

November 13, 2017

VIA ELECTRONIC FILING

Mrs. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Docket No. E-100, Sub 148
Compliance Filing of Rate Schedules and Contracts**

Dear Ms. Jarvis:

Pursuant to the Order Establishing Standard Rates and Contract Terms for Qualifying Facilities issued by the North Carolina Utilities Commission (“Commission”) in Docket No. E-100, Sub 148 on October 11, 2017 (“Order”), Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“Dominion Energy North Carolina” or the “Company”) hereby files clean and blacklined versions of its revised standard avoided cost rate schedules and contracts, as well as revised Notice of Commitment forms, in compliance with the directives of that Order. These revisions are described further below. Portions of Exhibit B contain information that is designated by the Company as confidential and qualifies as “trade secrets” under N.C.G.S. § 66-152(3). Pursuant to N.C.G.S. § 132-1.2, the Company has redacted this confidential information from the public version of the Rebuttal Filing and is contemporaneously filing these confidential pages under seal.

Standard Offer Capacity Rates

Ordering Paragraph 1 of the Order directed the utilities to offer long-term levelized capacity and energy payments for 10-year periods as standard options to all QFs contracting to sell one MW or less capacity. The Company’s Initial Filing submitted in this proceeding on November 15, 2016, did not include proposed avoided capacity cost rates. Pursuant to the Order, however, the Company has included avoided capacity cost rates with this compliance filing, together with supporting documentation. Consistent with Ordering Paragraph 4, the Company has calculated avoided capacity rates using the peaker method, and has included a levelized payment for capacity over the term of the contract that provides a payment for capacity that reflects the years of that term in which

the Company's most recent IRP forecast period demonstrates a capacity need. For purposes of this compliance filing, the Company has continued its recent practice of designing the capacity rates discussed further below by allocating 60% of the installed cost of a combustion turbine ("CT") to the applicable summer months, and the remaining 40% to the non-summer months.

1. Schedule 19-FP

Consistent with the peaker method approved by the Commission in the previous biennial avoided cost proceeding (Docket No. E-100, Sub 140), the Company is using the construction and operating costs of a CT to determine the avoided capacity cost and support the capacity rates provided in Schedule 19-FP, attached hereto as Exhibit A.

The CT used by the Company for its avoided cost determination is part of a four-unit greenfield facility and is assumed to have a 36-year life, and to be operational late in 2016 to correspond with the timing of the Initial Filing in this case. In the previous biennial proceeding, the Commission determined that the utilities should use the "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." (Order Setting Avoided Cost Input Parameters at 48.) For the purposes of this compliance filing, the Company based its avoided capacity costs on the installed capital costs of a CT unit using the GE 7FA model data from the 2014 Brattle Report, with appropriate adjustments. These costs are based on the 2014 Brattle Report because this Report had not been updated since 2014 at the time of the Initial Filing. The adjustments to the Brattle costs are provided at Exhibit B. These include: (1) an adjustment to the cost of the turbine-generator equipment to reflect the Company's actual experience with purchasing such equipment for its Greenville County Power Station, which began construction in June 2016; (2) eliminated the Selective Catalytic Reduction equipment costs, which would not be included in a CT constructed by the Company in Virginia or North Carolina; (3) corrected the construction labor costs to reflect the CT costs adopted by PJM and approved by the Federal Energy Regulatory Commission ("FERC") in its cost of new entry modifications proposed by the Independent Market Monitor ("IMM") based on analysis from Pasteris Energy and Stantec Consulting Services, Inc.; (4) adjusted sales tax to reflect rates applicable for Virginia; (5) adjusted electric and gas interconnection costs to reflect costs expected for a CT constructed by the Company in Virginia or North Carolina and to reflect economies of scale; (6) adjusted fuel costs for startup and inventories to be consistent with fuel cost projections reflected in avoided fuel costs; (7) eliminated financing fees as financing costs are already included as part of the costs applied to the CT cost in the ECC calculations; (8) added costs related to the construction of a four-unit CT facility to account for extra carrying costs associated with economies of scale, which consist of the incremental carrying costs related to the electrical interconnection, gas interconnection, and land, and (9) adjusted mobilization and start-up costs to reflect the Commission's required assumption that one CT unit will be installed at a time.

The resulting CT cost, shown at Exhibit B, is approximately \$548 per kW, excluding financing costs.

In order to then calculate the avoided capacity rates offered in Schedule 19-FP, the \$548/kW installed CT facility cost is converted to an annual carrying cost, which is then converted into a levelized capacity rate. Specifically, the resulting \$548/kW CT installed cost is used to determine the annual revenue requirements related to the capital investment, inclusive of financing costs. The revenue requirements are then converted to economic carrying charge (“ECC”) annual costs in dollars, which escalate annually at an assumed rate of inflation. The annual ECC costs are added to the CT facility fixed O&M costs, and the resulting total fixed annual costs are used to calculate the levelized cents/kWh capacity rates for Schedule 19-FP. These rate calculations are shown at Exhibit C.

Consistent with the Order, in the calculation of the levelized rate for Schedule 19-FP, the CT fixed costs start in year 2022 because that is the first year that incremental capacity was shown to be needed in the Company’s 2016 IRP, which was the most recently filed IRP at the time of the November 2016 Initial Filing.

2. Schedule 19-LMP

Effective each June 1, the PJM Interconnection, L.L.C. (“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”). Previously, the Schedule 19-LMP capacity rates were tied to the daily clearing prices from the PJM capacity market. However, with the Commission’s conclusion that avoided capacity rates must “include a levelized payment for capacity over the term of the contract that provides a payment for capacity in years that the utility’s IRP forecast period demonstrates a capacity need,” that previous approach will no longer work, because due to the three year forward Base Residual Auctions (“BRA”) that PJM holds for capacity, the BRA prices for capacity beyond the 2020-2021 Delivery Year are not currently known.

In order to comply with the Order and also be consistent with the intent of Schedule 19-LMP to base rates on PJM market prices, the Company has calculated Schedule 19-LMP capacity rates by (1) averaging the PJM BRA clearing prices that resulted from the BRA that occurred this past spring (for Delivery Years 2018-2019 through 2020-2021), (2) converting that average price to a cents/kWh on-peak capacity purchase price, (3) applying that average price to the years of the Schedule 19-LMP contract that correspond to the Company’s capacity need as identified in its 2016 IRP (2022 through 2026), and (4) levelizing the resulting amount over the course of the 10-year contract. With this approach, a QF that chooses to sell under Schedule 19-LMP will still receive capacity rates based on the most recent BRA clearing prices at the time the rates are filed with the Commission, the rates will pay for capacity in years during which

there is a capacity need, and the rates will be levelized over the entire contract term. These capacity rates will remain in effect until the next biennial avoided cost proceeding, at which time the Company would update its Schedule 19-LMP capacity rates based on the BRA clearing prices most recently determined prior to that filing.

The effect of this approach will be a sort of biennial rolling average, such that the Schedule 19-LMP capacity rate will change every 2 years, but QFs will receive the same levelized rates over the course of their 10-year contracts. For example, a QF that enters into a Schedule 19-LMP contract during the 2016 “biennial period” (effectively, between now and the filing of the Company’s 2018 avoided cost application) will receive the levelized capacity rates the Company will file on Monday, based on the 2017 PJM BRA, over the course of its PPA. A QF that enters into a Schedule 19-LMP contract any time after the 2018 biennial avoided cost filing is made up until the 2020 biennial filing would receive the updated LMP capacity rates as proposed in the 2018 filing, which would correspond to the 2018 BRA, which will result in clearing prices for the Delivery Years 2019-2020 through 2021-2022.

Consistent with the Company’s previous approach to Schedule 19-LMP, the QF’s capacity purchase payments may be adjusted by the Summer Peak Performance Factor, to reflect operation by the QF during the summer coincident peak hours. The Company’s proposed Schedule 19-LMP is attached as Exhibit D, and the supporting documentation for the capacity rate offered in this rate schedule is attached as Exhibit E.

Performance Adjustment Factor

Pursuant to Ordering Paragraphs 8 and 9 of the Order, the capacity rates for both Schedule 19-FP and Schedule 19-LMP have been calculated based on avoided capacity costs that reflect a Performance Adjustment Factor (“PAF”) of 1.05 for all QFs other than hydroelectric QFs with no storage capability and no other type of generation, and a PAF of 2.0 for hydroelectric QFs with no storage capability and no other type of generation.

Revised Schedule 19-LMP to Reflect LMP Nodes

Pursuant to Ordering Paragraph 2, the Company has revised Schedule 19-LMP to provide that the energy price paid pursuant to that rate schedule is the LMP at the PJM-defined nodal location nearest to where the energy is delivered.

Elimination of Line Loss Adder

Ordering Paragraph 10 directed the Company to eliminate the line loss adder of 3% from its standard offer avoided cost payments to solar QFs on its distribution network. As the proposed standard offer rates and contracts included in the Initial Filing reflected the elimination of the 3% line loss adder, no change has been made to implement this directive in this compliance filing.

Legally Enforceable Obligation Standard and Forms

Consistent with Ordering Paragraph 12, the Company is submitting two revised Notice of Commitment Forms (“LEO Forms”) and including revisions in its standard rate schedules to reflect the Commission’s determinations with respect to the standard for establishing an LEO. In the Order, the Commission concluded that, for QFs with a generating capacity less than one MW that are eligible for the standard offer, an LEO is established when (1) the QF submits a report of proposed construction to the Commission, (2) submits a Section 2 or Section 3 Interconnection Request, and (3) indicates intent (i.e., a notice of commitment) to sell its output to the utility under then-approved standard avoided cost rates. (Order at 107.) The Commission also concluded that, for QFs with a generating capacity greater than one MW, an LEO is established when the QF (1) has self-certified with FERC as a QF, (2) commits to sell to the utility using the LEO Form, (3) files a report of proposed construction or is issued a CPCN pursuant to G.S. 62-110.1, and (4) has submitted a completed interconnection request pursuant to the North Carolina Interconnection Procedure (“NCIP”). The Commission made additional determinations regarding the date on which an LEO is established for large QFs depending on whether the QF has been designated an A or B project in the interconnection queue. (Order at 106.) In addition to directing the utilities to submit revised Notice of Commitment Forms that comply with these changes, the Commission also directed the utilities to include with their compliance filings a “short and plain explanation of the standard for a QF to establish an LEO, as approved in this order.” (Order at 110.)

To implement these conclusions, the Company has revised Section I of both Schedule 19-FP and Schedule 19-LMP to reflect the Commission’s amended criteria for a QF sized one MW or less and eligible for the standard offer to establish an LEO. The Company is also submitting two separate LEO Forms, one each for small QFs subject to this streamlined LEO standard, and for large QFs subject to the four-part LEO standard described at page 106 of the Order. These revised LEO Forms are included at Exhibit H attached hereto.

The “small QF” LEO Form provides space for a QF to indicate that it has met the requirements (in addition to being a QF) provided in the Order for establishing an LEO: (1) it has submitted a report of proposed construction to the Commission pursuant to Rule R8-65; and (2) it has submitted a request to interconnect with the Company’s system pursuant to Section 2 or Section 3 of the NCIP, and has received notice from the Company that the Company has received that request. The QF will meet the third requirement of indicating its intent to sell by submitting the LEO Form and attesting that the other requirements have been fulfilled.

The “large QF” LEO Form provides space for a QF to indicate that it has met the requirements for establishing an LEO that it (1) self-certify to FERC as a QF, (2) either obtain a certificate of public convenience and necessity pursuant to Commission Rule R8-64, or submit a report of proposed construction pursuant to Rule R8-65, as applicable, and (3) submit a request to interconnection with the Company’s system pursuant to the

NCIP, and receive notification that the Company has received that request. The large QF LEO Form provides further that the LEO will be established on the date that is the earlier of, for a QF designated an A or B project in the interconnection queue, (a) 105 days after the submission of the interconnection request, or (b) upon the receipt of the system impact study from the Company and, for a QF not designated an A or B project at the time of its interconnection request, (a) 105 days after the project has been designated as an A or B project, or (b) upon the receipt of the system impact study from the public utility. As with the standard offer LEO Form, the QF will meet the fourth requirement of indicating its intent to sell by submitting the LEO Form and attesting that the other requirements have been fulfilled.

Ordering Paragraph 12(d) directed the utilities to provide a description of how they will make the standards for QFs to establish LEOs available to QFs and the general public, including publication on the utility's website. (Order at 110.) Going forward, the Company will require QFs seeking to sell their facilities' output to the Company to use the revised LEO Forms included at Exhibit H, in accordance with their sizes and eligibility for the standard offer. The Company will post both LEO Forms on its website at the following location: <https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy>. This website also contains information that clearly describes how a QF can establish an LEO, and directs QFs to the appropriate LEO Form, again depending on their size and eligibility for the standard offer. The website also provides information regarding the Company departments that a QF should contact in order to negotiate power purchase agreements and interconnection agreements, and continues to contain the language directed by the Commission in the Sub 140 proceeding that clarifies that a request for interconnection does not constitute a commitment to sell for purposes of the LEO criteria. The Company also continues to include this language with its email responses to receipts of interconnection requests.

Miscellaneous Updates

The Company has updated its standard offer rate schedules and contracts to reflect the correct Company name to Dominion Energy North Carolina following the corporate rebranding that occurred in May 2017. The Company has also made a number of revisions to its standard offer tariffs and contracts to be consistent with the Order. These include:

- added language to the “applicability and availability” Section I of the rate schedules to reflect the limitation on availability provided at G.S. § 62-156(b)(1);
- removed references to “hydroelectric” in the rate schedules where appropriate to reflect the modified definition of “small power producer” contained at G.S. § 62-2(27a);
- removed the 5-year standard offer contract term option from its Schedule 19-FP and Schedule 19-LMP, consistent with the Order;

- removed wording from the rate schedules and contracts (attached hereto as Exhibits F and G) to reflect the reduction of the size threshold for standard offer rates and terms to one MW and, therefore, the elimination of the need for FERC Form 556 information;
- removed from Section III of Exhibit B (General Terms and Conditions) to the standard offer contracts the list of required information to be provided upon request by the Company to a QF that demonstrates continued compliance with FERC's cogeneration criteria, as this information is no longer necessary for these standard offer terms and conditions; and
- made miscellaneous clean-up edits, including updating the Company web pages where information for QFs is located.

Attached to this compliance filing are the following exhibits:

- Exhibit A: Rate Schedule 19-FP – blackline and clean versions;
- Exhibit B: Calculation of Avoided CT Capacity Costs;
- Exhibit C: Calculation of Avoided Capacity Cost Rates for Schedule 19-FP;
- Exhibit D: Rate Schedule 19-LMP – blackline and clean versions;
- Exhibit E: Calculation of Avoided Capacity Cost Rates for Schedule 19-LMP;
- Exhibit F: Rate Schedule 19-FP power purchase agreement – blackline and clean versions;
- Exhibit G: Rate Schedule 19-LMP power purchase agreement – blackline and clean versions; and
- Exhibit H: Revised LEO Forms.

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

Very truly yours,

/s/Andrea R. Kells

ARK:kjg

Enclosures

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 148, (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 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>. Alternatively, a QF may request a Notice of Commitment form via email to 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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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 148 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.

(Continued)

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Schedule 19 - FP
POWER PURCHASES FROM
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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 | \$17.24 |
| One time-differentiated meter | \$35.55 |
| Two time-differentiated meters | \$41.16 |

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Schedule 19 - FP
POWER PURCHASES FROM
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(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS

A. For Option A Rates, the On-Peak Hours are:

Summer

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

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

Non-Summer

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

The on-peak hours are defined as those hours between 6:00 a.m. and 1:00 p.m., plus 4:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

B. For Option B Rates, the On-Peak Hours are:

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 1:00 p.m. and 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

(Continued)

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(Continued)

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

Non-Summer

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

The on-peak hours are defined as those hours between 6:00 a.m. and 1:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

C. 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.

(Continued)

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(Continued)

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

- 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. Operators electing the Time-differentiated Variable Mode under this Paragraph IV.B. must also chose either Option A or Option B hours under Paragraph III.
- 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. Operators electing the Fixed Mode under this Paragraph IV.C. must also chose either Option A or Option B hours under Paragraph III.

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:

2.795

(Continued)

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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 On- and Off-peak rates in cents per kWh are applicable:

Option A: Variable Rate

| | |
|------------------|-------|
| On-Peak (¢/kWh) | 3.246 |
| Off-peak (¢/kWh) | 2.544 |

Option B: Variable Rate

| | |
|------------------|-------|
| On-Peak (¢/kWh) | 3.292 |
| Off-peak (¢/kWh) | 2.656 |

The rates in both A and B above will be redetermined on a biennial basis on each revision of this schedule.

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 either A or B 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.

Option A. (Option A Hours See Section III.A)

| | |
|------------------|-------|
| On-Peak (¢/kWh) | 3.352 |
| Off-peak (¢/kWh) | 2.783 |

Option B. (Option B Hours See Section III.B)

| | |
|------------------|-------|
| On-Peak (¢/kWh) | 3.394 |
| Off-peak (¢/kWh) | 2.872 |

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 except no payment shall be made for generation in excess of 1,000 kWh in any hour.

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(Continued)

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; such levelized payments shall incorporate the need for capacity only in those years that the Company's 2016 IRP forecast period has demonstrated a capacity need.

The QF will receive payments for capacity based on Option A below if the QF selected Option A for fixed energy payments. The QF will receive capacity payment based on Option B below if the QF selected Option B for fixed energy payments. 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.

Option A:

For hydroelectric facilities with no storage capability and
no other type of generation:

| | Capacity Price |
|----------------------------|----------------|
| On-Peak (¢/kWh) Summer | 1.815 |
| On-Peak (¢/kWh) Non-summer | 1.210 |

For all other facilities

| | Capacity Price |
|----------------------------|----------------|
| On-Peak (¢/kWh) Summer | 0.953 |
| On-Peak (¢/kWh) Non-summer | 0.635 |

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(Continued)

VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)

Option B:

For hydroelectric facilities with no storage capability and
no other type of generation

| | Capacity Price |
|----------------------------|----------------|
| On-Peak (¢/kWh) Summer | 4.163 |
| On-Peak (¢/kWh) Non-summer | 1.605 |

For all other facilities

| | Capacity Price |
|----------------------------|----------------|
| On-Peak (¢/kWh) Summer | 2.186 |
| On-Peak (¢/kWh) Non-summer | 0.843 |

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.

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.

(Continued)

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

(Continued)

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

- 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/selling-power-to-dominion-energy/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.

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.

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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) ~~hydroelectric~~ 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 148, (a) has ~~obtained a certificate of public convenience and necessity for its facility from the Commission or filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65,~~ (b) is a Qualifying Facility, ~~and~~ (c) has submitted to the Company a duly executed "Notice of Commitment to Sell the Output of a Qualifying Facility 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.dom.com/salestodnecp>~~ **<https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy>**. Alternatively, a QF may request a Notice of Commitment form via email to ~~PowerContracts@dom.com~~ **PowerContracts@dominionenergy.com**.

~~The amount of energy per hour~~ **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 ~~Energy~~ **Capacity**") and the initial term of contract shall be limited as set forth below:.

(Continued)

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POWER PURCHASES FROM
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QUALIFYING FACILITIES

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- A. Where the QF operates ~~hydroelectric~~ generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. § 62-3(27a), ~~or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass,~~ the amount of Contracted ~~Energy~~**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 ~~five or 10 years, at the option of the QF.~~ The minimum term of contract permitted is one year.

I. APPLICABILITY AND AVAILABILITY (Continued)

- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted ~~Energy~~**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 ~~5~~**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 148 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 ~~energy~~**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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Schedule 19 - FP
POWER PURCHASES FROM
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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.

(Continued)

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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 | \$17.24 |
| One time-differentiated meter | \$35.55 |
| Two time-differentiated meters | \$41.16 |

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

(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS

A. For Option A Rates, the On-Peak Hours are:

Summer

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

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

Non-Summer

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

The on-peak hours are defined as those hours between 6:00 a.m. and 1:00 p.m., plus 4:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

(Continued)

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~~III. DEFINITION OF ON AND OFF PEAK HOURS (Continued)~~

B. For Option B Rates, the On-Peak Hours are:

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 1:00 p.m. and 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

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(Continued)

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

Non-Summer

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

The on-peak hours are defined as those hours between 6:00 a.m. and 1:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

C. 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.

(Continued)

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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.

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QUALIFYING FACILITIES

(Continued)

IV. CONTRACT OPTIONS FOR DESIGNATING THE MODE OF OPERATION

(Continued)

- 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. Operators electing the Time-differentiated Variable Mode under this Paragraph IV.B. must also chose either Option A or Option B hours under Paragraph III.
- C. **Fixed Mode.** The QF may contract for the delivery of **both** energy **and capacity** to the Company ~~under the Energy Fixed Mode of Operation.~~ **The level of capacity which the QF contracts to sell to the Company shall not exceed 1,000 kW.** Operators electing the Fixed Mode under this Paragraph IV.C. must also chose either Option A or Option B hours under Paragraph III.

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-reimbursement Mode of Operation.~~ Where the QF designates the Non-Reimbursement Mode of Operation, no payment will be made for energy delivered.

(Continued)

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~~V. PAYMENT FOR COMPANY PURCHASES OF ENERGY—VARIABLE MODE~~
(Continued)

- A. ~~B.~~—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:

2.795

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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 On- and Off-peak rates in cents per kWh are applicable:

Option A: Variable Rate

| <u>Option A: Variable Rate</u> | |
|---------------------------------------|-------|
| On-Peak (¢/kWh) | 3.246 |
| Off-peak (¢/kWh) | 2.544 |

| <u>Option B: Variable Rate</u> | |
|---|---------------------|
| <u>On-Peak</u> <u>(¢/kWh)</u> | <u>3.292</u> |
| <u>Off-peak</u> <u>(¢/kWh)</u> | <u>2.656</u> |

Option B: Variable Rate

| | |
|------------------|--------------|
| On Peak (¢/kWh) | <u>3.292</u> |
| Off peak (¢/kWh) | <u>2.656</u> |

The rates in both **BA** and **€B** above will be redetermined on a biennial basis on each revision of this schedule.

VI. PAYMENT FOR COMPANY PURCHASES OF ENERGY — FIXED MODE

A QF designating the ~~Energy~~ Fixed Mode of Operation must contract to receive payments for energy under this Section VI based on either A or B 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.

(Continued)

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

~~A. Option A Hours (See Section III.A):~~

| | <u>Fixed Long Term Rate</u> | |
|------------------|-----------------------------|----------------|
| | <u>5-Year</u> | <u>10-Year</u> |
| On-Peak (¢/kWh) | 3.158 | 3.352 |
| Off-peak (¢/kWh) | 2.595 | 2.783 |

~~B. Option B Hours (See Section III.B):~~

| <u>Fixed Long Term Rate</u> <u>Option A. (Option A Hours See Section III.A)</u> | | |
|--|---------------|---------------------|
| | <u>5-Year</u> | <u>10-Year</u> |
| <u>On-Peak</u> <u>(¢/kWh)</u> | | <u>3.352</u> |
| <u>Off-peak</u> <u>(¢/kWh)</u> | | <u>2.783</u> |
| <u>Option B. (Option B Hours See Section III.B)</u> | | |
| On-Peak (¢/kWh) | 3.189 | 3.394 |
| <u>Off-peak</u> <u>(¢/kWh)</u> | | <u>2.872</u> |
| Off-peak (¢/kWh) | 2.687 | 2.872 |

Operator shall be paid for energy up to 5% above the Contracted ~~Energy~~**Capacity** in any hour at the then applicable energy-only rates under Schedule 19-FP except no payment shall be made for generation in excess of 1,000 kWh in any hour.

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(Continued)

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; such levelized payments shall incorporate the need for capacity only in those years that the Company's 2016 IRP forecast period has demonstrated a capacity need.

The QF will receive payments for capacity based on Option A below if the QF selected Option A for fixed energy payments. The QF will receive capacity payment based on Option B below if the QF selected Option B for fixed energy payments. 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.

Option A:

For hydroelectric facilities with no storage capability and no other type of generation:

| | <u>Capacity Price</u> |
|-----------------------------------|-----------------------|
| <u>On-Peak (¢/kWh) Summer</u> | <u>1.815</u> |
| <u>On-Peak (¢/kWh) Non-summer</u> | <u>1.210</u> |

For all other facilities

| | <u>Capacity Price</u> |
|-----------------------------------|-----------------------|
| <u>On-Peak (¢/kWh) Summer</u> | <u>0.953</u> |
| <u>On-Peak (¢/kWh) Non-summer</u> | <u>0.635</u> |

(Continued)

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(Continued)

VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)

Option B:

For hydroelectric facilities with no storage capability and
no other type of generation

| | <u>Capacity Price</u> |
|--|------------------------------|
| <u>On-Peak (¢/kWh) Summer</u> | <u>4.163</u> |
| <u>On-Peak (¢/kWh) Non-summer</u> | <u>1.605</u> |

For all other facilities

| | <u>Capacity Price</u> |
|--|------------------------------|
| <u>On-Peak (¢/kWh) Summer</u> | <u>2.186</u> |
| <u>On-Peak (¢/kWh) Non-summer</u> | <u>0.843</u> |

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.

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.

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

- 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.

(Continued)

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(Continued)

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

- 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.dom.com/business/dominion-north-carolina-power/b2b-services/selling-power-to-dominion/parallel-generation-and-interconnection>~~

<https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy/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.

~~VIII.~~ 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.

~~VIII. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER~~
~~(Continued)~~

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 ~~found in Paragraph VI and VII~~ corresponding to the highest actual term option completed by the QF. These excess payments shall also include interest, from the time such excess payments were made, compounded

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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.

~~IX~~. TERM OF CONTRACT

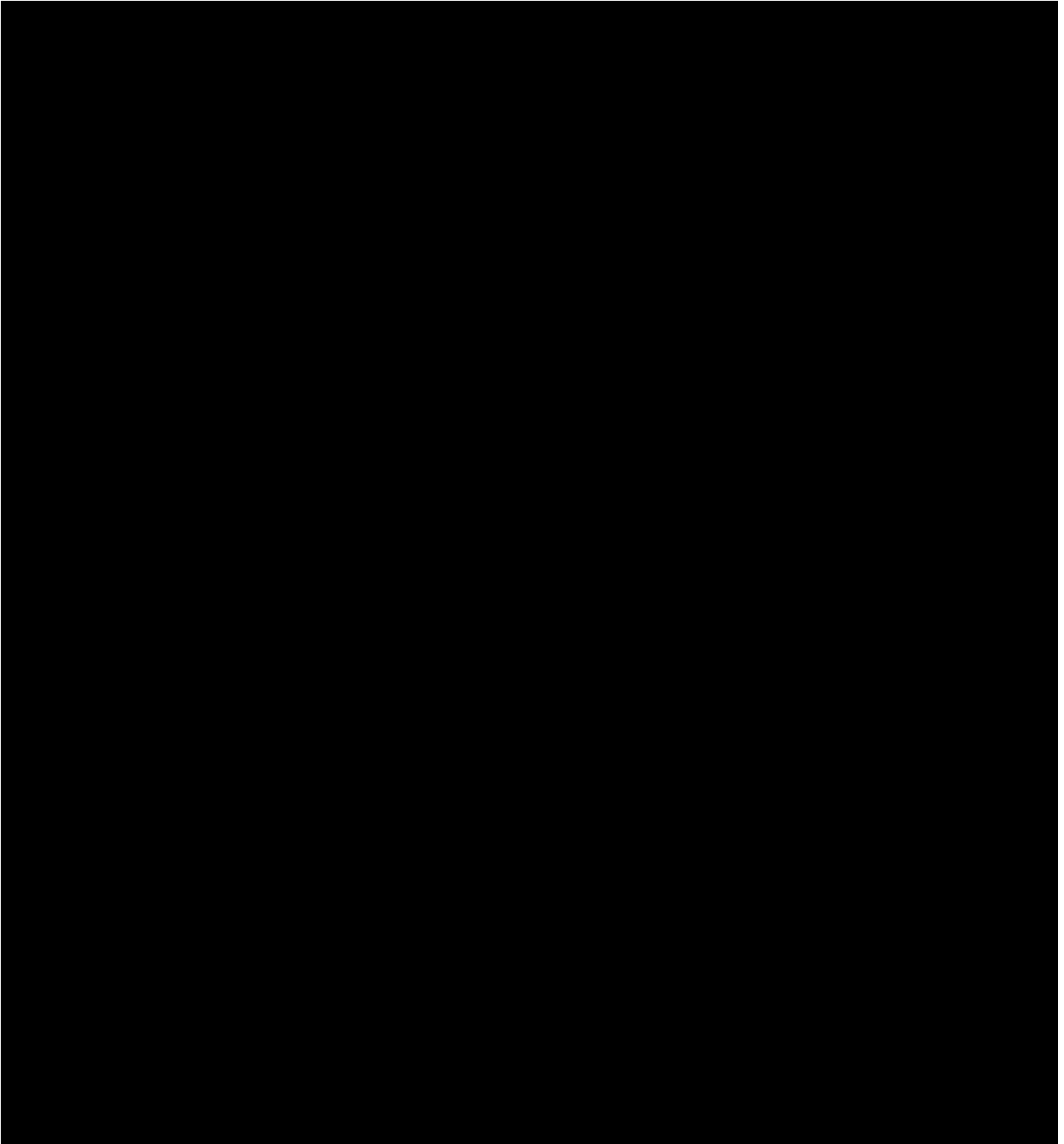
The term of contract shall be mutually agreed upon by the Company and QF, subject to the applicable maximum term limits set forth in Section I. A and B.

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Hypothetical CT
Economies of scale
Carrying costs related to the development of CT site

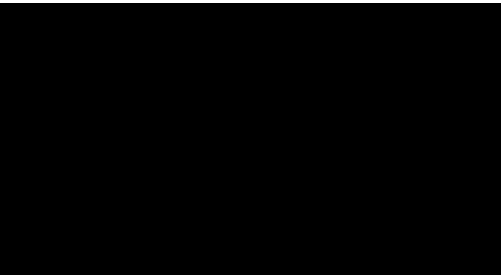
| Cost Item | | | | 2017 | 2018 | 2019 | 2020 | 2021 | NPV(\$M) | |
|--------------------------|------------|-------------|-----|-------|------|------|------|------|----------|--------|
| Elec interconnection | cap cost | 2 unit site | \$M | 10.56 | | | | | | |
| | cap cost | 1 unit site | \$M | 5.28 | | | | | | |
| | | Increm cost | \$M | 5.28 | | | | | | |
| | carry cost | | \$M | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | \$1.25 | |
| Gas interconnection | cap cost | 2 unit site | \$M | 6.79 | | | | | | |
| | cap cost | 1 unit site | \$M | 3.39 | | | | | | |
| | | Increm cost | \$M | 3.39 | | | | | | |
| | carry cost | | \$M | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | \$0.81 | |
| Land | cap cost | 2 unit site | \$M | 1.60 | | | | | | |
| | cap cost | 1 unit site | \$M | 0.80 | | | | | | |
| | | Increm cost | \$M | 0.80 | | | | | | |
| | carry cost | | \$M | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | \$0.19 | |
| Total (\$M) | | | | | | | | | \$2.25 | |
| AFUDC rate | 5.87% | Plant MW | | | | | | | 394.9 | |
| Additional carrying cost | | | | | | | | | \$/kW | \$5.70 |

Assumptions:

1. CT units to be installed, and site filled-up, within 5-year period

CONFIDENTIAL Information Redacted

Adjustment of the CT equipment costs

| | <u>Turbine model</u> | <u>\$MM</u> | <u>MW</u> | <u>\$/kW</u> |
|----------------------------|----------------------|--|-----------|--------------|
| 2014 Brattle Report | GE 7FA | \$ 98.60 | 391.0 | 252.2 |
| Greensville plant | MHI 501 J |  | | |
| Difference | | | | |
| CT cost adjustment | | | | |
| Adjusted CT cost for rates | | | | |

**Combustion Turbine
January 1, 2017 COD**

| | ECC (\$000) | Fixed O&M (\$000) | Total Avoided Cost (\$000) |
|------|-------------|-------------------|----------------------------|
| 2017 | - | - | - |
| 2018 | - | - | - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | 18,635 | 3,381 | 22,016 |
| 2023 | 18,999 | 3,449 | 22,447 |
| 2024 | 19,370 | 3,518 | 22,887 |
| 2025 | 19,748 | 3,588 | 23,336 |
| 2026 | 20,133 | 3,660 | 23,793 |

* ECC Based on CT installed cost of \$548/kW

Capacity (MW) 394.9
Discount Rate 7.723%

| Levelized Avoided Cost | | |
|------------------------|--------|------------|
| Years | summer | non summer |
| | | |
| | | |
| 10 | 41.63 | \$16.05 |
| | | |
| | | |

| | Jun-Sep | 4 | months | |
|------|------------|----------|-------------------|--------|
| | SUMMER | | 50.00% cap factor | |
| | 60.0% | | 2.00 PAF | |
| | | | | |
| | Cost\$ | on pk hr | MWh | \$/MWh |
| 2017 | - | 680 | 134,266 | - |
| 2018 | - | 680 | 134,266 | - |
| 2019 | - | 680 | 134,266 | - |
| 2020 | - | 680 | 134,266 | - |
| 2021 | - | 680 | 134,266 | - |
| 2022 | 13,209,445 | 680 | 134,266 | 98.38 |
| 2023 | 13,468,345 | 680 | 134,266 | 100.31 |
| 2024 | 13,732,320 | 680 | 134,266 | 102.28 |
| 2025 | 14,001,469 | 680 | 134,266 | 104.28 |
| 2026 | 14,275,894 | 680 | 134,266 | 106.33 |

| | Oct-May | 8 | | |
|------|------------|----------|---------|--------|
| | NON SUMMER | | | |
| | 40.0% | | | |
| | | | | |
| | Cost\$ | on pk hr | MWh | \$/MWh |
| 2017 | - | 1,176 | 232,201 | - |
| 2018 | - | 1,176 | 232,201 | - |
| 2019 | - | 1,176 | 232,201 | - |
| 2020 | - | 1,176 | 232,201 | - |
| 2021 | - | 1,176 | 232,201 | - |
| 2022 | 8,806,296 | 1,176 | 232,201 | 37.93 |
| 2023 | 8,978,897 | 1,176 | 232,201 | 38.67 |
| 2024 | 9,154,880 | 1,176 | 232,201 | 39.43 |
| 2025 | 9,334,313 | 1,176 | 232,201 | 40.20 |
| 2026 | 9,517,263 | 1,176 | 232,201 | 40.99 |

| | | | |
|--------------------|--|--------------------|-------|
| Seasonal \$/MWh | | FIXED RATES | |
| | | | 10 yr |
| summer | | | 41.63 |
| non summer | | | 16.05 |
| HYDRO w/o storage | | NC SCH 19 RATES | |
| | | Seasonal cents/kwh | |
| | | Option B | |
| | | FIXED RATES | |
| | | | 10 yr |
| ON PK summer | | | 4.163 |
| ON PK non summer | | | 1.605 |

Dominion Energy North Carolina

Combustion Turbine January 1, 2017 COD

Capacity (MW) 394.9
 Discount Rate 7.723%

| | ECC (\$000) | Fixed O&M (\$000) | Total Avoided Cost (\$000) |
|------|-------------|-------------------|----------------------------|
| 2017 | - | - | - |
| 2018 | - | - | - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | 18,635 | 3,381 | 22,016 |
| 2023 | 18,999 | 3,449 | 22,447 |
| 2024 | 19,370 | 3,518 | 22,887 |
| 2025 | 19,748 | 3,588 | 23,336 |
| 2026 | 20,133 | 3,660 | 23,793 |

* ECC Based on CT installed cost of \$548/kW

| | | | | | | | | | | | | |
|------------------------|--------|------------|---------|------------|-------------------|---------|------------|------|-----------|-------|---------|-------|
| Capacity (MW) | 394.9 | | Jun-Sep | 4 | months | | Oct-May | 8 | | | | |
| | | | SUMMER | | 95.24% cap factor | | NON SUMMER | | | | | |
| | | | 60.0% | | 1.05 PAF | | 40.0% | | | | | |
| | | | | | | | | | | | | |
| Discount Rate | 7.723% | | | | | | | | | | | |
| Levelized Avoided Cost | | | Cost\$ | on pk hr | MWh | \$/MWh | | | | | | |
| Years | summer | non summer | 2017 | - | 680 | 255,745 | - | 2017 | - | 1,176 | 442,288 | - |
| | | | 2018 | - | 680 | 255,745 | - | 2018 | - | 1,176 | 442,288 | - |
| 10 | 21.86 | \$8.43 | 2019 | - | 680 | 255,745 | - | 2019 | - | 1,176 | 442,288 | - |
| | | | 2020 | - | 680 | 255,745 | - | 2020 | - | 1,176 | 442,288 | - |
| | | | 2021 | - | 680 | 255,745 | - | 2021 | - | 1,176 | 442,288 | - |
| | | | 2022 | 13,209,445 | 680 | 255,745 | 51.65 | 2022 | 8,806,296 | 1,176 | 442,288 | 19.91 |
| | | | 2023 | 13,468,345 | 680 | 255,745 | 52.66 | 2023 | 8,978,897 | 1,176 | 442,288 | 20.30 |
| | | | 2024 | 13,732,320 | 680 | 255,745 | 53.70 | 2024 | 9,154,880 | 1,176 | 442,288 | 20.70 |
| | | | 2025 | 14,001,469 | 680 | 255,745 | 54.75 | 2025 | 9,334,313 | 1,176 | 442,288 | 21.10 |
| | | | 2026 | 14,275,894 | 680 | 255,745 | 55.82 | 2026 | 9,517,263 | 1,176 | 442,288 | 21.52 |

| | | | |
|------------------|--|-----------------|----------|
| Seasonal \$/MWh | | FIXED RATES | |
| | | 10 yr | |
| summer | | 21.86 | |
| non summer | | 8.43 | |
| NON-HYDRO | | NC SCH 19 RATES | |
| | | Seasonal | Option B |
| | | cents/kwh | |
| | | FIXED RATES | |
| | | 10 yr | |
| ON PK summer | | 2.186 | |
| ON PK non summer | | 0.843 | |

**Combustion Turbine
 January 1, 2017 COD**

| | ECC (\$000) | Fixed O&M (\$000) | Total Avoided Cost (\$000) |
|------|-------------|-------------------|----------------------------|
| 2017 | - | - | - |
| 2018 | - | - | - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | 18,635 | 3,381 | 22,016 |
| 2023 | 18,999 | 3,449 | 22,447 |
| 2024 | 19,370 | 3,518 | 22,887 |
| 2025 | 19,748 | 3,588 | 23,336 |
| 2026 | 20,133 | 3,660 | 23,793 |

* ECC Based on CT installed cost of \$548/kW

Capacity (MW) 394.9
 Discount Rate 7.723%

| Levelized Avoided Cost | | |
|------------------------|--------|------------|
| Years | summer | non summer |
| 10 | 18.15 | \$12.10 |

| | | | | | |
|----|---------|------------|-------------------|---------|-------|
| | Apr-Sep | 6 | months | | |
| | SUMMER | | 50.00% cap factor | | |
| | 60% | | 2.00 PAF | | |
| | | | | | |
| | Cost\$ | on pk hr | MWh | \$/MWh | |
| er | 2017 | - | 1,560 | 308,022 | - |
| | 2018 | - | 1,560 | 308,022 | - |
| b | 2019 | - | 1,560 | 308,022 | - |
| | 2020 | - | 1,560 | 308,022 | - |
| | 2021 | - | 1,560 | 308,022 | - |
| | 2022 | 13,209,445 | 1,560 | 308,022 | 42.88 |
| | 2023 | 13,468,345 | 1,560 | 308,022 | 43.73 |
| | 2024 | 13,732,320 | 1,560 | 308,022 | 44.58 |
| | 2025 | 14,001,469 | 1,560 | 308,022 | 45.46 |
| | 2026 | 14,275,894 | 1,560 | 308,022 | 46.35 |

| | | | | |
|------|------------|----------|---------|--------|
| | Oct-Mar | 6 | | |
| | NON SUMMER | | | |
| | 40% | | | |
| | | | | |
| | Cost\$ | on pk hr | MWh | \$/MWh |
| 2017 | - | 1,560 | 308,022 | - |
| 2018 | - | 1,560 | 308,022 | - |
| 2019 | - | 1,560 | 308,022 | - |
| 2020 | - | 1,560 | 308,022 | - |
| 2021 | - | 1,560 | 308,022 | - |
| 2022 | 8,806,296 | 1,560 | 308,022 | 28.59 |
| 2023 | 8,978,897 | 1,560 | 308,022 | 29.15 |
| 2024 | 9,154,880 | 1,560 | 308,022 | 29.72 |
| 2025 | 9,334,313 | 1,560 | 308,022 | 30.30 |
| 2026 | 9,517,263 | 1,560 | 308,022 | 30.90 |

| | | | |
|--------------------|--|--------------------|-------|
| Seasonal \$/MWh | | FIXED RATES | |
| | | | 10 yr |
| summer | | | 18.15 |
| non summer | | | 12.10 |
| HYDRO w/o storage | | NC SCH 19 RATES | |
| | | Seasonal cents/kwh | |
| | | Option A | |
| | | FIXED RATES | |
| | | | 10 yr |
| ON PK summer | | | 1.815 |
| ON PK non summer | | | 1.210 |

**Combustion Turbine
January 1, 2017 COD**

Capacity (MW) 394.9
Discount Rate 7.723%

| | ECC (\$000) | Fixed O&M (\$000) | Total Avoided Cost (\$000) |
|------|-------------|-------------------|----------------------------|
| 2017 | - | - | - |
| 2018 | - | - | - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | 18,635 | 3,381 | 22,016 |
| 2023 | 18,999 | 3,449 | 22,447 |
| 2024 | 19,370 | 3,518 | 22,887 |
| 2025 | 19,748 | 3,588 | 23,336 |
| 2026 | 20,133 | 3,660 | 23,793 |

* ECC Based on CT installed cost of \$548/kW

| Levelized Avoided Cost | | | | | | | |
|------------------------|--------|------------|--|------------|----------|---------|--------|
| Years | summer | non summer | | Cost\$ | on pk hr | MWh | \$/MWh |
| 2017 | | | | - | 1,560 | 586,709 | - |
| 2018 | | | | - | 1,560 | 586,709 | - |
| 2019 | | | | - | 1,560 | 586,709 | - |
| 2020 | | | | - | 1,560 | 586,709 | - |
| 2021 | | | | - | 1,560 | 586,709 | - |
| 2022 | | | | 13,209,445 | 1,560 | 586,709 | 22.51 |
| 2023 | | | | 13,468,345 | 1,560 | 586,709 | 22.96 |
| 2024 | | | | 13,732,320 | 1,560 | 586,709 | 23.41 |
| 2025 | | | | 14,001,469 | 1,560 | 586,709 | 23.86 |
| 2026 | | | | 14,275,894 | 1,560 | 586,709 | 24.33 |

| | | | |
|------------------|--|-----------------|-------|
| Seasonal \$/MWh | | FIXED RATES | |
| | | | 10 yr |
| summer | | | 9.53 |
| non summer | | | 6.35 |
| NON-HYDRO | | NC SCH 19 RATES | |
| | | Seasonal | |
| | | cents/kwh | |
| | | Option A | |
| | | FIXED RATES | |
| | | | 10 yr |
| ON PK summer | | | 0.953 |
| ON PK non summer | | | 0.635 |

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 148, (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 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>. Alternatively, a QF may request a Notice of Commitment form via email to 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)

Filed 11-13-17
Electric-North Carolina

Superseding Filing Effective For Usage
On and After 11-15-16. This Filing
Effective For Usage On and After 11-28-17.

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

(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)

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 | \$17.24 |
| One time-differentiated meter | \$35.55 |
| Two time-differentiated meters | \$41.16 |

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.
- 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.

(Continued)

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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

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) Dom Zone 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; such levelized payments shall incorporate the need for capacity only in those years that the Company's 2016 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 2017 PJM BRA clearing prices for Delivery Years 2018-2019 through 2020-2021, (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 IRP most recently filed prior to the commencement of the current biennial proceeding, and (4) levelized over the course of the ten-year contract.

(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)

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

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."

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) | 0.3130 |
|-----------------|--------|

(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)

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/selling-power-to-dominion-energy/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 11-13-17
Electric-North Carolina

Superseding Filing Effective For Usage
On and After 11-15-16. This Filing
Effective For Usage On and After 11-28-17.

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.

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) ~~hydroelectric~~ 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 148, (a) has ~~obtained a certificate of public convenience and necessity for its facility from the Commission or~~ filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) is a Qualifying Facility, ~~and~~ (c) has submitted to the Company a duly executed "Notice of Commitment to Sell the Output of a Qualifying Facility to Dominion Energy 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.dom.com/salestodnec~~](https://www.dom.com/salestodnec) <https://www.dominionenergy.com/large-business/selling-power-to-dominion-energy>. Alternatively, a QF may request a Notice of Commitment form via email to PowerContracts@dominionenergy.com.

The amount of ~~energy per hour~~ capacity under contract (the "Contracted Energy Capacity") and the initial term of contract shall be limited as set forth below.

- A. Where the QF operates ~~hydroelectric~~ generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), ~~or where the QF operates non hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar,~~

(Continued)

Filed 11-13-17
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Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

~~wind, and non animal forms of biomass,~~ the amount of Contracted
~~Energy~~Capacity—subject to compensation shall be no greater than 1,000
~~kWh in any hour~~kW. The initial term of contract for such a QF shall be for
a period no longer than ~~five or~~ 10 years, at the option of the QF. The
minimum term of contract permitted is one year.

(Continued)

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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted ~~Energy~~**Capacity** subject to compensation shall be no greater than 1,000 ~~kWh in any hour~~**kW**. The initial term of contract for such a QF shall be for a period no longer than ~~5~~**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 148 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 ~~energy~~**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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(Continued)

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

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(Continued)

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 | \$17.24 |
| One time-differentiated meter | \$35.55 |
| Two time-differentiated meters | \$41.16 |

III. ~~PAYMENT FOR COMPANY PURCHASES OF ENERGY~~ CONTRACT OPTIONS

A. ~~Where a QF~~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 supplies energy to the Company, the supply of energymust 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.~~A QF in accordance with this~~

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-

(Continued)

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differentiated meter to measure the monthly output of the QF's
generation facility.

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(Continued)

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY

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

(i) 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) Dom Zone 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 ~~Energy~~**Capacity** in any hour except no payment shall be made for generation in excess of 1,000 kWh. ~~There will be no reimbursement for any energy delivered above 105% of such QF's Contracted Energy.~~ **kW in any hour.**

B. Capacity Purchase Payments

The Company shall pay a levelized capacity payment for each year of the contract term; such levelized payments shall incorporate the need for capacity only in those years that the Company's 2016 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 2017 PJM BRA clearing prices for Delivery Years 2018-2019 through 2020-2021, (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 IRP most

(Continued)

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recently filed prior to the commencement of the current biennial proceeding,
and (4) levelized over the course of the ten-year contract.

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(Continued)

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

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."

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.

| <u>Capacity Price</u> | |
|------------------------|---------------|
| <u>On-Peak (¢/kWh)</u> | <u>0.3130</u> |

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(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY ONLY

A QF ~~with a design capacity of 10 kW or less that supplies~~ only energy to the Company, in accordance with its election in Paragraph III.B., above, shall receive purchase payments as ~~indicated in Paragraph B.(i) below.~~ follows:

(i) — 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 ~~Dom Zone-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.

(Continued)

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IV.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.~~ **B.** The sale of ~~energy~~**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.~~ **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/selling-power-to-dominion-energy/parallel-generation-and-interconnection>

~~<https://www.dom.com/business/dominion-north-carolina-power/b2b-services/selling-power-to-dominion/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. √

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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 ~~of five or~~ **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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| PJM Capacity Auction Results-RTO price | | | |
|--|---------------|-----------|----------|
| | Year | \$/MW-day | \$/kw-yr |
| PJM | 2017/2018 | | |
| | 2018/2019 | 164.8 | 60.1 |
| | 2019/2020 | 100.0 | 36.5 |
| | 2020/2021 | 76.5 | 27.9 |
| | Average | 113.8 | 41.5 |
| | on peak hrs = | 16.0 | |
| | Avg \$/MWh = | 7.11 | |

| Year | \$/MWh rate |
|------|-------------|
| 2017 | 0 |
| 2018 | 0 |
| 2019 | 0 |
| 2020 | 0 |
| 2021 | 0 |
| 2022 | 7.11 |
| 2023 | 7.11 |
| 2024 | 7.11 |
| 2025 | 7.11 |
| 2026 | 7.11 |

7.723% discount rate
\$21.24 NPV (2017\$)
\$3.13 Levelized capacity rate \$/MWh
This rate paid for QF generation during
on peak hours
Mon-Sun HE 8-23

| HourEnding | M | T | W | Th | F | Sa | Su |
|----------------|----|----|----|----|----|----|----|
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 10 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 11 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 12 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 13 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 14 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 15 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 16 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 17 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 18 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 19 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 20 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 21 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 22 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 23 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| On Peak hrs = | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Off Peak hrs = | 8 | 8 | 8 | 8 | 8 | 8 | 8 |

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

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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;

___ 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

[Operator to select either]

___ Option A, or

___ Option B

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

[Operator to select either]

___ Option A, or

___ Option 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

Schedule 19-FP

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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 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

Schedule 19-FP

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Page 4 of 17

Exhibit D: Evidence of QF Status on the Effective Date

Exhibit E: Copy of CPCN or RPCN, as applicable.

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 ~~capacity~~ and energy delivered by Facility prior to termination of this Agreement at the rates stated herein.

Schedule 19-FP

(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;

(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 ~~and~~ 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

Schedule 19-FP

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the Company in Docket No. E-100, Sub 148; 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.

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 (3SE)

5000 Dominion Boulevard

Glen Allen, Virginia 23060-6711

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

Schedule 19-FP

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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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

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 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:

- (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 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.

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 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 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.

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

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

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged

in or approved by a significant portion of the electric utility industry during the relevant time period which in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practices, generation, transmission and distribution reliability, safety, environmental protection, economy and expediency. Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, or any other acts or practices as are reasonably necessary to maintain the reliability of the Transmission System (as defined in the Interconnection Agreement), or of the Facility, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

EXHIBIT C

Exhibit C is a copy of 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

EXHIBIT E

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

Schedule 19-FP

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Nov 13 2017

**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-~~Power~~, and in North Carolina as Dominion Energy North Carolina-~~Power~~, hereinafter called “Dominion Energy North Carolina ~~Power~~” 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-~~Power~~ 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 ~~Energy~~Capacity (as defined in Schedule 19-FP) up to 1000 ~~kWh in any hour~~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-~~Power~~’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 ~~Power~~ or its agent, assignee, or successor will purchase from Operator all of the electrical output (up to the Contracted ~~Energy~~ 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;

___ 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

[Operator to select either]

___ Option A, or

___ Option B

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

[Operator to select either]

___ Option A, or

___ Option 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

Schedule 19-FP

Exhibit ~~DNCP-8F~~

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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-~~Power~~ system and such action has been witnessed by an authorized Dominion Energy North Carolina-~~Power~~ employee;
- (b) After completion of item a) above, Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ (or the PJM Interconnection, L.L.C. or other operator of the Dominion Energy North Carolina-~~Power~~ 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 ~~Power~~ in accordance with Section I of Schedule 19-FP.

Article 3: Contracted EnergyCapacity

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”) ~~in any hour~~. The Facility’s Contracted EnergyCapacity shall be ____ kW ac ~~in any hour~~.

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

Schedule 19-FP

- Exhibit C: Schedule 19-FP
- Exhibit D: Evidence of QF Status on the Effective Date
- Exhibit E: Copy of CPCN or RPCN, as applicable.

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 ~~Power~~ 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 ~~Power~~ 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 capacity and energy delivered by Facility prior to termination of this Agreement at the rates stated herein.

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Exhibit ~~DNCP-8F~~

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(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 ~~Power~~ 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 Energy Capacity without the prior written approval of Company;

(iv) failure to generate and deliver any ~~energy~~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 and 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

Schedule 19-FP

the Company in Docket No. E-100, Sub 148; provided, however, an Operator may be allowed additional time to begin deliveries of ~~energy~~**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.

Operator agrees that if this Agreement is canceled by Dominion ~~Power~~**Energy** North Carolina prior to the end of the initial term of this Agreement for nonperformance by the QF, then, Dominion ~~Power~~**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 ~~Power~~**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
POWER:

Operator Name]
[Operator Address]

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

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

NCUC Docket No. E-100, Sub 148

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Schedule 19-FP

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:
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 - Construction completion date
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- 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
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I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion Energy North Carolina-~~Power~~, 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-~~Power~~ 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-~~Power~~, defend Dominion Energy North Carolina-~~Power~~, 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-~~Power~~) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion Energy North Carolina-~~Power~~ for any injuries, deaths or damages caused by the sole negligence of Dominion Energy North Carolina-~~Power~~. Operator agrees to provide Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Certification 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-~~Power~~ prior to May 1 of any year, Operator

agrees to provide ~~to~~ Dominion Energy North Carolina ~~Power~~ by July 1 of the same year information for the preceding year that is sufficient for Dominion Energy North Carolina ~~Power~~ to determine the Operator's continuing compliance with its QF requirements; including but not limited to:

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

IV - Consequential Damages

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

V - Amendments, Waivers, Severability and Headings

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such

provisions or the relinquishment of any such right or any other right hereunder. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment. The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 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~~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-~~Power~~ may refuse to accept deliveries of power hereunder.

Dominion Energy North Carolina-~~Power~~ 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-~~Power~~'s opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ 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-~~Power~~ any liabilities with respect to the operation, safety or maintenance of such devices.

VIII - Metering

Dominion Energy North Carolina ~~Power~~ will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer(s).

Operator agrees to pay an administrative charge to Dominion Energy North Carolina-~~Power~~ to reflect all reasonable costs incurred by Dominion Energy North Carolina-~~Power~~ 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.

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-~~Power~~.

IX - Billing and Payment

Dominion Energy North Carolina-~~Power~~ shall read the meter in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion Energy North Carolina-~~Power~~ 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-~~Power~~'s option, (i) Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ may invoice Operator for such charges separately. Payment by Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ 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 ~~Power~~, 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 ~~Power~~ shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Dominion Energy North Carolina ~~Power~~ resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Dominion Energy North Carolina ~~Power~~, including amounts arising from sales of electricity by Dominion Energy North Carolina ~~Power~~ to Operator, metering charges and Interconnection Facilities charges.

In no event shall Dominion Energy North Carolina ~~Power~~ be liable to Operator for any ~~energy~~ 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 ~~Power~~.

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 ~~Power~~ from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

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

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

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

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

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

EXHIBIT C

Exhibit C is a copy of Schedule 19-FP.

EXHIBIT D

Exhibit D is a copy of the Operator Form 556-~~or~~ 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

EXHIBIT E

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

**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:

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.

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.

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 Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-LMP tariff Section V.

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 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;

- 6(a);
- (ii) failure to provide a status report in accordance with Section
 - (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 148; 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.

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.

Schedule 19-LMP

| | |
|--------------------|-------------------------------------|
| [OPERATOR]: | DOMINION ENERGY NORTH CAROLINA: |
| Operator Name] | Virginia Electric and Power Company |
| [Operator Address] | Power Contracts (3SE) |
| | 5000 Dominion Boulevard |
| | Glen Allen, Virginia 23060-6711 |

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-LMP

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 G
Page 9 of 17

OFFICIAL COPY

Nov 13 2017

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 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;
- (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 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.

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 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 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 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 G
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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 formal or self_FERC 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

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EXHIBIT E

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

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**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 ~~Power~~, hereinafter called “Dominion Energy North Carolina ~~Power~~” 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 ~~Power~~ 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 Energy Capacity (as defined in Schedule 19-LMP) up to 1000 ~~kWh~~ in any hour ~~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 ~~Power~~’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 ~~Power~~ or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and up to the Contracted Energy 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 ~~Power~~ system and such action has been witnessed by an authorized Dominion Energy North Carolina ~~Power~~ employee;
- (b) After completion of item a) above, Dominion Energy North Carolina ~~Power~~ 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 ~~Power~~ (or the PJM Interconnection, L.L.C. or other operator of the Dominion Energy North Carolina ~~Power~~ 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 ~~of up to~~ up to 10 years, this Agreement may be renewed at the option of Dominion Energy North Carolina ~~Power~~ in accordance with Section I of Schedule 19-LMP.

Schedule 19-LMP

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Article 3: Contracted EnergyCapacity

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”) ~~in any hour~~. The Facility’s Contracted EnergyCapacity shall be ____ kW ac ~~in any hour~~.

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.

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~~VIII of Schedule 19-LMP.

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-LMP tariff Section ~~III, Paragraph B(i)~~V.

Schedule 19-LMP

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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 ~~Power~~ 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 ~~Power~~ 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~~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~~Delivery or supply of electrical output to any entity other than Dominion Energy North Carolina ~~Power~~ 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 Energy 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 complied with the requirements of Exhibit B with respect to such Force Majeure, then

Schedule 19-LMP

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 148; provided, however, an Operator may be allowed additional time to begin deliveries of ~~energy~~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.

Operator agrees that if this Agreement is canceled by Dominion Energy North Carolina ~~Power~~ prior to the end of the initial term of this Agreement for nonperformance by the QF, then, Dominion Energy North Carolina ~~Power~~ 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 ~~Power~~ may

Schedule 19-LMP

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
POWER:

Operator Name] Virginia Electric and Power Company
[Operator Address] Power Contracts (3SE)
5000 Dominion Boulevard
Glen Allen, Virginia 23060-6711

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-LMP

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 ~~DNCP-10G~~

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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-~~Power~~, 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-~~Power~~ 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-~~Power~~, defend Dominion **Energy** North Carolina-~~Power~~, 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-~~Power~~) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion **Energy** North Carolina-~~Power~~ for any injuries, deaths or damages caused by the sole negligence of Dominion **Energy** North Carolina-~~Power~~. Operator agrees to provide Dominion **Energy** North Carolina-~~Power~~ 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-~~Power~~ named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Certification**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 ~~Power~~ prior to May 1 of any year, Operator agrees to provide Dominion ~~Energy~~ North Carolina ~~Power~~ by July 1 of the same year information for the preceding year that is deemd sufficient ~~for~~by Dominion ~~Energy~~ North Carolina ~~Power~~ to determine the Operator's continuing compliance with its QF requirements, ~~including but not limited to:~~

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

IV - Consequential Damages

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

V - Amendments, Waivers, Severability and Headings

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

VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 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~~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-~~Power~~ may refuse to accept deliveries of power hereunder.

Dominion Energy North Carolina-~~Power~~ 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-~~Power~~'s opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ 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-~~Power~~ any liabilities with respect to the operation, safety or maintenance of such devices.

VIII - Metering

Dominion Energy North Carolina-~~Power~~ will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer(s).

Operator agrees to pay an administrative charge to Dominion Energy North Carolina-~~Power~~ to reflect all reasonable costs incurred by Dominion Energy North Carolina-~~Power~~ 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-~~Power~~.

IX - Billing and Payment

Dominion Energy North Carolina-~~Power~~ shall read the meter in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion Energy North Carolina ~~Power~~ 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 ~~Power~~'s option, (i) Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ may invoice Operator for such charges separately. Payment by Dominion Energy North Carolina-~~Power~~ 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-~~Power~~ 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-~~Power~~, 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-~~Power~~ shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Dominion **Energy** North Carolina-~~Power~~ resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Dominion **Energy** North Carolina ~~Power~~, including amounts arising from sales of electricity by Dominion **Energy** North Carolina-~~Power~~ to Operator, metering charges and Interconnection Facilities charges.

In no event shall Dominion **Energy** North Carolina ~~Power~~ 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~~its sole and complete compensation for delivery of **Contracted Capacity and** energy to Dominion **Energy** North Carolina ~~Power~~.

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-~~Power~~ from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

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

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

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

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

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged in or approved by a significant portion of the electric utility industry during the relevant time period which in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practices, generation, transmission and distribution reliability, safety, environmental

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Exhibit ~~DNCP-10G~~

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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

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EXHIBIT D

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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

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EXHIBIT E

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

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**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
5000 Dominion
Boulevard
Innsbrook 3 SE
Glen Allen, Virginia
23060
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 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
5000 Dominion
Boulevard
Innsbrook 3 SE
Glen Allen, Virginia
23060
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

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Revised Standard Avoided Cost Rate Schedules and Contracts, and Revised Notice of Commitment Forms, as filed in Docket No. E-100, Sub 148, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 13th day of November, 2017.

/s/Andrea R. Kells

Andrea R. Kells

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