

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-2, SUB 1167
DOCKET NO. E-7, SUB 1166**

In the Matter of:)
Application of Duke Energy Progress, LLC) **NCSEA’S REQUEST FOR**
and Duke Energy Carolinas, LLC) **HEARING**
Requesting Approval of Solar Rebate)
Program Pursuant to N.C. Gen. Stat. §)
62-155(f))

NCSEA’S REQUEST FOR HEARING

The North Carolina Sustainable Energy Association (“NCSEA”), an intervenor in the above-captioned dockets, hereby formally requests the North Carolina Utilities Commission (“Commission”) hold a hearing in the above-captioned matter and shows as follows in support of this request:

1. On July 27, 2017, following signing by the Governor, House Bill 589 became law. Part VIII of House Bill 589, enacted as N.C. Gen. Stat. § 62-155(f), requires each electric utility serving more than 150,000 North Carolina retail jurisdictional customers as of January 1, 2017, to file with the Commission an application requesting approval of a program offering reasonable incentives to residential and nonresidential customers for the installation of small customer owned or leased solar energy facilities participating in a public utility's net metering tariff, where the incentive shall be limited to 10 kW AC for residential solar installations and 100 kW AC for nonresidential solar installations (herein the “Solar Rebate Program”).

2. The Solar Rebate Program as outlined in N.C. Gen. Stat. § 62-155(f) was to begin in 2018 and conclude its yearly allocation on December 31, 2022, with any remaining

unused program capacity subject to reallocation to otherwise qualified applicants from any customer pool.

3. Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (DEC and DEP, collectively, “Duke”) filed the Application Requesting Approval for Solar Rebate Program (“Application”) pursuant to N.C. Gen. Stat. § 62-155(f) on January 22, 2018. The Application was approved (as modified and requiring compliance filing) by the Commission on April 3, 2018 in its Order Modifying and Approving Riders Implementing Solar Rebate Program.

4. The Solar Rebate Program allocation window for the 2018 solar rebate allocation opened on July 9, 2018, and the residential and commercial rebate allocations were fully subscribed on or before July 26, 2018.¹ The 2018 non-profit allocation was not fully subscribed.

5. The Solar Rebate Program allocation window for the 2019 solar rebate allocation opened on January 2, 2019 and the residential and commercial allocations were fully subscribed on or before January 8, 2019. The 2019 non-profit allocation was not fully subscribed.

6. The Solar Rebate Program allocation window for the 2020 solar rebate allocation opened on January 2, 2020. On January 3, 2020, Duke filed its Joint Notice of Meeting 2020 Annual Participation Limits for Residential & Non-Residential Customers. The 2020 non-profit allocation was not fully subscribed and remains open.

¹ Upon information and belief, the 2018 capacity allocation for the Commercial and Residential sector had actually been extinguished prior to July 26, 2018, but it is not clear the exact time each territory or sector group allocation “sold out”.

7. Beginning January 2, 2020, NCSEA received dozens of complaints about the 2020 Rebate Application process from its member solar installers, individual members seeking to install solar, and also from non-members affected by the 2020 rebate application administration who reached out to NCSEA to express frustration and seek a fix.

8. The source of the frustration appears to stem from the Duke Rebate webpage failing during the 2020 window for the first-come, first-serve rebate program. Namely, at the opening of the 9:00 a.m. application window on January 2, 2020, the webpage had issues collecting customer applications and apparently crashed.

9. Thereafter, applicants, upon contacting Duke staff, were instructed by Duke staff to do a number of different things in order to prove the timeliness of the applicants' application submission: take a screenshot of their application entry with an included timestamp; save their internet browser history and send it to Duke to substantiate time of application, etc. NCSEA, its members, and the applicants have questions as to whether the procedure that Duke went through to collect applications upon webpage failure followed the requirements proscribed by statute and Commission order or, if not, whether the outcome reached is most equitable and fair to the potential applicant pool.

10. Due to the immense demand of the commercial and residential rebate capacity for 2020, NCSEA has questions and concerns regarding Duke's processes to ensure the correct applicants received 2020 rebates or 2020 rebate waitlist position. NCSEA also has concerns about future yearly application rollouts in the program, as well.

11. As of the date of this filing, there have been nearly 200 consumer statements of position filed in the above-captioned dockets regarding issues with the 2020 rebate process.

12. Duke has responded to a Public Staff data request detailing some of the issues which arose during the January 2, 2020 rebate application rollout, but NCSEA believes it would be appropriate for the Commission to conduct a hearing on the matter to more fully discuss the matter for the reasons outlined herein. A copy of Duke Response to Public Staff Data Request Item No. 4-6 is attached hereto as **Exhibit A** and incorporated herein.

For the foregoing reasons, NCSEA respectfully requests that the Commission schedule a hearing on this matter so that the Commission can determine whether Duke acted appropriately in its administration of the 2020 solar rebate allocation, what steps are necessary to make applicants who were negatively affected by the faulty administration whole, and how to ensure this does not happen in future first-come, first-serve capacity allocation programs.

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

/s/ Benjamin W. Smith
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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing document by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 6th day of February, 2020.

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EXHIBIT A

Public Staff
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Request:

Please describe any technical or IT related problems that were experienced by DEC and/or DEP on January 2, 2020. This response should address:

- a. Whether any customers claimed that their submitted application was not received by DEC or DEP;
- b. Whether there is any evidence of test environment emails being sent to customers;
- c. The existence and status of any internal investigations DEC or DEP is conducting related to technical issues on the solar rebate site or application handling process.

Response:

- a. Yes, customers claimed that their submitted application was not received by DEC or DEP.
- b. No test environment emails were sent to customers.
- c. There were two internal investigations. The first related to website issues reported by customers. The cause of the performance issue was due to a recent migration of infrastructure to the cloud. The number of applications that were placed on the form at 9 a.m. on 1/2/2020 resulted in a database spike. This caused several rebate form submissions to fail. Although users were provided with messages confirming that their applications had been properly submitted, the form data was not successfully loaded into the Companies' database.

Customers who reported that they received a confirmation from the website that the application was submitted and provided documentation with a date and timestamp were manually put into the program at the time of that application, which resulted in some being added to the program and others being added to the waitlist or the time of the application moving up. As of the end of the business day on January 20, 2020, the Rebates team is still working with customers, but believes that the residential/commercial bucket will be oversubscribed for each utility. Customers will not be moved from the waitlist until attrition in the program falls below the program limit. In working to ensure this issue does not repeat in 2021, the Companies intend to "stress test" the application process prior to opening the application window in next year.

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In addition, nine commercial customers received emails erroneously informing them that their application was accepted. This is still under investigation. An internal working group has been established, including Duke IT, to ensure that this will not be an issue for all future launches. The nine commercial customers who incorrectly received acceptances into the program have received communication that they are in fact on the waitlist.