

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION  
DOCKET NO. E-100, SUB 180

In the Matter of: )  
 )  
Investigation of Proposed Net Metering ) JOINT REPLY COMMENTS  
Policy Changes ) SOUTHERN ALLIANCE FOR  
 ) CLEAN ENERGY, VOTE  
 ) SOLAR, AND NORTH  
 ) CAROLINA SUSTAINABLE  
 ) ENERGY ASSOCIATION  
\_\_\_\_\_ )

Southern Alliance for Clean Energy (SACE), Vote Solar, and North Carolina Sustainable Energy Association (NCSEA) respectfully submit these Joint Reply Comments in the above-captioned docket. As noted in our Joint Initial Comments, SACE, Vote Solar, and NCSEA are parties to the memorandum of understanding (MOU) with Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, “the Companies” or “Duke Energy”) in support of the package deal of net energy metering (NEM) reforms required by N.C. Gen. Stat. § 62-126.4 (enacted in House Bill 589, S.L. 2017-192), including the proposed new Smart \$aver Solar incentive pending in Docket Nos. E-2, Sub 1287 and E-7, Sub 1261. SACE, Vote Solar, and NCSEA have reviewed the comments and consumer statements of position submitted in this docket. Our focus in these Joint Reply Comments is to underscore points of agreement between various parties.

**I. Common Ground**

A. Coordinated Consideration of NEM tariffs, Smart \$aver Solar, and Carbon Plan

SACE, Vote Solar, and NCSEA first want to highlight a point of agreement with the Comments of the Attorney General’s Office (AGO) with respect to (1) the importance of considering all elements of the MOU between Duke Energy and the

settling parties—both the revised net metering rates that are the subject of this proceeding as well as the Smart \$aver Solar incentive—as a package deal; and (2) the need to consider the ways that distributed solar energy can contribute to the carbon reduction goals of House Bill 951 (S.L. 2021-165). SACE, Vote Solar, and NCSEA do not oppose considering the revised net metering rates and Smart \$aver Solar along with the carbon reduction goals but would encourage the Commission and other parties to not wait until the final Carbon Plan is approved by December of this year. Among other considerations, the current residential rooftop solar rebate program authorized under the 2017 energy legislation (HB 589) concludes at the end of 2022. Although the Smart \$aver Solar Incentive is not an extension or replacement of the current rebate program, the incentive is necessary for maintaining a viable rooftop solar market in North Carolina. SACE, Vote Solar, and NCSEA support considering the Net Metering and Smart \$aver Solar applications in tandem and alongside the Carbon Plan, and would urge the Commission to approve, or at a minimum rule on, both elements for the Companies and solar installers to plan for 2023.

As SACE has already indicated in comments<sup>1</sup> in the biennial avoided cost docket, one potential way to account for the carbon reduction benefits from rooftop solar arrays would be to include that value in avoided cost rates that are used to compensate rooftop solar customers for excess generation each month. The Commission could use the "shadow" cost of carbon that, when applied to the

---

<sup>1</sup> Initial Comments of the Southern Alliance for Clean Energy at 33-37, Docket No. E-100, Sub 175 (N.C.U.C. Feb. 24, 2022).

utilities' systems in North Carolina, results in achieving the carbon-reduction mandates established under HB 951.

B. Further Investigation of Solar Benefits and Costs

Several parties based their opposition to the proposed revised NEM tariffs on what they describe as the lack of a complete “investigation of the costs and benefits of customer-sited generation.” N.C.G.S. § 62-126.4(a).<sup>2</sup> The AGO also noted the importance of “additional investigation” into the benefits of distributed energy resources, taking into account the carbon reduction benefits of rooftop solar in light of the carbon reduction goals in HB 951. AGO Comments at 3-5. SACE, Vote Solar, and NCSEA participated in the Comprehensive Rate Review meetings during which Duke Energy provided information to stakeholders regarding its analyses of benefits and costs relating to net metering and the reasons why it planned to propose TOU-CPP rates as a future NEM offering.

SACE, Vote Solar, and NCSEA have no objection to further study of the benefits and costs of rooftop solar. But as noted above, we are concerned about too much of a delay and uncertainty about future net metering rates under the terms of N.C.G.S. § 62-126.4. Because rooftop solar is a long-term investment, uncertainty about what NEM compensation will be in four and a half years will make it increasingly difficult for installers to responsibly sell solar PV systems. We ask that the Commission find a way to balance the interests of the parties that are

---

<sup>2</sup> See Comments of Sundance Power Systems, Inc., Southern Energy Management, Inc. and Yes Solar Solutions, Joint Initial Comments of NC WARN, NCCSC and Sunrise Durham, and Initial Comments of the Environmental Working Group.

seeking further study with the need for market certainty with regard to the incentives and future NEM rate design.

C. Crediting Critical Peak Pricing Events under NEM

Finally, SACE, Vote Solar, and NCSEA agree with the Public Staff that it is appropriate to value any solar production that goes on the grid during Critical Peak Pricing events at the CPP rate rather than just at the peak rate. Because those CPP time periods represent the most resource-constrained time periods on Duke Energy's systems, it makes sense to appropriately net out any excess solar generation during those CPP events at the designated rate.

II. Conclusion

SACE, Vote Solar, and NCSEA appreciate the opportunity to file these reply comments, and respectfully request that the Commission approve the revised NEM rates along with approving the Smart Saver Solar incentives in Dockets E-2, Sub 1287 and E-7, Sub 1261.

Respectfully submitted, this the 12<sup>th</sup> day of May, 2022.

/s/ David L. Neal

David L. Neal  
N.C. State Bar No. 27992  
Southern Environmental Law Center  
601 West Rosemary Street Suite 220  
Chapel Hill, NC 27516  
919-967-1450  
[dneal@selcnc.org](mailto:dneal@selcnc.org)

Lauren Bowen  
N.C. State Bar No. 48835  
Southern Environmental Law Center  
601 West Rosemary Street Suite 220  
Chapel Hill, NC 27516  
919-967-1450  
[lbowen@selcnc.org](mailto:lbowen@selcnc.org)

*Counsel for the Southern Alliance for  
Clean Energy and Vote Solar*

Peter H. Ledford  
N.C. State Bar No. 42999  
NCSEA  
4800 Six Forks Road, Suite 300  
Raleigh, NC 27609  
919-832-7601 Ext. 107  
[peter@energync.org](mailto:peter@energync.org)

Taylor Jones  
N.C. State Bar No. 58831  
NCSEA  
4800 Six Forks Road, Suite 300  
Raleigh, NC 27609  
919-832-7601  
[taylor@energync.org](mailto:taylor@energync.org)

*Counsel for the North Carolina  
Sustainable Energy Association*

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Joint Reply Comments on behalf Southern Alliance for Clean Energy, Vote Solar, and North Carolina Sustainable Energy Association as filed today in Docket No. E-100, Sub 180 have been served on all parties of record by electronic mail or by deposit in the U.S. Mail, first-class, postage prepaid.

This 12th day of May, 2022.

/s/ David L. Neal