



Kendrick C. Fentress
Associate General Counsel

NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.6733
c: 919.546.2694

Kendrick.Fentress@duke-energy.com

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Apr 23 2018

April 23, 2018

VIA ELECTRONIC FILING

M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's
Response to Objection of NCSEA and SACE
Docket Nos. E-2, Sub 1167 and E-7, Sub 1166**

Dear Ms. Jarvis:

Please find enclosed for filing Duke Energy Progress, LLC and Duke Energy Carolinas, LLC's Response to Objection of NCSEA and SACE in the above-referenced dockets.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kendrick C. Fentress', written over a horizontal line.

Kendrick C. Fentress

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:)
)
Application of Duke Energy Progress, LLC) **DUKE ENERGY PROGRESS,**
and Duke Energy Carolinas, LLC Requesting) **LLC AND DUKE ENERGY**
Approval of Solar Rebate Program Pursuant to) **CAROLINAS, LLC'S**
N.C. Gen. Stat. § 62-155(f)) **RESPONSE TO OBJECTION**
) **OF NCSEA AND SACE**
)
)

Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC (collectively “Duke Energy” or “Applicants”) offer the following response to the Response in Objection to the Applicants’ Compliance Filing for Solar Rebate Program, filed by North Carolina Sustainable Energy Association (“NCSEA”) and the Southern Alliance for Clean Energy (“SACE”) (collectively, referred to as “Responders”). On January 22, 2018, Duke Energy filed the Application Requesting Approval of Solar Rebate Program to implement the provisions of N.C. Gen. Stat. § 62-155(f). Pursuant to the North Carolina Utilities Commission’s (“the Commission”) January 26, 2018 *Order Establishing Proceeding to Review Proposed Solar Rebate Program*, the Public Staff, NCSEA and SACE filed initial comments on February 9, 2018. On February 16, 2018, Duke Energy and SACE filed reply comments. On April 3, 2018, the Commission issued its *Order Modifying and Approving Riders Implementing Solar Rebate Program* (“the Order”). Pursuant to that Order, Duke Energy made its Compliance Filing on April 13, 2018. On April 17, 2018, Responders filed objections to Duke Energy’s Compliance Filing, alleging that Duke Energy was unfairly delaying the implementation of the Solar Rebate Program without explanation in a manner that would unfairly prejudice customers

who installed solar facilities in early 2018, and that Duke Energy was in violation of N.C. Gen. Stat. § 62-155(f). In response to these allegations, Duke Energy respectfully shows the following.

Contrary to NCSEA and SACE's allegations, Duke Energy is not acting in violation of N.C. Gen. Stat. § 62-155(f), nor is Duke Energy delaying the implementation of its Solar Rebate Program. Responders have misread and mischaracterized N.C. Gen. Stat. § 62-155(f). N.C. Gen. Stat. § 62-155(f)(1) states, "The program incentive established by each public utility subject to this section shall meet all of the following requirements: Shall be limited to 10,000 kilowatts (kW) of installed capacity annually starting in January 1, 2018 and continuing until December 31, 2022, and shall provide incentives to participating customers based upon the installed alternating current nameplate capacity of the generators." Section 8.(c) of House Bill 589 further states the Application required to be filed with the Commission pursuant to N.C. Gen. Stat. § 62-155(f) shall be filed by the electric utility no later than 180 days after the effective date of this section. Duke Energy timely filed its Application for the Solar Rebate Program on January 22, 2018, which was 179 days after House Bill 589 became law on July 27, 2017.

N.C. Gen. Stat. § 62-155(f) did not direct the Solar Rebate Program to start on January 1, 2018, and any such reading of it as such is erroneous. The statute requires that participating customers are eligible for the program starting in January 1, 2018. Duke Energy filed its Application on time, and participating customers who installed rooftop solar after January 1, 2018 will be eligible for the program. Therefore, the Applicants are not in violation of N.C. Gen. Stat. § 62-155(f). Understandably, the Commission needed time to appropriately review the Application. Similarly, Duke Energy could not

implement the program until the Commission had issued the Order. Duke Energy is working to implement the program as quickly as possible in accordance with the Commission's Order.

Duke Energy anticipates that the program will be implemented by July 9, 2018 and that rebate checks can be delivered to customers 30-45 days afterwards. Duke Energy shares Responders' eagerness to begin the program. It is a new program, however, and many steps need to be taken to ensure a good customer experience and compliance with the Commission's Order. These steps include, but are not limited to: training employees at the renewable service center; establishing payment processes; staffing; updating webpages with the application, terms and conditions, tariffs, and frequently asked questions; creating marketing and communication materials, such as email templates to update the customers and installers when the application has been received, approved and accepted, including the application being added to the waiting list; providing webinars for installers and Duke Energy account managers; and establishing reports per the Order for the Applicants' ongoing and annual filing requirements.

Customers who have installed rooftop solar since January 1, 2018, but before the program was approved, remain eligible for rebates, and Duke Energy's proposed implementation date will not unfairly prejudice those customers. Responders request that the Applicants base their first-come, first served policy on the date of installation. However, the Commission's Order states, "Applications should be processed in the order in which they are received by the Companies." Order, p. 13. The customers who installed rooftop solar after January 1, 2018, but before the Commission's Order on April

3, 2018, were not guaranteed a rebate by the General Assembly, the Commission, or the Applicants, but those customers are eligible for rebates and are not unfairly prejudiced. If issues arise, they can be addressed by the Commission at a later date.

Finally, Responders' concerns that the summer implementation of the Solar Rebate Program will render analysis ineffective for 2018 is misguided. Rushing the program into existence without proper controls has a greater risk of making analysis ineffective, as opposed to properly implementing the program with forethought and preparation. Furthermore, an implementation date in early July will sufficiently allow an examination period of nearly six months in the first year of the program.

The Applicants submit that the complaints and objections of Responders are without merit and should be rejected.

Respectfully submitted, this 23rd day of April, 2018



Kendrick Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551, NCRH 20
Raleigh, NC 27602
Tel: (919) 546-6733
Kendrick.Fentress@duke-energy.com

Dwight W. Allen
The Allen Law Offices, PLLC
1514 Glenwood Ave., Suite 200
Raleigh, North Carolina 27608
Tel: (919) 838-0529
dallen@theallenlawoffices.com

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 Response to Objection of NCSEA and SACE, in Docket Nos. E-2, Sub 1167 and E-7, Sub 1166, has been served on all parties of record on the service list by either electronic mail or by depositing in the U.S. mail, postage prepaid.

This, the 23rd day of April, 2018.



Kendrick Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551, NCRH 20
Raleigh, NC 27602
Tel: (919) 546-6733
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ATTORNEY FOR DUKE ENERGY
PROGRESS, LLC AND DUKE ENERGY
CAROLINAS, LLC