



Kendrick C. Fentress
Associate General Counsel

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

o: 919.546.6733
f: 919.546.2694

Kendrick.Fentress@duke-energy.com

November 1, 2019

VIA ELECTRONIC FILING

Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Compliance Filing
Docket No. E-100, Sub 158**

Dear Ms. Campbell:

In its *Notice of Decision*, issued on October 7, 2019¹ in the aforementioned docket (“Notice”), the Commission announced decisions relevant to the calculation of avoided capacity rates and avoided energy rates for Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (collectively, the “Companies”) and directed the Companies to make a compliance filing in this docket within 15 days after the date of the Notice. In its *Supplemental Notice of Decision*, issued October 17, 2019 in this docket (“Supplemental Notice”), the Commission advised parties that it had reached a decision regarding issues related to the proposed Solar Integration Service Charge, directed the electric public utilities to make a compliance filing and extended the deadline for the compliance filing required by the initial Notice. The Companies’ compliance filing is attached.

For the Commission’s information, the Companies note that the Commission’s Notice directed DEC and DEP to recalculate their avoided energy rates to include the value of their current hedging program using the Black-Scholes Model or a similar method that values the added fuel price stability gained through each year of the entire term of the qualifying facility (“QF”) power purchase agreement (“PPA”). In calculating their avoided energy rates, the Companies have included a fuel price hedging value of \$0.30 per megawatt hour for each year of the entire PPA, which the Public Staff of the North Carolina

¹ The Commission subsequently issued an Errata Order on October 11, 2019.

Utilities Commission (“Public Staff”) has previously indicated was appropriate for Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina to use in calculating its avoided energy rates.²

The Companies further note that, consistent with the Notice, the attached Schedule PP (DEC) and Schedule PP-4 (DEP) reflect a 2.0 Performance Adjustment Factor (“PAF”) for hydroelectric QFs without storage and a 1.05 PAF for all other QFs. Additionally, the Companies have attached Energy Storage Protocols as Exhibit As to their respective PPAs. The Companies have not altered these protocols from when they were filed with the Companies’ Reply Comments in this docket on March 27, 2019, other than to strike the word “proposed” when referring to the settlement agreement between the Public Staff and the Companies on avoided energy and avoided capacity rate design, filed in this docket on April 18, 2019. The Commission has now approved that agreement for use in calculating these avoided cost rates. (Notice at ¶ 2). Other redlined changes in the PPAs and terms and conditions reflect issues that remain pending before the Commission.

Accordingly, in compliance with the Notice and Supplemental Notice and previous Commission orders on avoided costs, DEC and DEP submit herewith the following:

Attached Compliance documents:

- Revised schedules, applicable to the purchase of power from QFs, in redline and clean versions, that comply with the rate methodologies and contract terms approved in the Notice and Supplemental Notice (Attachment A for DEC and Attachment B for DEP);
- Supporting calculations for the revised rate schedules applicable to the purchase of power from QFs (Attachment C for DEC and Attachment D for DEP); and
- Revised purchase power agreements and terms and conditions, in redline and clean versions, that comply with the contract terms and conditions approved for the standard offer contract for purchase of power from QFs (Attachment E for DEC and Attachment F for DEP).

The Companies have designated Attachment C and Attachment D as confidential and trade secret information; pursuant to N.C. Gen. Stat. § 132-1.2, the Companies respectfully request that the Commission protect this data from public disclosure. The supporting calculations disclose estimated costs to procure additional energy as well as the projected cost of new utility-owned generation. Public disclosure could hinder the Companies from obtaining the most cost-effective energy and capacity necessary to meet the needs of its customers. The Companies will make this information available to other parties pursuant to an appropriate confidentiality agreement.

² Proposed Additional Findings, Evidence, and Conclusions of the Public Staff, Docket No. E-100, Sub 158, filed Sept. 4, 2019, at pp. 12, 17.

Annualized Avoided Cost Rates

In its *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities*, issued in Docket No. E-100, Sub 136, on February 21, 2014 (“Order”), the Commission directed that

in future avoided cost initial and future filings related to approved avoided cost rates, DEC, DEP and DNCP shall each include a public report showing their proposed annualized avoided cost rates calculated in the same manner.

Order, at ¶24. Accordingly, with this filing, DEC and DEP submit their respective public reports showing their annualized avoided cost rates, consistent with the above requirement. (Attachment G for DEC and Attachment H for DEP).

Conclusion

The Notice provides that the revised rates schedules, PPAs, and terms and conditions required to be filed by the Notice and Supplemental Notice shall become effective and be implemented 15 days after being filed, unless a party files with the Commission specific objections to the accuracy of the revisions or supporting calculations. Notice, Ordering ¶ 2. Accordingly, the Companies’ revised schedules and purchase power agreements reflect an effective date of November 16, 2019. The Companies respectfully request that the Commission allow the attached rate schedules, purchase power agreements, and terms and conditions to become effective as filed.

Sincerely yours,



Kendrick C. Fentress

Enclosures

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Compliance Filing, in Docket No. E-100, Sub 158, has been served on all parties of record either by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid.

This the 1st day of November, 2019.



Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/ NCRH 20
Raleigh, North Carolina 27602
Tel: 919.546.6733
Kendrick.Fentress@duke-energy.com

Attachment A

Duke Energy Carolinas, LLC

**Revised Schedule PP
Clean and Black-lined**

SCHEDULE PP (NC)
PURCHASED POWERAVAILABILITY (North Carolina only)

Upon Seller's completion and Company's acceptance of a Purchase Power Agreement, this Schedule is available for electrical energy and capacity supplied by Eligible Qualifying Facilities (as defined below) to Company, provided Seller is a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket No. RM79-54 and 18 C.F.R. §§ 292.203, 292.204, and 292.205. This Schedule is not available for electric service supplied by Company to Seller or to Seller who has negotiated rate credits or conditions with Company which are different from those below. This Schedule is not available to a Qualifying Facility owned by a Customer or affiliate or partner of a Customer, who sells power to the Company from another Qualifying Facility of the same energy resource located within one-half mile, as measured from the electrical generating equipment, unless the combined capacity is equal to or less than one (1) megawatt¹.

Service necessary for the delivery of power from the Seller's generating facilities into Company's system shall be furnished solely to the individual contracting Seller in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to Company's purchase of energy or energy and capacity from the Customer's generating facilities up to the Contract Capacity specified in the Purchase Power Agreement which may be operated in parallel with Company's system. Power delivered to Company under this Schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of Company. If Seller requires supplemental, back-up, or standby services, Seller shall enter into a separate service agreement with Company in accordance with Company's applicable electric rates, riders, and Service Regulations on file with and authorized by the state regulatory agency having jurisdiction.

All qualifying facilities have the option to sell energy to the Company on an "as available" basis and receive energy credits only calculated using the Variable Rates identified in this Schedule for the delivered energy. The Variable Energy Credit shall constitute the "as available" avoided cost credit for Non-Eligible Qualifying Facilities. The Fixed Long Term Credit rates on this schedule are available only to otherwise eligible Sellers that establish a Legally Enforceable Obligation on or before the filing date of proposed rates in the next biennial avoided cost proceeding, provided eligible Seller begins delivery of power no later than thirty (30) months from the date of the order approving avoided cost rates in Docket No. E-100, Sub 158, but may be extended beyond 30 months if construction is nearly complete and Seller demonstrates that it is making a good faith effort to complete its project in a timely manner. Notwithstanding the foregoing, eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer. If extended, as provided for in Session Law 2017-192, the contract term available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

Sellers not qualifying for the Fixed Long-Term Credit rates remain eligible for the Variable Credit rates or the Fixed Long Term Credit rates proposed in the next biennial avoided cost proceeding, which will be subject to adjustment if different rates are approved by the North Carolina Utilities Commission in that proceeding.

QUALIFYING FACILITIES ELIGIBLE FOR CAPACITY AND/OR ENERGY CREDITS

In order to be an Eligible Qualifying Facility and receive Energy Credits under this Schedule, the Qualifying Facility must be a hydroelectric or a generator fueled by trash or methane derived from landfills, solar, wind, hog or poultry waste-fueled or non-animal biomass-fueled Qualifying Facility with a Contract Capacity of one (1) megawatt or less¹, based on the nameplate rating of the generator(s), which are interconnected directly with the Company's system and which are Qualifying Facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

Capacity Credits are limited to Eligible Qualifying Facilities located within Company's service area that are classified as New Capacity in accordance with FERC Order No. 69 under Docket No. RM79-55 and interconnected to Company's transmission or distribution facilities in accordance with the North Carolina Utilities Commission's Order dated September 21, 1981 in Docket No. E-100, Sub 41. Pursuant to N.C.G.S. § 62-156(b)(3), electric generation fueled by swine waste and poultry waste and certain hydroelectric generation may be eligible for a different avoided capacity credit and rate if Seller sells the output of its facility, including renewable energy credits, to Company for Company to comply with its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") requirements set forth in N.C.G.S. § 62-133.8(e) and (f).

Eligible Qualifying Facilities receiving Capacity Credits under this Schedule shall also receive corresponding Energy Credits of like term, as set forth in the "Rate" section of this Schedule.

¹ Once Purchase Power Agreements are executed with Sellers having a LEO after November 16, 2016 for an aggregate generation capacity of 100 megawatts (MWs), Monthly Rates will only be available thereafter to Sellers establishing a Legally Enforceable Obligation ("LEO") after November 16, 2016 with a Contract Capacity of 100 kW or less.

SCHEDULE PP (NC)
 PURCHASED POWER

TYPE OF SERVICE

Company will furnish 60 Hertz service through one metering point, at one delivery point, at one of the following approximate voltages, where available, upon mutual agreement:

- Single-phase, 120/240; 120/208, 240/480 or other available single-phase voltages at the Company’s option, or
- 3-phase, 208Y/120, 460Y/265, 480Y/277 volts, or
- 3-phase, 3-wire, 240, 480, 575 or 2300 volts, or
- 3-phase, 4160Y/2400, 12470Y/7200, or 24940Y/14400 volts, or
- 3-phase voltages other than the those listed above may be available at the Company’s option if the size of the Customer’s contract warrants a substation solely to serve that Customer, and if the Customer furnishes suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company’s specifications.

The type of service under this Schedule shall be determined by the Company. Prospective customers shall ascertain the available voltage by written inquiry of the Company before purchasing equipment.

RATE

The Company shall pay Eligible Qualifying Facilities for energy and/or capacity furnished to Company at the Credits set forth below, as applicable. Such payments shall be reduced by both the Administrative Charge and any applicable Interconnection Facilities Charge.

Energy and Capacity Credits

Eligible Qualifying Facilities for Company’s Fixed Long-Term and/or Variable Energy and Capacity Credits shall be paid based upon the Seller’s interconnection with Company’s distribution or transmission system for all energy delivered to Company’s system as registered or computed from Company’s metering facilities. The Energy and Capacity Credit will be in accordance with the length of rate term for energy sales so established in the Purchase Power Agreement. The Capacity Credit is determined based upon the Seller’s generation resource.

Administrative Charge \$19.91 per month

Interconnection Facilities Charge:

The Interconnection Charge for each customer is set forth in the Agreement as outlined in the Terms and Conditions; however, the \$25.00 minimum will not apply if the charge is for a meter only.

<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>

Energy Credits (¢/kWh)¹:

Credits Applicable to All but Uncontrolled Solar Generation

On-peak kWh:

a. Summer	3.82	4.38	3.69	4.23
b. Winter				
1. Morning Hours	4.17	4.08	4.06	3.98
2. Evening Hours	4.13	4.43	4.03	4.32
c. Premium Peak				
1. Summer	3.58	4.44	3.45	4.27
2. Winter	4.93	5.74	4.77	5.57
d. Shoulder	3.58	3.56	3.51	3.49

SCHEDULE PP (NC)
 PURCHASED POWER

Off-peak kWh:

a. Summer	2.98	2.76	2.92	2.71
b. Winter	2.72	2.83	2.67	2.78
c. Shoulder	2.79	2.61	2.75	2.58

Credits Applicable to Uncontrolled Solar Generation² Only

On-peak kWh:

a. Summer	3.71	4.27	3.58	4.12
b. Winter				
1. Morning Hours	4.06	3.97	3.95	3.87
2. Evening Hours	4.02	4.32	3.92	4.21
c. Premium Peak				
1. Summer	3.47	4.33	3.34	4.16
2. Winter	4.82	5.63	4.66	5.46
d. Shoulder	3.47	3.45	3.40	3.38

Off-peak kWh:

a. Summer	2.87	2.65	2.81	2.60
b. Winter	2.61	2.72	2.56	2.67
c. Shoulder	2.68	2.50	2.64	2.47

Capacity Credits (¢/kWh)³:

Credits Applicable to All but Swine or Poultry Waste Generation and Hydroelectric Generation without Storage

On-peak kWh:

a. Summer	0.00	0.21	0.00	0.20
b. Winter				
1. Morning Hours	0.00	0.97	0.00	0.94
2. Evening Hours	0.00	0.31	0.00	0.30

Credits Applicable to Swine or Poultry Waste Generation Only

On-peak kWh:

a. Summer	2.58	2.70	2.51	2.63
b. Winter				
1. Morning Hours	11.99	12.53	11.67	12.20
2. Evening Hours	3.88	4.05	3.78	3.95

SCHEDULE PP (NC)
 PURCHASED POWER

OFFICIAL COPY

Nov 01 2019

Credits Applicable to Certain Hydroelectric Generation without Storage⁴ Only

On-peak kWh

a. Summer	4.92	5.14	4.78	5.00
b. Winter				
1. Morning Hours	22.84	23.87	22.23	23.23
2. Evening Hours	7.39	7.72	7.19	7.52

Credits Applicable to All Other Hydroelectric Generation without Storage⁵ Only

On-peak kWh

a. Summer	0.00	0.40	0.00	0.39
b. Winter				
1. Morning Hours	0.00	1.84	0.00	1.79
2. Evening Hours	0.00	0.60	0.00	0.58

¹ For Energy Credit purposes, Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 12:00 p.m. noon to 4:00 p.m. and 8:00 p.m. to 10:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 6:00 a.m. and 9:00 a.m. to 10:00 a.m., plus evening hours from 5:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 6:00 a.m. to 10:00 a.m. plus evening hours from 4:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When a holiday falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

² “Uncontrolled Solar Generation” is defined as solar generation where the Qualifying Facility does not demonstrate that its facility is capable of operating, or does not contractually agree to operate, in a manner that reduces its average daylight volatility to 6% or less of its average daylight power output. Eligible Qualifying Facilities with controlled solar generation shall be governed under a negotiated Purchase Power Agreement between Seller and Company, which shall be based on Company’s standard Purchase Power Agreement and Terms and Conditions for the Purchase of Electric Power with additional terms added to address requirements for operating the technology used to reduce average daylight volatility.

³ Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.

⁴ For hydroelectric generation without storage where the Qualifying Facility renews a Purchased Power Agreement that was in effect as of July 27, 2017.

⁵ For all other hydroelectric generation without storage.

RENEWABLE ENERGY CREDITS

Unless otherwise specified in the Company’s agreements with the Seller, the sale of power under this schedule does not convey to the Company the right to renewable energy credits (RECs) or green tags associated with the energy delivered.

SCHEDULE PP (NC)
PURCHASED POWER

OFFICIAL COPY

Nov 01 2019

INTERCONNECTION FACILITIES CHARGE

For Eligible Qualifying Facilities, the installed costs for all facilities constructed or installed by Company to interconnect and safely operate in parallel with Seller's equipment shall be determined in accordance with Company's Terms and Conditions for the Purchase of Electric Power. Interconnection of Customer's generation to Company's system shall be in accordance with the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generation Interconnections.

POWER FACTOR CORRECTION

Unless the Seller is required by an Operating Agreement to adjust VAR production to support voltage control, when the Seller consumes VARs supplied by the Company or the Seller delivers VARs to Company, the Company may reduce the purchased energy measured in kilowatt-hours for that month by multiplying by the Average Consumed Power Factor. The Average Consumed Power Factor shall be the calculated on a monthly basis as the average kWh divided the average kVAh, where average kVAh shall be the square root of the sum of the average kWh squared plus the average consumed and delivered kVARh squared. Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of Company. If a Seller without an Operating Agreement is requested by the Company to operate pursuant to a voltage schedule by providing or absorbing VARs, the Seller shall be compensated in the same manner as sellers with Operating Agreements.

CONTRACT CAPACITY

The Contract Capacity shall be as specified in the Purchase Power Agreement between Company and Seller. Only one such Standard Contract shall be permitted for any Qualifying Facility.

RATE UPDATES

The Credits and Administrative Charge under this Schedule will be updated every two years. Sellers who have contracted for the Fixed Long-Term Energy and Capacity Credits will not be affected by updates in the Energy and Capacity Credits until their rate term expires. For all Qualifying Facilities selling to Company pursuant to the Variable Capacity Rate provisions of this schedule, such capacity credits shall be updated and changed in accordance with the Commission's revisions to such credits in the Company's biennial avoided cost proceedings.

The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with the Variable or Long-Term rates selected by Seller in Company's Schedule PP and the Terms and Conditions for the Purchase of Electric Power. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part of the Agreement as though fully written herein, and shall nullify any prior provision in conflict therewith. Any change to the Rate Schedule or Terms and Conditions shall not apply to the Fixed Long-Term Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges, and all non-rate provisions. For Purchase Power Agreements executed pursuant to the Fixed Long Term rates approved in Docket No. E-100, Sub 158 or its predecessors, any change to the schedule shall not apply to the Fixed Long Term Energy and Capacity Rates during the Contract Period.

PAYMENTS

Credit billings to the Seller shall be payable to the Seller within fifteen (15) days of the date of the bill.

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Seller shall enter into a Purchase Power Agreement which shall specify the Contract Capacity committed for delivery throughout the term of the contract and shall specify the initial term and associated rate.

SCHEDULE PP (NC)
PURCHASED POWERAVAILABILITY (North Carolina only)

Upon Seller's completion and Company's acceptance of a Purchase Power Agreement, this Schedule is available for electrical energy and capacity supplied by Eligible Qualifying Facilities (as defined below) to Company, provided Seller is a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket No. RM79-54 and 18 C.F.R. §§ 292.203, 292.204, and 292.205. This Schedule is not available for electric service supplied by Company to Seller or to Seller who has negotiated rate credits or conditions with Company which are different from those below. This Schedule is not available to a Qualifying Facility owned by a Customer or affiliate or partner of a Customer, who sells power to the Company from another Qualifying Facility of the same energy resource located within one-half mile, as measured from the electrical generating equipment, unless the combined capacity is equal to or less than one (1) megawatt¹.

Service necessary for the delivery of power from the Seller's generating facilities into Company's system shall be furnished solely to the individual contracting Seller in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to Company's purchase of energy or energy and capacity from the Customer's generating facilities up to the Contract Capacity specified in the Purchase Power Agreement which may be operated in parallel with Company's system. Power delivered to Company under this Schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of Company. If Seller requires supplemental, back-up, or standby services, Seller shall enter into a separate service agreement with Company in accordance with Company's applicable electric rates, riders, and Service Regulations on file with and authorized by the state regulatory agency having jurisdiction.

All qualifying facilities have the option to sell energy to the Company on an "as available" basis and receive energy credits only calculated using the Variable Rates identified in this Schedule for the delivered energy. The Variable Energy Credit shall constitute the "as available" avoided cost credit for Non-Eligible Qualifying Facilities. The Fixed Long Term Credit rates on this schedule are available only to otherwise eligible Sellers that establish a Legally Enforceable Obligation on or before the filing date of proposed rates in the next biennial avoided cost proceeding, provided eligible Seller begins delivery of power no later than thirty (30) months from the date of the order approving avoided cost rates in Docket No. E-100, Sub ~~148~~¹⁵⁸, but may be extended beyond 30 months if construction is nearly complete and Seller demonstrates that it is making a good faith effort to complete its project in a timely manner. Notwithstanding the foregoing, eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer. If extended, as provided for in Session Law 2017-192, the contract term available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

Sellers not qualifying for the Fixed Long-Term Credit rates remain eligible for the Variable Credit rates or the Fixed Long Term Credit rates proposed in the next biennial avoided cost proceeding, which will be subject to adjustment if different rates are approved by the North Carolina Utilities Commission in that proceeding.

QUALIFYING FACILITIES ELIGIBLE FOR CAPACITY AND/OR ENERGY CREDITS

In order to be an Eligible Qualifying Facility and receive Energy Credits under this Schedule, the Qualifying Facility must be a hydroelectric or a generator fueled by trash or methane derived from landfills, solar, wind, hog or poultry waste-fueled or non-animal biomass-fueled Qualifying Facility with a Contract Capacity of one (1) megawatt or less¹, based on the nameplate rating of the generator(s), which are interconnected directly with the Company's system and which are Qualifying Facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

Capacity Credits are limited to Eligible Qualifying Facilities located within Company's service area that are classified as New Capacity in accordance with FERC Order No. 69 under Docket No. RM79-55 and interconnected to Company's transmission or distribution facilities in accordance with the North Carolina Utilities Commission's Order dated September 21, 1981 in Docket No. E-100, Sub 41. Pursuant to N.C.G.S. § 62-156(b)(3), electric generation fueled by swine waste and poultry waste and certain hydroelectric generation may be eligible for a different avoided capacity credit and rate if Seller sells the output of its facility, including renewable energy credits, to Company for Company to comply with its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") requirements set forth in N.C.G.S. § 62-133.8(e) and (f).

Eligible Qualifying Facilities receiving Capacity Credits under this Schedule shall also receive corresponding Energy Credits of like term, as set forth in the "Rate" section of this Schedule.

¹ Once Purchase Power Agreements are executed with Sellers having a LEO after November 16, 2016 for an aggregate generation capacity of 100 megawatts (MWs), Monthly Rates will only be available thereafter to Sellers establishing a Legally Enforceable Obligation ("LEO") after November 16, 2016 with a Contract Capacity of 100 kW or less.

SCHEDULE PP (NC)
 PURCHASED POWER

TYPE OF SERVICE

Company will furnish 60 Hertz service through one metering point, at one delivery point, at one of the following approximate voltages, where available, upon mutual agreement:

- Single-phase, 120/240; 120/208, 240/480 or other available single-phase voltages at the Company’s option, or
- 3-phase, 208Y/120, 460Y/265, 480Y/277 volts, or
- 3-phase, 3-wire, 240, 480, 575 or 2300 volts, or
- 3-phase, 4160Y/2400, 12470Y/7200, or 24940Y/14400 volts, or
- 3-phase voltages other than the those listed above may be available at the Company’s option if the size of the Customer’s contract warrants a substation solely to serve that Customer, and if the Customer furnishes suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company’s specifications.

The type of service under this Schedule shall be determined by the Company. Prospective customers shall ascertain the available voltage by written inquiry of the Company before purchasing equipment.

RATE

The Company shall pay Eligible Qualifying Facilities for energy and/or capacity furnished to Company at the Credits set forth below, as applicable. Such payments shall be reduced by both the Administrative Charge and any applicable Interconnection Facilities Charge. ~~The Seller may elect to receive payments under either Option A or Option B based upon the Seller’s preference for on peak time of use hours.~~

Energy and Capacity Credits

Eligible Qualifying Facilities for Company’s Fixed Long-Term and/or Variable Energy and Capacity Credits shall be paid based upon the Seller’s interconnection with Company’s distribution or transmission system for all energy delivered to Company’s system as registered or computed from Company’s metering facilities. The Energy and Capacity Credit will be in accordance with the length of rate term for energy sales so established in the Purchase Power Agreement. The Capacity Credit is determined based upon the Seller’s generation resource ~~as hydroelectric generation without storage or all other generation.~~

Administrative Charge \$19.91 per month

Interconnection Facilities Charge:

The Interconnection Charge for each customer is set forth in the Agreement as outlined in the Terms and Conditions; however, the \$25.00 minimum will not apply if the charge is for a meter only.

Energy Credits—Applicable to All Generation

	<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>
<u>I. Option A Energy Credit (¢/kWh)</u>				
<u>a. On-peak kWh</u>	3.58	3.98	3.49	3.88
<u>b. Off-peak kWh</u>	2.98	3.26	2.92	3.19
<u>II. Option B Energy Credit (¢/kWh)</u>				
<u>a. On-peak kWh</u>	3.60	4.16	3.51	4.06
<u>b. Off-peak kWh</u>	3.17	3.44	3.10	3.37

Capacity Rates Based Upon Generation Resource:

1. Applicable to All But Hydroelectric Generation without Storage

<u>I. Option A Capacity Credits (¢/kWh)</u>				
<u>a. On Peak kWh—On Peak Month</u>	0.00	0.85	0.00	0.83
<u>b. On Peak kWh—Off Peak Month</u>	0.00	0.00	0.00	0.00
<u>II. Option B Capacity Credits (¢/kWh)</u>				
<u>a. On-peak kWh—Summer</u>	0.00	0.69	0.00	0.68

SCHEDULE PP (NC)
 PURCHASED POWER

b. On-peak kWh - Non-Summer	0.00	1.61	0.00	1.57
--	-----------------	-----------------	-----------------	-----------------

2. Applicable to Hydroelectric Generation without Storage

I. Option A Capacity Credits (¢/kWh)

a. On-Peak kWh - On-Peak Month	0.00	1.62	0.00	1.58
b. On-Peak kWh - Off-Peak Month	0.00	0.00	0.00	0.00

II. Option B Capacity Credit (¢/kWh)

a. On-peak kWh - Summer	0.00	1.32	0.00	1.29
b. On-peak kWh - Non-Summer	0.00	3.07	0.00	2.99

<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>

Energy Credits (¢/kWh)¹:

Credits Applicable to All but Uncontrolled Solar Generation

On-peak kWh:

a. <u>Summer</u>	<u>3.82</u>	<u>4.38</u>	<u>3.69</u>	<u>4.23</u>
b. <u>Winter</u>				
1. <u>Morning Hours</u>	<u>4.17</u>	<u>4.08</u>	<u>4.06</u>	<u>3.98</u>
2. <u>Evening Hours</u>	<u>4.13</u>	<u>4.43</u>	<u>4.03</u>	<u>4.32</u>
c. <u>Premium Peak</u>				
1. <u>Summer</u>	<u>3.58</u>	<u>4.44</u>	<u>3.45</u>	<u>4.27</u>
2. <u>Winter</u>	<u>4.93</u>	<u>5.74</u>	<u>4.77</u>	<u>5.57</u>
d. <u>Shoulder</u>	<u>3.58</u>	<u>3.56</u>	<u>3.51</u>	<u>3.49</u>

Off-peak kWh:

a. <u>Summer</u>	<u>2.98</u>	<u>2.76</u>	<u>2.92</u>	<u>2.71</u>
b. <u>Winter</u>	<u>2.72</u>	<u>2.83</u>	<u>2.67</u>	<u>2.78</u>
c. <u>Shoulder</u>	<u>2.79</u>	<u>2.61</u>	<u>2.75</u>	<u>2.58</u>

Credits Applicable to Uncontrolled Solar Generation² Only

On-peak kWh:

a. <u>Summer</u>	<u>3.71</u>	<u>4.27</u>	<u>3.58</u>	<u>4.12</u>
b. <u>Winter</u>				
1. <u>Morning Hours</u>	<u>4.06</u>	<u>3.97</u>	<u>3.95</u>	<u>3.87</u>
2. <u>Evening Hours</u>	<u>4.02</u>	<u>4.32</u>	<u>3.92</u>	<u>4.21</u>
c. <u>Premium Peak</u>				
1. <u>Summer</u>	<u>3.47</u>	<u>4.33</u>	<u>3.34</u>	<u>4.16</u>
2. <u>Winter</u>	<u>4.82</u>	<u>5.63</u>	<u>4.66</u>	<u>5.46</u>

SCHEDULE PP (NC)
 PURCHASED POWER

d. <u>Shoulder</u>	<u>3.47</u>	<u>3.45</u>	<u>3.40</u>	<u>3.38</u>
<u>Off-peak kWh:</u>				
a. <u>Summer</u>	<u>2.87</u>	<u>2.65</u>	<u>2.81</u>	<u>2.60</u>
b. <u>Winter</u>	<u>2.61</u>	<u>2.72</u>	<u>2.56</u>	<u>2.67</u>
c. <u>Shoulder</u>	<u>2.68</u>	<u>2.50</u>	<u>2.64</u>	<u>2.47</u>

Capacity Credits (¢/kWh)³:

Credits Applicable to All but Swine or Poultry Waste Generation and Hydroelectric Generation without Storage

On-peak kWh:

a. <u>Summer</u>	<u>0.00</u>	<u>0.21</u>	<u>0.00</u>	<u>0.20</u>
b. <u>Winter</u>				
1. <u>Morning Hours</u>	<u>0.00</u>	<u>0.97</u>	<u>0.00</u>	<u>0.94</u>
2. <u>Evening Hours</u>	<u>0.00</u>	<u>0.31</u>	<u>0.00</u>	<u>0.30</u>

Credits Applicable to Swine or Poultry Waste Generation Only

On-peak kWh:

a. <u>Summer</u>	<u>2.58</u>	<u>2.70</u>	<u>2.51</u>	<u>2.63</u>
b. <u>Winter</u>				
1. <u>Morning Hours</u>	<u>11.99</u>	<u>12.53</u>	<u>11.67</u>	<u>12.20</u>
2. <u>Evening Hours</u>	<u>3.88</u>	<u>4.05</u>	<u>3.78</u>	<u>3.95</u>

Credits Applicable to Certain Hydroelectric Generation without Storage⁴ Only

On-peak kWh

a. <u>Summer</u>	<u>4.92</u>	<u>5.14</u>	<u>4.78</u>	<u>5.00</u>
b. <u>Winter</u>				
1. <u>Morning Hours</u>	<u>22.84</u>	<u>23.87</u>	<u>22.23</u>	<u>23.23</u>
2. <u>Evening Hours</u>	<u>7.39</u>	<u>7.72</u>	<u>7.19</u>	<u>7.52</u>

Credits Applicable to All Other Hydroelectric Generation without Storage⁵ Only

On-peak kWh

a. <u>Summer</u>	<u>0.00</u>	<u>0.40</u>	<u>0.00</u>	<u>0.39</u>
b. <u>Winter</u>				
1. <u>Morning Hours</u>	<u>0.00</u>	<u>1.84</u>	<u>0.00</u>	<u>1.79</u>
2. <u>Evening Hours</u>	<u>0.00</u>	<u>0.60</u>	<u>0.00</u>	<u>0.58</u>

SCHEDULE PP (NC)
PURCHASED POWER

- ¹ For Energy Credit purposes, Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 12:00 p.m. noon to 4:00 p.m. and 8:00 p.m. to 10:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 6:00 a.m. and 9:00 a.m. to 10:00 a.m., plus evening hours from 5:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 6:00 a.m. to 10:00 a.m. plus evening hours from 4:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When a holiday falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.
- ² “Uncontrolled Solar Generation” is defined as solar generation where the Qualifying Facility does not demonstrate that its facility is capable of operating, or does not contractually agree to operate, in a manner that reduces its average daylight volatility to 6% or less of its average daylight power output. Eligible Qualifying Facilities with controlled solar generation shall be governed under a negotiated Purchase Power Agreement between Seller and Company, which shall be based on Company’s standard Purchase Power Agreement and Terms and Conditions for the Purchase of Electric Power with additional terms added to address requirements for operating the technology used to reduce average daylight volatility.
- ³ Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.
- ⁴ For hydroelectric generation without storage where the Qualifying Facility renews a Purchased Power Agreement that was in effect as of July 27, 2017.
- ⁵ For all other hydroelectric generation without storage.

RENEWABLE ENERGY CREDITS

Unless otherwise specified in the Company’s agreements with the Seller, the sale of power under this schedule does not convey to the Company the right to renewable energy credits (RECs) or green tags associated with the energy delivered.

DEFINITION OF MONTH FOR BILLING PURPOSES

~~For Option A Rates, the On Peak Months shall be the billing Months of June through September and December through March. The Off Peak Months shall be the billing Months of April, May, October and November.~~

~~For Option B Rates, the Summer Months are the period from June 1 through September 30. The Non-Summer Months are the period from October 1 through May 31.~~

DETERMINATION OF ON PEAK AND OFF PEAK ENERGY

~~On Peak Energy shall be energy, in kilowatt hours, which is supplied to the Company during On Peak Period Hours. Off Peak Energy shall be energy, in kilowatt hours, which is supplied to the Company during the Off Peak Period Hours.~~

~~For Option A Rates, the On Peak Period Hours shall be those hours, Monday through Friday, beginning at 7 A.M. and ending at 11 P.M. The Off Peak Period Hours shall be all other weekday hours and all Saturday and Sunday hours.~~

~~For Option B Rates, the On Peak Period Hours shall be those hours, Monday through Friday, beginning at 1 P.M. and ending at 9 P.M. during Summer Months, and beginning at 6 A.M. and ending at 1 P.M. during Non-Summer Months. The Off Peak Period Hours shall be all other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off Peak: New Year’s Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.~~

INTERCONNECTION FACILITIES CHARGE

For Eligible Qualifying Facilities, the installed costs for all facilities constructed or installed by Company to interconnect and safely operate in parallel with Seller’s equipment shall be determined in accordance with Company’s Terms and Conditions for the Purchase of Electric Power. Interconnection of Customer’s generation to Company’s system shall be in accordance with the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generation Interconnections.

SCHEDULE PP (NC)
PURCHASED POWERPOWER FACTOR CORRECTION

Unless the Seller is required by an Operating Agreement to adjust VAR production to support voltage control, when the Seller consumes VARs supplied by the Company or the Seller delivers VARs to Company, the Company may reduce the purchased energy measured in kilowatt-hours for that month by multiplying by the Average Consumed Power Factor. The Average Consumed Power Factor shall be the calculated on a monthly basis as the average kWh divided the average kVAh, where average kVAh shall be the square root of the sum of the average kWh squared plus the average consumed and delivered kVARh squared. Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of Company. If a Seller without an Operating Agreement is requested by the Company to operate pursuant to a voltage schedule by providing or absorbing VARS, the Seller shall be compensated in the same manner as sellers with Operating Agreements.

CONTRACT CAPACITY

The Contract Capacity shall be as specified in the Purchase Power Agreement between Company and Seller. Only one such Standard Contract shall be permitted for any Qualifying Facility.

RATE UPDATES

The Credits and Administrative Charge under this Schedule will be updated every two years. Sellers who have contracted for the Fixed Long-Term Energy and Capacity Credits will not be affected by updates in the Energy and Capacity Credits until their rate term expires. For all Qualifying Facilities selling to Company pursuant to the Variable Capacity Rate provisions of this schedule, such capacity credits shall be updated and changed in accordance with the Commission's revisions to such credits in the Company's biennial avoided cost proceedings.

The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with the Variable or Long-Term rates selected by Seller in Company's Schedule PP and the Terms and Conditions for the Purchase of Electric Power. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part of the Agreement as though fully written herein, and shall nullify any prior provision in conflict therewith. Any change to the Rate Schedule or Terms and Conditions shall not apply to the Fixed Long-Term Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges, and all non-rate provisions. For Purchase Power Agreements executed pursuant to the Fixed Long Term rates approved in Docket No. E-100, Sub ~~148~~158 or its predecessors, any change to the schedule shall not apply to the Fixed Long Term Energy and Capacity Rates during the Contract Period.

PAYMENTS

Credit billings to the Seller shall be payable to the Seller within fifteen (15) days of the date of the bill.

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Seller shall enter into a Purchase Power Agreement which shall specify the Contract Capacity committed for delivery throughout the term of the contract and shall specify the initial term and associated rate.

Attachment B

Duke Energy Progress, LLC

**Revised Schedule PP
Clean and Black-lined**

PURCHASED POWER SCHEDULE PP-4

AVAILABILITY

Upon Seller's completion and Company's acceptance of a Purchase Power Agreement, this Schedule is available for electrical energy and capacity supplied by Eligible Qualifying Facilities (as defined below) to Company, provided Seller is a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket No. RM79-54 and 18 C.F.R. §§ 292.203, 292.204, and 292.205. This Schedule is not available for electric service supplied by Company to Seller or to Seller who has negotiated rate credits or conditions with Company which are different from those below. This Schedule is not available to a Qualifying Facility owned by a Seller or affiliate or partner of a Seller, who sells power to the Company from another Qualifying Facility of the same energy resource located within one-half mile, as measured from the electrical generating equipment, unless the combined capacity is equal to or less than one (1) megawatt¹.

Service necessary for the delivery of power from the Seller's generating facilities into Company's system shall be furnished solely to the individual contracting Seller in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to Company's purchase of energy or energy and capacity from the Seller's generating facilities up to the Contract Capacity specified in the Purchase Power Agreement which may be operated in parallel with Company's system. Power delivered to Company under this Schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of Company. If Seller requires supplemental, back-up, or standby services, Seller shall enter into a separate service agreement with Company in accordance with Company's applicable electric rates, riders, and Service Regulations on file with and authorized by the state regulatory agency having jurisdiction.

All qualifying facilities have the option to sell energy to the Company on an "as available" basis and receive energy credits only calculated using the Variable Rates identified in this Schedule for the delivered energy. The Variable Energy Credit shall constitute the "as available" avoided cost credit for Non-Eligible Qualifying Facilities. The Fixed Long Term Credit rates on this schedule are available only to otherwise eligible Sellers that establish a Legally Enforceable Obligation on or before the filing date of proposed rates in the next biennial avoided cost proceeding, provided eligible Seller begins delivery of power no later than thirty (30) months from the date of the order approving avoided cost rates in Docket No. E-100, Sub 158, but may be extended beyond 30 months if construction is nearly complete and Seller demonstrates that it is making a good faith effort to complete its project in a timely manner. Notwithstanding the foregoing, eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer. If extended, as provided for in Session Law 2017-192, the contract term available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

Sellers not qualifying for the Fixed Long-Term Credit rates remain eligible for the Variable Credit rates or the Fixed Long-Term Credit rates proposed in the next biennial avoided cost proceeding, which will be subject to adjustment if different rates are approved by the North Carolina Utilities Commission in that proceeding.

¹ Once Purchase Power Agreements are executed with Sellers having a LEO after November 16, 2016 for an aggregate generation capacity of 100 megawatts (MWs), Monthly Rates will only be available thereafter to Sellers establishing a Legally Enforceable Obligation ("LEO") after November 16, 2016 with a Contract Capacity of 100 kW or less.

Qualifying Facilities Eligible for Capacity and/or Energy Credits

In order to be an Eligible Qualifying Facility and receive Energy Credits under this Schedule, the Qualifying Facility must be a hydroelectric or a generator fueled by trash or methane derived from landfills, solar, wind, hog or poultry waste-fueled or non-animal biomass-fueled Qualifying Facility with a Contract Capacity of one (1) megawatt or less¹, based on the nameplate rating of the generator(s) which are interconnected directly with the Company's system and which are Qualifying Facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

Capacity Credits are limited to Eligible Qualifying Facilities located within Company's service area that are classified as New Capacity in accordance with FERC Order No. 69 under Docket No. RM79-55 and interconnected to Company's transmission or distribution facilities in accordance with the North Carolina Utilities Commission's Order dated September 21, 1981 in Docket No. E-100, Sub 41. Pursuant to N.C.G.S. § 62-156(b)(3), electric generation fueled by swine waste and poultry waste and certain hydroelectric generation may be eligible for a different avoided capacity credit and rate if Seller sells the output of its facility, including renewable energy credits, to Company for Company to comply with its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") requirements set forth in N.C.G.S. § 62-133.8(e) and (f).

Eligible Qualifying Facilities receiving Capacity Credits under this Schedule shall also receive corresponding Energy Credits of like term as set forth in the "MONTHLY RATE" section of this Schedule.

APPLICABILITY

This Schedule is applicable to all electric energy and capacity supplied by Eligible Qualifying Facility to Company at one point of delivery through Company's metering facilities.

MONTHLY RATE

Monthly Payment

Company shall pay Eligible Qualifying Facilities for energy and/or capacity furnished to Company at the Credits set forth below, as applicable. Such payments shall be reduced by both the Seller Charge and any applicable Interconnection Cost. Payments to Qualifying Facilities with Contract Capacities of 10 kW or less shall only be made on a calendar year basis.

Seller Charge

An Eligible Qualifying Facility shall pay to Company a Seller Charge outlined below in accordance with the Contract Capacity specified in the Purchase Power Agreement between Company and Seller:

Monthly Seller Charge	\$23.06
-----------------------	---------

Energy and Capacity Credits

Eligible Qualifying Facilities for Company's Fixed Long-Term and/or Variable Energy and Capacity Credits shall be paid based upon the Seller's interconnection with Company's distribution or transmission system for all energy delivered to Company's system as registered or computed from Company's metering facilities. The Energy and Capacity Credit will be in accordance with the length of rate term for energy sales so established in the Purchase Power Agreement. Company shall pay a Capacity Credit based on the on-peak kWh supplied by the Eligible Qualifying Facility based upon the season. The Capacity Credit is determined based upon the Seller's generation resource.

	<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>

Energy Credits (¢/kWh)¹:**Credits Applicable to All but Uncontrolled Solar Generation**

On-peak kWh:

a. Summer	3.40	3.50	3.31	3.41
b. Winter				
1. Morning Hours	3.66	3.49	3.59	3.44
2. Evening Hours	3.61	3.90	3.55	3.82
c. Premium Peak				
1. Summer	4.43	4.01	4.31	3.90
2. Winter	4.43	4.89	4.32	4.77
d. Shoulder	3.36	3.21	3.31	3.17

Off-peak kWh:

a. Summer	3.07	2.98	3.03	2.94
b. Winter	2.90	2.88	2.86	2.84
c. Shoulder	2.73	2.45	2.71	2.43

Credits Applicable to Uncontrolled Solar Generation² Only

On-peak kWh:

a. Summer	3.16	3.26	3.07	3.17
b. Winter				
1. Morning Hours	3.42	3.25	3.35	3.20
2. Evening Hours	3.37	3.66	3.31	3.58
c. Premium Peak				
1. Summer	4.19	3.77	4.07	3.66
2. Winter	4.19	4.65	4.08	4.53
d. Shoulder	3.12	2.97	3.07	2.93

Off-peak kWh:

a. Summer	2.83	2.74	2.79	2.70
b. Winter	2.66	2.64	2.62	2.60
c. Shoulder	2.49	2.21	2.47	2.19

Capacity Credits (¢/kWh)³:**Credits Applicable to All but Swine or Poultry Waste Generation and Hydroelectric Generation without Storage**

On-peak kWh:

a. Summer	0.00	0.00	0.00	0.00
b. Winter				
1. Morning Hours	5.82	10.92	5.71	10.72
2. Evening Hours	2.49	4.68	2.45	4.59

Credits Applicable to Swine or Poultry Waste Generation Only

On-peak kWh:

a. Summer	0.00	0.00	0.00	0.00
b. Winter				
1. Morning Hours	11.95	12.50	11.73	12.26
2. Evening Hours	5.12	5.36	5.03	5.25

Credits Applicable to Certain Hydroelectric Generation without Storage⁴ Only

On-peak kWh

a. Summer	0.00	0.00	0.00	0.00
b. Winter				
1. Morning Hours	22.77	23.81	22.34	23.35
2. Evening Hours	9.76	10.20	9.57	10.01

Credits Applicable to All Other Hydroelectric Generation without Storage⁵ Only

On-peak kWh

a. Summer	0.00	0.00	0.00	0.00
b. Winter				
1. Morning Hours	11.08	20.81	10.87	20.41
2. Evening Hours	4.75	8.92	4.66	8.75

¹ For Energy Credit purposes, Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 1:00 p.m. to 4:00 p.m. and 8:00 p.m. to 9:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 4:00 a.m. to 6:00 a.m. and 9:00 a.m. to 11:00 a.m., plus evening hours from 6:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 10:00 a.m. plus evening hours from 5:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day

after, and Christmas Day. When a holiday falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

- ² “Uncontrolled Solar Generation” is defined as solar generation where the Qualifying Facility does not demonstrate that its facility is capable of operating, or does not contractually agree to operate, in a manner that reduces its average daylight volatility to 6% or less of its average daylight power output. Eligible Qualifying Facilities with controlled solar generation shall be governed under a negotiated Purchase Power Agreement between Seller and Company, which shall be based on Company’s standard Purchase Power Agreement and Terms and Conditions for the Purchase of Electric Power with additional terms added to address requirements for operating the technology used to reduce average daylight volatility.
- ³ Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.
- ⁴ For hydroelectric generation without storage where the Qualifying Facility renews a Purchased Power Agreement that was in effect as of July 27, 2017.
- ⁵ For all other hydroelectric generation without storage.

POWER FACTOR CORRECTION

Unless Seller is required by an Operating Agreement to adjust VAR production to support voltage control, when Seller consumes VARs supplied by the Company or Seller delivers VARs to Company, the monthly bill will be increased by a sum equal to \$0.34 multiplied by the maximum consumed or supplied reactive kilovolt-amperes (kVAr) registered by a demand meter suitable for measuring the demand used during a 15-minute interval. The Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Company. If a Seller without an Operating Agreement is requested by Company to operate pursuant to a voltage schedule by providing or absorbing VARS, the Seller shall be compensated in the same manner as a Seller with an Operating Agreement.

RATE UPDATES

The Credits and Seller Charge of this Schedule will be updated every two years. Sellers who have contracted for the Fixed Long-Term Energy and Capacity Credits will not be affected by updates in the Energy and Capacity Credits until their rate term expires. For all Qualifying Facilities selling to Company pursuant to the Variable Capacity Credit provisions of this schedule, such capacity credits shall be updated and changed in accordance with the Commission’s revisions to such credits in Company’s biennial avoided cost proceedings. The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with the Variable or Long-Term rates selected by Seller in Company’s Schedule PP and the Terms and Conditions for the Purchase of Electric Power. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part of the Agreement as though fully written herein, and shall nullify any prior provision in conflict therewith. Any change to the Rate Schedule or Terms and Conditions shall not apply to the Fixed Long-Term Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges, and all non-rate provisions. For Purchase Power Agreements executed pursuant to the Fixed Long-Term rates approved in Docket No. E-100, Sub 158 or its predecessors, any change to the Schedule shall not apply to the Fixed Long-Term Energy and Capacity Rates during the Contract Period.

RENEWABLE ENERGY CREDITS

Unless otherwise specified in Company's agreements with Seller, the sale of power under this schedule does not convey to Company the right to renewable energy credits (RECs) or green tags associated with the energy delivered.

CONTRACT CAPACITY

The Contract Capacity shall be as specified in the Purchase Power Agreement between Company and Seller. Only one such Standard Contract shall be permitted for any Qualifying Facility.

PAYMENTS

Credit billings to Seller shall be payable to the Seller within fifteen (15) days of the date of the bill. Bills under this Schedule are due and payable on the date of the bill. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Seller shall enter into a Purchase Power Agreement which shall specify the Contract Capacity committed for delivery throughout the term of the contract and shall specify the initial term and associated rate.

INTERCONNECTION FACILITIES COSTS

For Eligible Qualifying Facilities, the installed costs for all facilities constructed or installed by Company to interconnect and safely operate in parallel with Seller's equipment shall be determined in accordance with Company's Terms and Conditions for the Purchase of Electric Power. When only the installation of Company's meter is required for the purchase of electric power, the \$25 minimum monthly Interconnection Facilities Charge shall not be applicable. Interconnection of Seller's generation to Company's system shall be in accordance with the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generation Interconnections.

Supersedes Schedule PP-3A

Effective for energy and capacity rendered on and after November 1, 2018

NCUC Docket No. E-100, Sub 158

PURCHASED POWER SCHEDULE PP-~~3A4~~

AVAILABILITY

Upon Seller's completion and Company's acceptance of a Purchase Power Agreement, this Schedule is available for electrical energy and capacity supplied by Eligible Qualifying Facilities (as defined below) to Company, provided Seller is a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket No. RM79-54 and 18 C.F.R. §§ 292.203, 292.204, and 292.205. This Schedule is not available for electric service supplied by Company to Seller or to Seller who has negotiated rate credits or conditions with Company which are different from those below. This Schedule is not available to a Qualifying Facility owned by a Seller or affiliate or partner of a Seller, who sells power to the Company from another Qualifying Facility of the same energy resource located within one-half mile, as measured from the electrical generating equipment, unless the combined capacity is equal to or less than one (1) megawatt¹.

Service necessary for the delivery of power from the Seller's generating facilities into Company's system shall be furnished solely to the individual contracting Seller in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to Company's purchase of energy or energy and capacity from the Seller's generating facilities up to the Contract Capacity specified in the Purchase Power Agreement which may be operated in parallel with Company's system. Power delivered to Company under this Schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of Company. If Seller requires supplemental, back-up, or standby services, Seller shall enter into a separate service agreement with Company in accordance with Company's applicable electric rates, riders, and Service Regulations on file with and authorized by the state regulatory agency having jurisdiction.

All qualifying facilities have the option to sell energy to the Company on an "as available" basis and receive energy credits only calculated using the Variable Rates identified in this Schedule for the delivered energy. The Variable Energy Credit shall constitute the "as available" avoided cost credit for Non-Eligible Qualifying Facilities. The Fixed Long Term Credit rates on this schedule are available only to otherwise eligible Sellers that establish a Legally Enforceable Obligation on or before the filing date of proposed rates in the next biennial avoided cost proceeding, provided eligible Seller begins delivery of power no later than thirty (30) months from the date of the order approving avoided cost rates in Docket No. E-100, Sub ~~148~~158, but may be extended beyond 30 months if construction is nearly complete and Seller demonstrates that it is making a good faith effort to complete its project in a timely manner. Notwithstanding the foregoing, eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer. If extended, as provided for in Session Law 2017-192, the contract term available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

Sellers not qualifying for the Fixed Long--Term Credit rates remain eligible for the Variable Credit rates or the Fixed Long--Term Credit rates proposed in the next biennial avoided cost proceeding, which will be subject to adjustment if different rates are approved by the North Carolina Utilities Commission in that proceeding.

¹ Once Purchase Power Agreements are executed with Sellers having a LEO after November 16, 2016 for an aggregate generation capacity of 100 megawatts (MWs), Monthly Rates will only be available thereafter to Sellers establishing a Legally Enforceable Obligation ("LEO") after November 16, 2016 with a Contract Capacity of 100 kW or less.

Qualifying Facilities Eligible for Capacity and/or Energy Credits

In order to be an Eligible Qualifying Facility and receive Energy Credits under this Schedule, the Qualifying Facility must be a hydroelectric or a generator fueled by trash or methane derived from landfills, solar, wind, hog or poultry waste-fueled or non-animal biomass-fueled Qualifying Facility with a Contract Capacity of one (1) megawatt or less¹, based on the nameplate rating of the generator(s) which are interconnected directly with the Company's system and which are Qualifying Facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

Capacity Credits are limited to Eligible Qualifying Facilities located within Company's service area that are classified as New Capacity in accordance with FERC Order No. 69 under Docket No. RM79-55 and interconnected to Company's transmission or distribution facilities in accordance with the North Carolina Utilities Commission's Order dated September 21, 1981 in Docket No. E-100, Sub 41. Pursuant to N.C.G.S. § 62-156(b)(3), electric generation fueled by swine waste and poultry waste and certain hydroelectric generation may be eligible for a different avoided capacity credit and rate if Seller sells the output of its facility, including renewable energy credits, to Company for Company to comply with its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") requirements set forth in N.C.G.S. § 62-133.8(e) and (f).

Eligible Qualifying Facilities receiving Capacity Credits under this Schedule shall also receive corresponding Energy Credits of like term as set forth in the "MONTHLY RATE" section of this Schedule.

APPLICABILITY

This Schedule is applicable to all electric energy and capacity supplied by Eligible Qualifying Facility to Company at one point of delivery through Company's metering facilities.

MONTHLY RATE

Monthly Payment

Company shall pay Eligible Qualifying Facilities for energy and/or capacity furnished to Company at the Credits set forth below, as applicable. Such payments shall be reduced by both the Seller Charge and any applicable Interconnection Cost. Payments to Qualifying Facilities with Contract Capacities of 10 kW or less shall only be made on a calendar year basis.

Seller Charge

An Eligible Qualifying Facility shall pay to Company a Seller Charge outlined below in accordance with the Contract Capacity specified in the Purchase Power Agreement between Company and Seller:

Monthly Seller Charge	\$23.06
-----------------------	---------

Energy and Capacity Credits

Eligible Qualifying Facilities for Company's Fixed Long-Term and/or Variable Energy and Capacity Credits shall be paid based upon the Seller's interconnection with Company's distribution or transmission system for all energy delivered to Company's system as registered or computed from Company's metering facilities. The Energy and Capacity Credit will be in accordance with the length of rate term for energy sales so established in the Purchase Power Agreement. Company shall pay a Capacity Credit based on the on-peak kWh supplied by the Eligible Qualifying Facility based upon the season. ~~Seller may elect to receive payments under either Option A or Option B based upon the Seller's preference for on-peak time-of-use hours.~~ The Capacity Credit is determined based upon the Seller's generation resource ~~as hydroelectric generation without storage or all other generation.~~

Energy Credits—Applicable to All Generation

	<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>
I. Option A⁺ Energy Credit (¢/kWh)				
a. On-peak kWh	3.54	3.66	3.48	3.59
b. Off-peak kWh	3.25	3.36	3.22	3.32
II. Option B⁺ Energy Credit (¢/kWh)				
a. On-peak kWh	3.63	3.67	3.55	3.59
b. Off-peak kWh	3.28	3.41	3.24	3.37

Capacity Rates Based Upon Generation Resource:

1. Applicable to All But Hydroelectric Generation without Storage

I. Option A⁺ Capacity Credits (¢/kWh)				
a. On-Peak kWh—Summer	0.00	0.55	0.00	0.54
b. On-Peak kWh—Non-Summer	0.00	1.12	0.00	1.10
II. Option B⁺ Capacity Credits (¢/kWh)				
a. On-peak kWh—Summer	0.00	0.83	0.00	0.82
b. On-peak kWh—Non-Summer	0.00	1.93	0.00	1.89

2. Applicable to Hydroelectric Generation without Storage

I. Option A⁺ Capacity Credits (¢/kWh)				
a. On-Peak kWh—Summer	0.00	1.05	0.00	1.04
b. On-Peak kWh—Non-Summer	0.00	2.14	0.00	2.10
II. Option B⁺ Capacity Credit (¢/kWh)				
a. On-peak kWh—Summer	0.00	1.58	0.00	1.55
b. On-peak kWh—Non-Summer	0.00	3.68	0.00	3.61

⁺Summer months under both Options A and B are defined as the calendar months of June through September. All other months are Non-Summer for purposes of applying the capacity credits.

<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>

Energy Credits (¢/kWh)¹:

Credits Applicable to All but Uncontrolled Solar Generation

On-peak kWh:

a. <u>Summer</u>	<u>3.40</u>	<u>3.50</u>	<u>3.31</u>	<u>3.41</u>
------------------	-------------	-------------	-------------	-------------

b. Winter

1. <u>Morning Hours</u>	<u>3.66</u>	<u>3.49</u>	<u>3.59</u>	<u>3.44</u>
-------------------------	-------------	-------------	-------------	-------------

2. <u>Evening Hours</u>	<u>3.61</u>	<u>3.90</u>	<u>3.55</u>	<u>3.82</u>
-------------------------	-------------	-------------	-------------	-------------

c. Premium Peak

1. <u>Summer</u>	<u>4.43</u>	<u>4.01</u>	<u>4.31</u>	<u>3.90</u>
------------------	-------------	-------------	-------------	-------------

2. <u>Winter</u>	<u>4.43</u>	<u>4.89</u>	<u>4.32</u>	<u>4.77</u>
------------------	-------------	-------------	-------------	-------------

d. <u>Shoulder</u>	<u>3.36</u>	<u>3.21</u>	<u>3.31</u>	<u>3.17</u>
--------------------	-------------	-------------	-------------	-------------

Off-peak kWh:

a. <u>Summer</u>	<u>3.07</u>	<u>2.98</u>	<u>3.03</u>	<u>2.94</u>
------------------	-------------	-------------	-------------	-------------

b. <u>Winter</u>	<u>2.90</u>	<u>2.88</u>	<u>2.86</u>	<u>2.84</u>
------------------	-------------	-------------	-------------	-------------

c. <u>Shoulder</u>	<u>2.73</u>	<u>2.45</u>	<u>2.71</u>	<u>2.43</u>
--------------------	-------------	-------------	-------------	-------------

Credits Applicable to Uncontrolled Solar Generation² Only

On-peak kWh:

a. <u>Summer</u>	<u>3.16</u>	<u>3.26</u>	<u>3.07</u>	<u>3.17</u>
------------------	-------------	-------------	-------------	-------------

b. Winter

1. <u>Morning Hours</u>	<u>3.42</u>	<u>3.25</u>	<u>3.35</u>	<u>3.20</u>
-------------------------	-------------	-------------	-------------	-------------

2. <u>Evening Hours</u>	<u>3.37</u>	<u>3.66</u>	<u>3.31</u>	<u>3.58</u>
-------------------------	-------------	-------------	-------------	-------------

c. Premium Peak

1. <u>Summer</u>	<u>4.19</u>	<u>3.77</u>	<u>4.07</u>	<u>3.66</u>
------------------	-------------	-------------	-------------	-------------

2. <u>Winter</u>	<u>4.19</u>	<u>4.65</u>	<u>4.08</u>	<u>4.53</u>
------------------	-------------	-------------	-------------	-------------

d. <u>Shoulder</u>	<u>3.12</u>	<u>2.97</u>	<u>3.07</u>	<u>2.93</u>
--------------------	-------------	-------------	-------------	-------------

Off-peak kWh:

a. <u>Summer</u>	<u>2.83</u>	<u>2.74</u>	<u>2.79</u>	<u>2.70</u>
------------------	-------------	-------------	-------------	-------------

b. <u>Winter</u>	<u>2.66</u>	<u>2.64</u>	<u>2.62</u>	<u>2.60</u>
------------------	-------------	-------------	-------------	-------------

c. <u>Shoulder</u>	<u>2.49</u>	<u>2.21</u>	<u>2.47</u>	<u>2.19</u>
--------------------	-------------	-------------	-------------	-------------

Capacity Credits (¢/kWh)³:

Credits Applicable to All but Swine or Poultry Waste Generation and Hydroelectric Generation without Storage

On-peak kWh:

a. <u>Summer</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
------------------	-------------	-------------	-------------	-------------

b. Winter

1. <u>Morning Hours</u>	<u>5.82</u>	<u>10.92</u>	<u>5.71</u>	<u>10.72</u>
-------------------------	-------------	--------------	-------------	--------------

2. Evening Hours	<u>2.49</u>	<u>4.68</u>	<u>2.45</u>	<u>4.59</u>
------------------	-------------	-------------	-------------	-------------

Credits Applicable to Swine or Poultry Waste Generation Only

On-peak kWh:

a. Summer	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
-----------	-------------	-------------	-------------	-------------

b. Winter

1. Morning Hours	<u>11.95</u>	<u>12.50</u>	<u>11.73</u>	<u>12.26</u>
2. Evening Hours	<u>5.12</u>	<u>5.36</u>	<u>5.03</u>	<u>5.25</u>

Credits Applicable to Certain Hydroelectric Generation without Storage⁴ Only

On-peak kWh

a. Summer	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
-----------	-------------	-------------	-------------	-------------

b. Winter

1. Morning Hours	<u>22.77</u>	<u>23.81</u>	<u>22.34</u>	<u>23.35</u>
2. Evening Hours	<u>9.76</u>	<u>10.20</u>	<u>9.57</u>	<u>10.01</u>

Credits Applicable to All Other Hydroelectric Generation without Storage⁵ Only

On-peak kWh

a. Summer	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
-----------	-------------	-------------	-------------	-------------

b. Winter

1. Morning Hours	<u>11.08</u>	<u>20.81</u>	<u>10.87</u>	<u>20.41</u>
2. Evening Hours	<u>4.75</u>	<u>8.92</u>	<u>4.66</u>	<u>8.75</u>

¹ For Energy Credit purposes, Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 1:00 p.m. to 4:00 p.m. and 8:00 p.m. to 9:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 4:00 a.m. to 6:00 a.m. and 9:00 a.m. to 11:00 a.m., plus evening hours from 6:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 10:00 a.m. plus evening hours from 5:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When a holiday falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

² “Uncontrolled Solar Generation” is defined as solar generation where the Qualifying Facility does not demonstrate that its facility is capable of operating, or does not contractually agree to operate, in a manner that reduces its average daylight volatility to 6% or less of its average daylight power output. Eligible Qualifying Facilities with controlled solar generation shall be governed under a negotiated Purchase Power Agreement between Seller and Company, which shall be based on Company’s standard Purchase Power Agreement and Terms and Conditions for the Purchase of Electric Power with

additional terms added to address requirements for operating the technology used to reduce average daylight volatility.

³ Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.

⁴ For hydroelectric generation without storage where the Qualifying Facility renews a Purchased Power Agreement that was in effect as of July 27, 2017.

⁵ For all other hydroelectric generation without storage.

POWER FACTOR CORRECTION

Unless Seller is required by an Operating Agreement to adjust VAR production to support voltage control, when Seller consumes VARs supplied by the Company or Seller delivers VARs to Company, the monthly bill will be increased by a sum equal to \$0.34 multiplied by the maximum consumed or supplied reactive kilovolt-amperes (kVAR) registered by a demand meter suitable for measuring the demand used during a 15-minute interval. The Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Company. If a Seller without an Operating Agreement is requested by Company to operate pursuant to a voltage schedule by providing or absorbing VARS, the Seller shall be compensated in the same manner as a Seller with an Operating Agreement.

RATE UPDATES

The Credits and Seller Charge of this Schedule will be updated every two years. Sellers who have contracted for the Fixed Long-Term Energy and Capacity Credits will not be affected by updates in the Energy and Capacity Credits until their rate term expires. For all Qualifying Facilities selling to Company pursuant to the Variable Capacity Credit provisions of this schedule, such capacity credits shall be updated and changed in accordance with the Commission’s revisions to such credits in Company’s biennial avoided cost proceedings. The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with the Variable or Long-Term rates selected by Seller in Company’s Schedule PP and the Terms and Conditions for the Purchase of Electric Power. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part of the Agreement as though fully written herein, and shall nullify any prior provision in conflict therewith. Any change to the Rate Schedule or Terms and Conditions shall not apply to the Fixed Long-Term Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges, and all non-rate provisions. For Purchase Power Agreements executed pursuant to the Fixed Long-Term rates approved in Docket No. E-100, Sub ~~148158~~ or its predecessors, any change to the Schedule shall not apply to the Fixed Long-Term Energy and Capacity Rates during the Contract Period.

DETERMINATION OF ON PEAK AND OFF PEAK HOURS

~~The on-peak and off-peak hours by summer and non-summer month are defined by calendar month as follows:~~

~~Option A Time of Use Hours~~

TOU Season	Summer Calendar Months of April through September	Non-Summer Calendar Months of October through March
On-peak Hours	Hours between 10:00 a.m. and	Hours between 6:00 a.m. and 1:00 p.m.,

	10:00 p.m., Monday through Friday, excluding holidays[†] considered as off-peak.	plus 4:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays[†] considered as off-peak.
Off-peak Hours	The off-peak hours in any month are defined as all hours not specified above as on-peak hours.	

~~Option B Time of Use Hours~~

TOU Season	Summer Calendar Months of June through September	Non-Summer Calendar Months of October through May
On-peak Hours	Hours between 1:00 p.m. and 9:00 p.m., Monday through Friday, excluding holidays[†] considered as off-peak.	Hours between 6:00 a.m. and 1:00 p.m., Monday through Friday, excluding holidays[†] considered as off-peak.
Off-peak Hours	The off-peak hours in any month are defined as all hours not specified above as on-peak hours.	

~~[†]—All hours for the following holidays will be considered as off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When one of the above holidays falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.~~

RENEWABLE ENERGY CREDITS

Unless otherwise specified in Company's agreements with Seller, the sale of power under this schedule does not convey to Company the right to renewable energy credits (RECs) or green tags associated with the energy delivered.

CONTRACT CAPACITY

The Contract Capacity shall be as specified in the Purchase Power Agreement between Company and Seller. Only one such Standard Contract shall be permitted for any Qualifying Facility.

PAYMENTS

Credit billings to Seller shall be payable to the Seller within fifteen (15) days of the date of the bill. Bills under this Schedule are due and payable on the date of the bill. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Seller shall enter into a Purchase Power Agreement which shall specify the Contract Capacity committed for delivery throughout the term of the contract and shall specify the initial term and associated rate.

INTERCONNECTION FACILITIES COSTS

For Eligible Qualifying Facilities, the installed costs for all facilities constructed or installed by Company to interconnect and safely operate in parallel with Seller's equipment shall be determined in accordance with Company's Terms and Conditions for the Purchase of Electric Power. When only the installation of Company's meter is required for the purchase of electric power, the \$25 minimum monthly Interconnection Facilities Charge shall not be applicable. Interconnection of Seller's generation to Company's system shall be in accordance with the North Carolina Interconnection Procedures, Forms,

and Agreements for State-Jurisdictional Generation Interconnections.

Supersedes Schedule PP-3A

Effective for energy and capacity rendered on and after ~~May 1, 2018~~November 1, 2018

NCUC Docket No. E-100, ~~Subs 140 and 148~~Sub 158

Attachments C and D

Filed Under Seal

Attachment E

Duke Energy Carolinas, LLC

**Revised Standard Offer PPA and
Standard Offer Terms & Conditions for
the Purchase of Electric Power
Clean and Black-lined**

PURCHASE POWER AGREEMENT

between

DUKE ENERGY CAROLINAS, LLC

and

SELLER NAME

“Facility Name” Project

Initial Delivery Date: *(date interconnection facilities installed)*

**PURCHASE POWER AGREEMENT BY A
QUALIFYING COGENERATOR OR SMALL POWER PRODUCER**

OFFICIAL COPY

Nov 01 2019

1 **THIS PURCHASE POWER AGREEMENT** (“Agreement”) is made this _____ day of
2 _____, 20____, by and between

3
4 **DUKE ENERGY CAROLINAS, LLC,**
5 a North Carolina Limited Liability Company (“Company”),

6
7 and

8
9 _____,
10
11 a(n) [*insert place of formation* _____] [*insert entity type* _____] (“Seller”), for the

12
13 “ _____,” **Project**

14
15 Seller hereby certifies that the Facility, as defined below, (is/is not) "new capacity", as defined by the
16 Federal Energy Regulatory Commission (FERC), and that construction of the Facility (was/was not)
17 commenced on or after November 9, 1978, and that the Facility is or will be a qualifying facility as
18 defined by the Federal Energy Regulatory Commission (“FERC”) pursuant to Section 210 of the Public
19 Utility Regulatory Policies Act of 1978 [*and which is or will be a hydroelectric generating facility*
20 *owned and operated by a small power producer as defined in G.S. 62-3(27a) - (if applicable)*]. The
21 Facility as defined herein (the “Facility”) shall consist of that certain [*insert description of the Facility*
22 *including fuel type and Nameplate Capacity rating in AC and DC*] [*where applicable, identify any*
23 *Storage Resource connected to or incorporated into the Facility along with the Storage Resource’s*
24 *capacity (MW and MWh)*] which is located at [*insert facility address*].

25
26 (Hereinafter, the parties are also referred to individually as a “Party” and collectively as the “Parties”).

27
28 In consideration of the mutual covenants herein contained, the Parties hereto, for themselves, their
29 successors and assigns, do hereby agree to the following:

30
31 **1. Service Requirements**

32 1.1 Seller shall sell and deliver exclusively to Company all of the electric power generated by the
33 Facility, net of the Facility’s own auxiliary electrical requirements, and Company shall purchase,
34 receive, use and pay for the same, subject to the conditions contained in this Agreement. Upon the
35 completion of the installation, by Company, of its system upgrades and interconnection facilities at
36 the point of delivery of Seller's and Company's conductors, Seller shall become responsible for the
37 payment to Company of any and all charges that may apply, whether or not Seller actually delivers
38 any electricity to Company. If Seller requests retail electric service for the Facility’s auxiliary
39 electrical requirements from Company when Seller’s generation is reduced, such power shall be
40 provided to Supplier pursuant to a separate electric service agreement under Company’s rate tariffs
41 appropriate for such service.

42
43 1.2 Electricity supplied by Seller shall be [*single (1)/three (3)*] phase, alternating at a frequency of
44 approximately sixty (60) cycles, and at a delivery voltage of approximately _____ volts,
45 _____wires at a sufficient power factor to maintain system operating parameters as specified by
46 Company.

47
48 1.3 Delivery of said Seller’s power shall be at a point of delivery described as follows:
49 _____ .

- 50
51 1.4 The Contract Capacity of the Facility, as defined in the Terms and Conditions for the Purchase of
52 Electric Power is _____AC kW/MW. The estimated annual energy production of the Facility
53 is _____ kWh.
54

55 **2. Rate Schedule**

56 The sale, delivery, and use of electric power hereunder, and all services of whatever type to be
57 rendered or performed in connection therewith, shall in all respects be subject to and in accordance
58 with Company's Rate Schedule PP, Electricity No. 4, North Carolina _____ Revised Leaf No.
59 90, [Variable Rate], [10-year Fixed Long-Term Rate] Option [A][B] for
60 [Distribution][Transmission] ("Rate Schedule") and the Terms and Conditions for the Purchase of
61 Electric Power, both of which are now on file with the North Carolina Utilities Commission
62 ("Commission"), and are hereby incorporated by reference and made a part hereof as though fully
63 set forth herein. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power
64 are subject to change, revision, alteration or substitution, either in whole or in part, upon order of
65 said Commission or any other regulatory authority having jurisdiction, and any such change,
66 revision, alteration or substitution shall immediately be made a part hereof as though fully written
67 herein, and shall nullify any prior provision in conflict therewith.
68

69 The language above beginning with "Said Rate Schedule" shall not apply to the Fixed Long-Term
70 Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and
71 Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other
72 types of charges (e.g., administrative charges), and all non-rate provisions.
73

74 **3. Initial Delivery Date**

75 The term of this Agreement shall be a minimum of 5 years when contracting for capacity
76 payments and shall begin upon the first date when energy is generated by the Facility and
77 delivered to the Company and continuing for the term specified in the Rate Schedule paragraph
78 above and shall automatically extend thereafter unless terminated by either party by giving not less
79 than thirty (30) days prior written notice. Any automatic extension of this Agreement will be at the
80 Variable Rates in effect at the time of extension. The term shall begin no earlier than the date the
81 Company's Interconnection Facilities are installed and are ready to accept electricity from the
82 Seller which is requested to be _____. The Company at its sole discretion may terminate
83 this Agreement on _____, 20__ (30 months following the date of the order initially
84 approving the rates selection shown above which may be extended beyond 30 months if
85 construction is nearly complete and the Seller demonstrates that it is making a good faith effort to
86 complete its project in a timely manner¹) if the Seller is unable to provide generation capacity and
87 energy production consistent with the energy production levels specified in Provision No. 1.4
88 above. This date may be extended by upon mutual agreement by both parties.
89

90 **4. Interconnection Facilities**

91 Unless otherwise required by Company, an Interconnection Agreement pursuant to the North
92 Carolina Interconnection Procedures, Forms, And Agreements For State-Jurisdictional Generator
93 Interconnections (Interconnection Standard) shall be executed by Seller, including payments of all

¹ Eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer, as determined by Company. The term for these extended Agreements available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

94 charges and fees associated with the interconnection, before Company will accept this Agreement.
95 (Either sentence (a) or (b) as follows is inserted into the agreement as appropriate) (a) The
96 Interconnection Facilities Charge shall be specified in the Interconnection Agreement, or (b) The
97 Interconnection Facilities Charge shall be 1.0 % of the installed cost of metering and other
98 equipment and is \$_____ per month.
99

100 **5. Energy Storage**

101 If the Facility is to be equipped with battery storage or other energy storage device (the “Storage
102 Resource”), the Storage Resource shall be identified in this Agreement. In all cases the Storage
103 Resource must be charged solely by the Facility and the use of any Storage Resource shall be
104 operated and equipped in accordance with the system operator’s Energy Storage Protocol, a copy
105 of which is attached hereto as Exhibit A, as may be modified from time to time by the system
106 operator (the “Energy Storage Protocol”).
107

108 **6. Reporting Requirements**

109 Upon request, facilities larger than 3,000 kW may be required to provide prior notice of annual,
110 monthly, and day-ahead forecast of hourly production, as specified by the Company. If the Seller
111 is required to notify the Company of planned or unplanned outages, notification should be made as
112 soon as known. The Seller shall include the start time, the time for return to service, the amount of
113 unavailable capacity, and the reason for the outage.
114

115 Upon the execution by Company and Seller in the block provided below, this Agreement together with
116 attachments shall become an agreement for Seller to deliver and sell to Company and for Company to
117 receive and purchase from Seller the electricity generated and delivered to Company by Seller from the
118 above described qualifying generating facility at the rates, in the quantities, for the term, and upon the
119 terms and conditions set forth herein.

Witness as to Seller:

_____, Seller
Printed: _____
By _____
Printed: _____
Title _____
This ____ day of _____, 20____

ACCEPTED: DUKE ENERGY CAROLINAS LLC

Mail Payment/Bill to:

By _____
Title _____
This ____ day of _____, 20____

Exhibit A
Energy Storage Protocol

1. The Storage Resource must be on the DC side of the inverter and charged exclusively by the Facility.
2. The Storage Resource will be controlled by the Seller, within operational limitations described below.
3. The maximum output of the Facility, including any storage capability, at any given time shall be limited to the Facility's Contract Capacity as specified in the Agreement.
4. The discharge of stored energy is not permitted while the Facility has received or is subject to a curtailment instruction (i.e., System Operator Instruction) from the system operator.
5. Ramp rates for Storage Resource shall not exceed 10 percent of the Storage Resource's capacity (MW) on a per minute basis, whether up or down, at any time that the Facility is not generating, unless the system operator has waived this ramping limitation.
6. When the Facility is generating, the Storage Resource shall not act to increase the net ramp rate of the Facility by more than 5 percent of the Storage Resource's capacity (MW) per minute in relation to the output from the Facility alone, over a one-minute interval, up or down, unless the system operator has waived this ramping limitation.
7. Scheduling and other storage limitations:
 - a. For all months/days with Premium Peak windows, the Seller shall distribute any discharge of the storage device in a manner that levelizes (holds constant) the combined output of solar and storage at the highest practical level during the Premium Peak hours of such calendar day, except as limited by ramp rate criteria and inverter capability.
 - i. For any storage discharge occurring on weekends and holidays where only Off-Peak energy rates apply, the Seller shall apply the same discharge logic that is applied to Weekdays/non-Holidays, for the respective month.
 - ii. If the storage device is AC (MW) limited, discharge may begin prior to the Premium Peak window to allow the storage device to reach its Allowable Depth (as defined below) of Discharge.
 - b. For the remaining months without Premium Peak windows, the Seller shall distribute any discharge of the storage device in a way that levelizes (holds constant) the combined output of solar and storage at the highest practical level during three consecutive hours beginning with the hour of sunset.
 - i. If the storage device is AC (MW) limited, discharge may continue beyond the three-hour window until the storage device reaches its Allowable Depth of Discharge.
8. Company reserves the right to add or modify operating restrictions specified in these Energy Storage Protocols to the extent necessary to comply with NERC Standards as such standards may be modified from time to time during the Term. Any such modification shall be implemented by Company in a Commercially Reasonable Manner and shall be applied to the Facility and

Company's own generating assets on a non-discriminatory basis. If Seller can make a commercially reasonable demonstration to Company, which is approved by Company in its reasonable discretion, that the Facility does not contribute to potential NERC compliance violations for which the modifications have been implemented, then such modifications shall not apply to the Facility.

9. Seller will only be compensated for Energy and Capacity actually provided to Buyer in accordance with the terms of the Agreement.

Notes:

- a) "Allowable Depth of Discharge" shall mean the MWh energy storage potential, considering the original equipment manufacturer's recommendations and any emergent operating limitations, at a given point in time.
- b) Other capitalized terms used in this Exhibit which have not been defined herein shall have the meaning ascribed to such terms in the Agreement to which this exhibit is attached.

PURCHASE POWER AGREEMENT

between

DUKE ENERGY CAROLINAS, LLC

and

SELLER NAME

“Facility Name” Project

Initial Delivery Date: *(date interconnection facilities installed)*

**PURCHASE POWER AGREEMENT BY A
QUALIFYING COGENERATOR OR SMALL POWER PRODUCER**

1 **THIS PURCHASE POWER AGREEMENT** (“Agreement”) is made this _____ day of
2 _____, 20____, by and between

3
4
5 **DUKE ENERGY CAROLINAS, LLC,**
6 a North Carolina Limited Liability Company (“Company”).

7
8 and

9
10 _____,
11
12 a(n) _____ Company/Corporation [*insert place of formation* _____] [*insert entity*
13 *type* _____] (“Seller” ~~or~~ “Customer”), for the

14
15 “_____,” Project

16
17 ~~which Seller hereby~~ certifies that ~~this facility~~ the Facility, as defined below, (is/is not) "new capacity", as
18 defined by the Federal Energy Regulatory Commission (FERC), and that construction of the Facility
19 (was/was not) commenced on or after November 9, 1978, and that the Facility is or will be a qualifying
20 facility as defined by the Federal Energy Regulatory Commission (“FERC”) pursuant to Section 210 of
21 the Public Utility Regulatory Policies Act of 1978 [~~and which is or will be a hydroelectric generating~~
22 ~~facility owned and operated by a small power producer as defined in G.S. 62-3(27a) - (if applicable)~~];
23 ~~consisting of~~ _____]. The
24 Facility as defined herein (the “Facility”) shall consist of that certain [*insert description of the Facility*
25 *including fuel type and Nameplate Capacity rating in AC and DC*]; [*where applicable, identify any*
26 *Storage Resource connected to or incorporated into the Facility along with the Storage Resource’s*
27 *capacity (MW and MWh)*] which is located at
28 _____ [*insert facility address*].

29
30 (Hereinafter, the parties are also referred to individually as a “Party” and collectively as the “Parties”).

31
32 In consideration of the mutual covenants herein contained, the Parties hereto, for themselves, their
33 successors and assigns, do hereby agree to the following:

34
35 **1. Service Requirements**

36 1.1 Seller shall sell and deliver exclusively to Company all of the electric power generated by the
37 Facility, net of the Facility’s own auxiliary electrical requirements, and Company shall purchase,
38 receive, use and pay for the same, subject to the conditions contained in this Agreement. Upon the
39 completion of the installation, by Company, of its system upgrades and- interconnection facilities
40 at the point of delivery of Seller’s and Company’s conductors, Seller shall become responsible for
41 the payment to Company of any and all charges that may apply, whether or not Seller actually
42 delivers any electricity to Company. If Seller requests retail electric service for the Facility’s
43 auxiliary electrical requirements from Company when Seller’s generation is reduced, such power
44 shall be provided to Supplier pursuant to a separate electric service agreement under Company’s
45 rate tariffs appropriate for such service.

46
47 1.2 Electricity supplied by Seller shall be [*single (1)/three (3)*] phase, alternating at a frequency of
48 approximately sixty (60) cycles, and at a delivery voltage of approximately _____ volts,

49 _____wires at a sufficient power factor to maintain system operating parameters as specified by
50 Company.

51
52 1.3 Delivery of said Seller’s power shall be at a point of delivery described as follows: _____
53 _____

54
55 1.4 ~~Based upon the alternating current rating, t~~The Contract Capacity of ~~Seller’s generating facility~~the
56 ~~Facility~~, as defined in the Terms and Conditions for the Purchase of Electric Power is
57 _____ AC kW/MW ~~and. The~~ estimated annual energy production of ~~the Facility is~~
58 _____ kWh ~~is the amount Seller contracts to deliver to Company and Company agrees to~~
59 ~~receive.~~

60
61 **2. Rate Schedule**

62 The sale, delivery, and use of electric power hereunder, and all services of whatever type to be
63 rendered or performed in connection therewith, shall in all respects be subject to and in accordance
64 with Company’s Rate Schedule PP, Electricity No. 4, North Carolina _____ Revised Leaf No.
65 90, [*Variable Rate*], [*10-year Fixed Long-Term Rate*] *Option [A][B] for*
66 [*Distribution*][*Transmission*] (“Rate Schedule”) and the Terms and Conditions for the Purchase of
67 Electric Power, both of which are now on file with the North Carolina Utilities Commission
68 (“Commission”), and are hereby incorporated by reference and made a part hereof as though fully
69 set forth herein. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power
70 are subject to change, revision, alteration or substitution, either in whole or in part, upon order of
71 said Commission or any other regulatory authority having jurisdiction, and any such change,
72 revision, alteration or substitution shall immediately be made a part hereof as though fully written
73 herein, and shall nullify any prior provision in conflict therewith.

74
75 The language above beginning with “Said Rate Schedule” shall not apply to the Fixed Long-Term
76 Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and
77 Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other
78 types of charges (e.g., administrative charges), and all non-rate provisions.

79
80 **3. Initial Delivery Date**

81 The term of this Agreement shall be a minimum of 5 years when contracting for capacity
82 payments and shall begin upon the first date when energy is generated by the Facility and
83 delivered to the Company and continuing for the term specified in the Rate Schedule paragraph
84 above and shall automatically extend thereafter unless terminated by either party by giving not less
85 than thirty (30) days prior written notice. ~~The~~Any automatic extension of this Agreement will be
86 at the Variable Rates in effect at the time of extension. The term shall begin no earlier than the
87 date the Company’s Interconnection Facilities are installed and are ready to accept electricity from
88 the Seller which is requested to be _____. The Company at its sole discretion may
89 terminate this Agreement on _____, 20__ (30 months following the date of the order
90 initially approving the rates selection shown above which may be extended beyond 30 months if
91 construction is nearly complete and the Seller demonstrates that it is making a good faith effort to
92 complete its project in a timely manner¹) if the Seller is unable to provide generation capacity and

¹ Eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller’s nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer, as determined by Company. The term for these extended Agreements available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

93 energy production consistent with the energy production levels specified in Provision No. 1.4
94 above. This date may be extended by upon mutual agreement by both parties.

95
96 **4. Interconnection Facilities**

97 Unless otherwise required by Company, an Interconnection Agreement pursuant to the North
98 Carolina Interconnection Procedures, Forms, And Agreements For State-Jurisdictional Generator
99 Interconnections (Interconnection Standard) shall be executed by Seller, including payments of all
100 charges and fees associated with the interconnection, before Company will accept this Agreement.
101 *(Either sentence (a) or (b) as follows is inserted into the agreement as appropriate)* (a) The
102 Interconnection Facilities Charge shall be specified in the Interconnection Agreement, or (b)
103 The Interconnection Facilities Charge shall be 1.40 % of the installed cost of metering and other
104 equipment and is \$ _____ per month.

105
106 **5. Energy Storage**

107 If the Facility is to be equipped with battery storage or other energy storage device (the "Storage
108 Resource"), the Storage Resource shall be identified in this Agreement. In all cases the Storage
109 Resource must be charged solely by the Facility and the use of any Storage Resource shall be
110 operated and equipped in accordance with the system operator's Energy Storage Protocol, a copy
111 of which is attached hereto as Exhibit A, as may be modified from time to time by the system
112 operator (the "Energy Storage Protocol").

113
114 **5.6. Reporting Requirements**

115 Upon request, facilities larger than 3,000 kW may be required to provide prior notice of annual,
116 monthly, and day-ahead forecast of hourly production, as specified by the Company. If the Seller
117 is required to notify the Company of planned or unplanned outages, notification should be made as
118 soon as known. The Seller shall include the start time, the time for return to service, the amount of
119 unavailable capacity, and the reason for the outage.

120
121 Upon the ~~acceptance hereof~~ execution by Company, ~~evidenced by the signature of its Presidents,~~
122 ~~Vice Presidents or Authorized Representatives and Seller~~ in the block provided below, this
123 ~~document~~ Agreement together with attachments shall become an agreement for Seller to deliver and sell
124 to Company and for Company to receive and purchase from Seller the electricity generated and
125 ~~declared~~ delivered to Company by Seller from ~~the~~ the above-described qualifying generating facility at
126 the rates, in the quantities, for the term, and upon the terms and conditions set forth herein.

Witness as to Seller:

_____, Seller
Printed: _____

By _____

Printed: _____ Printed: _____

Title _____

This _____ day of _____, 20_____

ACCEPTED: DUKE ENERGY CAROLINAS LLC

Mail Payment/Bill to:

By _____

Title _____

This _____ day of _____, 20_____

Exhibit A
Energy Storage Protocol

1. The Storage Resource must be on the DC side of the inverter and charged exclusively by the Facility.
2. The Storage Resource will be controlled by the Seller, within operational limitations described below.
3. The maximum output of the Facility, including any storage capability, at any given time shall be limited to the Facility's Contract Capacity as specified in the Agreement.
4. The discharge of stored energy is not permitted while the Facility has received or is subject to a curtailment instruction (i.e., System Operator Instruction) from the system operator.
5. Ramp rates for Storage Resource shall not exceed 10 percent of the Storage Resource's capacity (MW) on a per minute basis, whether up or down, at any time that the Facility is not generating, unless the system operator has waived this ramping limitation.
6. When the Facility is generating, the Storage Resource shall not act to increase the net ramp rate of the Facility by more than 5 percent of the Storage Resource's capacity (MW) per minute in relation to the output from the Facility alone, over a one-minute interval, up or down, unless the system operator has waived this ramping limitation.
7. Scheduling and other storage limitations:
 - a. For all months/days with Premium Peak ~~(as defined in the Proposed Settlement)~~ windows, the Seller shall distribute any discharge of the storage device in a manner that levelizes (holds constant) the combined output of solar and storage at the highest practical level during the Premium Peak hours of such calendar day, except as limited by ramp rate criteria and inverter capability.
 - i. For any storage discharge occurring on weekends and holidays where only Off-Peak energy rates apply, the Seller shall apply the same discharge logic that is applied to Weekdays/non-Holidays, for the respective month.
 - ii. If the storage device is AC (MW) limited, discharge may begin prior to the Premium Peak window to allow the storage device to reach its Allowable Depth (as defined below) of Discharge.
 - b. For the remaining months without Premium Peak windows, the Seller shall distribute any discharge of the storage device in a way that levelizes (holds constant) the combined output of solar and storage at the highest practical level during three consecutive hours beginning with the hour of sunset.
 - i. If the storage device is AC (MW) limited, discharge may continue beyond the three-hour window until the storage device reaches its Allowable Depth of Discharge.
8. Company reserves the right to add or modify operating restrictions specified in these Energy Storage Protocols to the extent necessary to comply with NERC Standards as such standards may be modified from time to time during the Term. Any such modification shall be implemented by Company in a Commercially Reasonable Manner and shall be applied to the Facility and

Company's own generating assets on a non-discriminatory basis. If Seller can make a commercially reasonable demonstration to Company, which is approved by Company in its reasonable discretion, that the Facility does not contribute to potential NERC compliance violations for which the modifications have been implemented, then such modifications shall not apply to the Facility.

9. Seller will only be compensated for Energy and Capacity actually provided to Buyer in accordance with the terms of the Agreement.

Notes:

- a) "Allowable Depth of Discharge" shall mean the MWh energy storage potential, considering the original equipment manufacturer's recommendations and any emergent operating limitations, at a given point in time.
- b) Other capitalized terms used in this Exhibit which have not been defined herein shall have the meaning ascribed to such terms in the Agreement to which this exhibit is attached.

~~c) — Terms above assume conditions ascribed in the current Proposed Rate Design Settlement as of March 14th, 2019 (the "Proposed Settlement").~~

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1. PURCHASE POWER AGREEMENT

These "Terms and Conditions" provide a mechanism through which Duke Energy Carolinas, LLC, hereafter called "Company," will agree to purchase energy or capacity or both from an Eligible Qualifying Facility as defined in the Purchased Power Schedule PP. This Purchase Power Agreement is solely for the purchase of electricity produced by Seller's generation, net of generator auxiliary requirement, and does not provide for the sale of any electric service by Company to Seller.

- (a) Description - The Purchase Power Agreement (hereinafter sometimes termed "Agreement") shall consist of (1) Company's form of Purchase Power Agreement when signed by Seller and accepted by Company, (2) the applicable Schedule for the purchase of electricity as specified in the Purchase Power Agreement, and (3) these Terms and Conditions for the Purchase of Electric Power (hereinafter referred to as "Terms and Conditions"), and all changes, revisions, alterations therein, or substitutions therefor lawfully made.
- (b) Application of Terms and Conditions and Schedules - All Purchase Agreements in effect at the effective date of this tariff or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules as specified in the Purchase Power Agreement, and any changes therein, substitutions thereof, or additions thereto lawfully made, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract or by order of the state regulatory authority having jurisdiction (hereinafter "Commission").
- (c) Conflicts - In case of conflict between any provision of a Schedule and of these Terms and Conditions, the provision of the Schedule shall prevail.
- (d) Waiver - The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- (e) Assignment of Agreement - A Purchase Power Agreement between the Company and the Seller may be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under such Agreement, subject to the written approval of Company. A Purchase Power Agreement shall not be transferred and assigned by Seller to any person, firm, or corporation that is party to any other purchase agreement under which a party sells or seeks to sell power to the Company from another Qualifying Facility that is located within one-half mile, as measured from the electrical generating equipment. The Company will grant such approval upon being reasonably satisfied that the assignee will fulfill the terms of the Agreement and if, at the Company's option, a satisfactory guarantee for the payment of any applicable bills is furnished by assignee. However, before such rights and obligations are assigned, the assignee must first obtain necessary approval from all regulatory bodies including, but not limited to, the Commission.
- (f) Notification of Assignment, Transfer or Sale - In the event of an assignment of the rights and obligations accruing to the Seller under this Agreement, or in the event of any contemplated sale, transfer or assignment of the Facility or the Certificate of Public Convenience and Necessity, the Seller shall, in addition to obtaining the approvals hereof, provide a minimum of 30 days prior written notice advising the Company and the Commission of any plans for such an assignment, sale or transfer, or of any accompanying significant changes in the information required by Commission Rule R8-64, R9-65 or R8-66 which are incorporated by reference herein.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (g) Suspension of Sales Under Agreement at the Seller's Request - If the Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, the Company will, upon written request of the Seller, and for a period the Company deems as reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period.
- (h) Termination of Agreement at the Seller's Request - If the Seller desires to terminate the Agreement, the Company will agree to such termination if all bills for services previously rendered to Seller including any termination or other charges applicable under any Interconnection Agreement, plus any applicable termination charges, have been paid. Termination charges shall consist of any applicable termination charges for premature termination of capacity as set forth in paragraphs 4 and 6 of these Terms and Conditions. The Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Seller's Agreement.
- (i) Company's Right to Terminate or Suspend Agreement - The Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from the Seller based on any of the following: (1) default or breach of the Agreement by the Seller, (2) any fraudulent or unauthorized use of the Company's meter, (3) failure to pay any applicable bills when due and payable, (4) any Material Alteration to the Facility without the Company's consent or otherwise delivering energy in excess of the Contract Capacity specified under this Agreement, (5) any condition on the Seller's side of the point of delivery actually known by the Company to be, or which the Company reasonably anticipates may be, dangerous to life or property, or (6) Seller fails to deliver energy to Company for six (6) consecutive months. Termination of the Agreement shall be at the Company's sole option and is only appropriate when the Seller either cannot or will not cure its default.

No such termination or suspension, however, will be made by the Company without written notice delivered to the Seller, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 1(i)(2) or 1(i)(5) above. Company shall give Seller thirty (30) calendar days prior written notice before suspending or terminating the Agreement pursuant to provisions 1(i)(1) and 1(i)(3)-(4). Company shall give Seller five (5) calendar days prior written notice before suspending or terminating the Agreement pursuant to provision 1(i)(6).

Failure of the Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by the Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve the Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve the Seller (1) of the Seller's liability for the payment of minimum monthly charges during the period of suspension, nor (2) of the Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

2. CONDITIONS OF SERVICE

- (a) The Company is not obligated to purchase electricity from the Seller unless and until: (1) the Company's form of Purchase Power Agreement is executed by the Seller and accepted by the Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from the Seller, the Seller conveys or causes to be conveyed to the Company, without cost to Company, a right of way easement, satisfactory to the Company, across such private property which will provide for the construction, maintenance, and operation of the Company's lines and facilities, necessary to receive electricity from the Seller; provided, however, in the absence of a formal conveyance, the Company nevertheless, shall be vested with an easement over the Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to the Company. Where not required by law, an inspection by a Company-approved inspector shall be made at the Seller's expense. In the event the Seller is unable to secure such necessary rights of way, the Seller shall reimburse the Company for all costs the Company may incur for the securing of such rights of way.

The obligation of the Company in regard to service under the Agreement are dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises, and permits, for such service. The Company shall not be liable to any Seller in the event the Company is delayed or prevented from purchasing power by the Company failure to secure and retain such rights-of-way, privileges, franchises, and permits.

- (b) The Seller shall operate its Facility in compliance with all: (i) System Operator Instructions provided by the Company, including any Energy Storage Protocols provided if applicable; (ii) applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC"); and (iii) the SERC Reliability Corporation ("SERC") or any successor thereto.
- (c) The Seller shall submit an Interconnection Request as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Company shall not be required to install facilities to support interconnection of the Seller's generation or execute the Purchase Power Agreement until the Seller has signed an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections, as may be required by the Company.
- (d) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, the Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) the Company is required by governmental authority to incur expenses in the relocation or the reconstruction underground of any portion of said lines, unless the Company is reimbursed for such expense by the Sellers or customers connected thereto, or (2) the right of the Company to maintain and operate said lines is terminated, revoked, or denied by governmental authority for any reason.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

3. DEFINITIONS

- (a) Auxiliary Load: The term “Auxiliary Load” shall mean power used to operate auxiliary equipment in the Facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).
- (b) “Company's conductors” shall mean the Company's wires extending from the point of connection with the Company’s existing electric system to the point of delivery.
- (c) “Energy Storage Protocol” shall have the meaning specified in Purchase Power Agreement.
- (d) “Facility” shall have the meaning specified in the Purchase Power Agreement.
- (e) “interconnection” shall mean the connection of the Company’s conductors to the Seller's conductors.
- (f) “Material Alteration” as used in this Agreement shall mean a modification to the Facility which renders the Facility description specified in this Agreement inaccurate in any material sense as determined by Company in a commercially reasonable manner including, without limitation, (i) the addition of a Storage Resource; (ii) a modification which results in an increase to the Contract Capacity, Nameplate Capacity (in AC or DC), generating capacity (or similar term used in the Agreement) or the estimated annual energy production of the Facility (the “Existing Capacity”), or (iii) a modification which results in a decrease to the Existing Capacity by more than five (5) percent. Notwithstanding the foregoing, the repair or replacement of equipment at the Facility (including solar panels) with like-kind equipment, which does not increase Existing Capacity or decrease the Existing Capacity by more than five percent (5%) shall not be considered a Material Alteration.
- (g) Nameplate Capacity: The term “Nameplate Capacity” shall mean the manufacturer’s kW_{AC} nameplate rated output capability of the Facility as measured at the delivery point specified in AC. For multi-unit generator facilities, the “Nameplate Capacity” of the Facility shall be the sum of the individual manufacturer’s kW_{AC} nameplate rated output capabilities of the generators. The Nameplate Capacity shall also include the DC rating of the Facility. For inverted-based generating facilities, the “Nameplate Capacity” shall be the manufacturer’s rated kW_{AC} output on the inverters.
- (h) “Prudent Utility Practice” means those practices, methods, equipment, specifications, standards of safety, and performance, as the same may change from time to time, as are commonly used in the construction, interconnection, operation, and maintenance of electric power facilities, inclusive of delivery, transmission, and generation facilities and ancillaries, which in the exercise of good judgment and in light of the facts known at the time of the decision being made and activity being performed are considered: (i) good, safe, and prudent practices; (ii) are in accordance with generally accepted standards of safety, performance, dependability, efficiency, and economy in the United States; (iii) are in accordance with generally accepted standards of professional care, skill, diligence, and competence in the United States; and, (iv) are in compliance with applicable regulatory requirements and/or reliability standards. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather are intended to include acceptable practices, methods and acts generally accepted in the energy generation and utility industry.
- (i) "purchase" or "purchase of electricity" shall be construed to refer to the electricity supplied to the Company by the Seller from the Facility.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (j) "Seller's conductors" shall mean the Seller's wires extending from the point of delivery to the switch box or other point where the Seller's circuits connect for the purpose of supplying the electricity produced by the Seller.
- (k) "Storage Resource" means battery storage or other energy storage device installed at or connected behind the meter of the Facility.
- (l) "System Operator Instruction" means any order, action, requirement, demand, or direction, from the system operator in accordance with Prudent Utility Practice, and delivered to Seller in a non-discriminatory manner, to operate, manage, and/or otherwise maintain safe and reliable operations of the system, including, without limitation, an order to suspend or interrupt any operational activity due to an emergency condition or force majeure event; provided however, a System Operator Instruction in response to an emergency condition, force majeure event, or operational condition relating specifically to or created by the Facility shall not be deemed or considered discriminatory.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be specified in the Purchase Power Agreement and shall not exceed the capacity specified in the Seller's Interconnection Agreement. This term shall mean the maximum continuous electrical output capability expressed on an alternating current basis of the generator(s) at any time, at a power factor of approximately unity, without consuming VARs supplied by Company, as measured at the Point of Delivery and shall be the maximum kW_{AC} delivered to the Company during any billing period. The Seller shall not exceed the existing Contract Capacity unless and until the increase has been agreed to in an amendment executed by Company and Seller and Seller's facilities have been upgraded to accept the actual or requested increase as may be required by Company in its commercially reasonable discretion.
- (b) The Seller shall not change the Contract Capacity, or contracted estimated annual energy production without adequate notice to the Company, and without receiving the Company's prior written consent, and if such unauthorized increase causes loss of or damage to the Company's facilities, the cost of making good such loss or repairing such damage shall be paid by the Seller.
- (c) The Company may require that a new Contract Capacity be determined when it reasonably appears that the capacity of the Seller's generating facility or annual energy production will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.
- (d) The Seller may apply to the Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, and an amendment to implement the change has been executed by the Company and the Seller, future Monthly delivered capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to the Seller shall be determined in accordance with the Interconnection Agreement.
- (e) Any Material Alteration to the Facility, including without limitation, an increase in the Existing Capacity, a decrease in the Existing Capacity by more than five (5) percent or the addition of energy storage capability shall require the prior written consent of the Company, which may be withheld in the Company's sole discretion, and shall not be effective until memorialized in an amendment executed by the Company and the Seller.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

5. ESTIMATED ANNUAL ENERGY PRODUCTION

The estimated annual energy production from the Facility specified in the Purchase Power Agreement shall be the estimated total annual kilowatt-hours registered or computed by or from the Company's metering facilities for each time period during a continuous 12-month interval.

6. EARLY CONTRACT TERMINATION

(a) Early Contract Termination - If the Seller terminates the Agreement or the Agreement is terminated by the Company as permitted in Section 1(i) prior to the expiration of the initial (or extended) term of the Purchase Agreement, the following payment shall be made to the Company by the Seller:

The Seller shall pay to Company the total Energy and/or Capacity credits received in excess of the sum of what would have been received under the Variable Rate for Energy and/or Capacity Credits applicable at the initial term of the contract period and as updated every two years, plus interest. The interest should be the weighted average rate for new debt issued by the Company in the calendar year previous to that in which the Agreement was commenced.

7. CONTRACT RENEWAL

This Agreement shall be subject to renewal for subsequent term(s) at the option of the Company on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors, or (2) set by arbitration.

8. QUALITY OF ENERGY RECEIVED

- (a) The Seller has full responsibility for the routine maintenance of its generating and protective equipment to ensure that reliable, utility grade electric energy is being delivered to the Company.
- (b) The Facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by the Company. Any operating requirement is subject to modification or revision if warranted by future changes in the distribution or transmission circuit conditions.
- (c) The Seller may operate direct current generators in parallel with the Company through a synchronous inverter. The inverter installation shall be designed such that a utility system interruption will result in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect the Company's supply of electric service to, or the use of electric service by the Company's other customers, and any correction thereof is the full responsibility of the Seller.
- (d) In the event the Company determines, based on calculations, studies, analyses, monitoring, measurement or observation, that the output of the Facility will cause or is causing the Company to be unable to provide proper voltage levels to its customers, the Seller shall be required to comply with a voltage schedule and/or reactive power output schedule as prescribed by the Company.
- (e) All Material Alterations to the Facility shall require the prior written consent from the Company, and the Seller shall provide the Company written notification of any requested changes to the Facility, support equipment such as inverters, or interconnection facilities as soon as reasonably possible to allow the Company adequate time to review such requested changes to ensure continued safe interconnection prior to implementation.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (f) Failure of the Seller to comply with either (a), (b), (c), (d) or (e) above will constitute grounds for the Company to cease parallel operation with the Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under paragraph 1, above.

9. BILLING

- (a) Meters will be read and bills rendered monthly. Readings are taken each month at intervals of approximately thirty (30) days.
- (b) If Company is unable to read its purchase meter for any reason, the Seller's production may be estimated by Company on the basis of Seller's production during the most recent preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the period of time between the regular meter readings by the Company. Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Seller's account, and all initial and final bills rendered on a Seller's account will be prorated on the basis of a normal 30-day billing period.
- (d) Payments for capacity and/or energy will be made to the Seller based on the rate schedule stated in the Purchase Power Agreement.
- (e) The Company reserves the right to set off against any amounts due from the Company to the Seller, any amounts which are due from the Seller to the Company, including, but not limited to, unpaid charges pursuant to the Interconnection Agreement or past due balances on any accounts Seller has with Company for other services.

10. RECORDS

In addition to the regular meter readings to be taken monthly for billing purposes, Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties. The Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and the Company's purchases thereof (including copies of monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement. The Company will not provide any information developed solely by the Seller and designated by the Seller in writing to be "proprietary" unless required to do so by order of the Commission or the FERC or any other regulatory body or court, in which event, the Company will notify the Seller prior to supplying the proprietary information.

The Seller shall provide to the Company, on a monthly basis within ten (10) days of the meter reading date and in form to be mutually agreed upon by the Parties, information on the Facility's fuel costs (coal, oil natural gas, supplemental firing, etc.), if any, for the power delivered to the Company during the preceding month's billing period.

11. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, the Company will adjust the measured energy for the period of time the meter was shown to be in error, and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to the Seller, or the Seller shall refund to the Company, the

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

difference between the amount billed and the estimated amount which would have been billed had the meter accurately registered the kilowatt hours provided by the Seller. No part of any minimum service charge shall be refunded.

12. POINT OF DELIVERY

The point of delivery is the point where the Company's conductors are, or are to be, connected to the Seller's conductors. The Seller shall do all things necessary to bring its conductors to such point of delivery for connection to the Company's conductors, and shall maintain said conductors in good order at all times. If the Seller chooses to deliver power to the Company through a point of delivery where Seller presently receives power from Company, then the point of delivery for the purchase of generation shall be the same point as the point of delivery for electric service.

13. INTERCONNECTION FACILITIES

If the Seller is not subject to the terms and conditions of to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 the following conditions shall apply to Interconnection Facilities necessary to deliver the Seller's electricity to the Company. Otherwise, the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 govern.

- (a) By Company: The Company shall install, own, operate, maintain, and otherwise furnish all lines and equipment located on its side of the point of delivery to permit parallel operation of the Seller's facilities with the Company's system. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to the Company, though such meter may be located on the Seller's side of the point of delivery. Interconnection facilities, installed by either Company or the Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company necessary to receive power from the Seller shall be considered Interconnection Facilities and shall be provided, if Company finds it practicable, under the following conditions:

- (1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.
- (2) The Seller will pay to Company a Monthly Interconnection Facilities Charge based on 1.0 percent of the estimated original installed cost and rearrangement cost of all facilities, including metering, required to accept interconnection, but not less than \$25 per month. The monthly charge for the Interconnection Facilities to be provided under this Agreement is subject to the rates, Service Regulations and conditions of the Company as the same are now on file with the Commission and may be changed or modified from time to time upon approval by the Commission. Any such changes or modifications, including those which may result in increased charges for the Interconnection Facilities to be provided by the Company, shall be made a part of this Agreement to the same effect as if fully set forth herein.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (3) If the Company increases its investment in interconnection facilities or other special facilities required by the Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Interconnection Facilities Charge for providing the additional facilities will be adjusted at that time. If the Monthly Interconnection Facilities Charge increases, the Seller may terminate the Interconnection Facilities in accordance with the applicable termination paragraph 1 above, or continue Interconnection Facilities under the changed conditions.
 - (4) The Monthly Interconnection Facilities Charge as determined shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination should be calculated in accordance with 1, above.
 - (5) The Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of the Company's standard metering equipment or other equipment deemed necessary by the Company for the metering of Seller's electrical output. The Company shall, at its expense, be permitted to install, in the Seller's wiring or equipment, any special metering devices or equipment as deemed necessary for experimental or monitoring purposes.
 - (6) The Company shall furnish and install the Interconnection Facilities no later than the date requested by the Seller for such installation. The Seller's obligation to pay the Interconnection Facilities charges shall begin upon the earlier of (1) completion of the installation but no earlier than the requested in-service date specified in the Interconnection Agreement or (2) the first date when energy is generated and delivered to the Company, and such charges shall apply at all times thereafter during the term of this Agreement, whether or not the Seller is actually supplying electric power to the Company.
- (b) By Seller: The Seller shall install, own, operate, and maintain all lines, and equipment, exclusive of the Company's meter and meter transformers, on the Seller's side of the point of delivery. The Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on the Seller's side of the point of delivery. The Seller must conform to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of delivery and measured by a single meter. The Company's meter may be located on the Seller's side of the point of delivery, and when it is to be so located, the Seller must make suitable provisions in the Seller's wiring, at a place suitable to the Company, for the convenient installation of the type of meter the Company will use. All of the Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.

The Seller shall install and maintain devices adequate to protect the Seller's equipment against irregularities on the Company's system, including devices to protect against single-phasing. The Seller shall also install and maintain such devices as may be necessary to automatically disconnect the Seller's generating equipment, which is operated in parallel with the Company, when service provided by the Seller is affected by electrical disturbances on the Company's or the Seller's systems, or at any time when the Company's system is de-energized from its prime source.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (c) Access to Premises: The duly authorized agents of the Company shall have the right of ingress and egress to the premises of the Seller at all reasonable hours for the purpose of reading meters, inspecting the Company's wiring and apparatus, changing, exchanging, or repairing the Company's property on the premises of the Seller, or removing such property at the time of or at any time after suspension of purchases or termination of this Agreement.
- (d) Protection: The Seller shall protect the Company's wiring and apparatus on the Seller's premises and shall permit no one but the Company's agents to handle same. In the event of any loss of or damage to such property of the Company caused by or arising out of carelessness, neglect, or misuse by the Seller or the Seller's employees or agents, the cost of making good such loss or repairing such damage shall be paid by the Seller. In cases where the Company's service facilities on the Seller's premises require abnormal maintenance due to the Seller's operation, the Seller shall reimburse Company for such abnormal maintenance cost.

14. CONTINUANCE OF PURCHASES AND LIABILITY THEREFOR

The Parties do not guarantee continuous service but shall use reasonable diligence at all times to provide for uninterrupted acceptance and supply of electricity. Each Party shall at all times use reasonable diligence to provide satisfactory service for the acceptance or supply of electricity, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service for the acceptance or supply of electricity, but neither Party shall be liable for any loss or damage resulting from such failure, interruption, reduction or suspension of service, nor shall same be a default hereunder, when any interruption of service for the acceptance or supply of electricity is due to any of the following:

- (a) An emergency condition or action due to an adverse condition, event, and/or disturbance on the Company's system, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas, or automatic or manual interruption, reduction, or cessation of the acceptance of electricity into Company's electrical system in order to limit the occurrence of or extent or damage of the adverse condition or disturbance to Company's system or capability to reliably provide service in compliance and accordance with prudent practices, regulatory requirements, and/or reliability standards, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system. An emergency condition or action shall include any circumstance that requires action by the Company to comply with any electric reliability organization or NERC/SERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to Seller's Facility, reliability impairment, loss or damage to the Company's system, disruption of generation by the Seller, disruption of reliability or service on the Company's system, an abnormal condition on the system, and/or endangerment to human life or safety.
- (b) An event or condition of force majeure, as described below.
- (c) Making necessary adjustments to, changes in, or repairs on the Company lines, substations, and facilities, and in cases where, in its opinion, the continuance of service from the Seller's premises would endanger persons or property.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

Seller shall be responsible for promptly taking all actions requested or required by Company to avoid, prevent, or recover from the occurrence and/or imminent occurrence of any emergency condition and in response to any emergency condition or condition of force majeure, including without limitation installing and operating any equipment necessary to take such actions.

The Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to the Company's satisfaction, the necessary automatic equipment to prevent the back feed of power into, or damage to the Company's de-energized system, and shall be subject to immediate disconnection of its equipment from the Company's system if the Company determines that such equipment is unsafe or adversely affects the Company's transmission/distribution system or service to its other customers.

The Seller assumes responsibility for and shall indemnify, defend, and save the Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to the Seller or the Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on the Seller's side of the point of delivery.

15. FORCE MAJEURE

Circumstances beyond the reasonable control of a Party which solely cause that Party to experience delay or failure in delivering or receiving electricity or in providing continuous service hereunder, including: acts of God; unusually severe weather conditions; earthquake; strikes or other labor difficulties; war; riots; fire; requirements shall be deemed to be "events or conditions of force majeure". It also includes actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local government bodies), but only if such requirements, actions or failures to act prevent or delay performance; or transportation delays or accidents. Events or conditions of force majeure do not include such circumstances which merely affect the cost of operating the Facility.

Neither Party shall be responsible nor liable for any delay or failure in its performance hereunder due solely to events or conditions of force majeure, provided that:

- (a) The affected Party gives the other Party written notice describing the particulars of the event or condition of force majeure, such notice to be provided within forty-eight (48) hours of the determination by the affected Party that an event or condition of force majeure has occurred, but in no event later than thirty (30) days from the date of the occurrence of the event or condition of force majeure;
- (b) The delay or failure of performance is of no longer duration and of no greater scope than is required by the event or condition of force majeure, provided that in no event shall such delay or failure of performance extend beyond a period of twelve (12) months;
- (c) The affected Party uses its best efforts to remedy its inability to perform;
- (d) When the affected Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party prompt written notice to that effect; and,
- (e) The event or condition of force majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance, or any breach or default of this Agreement.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

16. INSURANCE

The Seller shall obtain and retain, for as long as the generation is interconnected with Company's system, either the applicable home owner's insurance policy with liability coverage of at least \$100,000 per occurrence or the applicable comprehensive general liability insurance policy with liability coverage in the amount of at least \$300,000 per occurrence, which protects the Seller from claims for bodily injury and/or property damage. This insurance shall be primary for all purposes. The Seller shall provide certificates evidencing this coverage as required by the Company. The Company reserves the right to refuse to establish, or continue the interconnection of the Seller's generation with Company's system, if such insurance is not in effect.

17. GOVERNMENTAL RESTRICTIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over this Agreement. This Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by the Seller to the Company upon the Company's request. This Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

This Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or this Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of this Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by the Company, from the Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefor.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1. PURCHASE POWER AGREEMENT

These "Terms and Conditions" provide a mechanism through which Duke Energy Carolinas, LLC, hereafter called "Company," will agree to purchase energy or capacity or both from an Eligible Qualifying Facility as defined in the Purchased Power Schedule PP. This Purchase Power Agreement is solely for the purchase of electricity produced by Seller's generation, net of generator auxiliary requirement, and does not provide for the sale of any electric service by Company to Seller.

- (a) Description - The Purchase Power Agreement (hereinafter sometimes termed "Agreement") shall consist of (1) Company's form of Purchase Power Agreement when signed by Seller and accepted by Company, (2) the applicable Schedule for the purchase of electricity as specified in the Purchase Power Agreement, and (3) these Terms and Conditions for the Purchase of Electric Power (hereinafter referred to as "Terms and Conditions"), and all changes, revisions, alterations therein, or substitutions therefor lawfully made.
- (b) Application of Terms and Conditions and Schedules - All Purchase Agreements in effect at the effective date of this tariff or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules as specified in the Purchase Power Agreement, and any changes therein, substitutions thereof, or additions thereto lawfully made, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract or by order of the state regulatory authority having jurisdiction (hereinafter "Commission").
- (c) Conflicts - In case of conflict between any provision of a Schedule and of these Terms and Conditions, the provision of the Schedule shall prevail.
- (d) Waiver - The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- (e) Assignment of Agreement - A Purchase Power Agreement between the Company and the Seller may be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under such Agreement, subject to the written approval of Company. A Purchase Power Agreement shall not be transferred and assigned by Seller to any person, firm, or corporation that is party to any other purchase agreement under which a party sells or seeks to sell power to the Company from another Qualifying Facility that is located within one-half mile, as measured from the electrical generating equipment. The Company will grant such approval upon being reasonably satisfied that the assignee will fulfill the terms of the Agreement and if, at the Company's option, a satisfactory guarantee for the payment of any applicable bills is furnished by assignee. However, before such rights and obligations are assigned, the assignee must first obtain necessary approval from all regulatory bodies including, but not limited to, the Commission.
- (f) Notification of Assignment, Transfer or Sale - In the event of an assignment of the rights and obligations accruing to the Seller under this Agreement, or in the event of any contemplated sale, transfer or assignment of the Facility or the Certificate of Public Convenience and Necessity, the Seller shall, in addition to obtaining the approvals hereof, provide a minimum of 30 days prior written notice advising the Company and the Commission of any plans for such an assignment, sale or transfer, or of any accompanying significant changes in the information required by Commission Rule R8-64, R9-65 or R8-66 which are incorporated by reference herein.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (g) Suspension of Sales Under Agreement at the Seller's Request - If the Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, the Company will, upon written request of the Seller, and for a period the Company deems as reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period.
- (h) Termination of Agreement at the Seller's Request - If the Seller desires to terminate the Agreement, the Company will agree to such termination if all bills for services previously rendered to Seller including any termination or other charges applicable under any Interconnection Agreement, plus any applicable termination charges, have been paid. Termination charges shall consist of any applicable termination charges for premature termination of capacity as set forth in paragraphs 4 and 6 of these Terms and Conditions. The Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Seller's Agreement.
- (i) Company's Right to Terminate or Suspend Agreement - The Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from the Seller ~~(1) for based on~~ any of the following: (1) default or breach of the Agreement by the Seller, (2) for any fraudulent or unauthorized use of the Company's meter, (3) for failure to pay any applicable bills when due and payable, (4) for any Material Alteration to the Facility without the Company's consent or otherwise delivering energy in excess of the Contract Capacity specified under this Agreement, (5) any condition on the Seller's side of the point of delivery actually known by the Company to be, or which the Company reasonably anticipates may be, dangerous to life or property, or (5) Seller fails to deliver energy to Company for six (6) consecutive months. Termination of the Agreement shall be at the Company's sole option and is only appropriate when the Seller either cannot or will not cure its default. due to the Seller's inability to deliver to the Company the quality and/or quantity of electricity mutually agreed to in the Purchase Agreement. The Company reserves the right, at its sole option, to terminate the Agreement if the Seller fails to deliver energy to the Company for six (6) consecutive Months.

No such termination or suspension, however, will be made by the Company without written notice delivered to the Seller, personally or by mail, stating what in particular in the Agreement has been violated ~~and giving a minimum of 30 business days prior notice to effect a remedy~~, except that no notice need to be given in instances set forth in 1-(i)(2) ~~and/or 1-(i)(4)(5)~~ above. Company shall give Seller thirty (30) calendar days prior written notice before suspending or terminating the Agreement pursuant to provisions 1(i)(1) and 1(i)(3)-(4). Company shall give Seller five (5) calendar days prior written notice before suspending or terminating the Agreement pursuant to provision 1(i)(6).

Failure of the Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by the Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve the Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve the Seller (1) of the Seller's liability for the payment of minimum monthly charges during the period of suspension, nor

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

(2) of the Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions.

2. CONDITIONS OF SERVICE

- (a) The Company is not obligated to purchase electricity from the Seller unless and until: (1) the Company's form of Purchase Power Agreement is executed by the Seller and accepted by the Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from the Seller, the Seller conveys or causes to be conveyed to the Company, without cost to Company, a right of way easement, satisfactory to the Company, across such private property which will provide for the construction, maintenance, and operation of the Company's lines and facilities, necessary to receive electricity from the Seller; provided, however, in the absence of a formal conveyance, the Company nevertheless, shall be vested with an easement over the Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to the Company. Where not required by law, an inspection by a Company-approved inspector shall be made at the Seller's expense. In the event the Seller is unable to secure such necessary rights of way, the Seller shall reimburse the Company for all costs the Company may incur for the securing of such rights of way.

The obligation of the Company in regard to service under the Agreement are dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises, and permits, for such service. The Company shall not be liable to any Seller in the event the Company is delayed or prevented from purchasing power by the Company failure to secure and retain such rights-of-way, privileges, franchises, and permits.

- (b) The Seller shall operate its Facility in compliance with all: (i) System Operator Instructions provided by the Company, including any Energy Storage Protocols provided if applicable; (ii) applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC"); and (iii) the SERC Reliability Corporation ("SERC") or any successor thereto.
- (c) The Seller shall submit an Interconnection Request as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Company shall not be required to install facilities to support interconnection of the Seller's generation or execute the Purchase Power Agreement until the Seller has signed an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections, as may be required by the Company.
- (d) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, the Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) the Company is required by governmental authority to incur expenses in the relocation or the reconstruction underground of

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

any portion of said lines, unless the Company is reimbursed for such expense by the Sellers or customers connected thereto, or (2) the right of the Company to maintain and operate said lines is terminated, revoked, or denied by governmental authority for any reason.

3. DEFINITIONS

- ~~(a) Nameplate Capacity: The term "Nameplate Capacity" shall mean the manufacturer's kW_{AC} nameplate rated output capability of the generator. For multi unit generator facilities, the "Nameplate Capacity" of the facility shall be the sum of the individual manufacturer's kW_{AC} nameplate rated output capabilities of the generators. For inverted based generating facilities, the "Nameplate Capacity" shall be the manufacturer's rated kW_{AC} output on the inverters.~~
- ~~(b) Net Capacity: The term "Net Capacity" shall mean the Nameplate Capacity of the Seller's generating facilities, less the portion of that capacity needed to serve the generating facilities' Auxiliary Load.~~
- ~~(e)(a) Auxiliary Load: The term "Auxiliary Load" shall mean power used to operate auxiliary equipment in the Facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).~~
- ~~(d) Whenever the term "purchase" or "purchase of electricity" is used in these Terms and Conditions or other portions of the Agreement, it shall be construed to refer to the electricity supplied to the Company by the Seller.~~
- ~~(b) The term "Company's conductors" shall mean the Company's wires extending from the point of connection with the Company's existing electric system to the point of delivery.~~
- ~~(e)(c) "Energy Storage Protocol" shall have the meaning specified in Purchase Power Agreement.~~
- ~~(f) The term "Seller's conductors" shall mean the Seller's wires extending from the point of delivery to the switch box or other point where the Seller's circuits connect for the purpose of supplying the electricity produced by the Seller.~~
- ~~(d) "Facility" shall have the meaning specified in the Purchase Power Agreement.~~
- ~~(e) The term "interconnection" shall mean the connection of the Company's conductors to the Seller's conductors.~~
- ~~(f) "Material Alteration" as used in this Agreement shall mean a modification to the Facility which renders the Facility description specified in this Agreement inaccurate in any material sense as determined by Company in a commercially reasonable manner including, without limitation, (i) the addition of a Storage Resource; (ii) a modification which results in an increase to the Contract Capacity, Nameplate Capacity (in AC or DC), generating capacity (or similar term used in the Agreement) or the estimated annual energy production of the Facility (the "Existing Capacity"), or (iii) a modification which results in a decrease to the Existing Capacity by more than five (5) percent. Notwithstanding the foregoing, the repair or replacement of equipment at the Facility (including solar panels) with like-kind equipment, which does not increase Existing Capacity or~~

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

decrease the Existing Capacity by more than five percent (5%) shall not be considered a Material Alteration.

- (g) Nameplate Capacity: The term "Nameplate Capacity" shall mean the manufacturer's kW_{AC} nameplate rated output capability of the Facility as measured at the delivery point specified in AC. For multi-unit generator facilities, the "Nameplate Capacity" of the Facility shall be the sum of the individual manufacturer's kW_{AC} nameplate rated output capabilities of the generators. The Nameplate Capacity shall also include the DC rating of the Facility. For inverted-based generating facilities, the "Nameplate Capacity" shall be the manufacturer's rated kW_{AC} output on the inverters.
- (h) "Prudent Utility Practice" means those practices, methods, equipment, specifications, standards of safety, and performance, as the same may change from time to time, as are commonly used in the construction, interconnection, operation, and maintenance of electric power facilities, inclusive of delivery, transmission, and generation facilities and ancillaries, which in the exercise of good judgment and in light of the facts known at the time of the decision being made and activity being performed are considered: (i) good, safe, and prudent practices; (ii) are in accordance with generally accepted standards of safety, performance, dependability, efficiency, and economy in the United States; (iii) are in accordance with generally accepted standards of professional care, skill, diligence, and competence in the United States; and, (iv) are in compliance with applicable regulatory requirements and/or reliability standards. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather are intended to include acceptable practices, methods and acts generally accepted in the energy generation and utility industry.
- (i) "purchase" or "purchase of electricity" shall be construed to refer to the electricity supplied to the Company by the Seller from the Facility.
- (j) "Seller's conductors" shall mean the Seller's wires extending from the point of delivery to the switch box or other point where the Seller's circuits connect for the purpose of supplying the electricity produced by the Seller.
- (k) "Storage Resource" means battery storage or other energy storage device installed at or connected behind the meter of the Facility.
- ~~(g)~~(l) "System Operator Instruction" means any order, action, requirement, demand, or direction, from the system operator in accordance with Prudent Utility Practice, and delivered to Seller in a non-discriminatory manner, to operate, manage, and/or otherwise maintain safe and reliable operations of the system, including, without limitation, an order to suspend or interrupt any operational activity due to an emergency condition or force majeure event; provided however, a System Operator Instruction in response to an emergency condition, force majeure event, or operational condition relating specifically to or created by the Facility shall not be deemed or considered discriminatory.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be ~~the kW_{AC} of capacity~~ specified in the Purchase Power Agreement and shall not exceed the capacity specified in the Seller's Interconnection Agreement. This term shall mean the maximum continuous electrical output capability expressed on an alternating current basis of the generator(s) at any time, at a power factor of approximately unity, ~~without consuming VARs supplied by Company, as measured at the Point of Delivery and shall be the maximum kW_{AC} delivered to the Company during any billing period.~~ ~~In cases where any change~~

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

~~is required in Company's facilities due to the actual capacity delivered exceeding the Contract Capacity or due to the Seller requesting an increase in the capacity of Company's facilities, the Company may require Seller to execute a new Agreement or amend an existing Agreement, thereby establishing a new Contract Capacity. If the Company's facilities cannot be upgraded to accept such actual or requested increase, then upon written notice, the Seller shall not exceed the existing Contract Capacity or such amount in excess thereof as the Company determines it is able to accept. The Seller shall not exceed the existing Contract Capacity unless and until the increase has been agreed to in an amendment executed by Company and Seller and Seller's facilities have been upgraded to accept the actual or requested increase as may be required by Company in its commercially reasonable discretion.~~

- (b) The Seller shall not change ~~its generating capacity~~ the Contract Capacity, or contracted estimated annual kWh energy production without adequate notice to the Company, and without receiving the Company's prior written consent, and if such unauthorized increase causes loss of or damage to the Company's facilities, the cost of making good such loss or repairing such damage shall be paid by the Seller.
- (c) The Company may require that a new Contract Capacity be determined when it reasonably appears that the capacity of the Seller's generating facility or annual energy production will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.
- ~~(e)~~(d) The Seller may apply to the Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, and an amendment to implement the change has been executed by the Company and the Seller, future Monthly delivered capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to the Seller shall be determined in accordance with the Interconnection Agreement.
- ~~(d)~~(e) In the event that the Contract Capacity is terminated, in whole or in part, prior to the completion of the term of the Agreement, the Seller shall pay to the Company a penalty as set forth in paragraph 6, below. Any Material Alteration to the Facility, including without limitation, an increase in the Existing Capacity, a decrease in the Existing Capacity by more than five (5) percent or the addition of energy storage capability shall require the prior written consent of the Company, which may be withheld in the Company's sole discretion, and shall not be effective until memorialized in an amendment executed by the Company and the Seller.

5. CONTRACT ENERGY ESTIMATED ANNUAL ENERGY PRODUCTION

~~The Contract Energy~~ The estimated annual energy production from the Facility specified in the Purchase Power Agreement shall be the estimated total annual kilowatt-hours registered or computed by or from the Company's metering facilities for each time period during a continuous 12-month interval.

6. EARLY CONTRACT TERMINATION OR CHANGES IN CONTRACT CAPACITY OR CONTRACT ENERGY

- (a) Early Contract Termination - ~~If the Seller terminates the Agreement or reduces the Contract Capacity or Contract Energy~~ the Agreement is terminated by the Company as permitted in Section

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1(i) ~~—~~prior to the expiration of the initial (or extended) term of the Purchase Agreement, the following payment shall be made to the Company by the Seller:

~~Early Contract Termination~~—The Seller shall pay to Company the total Energy and/or Capacity credits received in excess of the sum of what would have been received under the Variable Rate for Energy and/or Capacity Credits applicable at the initial term of the contract period and as updated every two years, plus interest. The interest should be the weighted average rate for new debt issued by the Company in the calendar year previous to that in which the Agreement was commenced.

~~Reduction in Contract Capacity or Energy~~—If Seller's average energy generated in the on-peak or off-peak periods or capacity during any 12-month period falls significantly below the Contract annual kilowatt hours or Contract Capacity, the Company may petition the North Carolina Utilities Commission to invoke a Reduction In Contract Energy Charge or Reduction in Contract Capacity Charge and establish a new Contract Energy and Capacity level. If approved by the Commission, the Reduction In Contract Energy Charge shall be equal to the total Energy Credits received for all prior years of the current Contract Period, less an amount computed at the new Contract Energy level using the on-peak or off-peak energy credit contained in the Purchase Agreement, less an amount equal to the energy supplied in all prior years of the current Contract Period which is in excess of the new Contract Energy level priced at the Variable Rate for energy which was in effect at the time the energy was delivered as specified in Company's applicable purchased power rate schedule, plus interest. The reduction in Contract Capacity Charge shall be a quantity equal to the amount as calculated under the Early Contract Termination clause multiplied by the ratio of the capacity reduction to existing Contract Capacity, plus interest. The interest rate shall be the same interest rate as computed in accordance with the Early Contract Termination provision.

~~Increase In Contract Capacity~~—The Seller may apply to the Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, future Monthly Delivered Capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to the Seller shall be determined in accordance with the Interconnection Agreement.

7. CONTRACT RENEWAL

This Agreement shall be subject to renewal for subsequent term(s) at the option of the Company on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors, or (2) set by arbitration.

8. QUALITY OF ENERGY RECEIVED

- (a) The Seller has full responsibility for the routine maintenance of ~~his~~its generating and protective equipment ~~to insure that~~to ensure that reliable, utility grade electric energy is being delivered to the Company.
- (b) ~~The Seller's facility~~The Facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by the Company. Any operating requirement is subject to modification or revision if warranted by future changes in the distribution or transmission circuit conditions.
- (c) The Seller may operate direct current generators in parallel with the Company through a synchronous inverter. The inverter installation shall be designed such that a utility system

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

interruption will result in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect the Company's supply of electric service to, or the use of electric service by the Company's other customers, and any correction thereof is the full responsibility of the Seller.

- (d) In the event the Company determines, based on calculations, studies, analyses, monitoring, measurement or observation, that the output of the Facility will cause or is causing the Company to be unable to provide proper voltage levels to its customers, the Seller shall be required to comply with a voltage schedule and/or reactive power output schedule as prescribed by the Company.
- (e) All Material Alterations to the Facility shall require the prior written consent from the Company, and the Seller shall provide the Company written notification of any requested changes to their generation system at the Facility, support equipment such as inverters, or interconnection facilities and shall provide as soon as reasonably possible to allow the Company adequate time to review such requested changes to ensure continued safe interconnection prior to implementation.
- (f) Failure of the Seller to comply with either (a), (b), (c), (d) or (e) above will constitute grounds for the Company to cease parallel operation with the Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under paragraph 1, above.

9. BILLING

- (a) Meters will be read and bills rendered monthly. Readings are taken each month at intervals of approximately thirty (30) days.
- (b) If Company is unable to read its purchase meter for any reason, the Seller's production may be estimated by Company on the basis of Seller's production during the most recent preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the period of time between the regular meter readings by the Company. Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Seller's account, and all initial and final bills rendered on a Seller's account will be prorated on the basis of a normal 30-day billing period.
- (d) Payments for capacity and/or energy will be made to the Seller based on the rate schedule stated in the Purchase Power Agreement.
- (e) The Company reserves the right to set off against any amounts due from the Company to the Seller, any amounts which are due from the Seller to the Company, including, but not limited to, unpaid charges pursuant to the Interconnection Agreement or past due balances on any accounts Seller has with Company for other services.

10. RECORDS

In addition to the regular meter readings to be taken monthly for billing purposes, Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties. The Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and the Company's purchases thereof (including copies of

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement. The Company will not provide any information developed solely by the Seller and designated by the Seller in writing to be “proprietary” unless required to do so by order of the Commission or the FERC or any other regulatory body or court, in which event, the Company will notify the Seller prior to supplying the proprietary information.

The Seller shall provide to the Company, on a monthly basis within ten (10) days of the meter reading date and in form to be mutually agreed upon by the Parties, information on the Facility’s fuel costs (coal, oil natural gas, supplemental firing, etc.), if any, for the power delivered to the Company during the preceding month’s billing period.

11. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, the Company will adjust the measured energy for the period of time the meter was shown to be in error, and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to the Seller, or the Seller shall refund to the Company, the difference between the amount billed and the estimated amount which would have been billed had the meter accurately registered the kilowatt hours provided by the Seller. No part of any minimum service charge shall be refunded.

12. POINT OF DELIVERY

The point of delivery is the point where the ~~Company's~~ conductors are, or are to be, connected to the Seller's conductors. The Seller shall do all things necessary to bring its conductors to such point of delivery for connection to the Company’s conductors, and shall maintain said conductors in good order at all times. If the ~~Seller~~ chooses to deliver power to the ~~Company~~ through a point of delivery where Seller presently receives power from Company, then the point of delivery for the purchase of generation shall be the same point as the point of delivery for electric service.

13. INTERCONNECTION FACILITIES

If the Seller is not subject to the terms and conditions of to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 the following conditions shall apply to Interconnection Facilities necessary to deliver the Seller’s electricity to the Company. Otherwise, the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 govern.

- (a) By Company: The Company shall install, own, operate, maintain, and otherwise furnish all lines and equipment located on its side of the point of delivery to permit parallel operation of the Seller’s facilities with the Company’s system. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to the Company, though such meter may be located on the Seller's side of the point of delivery. Interconnection facilities, installed by either Company or the Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company necessary to receive power from the Seller shall be considered Interconnection Facilities and shall be provided, if Company finds it practicable, under the following conditions:

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

(1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.

(2) The Seller will pay to Company a Monthly Interconnection Facilities Charge based on 1.0 percent of the estimated original installed cost and rearrangement cost of all facilities, including metering, required to accept interconnection, but not less than \$25 per month. The monthly charge for the Interconnection Facilities to be provided under this Agreement is subject to the rates, Service Regulations and conditions of the Company as the same are now on file with the Commission and may be changed or modified from time to time upon approval by the Commission. Any such changes or modifications, including those which may result in increased charges for the Interconnection Facilities to be provided by the Company, shall be made a part of this Agreement to the same effect as if fully set forth herein.

(2)

(3) If the Company increases its investment in interconnection facilities or other special facilities required by the Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Interconnection Facilities Charge for providing the additional facilities will be adjusted at that time. If the Monthly Interconnection Facilities Charge increases, the Seller may terminate the Interconnection Facilities in accordance with the applicable termination paragraph 1 above, or continue Interconnection Facilities under the changed conditions.

(4) The Monthly Interconnection Facilities Charge as determined shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination should be calculated in accordance with 1, above.

(5) The Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of the Company's standard metering equipment or other equipment deemed necessary by the Company for the metering of Seller's electrical output. The Company shall, at its expense, be permitted to install, in the Seller's wiring or equipment, any special metering devices or equipment as deemed necessary for experimental or monitoring purposes.

(6) The Company shall furnish and install the Interconnection Facilities no later than the date requested by the Seller for such installation. The Seller's obligation to pay the Interconnection Facilities charges shall begin upon the earlier of (1) completion of the installation but no earlier than the requested in-service date specified in the Interconnection Agreement or (2) the first date when energy is generated and delivered to the Company, and such charges shall apply at all times thereafter during the term of this Agreement, whether or not the Seller is actually supplying electric power to the Company.

(b) By Seller: The Seller shall install, own, operate, and maintain all lines, and equipment, exclusive of the Company's meter and meter transformers, on the Seller's side of the point of delivery. The Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on the Seller's side of the point of delivery. The Seller must conform to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

Generation Interconnections. The Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of delivery and measured by a single meter. The Company's meter may be located on the Seller's side of the point of delivery, and when it is to be so located, the Seller must make suitable provisions in the Seller's wiring, at a place suitable to the Company, for the convenient installation of the type of meter the ~~Company~~ will use. All of the Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.

The Seller shall install and maintain devices adequate to protect the Seller's equipment against irregularities on the Company's system, including devices to protect against single-phasing. The Seller shall also install and maintain such devices as may be necessary to automatically disconnect the Seller's generating equipment, which is operated in parallel with the Company, when service provided by the Seller is affected by electrical disturbances on the Company's or the Seller's systems, or at any time when the Company's system is de-energized from its prime source.

- (c) Access to Premises: The duly authorized agents of the Company shall have the right of ingress and egress to the premises of the Seller at all reasonable hours for the purpose of reading meters, inspecting the Company's wiring and apparatus, changing, exchanging, or repairing the Company's property on the premises of the Seller, or removing such property at the time of or at any time after suspension of purchases or termination of this Agreement.
- (d) Protection: The Seller shall protect the Company's wiring and apparatus on the Seller's premises and shall permit no one but the Company's agents to handle same. In the event of any loss of or damage to such property of the Company caused by or arising out of carelessness, neglect, or misuse by the Seller or the Seller's employees or agents, the cost of making good such loss or repairing such damage shall be paid by the Seller. In cases where the Company's service facilities on the Seller's premises require abnormal maintenance due to the Seller's operation, the Seller shall reimburse Company for such abnormal maintenance cost.

14. CONTINUANCE OF PURCHASES AND LIABILITY THEREFOR

The Parties do not guarantee continuous service but shall use reasonable diligence at all times to provide for uninterrupted acceptance and supply of electricity. Each Party shall at all times use reasonable diligence to provide satisfactory service for the acceptance or supply of electricity, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service for the acceptance or supply of electricity, but neither Party shall be liable for any loss or damage resulting from such failure, interruption, reduction or suspension of service, nor shall same be a default hereunder, when any interruption of service for the acceptance or supply of electricity is due to any of the following:

- (a) An emergency condition or action due to an adverse condition, event, and/or disturbance on the Company's system, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas, or automatic or manual interruption, reduction, or cessation of the acceptance of electricity into Company's electrical system in order to limit the occurrence of or extent or damage of the adverse condition or disturbance to Company's system or capability to reliably provide service in compliance and accordance with prudent practices, regulatory requirements, and/or reliability standards, or to prevent damage to generating or

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system. An emergency condition or action shall include any circumstance that requires action by the Company to comply with any electric reliability organization or NERC/SERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to Seller's Facility, reliability impairment, loss or damage to the Company's system, disruption of generation by the Seller, disruption of reliability or service on the Company's system, an abnormal condition on the system, and/or endangerment to human life or safety.

- (b) An event or condition of force majeure, as described below.
- (c) Making necessary adjustments to, changes in, or repairs on the Company lines, substations, and facilities, and in cases where, in its opinion, the continuance of service from the Seller's premises would endanger persons or property.

Seller shall be responsible for promptly taking all actions requested or required by Company to avoid, prevent, or recover from the occurrence and/or imminent occurrence of any emergency condition and in response to any emergency condition or condition of force majeure, including without limitation installing and operating any equipment necessary to take such actions.

The Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to the Company's satisfaction, the necessary automatic equipment to prevent the back feed of power into, or damage to the Company's de-energized system, and shall be subject to immediate disconnection of its equipment from the Company's system if the Company determines that such equipment is unsafe or adversely affects the Company's transmission/distribution system or service to its other customers.

The Seller assumes responsibility for and shall indemnify, defend, and save the Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to the Seller or the Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on the Seller's side of the point of delivery.

15. FORCE MAJEURE

Circumstances beyond the reasonable control of a Party which solely cause that Party to experience delay or failure in delivering or receiving electricity or in providing continuous service hereunder, including: acts of God; unusually severe weather conditions; earthquake; strikes or other labor difficulties; war; riots; fire; requirements shall be deemed to be "events or conditions of force majeure". It also includes actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local government bodies), but only if such requirements, actions or failures to act prevent or delay performance; or transportation delays or accidents. Events or conditions of force majeure do not include such circumstances which merely affect the cost of operating the Facility.

Neither Party shall be responsible nor liable for any delay or failure in its performance hereunder due solely to events or conditions of force majeure, provided that:

- (a) The affected Party gives the other Party written notice describing the particulars of the event or condition of force majeure, such notice to be provided within forty-eight (48) hours of the determination by the affected Party that an event or condition of force majeure has occurred,

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- but in no event later than thirty (30) days from the date of the occurrence of the event or condition of force majeure;
- (b) The delay or failure of performance is of no longer duration and of no greater scope than is required by the event or condition of force majeure, provided that in no event shall such delay or failure of performance extend beyond a period of twelve (12) months;
 - (c) The affected Party uses its best efforts to remedy its inability to perform;
 - (d) When the affected Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party prompt written notice to that effect; and,
 - (e) The event or condition of force majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance, or any breach or default of this Agreement.

16. INSURANCE

The Seller shall obtain and retain, for as long as the generation is interconnected with Company's system, either the applicable home_owner's insurance policy with liability coverage of at least \$100,000 per occurrence or ~~a-the applicable-~~ comprehensive general liability insurance policy with liability coverage in the amount of at least \$300,000 per occurrence, which protects the Seller from claims for bodily injury and/or property damage. This insurance shall be primary for all purposes. The Seller shall provide certificates evidencing this coverage as required by the Company. The Company reserves the right to refuse to establish, or continue the interconnection of the Seller's generation with Company's system, if such insurance is not in effect.

17. GOVERNMENTAL RESTRICTIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over this Agreement. This Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by the Seller to the Company upon the Company's request. This Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

This Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or this Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of this Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by the Company, from the Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefor.

Attachment F

Duke Energy Progress, LLC

**Revised Standard Offer PPA and
Standard Offer Terms & Conditions for
the Purchase of Electric Power
Clean and Black-lined**

PURCHASE POWER AGREEMENT

between

DUKE ENERGY PROGRESS, LLC

and

SELLER NAME

“Facility Name” Project

Initial Delivery Date: _____

**PURCHASE POWER AGREEMENT BY A
QUALIFYING COGENERATOR OR SMALL POWER PRODUCER**

1 **THIS PURCHASE POWER AGREEMENT** (“Agreement”) is made this _____ day
2 of _____, 20____, by and between

3
4 **DUKE ENERGY PROGRESS, LLC** (“Company”),

5
6 and

7 _____,
8
9 a(n) [*insert place of formation* _____] [*insert entity type* _____] (“Seller”), for the

10
11 “ _____,” Project

12
13 Seller hereby certifies that the Facility, as defined below, (is/is not) "new capacity," as defined by the
14 Federal Energy Regulatory Commission (FERC), and that construction of the Facility (was/was not)
15 commenced on or after November 9, 1978 and that the Facility is or will be a qualifying facility as
16 defined by the Federal Energy Regulatory Commission (“FERC”) pursuant to Section 210 of the Public
17 Utility Regulatory Policies Act of 1978 [*and which is or will be a hydroelectric generating facility*
18 *owned and operated by a small power producer as defined in G.S. 62-3(27a) - (if applicable)*]. The
19 Facility as defined herein (the “Facility”) shall consist of that certain [*insert description of the Facility*
20 *including fuel type and Nameplate Capacity rating in AC and DC*] [*where applicable, identify any*
21 *Storage Resource connected to or incorporated into the Facility along with the Storage Resource’s*
22 *capacity (MW and MWh)*] which is located at [*insert facility address*].
23

24 (Hereinafter, the parties are also referred to individually as a “Party” and collectively as the “Parties”).

25
26 In consideration of the mutual covenants herein contained, the Parties hereto, for themselves, their
27 successors and assigns, do hereby agree to the following:

28
29 **1. Service Requirements**

30 1.1 Seller shall sell and deliver exclusively to Company all of the electric power generated by the
31 Facility, net of the Facility’s own auxiliary electrical requirements, and Company shall purchase,
32 receive, use and pay for the same, subject to the conditions contained in this Agreement. Upon the
33 completion of the installation, by Company, of its system upgrades and interconnection facilities at
34 the point of delivery of Seller's and Company's conductors, Seller shall become responsible for the
35 payment to Company of any and all charges that may apply, whether or not Seller actually delivers
36 any electricity to Company. If Seller requests standby, back-up and/or maintenance power for the
37 Facility’s auxiliary electrical requirements from Company, such power shall be provided to
38 Supplier pursuant to a separate electric service agreement under Company’s rate tariffs appropriate
39 for such service.
40

41 1.2 Electricity supplied by Seller shall be [*single (1)/three (3)*] phase, alternating at a frequency of
42 approximately sixty (60) cycles, and at a delivery voltage of approximately _____ volts,
43 _____wires at a sufficient power factor to maintain system operating parameters as specified by
44 Company.
45

46 1.3 Delivery of said Seller’s power shall be at a point of delivery described as follows:
47 _____.

48 1.4 The Contract Capacity of the Facility, as defined in the Terms and Conditions for the Purchase of
49 Electric Power is _____-AC kW/MW. The estimated annual energy production of the Facility is
50 _____kWh.
51

52 **2. Rate Schedule**

53 The sale, delivery, and use of electric power hereunder, and all services of whatever type to be
54 rendered or performed in connection therewith, shall in all respects be subject to and in accordance
55 with Company's Purchased Power Schedule PP-__ [*Variable Rate*] [*10-year Fixed Long-Term*
56 *Rate*] *Option [A][B] for [Distribution] [Transmission] Interconnection*) ("Rate Schedule") and
57 the Terms and Conditions for the Purchase of Electric Power, both of which are now on file with
58 the North Carolina Utilities Commission ("Commission"), and are hereby incorporated by
59 reference and made a part hereof as though fully set forth herein. Said Rate Schedule and Terms
60 and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or
61 substitution, either in whole or in part, upon order of said Commission or any other regulatory
62 authority having jurisdiction, and any such change, revision, alteration or substitution shall
63 immediately be made a part hereof as though fully written herein, and shall nullify any prior
64 provision in conflict therewith.
65

66 The language above beginning with "Said Rate Schedule" shall not apply to the Fixed Long-Term
67 Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and
68 Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other
69 types of charges (e.g., administrative charges), and all non-rate provisions.
70

71 **3. Initial Delivery Date**

72 The term of this Agreement shall be a minimum of 5 years when contracting for capacity
73 payments and shall begin upon the first date when energy is generated by the Facility and
74 delivered to Company and continuing for the term specified in the Rate Schedule paragraph above
75 and shall automatically extend thereafter unless terminated by either party by giving not less than
76 thirty (30) days prior written notice. Any automatic extension of this Agreement will be at the
77 Variable Rates in effect at the time of extension. The term shall begin no earlier than the date
78 Company's Interconnection Facilities are installed and are ready to accept electricity from Seller
79 which is requested to be _____, 20___. Company at its sole discretion may terminate
80 this Agreement on _____, 20__ (30 months following the date of the order initially
81 approving the rates selection shown above which may be extended beyond 30 months if
82 construction is nearly complete and the Seller demonstrates that it is making a good faith effort to
83 complete its project in a timely manner¹) if Seller is unable to provide generation capacity and
84 energy production consistent with the energy production levels specified in Provision No. 1.4
85 above.
86

87 **4. Interconnection Facilities**

88 Unless otherwise required by Company, an Interconnection Agreement pursuant to the North
89 Carolina Interconnection Procedures, Forms, And Agreements For State-Jurisdictional Generator
90 Interconnections (Interconnection Standard) shall be executed by Seller, including payments of all
91 charges and fees associated with the interconnection, before Company will accept this Agreement.

¹ Eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer, as determined by Company. The term for these extended Agreements available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

92 (Either sentence (a) or (b) as follows is inserted into the agreement as appropriate) (a) The
93 Interconnection Facilities Charge shall be specified in the Interconnection Agreement, or (b) The
94 Interconnection Facilities Charge shall be 1.0 % of the installed cost of metering and other
95 equipment and is \$_____ per month.
96

97 **5. Energy Storage**

98 If the Facility is to be equipped with battery storage or other energy storage device (the “Storage
99 Resource”), the Storage Resource shall be identified in this Agreement. In all cases the Storage
100 Resource must be charged solely by the Facility and the use of any Storage Resource shall be
101 operated and equipped in accordance with the system operator’s Energy Storage Protocol, a copy
102 of which is attached hereto as Exhibit A, as may be modified from time to time by the system
103 operator (the “Energy Storage Protocol”).
104

105 **6. Reporting Requirements**

106 Upon request, facilities larger than 3,000 kW may be required to provide prior notice of annual,
107 monthly, and day-ahead forecast of hourly production, as specified by the Company. If the Seller
108 is required to notify the Company of planned or unplanned outages, notification should be made as
109 soon as known. Seller shall include the start time, the time for return to service, the amount of
110 unavailable capacity, and the reason for the outage.
111

112 Upon the execution by Company and Seller in the block provided below, this Agreement together with
113 attachments shall become an agreement for Seller to deliver and sell to Company and for Company to
114 receive and purchase from Seller the electricity generated and delivered to Company by Seller from the
115 above described qualifying generating facility at the rates, in the quantities, for the term, and upon the
116 terms and conditions set forth herein.

Witness as to Seller:

_____, Seller
Printed: _____
By _____
Printed: _____
Title _____
This ____ day of _____, 20____

ACCEPTED: DUKE ENERGY PROGRESS, LLC

Mail Payment/Bill to:

By _____
Title _____
This ____ day of _____, 20____

Exhibit A
Energy Storage Protocol

1. The Storage Resource must be on the DC side of the inverter and charged exclusively by the Facility.
2. The Storage Resource will be controlled by the Seller, within operational limitations described below.
3. The maximum output of the Facility, including any storage capability, at any given time shall be limited to the Facility's Contract Capacity as specified in the Agreement.
4. The discharge of stored energy is not permitted while the Facility has received or is subject to a curtailment instruction (i.e., System Operator Instruction) from the system operator.
5. Ramp rates for Storage Resource shall not exceed 10 percent of the Storage Resource's capacity (MW) on a per minute basis, whether up or down, at any time that the Facility is not generating, unless the system operator has waived this ramping limitation.
6. When the Facility is generating, the Storage Resource shall not act to increase the net ramp rate of the Facility by more than 5 percent of the Storage Resource's capacity (MW) per minute in relation to the output from the Facility alone, over a one-minute interval, up or down, unless the system operator has waived this ramping limitation.
7. Scheduling and other storage limitations:
 - a. For all months/days with Premium Peak windows, the Seller shall distribute any discharge of the storage device in a manner that levelizes (holds constant) the combined output of solar and storage at the highest practical level during the Premium Peak hours of such calendar day, except as limited by ramp rate criteria and inverter capability.
 - i. For any storage discharge occurring on weekends and holidays where only Off-Peak energy rates apply, the Seller shall apply the same discharge logic that is applied to Weekdays/non-Holidays, for the respective month.
 - ii. If the storage device is AC (MW) limited, discharge may begin prior to the Premium Peak window to allow the storage device to reach its Allowable Depth (as defined below) of Discharge.
 - b. For the remaining months without Premium Peak windows, the Seller shall distribute any discharge of the storage device in a way that levelizes (holds constant) the combined output of solar and storage at the highest practical level during three consecutive hours beginning with the hour of sunset.
 - i. If the storage device is AC (MW) limited, discharge may continue beyond the three-hour window until the storage device reaches its Allowable Depth of Discharge.
8. Company reserves the right to add or modify operating restrictions specified in these Energy Storage Protocols to the extent necessary to comply with NERC Standards as such standards may be modified from time to time during the Term. Any such modification shall be implemented by Company in a Commercially Reasonable Manner and shall be applied to the Facility and

Company's own generating assets on a non-discriminatory basis. If Seller can make a commercially reasonable demonstration to Company, which is approved by Company in its reasonable discretion, that the Facility does not contribute to potential NERC compliance violations for which the modifications have been implemented, then such modifications shall not apply to the Facility.

9. Seller will only be compensated for Energy and Capacity actually provided to Buyer in accordance with the terms of the Agreement.

Notes:

- a) "Allowable Depth of Discharge" shall mean the MWh energy storage potential, considering the original equipment manufacturer's recommendations and any emergent operating limitations, at a given point in time.
- b) Other capitalized terms used in this Exhibit which have not been defined herein shall have the meaning ascribed to such terms in the Agreement to which this exhibit is attached.

PURCHASE POWER AGREEMENT

between

DUKE ENERGY PROGRESS, LLC

and

SELLER NAME

“Facility Name” Project

Initial Delivery Date: _____

**PURCHASE POWER AGREEMENT BY A
QUALIFYING COGENERATOR OR SMALL POWER PRODUCER**

1 **THIS PURCHASE POWER AGREEMENT** (“Agreement”) is made this _____ day
2 of _____, 20____, by and between

3
4
5 **DUKE ENERGY PROGRESS, LLC** (“Company”),

6
7 and

8
9 _____,
10
11 a(n) _____ ~~Company/Corporation~~ [insert place of formation _____] [insert entity
12 type _____] (“Seller” ~~or “Customer”~~), for the

13
14 “_____,” Project

15
16 ~~which~~ Seller hereby certifies that ~~this facility~~ the Facility, as defined below, (is/is not) "new capacity," as
17 defined by the Federal Energy Regulatory Commission (FERC), and that construction of the Facility
18 (was/was not) commenced on or after November 9, 1978 and that the Facility is or will be a qualifying
19 facility as defined by the Federal Energy Regulatory Commission (“FERC”) pursuant to Section 210 of
20 the Public Utility Regulatory Policies Act of 1978 [and which is or will be a hydroelectric generating
21 facility owned and operated by a small power producer as defined in G.S. 62-3(27a) - (if applicable)];
22 ~~consisting of _____~~ The
23 Facility as defined herein (the “Facility”), shall consist of that certain [insert description of the Facility
24 including fuel type and Nameplate Capacity rating in AC and DC] [where applicable, identify any
25 Storage Resource connected to or incorporated into the Facility along with the Storage Resource's
26 capacity (MW and MWh)] which is located at
27 _____ [insert facility address].

28
29 (Hereinafter, the parties are also referred to individually as a “Party” and collectively as the “Parties”).

30
31 In consideration of the mutual covenants herein contained, the Parties hereto, for themselves, their
32 successors and assigns, do hereby agree to the following:

33
34 **1. Service Requirements**

35 1.1 Seller shall sell and deliver exclusively to Company all of the electric power generated by the
36 Facility, net of the Facility’s own auxiliary electrical requirements, and Company shall purchase,
37 receive, use and pay for the same, subject to the conditions contained in this Agreement. Upon the
38 completion of the installation, by Company, of its system upgrades and interconnection facilities at
39 the point of delivery of Seller's and Company's conductors, Seller shall become responsible for the
40 payment to Company of any and all charges that may apply, whether or not Seller actually delivers
41 any electricity to Company. If Seller requests standby, back-up and/or maintenance power for the
42 Facility’s auxiliary electrical requirements from Company, such power shall be provided to
43 Supplier pursuant to a separate electric service agreement under Company’s rate tariffs appropriate
44 for such service.

45
46 1.2 Electricity supplied by Seller shall be [single (1)/three (3)] phase, alternating at a frequency of
47 approximately sixty (60) cycles, and at a delivery voltage of approximately _____ volts,

48 _____wires at a sufficient power factor to maintain system operating parameters as specified by
49 Company.

51 1.3 Delivery of said Seller’s power shall be at a point of delivery described as follows:
52 _____.

54 1.4 ~~Based upon the alternating current rating, the~~The Contract Capacity of ~~Seller’s generating~~
55 ~~facility~~the Facility, as defined in the Terms and Conditions for the Purchase of Electric Power is
56 ~~_____—AC kW/MW—and. The~~ estimated annual energy production of ~~the Facility is~~
57 ~~_____kWh is the amount Seller contracts to deliver to Company and Company agrees to~~
58 ~~receive.~~

60 **2. Rate Schedule**

61 The sale, delivery, and use of electric power hereunder, and all services of whatever type to be
62 rendered or performed in connection therewith, shall in all respects be subject to and in accordance
63 with Company’s Purchased Power Schedule PP-__ [Variable Rate] [10-year Fixed Long-Term
64 Rate] Option [A][B] for [Distribution] [Transmission] Interconnection (“Rate Schedule”) and
65 the Terms and Conditions for the Purchase of Electric Power, both of which are now on file with
66 the North Carolina Utilities Commission (“Commission”), and are hereby incorporated by
67 reference and made a part hereof as though fully set forth herein. Said Rate Schedule and Terms
68 and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or
69 substitution, either in whole or in part, upon order of said Commission or any other regulatory
70 authority having jurisdiction, and any such change, revision, alteration or substitution shall
71 immediately be made a part hereof as though fully written herein, and shall nullify any prior
72 provision in conflict therewith.

74 The language above beginning with “Said Rate Schedule” shall not apply to the Fixed Long-Term
75 Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and
76 Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other
77 types of charges (e.g., administrative charges), and all non-rate provisions.

79 **3. Initial Delivery Date**

80 The term of this Agreement shall be a minimum of 5 years when contracting for capacity
81 payments and shall begin upon the first date when energy is generated by the Facility and
82 delivered to Company and continuing for the term specified in the Rate Schedule paragraph above
83 and shall automatically extend thereafter unless terminated by either party by giving not less than
84 thirty (30) days prior written notice. ~~The~~Any automatic extension of this Agreement will be at the
85 Variable Rates in effect at the time of extension. The term shall begin no earlier than the date
86 Company’s Interconnection Facilities are installed and are ready to accept electricity from Seller
87 which is requested to be _____, 20___. Company at its sole discretion may terminate
88 this Agreement on _____, 20___ (30 months following the date of the order initially
89 approving the rates selection shown above which may be extended beyond 30 months if
90 construction is nearly complete and the Seller demonstrates that it is making a good faith effort to
91 complete its project in a timely manner¹) if Seller is unable to provide generation capacity and

¹ Eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they fail to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller’s nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer, as determined by Company. The term for these extended Agreements available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

92 energy production consistent with the energy production levels specified in Provision No. 1.4
93 above.
94

95 **4. Interconnection Facilities**

96 Unless otherwise required by Company, an Interconnection Agreement pursuant to the North
97 Carolina Interconnection Procedures, Forms, And Agreements For State-Jurisdictional Generator
98 Interconnections (Interconnection Standard) shall be executed by Seller, including payments of all
99 charges and fees associated with the interconnection, before Company will accept this Agreement.
100 *(Either sentence (a) or (b) as follows is inserted into the agreement as appropriate) (a) The*
101 *Interconnection Facilities Charge shall be specified in the Interconnection Agreement, -or -(b) The*
102 *Interconnection Facilities Charge shall be 1.0 % of the installed cost of metering and other*
103 *equipment and is \$_____ per month.*
104

105 **5. Energy Storage**

106 If the Facility is to be equipped with battery storage or other energy storage device (the "Storage
107 Resource"), the Storage Resource shall be identified in this Agreement. In all cases the Storage
108 Resource must be charged solely by the Facility and the use of any Storage Resource shall be
109 operated and equipped in accordance with the system operator's Energy Storage Protocol, a copy
110 of which is attached hereto as Exhibit A, as may be modified from time to time by the system
111 operator (the "Energy Storage Protocol").
112

113 **56. Reporting Requirements**

114 Upon request, facilities larger than 3,000 kW may be required to provide prior notice of annual,
115 monthly, and day-ahead forecast of hourly production, as specified by the Company. If the Seller
116 is required to notify the Company of planned or unplanned outages, notification should be made as
117 soon as known. Seller shall include the start time, the time for return to service, the amount of
118 unavailable capacity, and the reason for the outage.
119

120 Upon the ~~acceptance hereof~~ execution by Company, ~~evidenced by the signature of its Presidents,~~
121 ~~Vice Presidents or Authorized Representatives and Seller~~ in the block provided below, this
122 ~~document~~ Agreement together with attachments shall become an agreement for Seller to deliver and sell
123 to Company and for Company to receive and purchase from Seller the electricity generated and
124 ~~declared delivered to Company~~ by Seller from ~~its~~ the above- described qualifying generating facility at
125 the rates, in the quantities, for the term, and upon the terms and conditions set forth herein.

Witness as to Seller:

_____, Seller
Printed: _____
By _____
Printed: _____
Title _____
This _____ day of _____, 20_____

ACCEPTED: DUKE ENERGY PROGRESS, LLC

Mail Payment/Bill to:

By _____
Title _____
This _____ day of _____, 20_____

Exhibit A
Energy Storage Protocol

1. The Storage Resource must be on the DC side of the inverter and charged exclusively by the Facility.
2. The Storage Resource will be controlled by the Seller, within operational limitations described below.
3. The maximum output of the Facility, including any storage capability, at any given time shall be limited to the Facility's Contract Capacity as specified in the Agreement.
4. The discharge of stored energy is not permitted while the Facility has received or is subject to a curtailment instruction (i.e., System Operator Instruction) from the system operator.
5. Ramp rates for Storage Resource shall not exceed 10 percent of the Storage Resource's capacity (MW) on a per minute basis, whether up or down, at any time that the Facility is not generating, unless the system operator has waived this ramping limitation.
6. When the Facility is generating, the Storage Resource shall not act to increase the net ramp rate of the Facility by more than 5 percent of the Storage Resource's capacity (MW) per minute in relation to the output from the Facility alone, over a one-minute interval, up or down, unless the system operator has waived this ramping limitation.
7. Scheduling and other storage limitations:
 - a. For all months/days with Premium Peak ~~(as defined in the Proposed Settlement)~~ windows, the Seller shall distribute any discharge of the storage device in a manner that levelizes (holds constant) the combined output of solar and storage at the highest practical level during the Premium Peak hours of such calendar day, except as limited by ramp rate criteria and inverter capability.
 - i. For any storage discharge occurring on weekends and holidays where only Off-Peak energy rates apply, the Seller shall apply the same discharge logic that is applied to Weekdays/non-Holidays, for the respective month.
 - ii. If the storage device is AC (MW) limited, discharge may begin prior to the Premium Peak window to allow the storage device to reach its Allowable Depth (as defined below) of Discharge.
 - b. For the remaining months without Premium Peak windows, the Seller shall distribute any discharge of the storage device in a way that levelizes (holds constant) the combined output of solar and storage at the highest practical level during three consecutive hours beginning with the hour of sunset.
 - i. If the storage device is AC (MW) limited, discharge may continue beyond the three-hour window until the storage device reaches its Allowable Depth of Discharge.
8. Company reserves the right to add or modify operating restrictions specified in these Energy Storage Protocols to the extent necessary to comply with NERC Standards as such standards may be modified from time to time during the Term. Any such modification shall be implemented by Company in a Commercially Reasonable Manner and shall be applied to the Facility and

Company's own generating assets on a non-discriminatory basis. If Seller can make a commercially reasonable demonstration to Company, which is approved by Company in its reasonable discretion, that the Facility does not contribute to potential NERC compliance violations for which the modifications have been implemented, then such modifications shall not apply to the Facility.

9. Seller will only be compensated for Energy and Capacity actually provided to Buyer in accordance with the terms of the Agreement.

Notes:

- a) "Allowable Depth of Discharge" shall mean the MWh energy storage potential, considering the original equipment manufacturer's recommendations and any emergent operating limitations, at a given point in time.
- b) Other capitalized terms used in this Exhibit which have not been defined herein shall have the meaning ascribed to such terms in the Agreement to which this exhibit is attached.

~~c) — Terms above assume conditions ascribed in the current Proposed Rate Design Settlement as of March 14th, 2019 (the "Proposed Settlement").~~

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1. PURCHASE POWER AGREEMENT

These "Terms and Conditions" provide a mechanism through which Duke Energy Progress, LLC, hereafter called "Company," will agree to purchase energy or capacity or both from an Eligible Qualifying Facility as defined in the Purchased Power Schedule PP. This Purchase Power Agreement is solely for the purchase of electricity produced by Seller's generation, net of generator auxiliary requirement, and does not provide for the sale of any electric service by Company to Seller.

- (a) Description - The Purchase Power Agreement (hereinafter sometimes termed "Agreement") shall consist of (1) Company's form of Purchase Power Agreement when signed by Seller and accepted by Company, (2) the applicable Schedule for the purchase of electricity as specified in the Purchase Power Agreement, and (3) these Terms and Conditions for the Purchase of Electric Power (hereinafter referred to as "Terms and Conditions"), and all changes, revisions, alterations therein, or substitutions therefor lawfully made.
- (b) Application of Terms and Conditions and Schedules - All Purchase Agreements in effect at the effective date of this tariff or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules as specified in the Purchase Power Agreement, and any changes therein, substitutions thereof, or additions thereto lawfully made, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract or by order of the state regulatory authority having jurisdiction (hereinafter "Commission").
- (c) Conflicts - In case of conflict between any provision of a Schedule and of these Terms and Conditions, the provision of the Schedule shall prevail.
- (d) Waiver - The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- (e) Assignment of Agreement - A Purchase Power Agreement between Company and Seller may not be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under such Agreement, without the prior written approval of Company. A Purchase Power Agreement shall not be transferred and assigned by Seller to any person, firm, or corporation that is party to any other purchase agreement under which a party sells or seeks to sell power to the Company from another Qualifying Facility that is located within one-half mile, as measured from the electrical generating equipment. Company will not unreasonably withhold consent provided that such assignment does not require any amendment to the terms and conditions of this Agreement, other than the notice provision thereof. Any assignment that Company has not approved in writing shall be null and void and not effective for all purposes. However, before such rights and obligations are assigned, the assignee must first obtain necessary approval from all regulatory bodies including, but not limited to, the Commission.
- (f) Notification of Assignment, Transfer or Sale - In the event of an assignment of the rights and obligations accruing to Seller under this Agreement, or in the event of any contemplated sale, transfer or assignment of the Facility or the Certificate of Public Convenience and Necessity, the Seller shall, in addition to obtaining the approvals hereof, provide a minimum of 30 days prior written notice advising Company and the Commission of any plans for such an assignment, sale or transfer, or of any accompanying significant changes in the information required by Commission Rule R8-64, R9-65 or R8-66 which are incorporated by reference herein.

- (g) Suspension of Sales Under Agreement at Seller's Request - If Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, Company will, upon written request of Seller, and for a period Company deems as reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period.
- (h) Termination of Agreement at Seller's Request - If Seller desires to terminate the Agreement, Company will agree to such termination if all bills for services previously rendered to Seller including any termination or other charges applicable under any Interconnection Agreement, plus any applicable termination charges, have been paid. Termination charges shall consist of any applicable termination charges for premature termination of capacity as set forth in paragraphs 4 and 6 of these Terms and Conditions. Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Seller's Agreement.
- (i) Company's Right to Terminate or Suspend Agreement - Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from Seller based on any of the following: (1) any default or breach of the Agreement by Seller, (2) any fraudulent or unauthorized use of Company's meter, (3) failure to pay any applicable bills when due and payable, (4) any Material Alteration to the Facility without the Company's consent or otherwise delivering energy in excess of the Contract Capacity specified under this Agreement, (5) any condition on Seller's side of the point of delivery actually known by Company to be, or which Company reasonably anticipates may be, dangerous to life or property or (6) Seller fails to deliver energy to Company for six (6) consecutive months. Termination of the Agreement shall be at Company's sole option and is only appropriate when Seller either cannot or will not cure its default.

No such termination or suspension, however, will be made by Company without written notice delivered to Seller, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 1(i)(2) or 1(i)(5) above. Company shall give Seller thirty (30) calendar days prior written notice before suspending or terminating the Agreement pursuant to provisions 1(i)(1) and 1(i)(3)-(4). Company shall give Seller five (5) calendar days prior written notice before suspending or terminating the Agreement pursuant to provision 1(i)(6).

Failure of Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve Seller (1) of Seller's liability for the payment of minimum monthly charges during the period of suspension, nor (2) of Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions.

2. CONDITIONS OF SERVICE

- (a) Company is not obligated to purchase electricity from Seller unless and until: (1) Company's form of Purchase Power Agreement is executed by Seller and accepted by Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from Seller, Seller conveys or causes to be conveyed to Company, without cost to Company, a right-of-way easement, satisfactory to Company, across such private property which will provide for the construction,

maintenance, and operation of Company's lines and facilities, necessary to receive electricity from Seller; provided, however, in the absence of a formal conveyance, Company nevertheless, shall be vested with an easement over Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to Company. Where not required by law, an inspection by a Company-approved inspector shall be made at Seller's expense. In the event Seller is unable to secure such necessary rights of way, Seller shall reimburse Company for all costs Company may incur for the securing of such rights of way.

The obligation of Company in regard to service under the Agreement are dependent upon Company securing and retaining all necessary rights-of-way, privileges, franchises, and permits, for such service. Company shall not be liable to any Seller in the event Company is delayed or prevented from purchasing power by Company failure to secure and retain such rights-of-way, privileges, franchises, and permits.

- (b) Seller shall operate its Facility in compliance with all: (i) System Operator Instructions provided by Company, including any Energy Storage Protocols provided if applicable; (ii) applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC"); and (iii) the SERC Reliability Corporation ("SERC") or any successor thereto.
- (c) Seller shall submit an Interconnection Request as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. Company shall not be required to install facilities to support interconnection of Seller's generation or execute the Purchase Power Agreement until Seller has signed an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections, as may be required by Company.
- (d) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) Company is required by governmental authority to incur expenses in the relocation or the reconstruction underground of any portion of said lines, unless Company is reimbursed for such expense by Sellers or customers connected thereto, or (2) the right of Company to maintain and operate said lines is terminated, revoked, or denied by governmental authority for any reason.

3. DEFINITIONS

- (a) Auxiliary Load: The term "Auxiliary Load" shall mean power used to operate auxiliary equipment in the Facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).
- (b) "Company's conductors" shall mean Company's wires extending from the point of connection with Company's existing electric system to the point of delivery.
- (c) "Energy Storage Protocol" shall have the meaning specified in Purchase Power Agreement.
- (d) "Facility" shall have the meaning specified in the Purchase Power Agreement.
- (e) "interconnection" shall mean the connection of Company's conductors to Seller's conductors.
- (f) "Material Alteration" as used in this Agreement shall mean a modification to the Facility which renders the Facility description specified in this Agreement inaccurate in any material sense as determined by Company in a commercially reasonable manner including, without limitation, (i) the addition of a Storage Resource; (ii) a modification which results in an increase to the Contract Capacity, Nameplate Capacity (in AC or DC), generating capacity (or similar term used in the Agreement) or the estimated annual energy production of the Facility (the "Existing Capacity"), or

(iii) a modification which results in a decrease to the Existing Capacity by more than five (5) percent. Notwithstanding the foregoing, the repair or replacement of equipment at the Facility (including solar panels) with like-kind equipment, which does not increase Existing Capacity or decrease the Existing Capacity by more than five percent (5%) shall not be considered a Material Alteration.

- (g) Nameplate Capacity: The term “Nameplate Capacity” shall mean the manufacturer’s kW_{AC} nameplate rated output capability of the Facility as measured at the delivery point specified in AC. For multi-unit generator facilities, the “Nameplate Capacity” of the Facility shall be the sum of the individual manufacturer’s kW_{AC} nameplate rated output capabilities of the generators. The Nameplate Capacity shall also include the DC rating of the Facility. For inverted-based generating facilities, the “Nameplate Capacity” shall be the manufacturer’s rated kW_{AC} output on the inverters.
- (h) “Prudent Utility Practice” means those practices, methods, equipment, specifications, standards of safety, and performance, as the same may change from time to time, as are commonly used in the construction, interconnection, operation, and maintenance of electric power facilities, inclusive of delivery, transmission, and generation facilities and ancillaries, which in the exercise of good judgment and in light of the facts known at the time of the decision being made and activity being performed are considered: (i) good, safe, and prudent practices; (ii) are in accordance with generally accepted standards of safety, performance, dependability, efficiency, and economy in the United States; (iii) are in accordance with generally accepted standards of professional care, skill, diligence, and competence in the United States; and, (iv) are in compliance with applicable regulatory requirements and/or reliability standards. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather are intended to include acceptable practices, methods and acts generally accepted in the energy generation and utility industry.
- (i) "purchase" or "purchase of electricity" shall be construed to refer to the electricity supplied to Company by Seller from the Facility.
- (j) “Seller's conductors" shall mean Seller's wires extending from the point of delivery to the switch box or other point where Seller's circuits connect for the purpose of supplying the electricity produced by Seller.
- (k) “Storage Resource” means battery storage or other energy storage device installed at or connected behind the meter of the Facility.
- (l) “System Operator Instruction” means any order, action, requirement, demand, or direction, from the system operator in accordance with Prudent Utility Practice, and delivered to Seller in a non-discriminatory manner, to operate, manage, and/or otherwise maintain safe and reliable operations of the system, including, without limitation, an order to suspend or interrupt any operational activity due to an emergency condition or force majeure event; provided however, a System Operator Instruction in response to an emergency condition, force majeure event, or operational condition relating specifically to or created by the Facility shall not be deemed or considered discriminatory.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be as specified in the Purchase Power Agreement and shall not exceed the capacity specified in the Seller’s Interconnection Agreement. This term shall mean the maximum continuous electrical output capability expressed on an alternating current basis of the generator(s) at any time, at a power factor of approximately unity, without consuming VARs supplied by Company, as measured at the Point of Delivery and shall be the maximum kW delivered to Company during any billing period. Seller shall not exceed the existing Contract Capacity unless and until the increase has been agreed to in an amendment executed by Company and Seller and Seller’s facilities have been upgraded to accept the actual or requested increase as may be required by Company in its commercially reasonable discretion.

- (b) Seller shall not change the Contract Capacity, or contracted estimated annual energy production without adequate notice to Company, and without receiving Company's prior written consent, and if such unauthorized increase causes loss of or damage to Company's facilities, the cost of making good such loss or repairing such damage shall be paid by Seller.
- (c) Company may require that a new Contract Capacity be determined when it reasonably appears that the capacity of Seller's generating facility or annual energy production will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.
- (d) Seller may apply to Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, and an amendment to implement the change has been executed by Company and Seller, future Monthly delivered capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to Seller shall be determined in accordance with the Interconnection Agreement.
- (e) Any Material Alteration to the Facility, including without limitation, an increase in the Existing Capacity, a decrease in the Existing Capacity by more than five (5) percent or the addition of energy storage capability shall require the prior written consent of Company, which may be withheld in Company's sole discretion, and shall not be effective until memorialized in an amendment executed by Company and Seller.

5. ESTIMATED ANNUAL ENERGY PRODUCTION

The estimated annual energy production from the Facility specified in the Purchase Power Agreement shall be the estimated total annual kilowatt-hours registered or computed by or from Company's metering facilities for each time period during a continuous 12-month interval.

6. EARLY CONTRACT TERMINATION

Early Contract Termination - If Seller terminates the Agreement or if the Agreement is terminated by Company as permitted in Section 1(i) prior to the expiration of the initial (or extended) term of the Purchase Power Agreement Seller shall pay to Company the total Energy and/or Capacity credits received in excess of the sum of what would have been received under the Variable Rate for Energy and/or Capacity Credits applicable at the initial term of the contract period and as updated every two years, plus interest. The interest should be the weighted average rate for new debt issued by the Company in the calendar year previous to that in which the Agreement was commenced.

7. CONTRACT RENEWAL

This Agreement shall be subject to renewal for subsequent term(s) at the option of Company on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors, or (2) set by arbitration.

8. QUALITY OF ENERGY RECEIVED

- (a) Seller has full responsibility for the routine maintenance of its generating and protective equipment to insure that reliable, utility grade electric energy is being delivered to Company.
- (b) The Facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by Company. Any operating requirement is subject to modification or revision if warranted by future changes in the distribution or transmission circuit conditions.
- (c) Seller may operate direct current generators in parallel with Company through a synchronous inverter. The inverter installation shall be designed such that a utility system interruption will result

in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect Company's supply of electric service to, or the use of electric service by Company's other customers, and any correction thereof is the full responsibility of Seller.

- (d) In the event Company determines, based on calculations, studies, analyses, monitoring, measurement or observation, that the output of the Facility will cause or is causing the Company to be unable to provide proper voltage levels to its customers, Seller shall be required to comply with a voltage schedule and/or reactive power output schedule as prescribed by Company.
- (e) All Material Alterations to the Facility shall require the prior written consent from Company, and Seller shall provide Company written notification of any requested changes to the Facility, support equipment such as inverters, or interconnection facilities as soon as reasonably possible to allow Company adequate time to review such requested changes to ensure continued safe interconnection prior to implementation.
- (f) Failure of Seller to comply with either (a), (b), (c), (d) or (e) above will constitute grounds for Company to cease parallel operation with Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under paragraph 1, above.

9. BILLING

- (a) Meters will be read and bills rendered monthly. Readings are taken each month at intervals of approximately thirty (30) days.
- (b) If Company is unable to read its purchase meter for any reason, Seller's production may be estimated by Company on the basis of Seller's production during the most recent preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the period of time between the regular meter readings by the Company, except that if the period covered by an initial or final bill, or due to rerouting of the meter reading schedule, is more 33 or less than 27 days, the bill will be prorated based on a 30-day billing month.
- (d) Payments for capacity and/or energy will be made to Seller based on the rate schedule stated in the Purchase Power Agreement.
- (e) Company reserves the right to set off against any amounts due from the Company to Seller, any amounts which are due from Seller to Company, including, but not limited to, unpaid charges pursuant to the Interconnection Agreement or past due balances on any accounts Seller has with Company for other services.

10. RECORDS

In addition to the regular meter readings to be taken monthly for billing purposes, Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties. Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and Company's purchases thereof (including copies of monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement. The Company will not provide any information developed solely by Seller and designated by Seller in writing to be "proprietary" unless required to do so by order of the Commission or the FERC or any other regulatory body or court, in which event, the Company will notify Seller prior to supplying the proprietary information.

Seller shall provide to Company, on a monthly basis within ten (10) days of the meter reading date and in form to be mutually agreed upon by the Parties, information on the Facility's fuel costs (coal, oil natural gas, supplemental firing, etc.), if any, for the power delivered to Company during the preceding month's billing period.

11. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, Company will adjust the measured energy for the period of time the meter was shown to be in error, and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to Seller, or Seller shall refund to Company, the difference between the amount billed and the estimated amount which would have been billed had the meter accurately registered the kilowatt hours provided by Seller. No part of any minimum service charge shall be refunded.

12. POINT OF DELIVERY

The point of delivery is the point where Company's conductors are, or are to be, connected to Seller's conductors. Seller shall do all things necessary to bring its conductors to such point of delivery for connection to Company's conductors, and shall maintain said conductors in good order at all times. If Seller chooses to deliver power to Company through a point of delivery where Seller presently receives power from Company, then the point of delivery for the purchase of generation shall be the same point as the point of delivery for electric service.

13. INTERCONNECTION FACILITIES

If Seller is not subject to the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100, Sub 101, the following conditions shall apply to Interconnection Facilities necessary to deliver Seller's electricity to Company. Otherwise, the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100, Sub 101 govern.

- (a) By Company: Company shall install, own, operate, maintain, and otherwise furnish all lines and equipment located on its side of the point of delivery to permit parallel operation of the Seller's facilities with the Company's system. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to Company, though such meter may be located on Seller's side of the point of delivery. Interconnection facilities, installed by either Company or Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company necessary to receive power from Seller shall be considered extra facilities and shall be provided, if Company finds it practicable, under the following conditions:

- (1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.
- (2) Seller will pay to Company a Monthly Interconnection Facilities Charge of 1.0 percent of the estimated original installed cost and rearrangement cost of all facilities, including metering, required to accept interconnection, but not less than \$25 per month. The monthly charge for the Interconnection Facilities to be provided under this Agreement is subject to the rates, Service Regulations and conditions of the Company as the same are now on file with the Commission and may be changed or modified from time to time upon approval by the Commission. Any such changes or modifications, including those which may result

in increased charges for the Interconnection Facilities to be provided by the Company, shall be made a part of this Agreement to the same effect as if fully set forth herein.

- (3) If Company increases its investment, other than replacement of existing equipment with equipment of equal capacity and kind, in interconnection facilities or other special facilities required by Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Interconnection Facilities Charge for providing the interconnection facilities will be adjusted at that time. Seller may terminate the interconnection facilities in accordance with the applicable termination paragraph 1 above, or continue the interconnection facilities under the changed conditions.
 - (4) In lieu of the Monthly Interconnection Facilities Charge of 1.0 percent, Seller may elect to make a contribution equal to the total interconnection facilities investment, plus associated tax gross-ups. After such payment, the Monthly Interconnection Facilities Charge for the interconnection facilities will be 0.4 percent of said payment.
 - (5) The Monthly Interconnection Facilities Charge as determined shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination should be calculated in accordance with 1, above.
 - (6) Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of Company's standard metering equipment or other equipment deemed necessary by Company for the metering of Seller's electrical output. Company shall, at its expense, be permitted to install, in Seller's wiring or equipment, any special metering devices or equipment as deemed necessary for experimental or monitoring purposes.
 - (7) Company shall furnish and install the Interconnection Facilities no later than the date requested by Seller for such installation. Seller's obligation to pay the Interconnection Facilities charges shall begin upon the earlier of (1) completion of the installation but no earlier than the requested in-service date specified in the Interconnection Agreement or (2) the first date when energy is generated and delivered to the Company and such charges shall apply at all times thereafter during the term of this Agreement, whether or not Seller is actually supplying electric power to Company.
- (b) By Seller: Seller shall install, own, operate, and maintain all lines, and equipment, exclusive of Company's meter and meter transformers, on Seller's side of the point of delivery. Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on Seller's side of the point of delivery. Seller must conform to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of delivery and measured by a single meter. Company's meter may be located on Seller's side of the point of delivery, and when it is to be so located, Seller must make suitable provisions in Seller's wiring, at a place suitable to Company, for the convenient installation of the type of meter Company will use. All of Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.

Seller shall install and maintain devices adequate to protect Seller's equipment against irregularities on Company's system, including devices to protect against single-phasing. Seller shall also install and maintain such devices as may be necessary to automatically disconnect Seller's generating equipment, which is operated in parallel with Company, when service provided by Seller is affected by electrical disturbances on Company's or Seller's systems, or at any time when Company's system is de-energized from its prime source.

- (c) Access to Premises: The duly authorized agents of Company shall have the right of ingress and egress to the premises of Seller at all reasonable hours for the purpose of reading meters, inspecting Company's wiring and apparatus, changing, exchanging, or repairing Company's property on the premises of Seller, or removing such property at the time of or at any time after suspension of purchases or termination of this Agreement.
- (d) Protection: Seller shall protect Company's wiring and apparatus on Seller's premises and shall permit no one but Company's agents to handle same. In the event of any loss of or damage to such property of Company caused by or arising out of carelessness, neglect, or misuse by Seller or Seller's employees or agents, the cost of making good such loss or repairing such damage shall be paid by Seller. In cases where Company's service facilities on Seller's premises require abnormal maintenance due to Seller's operation, Seller shall reimburse Company for such abnormal maintenance cost.

14. CONTINUANCE OF PURCHASES AND LIABILITY THEREFOR

The Parties do not guarantee continuous service but shall use reasonable diligence at all times to provide for uninterrupted acceptance and supply of electricity. Each party shall at all times use reasonable diligence to provide satisfactory service for the acceptance or supply of electricity, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service for the acceptance or supply of electricity, but neither Party shall be liable for any loss or damage resulting from such failure, interruption, reduction or suspension of service, nor shall same be a default hereunder, when any interruption of service for the acceptance or supply of electricity is due to any of the following:

- (a) An emergency condition or action due to an adverse condition, event, and/or disturbance on Company's system, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas or automatic or manual interruption, reduction, or cessation of the acceptance of electricity into Company's electrical system in order to limit the occurrence of or extent or damage of the adverse condition or disturbance to Company's system or capability to reliably provide service in compliance and accordance with prudent practices, regulatory requirements, and/or reliability standards, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system. An emergency condition or action shall include any circumstance that requires action by the Company to comply with any electric reliability organization or NERC/SERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to Seller's Facility, reliability impairment, loss or damage to the Company's system, disruption of generation by the Seller, disruption of reliability or service on the Company's system, an abnormal condition on the system, and/or endangerment to human life or safety.
- (b) An event or condition of force majeure, as described below.
- (c) Making necessary adjustments to, changes in, or repairs on Company lines, substations, and facilities, and in cases where, in its opinion, the continuance of service from Seller's premises would endanger persons or property.

Seller shall be responsible for promptly taking all actions requested or required by Company to avoid, prevent, or recover from the occurrence and/or imminent occurrence of any emergency condition and in response to any emergency condition or condition of force majeure, including without limitation installing and operating any equipment necessary to take such actions.

Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to Company's satisfaction, the necessary automatic equipment to prevent the back feed of power into, or damage to Company's de-energized system, and shall be subject to immediate

disconnection of its equipment from Company's system if Company determines that such equipment is unsafe or adversely affects Company's transmission/distribution system or service to its other customers.

Seller assumes responsibility for and shall indemnify, defend, and save Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to Seller or Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on Seller's side of the point of delivery.

15. FORCE MAJEURE

Circumstances beyond the reasonable control of a Party which solely cause that Party to experience delay or failure in delivering or receiving electricity or in providing continuous service hereunder, including: acts of God; unusually severe weather conditions; earthquake; strikes or other labor difficulties; war; riots; fire; requirements shall be deemed to be "events or conditions of force majeure". It also includes actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local government bodies), but only if such requirements, actions or failures to act prevent or delay performance; or transportation delays or accidents. Events or conditions of force majeure do not include such circumstances which merely affect the cost of operating the Facility.

Neither Party shall be responsible nor liable for any delay or failure in its performance hereunder due solely to events or conditions of force majeure, provided that:

- (a) The affected Party gives the other Party written notice describing the particulars of the event or condition of force majeure, such notice to be provided within forty-eight (48) hours of the determination by the affected Party that an event or condition of force majeure has occurred, but in no event later than thirty (30) days from the date of the occurrence of the event or condition of force majeure;
- (b) The delay or failure of performance is of no longer duration and of no greater scope than is required by the event or condition of force majeure, provided that in no event shall such delay or failure of performance extend beyond a period of twelve (12) months;
- (c) The affected Party uses its best efforts to remedy its inability to perform;
- (d) When the affected Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party prompt written notice to that effect; and,
- (e) The event or condition of force majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance, or any breach or default of this Agreement.

16. INSURANCE

Seller shall obtain and retain, for as long as the generation is interconnected with Company's system, either the applicable home owners insurance policy with liability coverage of at least \$100,000 per occurrence or the applicable comprehensive general liability insurance policy with liability coverage in the amount of at least \$300,000 per occurrence, which protects Seller from claims for bodily injury and/or property damage. This insurance shall be primary for all purposes. Seller shall provide certificates evidencing this coverage as required by Company. Company reserves the right to refuse to establish, or continue the interconnection of Seller's generation with Company's system, if such insurance is not in effect.

17. GOVERNMENTAL RESTRICTIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over this Agreement. This Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by Seller to Company upon Company's request. This Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

This Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or this Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of this Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by Company, from Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefor.

Supersedes: March 16, 2018
Effective: November 16, 2019
NCUC Docket No. E-100, Sub 158

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1. PURCHASE POWER AGREEMENT

These "Terms and Conditions" provide a mechanism through which Duke Energy Progress, LLC, hereafter called "Company," will agree to purchase energy or capacity or both from an Eligible Qualifying Facility as defined in the Purchased Power Schedule PP. This Purchase Power Agreement is solely for the purchase of electricity produced by Seller's generation, net of generator auxiliary requirement, and does not provide for the sale of any electric service by Company to Seller.

- (a) Description - The Purchase Power Agreement (hereinafter sometimes termed "Agreement") shall consist of (1) Company's form of Purchase Power Agreement when signed by Seller and accepted by Company, (2) the applicable Schedule for the purchase of electricity as specified in the Purchase Power Agreement, and (3) these Terms and Conditions for the Purchase of Electric Power (hereinafter referred to as "Terms and Conditions"), and all changes, revisions, alterations therein, or substitutions therefor lawfully made.
- (b) Application of Terms and Conditions and Schedules - All Purchase Agreements in effect at the effective date of this tariff or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules as specified in the Purchase Power Agreement, and any changes therein, substitutions thereof, or additions thereto lawfully made, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract or by order of the state regulatory authority having jurisdiction (hereinafter "Commission").
- (c) Conflicts - In case of conflict between any provision of a Schedule and of these Terms and Conditions, the provision of the Schedule shall prevail.
- (d) Waiver - The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- (e) Assignment of Agreement - A Purchase Power Agreement between Company and Seller may not be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under such Agreement, without the prior written approval of Company. A Purchase Power Agreement shall not be transferred and assigned by Seller to any person, firm, or corporation that is party to any other purchase agreement under which a party sells or seeks to sell power to the Company from another Qualifying Facility that is located within one-half mile, as measured from the electrical generating equipment. Company will not unreasonably withhold consent provided that such assignment does not require any amendment to the terms and conditions of this Agreement, other than the notice provision thereof. Any assignment that Company has not approved in writing shall be null and void and not effective for all purposes. However, before such rights and obligations are assigned, the assignee must first obtain necessary approval from all regulatory bodies including, but not limited to, the Commission.
- (f) Notification of Assignment, Transfer or Sale - In the event of an assignment of the rights and obligations accruing to Seller under this Agreement, or in the event of any contemplated sale, transfer or assignment of the Facility or the Certificate of Public Convenience and Necessity, the Seller shall, in addition to obtaining the approvals hereof, provide a minimum of 30 days prior written notice advising Company and the Commission of any plans for such an assignment, sale or transfer, or of any accompanying significant changes in the information required by Commission Rule R8-64, R9-65 or R8-66 which are incorporated by reference herein.

- (g) Suspension of Sales Under Agreement at Seller's Request - If Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, Company will, upon written request of Seller, and for a period Company deems as reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period.
- (h) Termination of Agreement at Seller's Request - If Seller desires to terminate the Agreement, Company will agree to such termination if all bills for services previously rendered to Seller including any termination or other charges applicable under any Interconnection Agreement, plus any applicable termination charges, have been paid. Termination charges shall consist of any applicable termination charges for premature termination of capacity as set forth in paragraphs 4 and 6 of these Terms and Conditions. Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Seller's Agreement.
- (i) Company's Right to Terminate or Suspend Agreement - Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from Seller ~~(4) for~~ based on any of the following: (1) any default or breach of the Agreement by Seller, (2) ~~for~~ any fraudulent or unauthorized use of Company's meter, (3) ~~for~~ failure to pay any applicable bills when due and payable, ~~or (4) for a~~ (4) any Material Alteration to the Facility without the Company's consent or otherwise delivering energy in excess of the Contract Capacity specified under this Agreement, (5) any condition on Seller's side of the point of delivery actually known by Company to be, or which Company reasonably anticipates may be, dangerous to life or property; ~~or (6) Seller fails to deliver energy to Company for six (6) consecutive months.~~ Termination of the ~~contract is~~ Agreement shall be at Company's sole option and is only appropriate when Seller either cannot or will not cure its default ~~or if Seller fails to deliver energy to Company for six (6) consecutive months.~~

No such termination or suspension, however, will be made by Company without written notice delivered to Seller, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 1-(i)(2) or 1(i)(5) above. Company shall give Seller thirty (30) calendar days prior written notice before suspending or terminating the Agreement pursuant to provisions 1-(i)(1) and 1(i)(3)-(4). Company shall give Seller five (5) calendar days prior written notice before suspending or terminating the Agreement pursuant to provision 1-(i)(4).

Failure of Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve Seller (1) of Seller's liability for the payment of minimum monthly charges during the period of suspension, nor (2) of Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions.

2. CONDITIONS OF SERVICE

- (a) Company is not obligated to purchase electricity from Seller unless and until:- (1) Company's form of Purchase Power Agreement is executed by Seller and accepted by Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from Seller, Seller conveys or causes to be conveyed to Company, without cost to Company, a right-of-way easement,

satisfactory to Company, across such private property which will provide for the construction, maintenance, and operation of Company's lines and facilities, necessary to receive electricity from Seller; provided, however, in the absence of a formal conveyance, Company nevertheless, shall be vested with an easement over Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to Company. Where not required by law, an inspection by a Company-approved inspector shall be made at Seller's expense. In the event Seller is unable to secure such necessary rights of way, Seller shall reimburse Company for all costs Company may incur for the securing of such rights of way.

The obligation of Company in regard to service under the Agreement are dependent upon Company securing and retaining all necessary rights-of-way, privileges, franchises, and permits, for such service. Company shall not be liable to any Seller in the event Company is delayed or prevented from purchasing power by Company failure to secure and retain such rights-of-way, privileges, franchises, and permits.

- (b) Seller shall operate its Facility in compliance with all: (i) System Operator Instructions provided by Company, including any Energy Storage Protocols provided if applicable; (ii) applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC"); and (iii) the SERC Reliability Corporation ("SERC") or any successor thereto.
- (c) Seller shall submit an Interconnection Request as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. Company shall not be required to install facilities to support interconnection of Seller's generation or execute the Purchase Power Agreement until Seller has signed an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections, as may be required by Company.
- (d) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) Company is required by governmental authority to incur expenses in the relocation or the reconstruction underground of any portion of said lines, unless Company is reimbursed for such expense by Sellers or customers connected thereto, or (2) the right of Company to maintain and operate said lines is terminated, revoked, or denied by governmental authority for any reason.

3. DEFINITIONS

~~(a) Nameplate Capacity: The term "Nameplate Capacity" shall mean the manufacturer's kW_{AC} nameplate rated output capability of the generator. For multi-unit generator facilities, the "Nameplate Capacity" of the facility shall be the sum of the individual manufacturer's kW_{AC} nameplate rated output capabilities of the generators. For inverted-based generating facilities, the "Nameplate Capacity" shall be the manufacturer's rated kW_{AC} output on the inverters.~~

~~(b) Net Capacity: The term "Net Capacity" shall mean the Nameplate Capacity of the Seller's generating facilities, less the portion of that capacity needed to serve the generating facilities' Auxiliary Load.~~

~~(e)(a) Auxiliary Load: The term "Auxiliary Load" shall mean power used to operate auxiliary equipment in the facilityFacility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).~~

~~(d) Whenever the term "purchase" or "purchase of electricity" is used in these Terms and Conditions or other portions of the Agreement, it shall be construed to refer to the electricity supplied to Company by Seller.~~

- ~~(b) The term “Company’s conductors” shall mean Company’s wires extending from the point of connection with Company’s existing electric system to the point of delivery.~~
- ~~(e)(c) “Energy Storage Protocol” shall have the meaning specified in Purchase Power Agreement.~~
- ~~(f) The term “Seller’s conductors” shall mean Seller’s wires extending from the point of delivery to the switch box or other point where Seller’s circuits connect for the purpose of supplying the electricity produced by Seller.~~
- ~~(d) “Facility” shall have the meaning specified in the Purchase Power Agreement.~~
- ~~(e) The term “interconnection” shall mean the connection of Company’s conductors to Seller’s conductors.~~
- ~~(f) “Material Alteration” as used in this Agreement shall mean a modification to the Facility which renders the Facility description specified in this Agreement inaccurate in any material sense as determined by Company in a commercially reasonable manner including, without limitation, (i) the addition of a Storage Resource; (ii) a modification which results in an increase to the Contract Capacity, Nameplate Capacity (in AC or DC), generating capacity (or similar term used in the Agreement) or the estimated annual energy production of the Facility (the “Existing Capacity”), or (iii) a modification which results in a decrease to the Existing Capacity by more than five (5) percent. Notwithstanding the foregoing, the repair or replacement of equipment at the Facility (including solar panels) with like-kind equipment, which does not increase Existing Capacity or decrease the Existing Capacity by more than five percent (5%) shall not be considered a Material Alteration.~~
- ~~(g) Nameplate Capacity: The term “Nameplate Capacity” shall mean the manufacturer’s kW_{AC} nameplate rated output capability of the Facility as measured at the delivery point specified in AC. For multi-unit generator facilities, the “Nameplate Capacity” of the Facility shall be the sum of the individual manufacturer’s kW_{AC} nameplate rated output capabilities of the generators. The Nameplate Capacity shall also include the DC rating of the Facility. For inverted-based generating facilities, the “Nameplate Capacity” shall be the manufacturer’s rated kW_{AC} output on the inverters.~~
- ~~(h) “Prudent Utility Practice” means those practices, methods, equipment, specifications, standards of safety, and performance, as the same may change from time to time, as are commonly used in the construction, interconnection, operation, and maintenance of electric power facilities, inclusive of delivery, transmission, and generation facilities and ancillaries, which in the exercise of good judgment and in light of the facts known at the time of the decision being made and activity being performed are considered: (i) good, safe, and prudent practices; (ii) are in accordance with generally accepted standards of safety, performance, dependability, efficiency, and economy in the United States; (iii) are in accordance with generally accepted standards of professional care, skill, diligence, and competence in the United States; and, (iv) are in compliance with applicable regulatory requirements and/or reliability standards. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather are intended to include acceptable practices, methods and acts generally accepted in the energy generation and utility industry.~~
- ~~(i) "purchase" or "purchase of electricity" shall be construed to refer to the electricity supplied to Company by Seller from the Facility.~~
- ~~(j) “Seller’s conductors” shall mean Seller’s wires extending from the point of delivery to the switch box or other point where Seller’s circuits connect for the purpose of supplying the electricity produced by Seller.~~
- ~~(k) “Storage Resource” means battery storage or other energy storage device installed at or connected behind the meter of the Facility.~~

~~(g)(1)~~ “System Operator Instruction” means any order, action, requirement, demand, or direction, from the system operator in accordance with Prudent Utility Practice, and delivered to Seller in a non-discriminatory manner, to operate, manage, and/or otherwise maintain safe and reliable operations of the system, including, without limitation, an order to suspend or interrupt any operational activity due to an emergency condition or force majeure event; provided however, a System Operator Instruction in response to an emergency condition, force majeure event, or operational condition relating specifically to or created by the Facility shall not be deemed or considered discriminatory.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be ~~the kW_{AC} of capacity~~ as specified in the Purchase Power Agreement and shall not exceed the capacity specified in the Seller’s Interconnection Agreement. This term shall mean the maximum continuous electrical output capability expressed on an alternating current basis of the generator(s) at any time, at a power factor of approximately unity, without consuming VARs supplied by Company, as measured at the Point of Delivery and shall be the maximum kW_{AC} delivered to Company during any billing period. ~~In cases where any change is required in Company's facilities due to the actual capacity delivered exceeding the Contract Capacity or due to Seller requesting an increase in the capacity of Company's facilities, Company may require Seller to execute a new Agreement or amend an existing Agreement, thereby establishing a new Contract Capacity. If Company's facilities cannot be upgraded to accept such actual or requested increase, then upon written notice, Seller shall not exceed the existing Contract Capacity or such amount in excess thereof as Company determine it is able to accept. Seller shall not exceed the existing Contract Capacity unless and until the increase has been agreed to in an amendment executed by Company and Seller and Seller's facilities have been upgraded to accept the actual or requested increase as may be required by Company in its commercially reasonable discretion.~~
- (b) Seller shall not change ~~its generating capacity~~ the Contract Capacity, or contracted estimated annual ~~kWh~~ energy production without adequate notice to Company, and without receiving Company's prior written consent, and if such unauthorized increase causes loss of or damage to Company’s facilities, the cost of making good such loss or repairing such damage shall be paid by Seller.
- (c) Company may require that a new Contract Capacity be determined when it reasonably appears that the capacity of Seller's generating facility or annual energy production will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.
- ~~(d) In the event that the Contract Capacity is terminated prior to the completion of the term of the Agreement, the Seller shall pay to Company a penalty as set forth in paragraph 6, below.~~
- ~~(d) Seller may apply to Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, and an amendment to implement the change has been executed by Company and Seller, future Monthly delivered capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to Seller shall be determined in accordance with the Interconnection Agreement.~~
- ~~(e) Any Material Alteration to the Facility, including without limitation, an increase in the Existing Capacity, a decrease in the Existing Capacity by more than five (5) percent or the addition of energy storage capability shall require the prior written consent of Company, which may be withheld in Company’s sole discretion, and shall not be effective until memorialized in an amendment executed by Company and Seller.~~

5. CONTRACT ENERGY ESTIMATED ANNUAL ENERGY PRODUCTION

~~The Contract Energy~~The estimated annual energy production from the Facility specified in the Purchase Power Agreement shall be the estimated total annual kilowatt-hours registered or computed by or from Company's metering facilities for each time period during a continuous 12-month interval.

6. EARLY CONTRACT TERMINATION-OR INCREASE IN CONTRACT CAPACITY

Early Contract Termination - If Seller terminates the Agreement or ~~seeks to increase~~if the Contract Capacity Agreement is terminated by Company as permitted in Section 1(i) prior to the expiration of the initial (or extended) term of the Purchase Power Agreement:

Early Contract Termination—Seller shall pay to Company the total Energy and/or Capacity credits received in excess of the sum of what would have been received under the Variable Rate for Energy and/or Capacity Credits applicable at the initial term of the contract period and as updated every two years, plus interest. The interest should be the weighted average rate for new debt issued by the Company in the calendar year previous to that in which the Agreement was commenced.

~~Increase In Contract Capacity—Seller may apply to Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, future Monthly Delivered Capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to Seller shall be determined in accordance with the Interconnection Agreement.~~

7. CONTRACT RENEWAL

This Agreement shall be subject to renewal for subsequent term(s) at the option of Company on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors, or (2) set by arbitration.

8. QUALITY OF ENERGY RECEIVED

- (a) Seller has full responsibility for the routine maintenance of ~~his~~its generating and protective equipment to insure that reliable, utility grade electric energy is being delivered to Company.
- (b) ~~Seller's facility~~The Facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by Company. Any operating requirement is subject to modification or revision if warranted by future changes in the distribution or transmission circuit conditions.
- (c) Seller may operate direct current generators in parallel with Company through a synchronous inverter. The inverter installation shall be designed such that a utility system interruption will result in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect Company's supply of electric service to, or the use of electric service by Company's other customers, and any correction thereof is the full responsibility of Seller.
- (d) In the event Company determines, based on calculations, studies, analyses, monitoring, measurement or observation, that the output of the Facility will cause or is causing the Company to be unable to provide proper voltage levels to its customers, Seller shall be required to comply with a voltage schedule and/or reactive power output schedule as prescribed by Company.
- (e) All Material Alterations to the Facility shall require the prior written consent from Company, and Seller shall provide Company written notification of any requested changes to their generation systemthe Facility, support equipment such as inverters, or interconnection facilities and shall provideas soon as reasonably possible to allow Company adequate time to review such requested changes to ensure continued safe interconnection prior to implementation.

- (f) Failure of Seller to comply with either (a), (b), (c), (d) or (e) above will constitute grounds for Company to cease parallel operation with Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under paragraph 1, above.

9. BILLING

- (a) Meters will be read and bills rendered monthly. Readings are taken each month at intervals of approximately thirty (30) days.
- (b) If Company is unable to read its purchase meter for any reason, Seller's production may be estimated by Company on the basis of Seller's production during the most recent preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the period of time between the regular meter readings by the Company, except that if the period covered by an initial or final bill, or due to rerouting of the meter reading schedule, is more 33 or less than 27 days, the bill will be prorated based on a 30-day billing month.
- (d) Payments for capacity and/or energy will be made to Seller based on the rate schedule stated in the Purchase Power Agreement.
- (e) Company reserves the right to set off against any amounts due from the Company to Seller, any amounts which are due from Seller to Company, including, but not limited to, unpaid charges pursuant to the Interconnection Agreement or past due balances on any accounts Seller has with Company for other services.

10. RECORDS

In addition to the regular meter readings to be taken monthly for billing purposes, Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties. Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and Company's purchases thereof (including copies of monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement. The Company will not provide any information developed solely by Seller and designated by Seller in writing to be "proprietary" unless required to do so by order of the Commission or the FERC or any other regulatory body or court, in which event, the Company will notify Seller prior to supplying the proprietary information.

Seller shall provide to Company, on a monthly basis within ten (10) days of the meter reading date and in form to be mutually agreed upon by the Parties, information on the Facility's fuel costs (coal, oil natural gas, supplemental firing, etc.), if any, for the power delivered to Company during the preceding month's billing period.

11. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, Company will adjust the measured energy for the period of time the meter was shown to be in error, and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to Seller, or Seller shall refund to Company, the difference between the amount billed and the estimated amount which would have been billed had the meter accurately registered the kilowatt hours provided by Seller. No part of any minimum service charge shall be refunded.

12. POINT OF DELIVERY

The point of delivery is the point where Company's conductors are, or are to be, connected to Seller's conductors. Seller shall do all things necessary to bring its conductors to such point of delivery for connection to Company's conductors, and shall maintain said conductors in good order at all times. If Seller chooses to deliver power to Company through a point of delivery where Seller presently receives power from Company, then the point of delivery for the purchase of generation shall be the same point as the point of delivery for electric service.

13. INTERCONNECTION FACILITIES

If Seller is not subject to the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100, Sub 101, the following conditions shall apply to Interconnection Facilities necessary to deliver Seller's electricity to Company. Otherwise, the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100, Sub 101 govern.

- (a) By Company: Company shall install, own, operate, maintain, and otherwise furnish all lines and equipment located on its side of the point of delivery to permit parallel operation of the Seller's facilities with the Company's system. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to Company, though such meter may be located on Seller's side of the point of delivery. Interconnection facilities, installed by either Company or Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company necessary to receive power from Seller shall be considered ~~additional~~extra facilities and shall be provided, if Company finds it practicable, under the following conditions:

- (1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.
- (2) Seller will pay to Company a Monthly Interconnection Facilities Charge of 1.0 percent of the estimated original installed cost and rearrangement cost of all facilities, including metering, required to accept interconnection, but not less than \$25 per month. The monthly charge for the Interconnection Facilities to be provided under this Agreement is subject to the rates, Service Regulations and conditions of the Company as the same are now on file with the Commission and may be changed or modified from time to time upon approval by the Commission. Any such changes or modifications, including those which may result in increased charges for the Interconnection Facilities to be provided by the Company, shall be made a part of this Agreement to the same effect as if fully set forth herein.
- (3) If Company increases its investment, other than replacement of existing equipment with equipment of equal capacity and kind, in interconnection facilities or other special facilities required by Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Interconnection Facilities Charge for providing the interconnection facilities will be adjusted at that time. Seller may terminate the interconnection facilities in accordance with the applicable termination paragraph 1 above, or continue the interconnection facilities under the changed conditions.
- (4) In lieu of the Monthly Interconnection Facilities Charge of 1.0 percent, Seller may elect to make a contribution equal to the total interconnection facilities investment, plus associated tax gross-ups. After such payment, the Monthly Interconnection Facilities Charge for the interconnection facilities will be 0.4 percent of said payment.
- (5) The Monthly Interconnection Facilities Charge as determined shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event

Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination should be calculated in accordance with 1, above.

- (6) Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of Company's standard metering equipment or other equipment deemed necessary by Company for the metering of Seller's electrical output. Company shall, at its expense, be permitted to install, in Seller's wiring or equipment, any special metering devices or equipment as deemed necessary for experimental or monitoring purposes.
 - (7) Company shall furnish and install the Interconnection Facilities no later than the date requested by Seller for such installation. Seller's obligation to pay the Interconnection Facilities charges shall begin upon the earlier of (1) completion of the installation but no earlier than the requested in-service date specified in the Interconnection Agreement or (2) the first date when energy is generated and delivered to the Company and such charges shall apply at all times thereafter during the term of this Agreement, whether or not Seller is actually supplying electric power to Company.
- (b) By Seller: Seller shall install, own, operate, and maintain all lines, and equipment, exclusive of Company's meter and meter transformers, on Seller's side of the point of delivery. Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on Seller's side of the point of delivery. Seller must conform to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of delivery and measured by a single meter. Company's meter may be located on Seller's side of the point of delivery, and when it is to be so located, Seller must make suitable provisions in Seller's wiring, at a place suitable to Company, for the convenient installation of the type of meter Company will use. All of Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.

Seller shall install and maintain devices adequate to protect Seller's equipment against irregularities on Company's system, including devices to protect against single-phasing. Seller shall also install and maintain such devices as may be necessary to automatically disconnect Seller's generating equipment, which is operated in parallel with Company, when service provided by Seller is affected by electrical disturbances on Company's or Seller's systems, or at any time when Company's system is de-energized from its prime source.

- (c) Access to Premises: The duly authorized agents of Company shall have the right of ingress and egress to the premises of Seller at all reasonable hours for the purpose of reading meters, inspecting Company's wiring and apparatus, changing, exchanging, or repairing Company's property on the premises of Seller, or removing such property at the time of or at any time after suspension of purchases or termination of this Agreement.
- (d) Protection: Seller shall protect Company's wiring and apparatus on Seller's premises and shall permit no one but Company's agents to handle same. In the event of any loss of or damage to such property of Company caused by or arising out of carelessness, neglect, or misuse by Seller or Seller's employees or agents, the cost of making good such loss or repairing such damage shall be paid by Seller. In cases where Company's service facilities on Seller's premises require abnormal maintenance due to Seller's operation, Seller shall reimburse Company for such abnormal maintenance cost.

14. CONTINUANCE OF PURCHASES AND LIABILITY THEREFOR

The Parties do not guarantee continuous service but shall use reasonable diligence at all times to provide for uninterrupted acceptance and supply of electricity. Each party shall at all times use reasonable diligence to provide satisfactory service for the acceptance or supply of electricity, and to

remove the cause or causes in the event of failure, interruption, reduction or suspension of service for the acceptance or supply of electricity, but neither Party shall be liable for any loss or damage resulting from such failure, interruption, reduction or suspension of service, nor shall same be a default hereunder, when any interruption of service for the acceptance or supply of electricity is due to any of the following:

- (a) An emergency condition or action due to an adverse condition, event, and/or disturbance on Company's system, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas or automatic or manual interruption, reduction, or cessation of the acceptance of electricity into Company's electrical system in order to limit the occurrence of or extent or damage of the adverse condition or disturbance to Company's system or capability to reliably provide service in compliance and accordance with prudent practices, regulatory requirements, and/or reliability standards, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system. An emergency condition or action shall include any circumstance that requires action by the Company to comply with any electric reliability organization or NERC/SERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to Seller's Facility, reliability impairment, loss or damage to the Company's system, disruption of generation by the Seller, disruption of reliability or service on the Company's system, an abnormal condition on the system, and/or endangerment to human life or safety.
- (b) An event or condition of force majeure, as described below.
- (c) Making necessary adjustments to, changes in, or repairs on Company lines, substations, and facilities, and in cases where, in its opinion, the continuance of service from Seller's premises would endanger persons or property.

Seller shall be responsible for promptly taking all actions requested or required by Company to avoid, prevent, or recover from the occurrence and/or imminent occurrence of any emergency condition and in response to any emergency condition or condition of force majeure, including without limitation installing and operating any equipment necessary to take such actions.

Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to Company's satisfaction, the necessary automatic equipment to prevent the back feed of power into, or damage to Company's de-energized system, and shall be subject to immediate disconnection of its equipment from Company's system if Company determines that such equipment is unsafe or adversely affects Company's transmission/distribution system or service to its other customers.

Seller assumes responsibility for and shall indemnify, defend, and save Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to Seller or Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on Seller's side of the point of delivery.

15. FORCE MAJEURE

Circumstances beyond the reasonable control of a Party which solely cause that Party to experience delay or failure in delivering or receiving electricity or in providing continuous service hereunder, including: acts of God; unusually severe weather conditions; earthquake; strikes or other labor difficulties; war; riots; fire; requirements shall be deemed to be "events or conditions of force majeure". It also includes actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local government bodies), but only if such requirements, actions or failures to act

prevent or delay performance; or transportation delays or accidents. Events or conditions of force majeure do not include such circumstances which merely affect the cost of operating the Facility.

Neither Party shall be responsible nor liable for any delay or failure in its performance hereunder due solely to events or conditions of force majeure, provided that:

- (a) The affected Party gives the other Party written notice describing the particulars of the event or condition of force majeure, such notice to be provided within forty-eight (48) hours of the determination by the affected Party that an event or condition of force majeure has occurred, but in no event later than thirty (30) days from the date of the occurrence of the event or condition of force majeure;
- (b) The delay or failure of performance is of no longer duration and of no greater scope than is required by the event or condition of force majeure, provided that in no event shall such delay or failure of performance extend beyond a period of twelve (12) months;
- (c) The affected Party uses its best efforts to remedy its inability to perform;
- (d) When the affected Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party prompt written notice to that effect; and,
- (e) The event or condition of force majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance, or any breach or default of this Agreement.

16. INSURANCE

Seller shall obtain and retain, for as long as the generation is interconnected with Company's system, either the applicable home_owners insurance policy with liability coverage of at least \$100,000 per occurrence or the applicable comprehensive general liability insurance policy with liability coverage in the amount of at least \$300,000 per occurrence, which protects Seller from claims for bodily injury and/or property damage. This insurance shall be primary for all purposes. Seller shall provide certificates evidencing this coverage as required by Company. Company reserves the right to refuse to establish, or continue the interconnection of Seller's generation with Company's system, if such insurance is not in effect.

17. GOVERNMENTAL RESTRICTIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over this Agreement. This Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by Seller to Company upon Company's request. This Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

This Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or this Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of this Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by Company, from Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefor.

Supersedes: ~~November 28, 2017~~March 16, 2018

Effective: ~~March 16, 2018~~November 16, 2019

NCUC Docket No. ~~E-2E-100~~, Sub ~~442158~~

Attachment G

Duke Energy Carolinas, LLC

Annualized Public Report

DUKE ENERGY CAROLINAS, LLC
Compliance Rates (Annualized)
Uncontrolled Solar Generation

Performance Adjustment Factor: 1.05

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
1	Energy Credit	Summer Premium Peak	3.47	4.33	(a)1
2	Energy Credit	Summer PM Peak	3.71	4.27	(a)2
3	Energy Credit	Summer Off Peak	2.87	2.65	(a)3
4	Energy Credit	Winter Premium Peak	4.82	5.63	(a)4
5	Energy Credit	Winter AM Peak	4.06	3.97	(a)5
6	Energy Credit	Winter PM Peak	4.02	4.32	(a)6
7	Energy Credit	Winter Off Peak	2.61	2.72	(a)7
8	Energy Credit	Shoulder Peak	3.47	3.45	(a)8
9	Energy Credit	Shoulder Off Peak	2.68	2.50	(a)9
10					
11	Capacity Credit	Summer PM	0.00	0.21	(b)1
12	Capacity Credit	Winter AM	0.00	0.97	(b)2
13	Capacity Credit	Winter PM	0.00	0.31	(b)3
14					
15	Annualized Energy		3.02	3.03	
16	Annualized Capacity		0.00	0.06	
17	Annualized Total		3.02	3.09	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
18	Energy Credit	Summer Premium Peak	3.34	4.16	(a)1
19	Energy Credit	Summer PM Peak	3.58	4.12	(a)2
20	Energy Credit	Summer Off Peak	2.81	2.60	(a)3
21	Energy Credit	Winter Premium Peak	4.66	5.46	(a)4
22	Energy Credit	Winter AM Peak	3.95	3.87	(a)5
23	Energy Credit	Winter PM Peak	3.92	4.21	(a)6
24	Energy Credit	Winter Off Peak	2.56	2.67	(a)7
25	Energy Credit	Shoulder Peak	3.40	3.38	(a)8
26	Energy Credit	Shoulder Off Peak	2.64	2.47	(a)9
27					
28	Capacity Credit	Summer PM	0.00	0.20	(b)1
29	Capacity Credit	Winter AM	0.00	0.94	(b)2
30	Capacity Credit	Winter PM	0.00	0.30	(b)3
31					
32	Annualized Energy		2.96	2.96	
33	Annualized Capacity		0.00	0.06	
34	Annualized Total		2.96	3.02	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy			Capacity	
	Hours			Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	511	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,077	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	125	(c) 5			
Winter PM Peak	311	(c) 6			
Winter Off Peak	1,537	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY CAROLINAS, LLC
Compliance Rates (Annualized)
Swine or Poultry Waste Generation

Performance Adjustment Factor: 1.05

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
1	Energy Credit	Summer Premium Peak	3.58	4.44	(a)1
2	Energy Credit	Summer PM Peak	3.82	4.38	(a)2
3	Energy Credit	Summer Off Peak	2.98	2.76	(a)3
4	Energy Credit	Winter Premium Peak	4.93	5.74	(a)4
5	Energy Credit	Winter AM Peak	4.17	4.08	(a)5
6	Energy Credit	Winter PM Peak	4.13	4.43	(a)6
7	Energy Credit	Winter Off Peak	2.72	2.83	(a)7
8	Energy Credit	Shoulder Peak	3.58	3.56	(a)8
9	Energy Credit	Shoulder Off Peak	2.79	2.61	(a)9
10					
11	Capacity Credit	Summer PM	2.58	2.70	(b)1
12	Capacity Credit	Winter AM	11.99	12.53	(b)2
13	Capacity Credit	Winter PM	3.88	4.05	(b)3
14					
15	Annualized Energy		3.13	3.14	
16	Annualized Capacity		0.73	0.76	
17	Annualized Total		3.86	3.90	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
18	Energy Credit	Summer Premium Peak	3.45	4.27	(a)1
19	Energy Credit	Summer PM Peak	3.69	4.23	(a)2
20	Energy Credit	Summer Off Peak	2.92	2.71	(a)3
21	Energy Credit	Winter Premium Peak	4.77	5.57	(a)4
22	Energy Credit	Winter AM Peak	4.06	3.98	(a)5
23	Energy Credit	Winter PM Peak	4.03	4.32	(a)6
24	Energy Credit	Winter Off Peak	2.67	2.78	(a)7
25	Energy Credit	Shoulder Peak	3.51	3.49	(a)8
26	Energy Credit	Shoulder Off Peak	2.75	2.58	(a)9
27					
28	Capacity Credit	Summer PM	2.51	2.63	(b)1
29	Capacity Credit	Winter AM	11.67	12.20	(b)2
30	Capacity Credit	Winter PM	3.78	3.95	(b)3
31					
32	Annualized Energy		3.07	3.07	
33	Annualized Capacity		0.71	0.74	
34	Annualized Total		3.78	3.81	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy			Capacity	
	Hours			Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	511	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,077	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	125	(c) 5			
Winter PM Peak	311	(c) 6			
Winter Off Peak	1,537	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

**DUKE ENERGY CAROLINAS, LLC
 Compliance Rates (Annualized)**

All but Swine or Poultry Waste Generation, Uncontrolled Solar Generation and Hydroelectric Generation without Storage

Performance Adjustment Factor: 1.05

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
1	Energy Credit	Summer Premium Peak	3.58	4.44	(a)1
2	Energy Credit	Summer PM Peak	3.82	4.38	(a)2
3	Energy Credit	Summer Off Peak	2.98	2.76	(a)3
4	Energy Credit	Winter Premium Peak	4.93	5.74	(a)4
5	Energy Credit	Winter AM Peak	4.17	4.08	(a)5
6	Energy Credit	Winter PM Peak	4.13	4.43	(a)6
7	Energy Credit	Winter Off Peak	2.72	2.83	(a)7
8	Energy Credit	Shoulder Peak	3.58	3.56	(a)8
9	Energy Credit	Shoulder Off Peak	2.79	2.61	(a)9
10					
11	Capacity Credit	Summer PM	0.00	0.21	(b)1
12	Capacity Credit	Winter AM	0.00	0.97	(b)2
13	Capacity Credit	Winter PM	0.00	0.31	(b)3
14					
15	Annualized Energy		3.13	3.14	
16	Annualized Capacity		0.00	0.06	
17	Annualized Total		3.13	3.20	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
18	Energy Credit	Summer Premium Peak	3.45	4.27	(a)1
19	Energy Credit	Summer PM Peak	3.69	4.23	(a)2
20	Energy Credit	Summer Off Peak	2.92	2.71	(a)3
21	Energy Credit	Winter Premium Peak	4.77	5.57	(a)4
22	Energy Credit	Winter AM Peak	4.06	3.98	(a)5
23	Energy Credit	Winter PM Peak	4.03	4.32	(a)6
24	Energy Credit	Winter Off Peak	2.67	2.78	(a)7
25	Energy Credit	Shoulder Peak	3.51	3.49	(a)8
26	Energy Credit	Shoulder Off Peak	2.75	2.58	(a)9
27					
28	Capacity Credit	Summer PM	0.00	0.20	(b)1
29	Capacity Credit	Winter AM	0.00	0.94	(b)2
30	Capacity Credit	Winter PM	0.00	0.30	(b)3
31					
32	Annualized Energy		3.07	3.07	
33	Annualized Capacity		0.00	0.06	
34	Annualized Total		3.07	3.13	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy Hours			Capacity Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	511	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,077	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	125	(c) 5			
Winter PM Peak	311	(c) 6			
Winter Off Peak	1,537	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY CAROLINAS, LLC
Compliance Rates (Annualized)
Certain Hydroelectric Generation without Storage

Performance Adjustment Factor: 2.00

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
1	Energy Credit	Summer Premium Peak	3.58	4.44	(a)1
2	Energy Credit	Summer PM Peak	3.82	4.38	(a)2
3	Energy Credit	Summer Off Peak	2.98	2.76	(a)3
4	Energy Credit	Winter Premium Peak	4.93	5.74	(a)4
5	Energy Credit	Winter AM Peak	4.17	4.08	(a)5
6	Energy Credit	Winter PM Peak	4.13	4.43	(a)6
7	Energy Credit	Winter Off Peak	2.72	2.83	(a)7
8	Energy Credit	Shoulder Peak	3.58	3.56	(a)8
9	Energy Credit	Shoulder Off Peak	2.79	2.61	(a)9
10					
11	Capacity Credit	Summer PM	4.92	5.14	(b)1
12	Capacity Credit	Winter AM	22.84	23.87	(b)2
13	Capacity Credit	Winter PM	7.39	7.72	(b)3
14					
15	Annualized Energy		3.13	3.14	
16	Annualized Capacity		1.39	1.45	
17	Annualized Total		4.52	4.59	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
18	Energy Credit	Summer Premium Peak	3.45	4.27	(a)1
19	Energy Credit	Summer PM Peak	3.69	4.23	(a)2
20	Energy Credit	Summer Off Peak	2.92	2.71	(a)3
21	Energy Credit	Winter Premium Peak	4.77	5.57	(a)4
22	Energy Credit	Winter AM Peak	4.06	3.98	(a)5
23	Energy Credit	Winter PM Peak	4.03	4.32	(a)6
24	Energy Credit	Winter Off Peak	2.67	2.78	(a)7
25	Energy Credit	Shoulder Peak	3.51	3.49	(a)8
26	Energy Credit	Shoulder Off Peak	2.75	2.58	(a)9
27					
28	Capacity Credit	Summer PM	4.78	5.00	(b)1
29	Capacity Credit	Winter AM	22.23	23.23	(b)2
30	Capacity Credit	Winter PM	7.19	7.52	(b)3
31					
32	Annualized Energy		3.07	3.07	
33	Annualized Capacity		1.35	1.42	
34	Annualized Total		4.42	4.49	

Note: For hydroelectric generation without storage where the Qualifying Facility renews a Purchased Power Agreement that was in effect as of J Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy			Capacity	
	Hours			Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	511	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,077	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	125	(c) 5			
Winter PM Peak	311	(c) 6			
Winter Off Peak	1,537	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY CAROLINAS, LLC
Compliance Rates (Annualized)
All Other Hydroelectric Generation without Storage

Performance Adjustment Factor: 2.00

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
1	Energy Credit	Summer Premium Peak	3.58	4.44	(a)1
2	Energy Credit	Summer PM Peak	3.82	4.38	(a)2
3	Energy Credit	Summer Off Peak	2.98	2.76	(a)3
4	Energy Credit	Winter Premium Peak	4.93	5.74	(a)4
5	Energy Credit	Winter AM Peak	4.17	4.08	(a)5
6	Energy Credit	Winter PM Peak	4.13	4.43	(a)6
7	Energy Credit	Winter Off Peak	2.72	2.83	(a)7
8	Energy Credit	Shoulder Peak	3.58	3.56	(a)8
9	Energy Credit	Shoulder Off Peak	2.79	2.61	(a)9
10					
11	Capacity Credit	Summer PM	0.00	0.40	(b)1
12	Capacity Credit	Winter AM	0.00	1.84	(b)2
13	Capacity Credit	Winter PM	0.00	0.60	(b)3
14					
15	Annualized Energy		3.13	3.14	
16	Annualized Capacity		0.00	0.11	
17	Annualized Total		3.13	3.25	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
18	Energy Credit	Summer Premium Peak	3.45	4.27	(a)1
19	Energy Credit	Summer PM Peak	3.69	4.23	(a)2
20	Energy Credit	Summer Off Peak	2.92	2.71	(a)3
21	Energy Credit	Winter Premium Peak	4.77	5.57	(a)4
22	Energy Credit	Winter AM Peak	4.06	3.98	(a)5
23	Energy Credit	Winter PM Peak	4.03	4.32	(a)6
24	Energy Credit	Winter Off Peak	2.67	2.78	(a)7
25	Energy Credit	Shoulder Peak	3.51	3.49	(a)8
26	Energy Credit	Shoulder Off Peak	2.75	2.58	(a)9
27					
28	Capacity Credit	Summer PM	0.00	0.39	(b)1
29	Capacity Credit	Winter AM	0.00	1.79	(b)2
30	Capacity Credit	Winter PM	0.00	0.58	(b)3
31					
32	Annualized Energy		3.07	3.07	
33	Annualized Capacity		0.00	0.11	
34	Annualized Total		3.07	3.18	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy			Capacity	
	Hours			Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	511	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,077	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	125	(c) 5			
Winter PM Peak	311	(c) 6			
Winter Off Peak	1,537	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

Attachment H

Duke Energy Progress, LLC

Annualized Public Report

DUKE ENERGY PROGRESS, LLC
 Compliance Rates (Annualized)
Uncontrolled Solar Generation

Performance Adjustment Factor: 1.05

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
1	Energy Credit	Summer Premium Peak	4.19	3.77	(a)1
2	Energy Credit	Summer PM Peak	3.16	3.26	(a)2
3	Energy Credit	Summer Off Peak	2.83	2.74	(a)3
4	Energy Credit	Winter Premium Peak	4.19	4.65	(a)4
5	Energy Credit	Winter AM Peak	3.42	3.25	(a)5
6	Energy Credit	Winter PM Peak	3.37	3.66	(a)6
7	Energy Credit	Winter Off Peak	2.66	2.64	(a)7
8	Energy Credit	Shoulder Peak	3.12	2.97	(a)8
9	Energy Credit	Shoulder Off Peak	2.49	2.21	(a)9
10					
11	Capacity Credit	Summer PM	0.00	0.00	(b)1
12	Capacity Credit	Winter AM	5.82	10.92	(b)2
13	Capacity Credit	Winter PM	2.49	4.68	(b)3
14					
15	Annualized Energy		2.87	2.74	
16	Annualized Capacity		0.34	0.65	
17	Annualized Total		3.21	3.39	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
			Cents per KWH	Cents per KWH	
18	Energy Credit	Summer Premium Peak	4.07	3.66	(a)1
19	Energy Credit	Summer PM Peak	3.07	3.17	(a)2
20	Energy Credit	Summer Off Peak	2.79	2.70	(a)3
21	Energy Credit	Winter Premium Peak	4.08	4.53	(a)4
22	Energy Credit	Winter AM Peak	3.35	3.20	(a)5
23	Energy Credit	Winter PM Peak	3.31	3.58	(a)6
24	Energy Credit	Winter Off Peak	2.62	2.60	(a)7
25	Energy Credit	Shoulder Peak	3.07	2.93	(a)8
26	Energy Credit	Shoulder Off Peak	2.47	2.19	(a)9
27					
28	Capacity Credit	Summer PM	0.00	0.00	(b)1
29	Capacity Credit	Winter AM	5.71	10.72	(b)2
30	Capacity Credit	Winter PM	2.45	4.59	(b)3
31					
32	Annualized Energy		2.83	2.70	
33	Annualized Capacity		0.34	0.63	
34	Annualized Total		3.17	3.33	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy			Capacity	
	Hours			Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	341	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,247	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	249	(c) 5			
Winter PM Peak	249	(c) 6			
Winter Off Peak	1,475	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY PROGRESS, LLC
 Compliance Rates (Annualized)
Swine or Poultry Waste Generation

Performance Adjustment Factor: 1.05

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed		
			Rate	Long-Term Rates		
			Cents per KWH	10 Years		
			Cents per KWH	Cents per KWH		
1	Energy Credit	Summer Premium Peak	4.43	4.01		(a)1
2	Energy Credit	Summer PM Peak	3.40	3.50		(a)2
3	Energy Credit	Summer Off Peak	3.07	2.98		(a)3
4	Energy Credit	Winter Premium Peak	4.43	4.89		(a)4
5	Energy Credit	Winter AM Peak	3.66	3.49		(a)5
6	Energy Credit	Winter PM Peak	3.61	3.90		(a)6
7	Energy Credit	Winter Off Peak	2.90	2.88		(a)7
8	Energy Credit	Shoulder Peak	3.36	3.21		(a)8
9	Energy Credit	Shoulder Off Peak	2.73	2.45		(a)9
10						
11	Capacity Credit	Summer PM	0.00	0.00		(b)1
12	Capacity Credit	Winter AM	11.95	12.50		(b)2
13	Capacity Credit	Winter PM	5.12	5.36		(b)3
14						
15	Annualized Energy		3.11	2.98		
16	Annualized Capacity		0.71	0.74		
17	Annualized Total		3.82	3.72		

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed		
			Rate	Long-Term Rates		
			Cents per KWH	10 Years		
			Cents per KWH	Cents per KWH		
18	Energy Credit	Summer Premium Peak	4.31	3.90		(a)1
19	Energy Credit	Summer PM Peak	3.31	3.41		(a)2
20	Energy Credit	Summer Off Peak	3.03	2.94		(a)3
21	Energy Credit	Winter Premium Peak	4.32	4.77		(a)4
22	Energy Credit	Winter AM Peak	3.59	3.44		(a)5
23	Energy Credit	Winter PM Peak	3.55	3.82		(a)6
24	Energy Credit	Winter Off Peak	2.86	2.84		(a)7
25	Energy Credit	Shoulder Peak	3.31	3.17		(a)8
26	Energy Credit	Shoulder Off Peak	2.71	2.43		(a)9
27						
28	Capacity Credit	Summer PM	0.00	0.00		(b)1
29	Capacity Credit	Winter AM	11.73	12.26		(b)2
30	Capacity Credit	Winter PM	5.03	5.25		(b)3
31						
32	Annualized Energy		3.07	2.94		
33	Annualized Capacity		0.69	0.73		
34	Annualized Total		3.76	3.67		

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy Hours			Capacity Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	341	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,247	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	249	(c) 5			
Winter PM Peak	249	(c) 6			
Winter Off Peak	1,475	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY PROGRESS, LLC
 Compliance Rates (Annualized)

All but Swine or Poultry Waste Generation, Uncontrolled Solar Generation and Hydroelectric Generation without Storage

Performance Adjustment Factor: 1.05

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
1	Energy Credit	Summer Premium Peak	4.43	4.01	(a)1
2	Energy Credit	Summer PM Peak	3.40	3.50	(a)2
3	Energy Credit	Summer Off Peak	3.07	2.98	(a)3
4	Energy Credit	Winter Premium Peak	4.43	4.89	(a)4
5	Energy Credit	Winter AM Peak	3.66	3.49	(a)5
6	Energy Credit	Winter PM Peak	3.61	3.90	(a)6
7	Energy Credit	Winter Off Peak	2.90	2.88	(a)7
8	Energy Credit	Shoulder Peak	3.36	3.21	(a)8
9	Energy Credit	Shoulder Off Peak	2.73	2.45	(a)9
10					
11	Capacity Credit	Summer PM	0.00	0.00	(b)1
12	Capacity Credit	Winter AM	5.82	10.92	(b)2
13	Capacity Credit	Winter PM	2.49	4.68	(b)3
14					
15	Annualized Energy		3.11	2.98	
16	Annualized Capacity		0.34	0.65	
17	Annualized Total		3.45	3.63	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates	
			Cents per KWH	10 Years	
18	Energy Credit	Summer Premium Peak	4.31	3.90	(a)1
19	Energy Credit	Summer PM Peak	3.31	3.41	(a)2
20	Energy Credit	Summer Off Peak	3.03	2.94	(a)3
21	Energy Credit	Winter Premium Peak	4.32	4.77	(a)4
22	Energy Credit	Winter AM Peak	3.59	3.44	(a)5
23	Energy Credit	Winter PM Peak	3.55	3.82	(a)6
24	Energy Credit	Winter Off Peak	2.86	2.84	(a)7
25	Energy Credit	Shoulder Peak	3.31	3.17	(a)8
26	Energy Credit	Shoulder Off Peak	2.71	2.43	(a)9
27					
28	Capacity Credit	Summer PM	0.00	0.00	(b)1
29	Capacity Credit	Winter AM	5.71	10.72	(b)2
30	Capacity Credit	Winter PM	2.45	4.59	(b)3
31					
32	Annualized Energy		3.07	2.94	
33	Annualized Capacity		0.34	0.63	
34	Annualized Total		3.41	3.57	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy Hours			Capacity Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	341	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,247	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	249	(c) 5			
Winter PM Peak	249	(c) 6			
Winter Off Peak	1,475	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY PROGRESS, LLC
 Compliance Rates (Annualized)
Certain Hydroelectric Generation without Storage

Performance Adjustment Factor: 2.00

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates 10 Years	
			Cents per KWH	Cents per KWH	
1	Energy Credit	Summer Premium Peak	4.43	4.01	(a)1
2	Energy Credit	Summer PM Peak	3.40	3.50	(a)2
3	Energy Credit	Summer Off Peak	3.07	2.98	(a)3
4	Energy Credit	Winter Premium Peak	4.43	4.89	(a)4
5	Energy Credit	Winter AM Peak	3.66	3.49	(a)5
6	Energy Credit	Winter PM Peak	3.61	3.90	(a)6
7	Energy Credit	Winter Off Peak	2.90	2.88	(a)7
8	Energy Credit	Shoulder Peak	3.36	3.21	(a)8
9	Energy Credit	Shoulder Off Peak	2.73	2.45	(a)9
10					
11	Capacity Credit	Summer PM	0.00	0.00	(b)1
12	Capacity Credit	Winter AM	22.77	23.81	(b)2
13	Capacity Credit	Winter PM	9.76	10.20	(b)3
14					
15	Annualized Energy		3.11	2.98	
16	Annualized Capacity		1.35	1.41	
17	Annualized Total		4.46	4.39	

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed	
			Rate	Long-Term Rates 10 Years	
			Cents per KWH	Cents per KWH	
18	Energy Credit	Summer Premium Peak	4.31	3.90	(a)1
19	Energy Credit	Summer PM Peak	3.31	3.41	(a)2
20	Energy Credit	Summer Off Peak	3.03	2.94	(a)3
21	Energy Credit	Winter Premium Peak	4.32	4.77	(a)4
22	Energy Credit	Winter AM Peak	3.59	3.44	(a)5
23	Energy Credit	Winter PM Peak	3.55	3.82	(a)6
24	Energy Credit	Winter Off Peak	2.86	2.84	(a)7
25	Energy Credit	Shoulder Peak	3.31	3.17	(a)8
26	Energy Credit	Shoulder Off Peak	2.71	2.43	(a)9
27					
28	Capacity Credit	Summer PM	0.00	0.00	(b)1
29	Capacity Credit	Winter AM	22.34	23.35	(b)2
30	Capacity Credit	Winter PM	9.57	10.01	(b)3
31					
32	Annualized Energy		3.07	2.94	
33	Annualized Capacity		1.32	1.38	
34	Annualized Total		4.39	4.32	

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy Hours			Capacity Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	341	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,247	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	249	(c) 5			
Winter PM Peak	249	(c) 6			
Winter Off Peak	1,475	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			

DUKE ENERGY PROGRESS, LLC
 Compliance Rates (Annualized)
All Other Hydroelectric Generation without Storage

Performance Adjustment Factor: 2.00

INTERCONNECTED TO: DISTRIBUTION SYSTEM

Line No.	Description		Variable	Fixed		
			Rate	Long-Term Rates		
			Cents per KWH	10 Years		
1	Energy Credit	Summer Premium Peak	4.43	4.01	(a)1	
2	Energy Credit	Summer PM Peak	3.40	3.50	(a)2	
3	Energy Credit	Summer Off Peak	3.07	2.98	(a)3	
4	Energy Credit	Winter Premium Peak	4.43	4.89	(a)4	
5	Energy Credit	Winter AM Peak	3.66	3.49	(a)5	
6	Energy Credit	Winter PM Peak	3.61	3.90	(a)6	
7	Energy Credit	Winter Off Peak	2.90	2.88	(a)7	
8	Energy Credit	Shoulder Peak	3.36	3.21	(a)8	
9	Energy Credit	Shoulder Off Peak	2.73	2.45	(a)9	
10						
11	Capacity Credit	Summer PM	0.00	0.00	(b)1	
12	Capacity Credit	Winter AM	11.08	20.81	(b)2	
13	Capacity Credit	Winter PM	4.75	8.92	(b)3	
14						
15	Annualized Energy		3.11	2.98		
16	Annualized Capacity		0.66	1.23		
17	Annualized Total		3.77	4.21		

INTERCONNECTED TO: TRANSMISSION SYSTEM

Line No.	Description		Variable	Fixed		
			Rate	Long-Term Rates		
			Cents per KWH	10 Years		
18	Energy Credit	Summer Premium Peak	4.31	3.90	(a)1	
19	Energy Credit	Summer PM Peak	3.31	3.41	(a)2	
20	Energy Credit	Summer Off Peak	3.03	2.94	(a)3	
21	Energy Credit	Winter Premium Peak	4.32	4.77	(a)4	
22	Energy Credit	Winter AM Peak	3.59	3.44	(a)5	
23	Energy Credit	Winter PM Peak	3.55	3.82	(a)6	
24	Energy Credit	Winter Off Peak	2.86	2.84	(a)7	
25	Energy Credit	Shoulder Peak	3.31	3.17	(a)8	
26	Energy Credit	Shoulder Off Peak	2.71	2.43	(a)9	
27						
28	Capacity Credit	Summer PM	0.00	0.00	(b)1	
29	Capacity Credit	Winter AM	10.87	20.41	(b)2	
30	Capacity Credit	Winter PM	4.66	8.75	(b)3	
31						
32	Annualized Energy		3.07	2.94		
33	Annualized Capacity		0.64	1.21		
34	Annualized Total		3.71	4.15		

NOTE: Calculation of Annualized Numbers

Annualized Energy $((a1 * c1) + (a2 * c2) + (a3 * c3) + (a4 * c4) + (a5 * c5) + (a6 * c6) + (a7 * c7) + (a8 * c8) + (a9 * c9)) / (e)$

Annualized Capacity $((b1 * d1) + (b2 * d2) + (b3 * d3)) / (e)$

Annualized Total (Annualized Energy + Annualized capacity)

	Energy Hours			Capacity Hours	
Summer Premium Peak	341	(c) 1	Summer PM	248	(d)1
Summer PM Peak	341	(c) 2	Winter AM	363	(d)2
Summer Off Peak	2,247	(c) 3	Winter PM	363	(d)3
Winter Premium Peak	187	(c) 4		974	
Winter AM Peak	249	(c) 5			
Winter PM Peak	249	(c) 6			
Winter Off Peak	1,475	(c) 7			
Shoulder Peak	1,158	(c) 8			
Shoulder Off Peak	2,514	(c) 9			
	8,760	(e)			