

April 1, 2021

**VIA ELECTRONIC DELIVERY**

Kim Campbell  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina


RE: Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's Solar  
Rebate Program Annual Report and Request to Amend Program  
Applications Periods  
Docket No. E-2, Sub 1167 and Docket No. E-7, Sub 1166

Dear Ms. Campbell:

Pursuant to the Commission's April 3, 2018 *Order Modifying and Approving Riders Implementing Solar Rebate Program* and the March 23, 2021 *Order Modifying Solar Rebate Program and Allowing Comments*. Please find enclosed Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's Joint Annual Solar Rebate Program Report and Request to Amend Program Application Periods.

Thank you for your assistance in this matter.

Sincerely,

  
Brady W. Allen

Enclosure

Cc: Parties of Record

## BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1167

DOCKET NO. E-7, SUB 1166

In the Matter of:	)	
	)	<b>DUKE ENERGY PROGRESS,</b>
Application of Duke Energy Progress, LLC	)	<b>LLC'S AND DUKE ENERGY</b>
and Duke Energy Carolinas, LLC Requesting	)	<b>CAROLINAS, LLC'S JOINT</b>
Approval of Solar Rebate Program Pursuant to	)	<b>ANNUAL SOLAR REBATE</b>
N.C. Gen. Stat. § 62-155(f)	)	<b>PROGRAM REPORT AND</b>
	)	<b>REQUEST TO AMEND</b>
	)	<b>PROGRAM APPLICATION</b>
	)	<b>PERIODS</b>

This annual informational filing is provided to the North Carolina Utilities Commission ("Commission") in accordance with the April 3, 2018 *Order Modifying and Approving Riders Implementing the Solar Rebate Program* in the above-captioned dockets. Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP", collectively "Duke Energy" or the "Companies") make their annual informational filing for the 2020 calendar year in these proceedings.

### **Overview of the 2020 Program Year**

The goal of the Solar Rebate Program is to provide an economic incentive for residential, non-residential and non-profit customers in North Carolina to adopt solar power by reducing the upfront costs of installing solar equipment. During the 2020 program year, a total of 2,422 rebates were paid, with an associated installed capacity of approximately 22,875 kilowatts ("kW").

### **Participation Rates**

Appendix A provides detail regarding the breakout of rebates paid as well as rates of participation by customer class, including reserved and approved installed capacity for each participant class and those for which a set-aside capacity is reserved.

### Program Costs

Program costs for calendar year ending December 31, 2020 were \$ 11.6 million, as shown in the table below.

	DEC	DEP
Rebates Paid to Customers	\$5,425,180	\$5,457,067
Program Administrative Labor Costs	\$245,500	\$265,492
Program Administrative Expenses ( <i>including marketing</i> )	\$105,342	\$103,920
<b>Total Program Costs</b>	<b>\$5,776,022</b>	<b>\$5,826,479</b>

### Fraud

No potential instances of fraud were identified within the rebate application process.

### Rejected Applications

In accordance with the program terms and conditions, applications may be rejected for several reasons if they do not meet all the criteria to be eligible for a rebate. The charts below provide detail regarding the number of applications rejected during the 2020 program year, and reasons those applications were rejected.

	DEC	DEP	Total
Residential	773	607	1,380
Non-residential	58	13	71
Non-Profit	10	8	18
Non-Profit (NC Greenpower)	0	0	0
<b>Total Number of Applications Rejected</b>	<b>841</b>	<b>628</b>	<b>1,469</b>

Reason Application was Rejected	Number Rejected
<b>DEC</b>	
Customer did not acknowledge within 30 days	43
Duplicate Application <sup>1</sup>	408
Interconnection request (project ID and customer name) cannot be found	56
Interconnection request has been Withdrawn	26
Interconnection request has been Cancelled/Terminated	6
Customer is not on a Net Metering rate schedule	0
Not a Duke Energy North Carolina customer	2
Purchased Power to Net Metering conversion	0
Project was completed more than 90 days prior to application submission	240
Project was not completed by the deadline	8
Customer applied for 2019 rebate instead of 2020 Rebate	48
Customer applied for nonprofit instead of Residential	0
Customer is not eligible because it is not a new system (transfer of ownership)	3
Customer's additional install is not eligible because, already received max rebate	1
<b>DEP</b>	
Customer did not acknowledge within 30 days	17
Duplicate Application	412
Interconnection request (project ID and customer name) cannot be found	29
Interconnection request has been Withdrawn	15
Interconnection request has been Cancelled/Terminated	5
Customer is not on a Net Metering rate schedule	0
Not a Duke Energy North Carolina customer	0
Purchased Power to Net Metering conversion	0
Project was completed more than 90 days prior to application submission	106
Project was not completed by the deadline	17
Customer applied for 2019 rebate instead of 2020 Rebate	26
Customer applied for nonprofit instead of Residential	0
Customer is not eligible because it is not a new system (transfer of ownership)	0
Customer's additional install is not eligible because, already received max rebate	1

### **Applications Cancelled at Year-End**

Residential applications that did not complete installation by the end of the year,

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<sup>1</sup> Duplicate applications for both DEC and DEP occur because customers may continue to submit the same application repeatedly until they receive confirmation emails.



non-residential applications that communicated they were not going meet the 365-day time-frame, and all applications on the waitlist are cancelled at the end of the calendar year. As stated in DEP's Solar Rebate Rider SRR-3 and DEC's Solar Rebate Rider SRR (Collectively, the "Solar Rebate Rider"), if previously accepted applications are rejected, applications will continue to be accepted after annual participation limits are achieved. The chart below provides detail regarding the number of applications cancelled at year-end.

	DEC	DEP	Total
Residential	773	791	1,564
Non-residential	21	9	30
Non-Profit	1	0	1
Non-Profit (NC Greenpower)	0	0	0
<b>Total Number of Applications Cancelled</b>	<b>795</b>	<b>800</b>	<b>1,595</b>

### **Early Termination**

Per the Solar Rebate Rider, the contract period for service under the rider is 10 years from the date of initial participation. An early termination fee applies unless the termination is for good cause or a new customer takes over the site and assumes the previous customer's obligations under the rider. Prior to payment of the rebate, customers must be participating in the Net Metering Rider NM. On a quarterly basis, the Solar Rebate Program team performs a review to ensure all customers paid a rebate have not disconnected their service and are still participating in the Net Metering Rider NM. In 2020 two early termination fees were assessed. Two DEC customers disconnected service, and the succeeding new customers did not take service under the Net Metering Rider NM after approximately five to seven months. Attempts to reach the new customers were unsuccessful; therefore, DEC invoked the fee clause under

the rider. To date, neither of these customers have paid the early termination fee, and, after 90 days from the due date of the invoice, if the fees remain unpaid, these balances will be sent to collection agencies, similar to other unpaid balances from DEC's and DEP's utility customers. Program management will continue to watch for instances like this.

### **2020 Technology Challenges**

As the Commission is aware, the Companies experienced technical difficulties with respect to the opening of the application window on January 2, 2020. The technical issues were caused by the website infrastructure migration to the cloud. To rectify this situation, the Companies accepted evidence from 390 customers, in the form of text messages, emails and screenshots, showing the appropriate timestamp of their applications. The timestamps of applications were updated based on this evidence. If the timestamp was prior to the sellout time, the rebate was reserved for the customer. If the timestamp was after the sellout time, the application was put in the appropriate place on the waiting list.

### **Deadline to Install**

On March 23, 2021, the Commission issued an Order Modifying Solar Rebate Program and Allowing Comments. This order requested additional information and proposals regarding installation time periods for residential and small (under 20kW) commercial customers that are less than 180 days in order to allow uninstalled capacity to be allocated to customers waitlisted during that enrollment period or to allow more capacity to be included in the following lottery. Based on the residential and small commercial customers who were allocated rebate capacity for the January 2021

enrollment period, 48% of these customers installed on or before January 6, 2021. As of April 1, 2021, 75% of these customers have completed their installation, which is within the first 85 days of the enrollment period.

In developing its proposal the Companies explored four options for the installation time periods: 90 days, 120 days, 150 days and alignment with the end of the enrollment time period. In evaluating these options, the Companies considered that 120 days and 150 days from July 27, 2021 (the date by which the Companies expect to announce the random selection results for the July capacity opening) fall around major holidays, Thanksgiving and Christmas, respectively. The Companies also thinks the program will benefit by having the time periods end on the same dates each year. Therefore, based on this information, the Companies propose two options, with their preference being to align the time periods for installation with the end of the enrollment period.


First, one option is for the reservation to have 90 days from July 27, 2021 to complete their installation. This would provide an opportunity to reallocate unused capacity to the current waitlist. For the July 2021 application window, these reservations would have from July 27, 2021 to October 25, 2021 for a bidirectional meter to be installed. Any unused capacity would be reallocated to the waitlist after the expiration of the 90 days. New reservations allocated from the waitlist would also have 90 days to complete their installations. Although the date of the expiration of the second 90-day period would fall after the start of the enrollment period for January 2022, it does provide an opportunity for the capacity to be reallocated within approximately a week of the waitlist being published. Future enrollment periods would have the same timeframes.

The other option, which the Companies prefer, is to align the deadline of the installation with the last day of each enrollment period. Residential and small commercial customers with reservations in July 2021 would have until December 31, 2021 to have a bidirectional meter installed. Reservations for the January 2022 enrollment period would have until June 30, 2022 to complete their bidirectional meter installation, and so forth. This timeframe would allow customers approximately 156 days from the day the Companies communicate their reservation to the deadline date. This option does not allow sufficient time for the unallocated capacity to be reallocated to the current waitlist because the waitlist also expires on the last day of the enrollment period. However, it will likely provide for more capacity to be included in the following enrollment period. The Companies will continue to contact customers with rebate reservations to identify any possible capacity that can be allocated to the waitlist. This alignment will provide a larger window to install than 90 days, which may be a challenging timeline for some customers and/or installation companies. Also having the same dates would decrease, the possible confusion, multiple dates could cause. Therefore, the Companies prefer to align the deadlines with the last day of the enrollment window.

WHEREFORE, the Companies respectfully request that the Commission accept this joint annual report on the Solar Rebate Program for 2020 and approve Duke Energy's proposal align the deadline of the installation with the last day of each enrollment period.



Respectfully submitted this 1st day of April, 2021.

By:   
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ATTORNEYS FOR DUKE ENERGY PROGRESS, LLC.  
AND DUKE ENERGY CAROLINAS, LLC

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's **JOINT ANNUAL SOLAR REBATE PROGRAM REPORT AND REQUEST TO AMEND PROGRAM APPLICATION PERIODS** have been served by electronic mail (e-mail) to parties of record.

This, the 1st day of April, 2021.

  
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ATTORNEY FOR DUKE ENERGY  
PROGRESS, LLC, AND DUKE ENERGY  
CAROLINAS, LLC

**Rebates Paid and Rates of Participation by Customer Class**

(all values presented in kW-AC unless otherwise noted)

DEC							
Customer Type	Guidelines	Capacity Rolled From 2019 program year (Annual Capacity Amounts may be less because of the 2018-2019 Reallocation)	Capacity Installed for 2020 Allocation (Applications Accepted-Connected)	2020 Reserved Capacity to Carry Forward to 2021 (Applications Accepted - Not Connected)	Total 2020 Capacity Assigned (Includes the 2018 Roll over Capacity)	Total Unreserved Capacity to Carry Forward to 2021 (included 2018 capacity for Nonprofit)	Number of Customers Paid Rebates for 2020 Program Year
Residential	7,500 (Max 2,500 for Non- Res)	140	6,570	0	8,731	0	858
Non- Residential			1,289	872			38
Non- Profit	2,450	3,393	595	440	1035	4,865	13
Non- Profit (NC Green Power)	50	50	5	0	5	90	1

DEP							
Customer Type	Guidelines	Capacity Rolled From 2019 program year (Annual Capacity Amounts may be less because of the 2018-2019 Reallocation)	Capacity Installed for 2020 Allocation (Applications Accepted-Connected)	2020 Reserved Capacity to Carry Forward to 2021 (Applications Accepted - Not Connected)	Total 2020 Capacity Assigned (Includes the 2018 Roll over Capacity)	Total Unreserved Capacity to Carry Forward to 2021 (included 2018 capacity for Nonprofit)	Number of Customers Paid Rebates for 2020 Program Year
Residential	7,500 (Max 2,500 for Non-Res)	205	7,825	0	8,999	0	973
Non-Residential			987	187			32
Non- Profit	2,450	3,879	289	805	1,094	5,378	7
Non- Profit (NC Green Power)	50	35	10	0	10	125	2

Notes:

- 1 Some large non-residential projects accepted into the Rebates program in 2019 and 2020 have not completed yet. Those projects are allowed 365 to install from the interconnection agreement date, per rider SRR. Numbers shown above reflect payments through March 10, 2021