

Geothermal Design Center Inc.
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Date: March 28, 2022

To: North Carolina Utilities Commission

Re: Comment on Docket No. E-100 Sub 180 - "Petition for Approval of Revised Net Energy Metering Tariffs"

Subject: Lack of Proper Basis for Claims and Improper Pressuring of Potential Respondents

Dear Utilities Commission:

I make two specific Comments here with regard to the Docket No. E-100 Sub 180 -- one with regard to the basis for the rate increase request which appears to be without proper basis, and the other with regard to behavior of the Petition applicant suppressing input to the Utilities Commission.

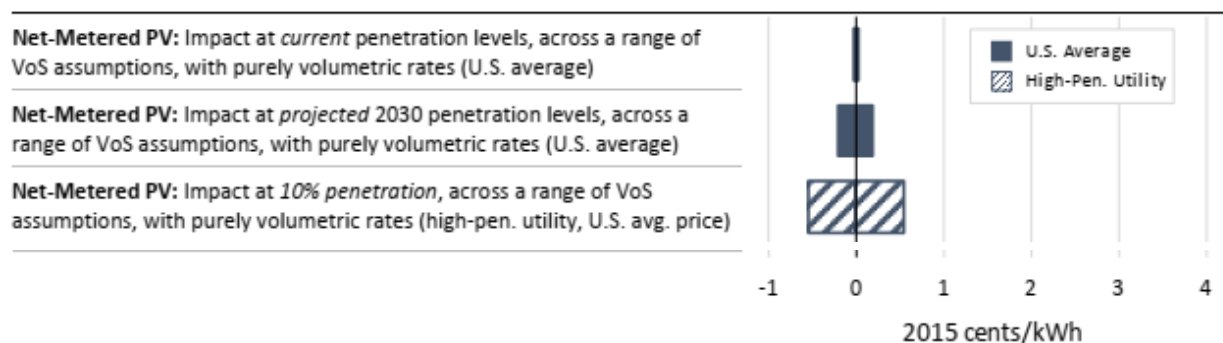
Invalid Basis of Proposed Tariff Changes:

The "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" filing gives only a presumptive basis for raising homeowner rates for rooftop systems and at no point provides any factual evidence backing the rate change request. In particular, they say the following as the basis for the Petition and note the word "potential" used twice: "Duke's Rate Design Study reveals that there is a potential embedded cost cross-subsidy ..." and "The Companies' analyses concluded that there is a potential marginal cost cross-subsidy...". Those claims in the Petition by Duke are not factual basis for making such a change -- the "potential" for something is nothing real and should have no bearing on NCUC decisions at all! If Duke cannot or will not produce actual hard evidence of cross subsidy then the Utilities Commission should reject the proposal out of hand and without any further consideration. It is not the role of the Utilities Commission to punish citizens by allowing Duke Energy to charge them based on some perceived "potential" of the citizen's positive effort to help provide Clean Electric Power which is the basis of the whole Net Energy Metering (NEM) matter. It is as if Duke is saying that Good Deeds by North Carolina Citizens must be punished with higher rates.

The absurdity of the Petition is further exposed by Duke wanting to charge the customer a monthly Grid Access Fee ("GAF") and a monthly minimum bill ("MMB") both based on the DC rating of a PV array. This is absolutely absurd -- Duke does not accept DC power or have any association to DC power at all, yet they want to effectively Tax citizens' PV installations based on something Duke has no relationship with. Let me expose the absurdity of this -- consider a customer who is Time of Use billed hence fully properly billed according to this petition but who also has a large electric battery or thermal batteries in the form of water tanks or a

geothermal heat exchanger and who puts 100% of their excess power into those electric or thermal storage means. The customer spent the monies to install those grid peak reducing capabilities and is behind the meter charging them so that Duke Energy never even sees the full DC rating of the PV array. Yet according to this Petition, the customer would have to pay Duke Energy for even having that PV array regardless of whether it ever affected Duke Energy at all. Such a GAF charge is absurd and should in my opinion be laughed out of the room by the Utilities Commission! That is just one example of the scale of how much should be questioned about this NEM Petition. There are other absurd proposals such as a monthly minimum bill ("MMB") for PV owners which translates to if you don't pay Duke Energy enough, then they can charge you more -- what happened to Energy Conservation and reducing electric demand as we fully Electrify, or are all those fully laudable and previously supported changes just thrown out the door when it comes to anyone who might generate much of their own energy?

To confirm our suggestions of improper rate request we strongly suggest you consider the U.S. Department of Energy Lawrence Berkeley National Laboratory's "Putting the Potential Rate Impacts of Distributed Solar into Context" (see <https://emp.lbl.gov/publications/putting-potential-rate-impacts>) which clearly shows in their Conclusion (pg 31) that "For the vast majority of states and utilities, the effects of distributed solar on retail electricity prices will likely remain negligible for the foreseeable future." This is also shown in their graphic on pg 31, pertinent parts as follows:



Seemingly Wrongful Behavior by a Regulated Utility:

Turning now to what appears to me to be wrongful behavior by Duke Energy, we understand and see stated in the Petition that a Memorandum of Understanding (MOU) - was reached with several non-profits that we are told has restricted those non-profits' ability to speak against this Petition. Looking at the MOU itself, we find this unbelievable language: "2. Media. During ongoing negotiations and during subsequent stakeholder engagement (pre-filing or post-filing of NEM-related or Incentive-related filings at the NCUC), the Parties agree to positively characterize each other's collaboration at public events and in the media (including social media) and will refer to this proposal as the next evolution of retail rate NEM and a major advancement to the solar industry and energy efficiency efforts in North Carolina." This is a very disturbing development that a regulated utility is allowed to even make agreements that censor the First Amendment Rights of anyone under any circumstances. The very existence of this MOU should Loudly tell the Utilities Commission that you do not have all the proper information to make an informed decision on this Petition. More specifically, it absolutely

guarantees that the whole matter is Propaganda and not fully reasoned consideration. A Regulated Utility should in my opinion NEVER be allowed to post anything based on censoring anyone on any point, and must be summarily rejected when the MOU clearly states as such. They have in essence agreed to throw all mid-sized private PV owners under the bus so to speak in support of large utility scale solar whom the co-signatories of the MOU generally represent. When one must get a party under contract to restrict their language, it is obvious to me what they say will never be the whole story ... and that they now cannot tell you the whole story. In my opinion, their input cannot be trusted in this matter.

But even further to this question of improper behavior by Duke Energy, we are active members of a regional non-profit energy reduction effort which was considering Submission of a Comment in this matter but ceased that effort in very large part by what I was told was the Duke Energy employee member of that effort stating off the record that he would have to reconsider involvement in the effort if it actually filed a Public Comment. The Comment being considered had only to do with suggesting a proper analysis was needed before any consideration of the proposed NEM rate change, a suggestion that is clearly legitimate given that no concrete basis or independent 3rd party analysis has been given for the change. I am not personally savvy to exactly what was said "off the record" in no small part because the Duke employee and member of that group did not even show up at the public meeting where this was presented, but it was clear to me that Duke was willfully applying pressure off the record to block that Public Comment by a non-profit corporation. The threat did in fact have an effect and there is no Comment being filed by the non-profit. This is a Very Bad Sign that a powerful and large Public Utility Commission regulated corporation would make specific efforts to squash First Amendment Rights in this supposedly Public Process. At the very least, it shows the likelihood that Duke realizes it does not have legitimate basis for the proposed NEM rates and thus cannot risk public scrutiny.

Conclusion:

I strongly suggest the Utilities Commissions should reject this proposed NEM rate change until such time as A) an independent 3rd party analysis based on actual facts is undertaken including taking into account all customer situations the NEM change will affect, and B) Duke Energy ceases all of its efforts to squash meaningful Public Comment on this and any other Petition under consideration by the Utilities Commission. I suggest that anything less than full rejection of this insufficiently supported and in my opinion wrongfully being pursued NEM Petition would be a true disservice to the Citizens of North Carolina.

Respectfully,

Rick Clemenzi, PE, CGD

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