

**AGREEMENT FOR THE SALE  
OF ELECTRICAL OUTPUT TO  
VIRGINIA ELECTRIC AND POWER COMPANY**

THIS AGREEMENT, effective this 27<sup>th</sup> day of January, 2015, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business as Dominion Virginia Power hereinafter called " Dominion Virginia Power" or "Company", and Burnshire Hydroelectric, LLC, a Virginia Domestic Limited Liability Company, with its principal office in Woodstock, Virginia, hereinafter called "Operator", operator of the Burnshire Hydroelectric Facility, hereinafter called the "Facility":

**RECITALS**

WHEREAS, the Virginia State Corporation Commission ("SCC") has adopted a rate schedule described in this Agreement below as **Virginia Schedule 19** applicable to Qualifying Facilities ("QF")

WHEREAS, the parties hereto wish to contract for the sale of electrical output from such a QF to be operated by Operator,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows:

**Article 1: Parties Purchase and Sale Obligations**

Company or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) as defined in Article 3 made available for sale from the Facility on an excess sale arrangement. In addition, Operator has elected to contract under the Company's avoided cost tariff as described more fully in Article 5 and Exhibit C. Operator elects to provide for the supply of energy and capacity per Virginia Schedule 19 paragraph III.A up to the Facility's Contracted Capacity. The Facility is located in Company's retail service area in Woodstock, Virginia.

**Article 2: Term and Commercial Operations Date**

This Agreement shall commence on the Effective Date and shall continue in effect for a period of 1 year from the Commercial Operations Date (COD). After the initial period, this agreement shall automatically be renewed for an additional one (1) year period and for successive 1 year periods thereafter, unless written notice to terminate is given by either party to the other party at least sixty (60) days prior to a termination date which such date may be prior to the end of the 1 year renewal period. The COD shall be the first date that all of the following conditions have been satisfied:

- a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Company system and such action has been witnessed by an authorized Company employee;

- b) After completion of item a) above, Company has received written notice from Operator specifying the COD and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;
- c) Operator and Company (and/or the PJM Interconnection, LLC or other operator of the Dominion Virginia Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;
- d) Operator has provided to Company the Facility's Qualifying Facility Certification to be included herewith as Exhibit E; and
- e) Operator has provided Company with sufficient written evidence that Operator will be in compliance with Article 9 of this Agreement.
- f) Operator has provided to Company the Facility's Certificate of Public Convenience and Necessity or the letter filed with the Virginia State Corporation Commission meeting the Requirements for Application for Construction of Electric Generating Facilities to be included herewith as Exhibit F.

### **Article 3: Contracted Capacity**

The Facility, consisting of 1 generator, will have a combined nameplate rating of approximately 100 kW. The Facility's Contracted Capacity shall be 95 kW net to Company (alternating current or ac).

### **Article 4: Attachments**

The following documents are attached hereto and are made a part hereof:

- Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)
- Exhibit B: General Terms and Conditions
- Exhibit C: Virginia Schedule 19
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in Article 1
- Exhibit E: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)

Exhibit F: Certificate of Public Convenience and Necessity or letter filed for Virginia State Corporation Commission's Application for Construction of Electric Generating Facility Requirement if Facility is less than 5MWs

### **Article 5: Pricing**

Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions for payments in the Virginia Schedule 19 tariff included herewith as Exhibit C. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

Payments for capacity will begin on the COD. All energy delivered prior to the COD shall be paid pursuant to Virginia Schedule 19.

### **Article 6: Regulatory Pricing Adjustment and Refund**

Should the SCC or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion Virginia Power's customers and to refund to Company, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Company or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Company shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Company's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

### **Article 7: Operator's Pre-COD Obligations**

Within sixty (60) days after the Effective Date, Operator shall submit to Company its proposed schedule for construction, start-up and testing of the Facility with updated schedules and status reports to be submitted to Company on or before, January 15, April 15, July 15, and October 15 of each year until the COD. Such status report shall discuss the progress of the project in a format, which is acceptable to Company.

The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional Notice-to-Proceed; (2) the mobilization of construction equipment and construction facilities on the Facility site; and (3) the commencement of excavation and structural concrete work relating to a major component of the Facility such as the power island consistent with having commenced a continuous process of construction relating to the Facility. Company shall have no obligation to accept a declaration of Commercial Operations prior to December 1, 2014 . The anticipated COD is March 1, 2015.

### **Article 8: Default and Early Termination**

Operator and Company agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Company having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined in Article 7 above, and provide Company with written notice thereof by March 31, 2015, (ii) failure to achieve COD by December 31, 2015, (iii) failure to provide two (2) consecutive status reports pursuant to Article 7, (iv) delivery or supply of electrical output to any entity other than Company or its agent, assignee or successor, (v) failure of Operator to maintain QF certification or to meet those requirements necessary to maintain Qualifying Facility status at any time after COD, (vi) failure at any time to have in effect a valid Interconnection Agreement with Dominion Virginia Power (or its successor as operator of the Dominion Virginia transmission system) at any time after COD, or (vii) failure to generate and deliver power from the Facility to Company for more than 180 consecutive days, at any time after the COD, or (viii) failure of Operator to maintain liability insurance coverage in accordance with the requirements of Exhibit B Section II. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Company shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Company's notice, Company shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Company for Operator's non-performance prior to the end of this Agreement, then, Company shall have all rights and remedies available at law or in equity.

### **Article 9: Representations and Warranties**

Operator represents and warrants that it has the right to operate the Facility in accordance with the terms of this Agreement. Operator further represents and warrants that all permits, approvals, and/or licenses necessary for the operation of the Facility will be obtained prior to the COD and shall be maintained throughout the Term of this Agreement. Operator shall, provide such documentation and evidence of such right, permits, approvals and/or licenses as Company may reasonably request, including without limitation air permits, leases and/or purchase agreements.

**Article 10: Notices and Payments**

All correspondence and payments concerning this Agreement shall be to the following addresses. Either Party may change the address by providing written notice to the other Party.

**OPERATOR:**

Burnshire Hydroelectric, LLC  
Mr. Robert L. Harvey Jr.  
480 N Pifer Road  
Star Tannery, VA 22654

**DOMINION VIRGINIA POWER:**

Virginia Electric and Power Company  
Director - Power Contracts (3SE)  
5000 Dominion Boulevard  
Glen Allen, Virginia 23060-6711

**Article 11: Integration of Entirety of Agreement**

This Agreement is intended by the Parties as the final expression of their Agreement and is intended also as a complete and exclusive statement of the terms of their Agreement with respect to the purchase and sale of electrical output generated by the Facility. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are hereby abrogated and withdrawn.

IN WITNESS WHEREOF, the Parties hereto have caused their names to appear below, signed by authorized representatives as of the date first shown above.

**BURNSHIRE HYDROELECTRIC LLC**By: 

Name: Robert L. Harvey Jr.

Title: Owner

**VIRGINIA ELECTRIC AND POWER COMPANY**By: 

Name: Michael S. Hupp Jr.

Title: Authorized Representative

EXHIBIT A  
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion Virginia Power's procedures for generator interconnection are explained through the Internet at the Company's website shown below:

<https://www.dom.com/business/dominion-virginia-power/b2b-services/using-our-facilities/parallel-generation-and-interconnection>

Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

(Note: IC# VA-13-002)

EXHIBIT B  
General Terms and Conditions

I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Company. Company may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Company or its customers. Any attempted assignment that Company has not approved in writing shall be null and void and ineffective for all purposes. In the event of assignment by Operator, Operator shall pay Company within thirty (30) days of the effective date of the assignment an amount equal to the actual costs incurred by Company in connection with such assignment up to a maximum amount of \$10,000 per assignment; provided, however, assignment of this Agreement by Operator in connection with an initial financing arrangement which is finalized and for which consent of Company is requested within nine months of the Effective Date of this Agreement shall not be subject to the payment requirement provided herein

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Company, defend Company, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion Virginia Power) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Company for any injuries, deaths or damages caused by the sole negligence of Company.

Operator shall hold General Liability Insurance specifically and solely for the Facility with limits of \$1,000,000 each occurrence and in the aggregate, which amount shall be modified using commercially reasonable standards in accordance with any prior written notice by the Company. Operator agrees to have Dominion Virginia Power named as an additional insured and shall keep such coverage current throughout the term of this Agreement. Operator shall initially provide the Company written evidence of liability insurance coverage prior to the COD. Thereafter, it shall provide additional documentation evidencing current coverage when requested by the Company. In addition, Operator shall provide thirty (30) days prior written notice of any cancellation or non-renewal of such coverage.

III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's ("FERC") rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a QF. Operator will submit prior to delivery of electrical

output from the Facility to Company evidence of Qualifying Facility certification. Company may require "FERC QF Certification" and if so requested Operator agrees to obtain, at Operator's expense, a certification as a QF from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. § 292.207 (b). After the COD, if requested by Company prior to March 1 of any year, Operator agrees to provide information annually by July 1 of the same year to Company for the preceding year sufficient for Company to determine the Operator's continuing compliance with its QF requirements; including but not limited to:

- (a) All information required by FERC Form 556.
- (b) Copy of the Facility's QF Certification and any subsequent revisions or amendments.
- (c) Provide a copy of any contract executed with a thermal host.
- (d) Identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation.
- (e) Identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation.
- (f) Identification of the QF's useful power output for each month. These values should be verifiable by auditing supporting documentation.
- (g) Provide drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations.
- (h) Provide any other information which the QF believes will facilitate Company's monitoring of the QF requirements.
- (i) Company may request additional information, as needed, to monitor the QF requirements.

#### IV - Consequential Damages

In no event shall either Party be liable to the other for any special, indirect, incidental or consequential damages whatsoever, except that the foregoing shall not apply to any promises of indemnity or obligations to reimburse the Parties expressly set forth in this Agreement.

## V - Amendments, Waivers, Severability and Headings

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment. The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

## VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 60-250.5 and 41 C.F.R. § 60-741.5 and the clauses relating to the utilization of small and minority business concerns set forth in 15 U.S.C. § 637(d)(3) and 48 C.F.R. § 52-219.9 are hereby incorporated by reference and made a part of this Agreement. If this Agreement has a value of more than \$500,000, Operator shall adopt and comply with a small business and small disadvantaged business subcontracting plan which shall conform to the requirements set forth in 15 U.S.C. § 637(d)(6). The provisions of this section shall apply to Operator only to the extent that:

- (a) Such provisions are required of Operator under existing law,
- (b) Operator is not otherwise exempt from said provisions and
- (c) Compliance with said provisions is consistent with and not violative of 42 U.S.C. § 2000 et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

## VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement.

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion Virginia Power-owned Interconnection Facilities, in conformance with all applicable laws and regulations and in accordance with

operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion Virginia Power may refuse to accept deliveries of power hereunder.

Company may enter Operator's premises (a) to inspect Operator's protective devices at any reasonable time; (b) to read or test meters and metering equipment; and (c) to disconnect, without notice, the Facility if, in Company's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Dominion Virginia Power facilities or other customers' facilities from damage or interference caused by Operator's Facility or lack of properly operating protective devices. Company will endeavor to notify Operator as quickly as practicable if disconnection occurs as provided in (c) above. Any inspection of Operator's protective devices shall not impose on Company any liabilities with respect to the operation, safety or maintenance of such devices.

Operator shall not operate the Facility in parallel with Dominion Virginia Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Company representative and (b) receiving written authorization from an authorized Company representative to begin parallel operation.

#### VIII - Metering

Dominion Virginia Power will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer.

Operator agrees to pay an administrative charge to Company to reflect all reasonable costs incurred by Company for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the Virginia State Corporation Commission ("SCC") approves a different charge in Virginia Schedule 19.

In addition, Operator agrees to pay any fees required to provide and maintain leased telephone lines required for meter reading by Dominion Virginia Power.

#### IX - Billing and Payment

Dominion Virginia Power shall read the meter in accordance with its established meter reading schedule (the "Billing Period"). Operator shall pay the monthly metering charge set forth in Article II of Virginia Schedule 19 to cover the cost of meter reading and processing, as such charge may be amended from time to time subject to SCC approval. By the first business day after thirty days following the meter read date, Company shall make payment to Operator equal to the amount owed for the Contracted Capacity and the delivered energy including line loss. All payments shall be by wire transfer to Operator's wire account or as otherwise reasonably requested in writing by Operator. At Company's option, (i) Company may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Company may invoice Operator for such charges separately. Payment by Company shall include verification showing the billing month's ending meter

reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Company shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

In the event that any data required for billing purposes hereunder are unavailable when required for such billing, the unavailable data shall be estimated by Company, based upon historical data. Such billing shall be subject to any required adjustment in a subsequent billing month.

Operator agrees that Company shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Company resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Company, including amounts arising from sales of electricity by Company to Operator, metering charges and Interconnection Facilities charges.

In no event shall Company be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Virginia Schedule 19 or successor schedules. Operator hereby agrees to accept the Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Company.

#### X - Force Majeure

Neither Party shall be considered in default under this Agreement or responsible to the other Party in tort, strict liability, contract or other legal theory for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service or any other failure to perform any of its obligations hereunder to the extent such failure occurs without fault or negligence on the part of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of reasonable diligence that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or public enemy, action or inaction of a court or public authority, fire, sabotage, war, explosion, curtailments, unscheduled withdrawal of facilities from operation for maintenance or repair or any other cause of similar nature beyond the reasonable control of that Party (any such event, "Force Majeure"). Solely economic hardship of either Party shall not constitute Force Majeure under this Agreement. Nor shall anything contained in this paragraph or elsewhere in this Agreement excuse Operator or Company from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

Each Party shall have the obligation to operate in accordance with Good Utility Practice (as defined below) at all times and to use due diligence to overcome and remove any cause of failure to perform.

If a Party relies on the occurrence of an event of Force Majeure described above as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the Force Majeure event shall:

- a) Provide within forty-eight (48) hours written notice of such Force Majeure event or potential Force Majeure to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder;
- b) Exercise all reasonable efforts to continue to perform its obligations under this Agreement;
- c) Expeditiously take action to correct or cure the Force Majeure event excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute;
- d) Exercise all reasonable efforts to mitigate or limit damages to the other Party; and
- e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereunder shall be extended by a period equal to the term of the resultant delay.

If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a response to the event in a manner that is above and beyond Good Utility Practice, and such a response could shorten the duration of the Force Majeure event, the Party responding to the event may, at its discretion, present the other Party with the option of funding the expenditures for expediting material deliveries or labor production in an effort to reduce the duration of the event and economic hardship. Each such opportunity will be negotiated on a case-by-case basis by the Parties.

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged in or approved by a significant portion of the electric utility industry during the relevant time period which in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practices, generation, transmission and distribution reliability, safety, environmental protection, economy and expediency. Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, or any other acts or practices as are reasonably necessary to maintain the reliability of the Transmission System (as defined in the Interconnection Agreement), or of the Facility, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

## EXHIBIT C

Exhibit C is a copy of Virginia Schedule 19

Schedule 19  
POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

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I. APPLICABILITY & AVAILABILITY

This Schedule is applicable to any Cogenerator or Small Power Producer (Qualifying Facility), as defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), which desires to provide all or part of its electrical output to the Company on an energy and capacity or on an energy only basis, and which has a net capacity of 20,000 kW or less, and enters into an agreement for the sale of electrical output to Virginia Electric and Power Company (Agreement).

No developer, or any affiliate of a developer, shall be permitted to locate a Schedule 19 facility within one-half mile of any other Schedule 19 facility owned or operated by such developer or any affiliate of such developer unless:

- a. Such facilities provide thermal energy to different, unaffiliated hosts; or
- b. Such facilities provide thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs; or
- c. Such facilities utilize a renewable resource that may be subject to geographic siting limitations, such as hydroelectric, solar or wind power facilities.

This Schedule is available to a Qualifying Facility (QF) which enters into an Agreement with the Company during the effective period of this Schedule, and which achieves Commercial Operation in accordance with the provisions of its Agreement (Commercial Operations) on or after January 1, 2006.

II. MONTHLY BILLING TO THE QF

The provision of Electric Service from the Company to the QF will be in accordance with any applicable filed rate schedule. A QF that elects to sell electrical output from its generation facility will be billed a monthly charge as follows to cover the cost of meter reading and processing:

1. For QFs requiring only one non-time differentiated meter: \$5.56.
2. For QFs requiring only one time differentiated meter: \$65.09.
3. For QFs requiring two time differentiated meters: \$102.62.

*per email  
12/12/14  
From Mary Morgan  
meter billing  
is option 2  
MS*

(Continued)

Schedule 19

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

III. CONTRACT OPTIONS

QFs with a net capacity of 10 kW or less shall elect, from the following two options, the manner in which the QF shall operate and provide its electrical output to the Company. This election shall be contracted for and made a part of the QF's Agreement. QFs with a net capacity greater than 10 kW but less than or equal to 20,000 kW must contract for the supply of both energy and capacity to the Company, in accordance with Paragraph III. A., below. Purchase payments, if any, to the QF for the supply of energy and/or capacity to the Company shall be based on this contractual designation.

- A. Supply of Energy and Capacity: A QF shall contract for the supply of both energy and capacity to the Company, except as may be permitted pursuant to Paragraph III. B., below. The level of capacity that the QF contracts for shall not exceed 20,000 kW. The supply of both energy and capacity shall require the installation of one (or two, if necessary) time differentiated meter(s) to measure the hourly output of the QF's generation facility.
- B. Supply of Energy Only: A QF with a net capacity of 10 kW or less may elect to contract for the supply of only energy to the Company. A QF electing this option will not be eligible for capacity payments. Election of this option shall require the installation of a non-time differentiated meter to measure the monthly output of the QF's generation facility.

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY

A QF that supplies both energy and capacity to the Company, in accordance with Paragraph III. A., above, shall receive purchase payments as follows:

- A. Energy Purchase Payments
  - 1. Purchase payments for the supply of energy by the QF to the Company will be based on an hourly energy purchase price (cents per kWh) that is calculated using the hourly \$/MWh PJM Interconnection, LLC (PJM) Dom Zone Day Ahead Locational Marginal Price (DA LMP) divided by 10, and multiplied by the hourly net generation as recorded on the Company's time differentiated meter.

(Continued)

Schedule 19

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY  
(Continued)

2. All energy purchase prices per kWh will be increased by 2.8% to account for line losses avoided by the Company. This line loss percentage will be fixed for the term of the contract between the QF and the Company.
3. In lieu of the line loss percentage in Paragraph IV. A.2., a QF may request that the percentage be derived by a line loss study calculated to the location the QF interconnects with the Company. To receive this site specific line loss percentage, the QF must be willing to bear the cost of such a study.

B. Capacity Purchase Payments

Purchase payments for the supply of capacity by the QF to the Company will be made based upon the QF's daily net on-peak generation multiplied by that corresponding day's on-peak capacity purchase price, as calculated, below. If applicable, the purchase payment for capacity may be modified by application of the Summer Peak Performance Factor (SPPF), as described, below. The on-peak hours for every day are from 7 AM to 11 PM. Off-peak hours are defined as all other hours.

Beginning June 1, 2007, and for each June 1, thereafter, PJM will establish the Reliability Pricing Model capacity resource clearing price for each PJM zone, shown as a \$/MW/day price, that will be applicable through the following May 31. Such prices will be the clearing results from PJM's Base Residual Auction. Using the price for the Dom Zone (initially identified on the PJM website as "Dom\_PZonal"), the Company will calculate an on-peak capacity purchase price (cents per kWh) for each day by dividing the Dom Zone \$/MW/day price by 16 hours, and further dividing the result by 10, rounded to the nearest one-thousandth cent. The resulting cents per kWh on-peak capacity purchase price will be applied to the QF's net on-peak generation for the corresponding day, to provide for the daily capacity purchase amount. The sum of the daily capacity purchase amounts for the billing month will constitute the monthly capacity purchase payment to the QF, unless modified by application of the SPPF, below.

(Continued)

Schedule 19

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY  
(Continued)

Initially, a QF's SPPF will be 1. Once a QF has achieved Commercial Operations and such operation encompasses at least a full Summer (defined by PJM as June 1 through September 30, inclusive), the following January billing month, and for each January billing month thereafter, an SPPF will be calculated that is based on the QF's operation during the five (5) PJM coincident peak hours ("CP Hours"), as posted by PJM, during the Summer of the previous calendar year. The QF's SPPF is equal to the number of CP Hours in which the QF generated at or greater than 75% of its net capacity, divided by 5. Therefore, the SPPF could be 0, .2, .4, .6, .8, or 1. The QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

V. PAYMENT OF COMPANY PURCHASES OF ENERGY ONLY

A QF that supplies only energy to the Company, in accordance with its election in Paragraph III. B., above, shall receive purchase payments as follows:

- A. Purchase payments for the supply of only energy by the QF to the Company will be based on an energy purchase price (cents per kWh) that is calculated using the average of the hourly \$/MWh Dom Zone DA LMP for the QF's billing month divided by 10, and multiplied by the net generation as recorded on the Company's non-time differentiated meter.
- B. All energy purchase prices per kWh will be increased by 2.8% to account for line losses avoided by the Company. This line loss percentage will be fixed for the term of the contract between the QF and the Company.
- C. In lieu of the line loss percentage in Paragraph V. B., a QF may request that the percentage be derived by a line loss study calculated to the location the QF interconnects with the Company. To receive this site specific line loss percentage, the QF must be willing to bear the cost of such a study.

(Continued)

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  2. Control and protective devices as required by the Company on the QF's side of the meter.
- B. The Company shall own and install any interconnection facilities on the Company side of the meter required for the QF to sell energy to the Company. The costs associated with these facilities will be borne by the QF. These costs include, but are not limited to, the costs of connection, switching, metering, transmission, distribution, safety provisions, telephone lines, and administrative costs incurred by the Company which are directly related to the installation and maintenance of the facilities necessary to permit interconnected operations with the QF. The QF shall pay for these interconnection costs by either of the following methods:
1. A one-time lump-sum payment equal to the estimated new installed cost of all interconnection facilities provided by the Company multiplied by the appropriate tax effect recovery factor (if applicable), plus the appropriate monthly charge as described in Section IV.E. of the Company's Terms and Conditions on file with the Virginia State Corporation Commission.
  2. A continuous monthly charge as described in Section IV.E. of the Company's Terms and Conditions on file with the Virginia State Corporation Commission which is designed to recover over time the estimated new installed cost of all interconnection facilities and their related operating expenses.

The QF will also be responsible for payment to the Company for the cost of removing the interconnection facilities at the conclusion of the QF's Agreement. Payment for these costs shall be in the same manner as the Company charges its other customers for similar work.

(Continued)

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION (Continued)

- C. In addition to the costs in Paragraph VI.B., above, the actual costs associated with relocating and/or rearranging existing facilities to allow interconnected operation will also be borne by the QF. A monthly charge shall not apply to these costs. Payment for these costs shall be in the same manner as the Company charges its other customers for similar work.
- D. The QF shall have equipment specifications and plans for control devices interconnection facilities, and protective devices approved by the Company in advance of energizing the facility.
- E. The relays and protective equipment shall be subject, at all reasonable times, to inspection by the Company's authorized representative.
- F. Upon request by the Company, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.
- G. The Company shall have the right to reduce the energy received from a QF during periods when a minimum load condition exists on the Company's system. These reductions will be within the design limits of each QF's equipment and will be limited to 1,000 off-peak hours in any calendar year.

VII. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

The provisions of this schedule, including the rates for purchase of electricity by the Company, are subject to modification at any time in the manner prescribed by law, and when so modified, shall supersede the rates and provisions hereof. However, payments to QFs with contracts for a specified term at payments established at the time the obligation is incurred shall remain at the payment levels established in their contract.

VIII. TERM OF CONTRACT

The term of contract shall be mutually agreed upon, but not less than one year.

## EXHIBIT D

Exhibit D is a map and written description identifying the specific location of the Facility and is provided by the Operator.

# Burnshire HydroElectric, L.L.C.

Exhibit D—

86 Burnshire Lane  
Woodstock, VA 22664

Small run of river hydroelectric plant with three Leffel turbines, 145hp, 145 hp and 85 hp situated along the North Fork of the Shenandoah river in Shenandoah County just outside of Woodstock, VA



480 N. Pifer Road  
Star Tannery, Virginia, 22654

(540) 465-1965  
leecharvey@outlook.com

OFFICIAL COPY

Mar 30 2016

## EXHIBIT E

Exhibit E is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit E that the Facility qualifies as a Qualifying Facility (QF) under federal law.

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility ("QF" or "Qualifying Facility"). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3).

Burnshire  
Hydroelectric  
LLC

Mar 30 2016

Name

Title

Owner - Burnshire Hydroelectric LLC

# Burnshire HydroElectric, L.L.C.

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Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility ("QF" or "Qualifying Facility"). Therefore, Burnshire Hydroelectric LLC submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3.

Respectfully Submitted,

Robert L Harvey, Jr.  
<electronic signature>  
Owner—Burnshire Hydroelectric LLC

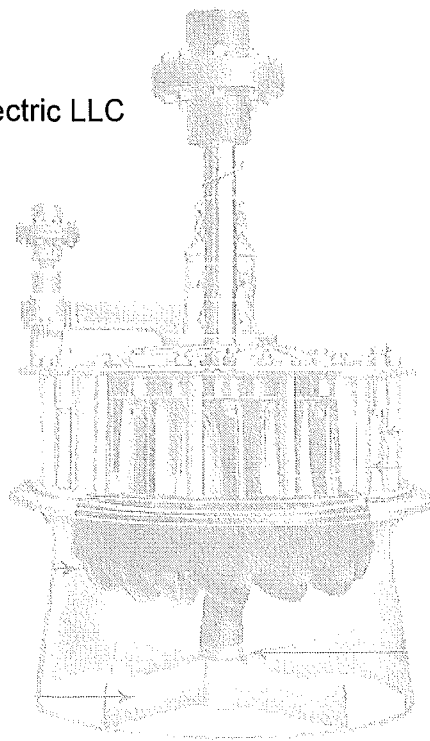


EXHIBIT F

Exhibit F is the Certificate of Public Convenience and Necessity to be provided by the Operator.

OR

If Facility is less than 5MW, the letter filed with the Virginia State Corporation Commission meeting the Requirements for Application for Construction of Electric Generating Facilities

# Burnshire HydroElectric, L.L.C.

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December 17, 2014

William F Stephens  
Director of the Division of Energy Regulation  
State Corporation Commission  
PO Box 1197  
Richmond, VA 23218

Subject: Burnshire Hydroelectric 20VAC5-302-10 filing

Dear Mr. Stephens,

Burnshire Hydroelectric, LLC respectfully informs the State Corporation Commission of the intention to construct and interconnect an electric generating facility near Woodstock, Virginia. This is a reactivation of a previously functioning hydroelectric plant.

Pursuant to 20VAC5-302-10 this letter indicated the location, size and fuel type of the facility.

Location: 86 Burnshire Lane  
Woodstock, VA 22664  
Size: Interconnection capacity of 260kW  
Fuel: Run of river hydroelectric

The facility will comply with all other requirements of federal, state and local law.

Respectfully submitted,

R. Lee Harvey, Jr

**Lee Harvey**

**From:** Mary D Morgan (Generation - 3M) <mary.d.morgan@dom.com>  
**Sent:** Thursday, December 18, 2014 11:15 AM  
**To:** leeharvey@outlook.com  
**Cc:** Roger T Williams (Generation - 3M)  
**Subject:** RE: burnshire hydro power purchase agreement

Lee,

- 1) Dominion has recently updated its website. The new link is:  
<https://www.dom.com/business/dominion-virginia-power/b2b-services/using-our-facilities/parallel-generation-and-interconnection>
- 2) I can write "1 year with an auto-renew" language into the PPA. It will allow for 60 day notice by either party before the ending of the current term.
- 3) The capacity is the KW that can be delivered reliably. It should be set to the number that you decide. The PPA can be amended to reset the Contract Capacity ( such as when you install more generators).
- 4) Your facility will only be assessed a meter reading and administration charge on the meter that was installed to measure the output from your facility (which should be just 1 meter)

Ref Sched 19, page 1

Thank you,  
Mary D Morgan  
Power Contracts Account Manager  
[Email-Mary.D.Morgan@dom.com](mailto:Email-Mary.D.Morgan@dom.com)  
804-273-4241  
Fax 804-273-2951  
Innsbrook 3SE  
5000 Dominion Blvd  
Glen Allen, VA 23060

**From:** Lee Harvey [<mailto:leeharvey@outlook.com>]  
**Sent:** Wednesday, December 17, 2014 12:56 PM  
**To:** Mary D Morgan (Generation - 3M)  
**Subject:** RE: burnshire hydro power purchase agreement

Hi Mary

I read through the contract. I have some questions:

Exhibit A has a web link to Dominion. I want to read this but the web link takes me to my account sign in page. When I sign in the only thing I can see or do is look at my billing history. The link ends as a JSP file which is usually not a webpage.

Dominion Virginia Power  
5000 Dominion Boulevard, Glen Allen, VA 23060  
dom.com



January 27, 2015

Burnshire Hydroelectric, LLC  
Mr. Robert L. Harvey, Jr  
480 N Pifer Road  
Star Tannery, VA 22654

Dear Mr. Harvey:

Enclosed are two original Agreements for the Sale of Electrical Output between Virginia Electric and Power Company and Burnshire Hydroelectric, LLC for execution. Once you have executed both documents, please return one fully executed original to me at the address below and retain the other for your records.

Mr. Roger T. Williams  
5000 Dominion Boulevard  
Innsbrook – 3 SE  
Glen Allen, VA 23060

If you have any questions, please contact Ms. Mary D. Morgan at (804) 273-4241.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roger Williams", written over a horizontal line.

Roger T. Williams  
Director – Power Contracts  
Energy Supply

Enclosures

OFFICIAL COPY

Mar 30 2016