



Duke Energy Solar Choice Rates

Docket Nos. 2020-264-E and 2020-265-E

Duke Energy Carolinas (DEC) and Duke Energy Progress (DEP), known collectively as Duke Energy, are requesting the Public Service Commission of South Carolina (PSC) approve new rooftop solar rates which may reduce costs imposed on consumers who do not have or use rooftop solar, while allowing rooftop solar adopters to generate and use power without penalties. Duke Energy has proposed rates and schedules for residential and non-residential customer-generators.

Considering Going Solar?

The ORS encourages consumers to explore all options of renewable energy. However, choosing to go solar is a lot like buying a car— consumers need to do their homework, check prices from several sources, and think carefully about which choice is best for their own individual needs.

Impact to Consumers

Cost shift may occur when solar customer-generators do not pay for an electric utility's fixed costs to maintain and upkeep the electric grid because solar customers produce some of their own electricity, and those costs are passed on to others. The ORS' review found the cost shift per month to the average non-solar residential consumer would be more than Duke Energy identified. The differences can be found in the chart below:

	Original Application DEC/DEP	Proposed Stipulation Permanent Rates DEC/DEP	ORS Review DEC/DEP
Cost Shift per Month to Average Non-Solar Residential Consumer	+\$5.33/\$0.00	+\$0.00/\$0.00	+\$52.00/\$37.00



Stipulation

A stipulation is a document formalizing an agreement among two or more parties in a case. The PSC must approve a stipulation before it is binding.

The ORS agrees with aspects of the stipulation but disagrees with how Duke Energy determined the

dollar values for the proposed rates. The ORS found the embedded cost of service studies Duke Energy used were outdated and flawed. The embedded cost of service studies result in artificially reduced cost shift numbers proposed by Duke Energy.

The ORS' Role

The ORS represents all consumers— with or without solar— who purchase power from regulated utilities. The impacts of electricity sold back to the utility by solar customer-generators and the impacts to solar installers and manufacturers were not analyzed to formalize the ORS' recommendations. The ORS only analyzed the cost-shift portion of the proposed new rates in these dockets. This was to provide the PSC with information required to make an informed decision as to how these proposed rates would impact consumers with and without solar. The PSC may also take into consideration economic impact and other factors outlined in Act 62 when making a final decision.

South Carolina Energy Freedom Act

Act 62, known as the South Carolina Energy Freedom Act, was passed in 2019. This Act addresses many topics around renewable energy programs and asks utilities to establish rates for customer-generators returning energy to the grid through net energy metering.

- Customer-generators who applied for net metering before May 16, 2019, will receive credit at the full retail electric rate until December 31, 2025.
- Customer-generators who applied for net metering between May 16, 2019 and May 31, 2021, will receive credit at the full retail electric rate until May 31, 2029.
- Beginning June 1, 2021, "Solar Choice Metering Tariffs" will apply to new customer-generators.

About the Office of Regulatory Staff

The ORS represents consumers of investor-owned utilities in South Carolina before the PSC. The PSC is the state agency that sets utilities' rates. The ORS must look at the impact to the consumer and utilities' continued investment in reliable and high-quality services.