup>2</sup> Under the MOU, the Parties agreed to advocate for the Program as well as revised Net Energy Metering tariffs, which have been filed in a separate docket.<sup>3</sup> The MOU makes clear that a partial approval of the terms was not an acceptable result. The parties entered into a similar MOU regarding Duke's South Carolina territories on September 16, 2020.<sup>4</sup>

On October 13, 2021, Governor Cooper signed House Bill 951, which directed this Commission to take all reasonable steps to achieve reductions in the emissions of carbon dioxide from electric generating facilities owned or operated by certain electric public utilities. The Commission has directed Duke to file proposed plans by May 16, 2022 to meet that goal.<sup>5</sup> Residential solar will undoubtedly play a significant role in achieving the goals of House Bill 951 and should be a key part of the Duke's proposed plans.

Duke's current Solar Rebate Programs are required by House Bill 589, codified as N.C. Gen. Stat. § 62-155(f), until at least December 31, 2022. House Bill 589 also required the Commission to establish new net metering rates after "an investigation of the costs and benefits of customer-sited generation." In Duke's joint petition for approval of revised net energy metering tariffs, Duke asserted that

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<sup>2</sup> Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Joint Petition for Approval of Revised Net Energy Metering Tariffs, Docket No. E-100, Sub 180 (Nov. 29, 2021), Memorandum of Understanding.

<sup>3</sup> *Id.*

<sup>4</sup> Memorandum of Understanding, South Carolina Public Service Commission Docket No. 2020-264-E (Dec. 4, 2020), available at:

<https://dms.psc.sc.gov/Attachments/Matter/6c563956-e357-478a-94ce-6c634e0dd78b>.

<sup>5</sup> Order Requiring Filing of Carbon Plan and Establishing Procedural Deadlines, Docket No. E-100, Sub 179 (Nov. 19, 2021); Order Granting Extension of Time, Docket No. E-100, Sub 179 (Nov. 29, 2021).

its Comprehensive Rate Design Study fulfills this requirement.<sup>6</sup> While the Comprehensive Rate Design Study investigated the costs of customer-sited generation, it did not investigate potential benefits of customer-sited generation. These potential benefits are many—from reducing carbon emissions by offsetting fossil fuel generation to improving grid resilience—and they must be investigated and quantified. It may not be possible to fully quantify those benefits until there is more clarity on the role customer-sited generation will play in meeting the carbon reduction goals of House Bill 951.

With this background in mind, the AGO believes it would be prudent for the Commission to delay issuing an order in this docket until a later date. The parties to the MOU envisioned the Program and the revised Net Energy Metering tariffs to operate in unison. While the MOU is not binding on the Commission, the Parties thoughtfully negotiated a creative approach to balancing a variety of interests. The Commission should avoid either approving or rejecting the Program until the proposed Net Energy Metering tariffs have been fully investigated, but should act in sufficient time to ensure a replacement solar rebate is implemented before the expiration of the current program, which is currently set for December 31, 2022. Such an investigation may not be possible until further in the Carbon Plan process when there is more clarity on what role residential rooftop solar will play in meeting our state’s carbon reduction goals. These carbon reduction goals are critically important and may be undermined by addressing these applications in isolation,

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<sup>6</sup> See Duke Energy Carolinas, LLC’s and Duke Energy Progress, LLC’s Joint Petition for Approval of Revised Net Energy Metering Tariffs, Docket No. E-100, Sub 180 at 7 (Nov. 29, 2021).

rather than through the holistic view of the Carbon Plan process or in combination with the proposed Net Energy Metering tariffs. The AGO discussed this approach with the Public Staff. While the Public Staff has additional views to be addressed in separately filed comments, the Public Staff has indicated that it does not oppose the AGO's request that the Commission postpone issuing an order in this docket until related issues are decided.

Respectfully submitted this the 15<sup>th</sup> of March, 2022.

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**CERTIFICATE OF SERVICE**

The undersigned certifies that he has served a copy of the foregoing COMMENTS OF THE ATTORNEY GENERAL'S OFFICE upon the parties of record in this proceeding by email, this the 15th day of March, 2022.

/s/ Tirrill Moore  
Assistant Attorney General