



December 19, 2022

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4000

**Re: Joint Letter in Support of a Legal Brief
Docket No. E-100, Sub 180, In the Matter of Investigation of Proposed Net
Metering Policy Changes**

Dear Ms. Dunston:

The North Carolina Sustainable Energy Association, Vote Solar, Southern Alliance for Clean Energy, the Solar Energy Industries Association (collectively, the “Clean Energy Advocates”) and Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, the “Companies”) respectfully submit this letter in support of a brief to the North Carolina Utilities Commission pursuant to the *Order Denying Joint Motion For An Evidentiary Hearing and Requiring the Filing of Proposed Orders and Briefs* issued on November 8, 2022.

As previously noted in this docket, the Clean Energy Advocates are parties to the Memorandum of Understanding (“MOU”) entered into with the Companies. The MOU represents a comprehensive solution on a range of matters in North Carolina, including the net metering (“NEM”) reforms required by G.S. § 62-126.4 (enacted by H.B. 589). The MOU was made possible, at least in part, by the extensive information exchanged between the stakeholders and the Companies in the Rate Design Study regarding the benefits and costs relating to NEM. Through that process, the Companies shared detailed information, collected stakeholder feedback, and explained their plan to adopt innovative rate tools to achieve the NEM reform contemplated by H.B. 589.

Through the sharing of information in the Rate Design Study, the Clean Energy Advocates provided significant input and offered design changes that improved the Companies’ proposed NEM Tariffs. This process, including the cost benefit analysis conducted within the Rate Design Study, is well documented in the record before the Commission. The proposal arising from that process is outlined in the Companies’ Joint Application and represents a consensus proposal among multiple parties for NEM reform in North Carolina. These stakeholder interactions continued even after the application was filed. These interactions resulted in a Stipulation filed in this docket which amended and enhanced the NEM Tariffs to provide a “bridge” rate (the “Proposed Bridge Rate”) for certain current and future customers.

The stakeholder engagement and interactions resulted in the NEM Tariffs proposed in this docket, which achieve the relevant mandates of H.B. 589 and are supported by the Clean Energy



Advocates when combined with the interlocking Smart Saver Solar Programs proposed in Docket Nos. E-2, Sub 1287 and E-7, Sub 1261. While the Joint Application and the rate structure is supported by all parties to the MOU, not all parties agree on the extent to which cross-subsidization arises under Existing NEM programs or the programs proposed in this Joint Application. Nevertheless, all of the parties to the MOU found value in the package of reforms that were the subject of the MOU. Importantly, the NEM Tariffs are structured in a way that allows customers to also take advantage of certain future EE/DSM programs, serving as a pricing platform to work in tandem with new grid edge technologies. Holistic and cost-effective EE/DSM bundles like the proposed Smart Saver Solar Program are critical to North Carolina’s clean energy future. For example, although not the subject of this docket, the Smart Saver Solar Program would allow eligible customers to pair their rooftop solar served under the NEM Tariffs with smart thermostats in a way that creates benefits for all customers.¹ Additionally, certain other innovative distributed energy resources (“DERs”) like customer-sited battery storage could be deployed in the future to create not only additional bill savings, but also system-wide benefits. Again, from this perspective, the NEM Tariffs must be viewed not only as an H.B. 589 program, but also as a platform from which additional future benefits can be created for customers.

As such, the Smart Saver Solar Program and future iterations and enhancements are needed to scale the benefits of the rooftop solar market in North Carolina. Therefore, approving the proposed NEM Tariffs and the Proposed Bridge Rate—as well as the Smart Saver Program—signals the importance that these systems and their functions play in transitioning North Carolina’s energy economy to one that is cleaner and more resilient, while creating greater agency for consumers when it comes to choosing the sources of their energy.

Finally, as previously noted in this docket by the Clean Energy Advocates, Companies, and the Commission, the record is fully developed. The record reflects a comprehensive and thorough cost benefit study, as well as carefully negotiated reforms that comply with the mandates of HB 589. Therefore, the Clean Energy Advocates and the Companies respectfully request that the Commission approve the Companies’ Proposed NEM Tariffs, Proposed Bridge Rate, and Smart Saver Solar Program. Thank you for your consideration and the opportunity to file this letter.

Respectfully,

/s/Ethan Blumenthal

Ethan Blumenthal

N.C. Bar No. 53388

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¹ Pending in Docket Nos. E-2, Sub 1287 and E-7, Sub 1261



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Cc: Parties of Record



CERTIFICATE OF SERVICE

I certify that a copy of this Letter in Support of a Legal Brief, in Docket No. E-100 Sub 180, has been served via electronic mail, with consent, to all parties of record.

This is the 19th day of December, 2022.

/s/Ethan Blumenthal

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