

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 RESPONSE TO
and Duke Energy Carolinas, LLC	)	DUKE ENERGY
Requesting Approval of Solar Rebate	)	PROGRESS, LLC AND
Program Pursuant to N.C. Gen. Stat. § 62-	)	DUKE ENERGY
155(f)	)	CAROLINAS, LLC’S
	)	ANNUAL REPORT AND
	)	REQUEST TO AMEND
	)	PROGRAM APPLICATION
	)	PERIODS

**NCSEA’S RESPONSE TO DUKE ENERGY PROGRESS, LLC AND DUKE ENERGY CAROLINAS, LLC’S ANNUAL REPORT AND REQUEST TO AMEND PROGRAM APPLICATION PERIODS**

NOW COMES the North Carolina Sustainable Energy Association (“NCSEA”) and hereby responds to Duke Energy Progress, LLC (“DEP”) and Duke Energy Carolinas, LLC’s (“DEC”) (DEP and DEC, collectively, “Duke”) *Joint Annual Solar Rebate Program Report and Request to Amend Program Application Periods* (“Annual Report”) pursuant to the North Carolina Utilities Commission’s (the “Commission”) March 23, 2021 *Order Modifying Solar Rebate Program and Allowing Comments* (“Order”). The following comments from NCSEA are limited to Duke’s dual proposals for installation deadlines for small commercial (i.e., under 20 kW) and residential systems for the upcoming lottery rollout as proposed in the Annual Report.

In the Order, the Commission states, in pertinent part:

Under the current program rules, “a residential customer who obtains a rebate reservation in January-June must complete the installation by December 31 of the same year; a residential customer who obtains a rebate reservation in July-December must complete the installation by June 30 of the following year[;]” further, “[f]or a nonresidential customer with a

project under 20 kW that does not require an interconnection agreement, the installation must be completed no later than 365 days from the date the rebate reservation was obtained.” DEC Solar Rebate Rider SRR (NC) Terms and Conditions § M; DEP Solar Rebate Rider SRR-5 Terms and Conditions § M.

Duke proposes to alter this rule by shortening, to 180 days from the rebate reservation award, the timeframe within which residential customers and small (under 20 kW) commercial customers with rebate reservations must install their systems. [...]

The Commission notes that, under Duke’s lottery proposal, which the Commission is approving, customers will likely not be notified of their rebate reservation award until July 27, 2021. If these customers are given 180 days to install their systems, their installation deadline would be January 23, 2022, well-after the start of the January 2022 enrollment period, which is scheduled to open on January 5, 2022. For this reason, the Commission does not believe that the proposed modification will function as intended by Duke, in that it may not free up the unused capacity in time for the following enrollment lottery. Therefore, the Commission does not approve this portion of Duke’s Application.

Further, [...] the Commission also observes that, if the installation period for residential and small commercial projects tolled prior to the end of the enrollment period, then capacity assigned to rebate reservations for projects that go uninstalled could be allocated to customers waitlisted during that enrollment period. [...] The Commission propounds that if it were feasible to award unused capacity to waitlisted customers, this could potentially alleviate some frustration and/or disappointment — at least for some customers.

At present, the Commission does not have adequate information before it to determine exactly what period of less than 180 days is a reasonable amount of time for a residential or small commercial customer to install a system. The Commission is interested receiving proposals for residential and small commercial customer installation time periods that are less than 180 days [...].<sup>1</sup>

In the Annual Report, Duke proposed two potential pathways in response to the Commission’s request:

[T]he Companies propose two options, with their preference being to align the time periods for installation with the end of the enrollment period.

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<sup>1</sup> Order at 21-22.

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. [...]

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.<sup>2</sup>

As an initial matter, NCSEA appreciates the outreach that Duke made to NCSEA on this issue prior to their filing. NCSEA believes that it is in the best interests of everyone involved in this docket to make solar rebate allocation seamless and less stressful.

NCSEA supports, in part, Duke's preferred option of aligning the deadline of the installation with the last day of each enrollment period. This is because Duke's other proposal of a 90-day installation window is not a workable option for many of NCSEA's solar installer members. While NCSEA's solar installer members could not come to a consensus of how much time they would need to install systems following the rebate lottery allocation, none suggested 90 days as a reasonable amount of time to install and several

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<sup>2</sup> Annual Report at 6-7.

mentioned that a 90-day window would be too short for them to be able to guarantee their customers a timely installation. In fact, when asked following the issuance of the Order and denial of Duke's initially proposed 180-day window, NCSEA's solar installer members generally preferred an approximately 150-day or 160-day window.

Accordingly, NCSEA supports an end-of-year installation deadline for small commercial and residential customers awarded rebates in the July 2021 lottery, as proposed by Duke. However, NCSEA is concerned about the treatment of customers on the waitlist when the installation deadline passes and, as Duke proposed, any leftover capacity from unbuilt projects will flow to the next rebate window.<sup>3</sup> While NCSEA is supportive of rolling over excess capacity to the next lottery window and appreciates the Commission's concern relating to timely rolling over of that excess capacity, NCSEA believes that customers, specifically those with projects near the front of the waitlist queue, may be unnecessarily harmed unless certain protections are adopted.

Presumably, there will be small commercial and residential customers in the July 2021 window who will be awarded rebates but do not install prior to Duke's proposed deadline. If these customers fail to communicate to Duke their intent *not* to install prior to the deadline they will harm customers on the waitlist who would otherwise receive rebates due to the cancellation of the projects ahead of them. These customers will instead be forced to reapply in the next lottery or, if they have already installed, will not receive a rebate. NCSEA applauds the efforts of Duke, as recommended by the Public Staff and

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<sup>3</sup> "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." Annual Report, p. 7.

ordered by the Commission,<sup>4</sup> of continuing to attempt to communicate with customers to determine which projects may or may not go forward. However, NCSEA is most concerned about customers near the top of the waitlist who may run out of time at the end of the window.

Furthermore, NCSEA is not certain that the Commission intended this new window for installations be adopted for customers on the waitlist who receive a rebate award at or near the installation deadline. The initial implementation of this program in April 2018 allowed for a once-a-year rebate application window and a full 365 days from the date a rebate was awarded to install for small commercial and residential installations.<sup>5</sup> Thereafter, in December 2018, the Commission accepted changes to the program which included the requirement that residential solar systems had to be installed by the end of the applicable calendar year.<sup>6</sup> Then, in December 2020, the program was again amended for the biannual rollout which allowed small commercial customers 365 days to install their system and residential customers until the end of the calendar year to install.<sup>7</sup> This 2021 year-end deadline for installation proposed by Duke is the shortest installation window yet. While NCSEA supports the 150+ day window for rebate lottery winners to install their solar, NCSEA does not believe that this abbreviated window, where a greater number of projects might not be timely built than in past, provides the same opportunities that prior rebate installation windows have provided waitlisted customers. Furthermore, because the

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<sup>4</sup> *Order Accepting Compliance Filing*, Docket Nos. E-2, Sub 1167 and E-7, Sub 1166 (December 17, 2020) (“Order Accepting Compliance Filing”).

<sup>5</sup> *Order Modifying and Approving Riders Implementing Solar Rebate Program*, Docket Nos. E-2, Sub 1167 and E-7, Sub 1166, p. 3 (April 3, 2018).

<sup>6</sup> *Order Granting Joint Motion to Amend*, Docket Nos. E-2, Sub 1167 and E-7, Sub 1166 (December 3, 2018).

<sup>7</sup> See, *Duke Energy Carolinas, LLC’s and Duke Energy Progress, LLC’s Compliance Tariffs – Solar Rebate Program*, Docket Nos. E-2, Sub 1167 and E-7, Sub 1166 (December 11, 2020); and *Order Accepting Compliance Filing*.

per-watt value of the rebates has been lowered, there is also the potential that more rebate awardees will fail to install solar because the monetary value of the rebate is lower.

NCSEA proposes the following modest changes to Duke's preferred proposal: (1) waitlisted customers that have already installed should be granted a rebate if their spot in the queue opens up at the end of the initial lottery installation window; and, (2) customers on the waitlist who have not yet installed and that are awarded capacity in the final 90 days<sup>8</sup> up to and including the end-of-2021 installation deadline should be granted extra time to install their solar.<sup>9</sup> NCSEA believes that the limited window for customers on the waitlist that are awarded capacity could match up with the *next* lottery allocation installation window, i.e., a waitlisted and then late-awarded 2021/2022 project would have until approximately July 2022 to install.<sup>10</sup> It is NCSEA's position that such an extension of time for this limited group of customers to install their solar would not prejudice any other parties or customers and might result in less customer complaints.

### CONCLUSION

For all the reasons set forth herein, NCSEA requests that the Commission require customers that are initially awarded rebates in the July 2021 lottery install their solar by the end of 2021 and that, upon passage of that deadline at the end of 2021, any excess

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<sup>8</sup> NCSEA recognizes that a waitlisted project awarded capacity 91 days, for instance, from the installation deadline will be rushed to install within a window smaller than the NCSEA installers said was reasonable to install a small commercial or residential project. However, NCSEA also recognizes that often times "perfect is the enemy of good" and reasonable deadlines must be established to honor the Commission's repeated desire to keep this program and the capacity rewards orderly and organizable. NCSEA is willing, though, to discuss a longer window, though, if parties are interested.

<sup>9</sup> Installed projects – residential and small commercial waitlisted projects that already installed prior to the allocation of surplus capacity following the drop off of projects from the lottery – would still be awarded their allocation based on their spot on the waitlist, but because they have already installed would not need to be concerned about the waitlist project installation deadlines discussed here.

<sup>10</sup> This date would be subject to change dependent on any further changes made to the rebate program prior to the January 2022 rebate lottery rollout, however the principle remains that a waitlisted project awarded capacity at the end of the July 2021 installation window would receive time to install equal to the next rebate installation window.

capacity be awarded to customers on the waitlist who, if they have not already installed, must install their solar by the close of the initial installation period for the initial 2022 window, which will likely be in July 2022. Similarly, waitlisted customers that are awarded rebates within the 90 days prior to the end of the installation window for the July 2021 lottery should be allowed to install before the close of the initial installation period for the initial 2022 lottery.

NCSEA further requests that waitlisted customers who have already built their projects within the constraints of the program will be awarded rebates in order in the queue following the passage of the July 2021 lottery winner installation period and prior to any rebate capacity being moved to the next rebate allocation.

Respectfully submitted, this the 6th day of May, 2021.

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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 May, 2021.

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