

Duke Energy Progress, LLC
(North Carolina Only)

POWERPAIRSM SOLAR AND BATTERY INSTALLATION PROGRAM PPSB-1 (PILOT)

AVAILABILITY

This Pilot is available to eligible residential customers who install and operate a new solar photovoltaic electric generating system (“Solar Panels”) paired with a stationary battery storage system (“Battery” and collectively with Solar Panels, “Installed Equipment”). Installed Equipment may be owned by the Customer either by outright purchase or financing or may be owned by a lessor and leased to the Customer.

Participation in the Pilot is available for new installations and installations completed no earlier than 90 days prior to submission of an application to the Pilot program, at the Company’s discretion and subject to capacity and participation limits. Completion will be determined based on the Operational Date of Installed Equipment. Applications will be accepted and incentives (“PowerPairSM Incentives”) will be allocated over three years as described in the Application Requirements section.

PowerPairSM Incentives shall be limited to no greater than 10 kilowatts (kW) alternating current (AC) per customer for Solar Panels and no greater than 13.5 kilowatt-hours (kWh) per customer for Batteries. New participation in the Pilot shall be limited to no greater than 30,000 kW-AC of Solar Panels; if and when the participation limit is met, no additional customers shall be enrolled in the Pilot.

GENERAL PROVISIONS

To be eligible to participate in the Pilot and receive the PowerPairSM Incentive, the Customer must meet and comply with all of the following requirements:

- The Customer must have submitted a valid Interconnection Request for the Solar Panels and Battery before submitting an application for a PowerPairSM Incentive.
- The Customer must be installing solar generation and a battery storage system at the premises for the first time. Customers who are installing additional solar generation to an existing solar generation system are not eligible to participate in the Pilot.
- The Operational Date of the Installed Equipment as determined by the Company may be no earlier than 90 days prior to submission of an application and no later than 270 days following notification of the PowerPairSM Incentive allocation (“PowerPairSM Reservation”).
- The Customer must enroll and participate in either Net Metering Bridge Rider NMB or Residential Solar Choice Rider RSC. The Company may manage new participation under the net metering riders to achieve minimum levels of participation under each.
- If the Customer participates in Net Metering Bridge Rider NMB, the Customer must enroll and participate in the battery control option of the EnergyWise Home Program (Rider LC).
- The Customer must agree to and comply with the terms and conditions of the Pilot.
- Installed Equipment must be installed by a Company-approved installer and shall be subject to inspection and verification upon request by the Company. Installer must be approved by the Company prior to the Customer submitting an application for a PowerPairSM Incentive for the Installed Equipment.
- Maximum export to the grid from the Customer’s energy system, including but not limited to Installed Equipment, must not exceed 20 kW-AC at any time.
- The Customer must own the premises for which the PowerPairSM Incentive is sought, including access and rights to the location of Installed Equipment, and Installed Equipment must be located

- on Customer's owned premise.
- The Customer's Battery must comply with interconnection standards and maintain internet connectivity in order to track usage data. Approved Battery models will be posted on the Company's website.

APPLICATION REQUIREMENTS

Customers must complete and submit an application on the Company's website requesting service under the Pilot. Applications may be submitted no earlier than the first day of the application period. The first day of the initial application period will be posted on the Company's website with at least 30 days' notice. Applications must state the nameplate capacity in kW-AC for the Solar Panels and in kW direct current (DC) and kWh for the Battery for which the PowerPairSM Incentive is sought.

Applications will be accepted for an initial four-week period. During this period the Company will review submissions for eligibility and work with customers to resolve issues with their application.

If eligible applications received in the initial application period exceed the participation limit, eligible applications will be entered into the random selection process ("RSP"). If there is any doubt as to an application's eligibility, it will be placed in the RSP, but the outstanding issue with the application will be resolved before communicating PowerPairSM Incentive status. Under the RSP, applications will be assigned a place in line at random using an analytical software. Applications will then receive a PowerPairSM Reservation or be placed on a waiting list. The Company will send communications to customers informing them of their placement and post the waitlist to the Company's website no later than six weeks after the opening date of the application period. After communications are sent, a second application period will open. Applications received in the second application period will be added to the waiting list in first come, first served order.

If eligible applications received in the initial application period do not exceed the participation limit, the Company will continue to accept applications beyond the first four weeks, and PowerPairSM Incentives will be allocated to eligible applications on a first come, first served basis. If the participation limit is met, applications will be placed on a waiting list in the order they are received.

The Company may stop accepting new applications before the end of the three-year enrollment window if it becomes evident that the waiting list is too long for new applications to have a reasonable probability of receiving a PowerPairSM Incentive allocation. Waitlisted customers who are not allocated unused capacity by the end of the three-year enrollment window will have their applications cancelled.

Customers who apply prior to installation of the Solar Panels and Battery must complete the installation within 270 days following Company notification of the PowerPairSM Reservation. If a Customer receives a PowerPairSM Reservation but does not complete installation within 270 days, then the Customer's application and PowerPairSM Reservation will be canceled, and the resulting unused PowerPairSM Incentive capacity will be made available for other applications.

POWERPAIRSM INCENTIVE PAYMENT

To receive a PowerPairSM Incentive payment, the Customer must submit a Certificate of Completion indicating that installation of the Solar Panels and Battery is complete, and the Company shall confirm that billing under the applicable net metering rider has commenced. The Customer must also complete an enrollment process to provide the Company access to operating data for the Installed Equipment.

Upon confirmation of compliance with all eligibility requirements, the Company will provide to the Customer a one-time PowerPairSM Incentive based upon the kW-AC nameplate rating of the Customer's Solar Panels and the kWh nameplate rating of the Customer's Battery up to the capacity requested in the Customer's

PowerPairSM application. The PowerPairSM Incentive shall be limited to 10 kW-AC for the Solar Panels and 13.5 kWh for the Battery.

PowerPairSM Incentive for Solar Panels: \$0.36/Watt-AC

PowerPairSM Incentive for Battery: \$240/kWh

Customers may qualify for United States Federal tax credits as a result of installing the Solar Panels and/or Battery. Customers are responsible for confirming tax credit eligibility and if applicable filing for and claiming the appropriate credit.

The PowerPairSM Incentive shall only be provided once for Installed Equipment.

CONTRACT PERIOD

The Contract Period for the Pilot shall be 120 months from the start of billing under the applicable net metering rider.

Customers may switch between Net Metering Bridge Rider NMB and Residential Solar Choice Rider RSC after completion of 12 months in their selected rider, subject to availability, and will be subject to applicable terms and conditions and eligibility requirements for continued participation in the Pilot immediately upon switching. Switching net metering riders under the Pilot in this manner will not affect the Customer's Contract Period.

EARLY TERMINATION

If any portion of the Installed Equipment is removed or if the Customer fails to comply with any of the Pilot requirements within the Contract Period, an early termination charge may apply unless the termination is for good cause ("Early Termination Charge"). Good cause includes any act or circumstance resulting in early termination, which is beyond the control of the Customer, and includes circumstances where the Customer sells the home where the Installed Equipment is installed.

The Early Termination Charge shall equal to one minus the number of months since initial participation divided by 120 multiplied by the applicable PowerPairSM Incentive.

$$\text{Early Termination Charge} = (1 - (\# \text{ of Participating Months} / 120)) * \text{PowerPair}^{\text{SM}} \text{ Incentive}$$

Company reserves the right to terminate service under this Pilot and request repayment of the PowerPairSM Incentive payment at any time upon written notice to the Customer in the event that the Customer intentionally violates any of the terms or conditions of this Pilot or operates the Installed Equipment in a manner which is detrimental to the Company and/or its customers and fails to correct such operation. Company may also terminate service under this Pilot and request repayment of the PowerPairSM Incentive payment if the Customer intentionally misstates or misrepresents the operating capacity or operating characteristics of the Installed Equipment during the Contract Period.

INOPERABLE EQUIPMENT

If any portion of the Installed Equipment is rendered inoperable within the Contract Period, the Customer may be assessed a monthly charge after a 90-day grace period ("Inoperable Equipment Monthly Charge"). Operable systems require a reliable and functioning internet connection and must be capable of generating electricity (Solar Panels) and storing electricity (Battery). The Inoperable Equipment Monthly Charge shall be equal to the total PowerPairSM Incentive payment amount divided by the total number of months in the term (120 months). The Inoperable Equipment Monthly Charge shall continue to be assessed until such time as the Installed Equipment is rendered operable again or until the end of the Contract Period. If the Customer's Installed Equipment remains inoperable for a continuous 12-month period beyond the grace

period, the Customer may be removed from the Pilot and assessed an Early Termination Charge.

OPERATING DATA

Through the Customer's enrollment in the Pilot, the Customer grants the Company and, if applicable, a third party working on the Company's behalf, rights to access and use all data associated with operation and operating characteristics of Installed Equipment. The Customer agrees to complete the steps necessary to provide the Company access to operating data for the Installed Equipment before receiving the PowerPairSM Incentive payment.

Effective on and after ____
NCUC Docket No. E-2, Sub 1287