



Public Staff 3. As a companion measure, it would also increase marketing to nonprofits. *Id.* at 3-4.

This proposed change does not seem well matched to the availability issues that the rebate program has experienced. As noted in SACE's initial comments, there is pent-up demand among residential and commercial or industrial customers, *see* 2019 Annual Report 7, and a lower rebate amount likely would be sufficient for many customers, *see* NCSEA's Initial Comments and Request for Limited Expedited Review 3. Accordingly, the proposal to reduce the per kilowatt rebate amount for those customers might not reduce installations. However, whereas NCSEA's proposal would increase installations by effectively doubling the number of rebates available for these customers, the Public Staff's proposal would at best keep these installations constant while simply reducing the amount of the rebate each receives.

The purpose of reducing the rebates for residential and commercial or industrial customers appears to be to increase the rebate amount for nonprofit customers while keeping the cost of the program constant. The Public Staff's proposal would reallocate funding from residential and commercial or industrial customers to nonprofit customers and additional marketing to nonprofits. Initial Comments of the Public Staff 3-4. The Public Staff previously proposed reallocating funding from residential and commercial or industrial customers to nonprofit customers in its comments on Duke's first annual report. Comments of the Public Staff 2 (June 6, 2019).

SACE recognizes that because nonprofits are tax-exempt they do not benefit from the tax credits associated with solar and therefore may need additional financial assistance, and SACE strongly supports increasing funding for nonprofit customers to

install solar. SACE notes that this could be done without reallocating rebate funding from other customer classes. However, there is insufficient information at this time to tell whether the Public Staff's proposal is the best solution, because it is not clear at this point whether the rebate level is the main barrier to nonprofit enrollment. As Duke explained in its first annual report, it might instead be the result of nonprofits' relatively long sales cycle. *See* 2018 Annual Report 5-6. For example, according to North Carolina Interfaith Power & Light, most successful solar projects at congregations take two to three years. North Carolina Interfaith Power & Light, *Solar Best Practices for Congregations 1* (2018).<sup>1</sup> Accordingly, it is unclear that Public Staff's proposal would result in more nonprofit installations. SACE would support further investigation into the obstacles that nonprofits experience, in the service of making later tailored modifications to the program.

By contrast, there is good reason to believe that NCSEA's proposal would increase installations among residential and commercial or industrial customers by making more rebates available to satisfy pent-up demand, thereby increasing the success of the program and providing stability for the clean-energy industry in a time of significant economic uncertainty.

Second, the Public Staff opposes Duke's proposal to open the enrollment window twice a year, and instead proposes changing from the existing first-come first-served system to an annual lottery. Initial Comments of the Public Staff 4-5. SACE is concerned that shifting to a lottery system would not facilitate smooth administration. Although there clearly were technical problems with the most recent enrollment window, Duke has committed to fixing these problems, and requiring Duke now to shift to an entirely

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<sup>1</sup> Available at: <https://www.ncchurches.org/wp-content/uploads/2018/05/Solar-Best-Practices.pdf>.

different system of allocation might just as well result in even further complications during the next window. At a minimum, Duke should retain the first-come-first-served system for the 2021 tranche released in October of this year. This will provide more time to evaluate lottery systems, for stakeholder input into the change, and if the change is appropriate, for Duke to ensure that the lottery system is rolled out smoothly.

Thank you for considering these comments.

Respectfully submitted this the 6th day of July, 2020.

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CERTIFICATE OF SERVICE

I certify that all parties of record on the service list have been served with the foregoing reply comments either by electronic mail or by deposit in the U.S. Mail, postage prepaid.

This the 6th day of July, 2020.

s/Nicholas Jimenez