



August 18, 2015

Lynn Good
President & CEO, Duke Energy
550 South Tryon Street
Charlotte, NC 28202

Dear Ms. Good,

As you know, North Carolina's solar market has experienced dramatic growth in the past decade. Our industry owes much of this progress to smart policies like the Renewable Energy Investment Tax Credit. As North Carolina's leading small-scale solar installers, we write today to respectfully urge your vocal support for a two-year extension of the tax credit, which is especially crucial to sustain small-scale solar – to the benefit of all North Carolina electric customers.

Our industry has worked hard to make solar affordable for more North Carolina residents and business owners, and we've been very successful. The tax credit has provided the financial footing needed for our young but capable industry to serve residential and commercial customers statewide. We have seen first-hand how the certainty provided by this policy translates to a strong business pipeline that keeps jobs and income in our communities and builds a grid that is more distributed, resilient and clean. Small-scale solar is a key contributor to our state's \$4.8 billion solar industry.

Unfortunately, as your dedicated team is aware, many of our smaller projects are meeting delays in the interconnection process, making it difficult to assure our customers of project completion by year's end. Additionally, many of the skilled workers needed to install our projects are opting to work on larger-scale projects, making fewer workers available for small-scale installation work in the next four months.

Combine these ongoing issues with the looming expiration of our tax credit at the end of the year, and small-scale solar companies and our customers are suffering from unintentional consequences. While the General Assembly passed a Safe Harbor law, our customers' systems are too small to make buying into the Safe Harbor worthwhile.

As a result of this uncertainty, we have all but lost the ability to commit to finishing many system installations by year's end – and we are only eight months into this tax year! This has never happened before and threatens millions of dollars of lost revenue for solar companies like ours. In North Carolina's regulated marketplace, the tax credit has been a critical factor in our customers' ability to invest in and learn about next-generation technologies that will power our homes and businesses in the future.

Without the tax credit, Duke Energy will have a much less fertile environment for expanding its portfolio of services to North Carolina customers. This is bad for everyone: the customers who want more clean energy options, the companies like ours who work to provide those options, and the utility, who will have a more limited customer base willing to partner in the development of tomorrow's electrical grid, which we all know is coming.

The extension of the tax credit would help level out demand for the rest of the year and allow the industry to phase out the tax credit over the next two years, during which time we can work collaboratively with Duke Energy to figure out how to make sure our grid continues to be affordable, reliable and increasingly clean. We know that Duke Energy shares these goals. Please join us in calling on the House and Senate to include a two-year extension of the Renewable Energy Investment Tax Credit in the budget.

Thank you for your support and consideration,

Dave Hollister, President & CEO
Sundance Power Systems

Kathy Miller, Co-Founder and CEO
Yes Solar Solutions

Maria Kingery, Co-Founder & CEO
Southern Energy Management

Stew Miller, Co-Founder and President
Yes Solar Solutions

Bob Kingery, Co-Founder & President
Southern Energy Management

Jason Epstein, Executive Vice President
Baker Renewable Energy