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,

[Signature]

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
and Duke Energy Carolinas, LLC Requesting
Approval of Solar Rebate Program Pursuant to

DUKE ENERGY PROGRESS,
LLC AND DUKE ENERGY
CAROLINAS, LLC’S
RESPONSE TO OBJECTION
OF NCSEA AND SACE

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

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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.

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