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January 27, 2023

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**Re: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's
Joint Petition for Approval of Green Source Advantage Choice
Program
Docket Nos. E-7 Sub 1289 and E-2, Sub 1314**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced dockets is Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint Petition for Approval of Green Source Advantage Choice Program for filing in the above-referenced dockets.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Kendrick C. Fentress

Enclosure

c: Parties of Record

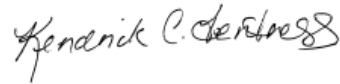
OFFICIAL COPY

Jan 27 2023

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint Petition for Approval of Green Source Advantage Choice Program, in Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, 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 27th day of January, 2023.



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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1314
DOCKET NO. E-7, SUB 1289

In the Matter of:)	
)	
Petition of Duke Energy Progress, LLC,)	DUKE ENERGY PROGRESS,
and Duke Energy Carolinas, LLC,)	LLC AND DUKE ENERGY
Requesting Approval of Green Source)	CAROLINAS, LLC’S JOINT
Advantage Choice Program and Rider GSAC)	PETITION FOR APPROVAL
)	OF GREEN SOURCE
)	ADVANTAGE CHOICE
)	PROGRAM

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (collectively, the “Companies” or “Duke Energy”), and pursuant to Section 5 of Session Law 2021-165 (“HB 951”), respectfully request the Commission to approve the Green Source Advantage Choice (“GSA Choice”) Program tariffs to make available up to 4,000 megawatts (“MW”) of capacity to eligible GSA Choice customers on a first-come, first-served basis, effective upon approval.

The GSA Choice Program is being proposed pursuant to subdivision (iv) of Section 5 of HB 951, which provides that the Commission shall:

[E]stablish a rider for a voluntary program that will allow industrial, commercial, and residential customers who elect to purchase from the electric public utility renewable energy or renewable energy credits, including in any program in which the identified resources are owned by the utility in accordance with sub-subdivision b. of subdivision (2) of Section 1 of this act, to offset their energy consumption, which shall ensure that customers who voluntarily elect to purchase renewable energy or renewable energy credits through such programs bear the full direct and indirect cost of those purchases, and that customers that do not participate in such arrangements are held harmless, and neither advantaged nor

disadvantaged, from the impacts of the renewable energy procured on behalf of the program customer, and no cross-subsidization occurs.

Further, sub-subdivision b. of subdivision (2) of Section 1 of HB 951 states that the ownership requirements for new solar generation, including the requirement that 45% of capacity shall be supplied through purchase power agreements (PPA) and 55% of capacity shall be supplied through utility-owned facilities, is applicable to solar energy facilities procured in connection with any voluntary customer program.

The GSA Choice Program is one of several offerings the Companies will petition the Commission to approve to fulfill HB 951's objective for the Companies to offer voluntary renewable energy customer programs. This program is designed to supplant the current Green Source Advantage Program ("GSA") and GSA Bridge Program, approved in Docket Nos. E-2, Sub 1170, and E-7, Sub 1169 and E-2, Sub 1306, and E-7, Sub 1277, respectively. The Companies are contemporaneously filing for approval of Clean Energy Impact, a Clean Energy Environmental Attributes ("CEEs") purchasing program, and will soon file Clean Energy Connection, a subscription-based program. Unlike GSA Choice, those programs are intended to serve all customers, including residential and small business customers.

In support of the HB 951 voluntary customer renewable program offerings, the Companies engaged a broad group of stakeholders in a series of meetings starting in June 2022. Three stakeholder meetings, comprised of interested customers, solar developers, the Public Staff – North Carolina Utilities Commission ("the Public Staff"), and clean energy advocates, were held between June and August 2022. Additionally, a virtual open stakeholder session was held August 24, 2022. The stakeholder effort was paused during the Carbon Plan proceeding at the request of stakeholders. It resumed with two open

stakeholder sessions held on October 26, 2022 and November 2, 2022. In total, over 200 different stakeholder organizations participated in the stakeholder sessions, including customers, developers, environmental advocates, and other interested stakeholders. The following describes the proposed GSA Choice Program that is designed to meet large commercial and industrial customer expectations for clean energy options, including third party and utility-owned solar on the Companies' systems. The GSA Choice Program as presented incorporates stakeholder feedback.

In addition, in DEP's pending Performance-Based Regulation ("PBR") rate case in Docket No. E-2, Sub 1300, and in DEC's pending PBR rate case in Docket No. E-7, Sub 1276, the Companies have each proposed a Renewables Integration and Encouragement Performance Incentive Mechanism ("PIM"), which consists of three components. The Companies propose that the GSA Choice program be included in the Large Customer Renewable Program Encouragement Metric B, if the PIMs and GSA Choice program are approved by the Commission.

For the reasons set forth herein and based on the goals of HB 951 and stakeholder engagement, the Companies request approval of the GSA Choice Program as presented in the attached tariffs (For DEP, "Appendix B" and for DEC, "Appendix C")

I. Background

Duke Energy Progress, LLC's regional headquarters and general offices are located at 410 South Wilmington Street, Raleigh, North Carolina, and its mailing address is:

Duke Energy Progress, LLC
410 S. Wilmington Street NCRH 20
Raleigh, North Carolina 27602

Duke Energy Carolinas, LLC's general offices are located at 550 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P.O. Box 1321 (DEC 45A)
Charlotte, North Carolina 28202

The name and address of the Companies' attorney is:

Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/ NCRH 20
Raleigh, North Carolina 27602
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Copies of all pleadings, testimony, orders, and correspondence in this proceeding should be served upon the attorneys listed above.

The Companies are engaged in the generation, transmission, distribution, and sale of electricity at retail in the eastern, piedmont, and western portions of North Carolina, and portions of South Carolina. Each Company serves more than 150,000 North Carolina retail customers as of January 1, 2017. The Companies also sell electricity at wholesale to many municipal, cooperative, and investor-owned electric utilities. The Companies are authorized to transact business in the State of North Carolina and are public utilities under the laws of the State of North Carolina. Accordingly, their operations in the State of North Carolina are subject to the jurisdiction of the Commission.

II. GSA Choice

The GSA Choice Program is comprised of a renewable energy offering and an energy storage / other clean energy technology option. A customer that elects the renewable energy offering then has the option to elect to enroll in the energy storage/ other clean

energy technology option. As discussed more fully below, the Companies' GSA Choice Program would allow large-load customers, typically industrial customers, to contract with the Companies to provide locally-sourced Clean Energy Environmental Attributes ("CEEAs"),¹ generated from both utility-owned generation assets and third-party-owned generation assets that have a purchase power agreement ("PPA") with either DEC or DEP, or through a three-party agreement between one of the Companies, a renewable developer and the customer in the same manner as the legacy GSA Program. The CEEAs will be sourced from up to 2,200 MWs of utility-owned generation and up to 1,800 MWs of third-party-owned generation assets that have either entered into a two-party PPA with one of the Companies, and/or a three-party GSA Facility PPA ("GSA Facility") with one of the Companies, a Renewable Supplier (the developer of the GSA Facility), and an Eligible GSA Choice Customer. The utility-owned renewable energy facilities and the two-party PPAs with one of the Companies are collectively referred to in this Petition as "Available Renewable Energy Resources."

The energy storage or other clean energy technology option, discussed below, would allow customers to virtually time-align their energy usage with renewable or clean energy output from a combination of utility-owned renewable generation and energy storage or other clean energy resources. The program capacity will be sourced from a portion of the renewable resources that the Companies contract to either own or purchase as part of the renewable procurement processes each Company conducts each year. Initially this program capacity will be from solar resources approved as part of the 2022 through

¹ Clean Energy Environmental Attribute or CEEA means a Renewable Energy Certificate ("REC") as defined by N.C. Gen Stat. § 62-133.8(a)(6) bundled with the carbon emission reduction attribute associated with the generation, as tracked by the Companies and described further herein.

2024 solar procurements, but program capacity may include wind resources at such time the Companies procure wind resources. In addition, any projects brought forth by customers for the three-party arrangement will be included as they are executed.

With the results of each procurement process, the Companies will designate the amounts and type of renewable capacity that will be made available in GSA Choice as Available Renewable Energy Resources.² Customers will be responsible for bringing forth any GSA Facility which, upon execution, would count towards the program capacity and be considered as part of the baseline analysis in Integrated Resource and Carbon Planning processes. The Companies envision it may take 10 or more years to fully source the designated capacity available under the Program as the Companies procure renewable resources over that time.

The Companies propose that the GSA Facility PPA capacity will be limited to no more than 250 megawatts (“MW”) in any given calendar year, which will be available on a first come, first served basis for projects with an executed contract. Any GSA Facility PPAs will reduce the size of future procurements to ensure ultimate alignment with resources selected in the most recent Carbon Plan Order and subsequent biennial combined Carbon Plan and Integrated Resource Plans (“CPIRP”) approved by the Commission. The Company may reduce GSA Facility PPA annual allocations of solar or solar plus storage if the most recent CPIRP does not call for uncontrolled resources of that technology.

A. GSA Choice: Non-Energy Storage Option

Under the GSA Choice Program’s renewable offering, the Companies would offer CEEAs to large nonresidential customers that are “locally-sourced,” meaning that these

² In addition, to the extent applicable, the Companies will also designate available capacity to other approved customer renewable programs from the same renewable resource procurement processes.

CEEAs would be sourced from resources located within the Companies' balancing authority areas. While RECs³ are already available for purchase on the open market, the Companies have received feedback from customers and other stakeholders that locally-sourced RECs and associated environmental attributes, *i.e.*, those produced on the system, are preferred. To ensure that the emission reductions do not escape the system, the Companies will retire the CEEAs and document the retirement of carbon emission reduction attributes on behalf of the participating customer in the customer's name.⁴

The Program will be available to customers with (i) a Maximum Annual Peak Demand of at least 1 MW or (ii) an aggregated Maximum Annual Peak Demand at multiple service locations in the DEC or DEP North Carolina service territories of at least 5 MW.⁵ These threshold limits are designed to match the Program to the needs of high energy users with sustainability needs. Customers may subscribe up to 100% of their energy consumption, subject to capacity availability, and the Program would be available to customers for term lengths of 5, 10, 15, and 20 years.⁶ Participating customers will pay a \$2,000 nonrefundable application fee to defray the application costs associated with the Program, which includes application review and contract execution. The Companies propose to make the Program available across both the DEP and DEC North Carolina service territories on a first-come, first-served basis.⁷

³ The Companies are referring to RECs that are available for sale on the market, which typically include carbon reduction emission attributes and are distinct from RECs used for compliance with the North Carolina Renewable Energy/Energy Efficiency Portfolio Standard ("REPS").

⁴ This process is similar to that described in the Companies' Joint Petition for Approval of Clean Energy Impact Program, filed contemporaneously with this Joint Petition.

⁵ The eligibility requirements are consistent with legacy GSA and GSA Bridge programs.

⁶ The customer may determine this amount, taking into consideration the Company's baseline carbon-free energy and time-alignment of the carbon-free energy on the Companies' respective systems.

⁷ If a legal, regulatory, or other requirement warrants the retention of Clean Energy Environmental Attributes (or any portion thereof) by the Companies, then the Companies may limit customers' participation in or terminate the program.

Under the GSA Choice Program, customers who select the Available Renewable Energy Resources option would pay an amount computed under the customer's primary rate schedule and any other applicable riders, plus the sum of (1) a CEEA charge, which will be based on market rates for such attributes or their equivalents at the time of execution of the customer agreement (factoring in the specified contract term) and (2) the GSA Choice administrative fee, which shall not exceed 20% of the cost of the CEEAs.⁸

As is typical with the sale of RECs, customers can lock-in a specific charge for the CEEAs at the time of the customer's enrollment based upon market price and the term of the agreement. The administrative fee will be reviewed annually to evaluate whether fees collected match the administrative expenses. If fees do not match, an adjustment to the administrative fee will be implemented the following year. If a customer defaults on their agreed-upon contract, the Companies will work to resell the CEEAs to other interested customers at that time based on the then-current market value of CEEAs based on a national voluntary market REC price, which typically includes the environmental attribute.

Under the GSA Choice Program, customers who select the GSA Facility PPA⁹ option would pay an amount computed under the GSA Choice Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Choice Product Charge, (2) the GSA Choice Bill Credit, and (3) the GSA Choice Administrative Charge.

The GSA Choice Product Charge is equal to the price negotiated between the Customer and the Renewable Supplier ("Negotiated Price"). The monthly GSA Choice

⁸ By way of example, REC market prices (which include the carbon emission reduction attribute) as of the date of this Application are not expected to be lower than \$0.001 per kWh or higher than \$0.015 per kWh.

⁹ A GSA Facility PPA arrangement could be a solar plus storage facility negotiated between the customer and the developer.

Product Charge will be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

To date, the GSA Bill Credit was established to be either an avoided cost bill credit of two or five years, or an hourly rate bill credit. In this Petition, the Companies propose to add a 10-year avoided cost bill credit option as part of the GSA Choice Program. The 10-year avoided cost option is approved as part of the GSA program in South Carolina, and the Companies believe this approach would provide another customer option while still holding non-participating customers harmless. The tariff specifies that the 10-year avoided cost option for a GSA Facility PPA will be limited to the lower of the 10-year avoided cost credit or the median clearing price of the most recent renewable energy procurement for a similar resource technology, e.g., for a solar facility that enters into a GSA Choice Facility PPA. A similar resource technology would be a solar resource procured in the PPA track of the most recent solar procurement. The Companies include this protection to ensure non-participating customers are held harmless, and it applies to the initial option choice by the GSA Choice Customer and any subsequent refresh.

With this additional option, the GSA Choice Bill Credit will be elected by the Customer and designated in the GSA Choice Service Agreement, to be either (1) the avoided cost bill credit (“Administratively Established Avoided Cost Bill Credit”) or (2) the hourly rate bill credit (“Hourly Marginal Avoided Cost Bill Credit”).

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms divisible by 2 years); 5 years (for contract terms divisible by 5 years); or 10 years

(for contract terms of 10 years or 20 years). In the case of GSA Facility PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Choice Customer, the Avoided Cost Bill Credit will be recalculated at the end of the initial term using the then-approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Choice Service Agreement as the applicable bill credit, the Monthly GSA Choice Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges)

- i. Hourly Energy Charge = Expected marginal production cost, and other directly-related costs
- ii. Rationing Charge = marginal capacity cost during hours with generation constraint
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Choice Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month.

The GSA Choice Administrative Charge for the monthly administrative process will be \$375 per Customer Account, plus an additional \$50 charge per additional account billed. This amount is unchanged from the legacy GSA program.

B. GSA Choice: Energy Storage or Other Clean Energy Facility Option

The proposed energy storage or other clean energy facility¹⁰ option will assist customers who want to virtually time-align their energy consumption with renewable or clean energy output by shifting solar energy produced during daylight hours to non-daylight hours.¹¹ This option reflects the evolving needs of customers, some of whom wish to not only offset their consumption of electricity with renewable energy, but also to virtually align their usage with renewably-produced or clean power in real time. As explained below, the Companies will, however, retain operational control over the storage or other clean energy facilities to serve system needs and ensure maximum value is being delivered to the system.

The option will be made available to customers with (i) a Maximum Annual Peak Demand of at least 15 MW or (ii) an aggregated Maximum Annual Peak Demand at multiple service locations in the DEC or DEP North Carolina service territories of at least 30 MW per North Carolina service territory. These customers can elect to partner with the Companies on a grid-scale energy storage or other clean energy facility (or a portion of such facility) owned and operated by the Companies. Stated simply, the energy storage or other clean energy facility will be used in two distinct ways—as an asset serving all customers and as an asset allowing the participating customer to virtually align renewable or clean energy generation with their actual usage profile. Consistent with this dual use, the cost of the energy storage or other clean energy technology will be shared

¹⁰ Other clean energy technology could include any carbon-free resource option that becomes available in the future. For example, a dispatchable resource fueled by hydrogen would qualify.

¹¹ The specific operational characteristics will be specified in a separate contractual agreement between DEC or DEP, as applicable, and the customer.

proportionately between the Companies and the participating customer, with the Companies (and non-participating customers) being responsible for the costs of the storage or other clean energy technology attributable to the usage by the Companies for system needs—since that value is available to the Companies’ customers at large—while the participating customer is responsible for all other costs. The customer may elect to pay for their portion of the energy storage or other clean energy technology cost as an up-front Contribution-In-Aid-of-Construction or be billed over time through a levelized demand charge payment, which will be based on the customer’s specific proportionate share of costs.

Under the proposed program structure, the Companies will retain physical operational control over the energy storage or other clean energy technology facilities and will have the right to use the resources for system needs. This will ensure that the storage or other clean energy resource creates benefits that are available to both participants and non-participants commensurate with the financial contribution of each. The Companies will make available any agreements executed under this provision for review by the Public Staff to ensure non-participants are held harmless. An illustrative example of a use case with energy storage is attached hereto as Appendix A.

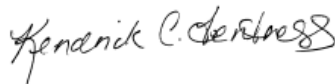
C. Accounting for CEEAs and Grid-Supplied Carbon-Free Energy

The Companies intend to develop tracking and reporting tools for CEEAs and will work with interested stakeholders to establish an hourly accounting and reporting system that would allow the Companies to demonstrate the: 1) aggregate system level impact; 2) hourly operations of clean energy on the Companies’ respective systems; 3) an individual assessment for customers participating in the GSA Choice program; and 4) the baseline

level of clean energy for non-participants and customers seeking to build on that baseline level of clean energy. This effort will help create certainty to ensure there is no double counting of environmental claims and, to the extent necessary, will include hourly detail of the Companies' carbon-free energy supplied to the system

WHEREFORE, the Companies respectfully request that the Commission issue an order (1) approving the Companies' GSA Choice Program; (2) approving DEP's and DEC's respective Rider GSA tariffs, attached hereto as Appendices B and C, respectively, as reasonable and appropriate for implementing the Rider GSA Program; and (3) granting such other and further relief as the Commission deems just and reasonable and in furtherance of the public interest

Respectfully submitted this 27th day of January, 2023.



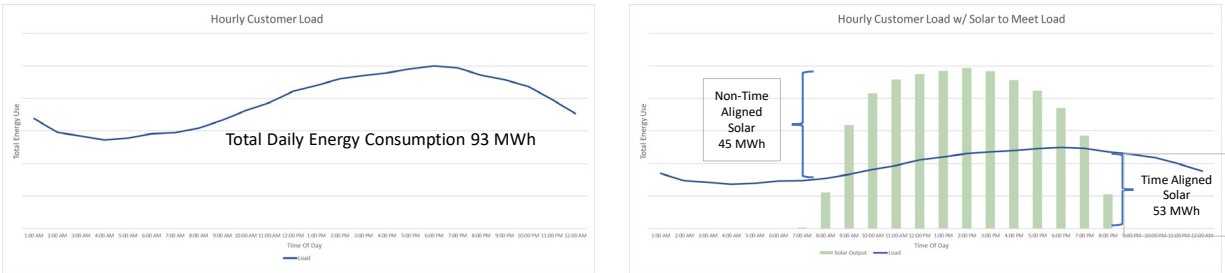
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*ATTORNEY FOR DUKE ENERGY PROGRESS,
LLC AND DUKE ENERGY CAROLINAS, LLC*

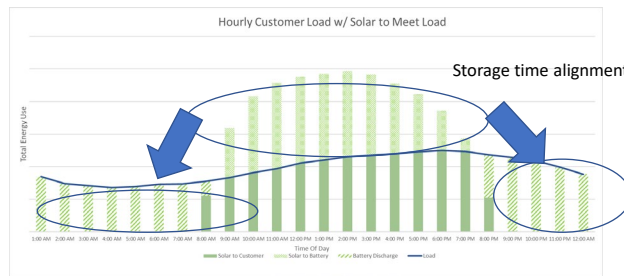
Use Case Scenario for Energy Storage Option

This illustrative example shows how the energy storage option concept would work with a participating customer who had a desire to more precisely time-align the renewable energy they have contracted for under the program with their actual energy consumption. For ease of illustration, this use case assumes a hypothetical high load factor customer with consistent loads across seasons. The example below also illustrates how the solar production varies across the seasons with higher energy production in the summer and lower energy production in the winter. The summer case illustrates the optimal sizing of solar vs load for summer and the winter case illustrates the optimal sizing for winter; to develop an optimal annual energy match with the customers load would be somewhere in between. The first two graphs also show hypothetical examples of times where storage may discharge and could be used to provide time-aligned renewable energy, provided it was charged during periods of excess solar energy relative to the participating customer's load.

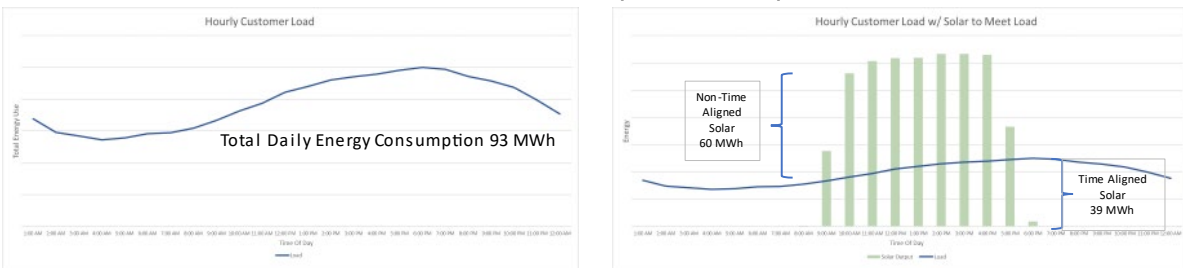
Match Solar to Customer Load – Single Summer Day Example



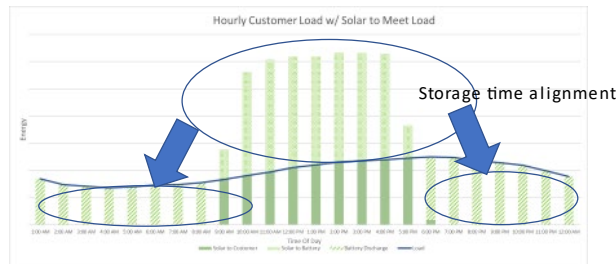
- 5 MW Customer Peak
 - 78% LF
- 11 MW Solar Facility
 - Annual CF 28%
 - Day's CF 35%
- 45 MWh Storage
 - 11.1MW 4hr



Match Solar to Customer Load – Single Winter Day Example



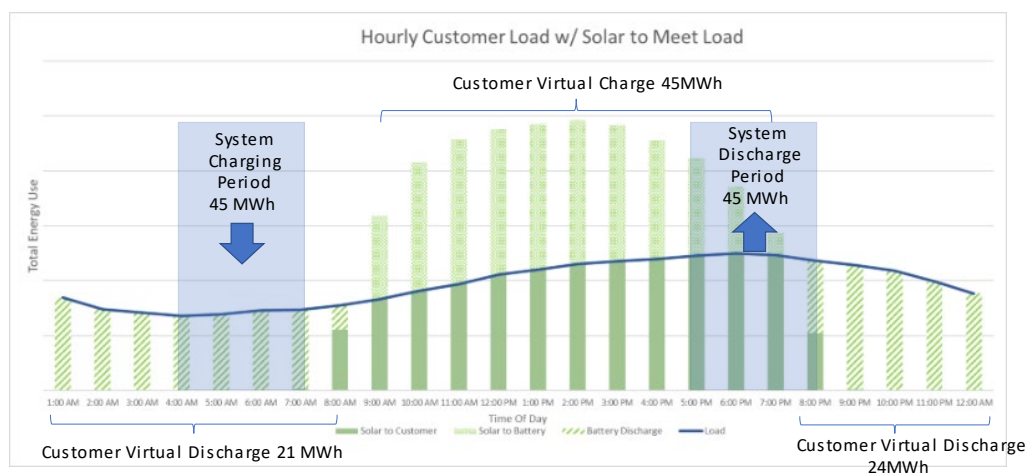
- 5 MW Customer Size
- 22 MW Solar Facility
 - Annual CF 28%
 - Day's CF 19%
- 60 MWh Storage
 - 15MW 4hr



Next, the hypothetical illustration below shows an energy storage use case on the Companies' system as an overlay to the renewable energy production and the storage discharge times to see if there is alignment in charging and discharging periods between system operations

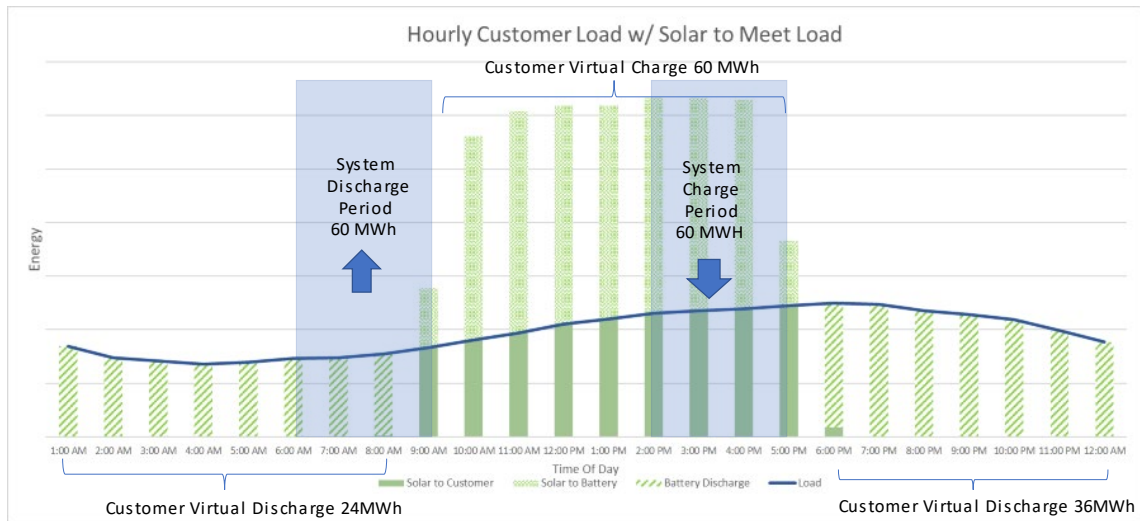
and desired customer time shifting. In the summer example, the charging case takes place during non-solar hours, and the discharge occurs over some solar and non-solar hours. Since the storage charging does not align with the customer's solar virtual charging energy that is available, there is no virtual time-aligned benefit for the customer available in this use case scenario.

Physical System BESS Operation vs Virtual Customer Operation (Summer Example)



Next, a hypothetical winter use case is examined, where the storage charging occurs in the afternoon hours that predominantly include the ability to charge the storage with excess solar energy, and the discharge occurs in the early morning hours prior to solar energy production being available. The winter use case illustrates an improvement in the time alignment of renewable energy for the customer.

Physical System BESS Operation vs Virtual Customer Operation (Winter Example)



Under this use case scenario, the operation of the energy storage is solely aligned with how DEC and DEP would operate the device for its system dispatch needs. In this case, the customer would be responsible for a nominal fixed cost fee and the energy charge and discharge hourly pricing described in the tariff. While more complex capability does not exist today, in the future, the energy storage or other clean energy technology could provide additional flexibility through modified operations. For example, a storage device could be discharged at a lower capacity over more hours. As a result, there may be an economic impact from sub-optimal storage dispatch. The participating customer would need to be fully responsible for any incremental cost resulting from a change, and that would be reflected in additional fixed costs allocated to the participant to ensure there is no harm to non-participating customers.

GREEN SOURCE ADVANTAGE CHOICE
RIDER GSAC-1AVAILABILITY

This Green Source Advantage Choice Program (“GSA Choice” or “Program”) is available to Duke Energy Progress, LLC’s (“DEP” or the “Company”) nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer’s behalf pursuant to the terms of the GSA Choice Program, as approved by the North Carolina Utilities Commission. Eligibility for the Program is limited to nonresidential customers with a minimum Maximum Annual Peak Demand of 1 MW or an aggregated Maximum Annual Peak Demand at multiple service locations in the Company’s service territory of 5 MW (collectively, “Eligible GSA Choice Customer” or “Customer”). The Program is also limited to a combined total of up to 4,000 MW of renewable energy facilities between the DEP and Duke Energy Carolinas, LLC (“DEC”) service territories (“Maximum GSA Choice Program Capacity”). The Maximum GSA Choice Program Capacity may not exceed 2,200 MW of DEP-owned or DEC-owned renewable energy facilities and 1,800 MW of renewable energy facilities developed by third parties that have either entered into a two-party Power Purchase Agreement (“PPA”) with either the DEP or DEC or a three-party GSA Facility PPA (“GSA Facility”) with the project developer, DEC or DEP, and an Eligible GSA Choice Customer. The DEC-owned or DEP-owned renewable energy facilities and the two-party PPAs with either the DEC or DEP are collectively referred to as “Available Renewable Energy Resources.” On an annual basis, DEP will determine the annual allocation of the Maximum GSA Choice Program Capacity available under this tariff, to be offered to Eligible GSA Choice Customers on a first-come, first-served basis. GSA Facility PPA capacity will be limited to up to 250 MW total between DEP and DEC service territories in any given calendar year and the annual amount available will be determined as part of the annual allocation process.

Eligible GSA Choice Customers with (i) Maximum Annual Peak Demand of 15 MW at a single service location or (ii) an aggregated Maximum Annual Peak Demand at multiple service locations in the DEP service territory of 30 MW, may optionally partner with the Company on all or a portion of a grid-scale energy storage or other clean energy technology facility, owned and operated by the Company, located anywhere on the Company’s electric grid.

DIRECTED PROCUREMENT OF GSA CHOICE FACILITIES

The Program allows Eligible GSA Choice Customers to direct the Company to procure renewable energy that will be used to supply all customers and allows the Customer to obtain the “Clean Energy Environmental Attributes” (which comprise carbon emission reduction attributes and Renewable Energy Certificates (“RECs”), as defined in N.C. Gen. Stat. § 62-133.8(a)(6), associated with the renewable energy resources) generated by Available Renewable Energy Resources or a GSA Facility. The Available Renewable Energy Resources and GSA Facility must be a renewable energy facility commences service after approval of this tariff and located in the Company’s service territory in either North Carolina or South Carolina with supply that will be used to serve all customers.

Customers seeking to participate in the Program shall have the option to either (1) request the Company provide Clean Energy Environmental Attributes through an Available Renewable Energy Resource or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a PPA (“GSA Facility PPA”) with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. The GSA Facility must be 80 MW AC or less, including any capacity from storage paired with the generation resource. The GSA Facility must have submitted an Interconnection request into the Definitive Interconnection System Impact Study process, pursuant to the relevant state interconnection procedures. The Customer will negotiate price terms directly with a Renewable Supplier.

Duke Energy Progress, LLC
(North Carolina Only)

APPLICATION PROCESS AND GSA CHOICE SERVICE AGREEMENT

To participate in the GSA Choice Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer's behalf. The Customer may apply for the Company to develop or procure renewable generation capacity that can supply up to 100% of the Customer's total energy consumption at the eligible Customer service location(s) within DEP North Carolina service territory.

The Customer's application will designate its selection to participate through the Available Renewable Energy Resource or a GSA Facility, subject to the availability within the respective Program Capacity MW caps. For Available Renewable Energy Resources designations, the application shall identify the contract term (5, 10, 15 or 20 years) for the Clean Energy Environmental Attributes. For GSA Facility designations, the application shall also identify the requested Bill Credit option and contract term (2, 5, 10, 15 or 20 years for a Customer electing Administratively Established Avoided Cost Bill Credit or any number of years up to the 20-year limit for a Customer electing the Hourly Marginal Avoided Cost Bill Credit).

All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a first-come, first-served basis based upon the date and time of receipt of the Customer's completed application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Choice Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only if the Customer's application is rejected due to insufficient GSA Choice Program Capacity.

A Customer submitting a GSA Facility application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Choice Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Choice Program for the Contract term. The Customer must execute and return the GSA Choice Service Agreement within 90 days of delivery by the Company and, if the Renewable Supplier option is selected, the Renewable Supplier must execute and return the GSA Choice PPA within 90 days of delivery by the Company. Failure to timely execute and return the GSA Choice Service Agreement or GSA Facility PPA will result in termination of the Customer's application and GSA Choice capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA FACILITY PPA RATES AND TERMS

Under the GSA Facility PPA between the Company and the Renewable Supplier, the Company will purchase all energy, capacity, RECs, and environmental attributes. The GSA Facility PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

CLEAN ENERGY ENVIRONMENTAL ATTRIBUTES

The Renewable Supplier is required to register the GSA Facility as a renewable energy facility with the North Carolina Utilities Commission under Commission Rule R8-66 and with the North Carolina Renewable Energy Tracking System ("NC-RETS"). The Renewable Supplier shall transfer all Clean Energy Environmental Attributes to the Company pursuant to the GSA Choice Service Agreement. The Company shall retire the RECs and the carbon emission reduction attributes on behalf of the Customer.

Clean Energy Environmental Attributes made available in the GSA Choice Program are comprised of carbon emission reduction attributes and defined RECs associated with Available Renewable Energy Resources and GSA Facilities. The REC is the renewable nature of the energy delivered. The Clean Energy Environmental Attributes also account for the carbon emission reduction energy delivered. The Company will retire the RECs and document the retirement

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of the carbon emission reduction attributes on the Customer's behalf pursuant to the terms of the GSA Choice Program.¹

MONTHLY RATE

For the Available Renewable Energy Resources option, the GSA Choice Customer shall pay an amount computed under the GSA Choice Customer's primary rate schedule and any other applicable riders plus the sum of (1) a Clean Energy Environmental Attribute charge in the range from a minimum of \$0.001 per kWh up to a maximum of \$0.015 per kWh based upon Clean Energy Environmental Attribute values at the time of the GSA Choice Service Agreement execution factoring in the specified contract term and (2) the GSA Choice administrative fee, which shall not exceed 20% of the cost of the Clean Energy Environmental Attributes. The administrative fee will be reviewed annually beginning 12 months from Program approval to evaluate if fees collected matched the administrative expenses. If fees did not match, an adjustment to the administrative fee will be implemented the following year.

For the GSA Facility PPA option, an amount computed under the GSA Choice Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Choice Product Charge, (2) the GSA Choice Bill Credit, and (3) the GSA Choice Administrative Charge.

1. GSA Choice Product Charge – The GSA Choice Product Charge shall be equal to the price negotiated between the Customer and the Renewable Supplier ("Negotiated Price"). The monthly GSA Choice Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Choice Facility in the prior billing month.

GSA Choice Bill Credit – The GSA Choice Bill Credit shall, as elected by the Customer and designated in the GSA Choice Service Agreement, be either (1) the avoided cost bill credit ("Administratively Established Avoided Cost Bill Credit") or (2) the hourly rate bill credit ("Hourly Marginal Avoided Cost Bill Credit").

Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms divisible by 2 years); 5 years (for contract terms divisible by 5 years); or 10 years² (for contract terms of 10 years or 20 years). In the case of GSA Choice PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Choice Customer, the Avoided Cost Bill Credit will be recalculated at the end of the initial term using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Choice Service Agreement as the applicable bill credit, the Monthly GSA Choice Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Choice Facility in the prior billing month.

Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

$$\text{Hourly Rate} = \text{MENERGY} + \text{CAP}$$

where:

¹ Subject to considerations for changes in law or other circumstances, if a qualified Customer pays an Administrative Charge and contractually commits to verifiably not further transfer, and to retire, the Clean Energy Environmental Attributes on Company's generation system, and indemnifies Company for any Customer transfer or non-retirement, Company can transfer Clean Energy Environmental Attributes to the qualified Customer.

² The 10-year avoided cost bill credit option will be limited to the lower of the 10 -year avoided cost calculation or the median market clearing price of the most recent Company renewable resource procurement PPA results for a similar resource technology.

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

CAP = Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15

The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Choice Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Choice Facility in the applicable hours in the prior billing month.

2. GSA Choice Administrative Charge – The applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed.

OPTIONAL ENERGY STORAGE OR OTHER CLEAN ENERGY TECHNOLOGY RATES AND TERMS

The GSA Choice Customer may optionally partner with the Company on a grid scale battery facility or other clean energy technology³ located anywhere within DEP's electric grid. The specific operational characteristics will be specified in a separate contractual agreement between the Company and the Customer. While the energy storage or other clean energy technology option is intended to permit customers to virtually time-align their energy consumption with renewable energy output, the Company will retain physical operational control over the Program's energy storage or other clean energy technology facilities and will have the right, subject to the terms of the agreement with the participating customer, to use the facilities to serve system needs.

The cost of the energy storage or other clean energy technology will be shared proportionately between the Company and the Customer, where the Company is responsible for the system value and the Customer is responsible for all other cost.

1. The Customer can elect to pay for their portion of the energy storage or other clean energy technology cost as an up-front Contribution in Aid of Construction payment or on their bill over time in a levelized demand charge payment, which will be based on the Customer's specified proportionate share of the costs of the energy storage or other clean energy technology facility.
2. For renewable energy time shifting and price hedging use by the Customer, an Hourly Price plus a \$0.006 per kWh margin and system losses will be used to determine the cost of charging the energy storage, and an Hourly Price will be used to determine the benefit of discharging the energy storage. The charging cost will be a charge and the discharging value will be a credit, effectively netting these two amounts on the Customer's monthly bill. If a particular month results in a negative value, it will be tracked and used to offset charges in subsequent months. However, no monthly bill amount will be less than zero.
3. Hourly Price will be determined consistent with the Hourly Rate noted above, or any successor hourly pricing rate schedule.
4. Other clean energy technology that directly produces clean energy will include a charge for carbon free energy attributes.

GENERAL PROVISIONS

³ Other clean energy technology could include any carbon free resource option that becomes available in the future.

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For the avoidance of doubt, if the GSA Choice Facility fails to produce energy, the Company (1) shall not be liable to the Customer in the event that a Renewable Supplier GSA Choice Facility fails to produce energy as required under a GSA Choice PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation to supply Clean Energy Environmental Attributes, or any other environmental or renewable attribute, to the Customer.

All GSA Choice Facilities shall be system resources and energy produced and delivered by the resources, whether owned by the Company or through a GSA Choice PPA, shall not be directly delivered to the GSA Choice Customer.

The Company retains the right, in its sole discretion, to curtail or limit participation in this Rider, or terminate the Rider in part or in its entirety, in the event of a Change in Law. "Change in Law" means, after the Effective Date of this Program, (i) the enactment, adoption, promulgation, modification, repeal or material change in interpretation by a governmental authority, of any applicable order, law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit (notwithstanding the general requirements contained in any applicable permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), of (iii) a change in any Company rate schedule or tariff approved by any governmental authority which in the case of any of the foregoing, establishes requirements affecting the Company's creation, recognition, transfer, reporting, retirement or any other use of RECs, carbon emission attributes or carbon emission reduction benefits, or other environmental attributes.

Effective for service rendered on and after Date TBD
NCUC Docket No. E-2, Sub 1314

**RIDER GSAC
GREEN SOURCE ADVANTAGE CHOICE**

AVAILABILITY

This Green Source Advantage Choice Program (“GSA Choice” or “Program”) is available to Duke Energy Carolinas, LLC (“DEC” or the “Company”) nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding under outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer’s behalf pursuant to the terms of the GSA Choice Program, as approved by the North Carolina Utilities Commission. Eligibility for the Program is limited to nonresidential customers with a minimum Maximum Annual Peak Demand of 1 MW or an aggregated Maximum Annual Peak Demand at multiple service locations in the Company’s service territory of 5 MW (collectively, “Eligible GSA Choice Customer” or “Customer”). The Program is also limited to a combined total of up to 4,000 MW of renewable energy facilities between DEC and Duke Energy Progress, LLC (“DEP”) service territories (“Maximum GSA Choice Program Capacity”). The Maximum GSA Choice Program Capacity may not exceed 2,200 MW of DEC-owned or DEP-owned renewable energy facilities and 1,800 MW of renewable energy facilities developed by third parties that have either entered into a two-party Power Purchase Agreement (“PPA”) with either the DEC or DEP, or a three-party GSA Facility PPA (“GSA Facility”) with the project developer, DEC or DEP and an Eligible GSA Choice Customer. The DEC-owned or DEP-owned renewable energy facilities and the two-party PPAs with either the DEC or DEP are collectively referred to as “Available Renewable Energy Resources.” On an annual basis, DEC will determine the annual allocation of the Maximum GSA Choice Program Capacity available under this tariff, to be offered to Eligible GSA Choice Customers on a first-come, first-served basis. GSA Facility PPA capacity will be limited to up to 250 MW total between DEP and DEC service territories in any given calendar year, and the annual amount available will be determined as part of the annual allocation process.

Eligible GSA Choice Customers with (i) Maximum Annual Peak Demand of 15 MW at a single service location or (ii) an aggregated Maximum Annual Peak Demand at multiple service locations in the DEC service territory of 30 MW, may optionally partner with the Company on all or a portion of a grid-scale energy storage or other clean energy technology facility, owned and operated by the Company located anywhere on the Company’s electric grid.

DIRECTED PROCUREMENT OF GSA CHOICE FACILITIES

The Program allows Eligible GSA Choice Customers to direct the Company to procure renewable energy that will be used to supply all customers and allows the Customer to obtain the “Clean Energy Environmental Attributes” (which comprise carbon emission reduction attributes and Renewable Energy Certificates (“RECs”), as defined in N.C. Gen. Stat. § 62-133.8(a)(6), associated with the renewable energy resources) generated by Available Renewable Energy Resources or a GSA Facility. The Available Renewable Energy Resources and GSA Facility must be a renewable energy facility commences service after approval of this tariff and located in the Company’s service territory in either North Carolina or South Carolina with supply that will be used to serve all customers.

Customers seeking to participate in the Program shall have the option to either (1) request the Company provide Clean Energy Environmental Attributes through an Available Renewable Energy Resource or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a PPA (“GSA Facility PPA”) with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. The GSA Facility must be 80 MW AC or less, including any capacity from storage paired with the generation resource. The GSA Facility must have submitted an Interconnection request into the Definitive Interconnection System Impact Study process, pursuant to the relevant state interconnection procedures. The Customer will negotiate price terms directly with a Renewable Supplier.

APPLICATION PROCESS AND GSA CHOICE SERVICE AGREEMENT

To participate in the GSA Choice Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer’s behalf. The Customer may apply for the Company to develop or procure renewable generation capacity that can supply up to 100% of the Customer’s total energy consumption at the eligible Customer service location(s) within DEC North Carolina service territory.

The Customer’s application will designate its selection to participate through the Available Renewable Energy Resources or a GSA Facility, subject to the availability within the respective Program Capacity MW caps. For Available Renewable Energy Resources designations, the application shall identify the contract term (5, 10, 15 or 20 years) for the Clean Energy Environmental Attributes. For GSA Facility designations, the application shall also identify the requested Bill Credit option and contract term (2, 5, 10, 15 or

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20 years for a Customer electing Administratively Established Avoided Cost Bill Credit or any number of years up to the 20-year limit for a Customer electing the Hourly Marginal Avoided Cost Bill Credit).

All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a first-come, first-served basis based upon the date and time of receipt of the Customer's completed application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Choice Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only if that the Customer's application is rejected due to insufficient GSA Choice Program Capacity.

A Customer submitting a GSA Facility application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Choice Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Choice Program for the Contract term. The Customer must execute and return the GSA Choice Service Agreement within 90 days of delivery by the Company and, if the Renewable Supplier option is selected, the Renewable Supplier must execute and return the GSA Facility PPA within 90 days of delivery by the Company. Failure to timely execute and return the GSA Choice Service Agreement or GSA Facility PPA will result in termination of the Customer's application and GSA Choice capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA FACILITY PPA RATES AND TERMS

Under the GSA Facility PPA between the Company and the Renewable Supplier, the Company will purchase all energy, capacity, RECs, and environmental attributes. The GSA Facility PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

CLEAN ENERGY ENVIRONMENTAL ATTRIBUTES

The Renewable Supplier is required to register the GSA Facility as a renewable energy facility with the North Carolina Utilities Commission under Commission Rule R8-66 and with the North Carolina Renewable Energy Tracking System ("NC-RETS"). The Renewable Supplier shall transfer all Clean Energy Environmental Attributes to the Company pursuant to the GSA Choice Service Agreement. The Company shall retire the RECs and the carbon emission reduction attributes on behalf of the Customer.

Clean Energy Environmental Attributes made available in the GSA Choice Program are comprised of carbon emission reduction attributes and defined RECs associated with Available Renewable Energy Resources and GSA Facilities. The REC is the renewable nature of the energy delivered. The Clean Energy Environmental Attributes also account for the carbon emission reduction energy delivered. The Company will retire the RECs and document the retirement of the carbon emission reduction attributes on the Customer's behalf pursuant to the terms of the GSA Choice Program.¹

MONTHLY RATE

For the Available Renewable Energy Resources option, the GSA Choice Customer shall pay an amount computed under the GSA Choice Customer's primary rate schedule and any other applicable riders plus the sum of (1) a Clean Energy Environmental Attribute charge in the range from a minimum of \$0.001 per kWh up to a maximum of \$0.015 per kWh based upon Clean Energy Environmental Attribute values at the time of the GSA Choice Service Agreement execution factoring in the specified contract term and (2) the GSA Choice administrative fee, which shall not exceed 20% of the cost of the Clean Energy Environmental Attributes. The administrative fee will be reviewed annually beginning 12 months from Program approval to evaluate if fees

¹ Subject to considerations for changes in law or other circumstances, if a qualified Customer pays an Administrative Charge and contractually commits to verifiably not further transfer, and to retire, the Clean Energy Environmental Attributes on Company's generation system, and indemnifies Company for any Customer transfer or non-retirement, Company can transfer Clean Energy Environmental Attributes to the qualified Customer.

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collected matched the administrative expenses. If fees did not match, an adjustment to the administrative fee will be implemented the following year.

For the GSA Facility PPA option, an amount computed under the GSA Choice Customer’s primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Choice Product Charge, (2) the GSA Choice Bill Credit, and (3) the GSA Choice Administrative Charge.

1. GSA Choice Product Charge – The GSA Choice Product Charge shall be equal to the price negotiated between the Customer and the Renewable Supplier (“Negotiated Price”). The monthly GSA Choice Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Choice Facility in the prior billing month.

GSA Choice Bill Credit – The GSA Choice Bill Credit shall, as elected by the Customer and designated in the GSA Choice Service Agreement, be either (1) the avoided cost bill credit (“Administratively Established Avoided Cost Bill Credit”) or (2) the hourly rate bill credit (“Hourly Marginal Avoided Cost Bill Credit”).

Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms divisible by 2 years); 5 years (for contract terms divisible by 5 years); or 10 years² (for contract terms of 10 years or 20 years). In the case of GSA Choice PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Choice Customer, the Avoided Cost Bill Credit will be recalculated at the end of the initial term using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Choice Service Agreement as the applicable bill credit, the Monthly GSA Choice Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges)

- i. Hourly Energy Charge = Expected marginal production cost, and other directly-related costs
- ii. Rationing Charge = marginal capacity cost during hours with generation constraint
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Choice Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Choice Facility in the applicable hours in the prior billing month.

2. GSA Choice Administrative Charge – The applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed.

OPTIONAL ENERGY STORAGE OR OTHER CLEAN ENERGY TECHNOLOGY RATES AND TERMS

The GSA Choice Customer may optionally partner with the Company on a grid scale battery facility or other clean energy technology³ located anywhere within DEC’s electric grid. The specific operational characteristics will be specified in a separate

² The 10-year avoided cost bill credit option will be limited to the lower of the 10-year avoided cost calculation or the median market clearing price of the most recent Company renewable resource procurement PPA results for a similar resource technology.

³ Other clean energy technology could include any carbon free resource option that becomes available in the future.

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contractual agreement between the Company and the Customer. While the energy storage or other clean energy technology option is intended to permit customers to virtually time-align their energy consumption with renewable or clean energy output, the Company will retain physical operational control over the Program's energy storage or other clean energy technology facilities and will have the exclusive right, subject to the terms of the agreement with the participating customer, to use the facilities to serve system needs.

The cost of the energy storage or other clean energy technology will be shared proportionately between the Company and the Customer, where the Company is responsible for the system value and the Customer is responsible for all other cost.

1. The Customer can elect to pay for their portion of the energy storage or other clean energy technology cost as an up-front Contribution in Aid of Construction payment or on their bill over time in a levelized demand charge payment, which will be based on the Customer's specified proportionate share of the costs of the energy storage or other clean energy technology facility.
2. For renewable energy time shifting and price hedging use by the Customer, an Hourly Price plus the per kWh Incentive Margin designated in Schedule HP and system losses will be used to determine the cost of charging the energy storage, and an Hourly Price will be used to determine the benefit of discharging the energy storage. The charging cost will be a charge and the discharging value will be a credit, effectively netting these two amounts on the Customer's monthly bill. If a particular month results in a negative value, it will be tracked and used to offset charges in subsequent months. However, no monthly bill amount will be less than zero.
3. Hourly Price will be determined consistent with the Hourly Rate noted above, or any successor hourly pricing rate schedule.
4. Other clean energy technology that directly produces clean energy will include a charge for carbon free energy attributes.

GENERAL PROVISIONS

For the avoidance of doubt, if the GSA Choice Facility fails to produce energy, the Company (1) shall not be liable to the Customer in the event that a Renewable Supplier GSA Choice Facility fails to produce energy as required under a GSA Choice PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation to supply Clean Energy Environmental Attributes, or any other environmental or renewable attribute, to the Customer.

All GSA Choice Facilities shall be system resources and energy produced and delivered by the resources, whether owned by the Company or through a GSA Facility PPA, shall not be directly delivered to the GSA Choice Customer.

The Company retains the right, in its sole discretion, to curtail or limit participation in this Rider, or terminate the Rider in part or in its entirety, in the event of a Change in Law. "Change in Law" means, after the Effective Date of this Program, (i) the enactment, adoption, promulgation, modification, repeal or material change in interpretation by a governmental authority, of any applicable order, law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit (notwithstanding the general requirements contained in any applicable permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), of (iii) a change in any Company rate schedule or tariff approved by any governmental authority which in the case of any of the foregoing, establishes requirements affecting the Company's creation, recognition, transfer, reporting, retirement or any other use of RECs, carbon emission attributes or carbon emission reduction benefits, or other environmental attributes.