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May 19, 2022

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: **Agreement Reached Among the Companies and Various Stakeholders
Docket No. E-100, Sub 180**

Dear Ms. Dunston:

On behalf of Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) and together with DEC, the “Companies”), I am providing the North Carolina Utilities Commission (the “Commission”) with the enclosed Stipulation among the Companies, Sundance Power Systems, Inc., Southern Energy Management, Inc., and Yes Solar Solutions (the “North Carolina Rooftop Solar Installers” or “NCRSI”). The Stipulation presents a transitional rate option (the “Proposed Bridge Rate”) for net energy metering (“NEM”) customers in North Carolina, while creating additional benefits for all customers (participating, non-participating, and low-income).

As a preliminary matter, the Companies and the NCRSI (the “Stipulating Parties”) are grateful to the Commission for the extensions of time granted in this docket to file Reply Comments. These negotiations took place over the course of several weeks and those extensions of time allowed the Stipulating Parties to find a compromise solution and narrow the issues in controversy in this docket. As described in the Companies’ Application, stakeholder engagement was a fundamental part of the development of the NEM tariffs, and the Companies are encouraged that continued stakeholder engagement resulted in a broader consensus on these complex issues.

As for the Proposed Bridge Rate, it would be offered as a limited alternative to the time-of-use tariffs proposed in the Companies’ Application.¹ This alternative rate option would be open to existing and eligible new customers who apply for this option through December 31, 2026, subject to annual capacity caps. Customers electing to take service on the Proposed Bridge Rate may do so for up to 15 years, subject to certain limitations outlined in the Stipulation.

The Proposed Bridge Rate includes monthly netting at the applicable avoided cost rate and includes the same monthly minimum bill (“MMB”) and non-bypassable charge that are

¹ The Companies plan to address the Stipulation in greater detail via the Reply Comments that will be filed on Friday, May 20th.

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included within the NEM tariffs proposed in the Companies' Application. However, the Proposed Bridge Rate does not include a grid access fee or mandatory time-of-use rates. The following customers would be exempted from the MMB under the Proposed Bridge Rate: Homes specifically built for low-income and vulnerable customers (e.g. Habitat for Humanity), LIHEAP recipients, and CIP recipients.² The Stipulation includes additional provisions that aim to create benefits to all customers above and beyond the alternative NEM rates outlined above—ranging from additional consumer protection measures to collaboration on the valuation of distributed energy resources.

Taken as a whole, the Stipulation provides a gradual transition option from the existing NEM programs for eligible customers, while creating additional future benefits for all of the Companies' customers. The compromise solution reached by the Stipulating Parties represents a collaborative effort to account for a broad range of interests, while also adhering to the NEM directives and timelines within House Bill 589. The Stipulating Parties are encouraged by this progress and look forward to collaborating on these matters going forward.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



J. Ashley Cooper

JAC:cmm
Enclosure

Cc: All parties of record (via email)

² Customers that receive this exemption from the MMB must have a PV system size no greater than 8 kW-DC.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's, Duke Energy Progress, LLC's, Sundance Power Systems, Inc.'s, Southern Energy Management, Inc.'s, and Yes Solar Solutions' Stipulation, in Docket No. E-100, Sub 180, has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 19th day of May, 2022.

s/J. Ashley Cooper
J. Ashley Cooper
Parker Poe Adams & Bernstein LLP
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Charleston, South Carolina 29401
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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 180

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)	
)	
Investigation of Proposed Net Metering)	
Policy Changes)	STIPULATION
)	
)	
)	

NOW COME Duke Energy Carolinas, LLC (“DEC”); Duke Energy Progress; LLC (“DEP”) (collectively, the “Companies”); Sundance Power Systems, Inc.; Southern Energy Management, Inc.; and Yes Solar Solutions (collectively, the “North Carolina Rooftop Solar Installers” and together with the Companies, the “Stipulating Parties”), through counsel and pursuant to N.C. Gen. Stat. § 62-69, respectfully submit the following Agreement and Stipulation of Settlement (“Stipulation”) for consideration by the North Carolina Utilities Commission (“Commission”) in the above captioned docket (the “Docket”).

I. BACKGROUND

1. On November 29, 2021, the Companies filed a Joint Petition for Approval of Net Energy Metering (“NEM”) Tariffs in Compliance with G.S. § 62-126.4 and House Bill 951 (the “Application”). The proposal in the Application arose from the Memorandum of Understanding filed simultaneously therewith, by and among the Companies, 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 Association (collectively, the “MOU Parties”).

2. On January 10, 2022, the Commission issued an Order Requesting Comments.¹

3. On March 29, 2022, Sundance Power Systems, Inc., Southern Energy Management, Inc., and Yes Solar Solutions (collectively, the “North Carolina Rooftop Solar Installers”) filed joint comments to the Application, as permitted by the Commission. The comments submitted by North Carolina Rooftop Solar Installers oppose certain aspects of the Companies’ Application. Subsequently, the Companies, the MOU Parties, and the North Carolina Rooftop Solar Installers engaged in dialogue to determine whether a compromise could be reached on these disputed issues in accordance with H.B. 589.

4. On April 22, 2022, the Companies and the North Carolina Rooftop Solar Installers requested an extension of time in this Docket for the parties to file reply comments. The Companies and the North Carolina Rooftop Solar Installers explained that such an extension was warranted because it would enable the parties to “further engage in dialogue in an effort to reach a resolution on these issues.”²

5. As a result of those discussions, the Companies, the MOU Parties, and the North Carolina Rooftop Solar Installers now desire to resolve and settle certain issues that will narrow the number of issues in controversy in this Docket, as described more fully below.

6. This Stipulation reflects certain non-binding understandings reached by the Stipulating Parties to advance NEM reform in North Carolina in accordance with H.B. 589, subject to Commission approval.

¹ The initial dates set by the Commission were extended via orders issued on March 3rd and April 25th.

² The Commission granted that request on April 25th.

II. PROPOSED BRIDGE RATE

7. The Companies agree to propose for Commission approval an additional NEM rate design as outlined on Exhibit A (subject to the annual capacity limits therein) (the “Proposed Bridge Rate”) as an alternative to the default time-of-use (“TOU”) rate design for NEM proposed in the Application. Upon Commission approval, the Proposed Bridge Rate would be available to all residential customers (regardless of their current rate schedule) who apply for NEM on or after January 1, 2023, until December 31, 2026, (subject to the early termination of the Proposed Bridge Rate, as described below), subject to the applicable caps for each calendar year outlined below.

8. Current NEM customers may remain on their current rate until Jan 1, 2027 at which point they will transition to the Proposed Bridge Rate or may choose to move to the NEM-TOU rate in effect at that time. Customers may remain on the Proposed Bridge Rate for 15 calendar years after the date on which the customer submitted an interconnection application (the “Bridge Rate Period”), less the number of years they were on an alternative NEM rate structure prior to Jan 1, 2027. After that, the customer will move to the NEM-TOU rate in effect at the end of the Bridge Rate Period. The Stipulating Parties agree, for purposes of this Stipulation and without prejudice to the position of any Stipulating Party in any future proceeding, that the Proposed Bridge Rate, if approved by the Commission, would comply with H.B. 589.

9. The following groups of customers will be exempt from the MMB under the Proposed Bridge Rate: Homes specifically built for low-income and vulnerable customers (e.g. Habitat for Humanity), LIHEAP recipients, and CIP recipients. Customers that receive this exemption from the MMB must have a PV

system size no greater than 8 kW-DC. The Stipulating Parties will work together to identify low-income or vulnerable groups of customers that could be exempted in the future.

10. The Proposed Bridge Rate is subject to the participation caps in Table 1. If the cap is reached, customers could still add rooftop solar, but they would only have the option of being on Schedule Purchased Power or one of the applicable TOU rates (RSTC or TOU-CPP).

Table 1

	Total Capacity (MW)		Total NC
	DEP	DEC	
2023	32.7	29.0	61.7
2024	35.9	31.9	67.8
2025	39.5	35.1	74.6
2026	43.5	38.7	82.2

11. Proposed Bridge Rate Annual Capacity is available on a first come/first serve basis and the customer should request the Proposed Bridge Rate when submitting the NEM interconnection application.

12. Customers have 1 year from the application date to make their system operational (meter exchange date) or they lose their Proposed Bridge Rate capacity reservation.

III. EARLY TERMINATION OF PROPOSED BRIDGE RATE

13. The Proposed Bridge Rate will terminate for some, or all, customers upon the occurrence of either of the following events:

- If the Commission approves a Smart Saver Solar Program for electric heat customers that contains an amount equal to, or greater than, the total amount an eligible participant is proposed to receive in Docket Nos. E-7, Sub 1261 and E-2, Sub 1287, the Proposed Bridge Rate will terminate only for electric heat

customers and electric heat customers will not be eligible for the Proposed Bridge Rate. If the Proposed Bridge Rate terminates for electric heat customers the Proposed Bridge Rate capacity limits shall be reduced by 50% from the numbers shown in Table 1 (above).

- If at any time during the Bridge Rate Period, an energy efficiency (“EE”) program associated with the installation of solar rooftop PV containing a total incentive or combination of incentives that equal at least \$0.60/watt for applicable TOU rates is approved by the Commission for all eligible residential customers (regardless of heating source) in Docket Nos. E-2, Sub 1280 and E-7, Sub 1253, the Proposed Bridge Rate will terminate for applicable customers.

IV. FUTURE EE/DSM MEASURES

14. The Companies would propose, and the other Stipulating Parties will support, incentives for DSM/EE measures related to adding solar plus other measures available to eligible gas heat customers. The Stipulating Parties would vigorously advocate in North Carolina for approval of these incentives, as well as the recovery of net lost revenues and Portfolio Performance Incentive (“PPI”) that are permitted for any Commission-approved cost effective EE or DR program.

15. The Stipulating Parties would work together to propose and support a DSM/EE mechanism that properly values distributed energy resources. This value would be at least equivalent to the value of the Companies’ levelized marginal supply-side resources included in the Companies’ approved carbon plan and would appropriately reflect the costs of moving to zero-carbon resources that provide energy and capacity to the Companies’ electric system.

V. CONSUMER PROTECTION

16. The Stipulating Parties would work together to design and implement agreed-upon reasonable measures to ensure that prospective NEM customers receive accurate information regarding the terms and conditions of the programs contemplated in this Stipulation, including accurate representations of estimated electric bill savings. The Stipulating Parties would explore developing eligibility criteria for any North Carolina companies that would apply for the Proposed Bridge Rate on behalf of their customers. Any proposed measures would only be implemented if they are agreed upon by all Stipulating Parties and are in compliance with all applicable laws and regulations. The Stipulating Parties agree to make best efforts to design these measures by January 1, 2023.

VI. AGREEMENT IN SUPPORT OF SETTLEMENT; NON-WAIVER

17. The Stipulating Parties shall act in good faith and use their best efforts to recommend to the Commission that this Stipulation be accepted and approved. The Stipulating Parties further agree that this Stipulation is in the public interest because it reflects a give-and take of contested issues and results in rates (with respect to the stipulated issues) that are just and reasonable. The Stipulating Parties agree that they will support the reasonableness of this Stipulation before the Commission and in any appeal from the Commission's adoption and/or enforcement of this Stipulation. The Stipulating Parties, including their agents, further agree that communications regarding this Stipulation, either between the Stipulating Parties or with non-signatories hereto, shall be supporting of the terms agreed to in this Stipulation.

18. The Stipulating Parties agree to support the time-of-use option outlined in the Application as the default rate option for NEM applications that are received

after December 31, 2022, subject to the limited availability of the Proposed Bridge Rate.

19. Neither this Stipulation nor any of the terms shall be admissible in any court or Commission except insofar as such court or Commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation. This Stipulation shall not be cited as precedent by any of the Parties regarding any issue in any other proceeding or docket before this Commission or in any court.

20. The provisions of this Stipulation do not reflect any position asserted by any of the Stipulating Parties but reflect instead the compromise and settlement among the Stipulating Parties as to all the issues covered hereby. No Stipulating Party waives any right to assert any position in any future proceeding or docket before the Commission or in any court.

VII. RECEIPT OF EVIDENCE AND WAIVER OF CROSS-EXAMINATION

21. The Stipulating Parties agree that the Application, pre-filed comments, and exhibits filed by the Stipulating Parties on the settled issues may be received into evidence without objection. The Companies agree to waive cross examination of the North Carolina Rooftop Solar Installers' witnesses and the North Carolina Rooftop Solar Installers agree to waive cross examination of the Companies' witnesses in any upcoming evidentiary hearing in the Docket. If, however, questions are asked by any Commissioner, or if questions are asked or positions are taken by any person who is not a Stipulating Party, then any Stipulating Party may respond to such questions by presenting testimony or exhibits and cross-examining any witness with respect to such testimony and exhibits.

VIII. SUBJECT TO COMMISSION APPROVAL

22. This Stipulation is the product of negotiation and compromise of a complex set of issues, and represents certain non-binding understandings reached by the Stipulating Parties. The terms and conditions set forth herein are all conditioned upon the Commission's approval of the same in their entirety. If any Stipulating Party withdraws from the Stipulation, each Stipulating Party retains the right to seek additional procedures before the Commission with respect to issues addressed by the Stipulation and shall be bound or prejudiced by the terms and conditions of the Stipulation.

IX. MISCELLANEOUS

23. This Stipulation shall be interpreted according to North Carolina law.

24. The North Carolina Rooftop Solar Installers agree to execute a joinder to the MOU. For the avoidance of doubt, the terms and conditions of the MOU remain in full force and effect; provided, however, to the extent the express understandings in this Stipulation conflict with the NEM offerings in the MOU, this Stipulation shall control.

25. The Stipulating Parties agree to positively characterize each other's collaboration at public events and in the media (including social media). The Stipulating Parties agree to cooperate in good faith and in support of all required approvals of this effort and each other on this matter until the time the Commission issues a final order.

26. Each Stipulating Party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this document

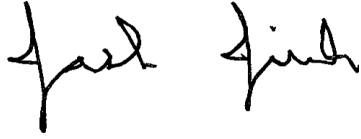
where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of this Stipulation.

27. This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution by facsimile or electronic signature shall be deemed to be, and shall have the same effect as, execution by original signature.

[signatures follow]

The foregoing is agreed and stipulated this 13th day of May, 2022.

DUKE ENERGY CAROLINAS, LLC

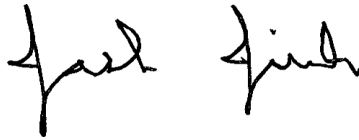


By: _____

Name: Jack E. Jirak

Title: Deputy General Counsel

DUKE ENERGY PROGRESS, LLC



By: _____

Name: Jack E. Jirak

Title: Deputy General Counsel

SUNDANCE POWER SYSTEMS, INC.

By: *s/ Dave Hollister*

Name: Dave Hollister

Title: Owner, Sundance Power Systems, Inc.

SOUTHERN ENERGY MANAGEMENT, INC.

By: *s/ Bob Kingery*

Name: Bob Kingery

Title: Owner, Southern Energy Management, Inc.

YES SOLAR SOLUTIONS

By: *s/ Stew Miller*

Name: Stew Miller

Title: Owner, Yes Solar Solutions

EXHIBIT A

Proposed Bridge Rate

1. This rate is available to residential customers eligible for NEM. This rate will generally be available from January 1, 2023 until December 31, 2026, subject to the early termination event.
2. Eligible residential customers would be able to net exported energy against imports from the Companies, with any net exports being credited at the applicable avoided cost rate at the end of billing period (this practice is commonly referred to as “monthly netting”).
3. Eligible residential customers would be subject to the non-bypassable charge as described on page 15 of the Companies’ Application submitted in this Docket. This non-bypassable charge will also be in effect beginning January 1, 2027 for customers who apply for NEM prior to January 1, 2023.
4. Eligible residential customers shall have the ability to participate in a Commission-approved EE program associated with solar rooftop with a mandatory eligibility requirement to participate for multiple years in a specific Commission-approved demand response (DR) program capable of delivering a minimum required amount of year-round peak reduction (including winter) would receive a total incentive or combination of incentives that equal at least \$0.60/watt for applicable TOU rates approved by the Commission in Docket Nos. E-2, Sub 1280 and E-7, Sub 1253.
5. Applicability of the total incentive or combination of incentives that equal at least \$0.60/watt incentive for participation in the approved energy efficiency and demand-response program associated with the residential installation of solar

described above will be subject to maintaining cost effectiveness of the program as required in the Company's approved EE/DSM cost recovery mechanism.

6. Eligible residential customers would be subject to the minimum bill as described on pages 13-14 of the Companies' Application submitted in this docket.