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November 2, 2020

**VIA Electronic Filing**

Ms. Kimberley A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

**Re: Docket No. E-100, Sub 167  
Biennial Determination of Avoided Cost Rates for Electric Utility  
Purchases from Qualifying Facilities – 2020**

Dear Ms. Campbell:

Pursuant to the North Carolina Utilities Commission's August 13, 2020 *Order Establishing Biennial Proceeding, Requiring Data, and Scheduling Public Hearing* in the above-captioned proceeding, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the "Company"), herein submits its Initial Statement and Exhibits.

Portions of the Company's Initial Statement and Exhibits contain confidential information. Information designated by the Company as confidential qualifies as "trade secrets" under N.C. Gen. Stat. § 66-1 52(3). Public disclosure of this information would allow access by external vendors to the projected or actual costs for services that will be or have been competitively bid, which may provide commercial value to such external vendors and may ultimately result in harm to ratepayers. Pursuant to N.C. Gen. Stat. § 132-1.2, the Company has redacted this confidential information from the public version of the Company's Initial Statement and Exhibits and is contemporaneously filing these confidential pages under seal. The Company will make this information available to other interested parties pursuant to an appropriate nondisclosure agreement.

Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/Andrea R. Kells

Enclosures

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-100, SUB 167

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Biennial Determination of Avoided Cost	)	INITIAL STATEMENT AND
Rates for Electric Utility Purchases from	)	EXHIBITS OF DOMINION
Qualifying Facilities – 2020	)	ENERGY NORTH CAROLINA

NOW COMES Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“DENC” or the “Company”), pursuant to the August 13, 2020 *Order Establishing Biennial Proceeding, Requiring Data, and Scheduling Public Hearing* (“Procedural Order”) and the October 30, 2020 *Order Granting Continuance and Establishing Reporting Requirements* (“Continuance Order”) issued by the North Carolina Utilities Commission (“Commission”) in the above-captioned docket, and submits its Initial Statement and Exhibits relating to the Company’s proposed avoided cost rates and standard avoided cost contract terms and conditions. In support thereof, DENC shows the Commission the following:

**I. Introduction**

The Company’s previously effective avoided cost rates and standard contract terms and conditions were filed on May 15, 2020, in compliance with the Commission’s April 15, 2020 *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* (“Sub 158 Order”), issued in Docket No. E-100, Sub 158 (the “2018 Avoided Cost Case”). In the Sub 158 Order and the Procedural Order, the Commission set forth additional issues to be addressed by DENC, Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC (“Duke” and together with DENC, the “Utilities”) in their initial

filings in this proceeding (“Sub 158 Additional Issues”). In the Continuance Order, the Commission addressed the joint notification and request submitted by the Utilities in this docket on October 20, 2020, acknowledged the Utilities’ intention to submit streamlined 2020 avoided cost filings, and directed that the Utilities address the Sub 158 Additional Issues by November 1, 2021, and make certain other filings in the interim to update the Commission regarding their progress on those issues.

Consistent with the Continuance Order, with this filing, the Company is presenting updated avoided energy and capacity rates under its standard offer rate schedules and making administrative updates to its standard contracts (*i.e.*, to reflect updated effective dates). In addition to updating its standard offer rates, with this filing, DENC is also proposing limited revisions to its standard offer contracts to add provisions to govern energy storage components of proposed QF facilities and presenting a protocol for avoidance of the re-dispatch charge approved in the Sub 158 Order. As directed by the Continuance Order, the Company will address the other Sub 158 Additional Issues and other issues related to avoided cost rates and terms by November 1, 2021, and will comply with the other reporting requirements contained in that order.

## **II. Outline of Initial Statement and Exhibits**

The remainder of the Company’s filing is organized as follows:

Section III discusses the proposed avoided cost rate Schedules 19-FP and 19-LMP. Section III.a addresses the calculation of the avoided energy rates contained in those tariffs, and Section III.b discusses the calculation of the avoided capacity rates contained in the tariffs.

Section IV discusses the Company’s proposed standard avoided cost contracts.

The exhibit to Section V provides the Company's annualized energy rates as required by the Commission's final order in the 2012 avoided cost case, Docket No. E-100, Sub 136.

### **III. Proposed Avoided Cost Rate Schedules**

As in the 2018 Avoided Cost Case, the Company is filing two standard avoided cost rate schedules in this proceeding, Schedule 19-FP and Schedule 19-LMP. As provided in Section I of the Company's proposed Schedule 19-FP and Schedule 19-LMP, and consistent with the Sub 158 Order, these rate schedules are available to any QF eligible for these tariffs that has (a) submitted to the Commission a report of proposed construction pursuant to N.C. Gen. Stat. § 62-110.1 and Rule R8-65, (b) submitted to the Company an Interconnection Request pursuant to Section 2 or Section 3 of the North Carolina Interconnection Procedures ("NCIP"), and (c) submitted to the Company a duly executed "Notice of Commitment to Sell the Output of a Qualifying Facility of No Greater Than 1 Megawatt Maximum Capacity to Dominion Energy North Carolina" (the "LEO Form"), by no later than the date on which proposed rates are filed in the next biennial proceeding after this Docket No. E-100, Sub 167. After the filing of new rates in the subsequent biennial proceeding, the Company will enter into contracts with QFs at the rates, terms and conditions contained in the Schedule 19 rate schedules and contracts proposed in that subsequent proceeding, subject to adjustment in accordance with the Commission's final order in that proceeding. Clean and blacklined copies of Schedule 19-FP are provided at Exhibit DENC-1 and Exhibit DENC-2, and clean and blacklined copies of Schedule 19-LMP are provided at Exhibit DENC-3 and Exhibit DENC-4.<sup>1</sup>

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<sup>1</sup> Exhibits DENC-2 and DENC-4 compare the rate schedules proposed in this filing to those filed in compliance with the Sub 158 Order on May 15, 2020.

**a. Methodology for the Calculation of Avoided Energy Cost Rates**

**i. Price Periods for Schedule 19-FP Energy Rates**

In the Sub 158 Order, the Commission found it appropriate to require the Company to use the rate design agreed upon by DENC and the Public Staff as presented in the rebuttal testimony of Company witness Petrie in calculating avoided energy (and capacity) rates in that proceeding.<sup>2</sup> The Commission found that the revised rate design provided QFs with more granular price signals to incentivize QFs to better match DENC's generation needs.<sup>3</sup> For purposes of calculating energy rates, that rate design comprised nine pricing periods: summer off-peak; summer on-peak; summer premium peak; winter off-peak; winter on-peak am; winter on-peak pm; winter premium peak; and shoulder on- and off-peak periods. The Company has maintained these pricing periods in calculating avoided energy cost rates for purposes of this proceeding.

**ii. Calculation of Schedule 19-FP Energy Rates**

The total avoided energy cost rate reflected in Schedule 19-FP is based on the sum of four components:

- (1) PLEXOS derived avoided energy rates + (2) Congestion Impact + (3) Fuel Hedging Benefit + (4) Re-dispatch costs

Unadjusted Energy Rates from PLEXOS

PLEXOS is a utility production costing model leased from Energy Exemplar that DENC uses to calculate the avoided energy costs contained in Schedule 19-FP. Since the 2018 Avoided Cost Case, the Company moved from using the PROMOD model that it used in previous years to the PLEXOS model. The PLEXOS model incorporates an

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<sup>2</sup> Sub 158 Order at Finding No. 43, p. 98.

<sup>3</sup> *Id.*

8,760 hourly load profile, an improvement from the previously used PROMOD model, which incorporated a “typical week by month” profile. Compared to PROMOD, the dispatch from the PLEXOS model utilizing the short-term (“ST”) module better accounts for dispatch constraints on thermal generating units. Although the production costing model the Company is using has changed, the process for developing the avoided energy costs are the same as in previous filings. The starting point for the analysis is the PLEXOS base case, including the generation expansion plan “B” from the Company’s most recent IRP. This first simulation is referred to as the “without QF” case. The new units in the generation expansion plan are listed in the attached Exhibit DENC-5. A second PLEXOS case, referred to as the “with QF” case, was run with an additional QF resource. The additional QF resource was modeled with the following operating parameters: 100 MW unit, must-run, 85% availability, and zero energy cost. All other assumptions from the base case remained the same. The difference in the annual system production costs between the “with QF” and “without QF” cases represent the Company’s forecasted avoided energy costs.

The input assumptions that are included in this modeling process can be placed into three major categories. The first category includes purchase power assumptions and non-utility generator sources. The Company relies on ICF International, Inc. (“ICF”) to provide an independent forecast of commodity prices, including gas, coal, oil, power, capacity, and emissions. Importantly, the power prices utilized by the PLEXOS model are priced at the PJM Interconnection, L.L.C. (“PJM”) Dominion Zone (“DOM Zone”), which represents the average of all the nodes located in the zone. There is no intra-zonal congestion included in the base energy price forecast. The second category includes

assumptions regarding generating unit operating characteristics. The third category reflects the variable (or dispatch) costs of the generating units (including fuel, variable O&M, and emission and start-up costs). Summary information on these input assumptions is provided in the attached Exhibit DENC-5. The resulting output from PLEXOS was used to calculate the levelized long-term fixed energy rates under Schedule 19-FP for each of the nine pricing periods approved in the Sub 158 Order, as detailed in the attached Exhibit DENC-6.

Regarding the forward commodity prices (for fuels, power, and emission allowances), consistent with past practice, the Company developed the avoided energy cost rates using 18 months of forward market prices, 18 months of blended prices (blend of market and ICF prices), and then ICF prices exclusively starting in month 37 of the forecast period. In the 2018 Avoided Cost Case, the Public Staff found the Company's approach to developing avoided energy cost rates to be reasonable, and the Commission found that the input assumptions used by the Company to determine its avoided energy cost rates were appropriate.<sup>4</sup>

#### Congestion and LMP Impact Adjustment

In the Sub 148 Order,<sup>5</sup> the Commission accepted the Company's proposal to adjust its avoided energy rates to reflect the locational energy value of its North Carolina service area as opposed to the entire DOM Zone. The Commission agreed with the Company that as supply increases, locational marginal prices ("LMPs") decrease, and vice versa, and that the avoided cost of added generation or load reduction is therefore

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<sup>4</sup> Sub 158 Order at Finding No. 45, pgs. 101-102.

<sup>5</sup> *Order Establishing Rates and Contract Terms for Qualifying Facilities*, Docket No. E-100, Sub 148 (Oct. 11, 2017) ("Sub 148 Order").

equal to the LMP at the location where the generation or load reduction occurs. The Commission recognized that as more generation is added to the Company's North Carolina service area, a location that the Commission recognized was already "saturated with narrowly concentrated distributed generation," the congestion and marginal loss components increase, reflecting the cost of enabling this generation to "flow" to locations where it is needed to serve load. The Commission concluded that the significant cost of congestion between the Company's North Carolina nodes and the DOM Zone supported using the LMPs associated with the locations where QFs are generating to correctly calculate avoided cost rates. The Commission therefore concluded that the Company's proposal to adjust its avoided energy rates to account for the lower value of generation in its North Carolina service area, as compared to the DOM Zone overall, was appropriate, and that the adjustment would allow rates to better reflect the Company's actual avoided system energy cost, as required by PURPA and the Federal Energy Regulatory Commission's ("FERC") implementing regulations.<sup>6</sup>

In the Sub 158 Order, based on evidence presented by DENC regarding the continued disparity in LMPs in its service territory, the Commission concluded that DENC's continued inclusion of the historical average congestion differentials for on- and off-peak periods in its calculation of proposed energy costs was appropriate.<sup>7</sup>

Consistent with these findings, the Company has adjusted the avoided energy cost rates proposed in this proceeding to reflect the fact that LMPs in the North Carolina area of its service territory continue to be lower than the LMPs for the DOM Zone. The day-

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<sup>6</sup> *Id.* at 86-87.

<sup>7</sup> Sub 158 Order at 102.



ahead historical LMP differences are summarized in the table below for the hours definitions associated with the Company’s proposed rates.

	Subperiod -->									All hrs
	(S-PP)	(S-On)	(S-Off)	(W-PP)	W-On-AM	W-On-PM	(W-Off)	(Sh-On)	(Sh-Off)	
	1	2	3	4	5	6	7	8	9	
<b>2017</b>										
Average of NC DA LMP	46.20	35.59	24.46	42.21	36.14	36.55	28.73	36.11	25.96	30.56
Average of DOM Zone - LMP	47.57	36.23	24.90	45.83	38.48	38.98	30.44	37.48	26.67	31.69
<b>2018</b>										
Average of NC DA LMP	52.91	39.42	26.45	60.73	51.88	52.28	43.91	44.22	30.73	38.08
Average of DOM Zone - LMP	55.39	40.52	26.90	62.13	53.52	53.88	45.60	46.37	31.65	39.39
<b>2019</b>										
Average of NC DA LMP	39.65	30.47	21.50	37.26	32.52	32.47	25.08	32.55	23.56	27.10
Average of DOM Zone - LMP	40.87	31.31	22.00	38.60	33.51	33.32	25.80	33.64	23.99	27.83
<b>Total Average of NC DA LMP</b>	<b>46.25</b>	<b>35.16</b>	<b>24.14</b>	<b>46.71</b>	<b>40.16</b>	<b>40.41</b>	<b>32.59</b>	<b>37.65</b>	<b>26.74</b>	<b>31.91</b>
<b>Total Average of DOM Zone - LMP</b>	<b>47.94</b>	<b>36.02</b>	<b>24.60</b>	<b>48.81</b>	<b>41.81</b>	<b>42.03</b>	<b>33.96</b>	<b>39.18</b>	<b>27.42</b>	<b>32.97</b>
NC/DOM	96.5%	97.6%	98.1%	95.7%	96.1%	96.1%	96.0%	96.1%	97.5%	96.8%
% diff	-3.5%	-2.4%	-1.9%	-4.3%	-3.9%	-3.9%	-4.0%	-3.9%	-2.5%	-3.2%

This data shows that the LMPs in the North Carolina service area continue to be lower than DOM Zone LMPs. The historical average congestion differentials for each period have been included in the calculation of the Company’s proposed energy rates.

### Fuel Hedging Benefits

In Phase 1 of the 2014 avoided cost case (Docket No. E-100, Sub 140), the Commission determined that it is appropriate to recognize hedging costs that are avoided as a result of energy purchases from QF generation.<sup>8</sup> In Phase 2 of that proceeding, the Commission required the Utilities to utilize the Black-Scholes Model, or a similar model, to determine the fuel price hedging value of renewable generation.<sup>9</sup> For the energy rates that it is proposing in this proceeding, and consistent with its proposals in the 2016 and 2018 Avoided Cost Cases, the Company has used the same Black-Scholes option pricing

<sup>8</sup> *Order Setting Avoided Cost Input Parameters* at 42, Docket No. E-100, Sub 140 (Dec. 31, 2014) (“Parameters Order”).

<sup>9</sup> *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* at 30-31, Docket No. E-100, Sub 140 (Dec. 17, 2015).

method to determine the fuel hedging benefits that was proposed by the Public Staff in its June 22, 2015 Initial Statement in Docket No. E-100, Sub 140. Consistent with that approach, the Company input current Henry Hub gas pricing data into the option pricing model, resulting in a call option value of approximately \$0.2985/mmbtu and a put option value of \$0.2958/mmbtu. The net option price, or difference between the call and put option values, of \$0.0027/mmbtu represents the estimated fuel price hedging benefit. Multiplying the \$0.0027/mmbtu by a gas combined-cycle plant heat rate of 7.0 mmbtu/MWh results in a fuel price hedging value of \$0.02/MWh, which is assumed constant for all years of the Schedule 19-FP contract.

#### Continued Elimination of the Line Loss Adder

In the Sub 148 Order, the Commission approved the Company's proposal to eliminate from its avoided energy rates the 3% adder that had historically been included based on the assumption that distributed generation from QFs would be less than load on interconnected circuits, thus permitting the Company to reduce or eliminate losses arising from centrally-located generation.<sup>10</sup> In the Sub 158 Order, the Commission found that power backflow on substations in DENC's North Carolina service territory from solar generation on the distribution grid continued to increase such that avoided line loss benefits associated with distributed generation have been reduced or negated, and that it was appropriate that the Company continue not to include a line loss adder in its standard avoided cost payments to solar QFs on its distribution network.<sup>11</sup> For purposes of this filing, the Company's avoided energy rates continue to reflect the elimination of the line loss adder.

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<sup>10</sup> Sub 148 Order at Finding No. 18, pgs. 91-93.

<sup>11</sup> Sub 158 Order at Finding Nos. 13-14, pgs. 35-36.

### Protocol for Avoidance of Solar Integration (Re-Dispatch) Charge

In the 2018 Avoided Cost Case, the Company proposed to adjust the avoided energy cost payments to intermittent non-dispatchable QFs to reflect the increase in system supply costs—specifically, re-dispatch costs—caused by these generators. The Commission approved the proposed re-dispatch charge, modified pursuant to the Company’s agreement with the Public Staff to be \$0.78/MWh.<sup>12</sup> The Company is continuing to apply the \$0.78/MWh re-dispatch charge that was approved in the Sub 158 Order for purposes of this filing under Schedule 19-FP.

In the Sub 158 Order, the Commission also directed the Company to file a proposed protocol for avoidance of the re-dispatch charge.<sup>13</sup> The Company proposes that the re-dispatch charge can be reduced to the extent the QF reduces the variability of its output through the use of an energy storage device (“ESD”). The Company defines an ESD as a component of a QF facility that uses energy storage technology, including but not limited to battery storage.

The Company will calculate the reduction in variability as the percent reduction in variability from a case without storage to a case with storage. The output for the case without storage will be the actual metered output of the facility excluding the impact of storage. The output for the case with storage will be the actual metered output for the facility including the impact of storage. Determining the impact of storage will require that the storage device is separately metered.

For each case, on a calendar year basis, the Company will calculate variability as the sum of the hourly absolute output variance from a QF-provided generation forecast.

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<sup>12</sup> Sub 158 Order at 112.

<sup>13</sup> *Id.* at 113.

The percent reduction in variability will be calculated by subtracting the ratio of the variability of the case with storage to the variability of the case without storage from one.

DENC will then calculate a credit to the re-dispatch charge as follows:

(1) the percent reduction

*multiplied by*

(2) the re-dispatch charge rate

*multiplied by*

(3) the total calendar year output (MWh) of the case with storage.

To be eligible for the re-dispatch cost reduction, a QF must provide DENC with an hourly generation output forecast for every hour of the year. For the first year of the contract, the QF must provide the forecast on or before 90 days prior to the facility's commercial operations date ("COD"). For subsequent contract years, the QF may update the forecast on or before 90 days before the start of every calendar year of the contract; if no updated forecast is provided, DENC will utilize the previously provided forecast to calculate the re-dispatch charge reduction credit. Every April, DENC will calculate the re-dispatch cost reduction using the prior calendar year forecast and metered data. DENC will provide the re-dispatch charge reduction as a line item credit with the first payment following the April calculation.

Sample Calculation:

Illustrative example of Redispatch cost reduction for one day:  
Actual calculation will be for one calendar year.

*Case Excluding the Impact of Storage*

		QF Provided Forecast	Actual Generation Output Excluding Impact of Storage	Absolute Variance Excluding Impact of Storage
HE	1	0.00	0.00	0.00
	2	0.00	0.00	0.00
	3	0.00	0.00	0.00
	4	0.00	0.00	0.00
	5	0.00	0.00	0.00
	6	0.00	0.00	0.00
	7	0.40	0.49	0.09
	8	2.55	2.80	0.25
	9	6.75	7.25	0.50
	10	12.00	12.34	0.34
	11	15.50	15.87	0.37
	12	16.75	17.08	0.33
	13	16.50	14.35	2.15
	14	16.25	13.75	2.50
	15	15.80	13.63	2.17
	16	15.00	13.17	1.83
	17	11.50	12.02	0.52
	18	7.00	6.10	0.90
	19	3.50	2.90	0.60
	20	1.25	1.20	0.05
	21	0.10	0.09	0.01
	22	0.00	0.00	0.00
	23	0.00	0.00	0.00
	24	0.00	0.00	0.00

Sum of Absolute Variance 12.59

Ratio of Absolute Variance 75% (9.5/12.59)

Re-dispatch Cost Reduction % 25% (1 - 75%)

*Case Including the Impact of Storage*

		QF Provided Forecast	Actual Generation Output Including Impact of Storage	Absolute Variance Including Impact of Storage
HE	1	0.00	0.00	0.00
	2	0.00	0.00	0.00
	3	0.00	0.00	0.00
	4	0.00	0.00	0.00
	5	0.00	0.00	0.00
	6	0.00	0.00	0.00
	7	0.40	0.40	0.00
	8	2.55	2.55	0.00
	9	6.75	5.74	1.01
	10	12.00	11.04	0.96
	11	15.50	15.50	0.00
	12	16.75	17.08	0.33
	13	16.50	15.00	1.50
	14	16.25	15.00	1.25
	15	15.80	15.00	0.80
	16	15.00	13.42	1.58
	17	11.50	12.02	0.52
	18	7.00	6.10	0.90
	19	3.50	2.90	0.60
	20	1.25	1.20	0.05
	21	0.10	0.09	0.01
	22	0.00	0.00	0.00
	23	0.00	0.00	0.00
	24	0.00	0.00	0.00

Sum of Absolute Variance 9.50

Illustrative example of credit calculation:

Assumes ratio of absolute variance calculated with all hours of the year is 75% and Re-dispatch Cost Reduction is 25%.

Annual generation (MWh)		37,230
Re-dispatch Cost (\$/MWh)		0.78
Re-dispatch Cost Reduction %	x	25%
Re-dispatch Cost Credit (\$)		7,259.85

### **iii. Schedule 19-LMP Energy Rates**

In the proposed Schedule 19-LMP, energy prices are based on the hourly PJM Day Ahead Locational Marginal Price (“DA LMP”) at the PJM-defined nodal location nearest to the QF, expressed as \$/MWh. The average of the DA LMP values in the billing month, divided by 10 (to derive a cents per kWh price), is applied to the QF’s total net generation during the billing month. This pricing provision is shown in Section III of the tariff, Payment for Company Purchases of Energy.

#### **b. Methodology for the Calculation of Avoided Capacity Cost Rates**

##### **i. Price Periods for Schedule 19-FP Capacity Rates**

As noted above, in the Sub 158 Order, the Commission found it appropriate to require the Company to use the rate design agreed upon by the Company and the Public Staff as presented in the rebuttal testimony of DENC witness Petrie in calculating avoided capacity as well as energy rates in that proceeding.<sup>14</sup> For purposes of calculating capacity rates, that rate design comprised four pricing periods: summer on-peak; winter on-peak am; winter on-peak pm; and shoulder on-peak. The Company has maintained these pricing periods in calculating avoided capacity cost rates for purposes of this proceeding.

##### **ii. Installed CT Cost Determination**

As it has since the 2012 biennial avoided cost proceeding (Docket No. E-100, Sub 136), the Company is using the peaker method to calculate the avoided capacity cost rates for the Schedule 19-FP rate schedule.

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<sup>14</sup> Sub 158 Order at Finding 43, p. 98.

In the Parameters Order, the Commission determined that the utilities “should use installed cost of CT per kW from publicly available industry sources, such as the EIA or PJM’s cost of new entry studies or comparable data.”<sup>15</sup> The Commission further clarified that the installed cost of a CT should include:

- the cost of land for a greenfield site;
- transmission interconnection costs, but exclude network upgrade costs;
- economies of scale to include the cost benefits associated with building multiple CTs at a single site, up to four units, but exclude economies of scope for the cost benefits associated with building multiple CTs at the same time;
- a reasonable contingency adder; and
- tailoring to the extent clearly needed to adapt any such information to the Carolinas and Virginia.<sup>16</sup>

#### CT Equipment Costs

Consistent with the method used in the compliance filing in the 2018 Avoided Cost Case, the Company used the applicable costs of the Greenville combined cycle power plant as the basis for the CT equipment costs. These costs are current and verifiable and represent the Company’s actual procurement costs of CT equipment related to a power plant that came online in December 2018.

#### Construction and Owner Costs

For the remaining costs, including construction and owner costs, the Company utilized the PJM cost of new entry estimates, which is based primarily on the “PJM Cost

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<sup>15</sup> Parameters Order at 48.

<sup>16</sup> *Id.* at 48, 66.

of New Entry for Combustion Turbine and Combined Cycle Plants With June 1, 2022 Online Date” report prepared by The Brattle Group and Sargent & Lundy, dated April 19, 2018 (the “Brattle Study”).<sup>17</sup> Because the CT equipment costs are estimated separately, as discussed above, the estimated equipment costs for the GE 7HA turbine equipment used in the Brattle Study were removed. To tailor the Brattle Study results to meet the requirements of the Parameters Order, the Company made the following additional adjustments:

- adjusted the EPC construction labor and equipment costs to reflect economies of scale related to the construction of a two-unit CT site;
- adjusted sales tax to reflect rates applicable for VA;
- adjusted electric and gas interconnection costs to reflect costs expected for a CT constructed by the Company in VA or NC;
- adjusted fuel costs for startup to reflect the cost of gas and oil during start up testing and to account for PJM energy revenues; and
- eliminated financing fees as financing costs are included later in the CT annual carrying cost calculations.

Since the Brattle Study assumes a CT with a COD of 2022, the construction and owner cost estimate was de-escalated for a 2021 COD.

#### Total Installed Costs

Figure 2 below shows the cost breakdown of the new peaker facility. The resulting total cost of the Hypothetical CT (CT equipment costs plus construction and owner costs) is equal to \$188.7 million. Based on an annual average capacity of 324.2

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<sup>17</sup> The Brattle Study is available at [http://files.brattle.com/files/13896\\_20180420-pjm-2018-cost-of-new-entry-study.pdf](http://files.brattle.com/files/13896_20180420-pjm-2018-cost-of-new-entry-study.pdf) (last visited Nov. 1, 2020).



MW for the CT facility, the total installed (nominal) cost of a CT is equal to \$582.1/kW.

This value is then adjusted to include the carrying costs related to the build-out of a two unit CT site, resulting in a total installed cost of \$592.5/kW.

**FIGURE 2 – Hypothetical CT Costs, adjusted for 2021 COD (\$ in millions)**

DENC for Avoided Cost Rates E-100 Sub 167				
Estimated CT Cost - Summary (\$ in millions)				
Brattle Report is for COD 2022				
<b>CONFIDENTIAL INFORMATION REDACTED</b>				
Other Costs, including Owner & Construction Costs - PJM Cost of New Entry (Dominion Area)				
	2018		Adjusted	
	Brattle		Estimate	Notes
	Estimate	Adjustments	Estimate	
<b>Owner Furnished Equipment</b>				
Gas Turbines	74.4			Reflect actual cost of Greensville turbines
SCR	0			
Sales Tax	4.7			Adjusted for Central VA 6% sales tax
<b>Total Owner Furnished Equipment</b>	<b>79.1</b>			
<b>Other EPC Costs</b>				
Equipment	28.5			Adjusted for economies of scale
Construction Labor	31.0			Adjusted for economies of scale
Other Labor	12.9			
Materials	6.5			
Sales Tax	2.2			Adjusted for Central VA 6% sales tax
EPC Contractor Fee	16.0			Reflects changes in scope & costs
EPC Contingency	17.6			Reflects changes in scope & costs
<b>Total Other EPC Costs</b>	<b>114.7</b>			
<b>Non-EPC Costs</b>				
Project Development	9.7	(1.6)	8.1	Brattle estimate based on 5% of EPC costs, reflects changes in EPC scope & costs
Mobilization and Start-Up	1.9	1.3	3.2	Brattle estimate based on 1% of EPC costs, reflects changes in EPC scope & costs. Adjusted to exclude economies of scope.
Net Start-Up Fuel Costs	0.2	0.9	1.1	Reflects start up fuel costs and PJM energy credits
Electrical Interconnection	7.1		7.1	Reflects 1 CT site and no adj for network upgrades.
Gas Interconnection	29.1	(20.1)	9.0	Reflects 1 CT site and 1 mile lateral expected for installation in NC/VA
Land	0.3		0.3	
Fuel Inventories	2.7		2.7	
Non-Fuel Inventories	1.0		1.0	
Owner's Contingency	4.2	(1.6)	2.6	Brattle estimate based on 8% of Non-EPC costs, reflects changes in scope & costs (vs. 9% in 2014 Brattle Report)
Financing Fees	6.5	(6.5)	0.0	Financing fees and costs included in Economic Carrying Charge
<b>Total Non-EPC Costs</b>	<b>62.7</b>		<b>35.0</b>	
Total Capital Costs (Jun 2022 COD)			196.7	
Annual Escalation Rate			2.80%	
Total Capital Costs (\$2020)			188.7	
<b>Total Cost</b>				
Total Cost (\$2020 nom., millions)			188.7	
Capacity (MW) ISO conditions			324.2	Based on 2018 Brattle Report; 321 MW summer
Sub-total (\$/kW)			582.1	
Add'l Carrying cost related to CT site build-out			10.4	Economies of scale items, carrying cost.
Total Cost (\$2020 nom./kW)			592.5	

The resulting installed cost of a new CT facility does not include financing costs.

This installed cost value is converted to annual fixed costs inclusive of financing costs

(and added to the fixed operating and maintenance costs of the CT), allocated to seasons,

divided by the applicable on-peak hours, and then levelized, to determine the avoided capacity cost rates.

#### Seasonal Allocation of CT Costs

In the Sub 158 Order, the Commission found the Company's revised proposed seasonal allocation of 45% summer, 40% winter, and 15% shoulder seasons to be appropriate for use in weighting capacity value between seasons and calculating the Company's avoided capacity rates in that proceeding.<sup>18</sup> For purposes of this Initial Statement, the Company continues to allocate the CT Costs using the Sub 158 rates of 45% summer, 40% winter, and 15% shoulder.

#### Next Year of Capacity Need

In the Sub 158 Order, the Commission directed the Utilities to include with their 2020 IRPs a specific statement of capacity to be used to determine the first year of avoidable capacity need in the next biennial avoided cost proceeding.<sup>19</sup> On September 1, 2020, in Docket No. E-100, Sub 165, the Company filed an addendum to its 2020 IRP that was submitted in that docket on May 1, 2020, stating that the next year of undesignated capacity need is 2023. Consistent with the Commission's findings in the Sub 158 Order and the Company's statement of capacity need, the calculation of the seasonal levelized rates shown at Exhibit DENC-7 therefore includes no avoided capacity costs through 2022 since the Company's 2020 IRP shows the first avoidable capacity in 2023. The Company is proposing that these avoided capacity cost rates be applied to all QFs (dispatchable and non-dispatchable).

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<sup>18</sup> Sub 158 Order at 98.

<sup>19</sup> Sub 158 Order at OP/F 17.

### Swine/Poultry Recognition

In the Sub 158 Order, the Commission directed that the “Utilities shall amend their standard offer rate schedules to recognize that a swine or poultry waste-fueled generator, or a hydroelectric facility with a capacity of 5 MW or less in capacity that has a power purchase agreement in effect as of July 27, 2017, which commits to sell and deliver energy and capacity for a new fixed contract term prior to the termination of the QF’s existing contract term is avoiding a future capacity need for these designated resource types beginning in the first year following the QF’s existing PPA, pursuant to N.C.G.S. § 62-156(b)(3), as amended. For other types of QF generation, the Utilities shall recognize a QF’s commitment to sell and deliver energy and capacity over a future fixed term as avoiding an undesignated future capacity need beginning only in the first year when there is an avoidable capacity need identified in DEC’s, DEP’s, or DENC’s most recent IRP.”<sup>20</sup> The Company’s standard offer rate schedules have been revised to include these recognitions.

### **iii. Performance Adjustment Factor (“PAF”)**

In the Sub 148 Order the Commission ruled that it would “require the Utilities to address the PAF and to support their recommendations for PAF calculations based on evidence of peak season equivalent availabilities for the utility fleets in total in [their] initial filings” in this biennial avoided cost proceeding.<sup>21</sup> In its 2018 initial statement, the Company proposed to use the metric Equivalent Availability (“EA”) to determine the PAF. As the Company explained, EA represents the availability of the unit(s) during the defined period, and accounts for unit unavailability caused by planned, maintenance, and

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<sup>20</sup> Sub 158 Order at Finding No. 23, OP 18.

<sup>21</sup> Sub 148 Order at 56-57.

forced outages.<sup>22</sup> In the Sub 158 Order, the Commission approved the Company's resulting proposed PAF of 1.07.<sup>23</sup> The Company has continued to apply the 1.07 PAF that was approved in the Sub 158 Order for purposes of this filing.

#### **IV. Proposed Standard Avoided Cost Contracts**

Together with the Schedule 19-FP and Schedule 19-LMP rate schedules, DENC is also filing for approval the Schedule 19-FP and Schedule 19-LMP standard contracts and terms and conditions. In addition to making minor edits to the standard contracts to update docket numbers, the Company is also proposing limited additional provisions that contemplate the incorporation of energy storage components in QF projects. While DENC did not propose any revisions to its avoided cost contracts to contemplate energy storage in the 2018 Avoided Cost Case, the Company is proposing these limited changes at this time as it recognizes the increased likelihood that new QF projects eligible for rates and terms under this biennial proceeding may choose to incorporate an energy storage component in their project designs. The Company has relied on the Commission's approval in the Sub 158 Order of similar provisions in the Duke standard avoided cost contracts in order to make these proposals,<sup>24</sup> which are intended to provide guidance to QFs regarding how DENC will address projects with energy storage components.

First, for both standard contracts, the Company proposes to include at a new Exhibit G an Energy Storage Device Addendum. The Energy Storage Device Addendum will provide the Company with basic information about the storage component of a QF

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<sup>22</sup> See *DENC Initial Statement and Exhibits* at 32, Docket No. E-100, Sub 158 (Nov. 1, 2018).

<sup>23</sup> Sub 158 Order at 116-119, OP 11.

<sup>24</sup> Sub 158 Order at Finding No. 49, pgs. 129-30.

project that proposes to include a battery or other storage component in its design, and provides basic requirements for such storage components that are associated with a QF facility eligible for compensation under these agreements.

DENC also proposes to add a provision to Article 7 of its standard offer contracts to provide that any material alteration to a QF facility shall require the prior written consent of the Company. As stated in the new provision, “Material Alteration” means a modification to the QF facility that renders the facility description specified in the contract inaccurate in any material sense as determined by the Company in a commercially reasonable manner, including but not limited to the addition of an Energy Storage Device or a modification that increases the output of the facility. The new provision also states that the repair or replacement of equipment (including solar panels) with like-kind equipment, which does not increase the facility’s capacity or decrease its capacity by more than five percent, shall not be considered a Material Alteration. This provision was approved by the Commission in the Sub 158 Order for use in Duke’s standard avoided cost contracts,<sup>25</sup> and the Company is proposing to include it in DENC’s standard contracts to provide the same guidance to the Company and future QFs regarding how modifications to QF facilities will be addressed under those agreements.

The Company has also made administrative updates to its LEO Forms as approved in the Sub 148 case to update the contact information for DENC’s Power Contracts group. Exhibit DENC-8 is a clean copy of the Company’s proposed Schedule 19-FP standard contract. Exhibit DENC-9 is a blackline showing the proposed changes to the Company’s Schedule 19-FP standard contract as approved in the 2018 Avoided

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<sup>25</sup> *Id.*

Cost Case and submitted with the Company's May 15, 2020, compliance filing in the 2018 Avoided Cost Case. Exhibit DENC-10 is a clean copy of the Company's proposed Schedule 19-LMP standard contract. Exhibit DENC-11 is a blackline showing the proposed changes to the Company's Schedule 19-LMP standard contract as approved in the 2018 Avoided Cost Case and submitted with the Company's May 15, 2020, compliance filing in the 2018 Avoided Cost Case. Exhibits 12 through 15 are clean and blacklined versions of the Company's small and large QF LEO Forms.

#### **V. Proposed Annualized Rates**

Pursuant to the Commission's final order in the 2012 avoided cost proceeding,<sup>26</sup> Exhibit DENC-16 shows the Company's proposed annualized energy rates.

#### **VI. Conclusion**

Based on the foregoing, Dominion Energy North Carolina respectfully requests that the Commission issue an order accepting the Company's proposed avoided cost rate schedules and contracts as discussed herein and granting such other relief as may be appropriate.

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<sup>26</sup> *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* at 50-51, Docket No. E-100, Sub 136 (Feb. 21, 2014).

Respectfully submitted, this the 2<sup>nd</sup> day of November, 2020.

DOMINION ENERGY NORTH CAROLINA

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

I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I and to the limitations of G.S. § 62-156(b)(1), this schedule is applicable to any qualifying cogeneration or small power production facility, as defined in 18 C.F.R. § 292.203 (Qualifying Facility), which desires to deliver all of its net electrical output to the Company, and has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. § 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub ~~158167~~, (a) has filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) is a Qualifying Facility, (c) has submitted to the Company a duly executed “Notice of Commitment to Sell the Output of a Qualifying Facility of no Greater than 1 Megawatt Maximum Capacity to Dominion North Carolina Power Company (“Notice of Commitment”), and (d) has submitted a request to interconnect to the Company’s system pursuant to Section 2 or Section 3 of the North Carolina Interconnection Procedures (“NCIP”). The form of the Notice of Commitment can be found on the Company’s website through the following link: <https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy/contracting-to-sell-power>. Alternatively, a QF may request a Notice of Commitment form via email to [PowerContracts@dominionenergy.com](mailto:PowerContracts@dominionenergy.com).

Where the Qualifying Facility (QF) elects to be compensated for firm deliveries in accordance with this schedule, the amount of capacity under contract (the “Contracted Capacity”) and the initial term of contract shall be limited as set forth below:

(Continued)

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Electric-North Carolina

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~~2020~~.

Docket No. E-100, Sub ~~158167~~

Schedule 19 - FP  
POWER PURCHASES FROM  
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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- A. Where the QF operates generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. § 62-3(27a) the amount of Contracted Capacity subject to compensation shall be no greater than 1,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 1,000 kWh in any hour. The initial term of contract for such a QF shall be for a period no longer than 10 years. The minimum term of contract permitted is one year.
- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted Capacity subject to compensation shall be no greater than 1,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 1,000 kWh in any hour. The initial term of contract for such a QF shall be for a period no longer than 10 years. The minimum term of contract permitted is one year.

Where the QF elects to be compensated for fixed or variable deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub ~~158167~~ approving this Schedule 19-FP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 years, such contract may be renewed for subsequent term(s), at the Company's option, based 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.

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~~2020~~.

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells electrical output to the Company from another facility located within one-half mile unless: (1) each facility provides thermal energy to different, unaffiliated hosts; or (2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer who is selling or will sell electrical output to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 1,000 kWh (ac) in any hour. For purposes of this paragraph, distance between QFs shall be measured from the electrical generating equipment of each facility.

II. MONTHLY BILLING TO THE QF

All sales to the QF will be in accordance with any applicable filed rate schedule. In addition, where the QF contracts for sales to the Company, the QF will be billed a monthly charge equal to one of the following to cover the cost of meter reading and processing:

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$16.35
One time-differentiated meter	\$33.72
Two time-differentiated meters	\$39.05

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Schedule 19 - FP  
POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)

A. Energy - On-Peak Hours:

Summer

- (i) For the periods beginning at 12:00 midnight May 31 and ending at 12:00 midnight September 30:

The on-peak hours are defined as the hours between 10:00 a.m. and 2:00 p.m., plus 6:00 p.m. through 10:00 p.m. Monday through Friday, excluding holidays considered off-peak.

Winter

- (ii) For the periods beginning at 12:00 midnight November 30 and ending at 12:00 midnight February 28 (February 29 in the case of a leap year):

The on-peak hours are defined as those hours between 8:00 a.m. and 12:00 p.m. ("Winter On-Peak(AM)"), plus 7:00 p.m. through 10:00 p.m. ("Winter On-Peak(PM)"), Monday through Friday, excluding holidays considered off-peak.

Shoulder

- (i) For the periods beginning at 12:00 midnight February 28 (February 29 in the case of a leap year) and ending at 12:00 midnight May 31;  
or
- (ii) beginning 12:00 midnight September 30 and ending at 12:00 midnight November 30:

The on-peak hours are defined as those hours between 6:00 a.m. and 10:00 p.m., Monday through Friday, excluding holidays considered off-peak.

(Continued)

Schedule 19 - FP  
POWER PURCHASES FROM  
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QUALIFYING FACILITIES

(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)  
(Continued)

B. Energy - Premium-Peak Hours:

Summer

- (i) For the periods beginning at 12:00 midnight May 31 and ending at 12:00 midnight September 30:

The premium-peak hours are defined as the hours between 2:00 p.m. and 6:00 p.m., Monday through Friday, excluding holidays considered off-peak.

Winter

- (ii) For the periods beginning at 12:00 midnight November 30 and ending at 12:00 midnight February 28 (February 29 in the case of a leap year):

The premium-peak hours are defined as those hours between 6:00 a.m. and 8:00 a.m., plus 5:00 p.m. through 7:00 p.m., Monday through Friday, excluding holidays considered off-peak.

B. Energy - 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, the day after Thanksgiving, 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.

C. Capacity - On-Peak Hours:

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III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)  
(Continued)

Summer

- (i) For the periods beginning at 12:00 midnight May 31 and ending at 12:00 midnight September 30:

The on-peak hours are defined as the hours between 2:00 p.m. and 8:00 p.m., Monday through Friday, excluding holidays considered off-peak.

Winter

- (ii) For the periods beginning at 12:00 midnight November 30 and ending at 12:00 midnight February 28 (February 29 in the case of a leap year):

The on-peak hours are defined as those hours between 5:00 a.m. and 9:00 a.m., plus 5:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered off-peak.

Shoulder

- (iii) For the periods beginning at 12:00 midnight February 28 (February 29 in the case of a leap year) and ending at 12:00 midnight May 31;  
or

- (iv) beginning 12:00 midnight September 30 and ending at 12:00 midnight November 30:

The on-peak hours are defined as those hours between 6:00 a.m. and 10:00 a.m., plus 5:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered off-peak.

(Continued)

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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)  
(Continued)

D. Capacity - 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, the day after Thanksgiving, 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.

IV. CONTRACT OPTIONS FOR DESIGNATING THE MODE OF OPERATION

The QF shall designate under contract its Mode of Operation from the following options, each of which determines the Company's method of payment.

A. Non-Reimbursement Mode. The QF may contract for the delivery of energy to the Company without reimbursement, designated as the Non-reimbursement Mode of Operation.

B. Energy-Only, Non-time-differentiated or Time-differentiated Variable Mode. The QF may contract for the delivery of energy to the Company where payments are not fixed for the duration of the PPA term; the rates will change with each revision of this schedule, and there is no payment

for capacity to QFs selecting the energy-only option. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the, Non-time-differentiated Mode of Operation.

Regardless of nameplate rating the QF may designate the Time-differentiated Mode of Operation.

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(Continued)

IV. CONTRACT OPTIONS FOR DESIGNATING THE MODE OF OPERATION  
(Continued)

C. Fixed Mode. The QF may contract for the delivery of both energy and capacity to the Company. The level of capacity which the QF contracts to sell to the Company shall not exceed 1,000 kW.

D. Energy Storage Devices. A QF may elect to contract under options in Paragraphs A through C above with Facility designs that incorporate Energy Storage Devices ("ESD"s). An ESD is defined as a component of a QF facility that uses energy storage technology, including but not limited to battery storage.

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY-ONLY VARIABLE MODE

The QF may contract to receive payment for energy-only determined with each revision of this schedule. These rates will be based upon the QF's Mode of Operation as described below. There are no capacity payments for QFs that contract for energy-only.

A. Non-time-differentiated Mode of Operation. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less, and the QF elects the Energy-only, Non-time-differentiated Variable Mode of Operation, the following rates in cents per kWh are applicable:

2.~~579~~746

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(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY-ONLY VARIABLE MODE (Continued)

- B. Time-differentiated Mode of Operation. Where the QF designates the Energy-only, Time-differentiated Variable Mode of Operation, the following Premium-Peak, On-Peak, and Off-peak rates in cents per kWh are applicable:

Summer – Premium-Peak	<del>3.280</del> 3.805
Summer – On-Peak	<del>2.999</del> 2.949
Summer – Off-Peak	<del>2.170</del> 2.035
Winter – Premium-Peak	<del>3.773</del> 4.084
Winter – On-Peak (AM)	<del>3.607</del> 3.455
Winter – On-Peak (PM)	<del>3.737</del> 3.495
Winter – Off-Peak	<del>3.149</del> 2.780
Shoulder – On-Peak	<del>2.928</del> 2.790
Shoulder – Off-Peak	<del>2.331</del> 2.050

The rates in both A and B above will be redetermined on a biennial basis on each revision of this schedule; provided, however, that for QFs whose electric energy output is produced from intermittent energy sources (e.g., solar, wind), the applicable rate shall be reduced by 0.078 ¢/kWh.

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(Continued)

VI. PAYMENT FOR COMPANY PURCHASES OF ENERGY – FIXED MODE

A QF designating the Fixed Mode of Operation must contract to receive payments for energy under this Section VI based on prices below fixed for the duration of the term. Contract terms for 10 years are available only where the QF is defined under Paragraph I.A.

Summer – Premium-Peak	<u>4.4593.514</u>
Summer – On-Peak	<u>3.4613.309</u>
Summer – Off-Peak	<u>2.4112.512</u>
Winter – Premium-Peak	<u>4.0893.693</u>
Winter – On-Peak (AM)	<u>3.4643.448</u>
Winter – On-Peak (PM)	<u>3.5083.626</u>
Winter – Off-Peak	<u>2.9453.075</u>
Shoulder – On-Peak	<u>2.8232.753</u>
Shoulder – Off-Peak	<u>2.2232.389</u>

Operator shall be paid for energy up to 5% above the Contracted Capacity in any hour at the then applicable energy-only rates under Schedule 19-FP; provided, however, that for QFs whose electric energy output is produced from intermittent energy sources (e.g., solar, wind), that applicable rate shall be reduced by the Re-Dispatch Charge (“RDC”) at a rate of -0.078 ¢/kWh. No payment shall be made for generation in excess of 1,000 kWh in any hour.

The RDC may be reduced through the use of an ESD. Any such reduction shall be evaluated to the extent the Seller is able to demonstrate a reduction in the variability of output, determined by considering (1.) the hourly metered output of the Facility with the benefit of the ESD (“Total Output”); (2.) the hourly metered output of the Facility without the benefit of the ESD (“Base Output”); and (3.) an annual forecast of hourly output to be provided by Seller (“QF Forecast”).

To the extent there is any reduction in variability, its value shall be calculated on a calendar year basis as the percent change (“Reduction Factor”) represented by the ratio of aggregate differences between Total Output to QF Forecast and Base Output to QF Forecast as follows:

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(Continued)

VI. PAYMENT FOR COMPANY PURCHASES OF ENERGY – FIXED MODE  
(Continued)

$$1 - \left( \frac{\sum_{h=1}^n \text{Total Output} - \text{Forecast}_h}{\sum_{h=1}^n \text{Base Output} - \text{Forecast}_h} \right)$$

Measurement and verification of the Total Output and Base Output requires Operator to install separate metering equipment for the Facility and the ESD. The Reduction Factor shall be used to calculate a credit (“Redispatch Credit”) equal to the product of (1.) the Reduction Factor; (2.) the per-megawatt-hour RDC rate; and (3.) the calendar year Total Output;:-

(Reduction Factor) x (RDC Rate) x (Total Output) = Redispatch Credit.

To be eligible for the Redispatch Credit described above, an Operator must provide the Company with a timely and accurate QF Forecast. After the effective date and no less than 90 days prior to COD, Operator shall provide an initial QF Forecast to the Company. Such forecast will be applied for the duration of the term. Otherwise, Operator may provide a new QF Forecast no less than 90 days before the start of any subsequent calendar year to which it shall be applied. Utilization of the most recent QF Forecast received by the Company shall continue until such time as Operator provides a replacement QF Forecast to be used in the next applicable calendar year.

In each subsequent calendar year, the Company will calculate the Redispatch Credit using the prior calendar year QF Forecast and other inputs determined on the basis of the Facility’s metered data. Supervisory Control and Data Acquisition (“SCADA”) output data may be used when meter data is not available. The Company will issue payment for the Redispatch Credit at regular annual intervals in the form of a line item to offset charges.

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

Company purchases of capacity are applicable only where the QF elects the Fixed Mode of Operation under Section IV.C.

The Company shall pay a levelized capacity payment for each year of the contract term. A swine or poultry waste-fueled generator, or a hydroelectric facility with a capacity of 5 MW or less in capacity that has a power purchase agreement in effect as of July 27, 2017, which commits to sell and deliver energy and capacity for a new fixed contract term prior to the termination of the Operator's existing contract term is considered to avoid a future capacity need for these designated resource types beginning in the first year following the Operator's existing PPA, pursuant to N.C.G.S. § 62-156(b)(3), as amended. For other types of generation, an Operator's commitment to sell and deliver energy and capacity over a future fixed term is considered to avoid an undesignated future capacity need beginning only in the first year when there is an avoidable capacity need identified in the Company's most recent IRP. Levelized payments to such Operators shall therefore incorporate the need for capacity only in those years that the Company's most recent IRP forecast period has demonstrated a capacity need.

The QF will receive payments for capacity based on the pricing below. Capacity payments are applicable during on-peak hours only. Contract terms no longer than 10 years are available only for QFs described in Paragraph I.A.

<u>For hydroelectric facilities with no storage capability and no other type of generation:</u>	
	Capacity Price
On-Peak (¢/kWh) Summer	<del>6.0657.477</del>
On-Peak (¢/kWh) Winter	<del>5.3916.805</del>
On-Peak (¢/kWh) Shoulder	<del>1.2021.531</del>

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)

For all other facilities:	
	Capacity Price
On-Peak (¢/kWh) Summer	<del>3.2454.000</del>
On-Peak (¢/kWh) Winter	<del>2.8843.641</del>
On-Peak (¢/kWh) Shoulder	<del>0.6430.819</del>

Payments will be made to the QF by applying the levelized capacity purchase price above to all kWh delivered to the Company during each on-peak hour, up to 100% of the Contracted Capacity in such hour. There will be no compensation for capacity in excess of the QF's Contracted Capacity in an hour. This capacity price shall be paid for the length of term for capacity sales so established in the contract.

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VIII. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  2. Control and protective devices as required by the Company on the QF's side of the meter.
- B. The sale of electrical output to the Company by a QF at avoided cost rates pursuant to this Schedule 19-FP does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.
- C. The QF is responsible for obtaining an interconnection service agreement for delivery of electrical output generated by its facility onto the Company's electrical system. Information on interconnection procedures for the QF's generation interconnection is provided through the Internet at the Company's website:

<https://www.dominionenergy.com/large-business/using-our-facilities/parallel-generation-and-interconnection>

If the interconnection is subject to FERC jurisdiction, the interconnection will be in accordance with FERC and PJM Interconnection, L.L.C. requirements.

(Continued)

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(Continued)

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

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

If the QF terminates its contract to provide Contracted Capacity and energy to the Company prior to the expiration of the contract term, the QF shall, in addition to other liabilities, be liable to the Company for excess capacity and energy payments.

Such excess payments will be calculated by taking the difference between (1) the total capacity and energy payments already made by the Company to the QF and (2) capacity and energy payments calculated based on the levelized capacity and energy purchase price corresponding to the actual term completed by the QF. These excess payments shall also include interest, from the time such excess payments were made, compounded annually at the rate equal to the Company's most current issue of long-term debt at the time of the contract's effective date.

X. TERM OF CONTRACT

The term of contract shall be mutually agreed upon by the Company and QF, subject to the applicable maximum term limits set forth in Section I. A and B.

Schedule 19 - FP  
POWER PURCHASES FROM  
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I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I and to the limitations of G.S. § 62-156(b)(1), this schedule is applicable to any qualifying cogeneration or small power production facility, as defined in 18 C.F.R. § 292.203 (Qualifying Facility), which desires to deliver all of its net electrical output to the Company, and has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. § 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub 167, (a) has filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) is a Qualifying Facility, (c) has submitted to the Company a duly executed “Notice of Commitment to Sell the Output of a Qualifying Facility of no Greater than 1 Megawatt Maximum Capacity to Dominion North Carolina Power Company (“Notice of Commitment”), and (d) has submitted a request to interconnect to the Company’s system pursuant to Section 2 or Section 3 of the North Carolina Interconnection Procedures (“NCIP”). The form of the Notice of Commitment can be found on the Company’s website through the following link: <https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy/contracting-to-sell-power>. Alternatively, a QF may request a Notice of Commitment form via email to [PowerContracts@dominionenergy.com](mailto:PowerContracts@dominionenergy.com).

Where the Qualifying Facility (QF) elects to be compensated for firm deliveries in accordance with this schedule, the amount of capacity under contract (the “Contracted Capacity”) and the initial term of contract shall be limited as set forth below:

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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- A. Where the QF operates generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. § 62-3(27a) the amount of Contracted Capacity subject to compensation shall be no greater than 1,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 1,000 kWh in any hour. The initial term of contract for such a QF shall be for a period no longer than 10 years. The minimum term of contract permitted is one year.
- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted Capacity subject to compensation shall be no greater than 1,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 1,000 kWh in any hour. The initial term of contract for such a QF shall be for a period no longer than 10 years. The minimum term of contract permitted is one year.

Where the QF elects to be compensated for fixed or variable deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub 167 approving this Schedule 19-FP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 years, such contract may be renewed for subsequent term(s), at the Company's option, based 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.

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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells electrical output to the Company from another facility located within one-half mile unless: (1) each facility provides thermal energy to different, unaffiliated hosts; or (2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer who is selling or will sell electrical output to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 1,000 kWh (ac) in any hour. For purposes of this paragraph, distance between QFs shall be measured from the electrical generating equipment of each facility.

II. MONTHLY BILLING TO THE QF

All sales to the QF will be in accordance with any applicable filed rate schedule. In addition, where the QF contracts for sales to the Company, the QF will be billed a monthly charge equal to one of the following to cover the cost of meter reading and processing:

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$16.35
One time-differentiated meter	\$33.72
Two time-differentiated meters	\$39.05

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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)

A. Energy - On-Peak Hours:

Summer

- (i) For the periods beginning at 12:00 midnight May 31 and ending at 12:00 midnight September 30:

The on-peak hours are defined as the hours between 10:00 a.m. and 2:00 p.m., plus 6:00 p.m. through 10:00 p.m. Monday through Friday, excluding holidays considered off-peak.

Winter

- (ii) For the periods beginning at 12:00 midnight November 30 and ending at 12:00 midnight February 28 (February 29 in the case of a leap year):

The on-peak hours are defined as those hours between 8:00 a.m. and 12:00 p.m. ("Winter On-Peak(AM)"), plus 7:00 p.m. through 10:00 p.m. ("Winter On-Peak(PM)"), Monday through Friday, excluding holidays considered off-peak.

Shoulder

- (i) For the periods beginning at 12:00 midnight February 28 (February 29 in the case of a leap year) and ending at 12:00 midnight May 31;  
or
- (ii) beginning 12:00 midnight September 30 and ending at 12:00 midnight November 30:

The on-peak hours are defined as those hours between 6:00 a.m. and 10:00 p.m., Monday through Friday, excluding holidays considered off-peak.

(Continued)

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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)  
(Continued)

B. Energy - Premium-Peak Hours:

Summer

- (i) For the periods beginning at 12:00 midnight May 31 and ending at 12:00 midnight September 30:

The premium-peak hours are defined as the hours between 2:00 p.m. and 6:00 p.m., Monday through Friday, excluding holidays considered off-peak.

Winter

- (ii) For the periods beginning at 12:00 midnight November 30 and ending at 12:00 midnight February 28 (February 29 in the case of a leap year):

The premium-peak hours are defined as those hours between 6:00 a.m. and 8:00 a.m., plus 5:00 p.m. through 7:00 p.m., Monday through Friday, excluding holidays considered off-peak.

B. Energy - 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, the day after Thanksgiving, 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.

C. Capacity - On-Peak Hours:

(Continued)

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POWER PURCHASES FROM  
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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)  
(Continued)

Summer

- (i) For the periods beginning at 12:00 midnight May 31 and ending at 12:00 midnight September 30:

The on-peak hours are defined as the hours between 2:00 p.m. and 8:00 p.m., Monday through Friday, excluding holidays considered off-peak.

Winter

- (ii) For the periods beginning at 12:00 midnight November 30 and ending at 12:00 midnight February 28 (February 29 in the case of a leap year):

The on-peak hours are defined as those hours between 5:00 a.m. and 9:00 a.m., plus 5:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered off-peak.

Shoulder

- (iii) For the periods beginning at 12:00 midnight February 28 (February 29 in the case of a leap year) and ending at 12:00 midnight May 31;  
or

- (iv) beginning 12:00 midnight September 30 and ending at 12:00 midnight November 30:

The on-peak hours are defined as those hours between 6:00 a.m. and 10:00 a.m., plus 5:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered off-peak.

(Continued)

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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS (Energy & Capacity)  
(Continued)

D. Capacity - 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, the day after Thanksgiving, 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.

IV. CONTRACT OPTIONS FOR DESIGNATING THE MODE OF OPERATION

The QF shall designate under contract its Mode of Operation from the following options, each of which determines the Company's method of payment.

A. Non-Reimbursement Mode. The QF may contract for the delivery of energy to the Company without reimbursement, designated as the Non-reimbursement Mode of Operation.

B. Energy-Only, Non-time-differentiated or Time-differentiated Variable Mode. The QF may contract for the delivery of energy to the Company where payments are not fixed for the duration of the PPA term; the rates will change with each revision of this schedule, and there is no payment

for capacity to QFs selecting the energy-only option. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the, Non-time-differentiated Mode of Operation.

Regardless of nameplate rating the QF may designate the Time-differentiated Mode of Operation.

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(Continued)

IV. CONTRACT OPTIONS FOR DESIGNATING THE MODE OF OPERATION  
(Continued)

- C. Fixed Mode. The QF may contract for the delivery of both energy and capacity to the Company. The level of capacity which the QF contracts to sell to the Company shall not exceed 1,000 kW.
- D. Energy Storage Devices. A QF may elect to contract under options in Paragraphs A through C above with Facility designs that incorporate Energy Storage Devices ("ESD"s). An ESD is defined as a component of a QF facility that uses energy storage technology, including but not limited to battery storage.

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY-ONLY VARIABLE MODE

The QF may contract to receive payment for energy-only determined with each revision of this schedule. These rates will be based upon the QF's Mode of Operation as described below. There are no capacity payments for QFs that contract for energy-only.

- A. Non-time-differentiated Mode of Operation. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less, and the QF elects the Energy-only, Non-time-differentiated Variable Mode of Operation, the following rates in cents per kWh are applicable:

2.579

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V. PAYMENT FOR COMPANY PURCHASES OF ENERGY-ONLY VARIABLE MODE (Continued)

- B. Time-differentiated Mode of Operation. Where the QF designates the Energy-only, Time-differentiated Variable Mode of Operation, the following Premium-Peak, On-Peak, and Off-peak rates in cents per kWh are applicable:

Summer – Premium-Peak	3.805
Summer – On-Peak	2.949
Summer – Off-Peak	2.035
Winter – Premium-Peak	4.084
Winter – On-Peak (AM)	3.455
Winter – On-Peak (PM)	3.495
Winter – Off-Peak	2.780
Shoulder – On-Peak	2.790
Shoulder – Off-Peak	2.050

The rates in both A and B above will be redetermined on a biennial basis on each revision of this schedule; provided, however, that for QFs whose electric energy output is produced from intermittent energy sources (e.g., solar, wind), the applicable rate shall be reduced by 0.078 ¢/kWh.

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VI. PAYMENT FOR COMPANY PURCHASES OF ENERGY – FIXED MODE

A QF designating the Fixed Mode of Operation must contract to receive payments for energy under this Section VI based on prices below fixed for the duration of the term. Contract terms for 10 years are available only where the QF is defined under Paragraph I.A.

Summer – Premium-Peak	4.459
Summer – On-Peak	3.461
Summer – Off-Peak	2.411
Winter – Premium-Peak	4.089
Winter – On-Peak (AM)	3.464
Winter – On-Peak (PM)	3.508
Winter – Off-Peak	2.945
Shoulder – On-Peak	2.823
Shoulder – Off-Peak	2.223

Operator shall be paid for energy up to 5% above the Contracted Capacity in any hour at the then applicable energy-only rates under Schedule 19-FP; provided, however, that for QFs whose electric energy output is produced from intermittent energy sources (e.g., solar, wind), that applicable rate shall be reduced by the Re-Dispatch Charge (“RDC”) at a rate of 0.078 ¢/kWh. No payment shall be made for generation in excess of 1,000 kWh in any hour.

The RDC may be reduced through the use of an ESD. Any such reduction shall be evaluated to the extent the Seller is able to demonstrate a reduction in the variability of output, determined by considering (1.) the hourly metered output of the Facility with the benefit of the ESD (“Total Output”); (2.) the hourly metered output of the Facility without the benefit of the ESD (“Base Output”); and (3.) an annual forecast of hourly output to be provided by Seller (“QF Forecast”).

To the extent there is any reduction in variability, its value shall be calculated on a calendar year basis as the percent change (“Reduction Factor”) represented by the ratio of aggregate differences between Total Output to QF Forecast and Base Output to QF Forecast as follows:

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VI. PAYMENT FOR COMPANY PURCHASES OF ENERGY – FIXED MODE  
(Continued)

$$1 - \left( \frac{\sum_{h=1}^n \text{Total Output} - \text{Forecast}_h}{\sum_{h=1}^n \text{Base Output} - \text{Forecast}_h} \right)$$

Measurement and verification of the Total Output and Base Output requires Operator to install separate metering equipment for the Facility and the ESD. The Reduction Factor shall be used to calculate a credit (“Redispatch Credit”) equal to the product of (1.) the Reduction Factor; (2.) the per-megawatt-hour RDC rate; and (3.) the calendar year Total Output:

(Reduction Factor) x (RDC Rate) x (Total Output) = Redispatch Credit.

To be eligible for the Redispatch Credit described above, an Operator must provide the Company with a timely and accurate QF Forecast. After the effective date and no less than 90 days prior to COD, Operator shall provide an initial QF Forecast to the Company. Such forecast will be applied for the duration of the term. Otherwise, Operator may provide a new QF Forecast no less than 90 days before the start of any subsequent calendar year to which it shall be applied. Utilization of the most recent QF Forecast received by the Company shall continue until such time as Operator provides a replacement QF Forecast to be used in the next applicable calendar year.

In each subsequent calendar year, the Company will calculate the Redispatch Credit using the prior calendar year QF Forecast and other inputs determined on the basis of the Facility’s metered data. Supervisory Control and Data Acquisition (“SCADA”) output data may be used when meter data is not available. The Company will issue payment for the Redispatch Credit at regular annual intervals in the form of a line item to offset charges.

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

Company purchases of capacity are applicable only where the QF elects the Fixed Mode of Operation under Section IV.C.

The Company shall pay a levelized capacity payment for each year of the contract term. A swine or poultry waste-fueled generator, or a hydroelectric facility with a capacity of 5 MW or less in capacity that has a power purchase agreement in effect as of July 27, 2017, which commits to sell and deliver energy and capacity for a new fixed contract term prior to the termination of the Operator's existing contract term is considered to avoid a future capacity need for these designated resource types beginning in the first year following the Operator's existing PPA, pursuant to N.C.G.S. § 62-156(b)(3), as amended. For other types of generation, an Operator's commitment to sell and deliver energy and capacity over a future fixed term is considered to avoid an undesignated future capacity need beginning only in the first year when there is an avoidable capacity need identified in the Company's most recent IRP. Levelized payments to such Operators shall therefore incorporate the need for capacity only in those years that the Company's most recent IRP forecast period has demonstrated a capacity need.

The QF will receive payments for capacity based on the pricing below. Capacity payments are applicable during on-peak hours only. Contract terms no longer than 10 years are available only for QFs described in Paragraph I.A.

<u>For hydroelectric facilities with no storage capability and no other type of generation:</u>	
	Capacity Price
On-Peak (¢/kWh) Summer	7.477
On-Peak (¢/kWh) Winter	6.805
On-Peak (¢/kWh) Shoulder	1.531

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)

For all other facilities:	
	Capacity Price
On-Peak (¢/kWh) Summer	4.000
On-Peak (¢/kWh) Winter	3.641
On-Peak (¢/kWh) Shoulder	0.819

Payments will be made to the QF by applying the levelized capacity purchase price above to all kWh delivered to the Company during each on-peak hour, up to 100% of the Contracted Capacity in such hour. There will be no compensation for capacity in excess of the QF's Contracted Capacity in an hour. This capacity price shall be paid for the length of term for capacity sales so established in the contract.

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VIII. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  2. Control and protective devices as required by the Company on the QF's side of the meter.
- B. The sale of electrical output to the Company by a QF at avoided cost rates pursuant to this Schedule 19-FP does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.
- C. The QF is responsible for obtaining an interconnection service agreement for delivery of electrical output generated by its facility onto the Company's electrical system. Information on interconnection procedures for the QF's generation interconnection is provided through the Internet at the Company's website:

<https://www.dominionenergy.com/large-business/using-our-facilities/parallel-generation-and-interconnection>

If the interconnection is subject to FERC jurisdiction, the interconnection will be in accordance with FERC and PJM Interconnection, L.L.C. requirements.

(Continued)

Filed 11-02-20  
Electric-North Carolina

Superseding Filing Effective For Usage  
On and After 06-01-20. This Filing  
Effective For Usage On and After 11-02-20.

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

(Continued)

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

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

If the QF terminates its contract to provide Contracted Capacity and energy to the Company prior to the expiration of the contract term, the QF shall, in addition to other liabilities, be liable to the Company for excess capacity and energy payments.

Such excess payments will be calculated by taking the difference between (1) the total capacity and energy payments already made by the Company to the QF and (2) capacity and energy payments calculated based on the levelized capacity and energy purchase price corresponding to the actual term completed by the QF. These excess payments shall also include interest, from the time such excess payments were made, compounded annually at the rate equal to the Company's most current issue of long-term debt at the time of the contract's effective date.

X. TERM OF CONTRACT

The term of contract shall be mutually agreed upon by the Company and QF, subject to the applicable maximum term limits set forth in Section I. A and B.

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

I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I and to the limitations of G.S. 62-156(b)(1), this schedule is applicable to any qualifying *cogeneration or small power production facility, as defined in 18 C.F.R. § 292.203* (Qualifying Facility), which desires to deliver all of its net electrical output to the Company *and* has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub ~~158167~~, (a) has filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) is a Qualifying Facility, (c) has submitted to the Company a duly executed “Notice of Commitment to Sell the Output of a Qualifying Facility of no Greater than 1 Megawatt Maximum Capacity to Dominion Energy North Carolina” (“Notice of Commitment”), and (d) has submitted a request to interconnect to the Company’s system pursuant to Section 2 or Section 3 of the North Carolina Interconnection Procedures (“NCIP”). The form of the Notice of Commitment can be found on the Company’s website through the following link: <https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy/contracting-to-sell-power>. Alternatively, a QF may request a Notice of Commitment form via email to [PowerContracts@dominionenergy.com](mailto:PowerContracts@dominionenergy.com).

The amount of capacity under contract (the “Contracted Capacity”) and the initial term of contract shall be limited as set forth below.

- A. Where the QF operates generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), the amount of Contracted Capacity—subject to compensation shall be no greater than 1,000 kW. The initial term of contract for such a QF shall be for a period no longer than 10 years, at the option of the QF. The minimum term of contract permitted is one year.

(Continued)

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Electric-North Carolina

Superseding Filing Effective ~~F~~for Usage  
On and After ~~0611-01-2018~~. This Filing  
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~~2020~~.

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted Capacity subject to compensation shall be no greater than 1,000 kW. The initial term of contract for such a QF shall be for a period no longer than 10 years. The minimum term of contract permitted is one year.

Where the QF elects to be compensated for deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub ~~158167~~ approving this Schedule 19-LMP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 years, such contract may be renewed for subsequent term(s), at the Company's option, based 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.

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells electrical output to the Company from another facility located within one-half mile unless: (1) each facility provides thermal energy to different, unaffiliated hosts; or (2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer, who is selling or will sell electrical output to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 1,000 kWh (ac) in any hour. For purposes of this paragraph, distance

(Continued)

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~~2006-01-20~~.



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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

between QFs shall be measured from the electrical generating equipment of each facility.

II. MONTHLY BILLING TO THE QF

All sales to the QF will be in accordance with any applicable filed rate schedule. In addition, where the QF contracts for sales to the Company, the QF will be billed a monthly charge equal to one of the following to cover the cost of meter reading and processing:

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$16.35
One time-differentiated meter	\$33.72
Two time-differentiated meters	\$39.05

III. CONTRACT OPTIONS

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

- A. Supply of Energy and Capacity. A QF shall contract for the supply of both energy and capacity to the Company, except as may be permitted pursuant to Paragraph III. B., below. The level of capacity that the QF contracts for shall not exceed the capacity limits outlined in Paragraph I. The supply of both energy and capacity shall require the installation of one (or two, if necessary) time differentiated meter(s) to measure the hourly output of the QF's generation facility.

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Filed ~~11-02-2005-15-20~~  
Electric-North Carolina

Superseding Filing Effective For Usage  
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~~2006-01-20~~.

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

(Continued)

III. CONTRACT OPTIONS (Continued)

B. Supply of Energy Only. A QF with a design capacity of 10 kW or less may elect to contract for the supply of energy only to the Company. A QF electing this option will not be eligible for capacity payments. Election of this option shall require the installation of a non-time-differentiated meter to measure the monthly output of the QF's generation facility.

C. Energy Storage Devices. A QF may elect to contract under options in Paragraph III. A or Paragraph III. B., above with Facility designs that incorporate Energy Storage Devices ("ESD"s).

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY

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

A. Energy Purchase Payments

Purchase payments for the supply of energy by the QF to the Company will be based on an hourly energy purchase price (cents per kWh) that is calculated using the hourly \$/MWh PJM Interconnection, LLC (PJM) Day Ahead Locational Marginal Price (DA LMP) at the PJM-defined nodal location nearest to the Qualifying Facility divided by 10, and multiplied by the hourly net generation as recorded on the Company's time-differentiated meter. Operator shall be paid for energy up to 105% of Contracted Capacity in any hour except no payment shall be made for generation in excess of 1,000 kW in any hour.

B. Capacity Purchase Payments

The Company shall pay a levelized capacity payment for each year of the contract term. A swine or poultry waste-fueled generator, or a hydroelectric facility with a capacity of 5 MW or less in capacity that has a power purchase agreement in effect as of July 27, 2017, which commits to sell and deliver energy and capacity for a new fixed contract term prior to the

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On and After ~~06-01-2011-01-18~~. This Filing  
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~~2006-01-20~~.

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

(Continued)

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

termination of the Operator's existing contract term is considered to avoid a future capacity need for these designated resource types beginning in the first year following the Operator's existing PPA, pursuant to N.C.G.S. § 62-

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Superseding Filing Effective For Usage  
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~~2006-01-20~~.

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

(Continued)

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

156(b)(3), as amended. For other types of generation, an Operator's commitment to sell and deliver energy and capacity over a future fixed term is considered to avoid an undesignated future capacity need beginning only in the first year when there is an avoidable capacity need identified in the Company's most recent IRP. Levelized payments to such Operators shall therefore incorporate the need for capacity only in those years that the Company's most recent IRP forecast period has demonstrated a capacity need.

Effective each June 1, PJM establishes the Reliability Pricing Model (RPM) capacity resource clearing price for each PJM zone, shown as a \$/MW-day price, that will be applicable through the following May 31 of the next year. Such prices will be the clearing results from PJM's Base Residual Auction (BRA). The Company will pay Operator the price associated with the capacity product most applicable to the QF resource type and performance. Capacity purchase payments provided for under this Schedule are based on (1) an average of the 2018 PJM BRA clearing prices for Delivery Years 2019-2020 through 2021-2022, (2) converted to a cents/kWh on-peak capacity purchase price, (3) applied to the years of the Schedule 19-LMP contract that correspond to the Company's capacity need as identified in its most recent IRP, and (4) levelized over the course of the ten-year contract.

Payments for the supply of capacity by the QF to the Company will be made based upon the QF's daily net on-peak generation multiplied by the capacity purchase price calculated pursuant to the method described above and indicated below under "Capacity Price."

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Electric-North Carolina

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On and After ~~06-01-2011-01-18~~. This Filing  
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~~2006-01-20~~.

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

(Continued)

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

The purchase payment for capacity may be modified by application of the Summer Peak Performance Factor (SPPF), as described below. The on-peak hours for every day are from 7 AM to 11 PM. Off-peak hours are defined as all other hours. Capacity Payment shall not be made for generation in any hour that exceeds the Contracted Capacity. Initially, a QF's SPPF will be 1. Once a QF has achieved Commercial Operations and such operation encompasses at least a full Summer (defined by PJM as June 1 through September 30), the following January billing month, and for each January billing month thereafter, an SPPF will be calculated that is based on the QF's operation during the five (5) PJM coincident peak hours (CP Hours), as posted by PJM, during the Summer of the previous calendar year. The QF's SPPF is equal to the number of CP Hours in which the QF generated at or greater than 75% of its Contracted Capacity, divided by 5. Therefore, the SPPF could be 0, 0.2, 0.4, 0.6, 0.8, or 1.0. When applicable, the QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

Capacity Price

On-Peak (¢/kWh)

0.~~53784420~~

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Filed ~~11-02-2005-15-20~~  
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Superseding Filing Effective For Usage  
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~~2006-01-20~~.

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

(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY ONLY

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

Purchase payments for the supply of energy only by the QF to the Company will be based on an energy purchase price (cents per kWh) that is calculated using the average of the hourly \$/MWh DA LMP at the PJM-defined nodal location nearest to the Qualifying Facility for the QF's billing month, divided by 10, and multiplied by the net generation as recorded on the Company's non-time-differentiated meter.

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  2. Control and protective devices as required by the Company on the QF's side of the meter.
- B. The sale of electrical output to the Company by a QF at avoided cost rates pursuant to this Schedule 19-LMP does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.
- C. The QF is responsible for obtaining an interconnection service agreement for delivery of electrical output generated by its facility onto the Company's electrical system. Information on interconnection procedures for the QF's generation interconnection is provided through the Internet at the Company's website:

<https://www.dominionenergy.com/large-business/using-our-facilities/parallel-generation-and-interconnection>

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2020.

Docket No. E-100, Sub ~~158167~~

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

(Continued)

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

If the interconnection is subject to FERC jurisdiction, the interconnection will be in accordance with FERC and PJM Interconnection, L.L.C. requirements.

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Electric-North Carolina

Superseding Filing Effective For Usage  
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Effective For Usage On and After ~~11-02-~~  
~~2006-01-20~~.

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

(Continued)

VII. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

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

If the QF terminates its contract to provide Contracted Capacity and energy to the Company prior to the expiration of the contract term, the QF shall, in addition to other liabilities, be liable to the Company for excess capacity and energy payments.

Such excess payments will be calculated by taking the difference between (1) the total capacity and energy payments already made by the Company to the QF and (2) capacity and energy payments calculated based on the levelized capacity and energy purchase price corresponding to the actual term completed by the QF. These excess payments shall also include interest, from the time such excess payments were made, compounded annually at the rate equal to the Company's most current issue of long-term debt at the time of the contract's effective date.

VIII. TERM OF CONTRACT

The term of contract shall be mutually agreed upon by the Company and QF, subject to the applicable maximum term limits set forth in Section I. A and B. A QF that initially chooses Schedule 19 – LMP will be permitted a one-time switch to Schedule 19-FP on the first day of its second year under its contract, with 90 days written notice, and in so doing, enter into a new contract with pricing in accordance with the Schedule 19-FP in effect at the time of the initial contract date and with a choice of term up to 10 years, as applicable, less the days elapsed between the commencement of the original contract and the time of execution of the new contract. This one-time option to switch shall only be permitted contingent on Schedule 19 - FP being in effect on the first day of the QF's second year under contract.

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Electric-North Carolina

Superseding Filing Effective For Usage  
On and After ~~06-01-2011-01-18~~. This Filing  
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~~2006-01-20~~.



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

I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I and to the limitations of G.S. 62-156(b)(1), this schedule is applicable to any qualifying *cogeneration or small power production facility, as defined in 18 C.F.R. § 292.203* (Qualifying Facility), which desires to deliver all of its net electrical output to the Company *and* has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub 167, (a) has filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) is a Qualifying Facility, (c) has submitted to the Company a duly executed “Notice of Commitment to Sell the Output of a Qualifying Facility of no Greater than 1 Megawatt Maximum Capacity to Dominion Energy North Carolina” (“Notice of Commitment”), and (d) has submitted a request to interconnect to the Company’s system pursuant to Section 2 or Section 3 of the North Carolina Interconnection Procedures (“NCIP”). The form of the Notice of Commitment can be found on the Company’s website through the following link: <https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy/contracting-to-sell-power>. Alternatively, a QF may request a Notice of Commitment form via email to [PowerContracts@dominionenergy.com](mailto:PowerContracts@dominionenergy.com).

The amount of capacity under contract (the “Contracted Capacity”) and the initial term of contract shall be limited as set forth below.

- A. Where the QF operates generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), the amount of Contracted Capacity—subject to compensation shall be no greater than 1,000 kW. The initial term of contract for such a QF shall be for a period no longer than 10 years, at the option of the QF. The minimum term of contract permitted is one year.

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted Capacity subject to compensation shall be no greater than 1,000 kW. The initial term of contract for such a QF shall be for a period no longer than 10 years. The minimum term of contract permitted is one year.

Where the QF elects to be compensated for deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub 167 approving this Schedule 19-LMP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 years, such contract may be renewed for subsequent term(s), at the Company's option, based 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.

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells electrical output to the Company from another facility located within one-half mile unless: (1) each facility provides thermal energy to different, unaffiliated hosts; or (2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer, who is selling or will sell electrical output to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 1,000 kWh (ac) in any hour. For purposes of this paragraph, distance

(Continued)

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Electric-North Carolina

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

between QFs shall be measured from the electrical generating equipment of each facility.

II. MONTHLY BILLING TO THE QF

All sales to the QF will be in accordance with any applicable filed rate schedule. In addition, where the QF contracts for sales to the Company, the QF will be billed a monthly charge equal to one of the following to cover the cost of meter reading and processing:

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$16.35
One time-differentiated meter	\$33.72
Two time-differentiated meters	\$39.05

III. CONTRACT OPTIONS

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

- A. Supply of Energy and Capacity. A QF shall contract for the supply of both energy and capacity to the Company, except as may be permitted pursuant to Paragraph III. B., below. The level of capacity that the QF contracts for shall not exceed the capacity limits outlined in Paragraph I. The supply of both energy and capacity shall require the installation of one (or two, if necessary) time differentiated meter(s) to measure the hourly output of the QF's generation facility.

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

(Continued)

III. CONTRACT OPTIONS (Continued)

- B. Supply of Energy Only. A QF with a design capacity of 10 kW or less may elect to contract for the supply of energy only to the Company. A QF electing this option will not be eligible for capacity payments. Election of this option shall require the installation of a non-time-differentiated meter to measure the monthly output of the QF's generation facility.
- C. Energy Storage Devices. A QF may elect to contract under options in Paragraph III. A or Paragraph III. B., above with Facility designs that incorporate Energy Storage Devices ("ESD"s).

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY

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

A. Energy Purchase Payments

Purchase payments for the supply of energy by the QF to the Company will be based on an hourly energy purchase price (cents per kWh) that is calculated using the hourly \$/MWh PJM Interconnection, LLC (PJM) Day Ahead Locational Marginal Price (DA LMP) at the PJM-defined nodal location nearest to the Qualifying Facility divided by 10, and multiplied by the hourly net generation as recorded on the Company's time-differentiated meter. Operator shall be paid for energy up to 105% of Contracted Capacity in any hour except no payment shall be made for generation in excess of 1,000 kW in any hour.

B. Capacity Purchase Payments

The Company shall pay a levelized capacity payment for each year of the contract term. A swine or poultry waste-fueled generator, or a hydroelectric facility with a capacity of 5 MW or less in capacity that has a power purchase agreement in effect as of July 27, 2017, which commits to sell and deliver energy and capacity for a new fixed contract term prior to the termination of the Operator's existing contract term is considered to avoid

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

(Continued)

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

a future capacity need for these designated resource types beginning in the first year following the Operator's existing PPA, pursuant to N.C.G.S. § 62-

(Continued)

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Electric-North Carolina

Superseding Filing Effective For Usage  
On and After 06-01-20. This Filing  
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Schedule 19 - LMP  
POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

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

156(b)(3), as amended. For other types of generation, an Operator's commitment to sell and deliver energy and capacity over a future fixed term is considered to avoid an undesignated future capacity need beginning only in the first year when there is an avoidable capacity need identified in the Company's most recent IRP. Levelized payments to such Operators shall therefore incorporate the need for capacity only in those years that the Company's most recent IRP forecast period has demonstrated a capacity need.

Effective each June 1, PJM establishes the Reliability Pricing Model (RPM) capacity resource clearing price for each PJM zone, shown as a \$/MW-day price, that will be applicable through the following May 31 of the next year. Such prices will be the clearing results from PJM's Base Residual Auction (BRA). The Company will pay Operator the price associated with the capacity product most applicable to the QF resource type and performance. Capacity purchase payments provided for under this Schedule are based on (1) an average of the 2018 PJM BRA clearing prices for Delivery Years 2019-2020 through 2021-2022, (2) converted to a cents/kWh on-peak capacity purchase price, (3) applied to the years of the Schedule 19-LMP contract that correspond to the Company's capacity need as identified in its most recent IRP, and (4) levelized over the course of the ten-year contract.

Payments for the supply of capacity by the QF to the Company will be made based upon the QF's daily net on-peak generation multiplied by the capacity purchase price calculated pursuant to the method described above and indicated below under "Capacity Price."

(Continued)

Filed 11-02-20  
Electric-North Carolina

Superseding Filing Effective For Usage  
On and After 06-01-20. This Filing  
Effective For Usage On and After 11-02-20.

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

(Continued)

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

The purchase payment for capacity may be modified by application of the Summer Peak Performance Factor (SPPF), as described below. The on-peak hours for every day are from 7 AM to 11 PM. Off-peak hours are defined as all other hours. Capacity Payment shall not be made for generation in any hour that exceeds the Contracted Capacity. Initially, a QF's SPPF will be 1. Once a QF has achieved Commercial Operations and such operation encompasses at least a full Summer (defined by PJM as June 1 through September 30), the following January billing month, and for each January billing month thereafter, an SPPF will be calculated that is based on the QF's operation during the five (5) PJM coincident peak hours (CP Hours), as posted by PJM, during the Summer of the previous calendar year. The QF's SPPF is equal to the number of CP Hours in which the QF generated at or greater than 75% of its Contracted Capacity, divided by 5. Therefore, the SPPF could be 0, 0.2, 0.4, 0.6, 0.8, or 1.0. When applicable, the QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

	Capacity Price
On-Peak (¢/kWh)	0.5378

(Continued)

Filed 11-02-20  
Electric-North Carolina

Superseding Filing Effective For Usage  
On and After 06-01-20. This Filing  
Effective For Usage On and After 11-02-20.

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

(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY ONLY

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

Purchase payments for the supply of energy only by the QF to the Company will be based on an energy purchase price (cents per kWh) that is calculated using the average of the hourly \$/MWh DA LMP at the PJM-defined nodal location nearest to the Qualifying Facility for the QF's billing month, divided by 10, and multiplied by the net generation as recorded on the Company's non-time-differentiated meter.

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  2. Control and protective devices as required by the Company on the QF's side of the meter.
- B. The sale of electrical output to the Company by a QF at avoided cost rates pursuant to this Schedule 19-LMP does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.
- C. The QF is responsible for obtaining an interconnection service agreement for delivery of electrical output generated by its facility onto the Company's electrical system. Information on interconnection procedures for the QF's generation interconnection is provided through the Internet at the Company's website:

<https://www.dominionenergy.com/large-business/using-our-facilities/parallel-generation-and-interconnection>

If the interconnection is subject to FERC jurisdiction, the interconnection will be in accordance with FERC and PJM Interconnection, L.L.C. requirements.

(Continued)

Filed 11-02-20  
Electric-North Carolina

Superseding Filing Effective for Usage  
On and After 06-01-20. This Filing  
Effective for Usage On and After 11-02-20.



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

(Continued)

VII. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

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

If the QF terminates its contract to provide Contracted Capacity and energy to the Company prior to the expiration of the contract term, the QF shall, in addition to other liabilities, be liable to the Company for excess capacity and energy payments.

Such excess payments will be calculated by taking the difference between (1) the total capacity and energy payments already made by the Company to the QF and (2) capacity and energy payments calculated based on the levelized capacity and energy purchase price corresponding to the actual term completed by the QF. These excess payments shall also include interest, from the time such excess payments were made, compounded annually at the rate equal to the Company's most current issue of long-term debt at the time of the contract's effective date.

VIII. TERM OF CONTRACT

The term of contract shall be mutually agreed upon by the Company and QF, subject to the applicable maximum term limits set forth in Section I. A and B. A QF that initially chooses Schedule 19 – LMP will be permitted a one-time switch to Schedule 19-FP on the first day of its second year under its contract, with 90 days written notice, and in so doing, enter into a new contract with pricing in accordance with the Schedule 19-FP in effect at the time of the initial contract date and with a choice of term up to 10 years, as applicable, less the days elapsed between the commencement of the original contract and the time of execution of the new contract. This one-time option to switch shall only be permitted contingent on Schedule 19 - FP being in effect on the first day of the QF's second year under contract.

CONFIDENTIAL INFORMATION REDACTED

**POWER PURCHASE ASSUMPTIONS IN PROMOD**

*Schedule 19 and other non-dispatchable qualifying facilities:*

Non-dispatchable NUGs are considered “behind the meter” and are modeled as such in Plexos. These projects are categorized as “BTM NUGs” and “NUG Solar.”

*Market purchases:*

Market purchases from the PJM energy market are available in the model, and can be used to displace Company-owned generation.

**UNIT OPERATING ASSUMPTIONS**

**Nuclear Units**

*Surry Units 1 and 2*

- 98.0% availability between planned outages
- Unit 1 is scheduled for a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]-day outage in 2021 and a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]-day outage in 2022.
- Unit 2 is scheduled for a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]-day outage in 2021.

*North Anna Units 1 and 2:*

- 98.0% availability between planned outages
- Unit 1 is scheduled for a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]-day outage in 2021 and a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]-day outage in 2022
- Unit 2 is scheduled for a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]-day outage in 2022.
- North Anna Units 1 and 2 are modeled at Dominion’s 88.4% ownership

**Power Generation (F&H) Units**

The Company’s Power Generation department provides the capacity states, availabilities, emission rates, unplanned outage rates, and heat rate data which are input to Plexos. In developing the assumptions for each unit, Power Generation takes into account the current state of repair of the unit, the expected performance, and any planned modifications to the unit.

**Hydro Units**

*Conventional hydro units:*

- |                  |          |  |
|------------------|----------|--|
| • North Anna     | 0.992 MW | Modeled using 10-year average of actual generation |
| • Gaston         | 220 MW   | Modeled using 10-year average of actual generation |
| • Roanoke Rapids | 95 MW    | Modeled using 10-year average of actual generation |

*Bath County Pumped Storage Facility:*

- Currently 1,802 MW (60% of project ownership) of generating capability
- 1,728 MW of pumping capability
- Weekly refill cycle with an assumed output/input, or cycle efficiency, of 79.6%
- Annual forced outage rate of approximately 3%
- Pumping energy necessary to fill the upper reservoir is assumed to be 31,447 MWh

CONFIDENTIAL INFORMATION REDACTED

**New Units**

The Company's two US-3 Solar Projects – Colonial Trail West Solar and Spring Grove Solar – have commercial operation dates of December 2019 and November 2020 respectively. Their nameplate capacity ratings are 142.4 MW and 98 MW.

**Planned New Units**

The company has included the following planned generation additions in this study:

<u>Unit Name</u>	<u>Type</u>	<u>Planned COD</u>	<u>Summer MW</u>
US-4 Solar Project	Solar	December 2020	100
IRP Future Solar	Solar	2021-2035	14,820
Solar DG	Solar	2022-2030	1,110
CVOW	Off-Shore Wind Project	Winter 2020/2021	11
Generic CTs	Combustion Turbine	May 2024	970
Commercial Off-Shore Wind	Off-Shore Wind Project	2026-2034	5,112
Battery Pilot_16MW	Battery	December 2021	16
Battery Pilot_14MW	Battery	December 2022	14
Battery_400 MW	Battery	2026	400
Battery_500 MW	Battery	2027-2034	2,000
Pumped Storage	Pumped Storage	2030	300

**Retiring Units and Cold Storage Units**

The modeling assumptions regarding generation unit retirements and cold storage are detailed below.

- Possum Point 5 retiring 12/31/2020
- Yorktown 3 retiring 5/1/2023
- Chesterfield 5 and 6 retiring 5/1/2023
- Clover 1 and 2 retiring 1/1/2025
- Rosemary retiring 1/1/2027
- Altavista, Hopewell and Southampton units retiring 1/1/2029

**FUEL AND PJM POWER COST ASSUMPTIONS**

For the first 18 months of the forecast period, the fuel, PJM power, and emission allowance prices are based on estimated market prices as of September 30, 2020. For the next 18 months, the prices are a blend of the market prices and the ICF commodity price forecast as of February 2020. For the remainder of the term, the prices are based on ICF's commodity price forecast.

**VARIABLE O&M COST ASSUMPTIONS**

Generating unit variable operation and maintenance costs are included in the PROMOD analyses. Variable O&M rates are escalated at 1.98% annually.

**Development of Fixed, Levelized Energy Purchase Prices for QFs  
2020 North Carolina Schedule 19 Filing, Docket No. E-100, Sub 167**

Sub Period	Name	Abr.	Months	Weekday Hours	Weekend Hours
Sub1	Summer Premium Peak	(S-PP)	Jun-Sep	15-18	
Sub2	Summer On-Peak	(S-On)	Jun-Sep	11-14,19-22	
Sub3	Summer Off-Peak	(S-Off)	Jun-Sep	1-10,23-24	1-24
Sub4	Winter Premium Peak	(W-PP)	Dec-Feb	7-8,18-19	
Sub5	Winter On-Peak(am)	(W-On-AM)	Dec-Feb	9-12	
Sub6	Winter On-Peak(pm)	(W-On-PM)	Dec-Feb	20-22	
Sub7	Winter Off-Peak	(W-Off)	Dec-Feb	1-6,23-24	1-24
Sub8	Shoulder On-Peak	(Sh-On)	Shoulder	7-22	
Sub9	Shoulder Off-Peak	(Sh-Off)	Shoulder	1-6,23-24	1-24

**Plexos Results Avoided Energy(c/kWh)**

		Sub1	Sub2	Sub3	Sub4	Sub5	Sub6	Sub7	Sub8	Sub9
1	2021	3.809	2.917	2.030	3.914	3.279	3.337	2.859	2.866	2.085
2	2022	4.075	3.121	2.114	4.620	3.911	3.929	2.931	2.937	2.115
3	2023	4.337	3.319	2.307	4.171	3.522	3.550	2.863	2.727	2.131
4	2024	4.639	3.558	2.426	4.387	3.733	3.753	3.183	2.795	2.237
5	2025	4.886	3.753	2.586	4.227	3.601	3.637	3.194	2.860	2.283
6	2026	5.401	4.142	2.886	4.466	3.729	3.814	3.294	3.157	2.483
7	2027	5.001	3.838	2.695	4.128	3.440	3.524	3.238	3.031	2.389
8	2028	4.982	3.825	2.685	4.386	3.708	3.740	3.125	3.046	2.397
9	2029	4.812	3.697	2.572	4.213	3.564	3.601	3.036	3.028	2.418
10	2030	4.966	3.817	2.667	4.227	3.583	3.611	3.104	3.086	2.498
11	2031	4.849	3.741	2.626	4.440	3.765	3.825	3.214	3.116	2.528

Adj for LMP      0.965      0.976      0.981      0.957      0.961      0.961      0.960      0.961      0.961      0.975

**Avoided Hedge  
Benefits (c/kwh)**

0.002      0.002      0.002      0.002      0.002      0.002      0.002      0.002      0.002      0.002

**Adjusted for LMP Impact and Avoided Hedge Benefit (c/kWh)**

		Sub1	Sub2	Sub3	Sub4	Sub5	Sub6	Sub7	Sub8	Sub9
1	2021	3.676	2.849	1.993	3.747	3.152	3.211	2.746	2.756	2.035
2	2022	3.934	3.048	2.076	4.422	3.758	3.780	2.815	2.824	2.065
3	2023	4.186	3.241	2.265	3.993	3.385	3.415	2.749	2.622	2.080
4	2024	4.477	3.475	2.383	4.199	3.587	3.610	3.056	2.687	2.183
5	2025	4.716	3.665	2.539	4.047	3.460	3.499	3.067	2.750	2.228
6	2026	5.213	4.045	2.833	4.275	3.584	3.669	3.163	3.036	2.423
7	2027	4.827	3.748	2.646	3.952	3.306	3.390	3.109	2.914	2.331
8	2028	4.808	3.735	2.636	4.199	3.563	3.597	3.001	2.929	2.340
9	2029	4.644	3.610	2.526	4.033	3.425	3.464	2.915	2.911	2.359
10	2030	4.793	3.727	2.619	4.047	3.444	3.474	2.981	2.967	2.438
11	2031	4.680	3.654	2.578	4.250	3.618	3.680	3.086	2.996	2.467

**Variable Energy Rate (c/kWh)**

Sub1      Sub2      Sub3      Sub4      Sub5      Sub6      Sub7      Sub8      Sub9      Non-time  
3.805      2.949      2.035      4.084      3.455      3.495      2.780      2.790      2.050      differentiated  
2.579

DISCOUNT RATE =      6.830%

**Beginning of Year 2021 Present Value (c/kWh)**

PV Factor		Sub1	Sub2	Sub3	Sub4	Sub5	Sub6	Sub7	Sub8	Sub9	
1	0.9361	2021	3.441	2.667	1.866	3.507	2.950	3.006	2.570	2.579	1.905
2	0.8762	2022	3.447	2.671	1.819	3.875	3.293	3.312	2.466	2.475	1.809
3	0.8202	2023	3.433	2.659	1.858	3.275	2.776	2.801	2.255	2.151	1.706
4	0.7678	2024	3.438	2.668	1.829	3.224	2.754	2.772	2.346	2.063	1.676
5	0.7187	2025	3.389	2.634	1.825	2.908	2.487	2.515	2.204	1.976	1.601
6	0.6727	2026	3.507	2.721	1.906	2.876	2.411	2.468	2.128	2.042	1.630
7	0.6297	2027	3.040	2.360	1.666	2.488	2.082	2.135	1.958	1.835	1.468
8	0.5895	2028	2.834	2.202	1.554	2.475	2.101	2.120	1.769	1.727	1.379
9	0.5518	2029	2.563	1.992	1.394	2.225	1.890	1.912	1.609	1.606	1.302
10	0.5165	2030	2.476	1.925	1.353	2.090	1.779	1.794	1.540	1.532	1.259
		CUMULATIVE	31.567	24.499	17.069	28.944	24.523	24.835	20.845	19.987	15.735
		LEVELIZED RATE	4.459	3.461	2.411	4.089	3.464	3.508	2.945	2.823	2.223

**Dominion Energy North Carolina**

**Combustion Turbine**

**January 1, 2021 COD**

Capacity (MW) 324.2

Year	ECC (\$000)*	Fixed O&M (\$000)	CT Fixed Costs(\$k)	QF capacity Value (\$k)
2021	-	-	-	-
2022	-	-	-	-
2023	14,603	3,009	17,613	17,613
2024	14,870	3,070	17,940	17,940
2025	15,142	3,131	18,273	18,273
2026	15,418	3,194	18,612	18,612
2027	15,700	3,258	18,958	18,958
2028	15,987	3,323	19,310	19,310
2029	16,279	3,389	19,668	19,668
2030	16,577	3,457	20,034	20,034

SUMMER				WINTER				SHOULDER						
Year	Cost\$	on pk hr	MWh	\$/MWh	Year	Cost\$	on pk hr	MWh	\$/MWh	Cost\$	on pk hr	MWh	\$/MWh	
2021	-	516	156,348	-	2021	-	504	152,712	-	2021	-	840	254,520	-
2022	-	516	156,348	-	2022	-	504	152,712	-	2022	-	840	254,520	-
2023	7,925,677	516	156,348	50.69	2023	7,045,047	504	152,712	46.13	2023	2,641,892	840	254,520	10.38
2024	8,072,849	516	156,348	51.63	2024	7,175,865	504	152,712	46.99	2024	2,690,950	840	254,520	10.57
2025	8,222,756	516	156,348	52.59	2025	7,309,117	504	152,712	47.86	2025	2,740,919	840	254,520	10.77
2026	8,375,451	516	156,348	53.57	2026	7,444,845	504	152,712	48.75	2026	2,791,817	840	254,520	10.97
2027	8,530,984	516	156,348	54.56	2027	7,583,097	504	152,712	49.66	2027	2,843,661	840	254,520	11.17
2028	8,689,410	516	156,348	55.58	2028	7,723,920	504	152,712	50.58	2028	2,896,470	840	254,520	11.38
2029	8,850,781	516	156,348	56.61	2029	7,867,361	504	152,712	51.52	2029	2,950,260	840	254,520	11.59
2030	9,015,152	516	156,348	57.66	2030	8,013,469	504	152,712	52.47	2030	3,005,051	840	254,520	11.81
On Peak Summer (\$/MWh)				\$40.00	On Peak Summer (\$/MWh)				\$36.41	On Peak Summer (\$/MWh)				\$8.19
c/kwh				4.000	c/kwh				3.641	c/kwh				0.819

**Notes**

\*ECC Based on CT installed cost of \$592.5/kW  
 Multiplier 100% to reflect non-dispatchability and intermittency  
 100% Multiplier represents a dispatchable CT  
 Discount Rate 6.830%  
 Contract Length (yrs) 10  
 PAF 1.070  
 cap factor 93.46%

Weight 45.0%				Weight 40.0%				Weight 15.0%			
Hours Definition				Hours Definition				Hours Definition			
Month	Peak days/mo	Peak hrs/day	On Peak Hrs	Month	Peak days/mo	Peak hrs/day	On Peak Hrs	Month	Peak days/mo	Peak hrs/day	On Peak Hrs
Jan				Jan	20	8	160	Jan			
Feb				Feb	20	8	160	Feb			
Mar				Mar				Mar	23	8	184
Apr				Apr				Apr	21	8	168
May				May				May	20	8	160
Jun	22	6	132	Jun				Jun			
Jul	21	6	126	Jul				Jul			
Aug	22	6	132	Aug				Aug			
Sep	21	6	126	Sep				Sep			
Oct				Oct				Oct	21	8	168
Nov				Nov				Nov	20	8	160
Dec				Dec	23	8	184	Dec			
TOTAL on pk hours (M-F)			516	TOTAL on pk hours (M-F)			504	TOTAL on pk hours (M-F)			840

**Dominion Energy North Carolina**

**Combustion Turbine**

**January 1, 2021 COD**

Year	ECC (\$000)*	Fixed O&M (\$000)	CT Fixed Costs(\$k)	QF capacity Value (\$k)
2021	-	-	-	-
2022	-	-	-	-
2023	14,603	3,009	17,613	17,613
2024	14,870	3,070	17,940	17,940
2025	15,142	3,131	18,273	18,273
2026	15,418	3,194	18,612	18,612
2027	15,700	3,258	18,958	18,958
2028	15,987	3,323	19,310	19,310
2029	16,279	3,389	19,668	19,668
2030	16,577	3,457	20,034	20,034

SUMMER				WINTER				SHOULDER						
Year	Cost\$	on pk hr	MWh	\$/MWh	Year	Cost\$	on pk hr	MWh	\$/MWh	Year	Cost\$	on pk hr	MWh	\$/MWh
2021	-	516	83,646	-	2021	-	504	81,701	-	2021	-	840	136,168	-
2022	-	516	83,646	-	2022	-	504	81,701	-	2022	-	840	136,168	-
2023	7,925,677	516	83,646	94.75	2023	7,045,047	504	81,701	86.23	2023	2,641,892	840	136,168	19.40
2024	8,072,849	516	83,646	96.51	2024	7,175,865	504	81,701	87.83	2024	2,690,950	840	136,168	19.76
2025	8,222,756	516	83,646	98.30	2025	7,309,117	504	81,701	89.46	2025	2,740,919	840	136,168	20.13
2026	8,375,451	516	83,646	100.13	2026	7,444,845	504	81,701	91.12	2026	2,791,817	840	136,168	20.50
2027	8,530,984	516	83,646	101.99	2027	7,583,097	504	81,701	92.82	2027	2,843,661	840	136,168	20.88
2028	8,689,410	516	83,646	103.88	2028	7,723,920	504	81,701	94.54	2028	2,896,470	840	136,168	21.27
2029	8,850,781	516	83,646	105.81	2029	7,867,361	504	81,701	96.29	2029	2,950,260	840	136,168	21.67
2030	9,015,152	516	83,646	107.78	2030	8,013,469	504	81,701	98.08	2030	3,005,051	840	136,168	22.07
On Peak Summer (\$/MWh)				\$74.77	On Peak Summer (\$/MWh)				\$68.05	On Peak Summer (\$/MWh)				\$15.31
c/kwh				7.477	c/kwh				6.805	c/kwh				1.531

**Notes**

\*ECC Based on CT installed cost of \$592.5/kW  
 Multiplier **100%** to reflect non-dispatchability and intermittency  
 100% Multiplier represents a dispatchable CT  
 Discount Rate 6.830%  
 Contract Length (yrs) 10  
 PAF **2.000**  
 cap factor 50.00%

SUMMER (45.0% Weight)				WINTER (40.0% Weight)				SHOULDER (15.0% Weight)			
Month	Peak days/mo	Peak hrs/day	On Peak Hrs	Month	Peak days/mo	Peak hrs/day	On Peak Hrs	Month	Peak days/mo	Peak hrs/day	On Peak Hrs
Jan				Jan	20	8	160	Jan			
Feb				Feb	20	8	160	Feb			
Mar				Mar				Mar	23	8	184
Apr				Apr				Apr	21	8	168
May				May				May	20	8	160
Jun	22	6	132	Jun				Jun			
Jul	21	6	126	Jul				Jul			
Aug	22	6	132	Aug				Aug			
Sep	21	6	126	Sep				Sep			
Oct				Oct				Oct	21	8	168
Nov				Nov				Nov	20	8	160
Dec				Dec	23	8	184	Dec			
TOTAL on pk hours (M-F)			516	TOTAL on pk hours (M-F)			504	TOTAL on pk hours (M-F)			840

**Schedule 19-FP**

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

THIS AGREEMENT, effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, (the “Effective Date”) by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Energy Virginia, and in North Carolina as Dominion Energy North Carolina, hereinafter called “Dominion Energy North Carolina” or the “Company,” and \_\_\_\_\_ [Operator Corporate Name], a [State & Form, e.g., “North Carolina Corporation”], with its principal office in \_\_\_\_\_ [City], \_\_\_\_\_ [State], hereinafter called “Operator.” Both Dominion Energy North Carolina and Operator also are herein individually referred to as “Party” and collectively referred to as “Parties”:

**RECITALS**

WHEREAS, the North Carolina Utilities Commission (“Commission”) has adopted a rate schedule described in this Agreement below as **Schedule 19-FP** applicable to eligible Qualifying Facilities (or “QF” as that term is defined in 18 C.F.R. § 292) which can provide Contracted Capacity (as defined in Schedule 19-FP) up to 1000 kW; and

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission (“Commission”) in Docket No. SP- \_\_\_\_\_ (“CPCN”); and

or [The inapplicable recital will be deleted]

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the report of proposed construction notice (“RPCN”) filed with the Commission in Docket No. SP- \_\_\_\_\_ and

WHEREAS, the Facility is located in Dominion Energy North Carolina’s retail service area in [address, city, county], North Carolina, and the Parties hereto wish to contract pursuant to Schedule 19-FP for the sale of electrical output from such a QF to be operated by Operator.

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

## Schedule 19-FP

### Article 1: Parties' Purchase and Sale Obligations

Dominion Energy North Carolina or its agent, assignee, or successor will purchase from Operator all of the electrical output (up to the Contracted Capacity) made available for sale from the Facility on [Operator to choose] \_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is [Operator to select Mode of Operation]:

\_\_\_ Non-Reimbursement Mode as described in Section IV.A of Schedule 19-FP;

\_\_\_ Energy-Only

\_\_\_ Non-time-differentiated Variable Mode of Operation as described in Section IV.B of Schedule 19-FP; or

\_\_\_ Time-differentiated Variable Mode of Operation) as described in Section IV.B of Schedule FP and the QF elects the following basis for payment for Company purchases of energy under this Variable Mode of Operation;

or

\_\_\_ Fixed Mode of Operation as described in Section IV.C of Schedule 19 FP and the QF elects the following basis for payment for Company purchases of energy and capacity under the Fixed Mode of Operation.

### Article 2: Term and Commercial Operations Date

This Agreement shall commence on the Effective Date and, unless earlier terminated under any other provision of this Agreement, shall continue in effect for a period of \_\_\_\_\_ ( ) years from the commercial operations date ("COD"). The COD shall be the first date that all of the following conditions have been satisfied:

- (a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion Energy North Carolina system and such action has been witnessed by an authorized Dominion Energy North Carolina employee;
- (b) After completion of item a) above, Dominion Energy North Carolina has received written notice from Operator specifying the COD and certifying that the Facility is ready to begin commercial operations as a QF;



### Schedule 19-FP

- (c) Operator and Dominion Energy North Carolina (or the PJM Interconnection, L.L.C. or other operator of the Dominion Energy North Carolina transmission system, as applicable) have executed an interconnection service agreement for delivery of electrical output by the Facility onto the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;
- (d) The Facility is a QF; and,
- (e) The CPCN or RPCN, as applicable, is in full force and effect.

For contract terms of 10 years, this Agreement may be renewed at the option of Dominion Energy North Carolina in accordance with Section I of Schedule 19-FP.

### Article 3: Contracted Capacity

The Facility, consisting of \_\_\_\_\_ generator(s), has an aggregate maximum net power production capacity (calculated in accordance with FERC Form 556) of approximately \_\_\_\_ kW alternating current ("ac"). The Facility's Contracted Capacity shall be \_\_\_\_ kW ac.

### Article 4: Attachments

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP
- Exhibit D: Evidence of QF Status on the Effective Date
- Exhibit E: Copy of CPCN or RPCN, as applicable.
- Exhibit F: Summary of Key Contractual Details
- Exhibit G: Energy Storage Device Addendum

## Schedule 19-FP

### Article 5: Price

Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions for payments in Schedule 19-FP included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-FP as stated in Article 1 hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

### Article 6: Operator's Pre-COD Obligations

(a) Status Report. After execution of this Agreement and until the COD, Operator shall deliver a quarterly status report to the Company with the information set forth in Exhibit A. This status report shall be delivered to Dominion Energy North Carolina on or before the following dates each year: January 15, April 15, July 15, and October 15.

(b) Commencement of Construction. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional notice-to-proceed with unrestricted construction activities for the Facility; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as a power island or the ground mounting systems for solar panels and inverters consistent with having commenced a continuous process of construction relating to the Facility. Dominion Energy North Carolina shall have no obligation to accept a declaration of Commercial Operations earlier than four (4) months prior to the anticipated COD date. The anticipated COD is \_\_\_\_\_, 20\_\_.

### Article 7: Early Termination

(a) Defaults with No Cure Period. Operator and Company agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Company's right to early termination of this Agreement upon written notice to Operator, but without being subject to a cure period, provided however, that Company shall be obligated to pay for any capacity and energy delivered by Facility prior to termination of this Agreement at the rates stated herein:

(i) failure to commence construction of the Facility, as defined in Section 6(b), within the later of fourteen (14) months from the Effective Date of this Agreement or thirty (30) days after the Company tenders an Interconnection Agreement for execution by Operator;

(ii) delivery or supply of electrical output to any entity other than Dominion Energy North Carolina or its agent, assignee or successor;

### Schedule 19-FP

(iii) Operator increases the aggregate maximum net power production capacity (calculated in accordance with FERC Form 556) of the Facility above the Contracted Capacity without the prior written approval of Company;

(iv) failure to generate and deliver any electrical output from the Facility for more than 180 consecutive days at any time after COD; provided, however, if such failure is due to Force Majeure as defined in Exhibit B and Operator has complied with the requirements of Exhibit B with respect to such Force Majeure, then Company may not terminate this Agreement unless the failure lasts for three hundred sixty-five consecutive days.

(b) Defaults with Cure Period. Operator and Company agree that the following events if not cured by Operator within thirty days of notice from Company shall constitute a default giving Company the right to terminate this Agreement:

(i) failure to meet the requirements necessary to maintain QF status or revocation of its QF status for any reason;

(ii) failure to provide a status report in accordance with Section 6(a);

(iii) termination of the Interconnection Agreement or suspension of Operator's right to interconnect the Facility under the Interconnection Agreement unless such failure is due to a breach of the Interconnection Agreement by a party other than the Operator; or

(iv) failure to perform in any material way, any other obligations, which failure would not constitute an individual event of default under Section 7(a) or Section 7(c).

Notwithstanding any cure period, Company shall not be obligated to purchase any energy or Contracted Capacity under this Agreement while such default remains uncured.

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve the Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-FP rates filed by the Company in Docket No. E-100, Sub ~~158~~167; provided, however, an Operator may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

Furthermore, any Material Alteration to the Facility 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

### Schedule 19-FP

Seller. “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 the Company in a commercially reasonable manner including, without limitation, (i) the addition of an Energy Storage Device (“ESD”), defined as a component of the Facility that uses energy storage technology, including but not limited to battery storage; (ii) a modification which results in an increase to the Contracted 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.

Operator agrees that if this Agreement is canceled by Dominion Energy North Carolina prior to the end of the initial term of this Agreement for nonperformance by the QF, then, Dominion Energy North Carolina shall have all rights and remedies available at law or in equity.

### Article 8: Representations and Warranties

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

### Article 9: Notices and Payments

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

[OPERATOR]:	DOMINION ENERGY NORTH CAROLINA:
[Operator Name]	Virginia Electric and Power Company
[Operator Address]	Power Contracts 600 Canal Place – 17S 600 East Canal Street Richmond, Virginia 23219

**Schedule 19-FP**

**Article 10: Integration of Entirety of Agreement**

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

[SIGNATURE PAGE FOLLOWS]

**Schedule 19-FP**

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

[OPERATOR]

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

## Schedule 19-FP

### EXHIBIT A

The quarterly status reports required by Article 6 shall include the following information and any additional information that may be reasonably requested by Company.

- Status of financing and expected closing date
- Notification and status of any plans to change control or ownership of the project
- Site location and acreage
- EIA Plant Code
- Description of construction status
- Timeline of construction to include:
  - Start date of construction
  - Construction completion date
  - Date for start-up and testing
- Timeline for interconnection through completion
- Current interconnection status
- Status of required permits
- Notice of any changes, modifications, or assignment of CPCN, RCPN and QF Status
- Summary of anticipated design components including transformer voltages and maximum output in AC & DC
- Estimated COD

## Schedule 19-FP

### EXHIBIT B General Terms and Conditions

#### I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion Energy North Carolina, which consent shall not be unreasonably withheld, provided, that such assignment does not require any amendment of the terms and conditions of the Agreement, other than the notice provisions, thereof. Any attempted assignment that Dominion Energy North Carolina has not approved in writing shall be null and void and ineffective for all purposes. In the event of assignment by Operator, Operator shall pay the Company within thirty (30) days of the effective date of the assignment an amount equal to the actual costs incurred by Company in connection with such assignment up to a maximum amount of \$12,000 per assignment; provided, however, assignment of this Agreement by Operator in connection with an initial financing arrangement which is finalized and for which consent of the Company is requested within nine months of the Effective Date of this Agreement shall not be subject to the payment requirement provided herein.

#### II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion Energy North Carolina, defend Dominion Energy North Carolina, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion Energy North Carolina) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion Energy North Carolina for any injuries, deaths or damages caused by the sole negligence of Dominion Energy North Carolina. Operator agrees to provide Dominion Energy North Carolina written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion Energy North Carolina named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

#### III - QF Requirements

Operator represents and warrants that its Facility meets the QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the



### Schedule 19-FP

Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion Energy North Carolina prior to May 1 of any year, Operator agrees to provide to Dominion Energy North Carolina by July 1 of the same year information for the preceding year that is sufficient for Dominion Energy North Carolina to determine the Operator's continuing compliance with its QF requirements.

#### IV - Consequential Damages

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

#### V - Amendments, Waivers, Severability and Headings

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

#### VI - Compliance with Laws

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

### Schedule 19-FP

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

#### VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement.

Operator shall: (a) maintain the Facility in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion Energy North Carolina may refuse to accept deliveries of power hereunder.

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

#### VIII - Metering

Dominion Energy North Carolina will meter all electrical output delivered from the Facility in accordance with Good Utility Practice ~~on the high voltage side of the step-up transformer(s).~~

Operator agrees to pay an administrative charge to Dominion Energy North Carolina to reflect all reasonable costs incurred by Dominion Energy North Carolina for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-FP.

### Schedule 19-FP

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

#### IX - Billing and Payment

Dominion Energy North Carolina shall read the meter(s) in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion Energy North Carolina shall send via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. The Company will issue payment for the Re-dispatch Credit at regular annual intervals in the form of a line item to offset charges. At Dominion Energy North Carolina's option, (i) Dominion Energy North Carolina may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion Energy North Carolina may invoice Operator for such charges separately. Payment by Dominion Energy North Carolina shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion Energy North Carolina shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

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

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

In no event shall Dominion Energy North Carolina be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Schedule 19-FP or successor schedules. Operator hereby agrees to accept the energy and capacity payments if applicable as set forth herein as its sole and complete compensation for delivery of electrical output to Dominion Energy North Carolina.

### Schedule 19-FP

#### X - Force Majeure

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

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

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

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

### Schedule 19-FP

e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereunder shall be extended by a period equal to the term of the resultant delay.

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

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

**Schedule 19-FP**

EXHIBIT C

Exhibit C is a copy of Schedule 19-FP.

**Schedule 19-FP**

EXHIBIT D

Exhibit D is a copy of the Operator Form 556 formal or self FERC certification of QF status in effect as of the Effective Date.

OR

If Facility is 1 MW or less, Operator may submit the following statement as Exhibit D that the Facility qualifies as a Qualifying Facility (QF) under federal law:

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

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Schedule 19-FP**

EXHIBIT E

Exhibit E is the CPCN or RPCN for the Facility, as applicable.



**Schedule 19-FP**

EXHIBIT F

Key Contractual Details

Project Name:	
Size (MW):	
<u>Fuel Type / Technology:</u>	
Facility Address:	
Developer Name:	
Avoided Cost Docket:	
LEO Date:	
CPCN / RPCN Docket <u>and Approval Date:</u>	
<del>CPCN / RPCN Approval Date:</del>	
PPA Execution Date(s)	
PPA Effective Date:	
PPA Term:	
Interconnection Queue Number:	
PJM Node:	
COD Date(s) / Statutory Deadlines:	

**Schedule 19-FP**

EXHIBIT G

Energy Storage Device Addendum

This Exhibit G provides information related to Energy Storage Device (“ESD”) equipment to be co-located at the Facility:

- The ESD must be installed in accordance with system requirements and shall utilize the Facility as its sole charging source.
- All necessary certifications, studies, permitting, and fees associated with the ESD (including but not limited to regulatory approvals, CPCNs, system impact studies, facilities charges, and interconnection agreements) are the sole responsibility of Operator.
- The ESD must be capable of being separately metered in order to allow for measurement of the hourly ESD output exclusive of the Facility output, and in order for the ESD to qualify for adjustments to charges, including but not limited to the Re-dispatch Charge as described in Schedule 19-FP.
- The maximum output of the Facility, including any storage capability of the ESD, in any given hour shall be limited to the Facility’s Contract Capacity as specified in the Agreement.
- The ESD meter shall be owned by the Company.

<u>Storage Name / Identification (if different than Facility):</u>	
<u>Size (MW AC / DC):</u>	
<u>Fuel Type / Technology:</u>	
<u>Discharge Rating (Hours):</u>	
<u>LEO Date:</u> <u>(if not addressed by Exhibit F)</u>	
<u>CPCN / RPCN Docket and Approval Date:</u> <u>(if not addressed by Exhibit F)</u>	
<u>Interconnection Queue Number:</u> <u>(if not addressed by Exhibit F)</u>	

**Schedule 19-FP**

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

THIS AGREEMENT, effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, (the “Effective Date”) by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Energy Virginia, and in North Carolina as Dominion Energy North Carolina, hereinafter called “Dominion Energy North Carolina” or the “Company,” and \_\_\_\_\_ [Operator Corporate Name], a [State & Form, e.g., “North Carolina Corporation”], with its principal office in \_\_\_\_\_ [City], \_\_\_\_\_ [State], hereinafter called “Operator.” Both Dominion Energy North Carolina and Operator also are herein individually referred to as “Party” and collectively referred to as “Parties”:

RECITALS

WHEREAS, the North Carolina Utilities Commission (“Commission”) has adopted a rate schedule described in this Agreement below as **Schedule 19-FP** applicable to eligible Qualifying Facilities (or “QF” as that term is defined in 18 C.F.R. § 292) which can provide Contracted Capacity (as defined in Schedule 19-FP) up to 1000 kW; and

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission (“Commission”) in Docket No. SP- \_\_\_\_\_ (“CPCN”); and

or [The inapplicable recital will be deleted]

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the report of proposed construction notice (“RPCN”) filed with the Commission in Docket No. SP- \_\_\_\_\_ and

WHEREAS, the Facility is located in Dominion Energy North Carolina’s retail service area in [address, city, county], North Carolina, and the Parties hereto wish to contract pursuant to Schedule 19-FP for the sale of electrical output from such a QF to be operated by Operator.

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

## Schedule 19-FP

### Article 1: Parties' Purchase and Sale Obligations

Dominion Energy North Carolina or its agent, assignee, or successor will purchase from Operator all of the electrical output (up to the Contracted Capacity) made available for sale from the Facility on [Operator to choose] \_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is [Operator to select Mode of Operation]:

\_\_\_ Non-Reimbursement Mode as described in Section IV.A of Schedule 19-FP;

\_\_\_ Energy-Only

\_\_\_ Non-time-differentiated Variable Mode of Operation as described in Section IV.B of Schedule 19-FP; or

\_\_\_ Time-differentiated Variable Mode of Operation) as described in Section IV.B of Schedule FP and the QF elects the following basis for payment for Company purchases of energy under this Variable Mode of Operation;

or

\_\_\_ Fixed Mode of Operation as described in Section IV.C of Schedule 19 FP and the QF elects the following basis for payment for Company purchases of energy and capacity under the Fixed Mode of Operation.

### Article 2: Term and Commercial Operations Date

This Agreement shall commence on the Effective Date and, unless earlier terminated under any other provision of this Agreement, shall continue in effect for a period of \_\_\_\_\_ (\_\_) years from the commercial operations date ("COD"). The COD shall be the first date that all of the following conditions have been satisfied:

- (a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion Energy North Carolina system and such action has been witnessed by an authorized Dominion Energy North Carolina employee;
- (b) After completion of item a) above, Dominion Energy North Carolina has received written notice from Operator specifying the COD and certifying that the Facility is ready to begin commercial operations as a QF;

### **Schedule 19-FP**

- (c) Operator and Dominion Energy North Carolina (or the PJM Interconnection, L.L.C. or other operator of the Dominion Energy North Carolina transmission system, as applicable) have executed an interconnection service agreement for delivery of electrical output by the Facility onto the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;
- (d) The Facility is a QF; and,
- (e) The CPCN or RPCN, as applicable, is in full force and effect.

For contract terms of 10 years, this Agreement may be renewed at the option of Dominion Energy North Carolina in accordance with Section I of Schedule 19-FP.

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

The Facility, consisting of \_\_\_\_\_ generator(s), has an aggregate maximum net power production capacity (calculated in accordance with FERC Form 556) of approximately \_\_\_\_ kW alternating current ("ac"). The Facility's Contracted Capacity shall be \_\_\_\_ kW ac.

### **Article 4: Attachments**

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP
- Exhibit D: Evidence of QF Status on the Effective Date
- Exhibit E: Copy of CPCN or RPCN, as applicable.
- Exhibit F: Summary of Key Contractual Details
- Exhibit G: Energy Storage Device Addendum

## **Schedule 19-FP**

### **Article 5: Price**

Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions for payments in Schedule 19-FP included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-FP as stated in Article 1 hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

### **Article 6: Operator's Pre-COD Obligations**

(a) Status Report. After execution of this Agreement and until the COD, Operator shall deliver a quarterly status report to the Company with the information set forth in Exhibit A. This status report shall be delivered to Dominion Energy North Carolina on or before the following dates each year: January 15, April 15, July 15, and October 15.

(b) Commencement of Construction. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional notice-to-proceed with unrestricted construction activities for the Facility; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as a power island or the ground mounting systems for solar panels and inverters consistent with having commenced a continuous process of construction relating to the Facility. Dominion Energy North Carolina shall have no obligation to accept a declaration of Commercial Operations earlier than four (4) months prior to the anticipated COD date. The anticipated COD is \_\_\_\_\_, 20\_\_.

### **Article 7: Early Termination**

(a) Defaults with No Cure Period. Operator and Company agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Company's right to early termination of this Agreement upon written notice to Operator, but without being subject to a cure period, provided however, that Company shall be obligated to pay for any capacity and energy delivered by Facility prior to termination of this Agreement at the rates stated herein:

(i) failure to commence construction of the Facility, as defined in Section 6(b), within the later of fourteen (14) months from the Effective Date of this Agreement or thirty (30) days after the Company tenders an Interconnection Agreement for execution by Operator;

### Schedule 19-FP

(ii) delivery or supply of electrical output to any entity other than Dominion Energy North Carolina or its agent, assignee or successor;

(iii) Operator increases the aggregate maximum net power production capacity (calculated in accordance with FERC Form 556) of the Facility above the Contracted Capacity without the prior written approval of Company;

(iv) failure to generate and deliver any electrical output from the Facility for more than 180 consecutive days at any time after COD; provided, however, if such failure is due to Force Majeure as defined in Exhibit B and Operator has complied with the requirements of Exhibit B with respect to such Force Majeure, then Company may not terminate this Agreement unless the failure lasts for three hundred sixty-five consecutive days.

(b) Defaults with Cure Period. Operator and Company agree that the following events if not cured by Operator within thirty days of notice from Company shall constitute a default giving Company the right to terminate this Agreement:

(i) failure to meet the requirements necessary to maintain QF status or revocation of its QF status for any reason;

(ii) failure to provide a status report in accordance with Section 6(a);

(iii) termination of the Interconnection Agreement or suspension of Operator's right to interconnect the Facility under the Interconnection Agreement unless such failure is due to a breach of the Interconnection Agreement by a party other than the Operator; or

(iv) failure to perform in any material way, any other obligations, which failure would not constitute an individual event of default under Section 7(a) or Section 7(c).

Notwithstanding any cure period, Company shall not be obligated to purchase any energy or Contracted Capacity under this Agreement while such default remains uncured.

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve the Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-FP rates filed by the Company in Docket No. E-100, Sub 167; provided, however, an Operator may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

### **Schedule 19-FP**

Furthermore, any Material Alteration to the Facility 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. "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 the Company in a commercially reasonable manner including, without limitation, (i) the addition of an Energy Storage Device ("ESD"), defined as a component of the Facility that uses energy storage technology, including but not limited to battery storage; (ii) a modification which results in an increase to the Contracted 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.

Operator agrees that if this Agreement is canceled by Dominion Energy North Carolina prior to the end of the initial term of this Agreement for nonperformance by the QF, then, Dominion Energy North Carolina shall have all rights and remedies available at law or in equity.

### **Article 8: Representations and Warranties**

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



**Schedule 19-FP**

**Article 9: Notices and Payments**

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

[OPERATOR]:	DOMINION ENERGY NORTH CAROLINA:
[Operator Name]	Virginia Electric and Power Company
[Operator Address]	Power Contracts 600 Canal Place – 17S 600 East Canal Street Richmond, Virginia 23219

**Article 10: Integration of Entirety of Agreement**

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

[SIGNATURE PAGE FOLLOWS]

**Schedule 19-FP**

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

[OPERATOR]

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

## **Schedule 19-FP**

### EXHIBIT A

The quarterly status reports required by Article 6 shall include the following information and any additional information that may be reasonably requested by Company.

- Status of financing and expected closing date
- Notification and status of any plans to change control or ownership of the project
- Site location and acreage
- EIA Plant Code
- Description of construction status
- Timeline of construction to include:
  - Start date of construction
  - Construction completion date
  - Date for start-up and testing
- Timeline for interconnection through completion
- Current interconnection status
- Status of required permits
- Notice of any changes, modifications, or assignment of CPCN, RCPN and QF Status
- Summary of anticipated design components including transformer voltages and maximum output in AC & DC
- Estimated COD

## **Schedule 19-FP**

### **EXHIBIT B General Terms and Conditions**

#### **I - Assignments**

Operator agrees not to assign this Agreement without the prior written consent of Dominion Energy North Carolina, which consent shall not be unreasonably withheld, provided, that such assignment does not require any amendment of the terms and conditions of the Agreement, other than the notice provisions, thereof. Any attempted assignment that Dominion Energy North Carolina has not approved in writing shall be null and void and ineffective for all purposes. In the event of assignment by Operator, Operator shall pay the Company within thirty (30) days of the effective date of the assignment an amount equal to the actual costs incurred by Company in connection with such assignment up to a maximum amount of \$12,000 per assignment; provided, however, assignment of this Agreement by Operator in connection with an initial financing arrangement which is finalized and for which consent of the Company is requested within nine months of the Effective Date of this Agreement shall not be subject to the payment requirement provided herein.

#### **II - Indemnity**

Operator shall indemnify and save harmless and, if requested by Dominion Energy North Carolina, defend Dominion Energy North Carolina, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion Energy North Carolina) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion Energy North Carolina for any injuries, deaths or damages caused by the sole negligence of Dominion Energy North Carolina. Operator agrees to provide Dominion Energy North Carolina written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion Energy North Carolina named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

#### **III - QF Requirements**

Operator represents and warrants that its Facility meets the QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees

### **Schedule 19-FP**

to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion Energy North Carolina prior to May 1 of any year, Operator agrees to provide to Dominion Energy North Carolina by July 1 of the same year information for the preceding year that is sufficient for Dominion Energy North Carolina to determine the Operator's continuing compliance with its QF requirements.

#### **IV - Consequential Damages**

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

#### **V - Amendments, Waivers, Severability and Headings**

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

#### **VI - Compliance with Laws**

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

### **Schedule 19-FP**

requirements set forth in 15 U.S.C. § 637(d)(6). The provisions of this section shall apply to Operator only to the extent that:

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

#### VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement.

Operator shall: (a) maintain the Facility in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion Energy North Carolina may refuse to accept deliveries of power hereunder.

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

#### VIII - Metering

Dominion Energy North Carolina will meter all electrical output delivered from the Facility in accordance with Good Utility Practice.

Operator agrees to pay an administrative charge to Dominion Energy North Carolina to reflect all reasonable costs incurred by Dominion Energy North Carolina for meter reading and billing, also referred to as metering charges. The monthly meter reading

### **Schedule 19-FP**

and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-FP.

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

#### **IX - Billing and Payment**

Dominion Energy North Carolina shall read the meter(s) in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion Energy North Carolina shall send via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. The Company will issue payment for the Re-dispatch Credit at regular annual intervals in the form of a line item to offset charges. At Dominion Energy North Carolina's option, (i) Dominion Energy North Carolina may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion Energy North Carolina may invoice Operator for such charges separately. Payment by Dominion Energy North Carolina shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion Energy North Carolina shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

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

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

In no event shall Dominion Energy North Carolina be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Schedule 19-FP or successor

### **Schedule 19-FP**

schedules. Operator hereby agrees to accept the energy and capacity payments if applicable as set forth herein as its sole and complete compensation for delivery of electrical output to Dominion Energy North Carolina.

#### **X - Force Majeure**

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

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

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

- a) Provide within forty-eight (48) hours written notice of such Force Majeure event or potential Force Majeure to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder;
- b) Exercise all reasonable efforts to continue to perform its obligations under this Agreement;
- c) Expeditiously take action to correct or cure the Force Majeure event excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute;



**Schedule 19-FP**

- d) Exercise all reasonable efforts to mitigate or limit damages to the other Party; and
- e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereunder shall be extended by a period equal to the term of the resultant delay.

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

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

**Schedule 19-FP**

EXHIBIT C

Exhibit C is a copy of Schedule 19-FP.

**Schedule 19-FP**

EXHIBIT D

Exhibit D is a copy of the Operator Form 556 formal or self FERC certification of QF status in effect as of the Effective Date.

OR

If Facility is 1 MW or less, Operator may submit the following statement as Exhibit D that the Facility qualifies as a Qualifying Facility (QF) under federal law:

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

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Schedule 19-FP**

EXHIBIT E

Exhibit E is the CPCN or RPCN for the Facility, as applicable.

**Schedule 19-FP**

EXHIBIT F

Key Contractual Details

Project Name:	
Size (MW):	
Fuel Type / Technology:	
Facility Address:	
Developer Name:	
Avoided Cost Docket:	
LEO Date:	
CPCN / RPCN Docket and Approval Date:	
PPA Execution Date(s)	
PPA Effective Date:	
PPA Term:	
Interconnection Queue Number:	
PJM Node:	
COD Date(s) / Statutory Deadlines:	

**Schedule 19-FP**

**EXHIBIT G**

**Energy Storage Device Addendum**

This Exhibit G provides information related to Energy Storage Device (“ESD”) equipment to be co-located at the Facility:

- The ESD must be installed in accordance with system requirements and shall utilize the Facility as its sole charging source.
- All necessary certifications, studies, permitting, and fees associated with the ESD (including but not limited to regulatory approvals, CPCNs, system impact studies, facilities charges, and interconnection agreements) are the sole responsibility of Operator.
- The ESD must be capable of being separately metered in order to allow for measurement of the hourly ESD output exclusive of the Facility output, and in order for the ESD to qualify for adjustments to charges, including but not limited to the Re-dispatch Charge as described in Schedule 19-FP.
- The maximum output of the Facility, including any storage capability of the ESD, in any given hour shall be limited to the Facility’s Contract Capacity as specified in the Agreement.
- The ESD meter shall be owned by the Company.

Storage Name / Identification (if different than Facility):	
Size (MW AC / DC):	
Fuel Type / Technology:	
Discharge Rating (Hours):	
LEO Date: (if not addressed by Exhibit F)	
CPCN / RPCN Docket and Approval Date: (if not addressed by Exhibit F)	
Interconnection Queue Number: (if not addressed by Exhibit F)	

Schedule 19-LMP

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

THIS AGREEMENT, effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, (the “Effective Date”) by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion Energy North Carolina, hereinafter called “Dominion Energy North Carolina” or “Company,” and \_\_\_\_\_ [Operator Corporate Name], a [State & Form, e.g., “North Carolina Corporation”], with its principal office in \_\_\_\_\_ [City], \_\_\_\_\_ [State], hereinafter called “Operator.” Both Dominion Energy North Carolina and Operator also are herein individually referred to as “Party” and collectively referred to as “Parties”:

RECITALS

WHEREAS, the North Carolina Utilities Commission (“Commission”) has adopted a rate schedule described in this Agreement below as **Schedule 19-LMP** applicable to eligible Qualifying Facilities (or “QF” as that term is defined in 18 C.F.R. § 292) which can provide Contracted Capacity (as defined in Schedule 19-LMP up to 1000 kW; and

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission (“Commission”) in Docket No. SP- \_\_\_\_\_ (“CPCN”); and

or [The inapplicable recital will be deleted]

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the report of proposed construction notice (“RPCN”) filed with the Commission in Docket No. SP- \_\_\_\_\_, and

WHEREAS, the Facility is located in Dominion Energy North Carolina’s retail service area in [address, city, county], North Carolina, and the Parties hereto wish to contract pursuant to Schedule 19-LMP for the sale of electrical output from such a QF to be operated by Operator.

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

Schedule 19-LMP

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

Dominion Energy North Carolina or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and up to the Contracted Capacity) made available for sale from the Facility on [Operator to choose] \_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is. [Operator to select Mode of Operation]:

\_\_\_ A QF with a design capacity greater than 10 kW electing to supply energy and capacity as per Schedule 19-LMP paragraph III.A or

\_\_\_ A QF with a design capacity of 10 kW or less electing to supply energy-only as per Schedule 19-LMP paragraph III.B.

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

This Agreement shall commence on the Effective Date and, unless earlier terminated under any other provision of this Agreement, shall continue in effect for a period of \_\_\_\_\_ ( ) years from the commercial operations date ("COD"). The COD shall be the first date that all of the following conditions have been satisfied:

(a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion Energy North Carolina system and such action has been witnessed by an authorized Dominion Energy North Carolina employee;

(b) After completion of item a) above, Dominion Energy North Carolina has received written notice from Operator specifying the COD and certifying that the Facility is ready to begin commercial operations as a QF;

(c) Operator and Dominion Energy North Carolina (or the PJM Interconnection, L.L.C. or other operator of the Dominion Energy North Carolina transmission system, as applicable) have executed an interconnection service agreement for delivery of electrical output generated by the Facility onto the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;

(d) The Facility is a QF; and

(e) The CPCN or RPCN, as applicable, is in full force and effect.

For contract terms up to 10 years, this Agreement may be renewed at the option of Dominion Energy North Carolina in accordance with Section I of Schedule 19-LMP.



Schedule 19-LMP

**Article 3: Contracted Capacity**

The Facility, consisting of \_\_\_\_\_ generator(s), has an aggregate maximum net power production capacity (calculated in accordance with FERC Form 556) of approximately \_\_\_\_ kW alternating current (“ac”). The Facility’s Contracted Capacity shall be \_\_\_\_ kW ac.

**Article 4: Attachments**

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-LMP
- Exhibit D: Evidence of QF Status on the Effective Date
- Exhibit E: Copy of CPCN or RPCN, as applicable.
- Exhibit F: Summary of Key Contractual Details
- Exhibit G: Energy Storage Device Addendum

**Article 5: Price**

Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions and rate determination methods for payments in Schedule 19-LMP included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-LMP, if any, as stated in Article 1 hereof. Operator will be permitted a one-time switch to Schedule 19 - FP subject to the terms of Section VIII of Schedule 19-LMP.

Payments for energy will begin on the COD. All energy delivered prior to the COD shall be paid pursuant to the attached Schedule 19-LMP tariff Section V.

Schedule 19-LMP

**Article 6: Operator's Pre-COD Obligations**

(a) Status Report. After execution of this Agreement and until the COD, Operator shall deliver a quarterly status report to the Company with the information set forth in Exhibit A. This status report shall be delivered to Dominion Energy North Carolina on or before the following dates each year: January 15, April 15, July 15, and October 15.

(b) Commencement of Construction. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional notice-to-proceed with unrestricted construction activities for the Facility; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as a power island or ground mounting systems for solar panels and inverters consistent with having commenced a continuous process of construction relating to the Facility. Dominion Energy North Carolina shall have no obligation to accept a declaration of Commercial Operations earlier than four (4) months prior to the anticipated COD date. The anticipated COD is \_\_\_\_\_, 20\_\_.

**Article 7: Early Termination**

(a) Defaults with No Cure Period. Operator and Company agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Company's right to early termination of this Agreement upon written notice to Operator, but without being subject to a cure period, provided however, that Company shall be obligated to pay for any capacity and energy delivered by Facility prior to termination of this Agreement at the rates stated herein:

(i) Failure to commence construction of the Facility, as defined in Section 6(b), within the later of fourteen (14) months from the Effective Date of this Agreement or thirty (30) days after the Company tenders an Interconnection Agreement for execution by Operator;

(ii) Delivery or supply of electrical output to any entity other than Dominion Energy North Carolina or its agent, assignee or successor;

(iii) Operator increases the aggregate maximum net power production capacity (calculated in accordance with FERC form 556) of the Facility above the Contracted Capacity-without the prior written approval of Company; or

(iv) failure to generate and deliver any energy and capacity from the Facility for more than 180 consecutive days at any time after COD; provided, however, if such failure is due to Force Majeure as defined in Exhibit B and Operator has

Schedule 19-LMP

complied with the requirements of Exhibit B with respect to such Force Majeure, then Company may not terminate this Agreement unless the failure lasts for three hundred sixty-five consecutive days.

(b) Defaults with Cure Period. Operator and Company agree that the following events if not cured by Operator within thirty days of notice from Company shall constitute a default giving Company the right to terminate this Agreement:

(i) failure to meet the requirements necessary to maintain QF status or revocation of its QF status for any reason;

(ii) failure to provide a status report in accordance with Section 6(a);

(iii) termination of the Interconnection Agreement or suspension of Operator's right to interconnect the Facility under the Interconnection Agreement unless such failure is due to a breach of the Interconnection Agreement by a party other than the Operator; or

(iv) failure to perform in any material way, any other obligations, which failure would not constitute an individual event of default under Section 7(a) or Section 7(c).

Notwithstanding any cure period, Company shall not be obligated to purchase any energy or Contracted Capacity under this Agreement while such default remains uncured.

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-LMP rates filed by the Company in Docket No. E-100, Sub ~~158167~~; provided, however, an Operator may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

Furthermore, any Material Alteration to the Facility 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 Operator. "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 the Company in a commercially reasonable manner including, without limitation, (i) the addition of an Energy Storage Device ("ESD"), defined as a component of the Facility that uses energy storage technology, including but not limited to battery storage; (ii) a modification which results in an increase to the Contracted Capacity, Nameplate Capacity (in AC or DC), generating capacity (or similar

Schedule 19-LMP

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.

Operator agrees that if this Agreement is canceled by Dominion Energy North Carolina prior to the end of the initial term of this Agreement for nonperformance by the QF, then, Dominion Energy North Carolina shall have all rights and remedies available at law or in equity.

**Article 8: Representations and Warranties**

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

**Article 9: Notices and Payments**

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

[OPERATOR]:

DOMINION ENERGY NORTH CAROLINA:

[Operator Name]  
[Operator Address]

Virginia Electric and Power Company  
Power Contracts  
600 Canal Place – 17S  
600 East Canal Street  
Richmond, Virginia 23219

Schedule 19-LMP

**Article 10: Integration of Entirety of Agreement**

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

[SIGNATURE PAGE FOLLOWS]

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

[OPERATOR]

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

Schedule 19-LMP

EXHIBIT A

The quarterly status reports required by Article 6 shall include the following information and any additional information that may be reasonably requested by Company.

- Status of financing and expected closing date
- Notification and status of any plans to change control or ownership of the project
- Site location and acreage
- EIA Plant Code
- Description of construction status
- Timeline of construction to include:
  - Start date of construction
  - Construction completion date
  - Date for start-up and testing
- Timeline for interconnection through completion
- Current interconnection status
- Status of required permits
- Notice of any changes, modifications, or assignment of CPCN, RCPN and QF Status
- Summary of anticipated design components including transformer voltages and maximum output in AC & DC
- Estimated COD

Schedule 19-LMP

EXHIBIT B  
General Terms and Conditions

I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion Energy North Carolina, which consent shall not be unreasonably withheld, provided, that such assignment does not require any amendment of the terms and conditions of the Agreement, other than the notice provisions, thereof. Any attempted assignment that Dominion Energy North Carolina has not approved in writing shall be null and void and ineffective for all purposes. In the event of assignment by Operator, Operator shall pay the Company within thirty (30) days of the effective date of the assignment an amount equal to the actual costs incurred by Company in connection with such assignment up to a maximum amount of \$12,000 per assignment; provided, however, assignment of this Agreement by Operator in connection with an initial financing arrangement which is finalized and for which consent of the Company is requested within nine months of the Effective Date of this Agreement shall not be subject to the payment requirement provided herein.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion Energy North Carolina, defend Dominion Energy North Carolina, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion Energy North Carolina) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion Energy North Carolina for any injuries, deaths or damages caused by the sole negligence of Dominion Energy North Carolina. Operator agrees to provide Dominion Energy North Carolina written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion Energy North Carolina named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Requirements

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



### Schedule 19-LMP

requested by Dominion Energy North Carolina prior to May 1 of any year, Operator agrees to provide Dominion Energy North Carolina by July 1 of the same year information for the preceding year that is deemed sufficient by Dominion Energy North Carolina to determine the Operator's continuing compliance with its QF requirements.

#### IV - Consequential Damages

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

#### V - Amendments, Waivers, Severability and Headings

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

#### VI - Compliance with Laws

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

### Schedule 19-LMP

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

#### VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement.

Operator shall: (a) maintain the Facility in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion Energy North Carolina may refuse to accept deliveries of power hereunder.

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

#### VIII - Metering

Dominion Energy North Carolina will meter all electrical output delivered from the Facility in accordance with Good Utility Practice~~on the high voltage side of the step up transformer(s).~~

Operator agrees to pay an administrative charge to Dominion Energy North Carolina to reflect all reasonable costs incurred by Dominion Energy North Carolina for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-LMP.

### Schedule 19-LMP

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

#### IX - Billing and Payment

Dominion Energy North Carolina shall read the meter(s) in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion Energy North Carolina shall send via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. At Dominion Energy North Carolina's option, (i) Dominion Energy North Carolina may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion Energy North Carolina may invoice Operator for such charges separately. Payment by Dominion Energy North Carolina shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion Energy North Carolina shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

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

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

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

#### X - Force Majeure

Schedule 19-LMP

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

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

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

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

Schedule 19-LMP

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

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

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EXHIBIT C

Exhibit C is a copy of Schedule 19-LMP

Schedule 19-LMP

EXHIBIT D

Exhibit D is a copy of the Operator Form 556 or FERC self certification of QF status in effect as of the Effective Date.

OR

If Facility is 1 MW or less than 1 MW, Operator may submit the following statement as Exhibit D that the Facility qualifies as a Qualifying Facility (QF) under federal law:

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility (“QF” or “Qualifying Facility”). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 (codified at 16 U.S.C. § 824a3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Schedule 19-LMP

EXHIBIT E

Exhibit E is the CPCN or RPCN for the Facility, as applicable.



Schedule 19-LMP

EXHIBIT F

Key Contractual Details

Project Name:	
Size (MW):	
<u>Fuel Type / Technology:</u>	
Facility Address:	
Developer Name:	
Avoided Cost Docket:	
LEO Date:	
CPCN / RPCN Docket <u>and Approval Date:</u>	
<del>CPCN / RPCN Approval Date:</del>	
PPA Execution Date(s)	
PPA Effective Date:	
PPA Term:	
Interconnection Queue Number:	
PJM Node:	
COD Date(s) / Statutory Deadlines:	

Schedule 19-LMP

EXHIBIT G

Energy Storage Device Addendum

This Exhibit G provides information related to energy storage device (“ESD”) equipment to be co-located at the Facility:

- The ESD must be installed in accordance with system requirements and shall utilize the Facility as its sole charging source.
- All necessary certifications, studies, permitting, and fees associated with the ESD (including but not limited to regulatory approvals, CPCNs, system impact studies, facilities charges, and interconnection agreements) are the sole responsibility of Operator.
- The ESD must be capable of being separately metered in order to allow for measurement of the hourly ESD output exclusive of the Facility output.
- The maximum output of the Facility, including any storage capability of the ESD, in any given hour shall be limited to the Facility’s Contract Capacity as specified in the Agreement.
- The ESD meter shall be owned by the Company.

<u>Storage Name / Identification (if different than Facility):</u>	
<u>Size (MW AC / DC):</u>	
<u>Fuel Type / Technology:</u>	
<u>Discharge Rating (Hours):</u>	
<u>LEO Date:</u> <u>(if not addressed by Exhibit F)</u>	
<u>CPCN / RPCN Docket and Approval Date:</u> <u>(if not addressed by Exhibit F)</u>	
<u>Interconnection Queue Number:</u> <u>(if not addressed by Exhibit F)</u>	

Schedule 19-LMP

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

THIS AGREEMENT, effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, (the “Effective Date”) by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion Energy North Carolina, hereinafter called “Dominion Energy North Carolina” or “Company,” and \_\_\_\_\_ [Operator Corporate Name], a [State & Form, e.g., “North Carolina Corporation”], with its principal office in \_\_\_\_\_ [City], \_\_\_\_\_ [State], hereinafter called “Operator.” Both Dominion Energy North Carolina and Operator also are herein individually referred to as “Party” and collectively referred to as “Parties”:

RECITALS

WHEREAS, the North Carolina Utilities Commission (“Commission”) has adopted a rate schedule described in this Agreement below as **Schedule 19-LMP** applicable to eligible Qualifying Facilities (or “QF” as that term is defined in 18 C.F.R. § 292) which can provide Contracted Capacity (as defined in Schedule 19-LMP up to 1000 kW; and

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission (“Commission”) in Docket No. SP- \_\_\_\_\_ (“CPCN”); and

or [The inapplicable recital will be deleted]

WHEREAS Operator is the owner of the [Name of Facility] (the “Facility”) described in the report of proposed construction notice (“RPCN”) filed with the Commission in Docket No. SP- \_\_\_\_\_, and

WHEREAS, the Facility is located in Dominion Energy North Carolina’s retail service area in [address, city, county], North Carolina, and the Parties hereto wish to contract pursuant to Schedule 19-LMP for the sale of electrical output from such a QF to be operated by Operator.

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

Schedule 19-LMP

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

Dominion Energy North Carolina or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and up to the Contracted Capacity) made available for sale from the Facility on [Operator to choose] \_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is. [Operator to select Mode of Operation]:

\_\_\_ A QF with a design capacity greater than 10 kW electing to supply energy and capacity as per Schedule 19-LMP paragraph III.A or

\_\_\_ A QF with a design capacity of 10 kW or less electing to supply energy-only as per Schedule 19-LMP paragraph III.B.

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

This Agreement shall commence on the Effective Date and, unless earlier terminated under any other provision of this Agreement, shall continue in effect for a period of \_\_\_\_\_ ( ) years from the commercial operations date ("COD"). The COD shall be the first date that all of the following conditions have been satisfied:

(a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion Energy North Carolina system and such action has been witnessed by an authorized Dominion Energy North Carolina employee;

(b) After completion of item a) above, Dominion Energy North Carolina has received written notice from Operator specifying the COD and certifying that the Facility is ready to begin commercial operations as a QF;

(c) Operator and Dominion Energy North Carolina (or the PJM Interconnection, L.L.C. or other operator of the Dominion Energy North Carolina transmission system, as applicable) have executed an interconnection service agreement for delivery of electrical output generated by the Facility onto the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;

(d) The Facility is a QF; and

(e) The CPCN or RPCN, as applicable, is in full force and effect.

For contract terms up to 10 years, this Agreement may be renewed at the option of Dominion Energy North Carolina in accordance with Section I of Schedule 19-LMP.

Schedule 19-LMP

**Article 3: Contracted Capacity**

The Facility, consisting of \_\_\_\_\_ generator(s), has an aggregate maximum net power production capacity (calculated in accordance with FERC Form 556) of approximately \_\_\_\_ kW alternating current (“ac”). The Facility’s Contracted Capacity shall be \_\_\_\_ kW ac.

**Article 4: Attachments**

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-LMP
- Exhibit D: Evidence of QF Status on the Effective Date
- Exhibit E: Copy of CPCN or RPCN, as applicable.
- Exhibit F: Summary of Key Contractual Details
- Exhibit G: Energy Storage Device Addendum

**Article 5: Price**

Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions and rate determination methods for payments in Schedule 19-LMP included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-LMP, if any, as stated in Article 1 hereof. Operator will be permitted a one-time switch to Schedule 19 - FP subject to the terms of Section VIII of Schedule 19-LMP.

Payments for energy will begin on the COD. All energy delivered prior to the COD shall be paid pursuant to the attached Schedule 19-LMP tariff Section V.

Schedule 19-LMP

**Article 6: Operator's Pre-COD Obligations**

(a) Status Report. After execution of this Agreement and until the COD, Operator shall deliver a quarterly status report to the Company with the information set forth in Exhibit A. This status report shall be delivered to Dominion Energy North Carolina on or before the following dates each year: January 15, April 15, July 15, and October 15.

(b) Commencement of Construction. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional notice-to-proceed with unrestricted construction activities for the Facility; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as a power island or ground mounting systems for solar panels and inverters consistent with having commenced a continuous process of construction relating to the Facility. Dominion Energy North Carolina shall have no obligation to accept a declaration of Commercial Operations earlier than four (4) months prior to the anticipated COD date. The anticipated COD is \_\_\_\_\_, 20\_\_.

**Article 7: Early Termination**

(a) Defaults with No Cure Period. Operator and Company agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Company's right to early termination of this Agreement upon written notice to Operator, but without being subject to a cure period, provided however, that Company shall be obligated to pay for any capacity and energy delivered by Facility prior to termination of this Agreement at the rates stated herein:

(i) Failure to commence construction of the Facility, as defined in Section 6(b), within the later of fourteen (14) months from the Effective Date of this Agreement or thirty (30) days after the Company tenders an Interconnection Agreement for execution by Operator;

(ii) Delivery or supply of electrical output to any entity other than Dominion Energy North Carolina or its agent, assignee or successor;

(iii) Operator increases the aggregate maximum net power production capacity (calculated in accordance with FERC form 556) of the Facility above the Contracted Capacity-without the prior written approval of Company; or

(iv) failure to generate and deliver any energy and capacity from the Facility for more than 180 consecutive days at any time after COD; provided, however, if such failure is due to Force Majeure as defined in Exhibit B and Operator has

Schedule 19-LMP

complied with the requirements of Exhibit B with respect to such Force Majeure, then Company may not terminate this Agreement unless the failure lasts for three hundred sixty-five consecutive days.

(b) Defaults with Cure Period. Operator and Company agree that the following events if not cured by Operator within thirty days of notice from Company shall constitute a default giving Company the right to terminate this Agreement:

(i) failure to meet the requirements necessary to maintain QF status or revocation of its QF status for any reason;

(ii) failure to provide a status report in accordance with Section 6(a);

(iii) termination of the Interconnection Agreement or suspension of Operator's right to interconnect the Facility under the Interconnection Agreement unless such failure is due to a breach of the Interconnection Agreement by a party other than the Operator; or

(iv) failure to perform in any material way, any other obligations, which failure would not constitute an individual event of default under Section 7(a) or Section 7(c).

Notwithstanding any cure period, Company shall not be obligated to purchase any energy or Contracted Capacity under this Agreement while such default remains uncured.

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-LMP rates filed by the Company in Docket No. E-100, Sub 167; provided, however, an Operator may be allowed additional time to begin deliveries of electrical output to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

Furthermore, any Material Alteration to the Facility 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 Operator. "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 the Company in a commercially reasonable manner including, without limitation, (i) the addition of an Energy Storage Device ("ESD"), defined as a component of the Facility that uses energy storage technology, including but not limited to battery storage; (ii) a modification which results in an increase to the Contracted Capacity, Nameplate Capacity (in AC or DC), generating capacity (or similar

Schedule 19-LMP

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.

Operator agrees that if this Agreement is canceled by Dominion Energy North Carolina prior to the end of the initial term of this Agreement for nonperformance by the QF, then, Dominion Energy North Carolina shall have all rights and remedies available at law or in equity.

**Article 8: Representations and Warranties**

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

**Article 9: Notices and Payments**

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

[OPERATOR]:

DOMINION ENERGY NORTH CAROLINA:

[Operator Name]  
[Operator Address]

Virginia Electric and Power Company  
Power Contracts  
600 Canal Place – 17S  
600 East Canal Street  
Richmond, Virginia 23219



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**Article 10: Integration of Entirety of Agreement**

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

[SIGNATURE PAGE FOLLOWS]

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

[OPERATOR]

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

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EXHIBIT A

The quarterly status reports required by Article 6 shall include the following information and any additional information that may be reasonably requested by Company.

- Status of financing and expected closing date
- Notification and status of any plans to change control or ownership of the project
- Site location and acreage
- EIA Plant Code
- Description of construction status
- Timeline of construction to include:
  - Start date of construction
  - Construction completion date
  - Date for start-up and testing
- Timeline for interconnection through completion
- Current interconnection status
- Status of required permits
- Notice of any changes, modifications, or assignment of CPCN, RCPN and QF Status
- Summary of anticipated design components including transformer voltages and maximum output in AC & DC
- Estimated COD

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EXHIBIT B  
General Terms and Conditions

I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion Energy North Carolina, which consent shall not be unreasonably withheld, provided, that such assignment does not require any amendment of the terms and conditions of the Agreement, other than the notice provisions, thereof. Any attempted assignment that Dominion Energy North Carolina has not approved in writing shall be null and void and ineffective for all purposes. In the event of assignment by Operator, Operator shall pay the Company within thirty (30) days of the effective date of the assignment an amount equal to the actual costs incurred by Company in connection with such assignment up to a maximum amount of \$12,000 per assignment; provided, however, assignment of this Agreement by Operator in connection with an initial financing arrangement which is finalized and for which consent of the Company is requested within nine months of the Effective Date of this Agreement shall not be subject to the payment requirement provided herein.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion Energy North Carolina, defend Dominion Energy North Carolina, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion Energy North Carolina) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion Energy North Carolina for any injuries, deaths or damages caused by the sole negligence of Dominion Energy North Carolina. Operator agrees to provide Dominion Energy North Carolina written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion Energy North Carolina named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Requirements

Operator represents and warrants that its Facility meets the QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion Energy North Carolina prior to May 1 of any year, Operator agrees

### Schedule 19-LMP

to provide Dominion Energy North Carolina by July 1 of the same year information for the preceding year that is deemed sufficient by Dominion Energy North Carolina to determine the Operator's continuing compliance with its QF requirements.

#### IV - Consequential Damages

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

#### V - Amendments, Waivers, Severability and Headings

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

#### VI - Compliance with Laws

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

- (a) Such provisions are required of Operator under existing law;

### Schedule 19-LMP

(b) Operator is not otherwise exempt from said provisions; and

(c) Compliance with said provisions is consistent with and not violative of 42 U.S.C. § 2000 et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

#### VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement.

Operator shall: (a) maintain the Facility in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion Energy North Carolina may refuse to accept deliveries of power hereunder.

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

#### VIII - Metering

Dominion Energy North Carolina will meter all electrical output delivered from the Facility in accordance with Good Utility Practice.

Operator agrees to pay an administrative charge to Dominion Energy North Carolina to reflect all reasonable costs incurred by Dominion Energy North Carolina for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-LMP.

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

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IX - Billing and Payment

Dominion Energy North Carolina shall read the meter(s) in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion Energy North Carolina shall send via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. At Dominion Energy North Carolina's option, (i) Dominion Energy North Carolina may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion Energy North Carolina may invoice Operator for such charges separately. Payment by Dominion Energy North Carolina shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion Energy North Carolina shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

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

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

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

X - Force Majeure

Neither Party shall be considered in default under this Agreement or responsible to the other Party in tort, strict liability, contract or other legal theory for damages of any description for any interruption or failure of service or deficiency in the quality or quantity

Schedule 19-LMP

of service or any other failure to perform any of its obligations hereunder to the extent such failure occurs without fault or negligence on the part of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of reasonable diligence that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or public enemy, action or inaction of a court or public authority, fire, sabotage, war, explosion, curtailments, unscheduled withdrawal of facilities from operation for maintenance or repair or any other cause of similar nature beyond the reasonable control of that Party (any such event, "Force Majeure"). Solely economic hardship of either Party shall not constitute Force Majeure under this Agreement. Nor shall anything contained in this paragraph or elsewhere in this Agreement excuse Operator or Dominion Energy North Carolina from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

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

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

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

If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a



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

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

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EXHIBIT C

Exhibit C is a copy of Schedule 19-LMP

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EXHIBIT D

Exhibit D is a copy of the Operator Form 556 or FERC self certification of QF status in effect as of the Effective Date.

OR

If Facility is 1 MW or less than 1 MW, Operator may submit the following statement as Exhibit D that the Facility qualifies as a Qualifying Facility (QF) under federal law:

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility (“QF” or “Qualifying Facility”). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 (codified at 16 U.S.C. § 824a3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Schedule 19-LMP

EXHIBIT E

Exhibit E is the CPCN or RPCN for the Facility, as applicable.

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EXHIBIT F

Key Contractual Details

Project Name:	
Size (MW):	
Fuel Type / Technology:	
Facility Address:	
Developer Name:	
Avoided Cost Docket:	
LEO Date:	
CPCN / RPCN Docket and Approval Date:	
PPA Execution Date(s)	
PPA Effective Date:	
PPA Term:	
Interconnection Queue Number:	
PJM Node:	
COD Date(s) / Statutory Deadlines:	

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EXHIBIT G

Energy Storage Device Addendum

This Exhibit G provides information related to energy storage device (“ESD”) equipment to be co-located at the Facility:

- The ESD must be installed in accordance with system requirements and shall utilize the Facility as its sole charging source.
- All necessary certifications, studies, permitting, and fees associated with the ESD (including but not limited to regulatory approvals, CPCNs, system impact studies, facilities charges, and interconnection agreements) are the sole responsibility of Operator.
- The ESD must be capable of being separately metered in order to allow for measurement of the hourly ESD output exclusive of the Facility output.
- The maximum output of the Facility, including any storage capability of the ESD, in any given hour shall be limited to the Facility’s Contract Capacity as specified in the Agreement.
- The ESD meter shall be owned by the Company.

Storage Name / Identification (if different than Facility):	
Size (MW AC / DC):	
Fuel Type / Technology:	
Discharge Rating (Hours):	
LEO Date: (if not addressed by Exhibit F)	
CPCN / RPCN Docket and Approval Date: (if not addressed by Exhibit F)	
Interconnection Queue Number: (if not addressed by Exhibit F)	

**NOTICE OF COMMITMENT TO SELL THE OUTPUT  
OF A QUALIFYING FACILITY OF NO GREATER THAN 1 MEGAWATT  
MAXIMUM CAPACITY TO  
DOMINION ENERGY NORTH CAROLINA**

Instructions to QF: The QF shall deliver, via certified mail, courier, hand delivery or email, its executed Notice of Commitment to:

Power Contracts  
Dominion Energy North Carolina  
600 Canal Place,  
~~17N5000 Dominion~~  
~~Boulevard~~  
~~Innsbrook 3 SE~~  
600 East Canal St.  
~~Richmond Glen~~  
~~Allen~~, Virginia  
~~23219060~~  
[powercontracts@dominionenergy.com](mailto:powercontracts@dominionenergy.com)

Any subsequent notice that a QF is required to provide to Company pursuant to this Notice of Commitment shall be delivered to the same address by one of the foregoing delivery methods.

1. [ \_\_\_\_\_ ] (“Seller”) hereby commits to sell to Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (the “Company”) all of the electrical output of the Seller’s qualifying facility (“QF”) (the “Facility”).
2. The name, address, and contact information for Seller is:  

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_
3. By execution and submittal of this commitment to sell the output of the Facility (the “Notice of Commitment”), Seller certifies as follows:
  - a. Eligibility for Schedule 19: Seller is a qualifying facility (“QF”) with a maximum nameplate capacity of 1,000 kW and is eligible for the Company’s Schedule 19.
  - b. Report of Proposed Construction (Rule R8-65): Seller has filed a report of proposed construction for its \_\_\_\_ kW (net capacity ac) Facility with the NCUC pursuant to NCUC Rule R8-65 (“Report of Proposed Construction”) on [insert date] in Docket No. \_\_\_\_\_.





Commitment period, as identified in subsection 6.(b) above, shall result in termination of the LEO, and the Seller shall only be offered an as-available rate for a two-year period following such termination of the LEO. Thereafter, the Seller may elect to submit a new Notice of Commitment Form to establish a new LEO.

The undersigned is duly authorized to execute this Notice of Commitment for the Seller:

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Company]

\_\_\_\_\_  
Date

**NOTICE OF COMMITMENT TO SELL THE OUTPUT  
OF A QUALIFYING FACILITY OF NO GREATER THAN 1 MEGAWATT  
MAXIMUM CAPACITY TO  
DOMINION ENERGY NORTH CAROLINA**

Instructions to QF: The QF shall deliver, via certified mail, courier, hand delivery or email, its executed Notice of Commitment to:

Power Contracts  
Dominion Energy North Carolina  
600 Canal Place,  
17N  
600 East Canal St.  
Richmond, Virginia  
23219  
[powercontracts@dominionenergy.com](mailto:powercontracts@dominionenergy.com)

Any subsequent notice that a QF is required to provide to Company pursuant to this Notice of Commitment shall be delivered to the same address by one of the foregoing delivery methods.

1. [ \_\_\_\_\_ ] (“Seller”) hereby commits to sell to Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (the “Company”) all of the electrical output of the Seller’s qualifying facility (“QF”) (the “Facility”).
2. The name, address, and contact information for Seller is:  
  
Telephone: \_\_\_\_\_  
  
Email: \_\_\_\_\_
3. By execution and submittal of this commitment to sell the output of the Facility (the “Notice of Commitment”), Seller certifies as follows:
  - a. Eligibility for Schedule 19: Seller is a qualifying facility (“QF”) with a maximum nameplate capacity of 1,000 kW and is eligible for the Company’s Schedule 19.
  - b. Report of Proposed Construction (Rule R8-65): Seller has filed a report of proposed construction for its \_\_\_\_\_ kW (net capacity ac) Facility with the NCUC pursuant to NCUC Rule R8-65 (“Report of Proposed Construction”) on [insert date] in Docket No. \_\_\_\_\_.
  - c. Application to Interconnect to Company’s System: Seller is requesting to become an Interconnection Customer of the Company, as that term is

defined in the North Carolina Interconnection Procedures (“NCIP”), and has submitted, and received notification from the Company pursuant to Section 1.4.1 of the NCIP that Company has received, either:

- i. the NCIP Attachment 6 Interconnection Request Application Form for Certified Inverter-Based Generating Facilities No Larger Than 20 kW pursuant to NCIP Section 2; or
  - ii. the NCIP Attachment 2 Interconnection Request Application Form requesting Fast Track review pursuant to NCIP Section 3.
4. By execution and submittal of this Notice of Commitment, Seller acknowledges that the legally enforceable obligation date (“LEO Date”) for the Facility will be established upon the Company’s receipt of this Notice of Commitment Form, and shall be based upon (a) the receipted date of deposit of this Notice of Commitment with the U.S. Postal Service for certified mail delivery to the Company, (b) the receipted date of deposit of this Notice of Commitment with a third-party courier (e.g., Federal Express, United Parcel Service) for trackable delivery to the Company, (c) the receipted date of hand delivery of this Notice of Commitment to the Company at the address set forth in paragraph 1, above, or (d) the date on which an electronic copy of this Notice of Commitment is sent via email to the Company if such email is sent during regular business hours (9:00 a.m. to 5:00 p.m.) on a business day (Monday through Friday excluding federal and state holidays). Emails sent after regular business hours or on days that are not business days shall be deemed submitted on the next business day.
5. The LEO Date will be used to determine Seller’s eligibility for the rates, terms and conditions of the Company’s currently effective Schedule 19.
6. This Notice of Commitment shall automatically terminate and be of no further force and effect in the following circumstances:
  - a. Upon execution of a PPA between Seller and Company;
  - b. If a Seller does not execute a PPA within sixty (60) days of the Company’s delivery of an “executable” PPA. An executable PPA shall mean a PPA delivered to the QF by the Company that contains all information necessary for execution and that the Company has requested that the QF execute and return.
  - c. A Seller’s withdrawal of its commitment to sell as represented by this Notice of Commitment Form prior to expiration of the Notice of Commitment period, as identified in subsection 6.(b) above, shall result in termination of the LEO, and the Seller shall only be offered an as-available rate for a two-year period following such termination of the LEO.

Thereafter, the Seller may elect to submit a new Notice of Commitment Form to establish a new LEO.

The undersigned is duly authorized to execute this Notice of Commitment for the Seller:

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Company]

\_\_\_\_\_  
Date

**NOTICE OF COMMITMENT TO SELL THE OUTPUT  
OF A QUALIFYING FACILITY WITH GREATER THAN 1 MEGAWATT  
MAXIMUM CAPACITY TO  
DOMINION ENERGY NORTH CAROLINA**

Pursuant to the North Carolina Utilities Commission’s October 11, 2017 Order issued in Docket No. E-100, Sub 148, this notice of commitment form establishes the procedure for a qualifying facility (“QF”) with a nameplate capacity greater than 1 MW (ac) to establish a legally enforceable obligation (“LEO”) and to commit to sell the output of a proposed QF generating facility to Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (the “Company”) as provided for in 18 C.F.R. § 304(d)(2). Please note that a different form is available for QFs with a nameplate capacity of 1 MW (ac) or less to commit to sell their output to the Company under the currently available standard offer power purchase agreement and terms and conditions.

Instructions to QF: The QF shall deliver, via certified mail, courier, hand delivery, or email, its executed Notice of Commitment to:

Power Contracts  
Dominion Energy North Carolina  
[600 Canal Place,](#)  
[17N5000 Dominion](#)  
[Boulevard](#)  
[Innsbrook 3 SE](#)  
[600 East Canal St.](#)  
[Richmond Glen](#)  
[Allen, Virginia](#)  
[23219060](#)  
[powercontracts@dominionenergy.com](mailto:powercontracts@dominionenergy.com)

Any subsequent notice that a QF is required to provide to Company pursuant to this Notice of Commitment shall be delivered to the same address by one of the foregoing delivery methods.

1. [ \_\_\_\_\_ ] (“Seller”) hereby commits to sell to the Company all of the electrical output of the Seller’s qualifying facility (“QF”) described in Seller’s self-certification of QF status filed with the Federal Energy Regulatory Commission in Docket No. QF \_\_\_\_\_ (the “Facility”).

2. The name, address, and contact information for Seller is:

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

3. By execution and submittal of this commitment to sell the output of the Facility (the "Notice of Commitment"), Seller certifies as follows:
  - a. Certificate of Public Convenience and Necessity/Report of Proposed Construction (indicate the applicable certification below):
    - i. \_\_\_\_\_ Seller has received a certificate of public convenience and necessity ("CPCN") for the construction of its \_\_\_\_\_ kW (net capacity ac) Facility from the North Carolina Utilities Commission ("NCUC") pursuant to North Carolina General Statute § 62-110.1 and NCUC Rule R8-64, which CPCN was granted by NCUC on [insert date] in Docket No. \_\_\_\_\_.
    - ii. \_\_\_\_\_ Seller is exempt from the CPCN requirements pursuant to North Carolina General Statute § 62-110.1(g) and has filed a report of proposed construction for its \_\_\_\_\_ kW (net capacity ac) Facility with the NCUC pursuant to NCUC Rule R8-65 ("Report of Proposed Construction") on [insert date] in Docket No. \_\_\_\_\_.
  - b. Application to Interconnect to Company's System:
    - i. \_\_\_\_\_ Seller has submitted a completed Interconnection Request on [insert date] pursuant to the North Carolina Interconnection Procedures ("NCIP") and has received notification from the Company pursuant to Section 1.4.1 of the NCIP that the Company received the Request.
    - ii. For a QF that has been designated as an A or B project in the interconnection queue, the LEO Date will be based upon the earlier of the following (indicate which of the below has occurred):
      1. \_\_\_\_\_ 105 days have passed since the submission of the interconnection request, or
      2. \_\_\_\_\_ Seller has received the system impact study from the Company.
    - iii. For a QF that has not been designated as an A or B project at the time of its interconnection request, the LEO Date will be based upon the earlier of the following (indicate which of the below has occurred):
      1. \_\_\_\_\_ 105 days have passed since the project was designated as an A or B project, or
      2. \_\_\_\_\_ Seller has received the system impact study from the public utility.

- iv. In either case, whether the QF has or has not been designated an A or B project, the 105-day period as part of establishing a LEO will remain in effect until the Commission issues a final order in Docket No. E-100, Sub 101. If, by final order issued in that docket, the Commission alters the NCIP's 105-day-deadline for providing a QF with the results of the utility's system impact study, that altered deadline shall be substituted for the 105-day standard provided in this LEO Form. If, prior to the expiration of the 105 days or the substituted date from Docket No. E-100, Sub 101, the utility anticipates being unable to deliver the results of the system impact study to the QF, then the utility may petition the Commission for an extension of that deadline and a delay in the establishment of the QF's LEO.
4. By execution and submittal of this Notice of Commitment Seller acknowledges that the legally enforceable obligation date ("LEO Date") for the Facility will be established upon the Company's receipt of this Notice of Commitment Form, and shall be based upon (a) the receipted date of deposit of this Notice of Commitment with the U.S. Postal Service for certified mail delivery to the Company, (b) the receipted date of deposit of this Notice of Commitment with a third-party courier (e.g., Federal Express, United Parcel Service) for trackable delivery to the Company, (c) the receipted date of hand delivery of this Notice of Commitment to the Company at the address set forth in paragraph 1, above, or (d) the date on which an electronic copy of this Notice of Commitment is sent via email to the Company if such email is sent during regular business hours (9:00 a.m. to 5:00 p.m.) on a business day (Monday through Friday excluding federal and state holidays). Emails sent after regular business hours or on days that are not business days shall be deemed submitted on the next business day.
5. Rates for purchases from the Facility will be based on the Company's avoided costs as of the LEO Date, calculated using data current as of the LEO Date.
6. This Notice of Commitment shall automatically terminate and be of no further force and effect in the following circumstances:
  - a. Upon execution of a PPA between Seller and Company;
  - b. If Seller does not execute a PPA within six months (as such period may be extended by mutual agreement of Seller and Company) after the Company's submittal of the PPA to the QF, provided, however, that if no interconnection agreement for the Facility has been tendered to Seller prior to the expiration of such deadline, the deadline for execution of the PPA shall be automatically extended until the date that is five days after the date that the interconnection agreement is tendered to the Seller. Notwithstanding the foregoing, if the PPA proposed by the Company becomes the subject of an arbitration or complaint proceeding, the six

month deadline for execution of the PPA shall be tolled upon the filing of the pleading commencing such proceeding and thereafter the deadline for execution of the PPA will be as directed by the NCUC.

- c. A Seller's withdrawal of its commitment to sell as represented by this Notice of Commitment Form prior to expiration of the Notice of Commitment period, as identified in subsection 6.(b) above, shall result in termination of the LEO, and the Seller shall only be offered an as-available rate for a two-year period following such termination of the LEO. Thereafter, the Seller may elect to submit a new Notice of Commitment Form to establish a new LEO.

The undersigned is duly authorized to execute this Notice of Commitment for the Seller:

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Company]

\_\_\_\_\_  
Date



**NOTICE OF COMMITMENT TO SELL THE OUTPUT  
OF A QUALIFYING FACILITY WITH GREATER THAN 1 MEGAWATT  
MAXIMUM CAPACITY TO  
DOMINION ENERGY NORTH CAROLINA**

Pursuant to the North Carolina Utilities Commission’s October 11, 2017 Order issued in Docket No. E-100, Sub 148, this notice of commitment form establishes the procedure for a qualifying facility (“QF”) with a nameplate capacity greater than 1 MW (ac) to establish a legally enforceable obligation (“LEO”) and to commit to sell the output of a proposed QF generating facility to Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (the “Company”) as provided for in 18 C.F.R. § 304(d)(2). Please note that a different form is available for QFs with a nameplate capacity of 1 MW (ac) or less to commit to sell their output to the Company under the currently available standard offer power purchase agreement and terms and conditions.

Instructions to QF: The QF shall deliver, via certified mail, courier, hand delivery, or email, its executed Notice of Commitment to:

Power Contracts  
Dominion Energy North Carolina  
600 Canal Place,  
17N  
600 East Canal St.  
Richmond, Virginia  
23219  
[powercontracts@dominionenergy.com](mailto:powercontracts@dominionenergy.com)

Any subsequent notice that a QF is required to provide to Company pursuant to this Notice of Commitment shall be delivered to the same address by one of the foregoing delivery methods.

1. [ \_\_\_\_\_ ] (“Seller”) hereby commits to sell to the Company all of the electrical output of the Seller’s qualifying facility (“QF”) described in Seller’s self-certification of QF status filed with the Federal Energy Regulatory Commission in Docket No. QF \_\_\_\_\_ (the “Facility”).
2. The name, address, and contact information for Seller is:  
  
Telephone: \_\_\_\_\_  
  
Email: \_\_\_\_\_
3. By execution and submittal of this commitment to sell the output of the Facility (the “Notice of Commitment”), Seller certifies as follows:

- a. Certificate of Public Convenience and Necessity/Report of Proposed Construction (indicate the applicable certification below):
- i. \_\_\_\_\_ Seller has received a certificate of public convenience and necessity (“CPCN”) for the construction of its \_\_\_\_\_ kW (net capacity ac) Facility from the North Carolina Utilities Commission (“NCUC”) pursuant to North Carolina General Statute § 62-110.1 and NCUC Rule R8-64, which CPCN was granted by NCUC on [insert date] in Docket No. \_\_\_\_\_.
  - ii. \_\_\_\_\_ Seller is exempt from the CPCN requirements pursuant to North Carolina General Statute § 62-110.1(g) and has filed a report of proposed construction for its \_\_\_\_\_ kW (net capacity ac) Facility with the NCUC pursuant to NCUC Rule R8-65 (“Report of Proposed Construction”) on [insert date] in Docket No. \_\_\_\_\_.
- b. Application to Interconnect to Company’s System:
- i. \_\_\_\_\_ Seller has submitted a completed Interconnection Request on [insert date] pursuant to the North Carolina Interconnection Procedures (“NCIP”) and has received notification from the Company pursuant to Section 1.4.1 of the NCIP that the Company received the Request.
  - ii. For a QF that has been designated as an A or B project in the interconnection queue, the LEO Date will be based upon the earlier of the following (indicate which of the below has occurred):
    1. \_\_\_\_\_ 105 days have passed since the submission of the interconnection request, or
    2. \_\_\_\_\_ Seller has received the system impact study from the Company.
  - iii. For a QF that has not been designated as an A or B project at the time of its interconnection request, the LEO Date will be based upon the earlier of the following (indicate which of the below has occurred):
    1. \_\_\_\_\_ 105 days have passed since the project was designated as an A or B project, or
    2. \_\_\_\_\_ Seller has received the system impact study from the public utility.
  - iv. In either case, whether the QF has or has not been designated an A or B project, the 105-day period as part of establishing a LEO will remain in effect until the Commission issues a final order in

Docket No. E-100, Sub 101. If, by final order issued in that docket, the Commission alters the NCIP's 105-day-deadline for providing a QF with the results of the utility's system impact study, that altered deadline shall be substituted for the 105-day standard provided in this LEO Form. If, prior to the expiration of the 105 days or the substituted date from Docket No. E-100, Sub 101, the utility anticipates being unable to deliver the results of the system impact study to the QF, then the utility may petition the Commission for an extension of that deadline and a delay in the establishment of the QF's LEO.

4. By execution and submittal of this Notice of Commitment Seller acknowledges that the legally enforceable obligation date ("LEO Date") for the Facility will be established upon the Company's receipt of this Notice of Commitment Form, and shall be based upon (a) the receipted date of deposit of this Notice of Commitment with the U.S. Postal Service for certified mail delivery to the Company, (b) the receipted date of deposit of this Notice of Commitment with a third-party courier (e.g., Federal Express, United Parcel Service) for trackable delivery to the Company, (c) the receipted date of hand delivery of this Notice of Commitment to the Company at the address set forth in paragraph 1, above, or (d) the date on which an electronic copy of this Notice of Commitment is sent via email to the Company if such email is sent during regular business hours (9:00 a.m. to 5:00 p.m.) on a business day (Monday through Friday excluding federal and state holidays). Emails sent after regular business hours or on days that are not business days shall be deemed submitted on the next business day.
5. Rates for purchases from the Facility will be based on the Company's avoided costs as of the LEO Date, calculated using data current as of the LEO Date.
6. This Notice of Commitment shall automatically terminate and be of no further force and effect in the following circumstances:
  - a. Upon execution of a PPA between Seller and Company;
  - b. If Seller does not execute a PPA within six months (as such period may be extended by mutual agreement of Seller and Company) after the Company's submittal of the PPA to the QF, provided, however, that if no interconnection agreement for the Facility has been tendered to Seller prior to the expiration of such deadline, the deadline for execution of the PPA shall be automatically extended until the date that is five days after the date that the interconnection agreement is tendered to the Seller. Notwithstanding the foregoing, if the PPA proposed by the Company becomes the subject of an arbitration or complaint proceeding, the six month deadline for execution of the PPA shall be tolled upon the filing of the pleading commencing such proceeding and thereafter the deadline for execution of the PPA will be as directed by the NCUC.

- c. A Seller's withdrawal of its commitment to sell as represented by this Notice of Commitment Form prior to expiration of the Notice of Commitment period, as identified in subsection 6.(b) above, shall result in termination of the LEO, and the Seller shall only be offered an as-available rate for a two-year period following such termination of the LEO. Thereafter, the Seller may elect to submit a new Notice of Commitment Form to establish a new LEO.

The undersigned is duly authorized to execute this Notice of Commitment for the Seller:

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Company]

\_\_\_\_\_  
Date

**Performance Adjustment Factor 1.07**

Cents/kWh

**PROPOSED RATE DESIGN**

Line No.	Description	Variable	Fixed Long-Term Rates	
			Rate	10-Year
1	Energy Credit Summer - Premium Peak	3.805		4.459
2	Energy Credit Summer - On Peak	2.949		3.461
3	Energy Credit Summer - Off Peak	2.035		2.411
4	Energy Credit Winter - Premium Peak	4.084		4.089
5	Energy Credit Winter - On Peak (AM)	3.455		3.464
6	Energy Credit Winter - On Peak (PM)	3.495		3.508
7	Energy Credit Winter - Off Peak	2.780		2.945
8	Energy Credit Shoulder - On Peak	2.790		2.823
9	Energy Credit Shoulder - Off Peak	2.050		2.223
10	Capacity Credit Summer Month			4.000
11	Capacity Credit Winter Month			3.641
12	Capacity Credit Shoulder Month			0.819
13	Annualized Energy	2.579		2.800
14	Annualized Capacity			0.524
15	Annualized Total			3.324

The Energy Rates shown above are for dispatchable QFs whose generation is not intermittent.

The Energy Rates are decreased by 0.078 cents per kWh for QFs whose generation is intermittent in nature (solar, wind, ...).

NOTE: Calculation of Annualized Numbers

$$\begin{aligned} \text{Annualized Energy} &= ((S-PP*344)+(S-On*688)+(S-Off*1896) \\ &\quad +(W-PP*244)+(W-On AM*244)+(W-On PM*183)+(W-Off*1489) \\ &\quad +(Sh-On*1680)+(Sh-Off*1992))/8760 \\ \text{Annualized Capacity} &= (\text{summer rate}*516+ \text{winter rate}*504+ \text{shoulder rate}*840)/8760 \\ \text{Annualized Total} &= \text{Annualized Energy} + \text{Annualized Capacity} \end{aligned}$$

Key: Subperiod Abbreviation

Sub Period	Description	Abbreviation
1	Summer - Premium Peak	(S-PP)
2	Summer - On Peak	(S-On)
3	Summer - Off Peak	(S-Off)
4	Winter - Premium Peak	(W-PP)
5	Winter - On Peak (AM)	(W-On-AM)
6	Winter - On Peak (PM)	(W-On-PM)
7	Winter - Off Peak	(W-Off)
8	Shoulder - On Peak	(Sh-On)
9	Shoulder - Off Peak	(Sh-Off)

Performance Adjustment Factor: 2.00

Cents/kWh

**PROPOSED RATE DESIGN**

Line No.	Description		Variable	Fixed Long-Term Rates
			Rate	10-Year
1	Energy Credit	Summer - Premium Peak	3.805	4.459
2	Energy Credit	Summer - On Peak	2.949	3.461
3	Energy Credit	Summer - Off Peak	2.035	2.411
4	Energy Credit	Winter - Premium Peak	4.084	4.089
5	Energy Credit	Winter - On Peak (AM)	3.455	3.464
6	Energy Credit	Winter - On Peak (PM)	3.495	3.508
7	Energy Credit	Winter - Off Peak	2.780	2.945
8	Energy Credit	Shoulder - On Peak	2.790	2.823
9	Energy Credit	Shoulder - Off Peak	2.050	2.223
10	Capacity Credit	Summer Month		7.477
11	Capacity Credit	Winter Month		6.805
12	Capacity Credit	Shoulder Month		1.531
13	Annualized Energy		2.579	2.800
14	Annualized Capacity			0.979
15	Annualized Total			3.779

The Energy Rates shown above are for dispatchable QFs whose generation is not intermittent.

The Energy Rates are decreased by 0.078 cents per kWh for QFs whose generation is intermittent in nature (solar, wind, ...).

NOTE: Calculation of Annualized Numbers

$$\begin{aligned} \text{Annualized Energy} &= ((S-PP*344)+(S-On*688)+(S-Off*1896) \\ &\quad +(W-PP*244)+(W-On AM*244)+(W-On PM*183)+(W-Off*1489) \\ &\quad +(Sh-On*1680)+(Sh-Off*1992))/8760 \\ \text{Annualized Capacity} &= (\text{summer rate}*516+ \text{winter rate}*504+ \text{shoulder rate}*840)/8760 \\ \text{Annualized Total} &= \text{Annualized Energy} + \text{Annualized Capacity} \end{aligned}$$

Key: Subperiod Abbreviation

Sub Period	Description	Abbreviation
1	Summer - Premium Peak	(S-PP)
2	Summer - On Peak	(S-On)
3	Summer - Off Peak	(S-Off)
4	Winter - Premium Peak	(W-PP)
5	Winter - On Peak (AM)	(W-On-AM)
6	Winter - On Peak (PM)	(W-On-PM)
7	Winter - Off Peak	(W-Off)
8	Shoulder - On Peak	(Sh-On)
9	Shoulder - Off Peak	(Sh-Off)







**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing *Initial Statement and Exhibits*, filed in Docket No. E-100, Sub 167, were served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 2<sup>nd</sup> day of November, 2020.

*/s/Andrea R. Kells*

\_\_\_\_\_  
Andrea R. Kells

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