



VIA: Email Delivery

July 6, 2020

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

RE: Docket Nos. E-2, Sub 1167 and E-7, Sub 1166: Application of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC Requesting Approval of Solar Rebate Program Pursuant to N.C. Gen. Stat. § 62-155(f)



Dear Ms. Campbell:

Thank you for the opportunity to provide written comments in this proceeding. Palmetto Clean Technology ("Palmetto") is one of the world's largest end-to-end transaction platforms for professionals seeking to generate income in solar, energy storage, and other clean technology solutions to homeowners. We operate a robust technology platform and provide backend logistical support for our national dealer network, consisting of hundreds of small, locally owned, clean technology businesses that employ sales personnel, electrical contractors, roofing contractors, engineers, site surveyors, etc. While our footprint spans across 12 active State territories, we continue to recognize the positive market signals coming out of North Carolina and have invested accordingly. This includes establishing a North Carolina based Technology office in 2017, locally sourcing a Chief Technology Officer and installing 500+ solar energy projects throughout the State.

Palmetto thanks the North Carolina Utilities Commission ("Commission") for their thoughtfulness and careful consideration of matters related to the high-demand, Duke Energy Solar Rebate Program ("Program"). We recognize the hard work and leadership demonstrated by the Commission each year and believe the success of the Program can be largely attributed to their diligence and continued engagement.

We are appreciative of the clean energy growth the Program has catalyzed across the Duke Energy service territory; however, we believe that there are proposed program modifications that would improve access for North Carolina consumers. In addition to the comments supplied here, Palmetto strongly supports the comments filed by the North Carolina Sustainable Energy Association (NCSEA). Please find our comments below, organized by specific issue area.

## Increasing Program Supply

Palmetto has participated in the Program since its inaugural program year in 2018. Since then, the Program has been successful at increasing distributed generation throughout the State, providing clean, well-paying jobs, and saving consumers money on their electric bill. However, an increasing demand for distributed generation from North Carolina ratepayers each year<sup>1</sup>, and a fixed supply of rebates to meet said demand has led to a growing inequity. As the Commission is aware, each year hundreds, and at times upwards of one thousand individual projects are placed on a waitlist between Duke Energy Carolinas (DEC)<sup>2</sup> and Duke Energy Progress (DEP)<sup>3</sup> service territories. While these waitlisted ratepayers are not entitled to a rebate<sup>4</sup>, their investment in the sector is just as deserving as any other Program applicant and should be rewarded as such.

While several future Program options have been proposed by intervenors to this proceeding, there are only two revenue- neutral, statutorily amenable solutions we are aware of to increase Program supply:

- i) ***Lower residential system size limits to 5 kW and non- residential system size limits to 50 kW, or***
- ii) ***Only allow rebates for exactly one half or a 1:1 ratio of the total facility system size***

We strongly believe without one of these two provisions adopted by the Commission, the same systemic issues with the Program will persist through the Program's expiration. If any changes are adopted for the 2021 Program Year, Palmetto strongly encourages the Commission to consider settling this issue of Program under- supply. Each provision is outlined in greater detail in the initial comments supplied by NCSEA and can be explored more deeply with NCSEA Staff.

## First Come, First Serve Provision

Palmetto appreciates intervenors in this proceeding, including the Public Staff for their hard work and dedication to improving the Program. While we acknowledge, the Public Staff may find a lottery system to be a more equitable approach to rebate dispersals, we believe this is not an appropriate solution and would encourage the Commission to reject the Public Staff's proposal.

First, a lottery system does not address the primary shortfall of the Program today- rebate undersupply. If the Commission adopted this provision, there would still be hundreds, if not one thousand North Carolina ratepayers placed on a waitlist each year that may eventually be cancelled out. Adopting this provision is also unlikely to improve the sentiment of ratepayers placed on the waitlist. Regardless of whether the Program is formally structured as a "lottery" or a "First come, first served" Program fully subscribed in 21 minutes- the consumer placed on the waitlist while their neighbors received rebates still feels cheated. Adopting this provision is to *accept* hundreds of tarnished long- term relationships each year between Duke and solar contractor's mutual customers.

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<sup>1</sup> [Solar Alliance for Clean Energy – 2020 Report](#)

<sup>2</sup> [https://www.duke-energy.com/\\_/media/pdfs/for-your-home/nc-rebate-dec-waitlist.pdf?la=en](https://www.duke-energy.com/_/media/pdfs/for-your-home/nc-rebate-dec-waitlist.pdf?la=en)

<sup>3</sup> [https://www.duke-energy.com/\\_/media/pdfs/for-your-home/nc-rebate-dep-waitlist.pdf?la=en](https://www.duke-energy.com/_/media/pdfs/for-your-home/nc-rebate-dep-waitlist.pdf?la=en)

<sup>4</sup> [§ 62-155. \(f\)](#)

In addition, due to the technology malfunction Duke experienced in January, North Carolina ratepayers and by extension Palmetto face greater risk of participation than in years passed. While we greatly appreciate Duke's ownership of this issue, it has now been demonstrated publicly that even if all Program rules and procedures are properly followed, it is still possible to end up on the waitlist. Giving Duke more technological and administrative responsibility with a relatively short window for development and implementation is not a proven strategy for Program success.

Lastly, this proposal would require an extensive adjustment period for both Duke and the solar industry alike. While the Public Staff mentions lottery systems have previously existed in other states, they are uncommon. Not a single incentive program across the nearly 40 utility territories Palmetto currently services operate a Program in this manner. From our perspective, a lottery unnecessarily creates significant operational reform for all stakeholders involved, while embracing the Program's undersupply issue and in the process hurting North Carolina ratepayers.

### Changes for 2021 Program Year

Palmetto respectfully requests the aforementioned changes be adopted for the 2021 Program Year<sup>5</sup>. To date, North Carolina ratepayers and small to medium sized solar companies across the State have managed three rounds of a substantially undersupplied Program. To that end, we implore the Commission to consider expanding the number of eligible applicants for the 2021 Program through one of the two statutorily permissible, revenue neutral provisions cited above and outlined in more detail by NCSEA.

While we recognize some parties have raised concerns with implementing changes for the 2021 Program year, we disagree with the underlying logic presented thus far. For example, in Duke's Annual Solar Rebate Report they claim:

*"This indicates to the Companies that customers are signing contracts with the expectation that the current rebate value will be in place when they receive their rebate. The Companies did not anticipate this trend and believe many customers could be harmed, based on their expectations, by changing the rebate for the 2021 program opening."*

In fact, the exact opposite is the case. Due to the inherent risk of the Program as currently administered, many organizations choose not to include the rebate in solar proposals. To date, Palmetto has *never* been able to display a rebate for customers signing a contract from the months of January to June and decided in 2019 to *no longer* display the rebate on any proposals without the Program undersupply issue addressed. Meaning, many customers have signed contracts under the guise of *no rebate at all*, not an expectation of the current rebate value. To that end, Program risk continues to be derived from the undersupply issue, with limited impacts to changing the system size eligible for a rebate five months prior to the application window opening.

Palmetto strongly believes that North Carolina ratepayers have been and will continue to be hurt by allowing the Program to remain undersupplied. With clear, actionable solutions to address Program undersupply there is no reason some consumers should be generously compensated to the detriment of others.

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<sup>5</sup> regardless if capacity is opened in October 2020 or January 2021

## Conclusion

Over the past three years, this Program has successfully promoted energy conservation through the development of thousands of kilowatts of distributed energy resources. During this time, Palmetto has worked with hundreds of North Carolina ratepayers interested in satisfying their on- site load with a renewable, distributed source of energy production. While we appreciate the State's interest in the promotion of renewable energy technologies, we still believe the Duke Energy Solar Rebate Program can be improved.

We respectfully ask that the Commission adopt one of the pathways for increasing Program supply as outlined by NCSEA and that these changes be adopted and implemented for the 2021 Program Year<sup>6</sup>. We also ask that the Public Staff's "Lottery" proposal be rejected by the Commission.

Palmetto appreciates the focus and dedication of the Commission and all intervenors. We are optimistic that this proceeding will result in a more equitable, accessible and efficient Program that will continue to promote distributed energy production in a manner that all North Carolinians can be proud of.

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Daniel Pertwee  
Policy Advisor  
Palmetto Clean Technology  
daniel.pertwee@palmetto.com

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Ryan Barnett  
Senior Director, Policy & Markets  
Palmetto Clean Technology  
ryan.barnett@palmetto.com

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<sup>6</sup> regardless if capacity is opened in October 2020 or January 2021