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OFFICIAL COPY

Feb 28 2014

**VIA OVERNIGHT DELIVERY**

February 27, 2014

Ms. Gail L. Mount, Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street  
Dobbs Building  
Raleigh, North Carolina 27611

**FILED**  
**FEB 28 2014**  
Clerk's Office  
N.C. Utilities Commission

**Re: Docket No. E-100, Sub 136**

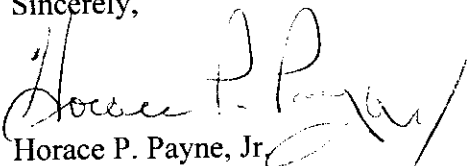
Dear Ms. Mount:

Enclosed for filing in the above referenced docket are eight (8) copies of the public contracts and amendments signed in 2013 between Virginia Electric and Power Company and qualifying facilities. This filing is in accordance with the Order dated May 7, 1987 in Docket No. E-100, Sub 53, which stated that negotiated contracts between a utility and a qualifying facility must be submitted.

Also enclosed are eight (8) copies of the *confidential* contracts and amendments signed in 2013 between Virginia Electric and Power Company and qualifying facilities which should be filed *under seal should be protected from public disclosure*.

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

Sincerely,

  
Horace P. Payne, Jr.  
Senior Counsel

Enclosures

✓ 7 Comm.

**PUBLIC**

*E-100, Sub 136*

AMENDMENT AND FIRST RESTATEMENT  
OF THE SCHEDULE 19 POWER PURCHASE AGREEMENT, N.C. Utilities Commission  
Clerk's Office

FEB 28 2014

FILED

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BY AND BETWEEN  
SOUTH HILL RENEWABLE ENERGY LLC  
AND  
VIRGINIA ELECTRIC AND POWER COMPANY  
E-100, 5.613L

THIS AMENDMENT AND FIRST RESTATEMENT of the SCHEDULE 19 POWER PURCHASE AGREEMENT BY AND BETWEEN SOUTH HILL RENEWABLE ENERGY LLC AND VIRGINIA ELECTRIC AND POWER COMPANY, dated November 3, 2010, is entered into effective as of the 22<sup>nd</sup> day of January, 2013 ("Effective Date"), by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia ("Company"), and South Hill Renewable Energy LLC, ("Operator") (hereinafter also referred to individually as "Party" and collectively as "Parties").

WHEREAS, Operator owns and operates a Hydro-electric generating facility that is located South Hill, Virginia ("Facility"), which Facility consists of 1 generator with a total nameplate capacity of 175kW and a net capacity of 10 kW or less, and which is connected to the Company's electrical distribution system at 12,500V;

WHEREAS, Operator submits that the Facility qualifies as a qualifying facility ("QF" or "Qualifying Facility") under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3);

WHEREAS, Operator desires to change the manner of operation under this Agreement to Supply of Energy Only as defined in Article III.B of Schedule 19. By electing this option the QF will not be eligible for capacity payments. The Company shall purchase energy delivered by the Facility and upon Company's election, the RECs as defined in Section 4, consistent with the terms and conditions set forth herein below;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

1. Agreement: References herein to the "Agreement" shall mean this Power Purchase Agreement, the Company's current Rate Schedule 19 ("Schedule 19") as may be changed, approved and adopted by the Virginia State Corporation Commission ("SCC") from time to time that is attached hereto as Exhibit A and made a part hereof. In the event that this Agreement shall conflict with Schedule 19, this Agreement shall govern. Should any subsequent Schedule 19 as adopted by the SCC be unacceptable to Operator as to how it applies under this Agreement, then Operator shall have the right to cancel this Agreement upon thirty days prior notice to the Company, during which notice period such subsequent Schedule 19 shall be applicable under the relevant provisions of this Agreement, including retroactive application of any pricing adjustments provided herein as a result of such subsequent Schedule 19. The exhibits attached hereto and made a part hereof are:

- Exhibit A: Schedule 19. Upon SCC approval of any subsequent Schedule 19, Exhibit A shall be deemed amended and the subsequent Schedule 19 shall replace and substitute for the past Schedule 19 without further writing.
- Exhibit B: The Notice Contact Schedule containing the names of the Parties' respective representatives, their addresses, and other contact information to which notice, invoices, and other communications shall be sent.
- Exhibit C: A description of the Facility, a map indicating its specific geographical location, and a one-line diagram of the Facility
- Exhibit D: Documentation evidencing the Facility's self-certification as a Qualifying Facility under PURPA, which shall be supplied by the Operator on or prior to commencement of the Delivery Year as defined in Section 5, and as supplemented during the term of this Agreement as requested by the Company.
- Exhibit E: Supplemental Representations of Legal Compliance when applicable.

2. Company's Right to Purchase Energy & Capacity: This Agreement is for a Facility with a total generator nameplate rating of 175kW. The Dependable Capacity available under this Agreement shall be 0kW. Commencing on January 22, 2013 through the completion of each Delivery Year as defined in Section 5 below and not before, Operator shall sell and the Company shall purchase 100% of the energy generated by the Facility and delivered to the Company at the Delivery Point as defined in Section 7 of this Agreement, provided however,

(i) the Company's obligation to purchase and to take delivery of the energy shall be excused as a result of any failure due to an outage, equipment failure, equipment replacement, planned, routine or emergency maintenance, or other similar event associated with the Company's distribution system;

(ii) the Company shall have the right to reduce energy received from Operator as set forth in Article VI, paragraph G of Schedule 19; and

(iii) the Company may require the Facility to discontinue delivery of energy for up to 150 hours during any one Delivery Year of the term of this Agreement, which 150 hours shall not include the reduction of energy under subsection (i) or (ii) of this Paragraph 2. There will be no payments for Dependable Capacity during any periods that Company directs Operator to cease delivery or is unable to take delivery under this Paragraph 2(iii)

Operator shall not sell any of the energy and capacity output of the Facility to any third-party entity.

4. Company's Right to Purchase RECs: Renewable energy credits ("RECs") includes any certificate or other forms of indicia designated to represent renewable attributes or other environmental attributes or benefits, including, but not limited to, emissions reductions, offsets or allowances, howsoever entitled, associated with the generation of electricity from the Facility. The Company shall have the right to purchase the RECs as set forth below:

(a) The purchase of energy hereunder shall not include the RECs unless (i) the Company elects to purchase the RECs under Paragraph 4(b) below; or (ii) otherwise required pursuant to any applicable law, regulation or order of any court or jurisdictional agency, in which event, the Company shall have the right to the RECs in addition to the energy. The Parties shall then in good faith negotiate the price for such RECs, using as a basis any regulatory pricing mechanisms that may have been established. Failure of the Parties to negotiate a mutually agreeable price shall be subject to resolution under Section 11(d) unless subject to the SCC jurisdiction under Section 6.

(b) During the term of this Agreement, the Company shall have a right of first refusal to purchase the RECs, or any part thereof, which shall be exercised as follows: Operator shall submit to the Company a written offer setting forth the price, the delivery term or due date for delivery and transfer, and any other terms and conditions under which the Operator is willing to sell the RECs to the Company or third-party. No later than fifteen business days following receipt of Operator's offer, the Company shall provide written notice to Operator of either its acceptance of Operator's terms and conditions or its release of the RECs for a period consistent with the delivery term or due date set forth in Operator's written offer; provided, however, the Company may limit the term of its release to a period not to extend beyond twelve consecutive months following the month in which Company provides notice of such release. Upon the Company's release, Operator shall be free to sell or transfer such RECs to a third-party for such delivery term at a price no lower than and on terms not more favorable to those offered in Operator's written offer to the Company.

(c) Notwithstanding anything to the contrary as set forth in Section 4(a) or (b), until such time as the Company shall have provided written notice to Operator of its election to release the RECs in accordance with Section 4(b) above, Company shall have the right to report to the Commission the energy it has purchased under this Agreement for purposes of applying the energy to its renewable portfolio standard goals under Virginia Code §§56-582.2 *et seq.*

5. Term: A year as discussed in paragraph VIII of Schedule 19 (a "Delivery Year") shall mean 365 consecutive days, except in a leap year shall mean 366 consecutive days. The Delivery Year shall commence on the later of (i) the Effective Date or (2) the effective date of a valid interconnection agreement between the Operator and the Company as may be required under Section 11(a) below.

Unless written notice to terminate is given by either Party to the other Party at least sixty (60) days prior to the end of the Delivery Year, this Agreement shall automatically renew for successive Delivery Years and shall continue to renew unless written notice to terminate is given by either Party to the other Party at least sixty (60) days prior to the conclusion of the then current Delivery Year period. Should the Operator contract to sell the RECs to the Company pursuant to Section 4, and the term of the contract for the RECs exceeds the Term of this Agreement, the Term of this Agreement shall be extended to continue until the end of the

delivery term for the RECs as agreed to under Paragraph 4(b) above. Notwithstanding the termination of this Agreement, those provisions of the Agreement that provide for final accounting, billing and payment resolution of any billing dispute or other dispute, and indemnification as provided herein shall continue in effect beyond the termination as necessary.

6. Price: The Company shall pay for the energy delivered each month under this Agreement in accordance with the payment provisions and price determination methods set forth in "Payment for Company Purchases of Energy Only" Article V of Schedule 19. Payment made by the Company under this Agreement shall be the full and only compensation for the energy. Should the SCC at any time prohibit the Company from recovering from its customers payments made or to be made hereunder, the Parties will undertake to negotiate mutually agreeable prices for the purchase of energy and/or line loss as appropriate from the Facility, such that the SCC will allow the Company to recover them from its customers. Should such an agreement not be reached, either Party may seek arbitration or other remedies at the SCC.

7. Metering, Billing and Payment: The Company shall meter the energy delivered from the Facility on the high voltage side of the step up transformer (the "Delivery Point"). The Company shall read the Facility's meter in accordance with the Company's established meter reading schedule (the "Billing Period"). Operator shall pay the monthly metering charge set forth in Article II of Schedule 19 to cover the cost of meter reading and processing, as such charge may be amended from time to time subject to SCC approval. By the first business day after thirty days following the meter read date, the Company shall make payment to Operator equal to the amount owed by the Company for the delivered energy and line losses under Paragraph 6 above, net of the monthly charge for metering owed by the Operator. All payments shall be by wire transfer to Operator's wire account designated on Exhibit B or as otherwise reasonably requested in writing by Operator. The Company shall also provide at the time of payment a billing statement showing the beginning and ending meter reading for the applicable Billing Period, the purchase amount it owes and the monthly metering charge owed by the Operator for metering that was netted against the purchase amount. In the event that any data required for billing purposes under this Paragraph 7 is not available, the Company shall use its best estimate based upon historical data to determine the Billing Period payment owed Operator. Any adjustments resulting from the use of estimates shall be made in the subsequent Billing Period.

If in any month the Company's billing statement shows a net amount due to Company as a result of the monthly charge for metering being greater than the purchase amount owing under Paragraph 6, the Operator shall make such payment within 28 days of the date of the invoice. Failure by the Operator to make such payment may result in disconnection of the Facility; provided, however, such disconnection shall not relieve the Operator of its obligation to pay any charges due for metering services under this Agreement so long as such meter(s) remain in service. In addition, any payment due to the Operator hereunder shall be subject to withholding by the Company pursuant to Paragraph 11(e) of this Agreement.

8. Operator's Representations: Operator makes the following representations deemed given as of the Effective Date hereunder and continuing to be made throughout the term of the Agreement:

- (a) The Facility shall continue for the term of this Agreement to meet the requirements for a Qualifying Facility under regulations that are in effect as of the Effective Date of this Agreement.



- (b) It has the right to operate the Facility consistent with the terms of this Agreement and has the necessary authority and power to execute this Agreement and to perform the obligations set forth in this Agreement.
- (c) It has all rights, title and interest in the Dependable Capacity, energy, and when applicable pursuant to the Company's election under Paragraph 4 above, the RECs associated with the energy generated by the Facility, and that it is transferring such rights and title free and clear of any liens, taxes, claims, security interest or other encumbrances.
- (d) It has not sold or transferred and will not in the future sell or transfer the capacity, energy, and/or, when applicable pursuant to the Company's election under Paragraph 4 above, the RECs associated with energy generated by the Facility, to any other entity, nor use any applicable RECs for compliance with any state or federal emissions requirements or renewable energy standards on its own behalf or the behalf of any other entity.
- (e) It has obtained any and all governmental authorizations, permits, approvals and/or licenses necessary for the operation of the Facility and shall keep all such authorizations, permits, approvals and/or licenses current and in effect for the term of this Agreement.
- (f) It will maintain and operate the Facility in a safe and prudent manner and in conformance with all applicable laws and regulations.
- (g) To the extent that it is required to comply with the federal statutes and regulations specified in Exhibit E, it is and shall remain in compliance with such laws.

Operator shall provide documentation evidencing (i) Operator's continued compliance as a Qualifying Facility; (ii) Operator's right to operate the Facility; and/or (iii) such permits, approval and/or licenses necessary for the operation of the Facility upon the reasonable request of the Company at any time during the term of this Agreement.

9. Insurance and Indemnification: Operator shall hold during any Delivery Year hereunder, liability insurance coverage specifically and solely for the Facility in the amount of \$1,000,000, which amount shall be modified using commercially reasonable standards in accordance with any prior written notice by the Company. Operator shall initially provide the Company written evidence of liability insurance coverage prior to the commencement of the Delivery Year hereunder. Thereafter, it shall provide additional documentation evidencing current coverage when requested by the Company. In addition, Operator shall provide thirty (30) days prior written notice of any cancellation or non-renewal of such coverage. Operator further agrees to indemnify and hold the Company, its officers, directors and employees harmless for any and all claim, liabilities, losses or demands for damages to real property or tangible personal property (including the Company's property) 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 the Facility, except to the extent that such claims, liabilities, losses or demands arise from the Company's sole negligence or intentional misconduct.

10. Causes for Termination: Any one of the following actions by the Operator shall constitute a material breach of this Agreement for which the Company shall have the right in its sole

discretion, to either (i) suspend its purchases hereunder until such time as the Operator has remedied the breach and is in compliance with this Agreement; or (ii) cancel this Agreement upon thirty (30) days prior written notice to the Operator:

- (a) Failure to deliver Dependable Capacity and/or energy, including any applicable RECs, as required under this Agreement for any period longer than 180 consecutive days at any time during the term of the Agreement regardless of whether this period bridges any two consecutive Delivery Years.
- (b) Failure to make payment for any monthly charge for metering due and payable under Paragraph 7.
- (c) Any event in which a representation made by the Operator, as set forth in Paragraph 8 or elsewhere in this Agreement, is proven to be wrong or incorrect in any material respect either when made or at any time during the term of this Agreement.
- (d) Failure of the Operator to provide such documentation as is required under this Agreement.
- (e) Failure of the Operator to maintain liability insurance coverage in accordance with the requirements of Paragraph 9 of this Agreement.

Early termination shall not relieve either Party for any amounts a Party may owe the other Party under this Agreement for performance prior to termination under this Paragraph 10.

#### 11. Miscellaneous Provisions:

- (a) Operator shall be responsible for the design, installation and operation of the Facility and interconnection with the Company's electrical system, including execution of an Interconnection Service Agreement ("ISA") if required. Prior to the start of the Delivery Year, Operator shall provide evidence of a valid ISA or evidence that one is not required. In the event that Operator shall determine that the costs of any required utility facility upgrades pursuant to an ISA shall render this Agreement uneconomical or shall fail to acquire a valid ISA for any reason, Operator may early terminate this Agreement by providing reasonable notice of termination in writing to the Company. This Agreement shall be subject to the ISA, and to the extent that any term or condition of this Agreement or provision of Schedule 19, including, but not limited to, Article VI, shall conflict with the ISA, the ISA shall govern.
- (b) In no event shall either Party be liable to the other Party for any special, indirect, incidental or consequential damages whatsoever, except that such limitation on liability shall not apply to any indemnification obligation set forth in Paragraph 9 or as otherwise expressly stated in this Agreement.
- (c) This Agreement shall inure to the benefit of and be binding upon the heirs, successors or assigns of each of the Parties. Operator shall not assign this Agreement without the prior written consent of the Company, which shall not be unreasonably withheld. In the event of assignment by Operator, Operator shall pay the Company within thirty (30) days from the effective date of the assignment an amount equal to \$10,000 escalated at a rate of 2.5% per



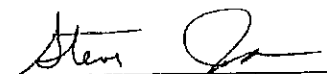
year prorated daily from the Effective Date of this Agreement until the effective date of such assignment ("Assignment Payment"); provided, however, assignment of this Agreement by the Operator in connection with an initial financing arrangement which is finalized within nine months of the Effective Date of this Agreement and to which the Company has consented shall not be subject to the payment requirement provided herein. Failure to obtain the consent of the Company or to pay the Company its Assignment Payment shall cause the assignment to be null and void.

- (d) The Parties shall use good faith efforts to resolve any disputes hereunder promptly, including, but not limited to, invoicing and payment disputes. If after such good faith negotiations, the Parties are unable to resolve the dispute within thirty (30) days from the initial notice of such dispute, the Parties may (i) negotiate during the next succeeding thirty (30) day period an arbitration agreement that shall specify an arbitrator and specified procedures for binding arbitration; or (ii) should the Parties forego negotiation under subsection (i) or in the event no agreement is reached under subsection (i), pursue any and all available legal remedies in accordance with this Agreement pursuant to the laws of the Commonwealth of Virginia; provided, however, that the SCC does not have jurisdiction over the subject matter of the dispute.
- (e) The Company shall have the right to set-off, net or recoup against amounts owed by the Company to the Operator under this Agreement any amount owed by the Operator to the Company under this Agreement or any other agreement or tariff of the Company, including payment due for the sale of electricity by the Company to the Operator or for damages or indemnification due the Company by the Operator.
- (f) During the term of this Agreement and continuing for an additional period of at least two (2) years from the date of termination of this Agreement, the Parties shall keep all records associated with the performance under this Agreement.
- (g) All notices required hereunder, and all other correspondence and payments concerning this Agreement shall be addressed to the Parties' representatives in accordance with the Notice Contact Schedule attached hereto as Exhibit B, which may be revised as needed by either Party. All notices shall be in writing and shall be sent by any of the following methods: hand delivery, reputable overnight courier, certified mail return receipt requested, facsimile transmission, or mutually acceptable electronic means, unless noted otherwise on the Notice Contact Schedule. A notice shall be effective on the Business Day when received if received during 7:30 am to 5:30 pm on a Business Day; otherwise, the notice shall be deemed to have been received on the following Business Day, where a Business Day shall mean Monday through Friday excluding holidays recognized by Company.
- (h) 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 energy and Dependable Capacity, in addition to the optional purchase and sale of RECs under Section 4, delivered 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.

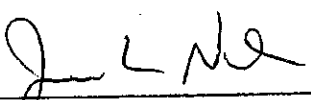
- (i) This Agreement, including the Exhibits thereto except as otherwise provided herein for Exhibit A, can be amended only by agreement between the Parties in writing.
- (j) The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, 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.
- (k) 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. This Agreement may be photocopied and stored on computer tapes and disks ("Imaged Agreement"). If an Imaged Agreement is introduced as evidence in any arbitration, administrative or judicial proceeding, it shall be considered as admissible evidence.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the 20 day of February, 2013

SOUTH HILL RENEWABLE ENERGY LLC

By:   
Name: Mr. Steve Jones  
Title: Owner

VIRGINIA ELECTRIC AND POWER COMPANY

By:   
Name: Mr. James L. Neal  
Title: Authorized Representative

**Exhibit A**

Schedule 19  
Power Purchases From  
Cogeneration and Small Power Production  
Qualifying Facilities

OFFICIAL COPY

Feb 28 2014

Virginia Electric and Power Company

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

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I. APPLICABILITY & AVAILABILITY

This Schedule is applicable to any Cogenerator or Small Power Producer (Qualifying Facility), as defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), which desires to provide all or part of its electrical output to the Company on an energy and capacity or on an energy only basis, and which has a net capacity of 20,000 kW or less, and enters into an agreement for the sale of electrical output to Virginia Electric and Power Company (Agreement).

No developer, or any affiliate of a developer, shall be permitted to locate a Schedule 19 facility within one-half mile of any other Schedule 19 facility owned or operated by such developer or any affiliate of such developer unless:

- a. Such facilities provide thermal energy to different, unaffiliated hosts; or
- b. Such facilities provide thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs; or
- c. Such facilities utilize a renewable resource that may be subject to geographic siting limitations, such as hydroelectric, solar or wind power facilities.

This Schedule is available to a Qualifying Facility (QF) which enters into an Agreement with the Company during the effective period of this Schedule, and which achieves Commercial Operation in accordance with the provisions of its Agreement (Commercial Operations) on or after January 1, 2006.

II. MONTHLY BILLING TO THE QF

The provision of Electric Service from the Company to the QF will be in accordance with any applicable filed rate schedule. A QF that elects to sell electrical output from its generation facility will be billed a monthly charge as follows to cover the cost of meter reading and processing:

1. For QFs requiring only one non-time differentiated meter: \$5.56.
2. For QFs requiring only one time differentiated meter: \$65.09.
3. For QFs requiring two time differentiated meters: \$102.62.

(Continued)

Filed 06-15-10  
Electric - Virginia

Superseding Filing Effective For Usage On  
and After 06-01-07. This Filing Effective  
For Usage On and After 07-01-10.

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

III. CONTRACT OPTIONS

QFs with a net 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 net capacity greater than 10 kW but less than or equal to 20,000 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 20,000 kW. 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 net capacity of 10 kW or less may elect to contract for the supply of only energy 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.

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
  - 1. 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) divided by 10, and multiplied by the hourly net generation as recorded on the Company's time differentiated meter.

(Continued)

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

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

2. All energy purchase prices per kWh will be increased by 2.8% to account for line losses avoided by the Company. This line loss percentage will be fixed for the term of the contract between the QF and the Company.
3. In lieu of the line loss percentage in Paragraph IV. A.2., a QF may request that the percentage be derived by a line loss study calculated to the location the QF interconnects with the Company. To receive this site specific line loss percentage, the QF must be willing to bear the cost of such a study.

B. Capacity Purchase Payments

Purchase 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 that corresponding day's on-peak capacity purchase price, as calculated, below. If applicable, 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.

Beginning June 1, 2007, and for each June 1, thereafter, PJM will establish the Reliability Pricing Model capacity resource clearing price for each PJM zone, shown as a \$/MW/day price, that will be applicable through the following May 31. Such prices will be the clearing results from PJM's Base Residual Auction. Using the price for the Dom Zone (initially identified on the PJM website as "Dom\_PZonal"), the Company will calculate an on-peak capacity purchase price (cents per kWh) for each day by dividing the Dom Zone \$/MW/day price by 16 hours, and further dividing the result by 10, rounded to the nearest one-thousandth cent. The resulting cents per kWh on-peak capacity purchase price will be applied to the QF's net on-peak generation for the corresponding day, to provide for the daily capacity purchase amount. The sum of the daily capacity purchase amounts for the billing month will constitute the monthly capacity purchase payment to the QF, unless modified by application of the SPPF, below.

(Continued)



POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

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

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, inclusive), 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 net capacity, divided by 5. Therefore, the SPPF could be 0, .2, .4, .6, .8, or 1. The QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

V. PAYMENT OF 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:

- A. Purchase payments for the supply of only energy 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 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.
- B. All energy purchase prices per kWh will be increased by 2.8% to account for line losses avoided by the Company. This line loss percentage will be fixed for the term of the contract between the QF and the Company.
- C. In lieu of the line loss percentage in Paragraph V, B., a QF may request that the percentage be derived by a line loss study calculated to the location the QF interconnects with the Company. To receive this site specific line loss percentage, the QF must be willing to bear the cost of such a study.

(Continued)

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

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 Company shall own and install any interconnection facilities on the Company side of the meter required for the QF to sell energy to the Company. The costs associated with these facilities will be borne by the QF. These costs include, but are not limited to, the costs of connection, switching, metering, transmission, distribution, safety provisions, telephone lines, and administrative costs incurred by the Company which are directly related to the installation and maintenance of the facilities necessary to permit interconnected operations with the QF. The QF shall pay for these interconnection costs by either of the following methods:
1. A one-time lump-sum payment equal to the estimated new installed cost of all interconnection facilities provided by the Company multiplied by the appropriate tax effect recovery factor (if applicable), plus the appropriate monthly charge as described in Section IV.E. of the Company's Terms and Conditions on file with the Virginia State Corporation Commission.
  2. A continuous monthly charge as described in Section IV.E. of the Company's Terms and Conditions on file with the Virginia State Corporation Commission which is designed to recover over time the estimated new installed cost of all interconnection facilities and their related operating expenses.

The QF will also be responsible for payment to the Company for the cost of removing the interconnection facilities at the conclusion of the QF's Agreement. Payment for these costs shall be in the same manner as the Company charges its other customers for similar work.

(Continued)

Schedule 19

POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

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

- C. In addition to the costs in Paragraph VI.B., above, the actual costs associated with relocating and/or rearranging existing facilities to allow interconnected operation will also be borne by the QF. A monthly charge shall not apply to these costs. Payment for these costs shall be in the same manner as the Company charges its other customers for similar work.
- D. The QF shall have equipment specifications and plans for control devices interconnection facilities, and protective devices approved by the Company in advance of energizing the facility.
- E. The relays and protective equipment shall be subject, at all reasonable times, to inspection by the Company's authorized representative.
- F. Upon request by the Company, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.
- G. The Company shall have the right to reduce the energy received from a QF during periods when a minimum load condition exists on the Company's system. These reductions will be within the design limits of each QF's equipment and will be limited to 1,000 off-peak hours in any calendar year.

VII. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

The provisions of this schedule, including the rates for purchase of electricity 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.

VIII. TERM OF CONTRACT

The term of contract shall be mutually agreed upon, but not less than one year.

Exhibit B

## Notice Contact Schedule

Notices under the Agreement sent via E-mail shall be followed by a hard copy via mail or fax

To: VIRGINIA ELECTRIC & POWER COMPANY:

NOTICES, INVOICES, SCHEDULING & CORRESPONDENCE:

Virginia Electric and Power Company  
Attn: Power Contracts  
Innsbrook 3 SE  
5000 Dominion Blvd  
Glen Allen, VA 23060  
Phone: 804-273-4433  
Fax: 804-273-2951  
E-MAIL: bob.trexler@dom.com

## PAYMENTS:

By Wire: Company: Virginia Electric and Power Company  
Bank: Mellon Bank  
ABA #: 043000261  
Account #: 1156525

To: SOUTH HILL RENEWABLE ENERGY LLC.

NOTICES & CORRESPONDENCE:

South Hill Renewable Energy LLC  
Attn: Steve Jones  
8417 Buggs Island Rd.  
Baskerville, VA 23915

\_\_\_\_\_  
Phone: 434) 689-3337  
Fax: \_\_\_\_\_  
E-MAIL: sbjones@buggs.net

## BILLING &amp; PAYMENTS:

South Hill Renewable Energy LLC  
Attn: Steve Jones  
8417 Buggs Island Rd.  
Baskerville, VA 23915

Phone: (434)689-3337

Fax: \_\_\_\_\_

E-MAIL: [sbjones@buggs.net](mailto:sbjones@buggs.net)

By Wire: Company: \_\_\_\_\_  
Bank: First Citizens Bank

ABA #: 051401836

Account #: 008920167213

## OPERATIONS:

South Hill Renewable Energy LLC  
Att : Steve Jones  
Physical Location of Generating Facility  
1890 Bridge Rd.  
South Hill, VA 23970

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-MAIL: \_\_\_\_\_

Exhibit C

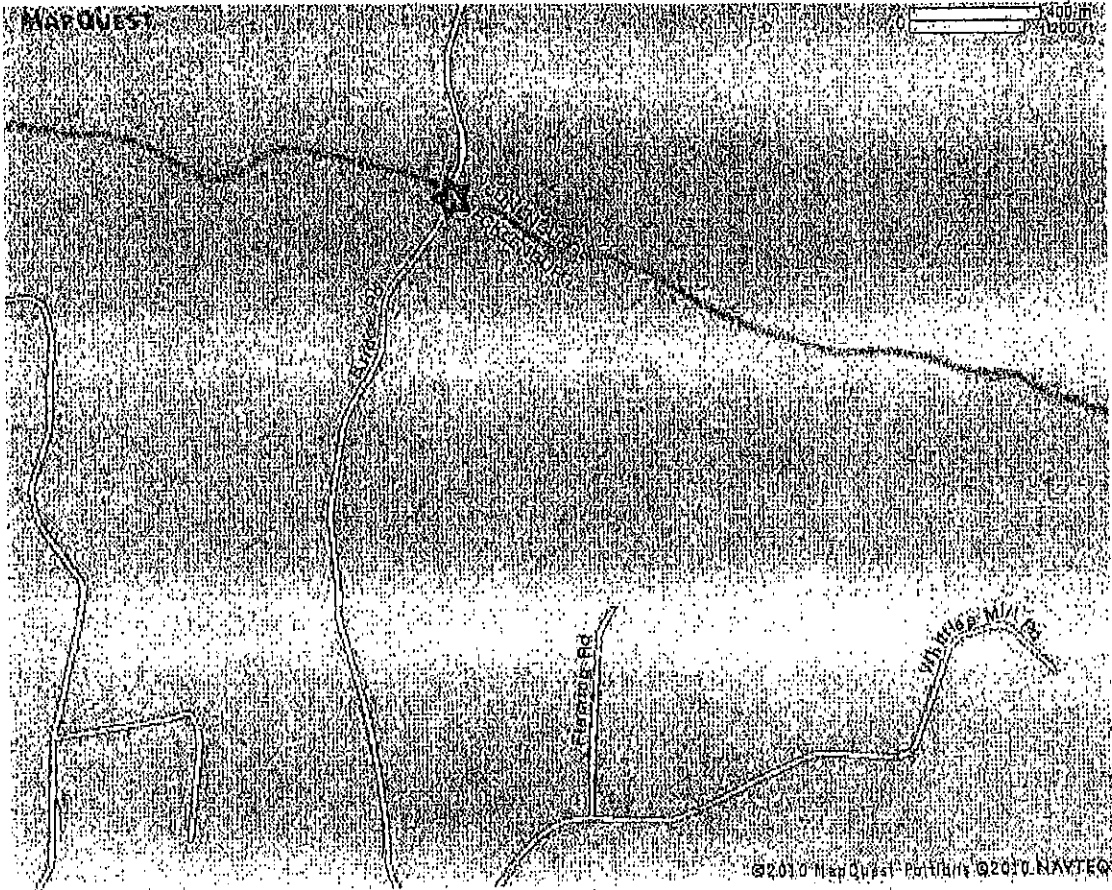
A description of the Facility, a map indicating its specific geographical location, and a one-line diagram of the Facility.

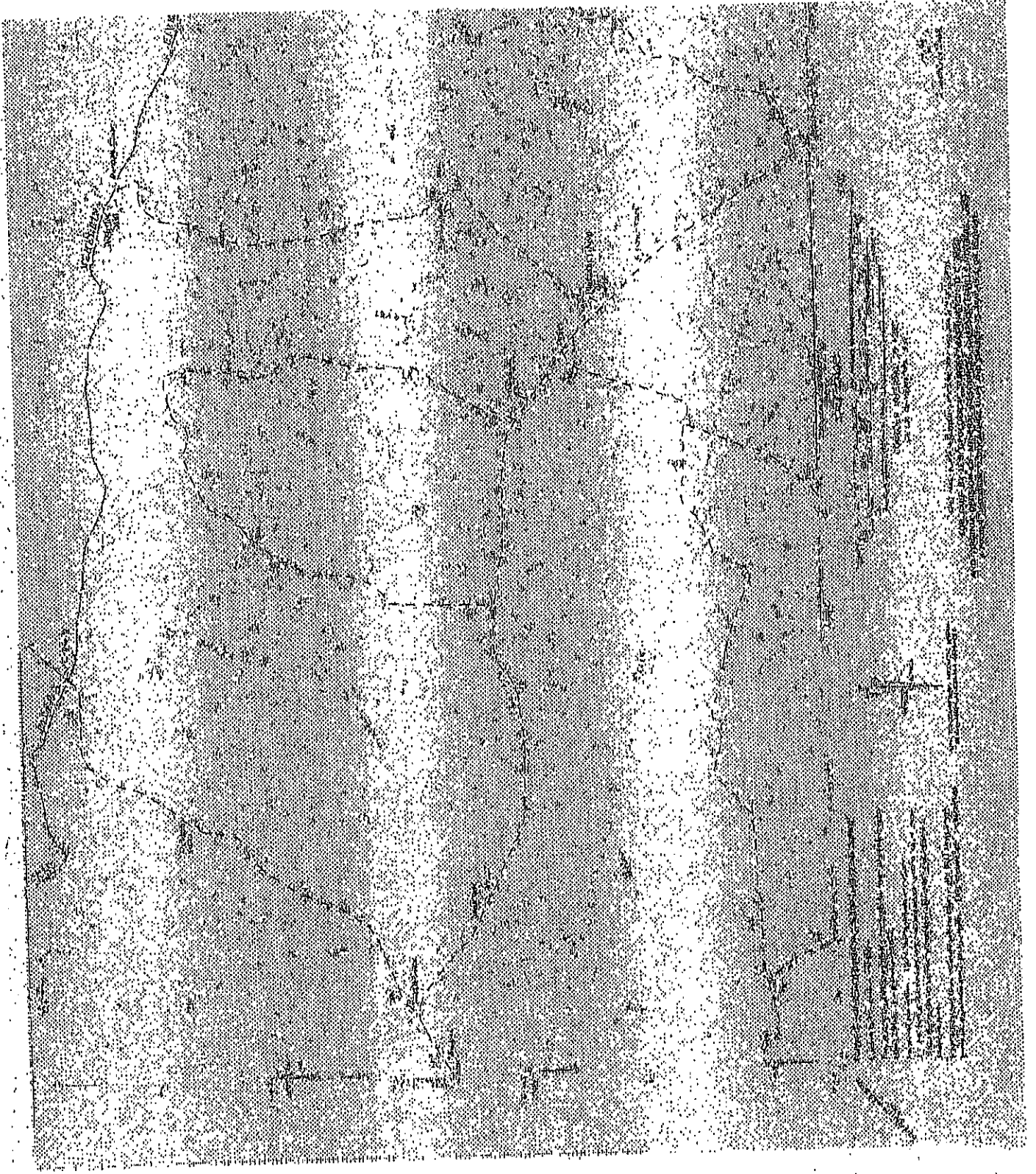
Whittle's Mill is a small hydroelectric facility in South Hill, VA. It is on the Meherrin River at an existing dam. The facility was operational approximately 14 years ago, but has since been abandoned. All of the original equipment is still on-site. I am proposing to rehabilitate the equipment and make the facility operational. I have worked with the Town of South Hill, which owns the plant, and the Federal Energy Regulatory Commission (FERC) with a license number of P-7630, to rehabilitate the project.

Map – See Attached.

One-Line Diagram – See attached.











## Exhibit D

Documentation from the Federal Energy Regulatory Commission ("FERC") evidencing the Facility's certification as a Qualifying Facility under PURPA, to be included upon presentation by the Operator.

http://www.ferc.gov/industries/hydropower/gen-info/licensing/exemptions.xls Microsoft Internet Explorer

File Edit View Insert Format Tools Data Go to Favorites Help

Back Forward Stop Search Favorites Print View Source Reload

Address: http://www.ferc.gov/industries/hydropower/gen-info/licensing/exemptions.xls Go Links

Search Google Yahoo! Ask.com LookSmart HotBot WeatherBug Comparison

Search Web Search Web Upgrade your Toolbar Now Mail Shopping My Yahoo! News Games

C363 MIRROR LAKE

Issued Exemptions					
NOTE: The information contained in this document is for general guidance only. Information changes between scheduled monthly updates. If further assistance is required, please email Customer@ferc.gov or call 202-502-8000; TOLL FREE 1-866-706-3372, 202-502-8889 TTY 202-502-8889.					
4.	Docket No.	Project Name	Licensee	Waterway	Issue Date
61	P. 2856	ALL AMERICAN CANAL	METROPOLITAN WATER DISTRICT (CA)	ALL AMERICAN CANAL	08/16/79
7	P. 2878	DROP NO. 9	TURLOCK IRRIGATION DISTRICT (CA)	TURLOCK LAKE	09/12/79
8	P. 2871	DROP NO. 1	TURLOCK IRRIGATION DISTRICT (CA)	TURLOCK LAKE	11/16/79
351	P. 7910	MILBURNIE	MILBURNIE HYDRO, INC.	NEUSE RIVER	05/11/84
352	P. 7630	WHITTLES MILL DAM	TOWN OF SOUTH HILL	MEHERRIN RIVER	05/22/84
353	P. 7606	MIDDLE FORK DAM	CALAVERAS PUBLIC UTILITY DIST (CA)	MOKELUMNE	05/25/84
354	P. 7592	FAULKNER	FAULKNER LAND & LIVESTOCK CO. (ID)	NORTH SIDE Y CANAL, CLOVER CREEK	06/05/84
355	P. 8011	DODGE FALLS	DODGE FALLS ASSOCIATES L/P (DE)	CONNECTICUT RIVER	06/11/84
356	P. 7979	FOSS MILL	GRAHAM PETER C	MARSH STREAM	06/14/84
357	P. 8005	MOOMAWS DAM	MOOMAWS DAM HYDROELECTRIC CORP (NH)	MAURY RIVER	06/21/84
358	P. 8046	SAGEBRUSH	BIG WOOD CANAL CO. (ID)	SOUTH GOODING MAIN CANAL	06/26/84
359	P. 7680	VANJOP NO. 1	SOUTH SUTTER WATER DISTRICT (CA)	CONVEYANCE CANAL	06/28/84
360	P. 7919	GANSNER POWER AND WATER	ERIC & DEBBIE WATTENBURG	GANSNER CREEK	07/03/84
361	P. 7908	SHADYBROOK	TUOLUMNE COUNTY WATER DIST NO1 (CA)	SULLIVAN CREEK	07/12/84
362	P. 7742	LONG SHOALS	MILL SHOALS HYDRO COMPANY INC. (CT)	SOUTH FORK CATAWBA RIVER	07/19/84
363	P. 7747	MIRROR LAKE	HUTCHINSON HYDRO, LLC	MIDDLE FORK NOOKSACK RIVER	07/30/84
364	P. 7731	COMBIE NORTH AQUEDUCT	NEVADA IRRIGATION DISTRICT (CA)	NID COMBIE NORTH AQUEDUCT	07/30/84
365	P. 7832	POCONO LAKE	POCONO LAKE PRESERVE (PA)	TOBYHANNA CREEK	07/30/84
366	P. 8210	PICAY	HOWARD JOHN B	PICAY PRESSURE BREAK (CONDUIT)	08/07/84
367	P. 6202	BETASSO	BOULDER CITY OF (CO)	WATERSHED BASIN	08/20/84

Exemption

http://www.ferc.gov/industries/hydropower/gen-info/licensing/exemptions.xls

**Federal Energy Regulatory Commission  
Docket Sheet  
Docket P-7630 (ALL Subdockets)**

Applicant(s)/Docket: ROCKFISH CORP

**Sub Docket: 000**

Docket Description: WHITTLES MILL DAM

Filed By: COMMONWEALTH HYDROELECTRIC INC

Filed Date: 9/19/1983

Accession No: 19830921-0110

Description: Forwards lic exemption appl of Commonwealth Hydro Elec Inc for Whittles Mill Dam.

Source: eLibrary

Filed By: COMMONWEALTH HYDROELECTRIC INC

Filed Date: 9/19/1983

Accession No: 19830921-0111

Description: Appl for lic exemption by Commonwealth Hydroelectric Inc for Whittles Mill Dam.

Source: eLibrary

Issued By: HYDROPOWER LICENSING DIVISION (FROM 830118 TO 840714)

Filed Date: 3/14/1984

Accession No: 19840321-0049

Description: Ltr order accepting Commonwealth Hydro Inc 830919 exemption appl for Whittles Mill Dam Proj, VA. 840314

Source: eLibrary

**Federal Energy Regulatory Commission  
Docket Sheet  
Docket QF86-643 (ALL Subdockets)**

Applicant(s)/Docket: SOUTH HILL LTD PARTNERSHIP

**Sub Docket: 000**

**Docket Description:** There is a problem with archive data and system.  
Contact Administrator.

**Filed By:** SOUTH HILL LIMITED PARTNERSHIP

**Filed Date:** 3/21/1986

**Accession No:** 19860328-0107

**Description:** Self-certification of South Hill Ltd Partnership that Whit-  
tles Mill Hydro is qualified facility.

**Source:** eLibrary

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E-mail this page

## Document Information

Accession Number: 19860328-0107

Available: Public

## Document Date: 3/17/1986

Filed Date: 3/21/1986

**Posted Date:**

First Received Date:

**Description:**

Self-certification of South Hill Ltd Partnership that Whit-  
 Mill Hydro is qualified facility.

**Category:**

Library:

## Submittal

Electric

**Document Type:**

Class:	Type:
Application/Petition/Request	Qualifying Facility Application or PURPA Energy Utility Filing

Docket Numbers: [Click here to eSubscribe to a Docket](#)

Docket	SubDocket	Type
QF86-643	000	On Document

**Correspondent:**

Type	Last Name	FI	MI	Affiliation
AUTHOR	POLLOCK	J	K	SOUTH HILL LIMITED PARTNERSHIP
RECIPIENT	PLUMB	K	F	SECRETARY OF THE COMMISSION & STAFF

Exhibit E

## Supplemental Representations of Legal Compliance

Operator warrants that it is and shall continue to be in compliance with all applicable provisions of the following federal law:

- 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, together with the implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741;
- The applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended.

In addition, Operator agrees that

- The equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the affirmative action clauses set forth in 41 C.F.R. § 60-250.4 and 41 C.F.R. § 60-741.4 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.
- Where this Agreement has a value of more than \$500,000, it shall adopt and comply with a small business and small disadvantaged business subcontracting plan that shall conform to the requirements set forth in 15 U.S.C. § 637(d)(6).

This Exhibit E 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. § 2000e et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

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

THIS AGREEMENT, effective this 22nd day of January, 2013, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" or "Company", and Tier One Solar, LLC, a North Carolina Company, with its principal office in Raleigh, North Carolina, hereinafter called "Operator", operator of the NC One Facility, hereinafter called the "Facility":

**RECITALS**

WHEREAS, on November 1, 2012, Dominion North Carolina Power filed for review and approval with the North Carolina Utilities Commission a rate schedule described in this Agreement below as **Schedule 19-FP** applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, the parties hereto wish to contract 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 North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on an excess sale arrangement. In addition, Operator has elected to contract under the FP Method for determining the Company's avoided cost as described more fully in Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section IV.C (Firm Mode of Operation) of Schedule 19-FP. The Facility is located in Dominion North Carolina Power's retail service area in Jackson, North Carolina.

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

This Agreement shall commence on the Effective Date and shall continue in effect for a period of 15 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 North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;
- b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;
- c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;
- d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit E; and
- e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

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

The Facility, consisting of an AC solar photovoltaic array, will have a combined nameplate rating of approximately 1,800 kW. The Facility's Contracted Capacity shall be 1,800 kW.

### **Article 4: Attachments**

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

Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)

- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the FP Method (effective January 1, 2013, sometimes referred to as "Schedule 19-FP" herein)
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in ARTICLE 1
- Exhibit E: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)
- Exhibit F: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

#### **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, if any, as stated in Article 1 hereof. Dominion North Carolina Power and Operator understand that the payment rates depicted on the aforementioned Exhibit C, Schedule 19 – FP, are currently before the North Carolina Utilities Commission ("NCUC") awaiting its review and final approval. It is anticipated that the NCUC will not issue its decision until 2013, the year that Operator expects to begin commercial operation as a Qualifying Facility. If Operator's Commercial Operation Date occurs before the NCUC has rendered its decision, Operator will receive payments in accordance with the pending and attached Exhibit C. If the NCUC subsequently determines that either the payment rates be disallowed in total or in part, Dominion North Carolina Power will retroactively true-up the payments made to the Operator to reflect those payments directed by the NCUC in its final Order. Payments thereafter will be made pursuant to the NCUC final Order. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

If Operator elects the Firm Mode of Operation, then for the term of this Agreement Operator shall be paid for firm energy in accordance with VI.B in Schedule 19-FP. Payments for firm energy will begin on the Commercial Operations Date. All energy delivered per hour above the Contracted Capacity up to 105% of the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. No payment shall be made for energy delivered above 105% of the Contracted Capacity. All energy delivered prior to the Commercial Operations Date shall be considered non-firm and paid at the non-firm energy rate. In all cases, such non-firm energy rates will be those in the Schedule 19-FP in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-FP, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-FP, Section VII.—Operator shall not be paid for capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Article 3.

#### **Article 6: Regulatory Pricing Adjustment and Refund**

Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.



### **Article 7: Operator's Pre-COD Obligations**

After execution of this Agreement and until the Commercial Operations Date, Operator shall prepare a quarterly status report for Dominion North Carolina Power showing the current progress on completing the project. This status report shall be delivered to Dominion North Carolina Power on or before the following dates each year, January 15, April 15, July 15, and October 15. Such status report shall discuss the progress of the project in a format, which is acceptable to Dominion North Carolina Power.

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; (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 the power island consistent with having commenced a continuous process of construction relating to the Facility. Dominion North Carolina Power shall have no obligation to accept a declaration of Commercial Operations prior to January 1, 2013. The anticipated Commercial Operations Date is July 1, 2013.

### **Article 8: Default and Early Termination**

Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined in Article 7 above, and provide Dominion North Carolina Power with written notice thereof by October 1, 2013, (ii) failure to achieve Commercial Operations Date by December 31, 2013, (iii) failure to provide two (2) consecutive status reports pursuant to ARTICLE 7 above, (iv) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (v) failure to meet those requirements necessary to maintain Qualifying Facility status, (vi) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (vii) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (viii) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity.

### Article 9: 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 Commercial Operations Date 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 North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

### Article 10: 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:**

Tier One Solar, LLC  
Attn: Dr. Isaac B. Horton III  
4208 Six Forks Road  
Suite 1000  
Raleigh, NC 27609

**DOMINION NORTH CAROLINA POWER:**

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

### Article 11: 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.

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

TIER ONE SOLAR, LLC

By: 

Dr. Isaac B. Horton III

Title: Authorized Representative

Date: 1-24-13

VIRGINIA ELECTRIC AND POWER COMPANY

By: 

James L. Neal

Title: Authorized Representative

Date: 1-22-13

EXHIBIT A  
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is <https://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

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

**I - Assignments**

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion 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 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 \$10,000 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 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 North Carolina Power, defend Dominion 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 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 North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion 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 North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

**III - QF Certification**

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. § 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to

Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion 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 QF Certification and any subsequent revisions or amendments,
- (c) Provide a copy of any contract executed with a thermal host.
- (d) 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) 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) Provide 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.
- (h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.
- (i) 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 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. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement.

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, 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 North Carolina Power may refuse to accept deliveries of power hereunder.

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

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

#### VIII - Metering

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

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

#### IX - Billing and Payment

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

In no event shall Dominion North Carolina Power 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 Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion 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 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.

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

---

I. APPLICABILITY AND AVAILABILITY

This schedule is applicable to any qualifying Cogenerator or Small Power Producer (Qualifying Facility) which desires to deliver all of its net electrical output to the Company, and which 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).

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

- 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 capacity subject to compensation shall be no greater than 5,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 5,000 kWh. The initial term of contract for such a QF shall be for a period of 5, 10, or 15 years, at the option of the QF.
- B. Where the QF is not defined under Paragraph I.A., the amount of capacity subject to compensation shall be no greater than 3,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 3,000 kWh. The initial term of contract for such a QF shall be for a period of 5 years.

I. APPLICABILITY AND AVAILABILITY (Continued)

Where the QF elects to be compensated for firm or non-firm deliveries in accordance with this schedule, the QF must enter into a contract and begin deliveries to the Company no earlier than January 1, 2013 and no later than December 31, 2014. Where the QF elects an initial contract term of 10 or more 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 applicable to a QF owned by a developer, or affiliate of a developer, who sells power 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, or 3) each facility utilizes a renewable resource which may be subject to geographic siting limitations, such as hydroelectric, solar, or wind power facilities.

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. DEFINITION OF ON- AND OFF-PEAK HOURS

#### A. On-Peak Hours

##### 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 am and 10:00 pm., 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 am and 1:00 pm., plus 4:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

#### B. 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 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. The QF may contract for the delivery of energy to the Company without reimbursement, designated as the Non-reimbursement Mode of Operation; or,

- B. The QF may contract for the delivery of non-firm energy to the Company (no payment for capacity). This option includes QFs that elect to contract to deliver non-firm energy to the Company on an as-available basis. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the Non-firm, Non-time-differentiated Mode of Operation. Regardless of nameplate rating the QF may designate the Non-firm, Time-differentiated Mode of Operation.
- C. The QF may contract for the delivery of firm energy and capacity to the Company. The level of capacity which the QF contracts to sell to the Company shall not exceed 5,000 kW, where the QF is defined under Paragraph I.A., or 3,000 kW otherwise. This capacity level, in kW, shall be referred to as the Contracted Capacity. When the QF elects to sell firm energy and capacity, the QF shall designate the Firm Mode of Operation.

V. PAYMENT FOR COMPANY PURCHASES OF NON-FIRM ENERGY.

The QF may contract to receive payment for energy at rates to be 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 the QFs that contract for non-firm energy.

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

V. PAYMENT FOR COMPANY PURCHASES OF NON-FIRM ENERGY (continued)

- 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 designates the Non-Firm, Non-time-differentiated Mode of Operation, the following rates in cents per kWh are applicable:

3.843



C. Time-differentiated Mode of Operation. Where the QF designates the Time-differentiated Mode of Operation, the following On- and Off-peak rates in cents per kWh are applicable:

On-peak	4.541
Off-peak	3.455

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company, except that upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

#### VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY

QFs designating the Firm Mode of Operation will be eligible to receive purchase payments for the delivery of firm energy by the QF to the Company. The QF may contract to receive payments for firm energy based on A. or B., below. Contract terms for 10 or 15 years are available only where the QF is defined under Paragraph I.A.

A. The QF may contract to receive payment for firm time-differentiated energy at rates to be determined with each revision of this schedule. These rates in cents per kWh, which reflect the Company's estimated avoided energy cost for delivery of firm energy during 2013 or 2014, are as follows:

On-peak	4.541
Off-peak	3.455

B. The QF may contract to receive energy purchase payments for the delivery of firm energy based upon long-term fixed prices, as shown below in cents per kWh:

	<u>Energy Prices</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh)	5.055	5.526	5.813
Off-Peak (¢/kWh)	3.964	4.388	4.661

# Virginia Electric and Power Company

Any energy delivered above 100% up to 105% of QF's Contracted Capacity in any hour will be purchased at the then applicable non-firm energy rates under Schedule 19-FP. There will be no reimbursement for any energy delivered above 105% of QF's Contracted Capacity.

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company, except upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

## VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

Company purchases of capacity are applicable only where the QF elects the Firm Mode of Operation. Capacity payments are applicable during on-peak hours only. Such QFs shall receive capacity purchase payments based on the applicable levelized capacity purchase price below, in cents per kWh, corresponding to the contract length in years. Contract terms for 10 or 15 years are available only where the QF is defined under Paragraph I.A.

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

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak kWh (¢/kWh) Summer	5.895	6.095	6.263
On-Peak kWh (¢/kWh) Non-summer	3.930	4.063	4.175

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak kWh (¢/kWh) Summer	3.537	3.657	3.758

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Docket No. E-100, Sub 136

Virginia Electric and Power Company

On-Peak kWh (¢/kWh) Non-summer	2.358	2.438	2.505
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Payments will be made to the QF by applying the appropriate levelized capacity purchase price above to all kWh delivered to the Company during each on-peak hour, up to the 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 will be in accordance with the length of rate 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 power to the Company by a QF at avoided cost rates pursuant to this Schedule 19-DRR does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.
- C. Upon request by the Company, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.
- D. Interconnection procedures for the QF's generation interconnection are provided through the Internet at the Company's website;  
<http://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>

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

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Electric-North Carolina

For Usage On and After 01-01-13.

Docket No. E-100, Sub 136

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Feb 28 2014

contract with the exception of the line loss percentage applied which shall be the percentage stated in the then-current Schedule 19.

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER (continued)

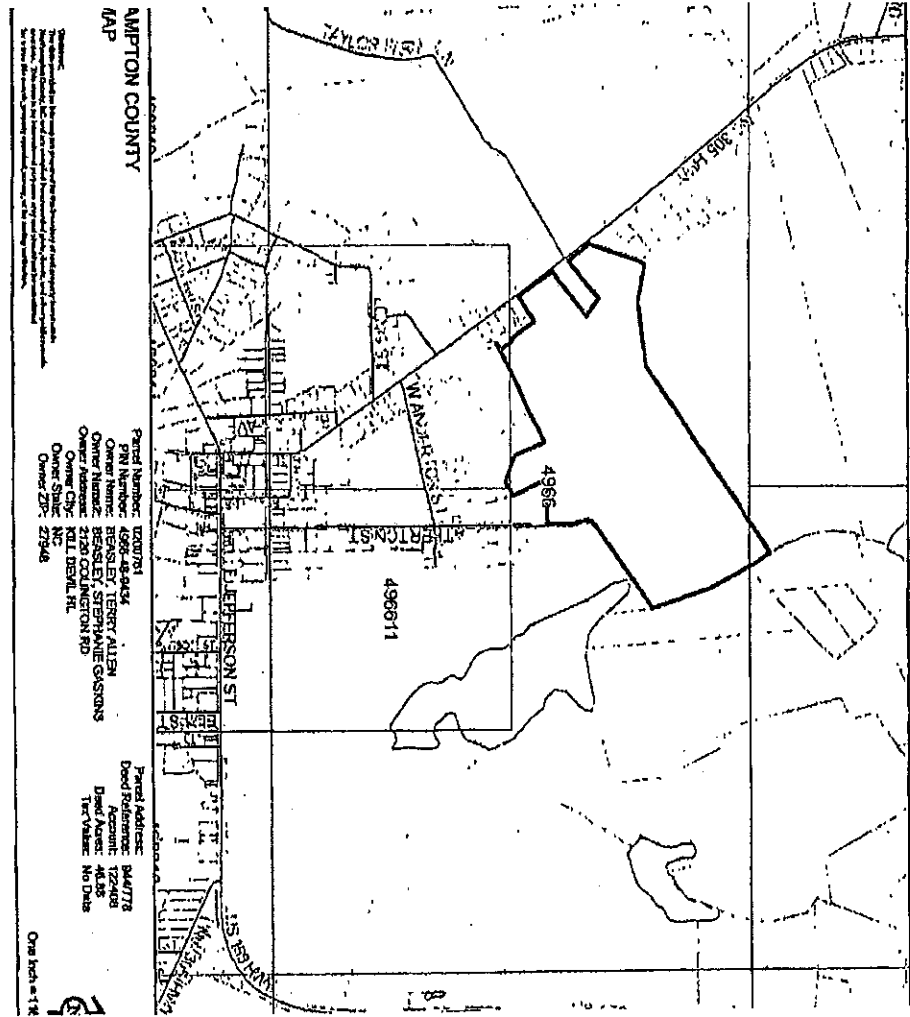
If the QF terminates its contract to provide Contracted Capacity and energy to the Company prior to the expiration of the contract term, the QF shall, in addition to other liabilities, be liable to the Company for excess capacity and energy payments. Such excess payments will be calculated by taking 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 found in Paragraph VI and VII corresponding to the highest term option 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 such as may be mutually agreed upon but for not less than one year.

## EXHIBIT D

Exhibit D is a map and written description identifying the specific location of the Facility and is provided by the Operator.



The facility is located in North Hampton County, NC in the city of Jackson. It is bordered by NC Highway 305 (N. Church St.) , W. Anderton Street, and Atherton Street.

## EXHIBIT E

Exhibit E is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit E 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 ("PURPA") (codified at 16 U.S.C. § 824a-3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title



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## EXHIBIT F

Exhibit F is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

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December 12<sup>th</sup>, 2012

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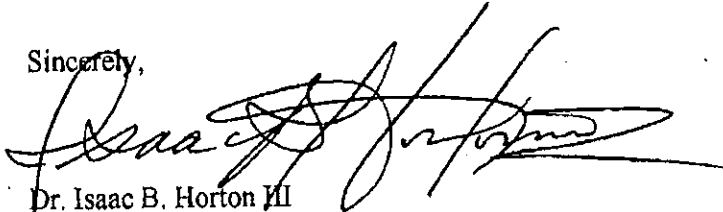
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DEC 13 2012  
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N.C. Utilities Commission

SP-2401 JAB 0

To Whom It May Concern:

This filing is a Report of Proposed Construction of an Electric Generating Facility according to Rule R8-65. This report is for a solar photovoltaic system with a capacity under 2 MW and is exempt from certification under G.S. 62-110.1(g). Included with this filing are the original report plus 6 copies. A copy of this report has also been provided to Dominion North Carolina Power.

Sincerely,



Dr. Isaac B. Horton III  
CEO SPV Solar One, Inc.

CC: Dominion North Carolina Power  
Richard Jesse Contracts Administrator  
richard.jesse@dom.com

AG ER  
Conrad  
Ericson  
PS Legal  
PS Elec(z)

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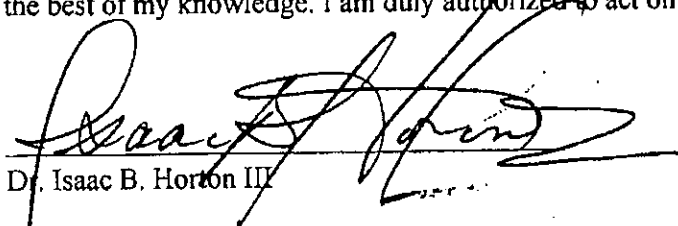
BEFORE THE NORTH CAROLINA  
COMMISSION

UTILITIES

In the Matter of Filing by  
Tier One Solar (Applicant name)  
For Report of Proposed Construction of a  
Solar Photovoltaic Electric Generating Facility

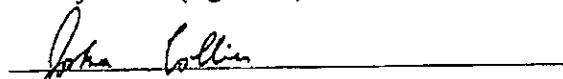
**VERIFICATION**

I, Dr. Isaac B. Horton, CEO, of Tier One Solar, LLC, verify that the contents of this Report of Proposed Construction by Tier One Solar, LLC filed in this docket are true to the best of my knowledge. I am duly authorized to act on behalf of

  
Dr. Isaac B. Horton III

Sworn to and subscribed before me,  
This is the 11<sup>th</sup> day of December, 2012

Notary Public (signature)

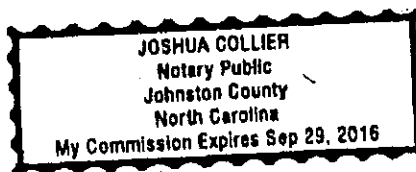


Name of Notary Public

Joshua Collier

My Commission expires:

09-29-2016



Report of Proposed Construction of an Electric Generating Facility

1. Full and correct name, business address, business telephone number, and electronic mailing address of the facility owner (applicant).

Tier One Solar, LLC  
4208 Six Forks Road, Suite 1000  
Raleigh, NC 27609  
919 645-5728  
[ihorton@tier1solar.com](mailto:ihorton@tier1solar.com)

**FILED**  
DEC 13 2012  
Clerk's Office  
N.C. Utilities Commission

2. Choose one: Individual Partnership ☒ Corporation

*If a partnership, include name and business address of each general partner.*

*If a Corporation, include the state and date of incorporation and all information requested under Part 1 of this application for an individual duly authorized to act as corporate agent for the purpose of the application and, if a foreign corporation, whether domesticated in North Carolina.*

Tier One Solar, LLC is a limited liability company incorporated in Delaware July 9<sup>th</sup>, 2012. Dr. Isaac B. Horton III, CEO of Tier One Solar is duly authorized to act as a managing member and can be reached at

Dr. Isaac B. Horton III  
4208 Six Forks Road, Suite 1000  
Raleigh, NC 27609  
919-645-5728

3. Nature of the generating facility, including the type and source of its power or fuel.

The generating facility consists of one 1.8MWAC solar photovoltaic array. The source of its power is solar energy

4. Address or location of generating facility set forth in terms of local highways, streets, river, streams, or other generally known landmarks together with a map such as a county road map with the location indicated on the map. [Applicant must attach map to this filing. Maps from web-based applications are acceptable, and must show location and nearby streets]

The facility is located in North Hampton County, NC in the city of Jackson. It is bordered by NC Highway 305 (N. Church St.), W. Anderton Street, and Atherton Street.

see attached map

5. Ownership of the site and, if the owner is other than the applicant, and the applicant's interest in the site.

The site is owned by Terry and Stephanie Beasley. The applicant, Tier One Solar, has entered into an option agreement with the Beasleys to purchase the property.

6. A description of the buildings, structures and equipment comprising the generating facility

**and the manner of their operation**

The proposed facility is a fixed ground mount solar array of CIGS photo voltaic (pv) panels with a total nameplate capacity of 2.0 megawatts DC or 1.8 megawatts AC.

The array will take up approximately seven acres. The panels will be connected to three 500 kilowatt inverters and one 300 kilowatt inverter.

The output voltage will match by means of a medium voltage transformer, the distribution voltage of the local utility.

This will be a grid-connected solar pv array. It will act as a current source whose frequency and voltage follow that of the connected grid. In the event of a grid power outage the array will be disconnected from the grid and no power applied.

Electrical production will be monitored using revenue grade meters and will be reported via an internet connection.

All of the equipment will meet the UL 1741 standard and any other local, state or federal standard.

**7. The projected maximum dependable capacity of facility in megawatts**

Solar is an intermittent energy source and therefore the maximum dependable capacity is 0 MW.

**9. The projected cost of the facility is:**

\$5,824,000.

**10. The projected date on which the facility will come on line is:**

July 1, 2013.

**11. The applicant's general plan for sale of the electricity to be generated, including the utility to which the applicant plans to sell the electricity, any provisions for wheeling of the electricity, arrangements for firm, non-firm or emergency generation, the service life of the project, the projected annual sales in kilowatt hours, and whether the applicant intends to produce renewable energy certificates that are eligible for compliance with the State's renewable energy and energy efficiency portfolio standard.**

Tier One Solar, LLC plans to sell all the generated electricity to a local utility, Dominion North Carolina Power in a firm mode of generation. There are no provisions for wheeling of the electricity. The service life of the project is projected to be 25 years and the projected annual sales are 2,500,000 kWh.

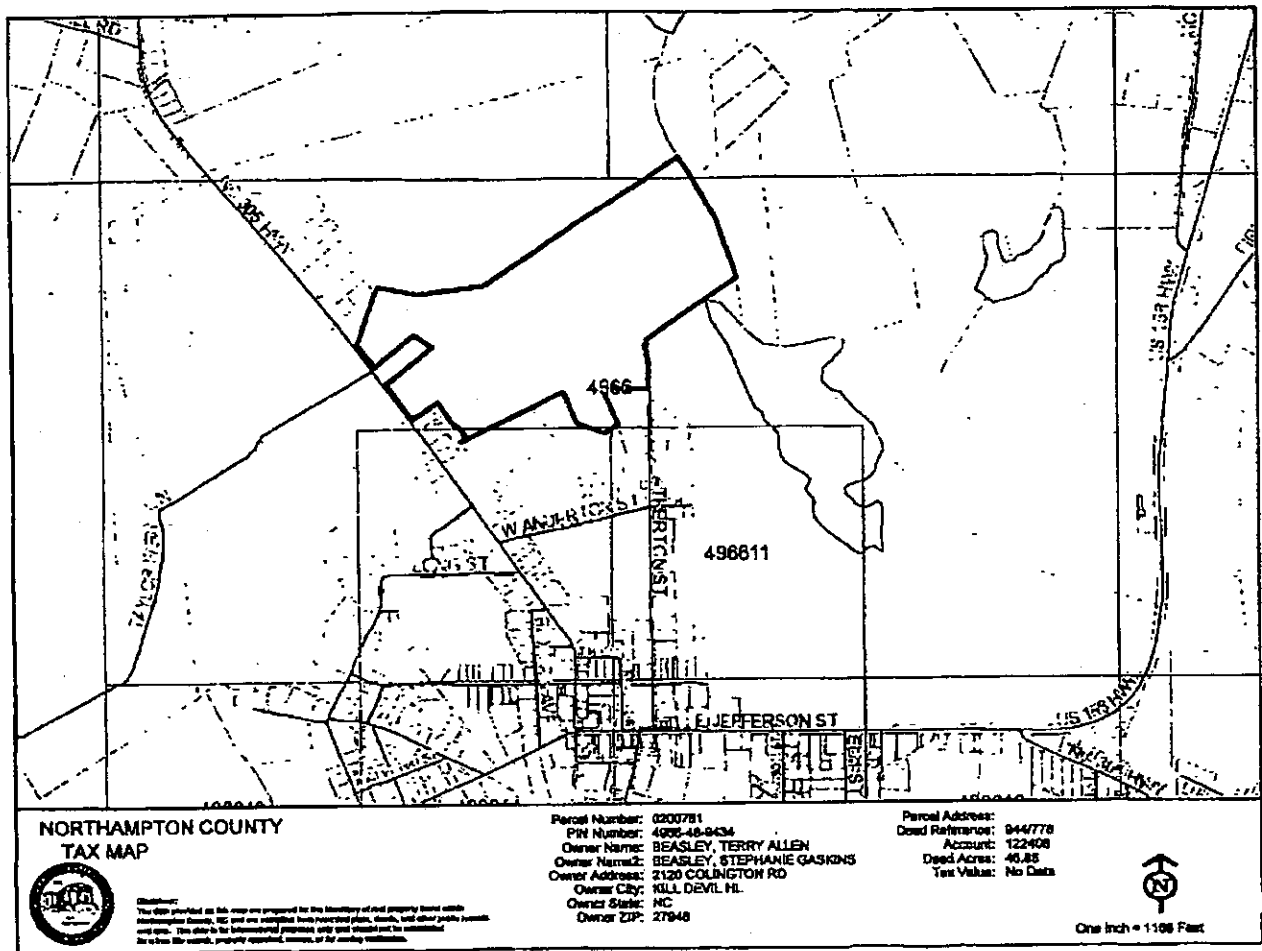
The facility will produce renewable energy certificates that are eligible for compliance with the State's renewable energy and energy efficiency portfolio standard.

**12. A complete list of all federal and state licenses, permits and exemptions required for construction and operation of the generating facility and a statement of whether each has been**

obtained or applied for. A copy of those that have been obtained should be filed with the application; a copy of those that have not been obtained at the time of the application should be filed with the Commission as soon as they are obtained.

Quality Facility self-certification from the Federal Energy Regulatory Commission received.





14-00000  
 - BY 1-75  
 11/11/01

AMENDMENT NO. 4  
TO POWER PURCHASE AND OPERATING AGREEMENT  
BETWEEN HOPEWELL COGENERATION LIMITED PARTNERSHIP  
AND VIRGINIA ELECTRIC AND POWER COMPANY

This Amendment No. 4 to the Power Purchase and Operating Agreement between Hopewell Cogeneration, Inc. and Virginia Electric and Power Company ("Amendment No. 4"), is made and entered into as of this 17th day of April, 2013 between Hopewell Cogeneration Limited Partnership ("Operator") and Virginia Electric and Power Company ("Virginia Power"). Operator and Virginia Power are referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Hopewell Cogeneration, Inc., predecessor-in-interest to Operator, and Virginia Power signed the Power Purchase and Operating Agreement effective as of June 15, 1987, and amended such agreement by Amendment No. 1, dated as of July 29, 1988, and Amendment No. 2, dated as of March 6, 1989, and the Parties further amended such agreement by Amendment No. 3, dated as of March 17, 2008 (as amended, the "PPA"); and

WHEREAS, the Parties acknowledge that Operator shall seek an Interconnection Agreement (defined herein) with PJM; and

WHEREAS, in connection with the execution of the Interconnection Agreement, the Parties have agreed to amend the PPA as more particularly set forth herein to clarify the Parties' respective obligations under the PPA and Interconnection Agreement.

NOW THEREFORE, in consideration of the premises, the mutual covenants, representations, warranties and agreements hereafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties covenant and agree as follows:

AGREEMENT

1. Article I is amended as follows:
  - (a) The definition of "Interconnection Costs" shall be deleted in its entirety.
2. Article I of the Agreement is amended by adding the following definitions in the appropriate alphabetical order:
  - (a) "Interconnection Agreement" – the Interconnection Services Agreement among PJM, the Operator and Virginia Power regarding interconnection service for the Facility.

- (b) "PJM Manuals" – shall be as defined in the Interconnection Agreement.
3. Section 2.3(g) is deleted in its entirety.
  4. Section 2.3(i) is deleted in its entirety.
  5. Section 2.6 is deleted in its entirety.
  6. Section 5.3(b) is amended to delete the word "Attempts" and substitute the following in lieu thereof: "Subject to Operator's obligations and rights under the Interconnection Agreement, attempts".
  7. Section 6.2 is amended by adding the following after the word "Practices": "and the Interconnection Agreement".
  8. Article VI is amended by adding the new Section 6.5 and the remaining sections renumbered accordingly:

"Operator warrants that it shall maintain and continue in effect a valid PJM interconnection service agreement and electric service agreement governing the Interconnection Facilities until termination of the PPA."
  9. Section 7.5(b) is amended by adding a comma after the word "Facility" and inserting the following after the words "Interconnection Facilities": ", in coordination with PJM where required under the Interconnection Agreement or PJM Manuals".
  10. Section 7.8 is amended by adding the following after the second reference to the words "System Operations Center,": "in coordination with PJM where required under the Interconnection Agreement or PJM Manuals,".
  11. Section 7.10 is amended (i) by adding the following after the word "receive": "in coordination with PJM where required under the Interconnection Agreement or PJM Manuals,"; and (ii) by adding the following at the end of the Section after the word "thereof": "in coordination with PJM where required under the Interconnection Agreement or PJM Manuals,".
  12. Article VIII is amended by deleting the Article in its entirety and substituting the following in lieu thereof: "The Parties acknowledge that the interconnection of the Facility to PJM will be governed by the terms of the Interconnection Service Agreement and not this Agreement. The Parties agree to execute a PJM Declaration of Authority ("Declaration of Authority"), authorizing Virginia Power to represent the Facility in all operational aspects with PJM to facilitate the provisions of this Agreement only and Operator hereby appoints Virginia Power as its exclusive agent relative thereto. The Parties agree that the Declaration of Authority shall remain in effect only so long as this Agreement is in effect."

13. Article IX is amended by adding the following new Section 9.6:

9.6 Notwithstanding anything to the contrary in the Interconnection Agreement, the rights and obligations in connection with metering as set forth in this Article IX shall continue in effect; provided, however meter testing shall be performed in accordance with the Interconnection Agreement.

14. Article X is amended by deleting Section 10.3 in its entirety, and substituting the following in lieu thereof:

10.3 [INTENTIONALLY OMITTED].

15. Section 10.5 is amended by deleting Operator's contact information in its entirety and substituting the following in lieu thereof:

Payment to Operator shall be made by wire transfer to the following account:

Hopewell Cogeneration, L.P.  
JP Morgan Chase Bank  
Account # 0011 342 4569  
ABA # 21000021

16. Article XI is amended to add the following new Section 11.10:

"11.10 In addition to provisions of Section 11.7 above, and for purposes of each Summer Period only, during each Summer Demonstration Period Operator shall use reasonable efforts to demonstrate a Dependable Capacity of 110% of the original Estimated Dependable Capacity plus an additional 6.4 MW of capacity (any such amount above the 110% of the original Estimated Dependable Capacity, the "Free Capacity"). The Parties acknowledge and agree that Operator's efforts to demonstrate a Dependable Capacity in excess of 110% of the original Estimated Dependable Capacity for a given Summer Period are intended as an accommodation to Virginia Power in all respects.

The Parties further acknowledge and agree that Virginia Power shall not be obligated to pay Operator for any Free Capacity made available by Operator during the applicable Summer Period. Further, the Parties acknowledge and agree that Operator shall not be deemed in breach or default under this Agreement, nor shall Operator be liable for, and Virginia Power shall indemnify and hold Operator harmless against and hereby waives, any and all claims for damages (whether liquidated or otherwise), remedies set forth in this Agreement, remedies at law or in equity, costs, or liabilities, or for any Dependable Capacity payment reductions or penalties (assessed by PJM or otherwise) for failing to make

available any Free Capacity or to achieve a Dependable Capacity greater than the most recently verified Dependable Capacity for such Summer Period."

17. The effectiveness of this Amendment No. 4, is conditioned upon and shall not become effective or binding until the "Amendment No. 4 Effective Date", which is the date as of which all of the following conditions shall have been satisfied: (i) PJM shall have filed with the FERC a fully executed Interconnection Agreement (the "PJM Submittal"); (ii) the FERC shall have issued an Order (an "Acceptable FERC Order") that (1) accepts all of the requests set forth in the PJM Submittal and (2) is not subject to rehearing or appeal; (iii) the effective date of the Interconnection Agreement has occurred (as provided in Section 4.0 of the Interconnection Agreement), (iv) Interconnection Service shall have commenced (as provided in Section 1.2 of Appendix 2 to the Interconnection Agreement); and (v) the Parties have executed the PJM Declaration of Authority.
18. This Amendment No. 4 may be executed in one or more counterparts, in original or facsimile form, each of which will be deemed to be an original copy of this Amendment No. 4 and all of which, when taken together, will be deemed to constitute one and the same agreement. All provisions of the Agreement not amended by this Amendment No. 4 shall remain unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the Parties have caused this Amendment No. 4 to be executed by their duly authorized representatives as of the date first above written.

Virginia Electric and Power Company

By: \_\_\_\_\_

Title: \_\_\_\_\_

*J. L. N. J.*

*DIA - REGULATED OPERATIONS*

Hopewell Cogeneration Limited Partnership

by Hopewell Cogeneration, LLC, its General Partner

By: \_\_\_\_\_

Title: \_\_\_\_\_

*Michael S. Fugro*

*Vice President*

*ms*

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

This FIRST AMENDMENT TO THE AGREEMENT FOR THE SALE OF ELECTRICAL OUTPUT TO VIRGINIA ELECTRIC AND POWER COMPANY (this "Amendment") is entered into as of this 29<sup>th</sup> day of May, 2013 by and between PLYMOUTH SOLAR, LLC, a North Carolina limited liability company ("Plymouth"), and VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation doing business in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" (each a "Party" and collectively, the "Parties").

**WHEREAS**, Plymouth and Dominion North Carolina Power entered into the Agreement for the Sale of Electric Output to Virginia Electric and Power Company dated as of May 23, 2012 (the "Agreement");

**WHEREAS**, the Agreement's Contracted Capacity for the Facility was set at 2,400 kW;

**WHEREAS**, the Parties desire to amend the Agreement to increase the Facility's Contracted Capacity.

**NOW, THEREFORE**, in consideration of the mutual covenants and other good and valuable consideration described herein, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions. Unless otherwise defined in this Amendment, all capitalized terms shall have the meanings given to them in the Agreement.

2. Effective Date. This Amendment shall be effective as of March 19, 2013.

3. Amendment. Paragraph THIRD of the Agreement shall be deleted in its entirety and replaced with the following:

"THIRD - The Facility, consisting of solar panels and eleven inverters, will have a combined nameplate rating of approximately 5,000 kW. The Facility's Contracted Capacity shall be 5,000 kW."

4. Entire Agreement. This Amendment and the Agreement represent the entire agreement between the Parties with respect to the subject matter hereof. Except as

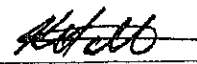


expressly set forth herein, this Amendment shall not alter, amend or modify any other terms, conditions or provisions of the Agreement, which, except as and to the extent modified herein, shall continue in full force and effect.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date first written above.

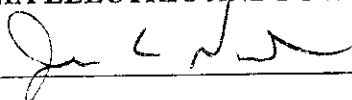
**PLYMOUTH SOLAR, LLC**

By: 

Name: Kerry Habel

Title: CEO

**VIRGINIA ELECTRIC AND POWER COMPANY**

By: 

Name: James L. Neal

Title: Authorized Representative

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

THIS AGREEMENT, effective this 21<sup>st</sup> day of May, 2013, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" or "Company", and 510 REPP One, LLC, a North Carolina Corporation, with its principal office in Washington, DC, hereinafter called "Operator", operator of the 510 REPP One Facility, hereinafter called the "Facility":

**RECITALS**

WHEREAS, on November 1, 2012, Dominion North Carolina Power filed for review and approval with the North Carolina Utilities Commission a rate schedule described in this Agreement below as **Schedule 19-FP** applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, the parties hereto wish to contract 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 North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on an excess sale arrangement. In addition, Operator has elected to contract under the FP Method for determining the Company's avoided cost as described more fully in Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section IV.C (Firm Mode of Operation) of Schedule 19-FP. The Facility is located in Dominion North Carolina Power's retail service area in Garysburg, North Carolina.

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

This Agreement shall commence on the Effective Date and shall continue in effect for a period of 15 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 North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;
- b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;
- c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;
- d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit E; and
- e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

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

The Facility, consisting of an AC solar photovoltaic array, will have a combined nameplate rating of approximately 1,250 kW. The Facility's Contracted Capacity shall be 1,250 kW. The Parties agree that this Agreement is for a Facility with a combined nameplate rating of approximately 1,250 kW and increasing the capacity and/or electrical generation output capability of this Facility or addition of another facility owned by this developer, or affiliate of this developer, within one (1) mile of this Facility will render this Agreement null and void.

### **Article 4: Attachments**

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

- Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the FP Method (effective January 1, 2013, sometimes referred to as "Schedule 19-FP" herein)
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in ARTICLE 1
- Exhibit E: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)
- Exhibit F: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

#### **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, if any, as stated in Article 1 hereof. Dominion North Carolina Power and Operator understand that the payment rates depicted on the aforementioned Exhibit C, Schedule 19 – FP, are currently before the North Carolina Utilities Commission ("NCUC") awaiting its review and final approval. It is anticipated that the NCUC will not issue its decision until later in 2013, the year in which Operator expects to begin commercial operation as a Qualifying Facility. If Operator's Commercial Operation Date occurs before the NCUC has rendered its decision, Operator will receive payments in accordance with the pending and attached Exhibit C. If the NCUC subsequently determines that either the payment rates be disallowed in total or in part, Dominion North Carolina Power will retroactively true-up the payments made to the Operator to reflect those payments directed by the NCUC in its final Order. Payments thereafter will be made pursuant to the NCUC final Order. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

If Operator elects the Firm Mode of Operation, then for the term of this Agreement Operator shall be paid for firm energy in accordance with VI.B in Schedule 19-FP. Payments for firm energy will begin on the Commercial Operations Date. All energy delivered per hour above the Contracted Capacity up to 105% of the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. No payment shall be made for energy delivered above 105% of the Contracted Capacity. All energy delivered prior to the Commercial Operations Date shall be considered non-firm and paid at the non-firm energy rate. In all cases, such non-firm energy rates will be those in the Schedule 19-FP in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-FP, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-FP, Section VII.—Operator shall not be paid for capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Article 3.

#### **Article 6: Regulatory Pricing Adjustment and Refund**

Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the

date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

#### **Article 7: Operator's Pre-COD Obligations**

After execution of this Agreement and until the Commercial Operations Date, Operator shall prepare a quarterly status report for Dominion North Carolina Power showing the current progress on completing the project. This status report shall be delivered to Dominion North Carolina Power on or before the following dates each year, January 15, April 15, July 15, and October 15. Such status report shall discuss the progress of the project in a format, which is acceptable to Dominion North Carolina Power.

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; (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 the power island consistent with having commenced a continuous process of construction relating to the Facility. Dominion North Carolina Power shall have no obligation to accept a declaration of Commercial Operations prior to June 1, 2013. The anticipated Commercial Operations Date is December 1, 2013.

#### **Article 8: Default and Early Termination**

Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined in Article 7 above, and provide Dominion North Carolina Power with written notice thereof by September 1, 2013, (ii) failure to achieve Commercial Operations Date by December 31, 2013, (iii) failure to provide two (2) consecutive status reports pursuant to ARTICLE 7 above, (iv) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (v) failure to meet those requirements necessary to maintain Qualifying Facility status, (vi) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), (vii) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, (viii) failure to maintain QF certification, or (ix) installation of

additional capacity and/or electrical generation capability to the Facility or installation of another facility by this developer, or affiliate of this developer, within one (1) mile of the Facility. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity.

### **Article 9: 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 Commercial Operations Date 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 North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

### **Article 10: 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:**

510 REPP One, LLC  
1101 30th Street, NW  
Suite 510  
Washington, DC 20007

#### **DOMINION NORTH CAROLINA POWER:**

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



### Article 11: 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

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

510 REPP ONE, LLC

By: 

Dr. Reginald Parker

Title: CEO of 510nano as managing member on behalf of  
510 REPP One LLC

VIRGINIA ELECTRIC AND POWER COMPANY

By: 

James L. Neal

Title: Authorized Representative

EXHIBIT A  
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is <https://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

## EXHIBIT B

### General Terms and Conditions

#### I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion 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 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 \$10,000 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 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 North Carolina Power, defend Dominion 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 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 North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion 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 North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

#### III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. § 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to

Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion 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 QF Certification and any subsequent revisions or amendments,
- (c) Provide a copy of any contract executed with a thermal host.
- (d) 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) 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) Provide 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.
- (h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.
- (i) 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 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. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement.

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, 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 North Carolina Power may refuse to accept deliveries of power hereunder.

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

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

#### VIII - Metering

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

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

#### IX - Billing and Payment

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

In no event shall Dominion North Carolina Power 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 Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion 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 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.

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

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I. APPLICABILITY AND AVAILABILITY

This schedule is applicable to any qualifying Cogenerator or Small Power Producer (Qualifying Facility) which desires to deliver all of its net electrical output to the Company, and which 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).

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

- 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 capacity subject to compensation shall be no greater than 5,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 5,000 kWh. The initial term of contract for such a QF shall be for a period of 5, 10, or 15 years, at the option of the QF.
- B. Where the QF is not defined under Paragraph I.A., the amount of capacity subject to compensation shall be no greater than 3,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 3,000 kWh. The initial term of contract for such a QF shall be for a period of 5 years.

I. APPLICABILITY AND AVAILABILITY (Continued)

Where the QF elects to be compensated for firm or non-firm deliveries in accordance with this schedule, the QF must enter into a contract and begin deliveries to the Company no earlier than January 1, 2013 and no later than December 31, 2014. Where the QF elects an initial contract term of 10 or more 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 applicable to a QF owned by a developer, or affiliate of a developer, who sells power 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, or 3) each facility utilizes a renewable resource which may be subject to geographic siting limitations, such as hydroelectric, solar, or wind power facilities.

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. DEFINITION OF ON- AND OFF-PEAK HOURS

#### A. On-Peak Hours

##### 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 am and 10:00 pm., 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 am and 1:00 pm., plus 4:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

#### B. 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 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. The QF may contract for the delivery of energy to the Company without reimbursement, designated as the Non-reimbursement Mode of Operation; or,

- B. The QF may contract for the delivery of non-firm energy to the Company (no payment for capacity). This option includes QFs that elect to contract to deliver non-firm energy to the Company on an as-available basis. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the Non-firm, Non-time-differentiated Mode of Operation. Regardless of nameplate rating the QF may designate the Non-firm, Time-differentiated Mode of Operation.
- C. The QF may contract for the delivery of firm energy and capacity to the Company. The level of capacity which the QF contracts to sell to the Company shall not exceed 5,000 kW, where the QF is defined under Paragraph I.A., or 3,000 kW otherwise. This capacity level, in kW, shall be referred to as the Contracted Capacity. When the QF elects to sell firm energy and capacity, the QF shall designate the Firm Mode of Operation.

V. PAYMENT FOR COMPANY PURCHASES OF NON-FIRM ENERGY.

The QF may contract to receive payment for energy at rates to be 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 the QFs that contract for non-firm energy.

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

V. PAYMENT FOR COMPANY PURCHASES OF NON-FIRM ENERGY (continued)

- 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 designates the Non-Firm, Non-time-differentiated Mode of Operation, the following rates in cents per kWh are applicable:

3.843

## Virginia Electric and Power Company

C. Time-differentiated Mode of Operation. Where the QF designates the Time-differentiated Mode of Operation, the following On- and Off-peak rates in cents per kWh are applicable:

On-peak	4.541
Off-peak	3.455

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company, except that upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

#### VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY

QFs designating the Firm Mode of Operation will be eligible to receive purchase payments for the delivery of firm energy by the QF to the Company. The QF may contract to receive payments for firm energy based on A. or B., below. Contract terms for 10 or 15 years are available only where the QF is defined under Paragraph I.A.

A. The QF may contract to receive payment for firm time-differentiated energy at rates to be determined with each revision of this schedule. These rates in cents per kWh, which reflect the Company's estimated avoided energy cost for delivery of firm energy during 2013 or 2014, are as follows:

On-peak	4.541
Off-peak	3.455

B. The QF may contract to receive energy purchase payments for the delivery of firm energy based upon long-term fixed prices, as shown below in cents per kWh:

	<u>Energy Prices</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh)	5.055	5.526	5.813
Off-Peak (¢/kWh)	3.964	4.388	4.661

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Electric-North Carolina

For Usage On and After 01-01-13.

Docket No. E-100, Sub 136

## Virginia Electric and Power Company

Any energy delivered above 100% up to 105% of QF's Contracted Capacity in any hour will be purchased at the then applicable non-firm energy rates under Schedule 19-FP. There will be no reimbursement for any energy delivered above 105% of QF's Contracted Capacity.

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company, except upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

## VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

Company purchases of capacity are applicable only where the QF elects the Firm Mode of Operation. Capacity payments are applicable during on-peak hours only. Such QFs shall receive capacity purchase payments based on the applicable levelized capacity purchase price below, in cents per kWh, corresponding to the contract length in years. Contract terms for 10 or 15 years are available only where the QF is defined under Paragraph I.A.

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

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak kWh (¢/kWh) Summer	5.895	6.095	6.263
On-Peak kWh (¢/kWh) Non-summer	3.930	4.063	4.175

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak kWh (¢/kWh) Summer	3.537	3.657	3.758

Filed 11-01-12  
Electric-North Carolina

For Usage On and After 01-01-13.

Docket No. E-100, Sub 136

Virginia Electric and Power Company

On-Peak kWh (¢/kWh) Non-summer	2.358	2.438	2.505
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Payments will be made to the QF by applying the appropriate levelized capacity purchase price above to all kWh delivered to the Company during each on-peak hour, up to the 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 will be in accordance with the length of rate 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 power to the Company by a QF at avoided cost rates pursuant to this Schedule 19-DRR does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.
- C. Upon request by the Company, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.
- D. Interconnection procedures for the QF's generation interconnection are provided through the Internet at the Company's website;  
<http://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>

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

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contract with the exception of the line loss percentage applied which shall be the percentage stated in the then-current Schedule 19.

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER (continued)

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 found in Paragraph VI and VII corresponding to the highest term option 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 such as may be mutually agreed upon but for not less than one year.

## EXHIBIT D

Exhibit D is a map and written description identifying the specific location of the Facility and is provided by the Operator.



**NORTHAMPTON COUNTY  
TAX MAP**



Disclaimer:  
The data provided on this map are prepared for the inventory of real property taxed within  
Northampton County, NC and are compiled from recorded plans, deeds, and other public records  
and data. This data is for informational purposes only and should not be substituted  
for a true title search, property appraisal, survey, or for zoning verification.



One inch = 610 Feet

## Exhibit A

That certain tract or parcel of land lying and being situate in Gaston Township, Northampton County, North Carolina, containing 25 acres, and being bounded now or formerly by natural boundaries and lands owned by or in the possession of persons as follows: On the East by North Carolina State Road 1200; on the North by other lands of Northampton County, on the West by the C.A. Thomas Estate; on the South by Elizabeth S. Robinson; and being more particularly described as follows, to wit:

Being a 25 acre portion of Northampton County Property according to a map entitled "Surveyed for Northampton County Mid-Atlantic Industrial Park, Gaston Township, Northampton County, North Carolina, 22 July 2004," prepared by James T. Edwards, Jr., Registered Surveyor; which said map is recorded in the office of the Register of Deeds in Northampton County in Map Book 37 at Page 42. Said 25 acre portion to begin at a found axel located on the Western right-of-way margin of North Carolina State Road 1200, common corner with Elizabeth S. Robinson, formerly J.A. Suiter Heirs, thence leaving said beginning point and running with Elizabeth S. Robinson line North  $72^{\circ}59'22$  seconds W 1976.91 feet to a found axel, common corner with Elizabeth S. Robinson, C.A. Thomas Estate and Northampton County; running thence with the C.A. Thomas Estate line in a Northerly direction approximately 437.5 feet to a found iron pipe, common corner between C.A. Thomas Estate land and other lands of Northampton County; running thence in an Easterly direction approximately 2475 feet to a new made corner on the Western right-of-way margin of North Carolina State Road 1200; running thence South  $15^{\circ}06'59$  seconds West approximately 437.5 feet to the point and place of beginning. Said exact final meets and bounds description to be based upon a new survey, but said Western, Eastern, and Southern boundaries to remain unchanged. The Northern boundary to be set by the surveyor so as to achieve the exact number of 25 acres.

## EXHIBIT E

Exhibit E is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit E 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 ("PURPA") (codified at 16 U.S.C. § 824a-3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

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Class:	Type:
Application/Petition/Request	Qualifying Facility Application or PURPA Energy Utility Filing

**Login: Guest****Docket Numbers:** [Click here to eSubscribe to a Docket](#)

Docket	SubDocket	Type
QF10-637	000	On Document

**Correspondent:**

Type	Last Name	FI	MI	Affiliation
AUTHOR	Parker	R	x	510nano, Inc.
AGENT	Parker	R	x	510nano, Inc.
RECIPIENT	Bose	K	D	Office of the Secretary FERC

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## EXHIBIT F

Exhibit F is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

510nano, Inc.

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FILED

SEP 17 2012

Clerk's Office  
N.C. Utilities Commission

September 28, 2011

Ms. Renné Vance  
Chief Clerk  
NC Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

Re: Docket No. SP-804, Sub 0  
510 REPP One, LLC  
Location Address Change

SP-804, Sub 1

Dear Ms. Vance:

The location address for the project, 510 REPP One, has been changed. The information is shown below.

Should you have questions, please call me at 919-943-3438.

Sincerely,



Reginald Parker  
CEO

Old Address  
617 Lebanon Church Road  
Gaston, NC 27832

New Address  
964 Lebanon Church Road  
Garysburg, NC 27832

unchanged  
JK

Clerk's  
AL  
Watson  
Dottley  
Conrad  
Jones  
Hodge  
1/3 Elec  
2/3 Elec

Feb 28 2014



510nano, Inc.

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FILED

SEP. 10 2010

Clerk's Office  
N.C. Utilities Commission

September 7, 2010

Mr. Jay Lucas  
Chief Clerk  
NC Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

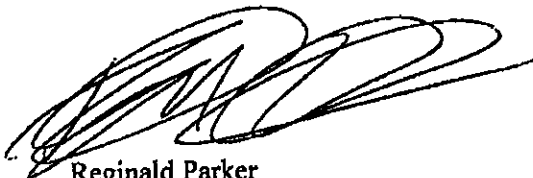
SP-804, sub 0

Dear Mr. Lucas:

510nano is submitting applications for certificates of public convenience and necessity for three 1.4 MW solar photovoltaic farms, REPP One, REPP Two, and REPP Three. They are all located at the Northampton County Commerce Park in Gaston, NC on one parcel of land. Each of the three systems will operate independently of each other and are owned by separate entities.

Should you require further information for the applications, please call me at 919-943-3438. We look forward to your response.

Sincerely,



Reginald Parker  
CEO

Clerk-13  
AG  
Bennink  
Kirby  
Watson  
Ericson  
Jones  
203634/  
203612  
113623

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North Carolina Utility Commission

Application for Certificate of Public Convenience and Necessity by Qualifying Cogenerator or Small Power Producer  
510 REPP One Application

**FILED**

SP-804, sub D SEP 10 2010

Rule R8-64, Section b (1)

Clerk's Office  
N.C. Utilities Commission

1. The application shall be accompanied by maps, plans, and specifications setting forth such details and dimensions as the Commission requires. It shall contain, among other things, the following information, either embodied in the application or attached thereto as exhibits:

- I. The full and correct name, business address and business telephone number of the applicant:  
510 REPP One, LLC  
617 Lebanon Church Road  
Gaston, NC 27832  
919-943-3438
- II. A statement of whether the applicant is an individual, a partnership or a corporation and, if a partnership, the name and business address of each general partner and, if a corporation, the state and date of incorporation and the name and business address of an individual duly authorized to act as corporate agent for the purpose of the application and, if a foreign corporation, whether domesticated in North Carolina.  
The applicant is a limited liability corporation, incorporated on May 10, 2010 in the state of North Carolina. Reginald Parker is duly authorized to act as managing member, and can be reached at:  
1101 30<sup>th</sup> Street, NW  
Suite 510  
Washington, DC 20007  
919-943-3438
- III. The nature of the generating facility, including the type and source of its power or fuel:  
510 REPP One is a photovoltaic solar array.
- IV. The location of the generating facility set forth in terms of local highways, streets, rivers, streams, or other generally known local landmarks together with a map, such as a county road map, with the location indicated on the map.  
510 REPP One is located in the Northampton County Commerce Park at 617 Lebanon Church Road, Gaston, NC, 27832, along State Road 1200 (Lebanon Church Road), just west of I-95, between Highway 48 on the North, and Highway 46 on the South. See attached exhibit.
- V. The ownership of the site and, if the owner is other than the applicant, the applicant's interest in the site.  
510 REPP One is the owner of the facility.
- VI. A description of the buildings, structures, and equipment comprising the generating facility and the manner of its operation;  
The proposed facility is a fixed ground array of crystalline photovoltaic panels with a total nameplate rating of 1.4 megawatts.

The total number of panels will be approximately 6,000 and the array will take up an area of approximately seven acres.

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Feb 28 2014

The panels will be connected to three Inverters rated at 500 kilowatts each. The output will vary with solar irradiation and ambient temperature, but will never exceed 97% of the nameplate rating of the panels.

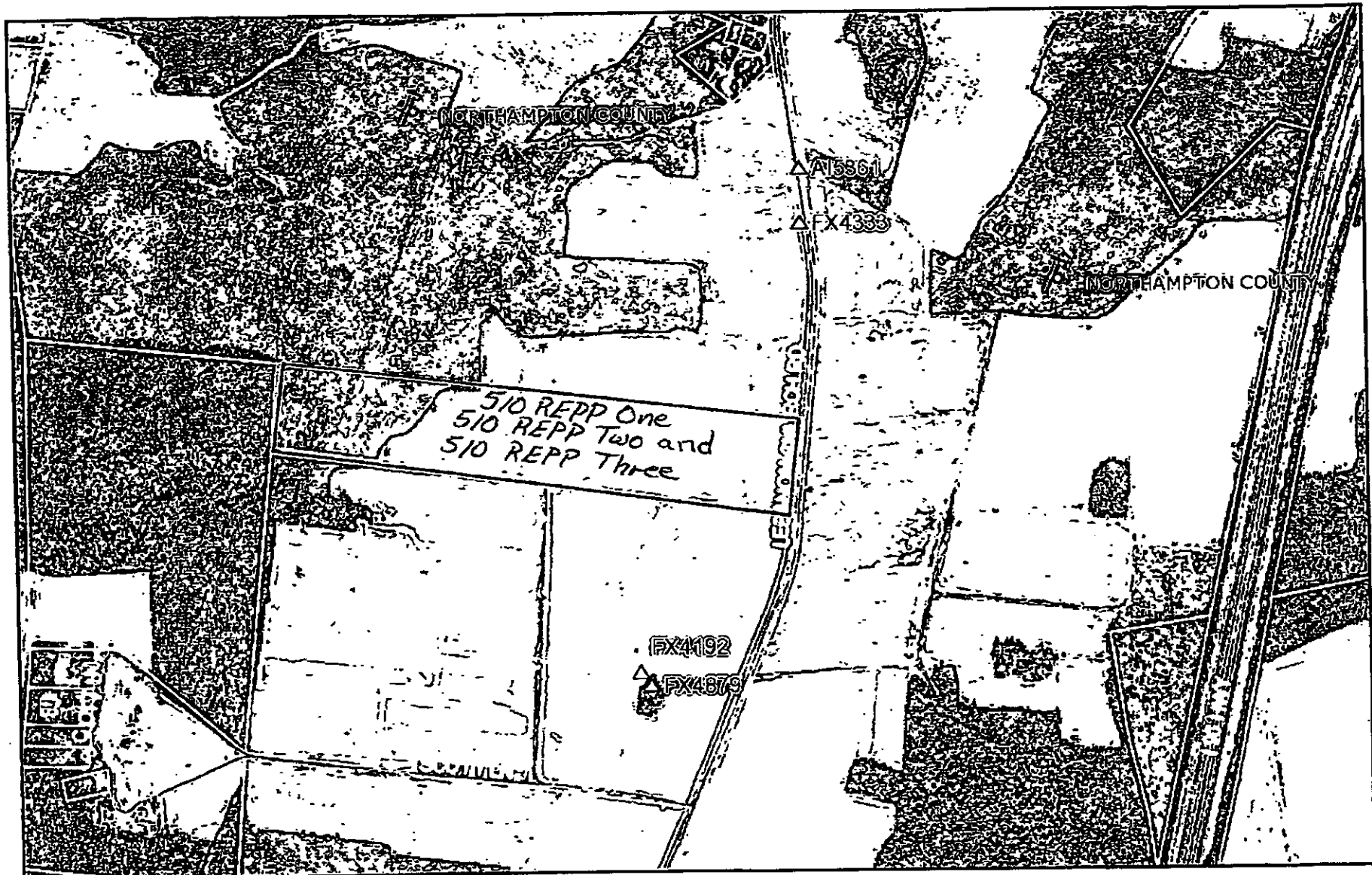
The output voltage will match by means of step-up transformers the medium voltage of the local utility. At this time this is planned to be 13.2 kilovolts.

This will be a grid-interactive solar photovoltaic array. It will act as a current source whose frequency and voltage follow that of the adjacent grid. In the event of a grid power outage it will not produce any electrical output.

Electrical production will be monitored using revenue grade performance monitoring and reporting via an Internet connection.

All of the equipment will meet UL 1741 and any other mandatory safety standards. The equipment will be selected from the approved equipment list maintained by the California Energy Commission.

- vii. The projected maximum dependable capacity of the facility in megawatts  
The output will vary with time of day, time of year, and weather conditions. The facility does not have a single continuous dependable capacity. For instance, it will have no output at night or in heavy rain. The system harvests available solar energy.
- viii. The projected cost of the facility:  
\$6,900,000.00
- ix. The projected date on which the facility will come on line:  
December 31<sup>st</sup>, 2010
- x. The applicant's general plan for sale of the electricity to be generated, including the utility to which the applicant plans to sell the electricity; any provisions for wheeling of the electricity; arrangements for firm, non-firm or emergency generation; the service life of the project; and the projected annual sales in kilowatt-hours;  
510 REPP One plans to sell all the generated electricity to the local utility, Dominion NC Power, in a firm mode of generation. There are no provisions for wheeling of the electricity. The service life of the project is 20 years, and the projected annual sales are 2,000,000 kWh.
- xi. Complete list of all federal and state licenses, permits and exemptions required for construction and operation of the generating facility and a statement of whether each has been obtained or applied for. A copy of those that have not been obtained at the time of the application should be filed with the Commission as soon as they are obtained.
  - Construction and Electrical permits from Northampton County – Not applied for
  - Conditional Use Permit from Northampton County – Not applied for
  - Qualifying Facility certification from the Federal Energy Regulatory Commission – Application Submitted
  - Interconnection Request to Dominion NC Power – Not applied for



**NORTHAMPTON COUNTY  
TAX MAP**



Disclaimer:  
The data provided on this map was prepared for the inventory of real property located within  
Northampton County, NC and are compiled from recorded plats, deeds, and other public records  
and data. This data is for informational purposes only and should not be substituted  
for a true title search, property appraisal, survey, or for zoning verification.



One Inch = 610 Feet

## Exhibit A


That certain tract or parcel of land lying and being situate in Gaston Township, Northampton County, North Carolina, containing 25 acres, and being bounded now or formerly by natural boundaries and lands owned by or in the possession of persons as follows: On the East by North Carolina State Road 1200; on the North by other lands of Northampton County, on the West by the C.A. Thomas Estate; on the South by Elizabeth S. Robinson; and being more particularly described as follows, to wit:

Being a 25 acre portion of Northampton County Property according to a map entitled "Surveyed for Northampton County Mid-Atlantic Industrial Park, Gaston Township, Northampton County, North Carolina, 22 July 2004," prepared by James T. Edwards, Jr., Registered Surveyor; which said map is recorded in the office of the Register of Deeds in Northampton County in Map Book 37 at Page 42. Said 25 acre portion to begin at a found axel located on the Western right-of-way margin of North Carolina State Road 1200, common corner with Elizabeth S. Robinson, formerly J.A. Suiter Heirs, thence leaving said beginning point and running with Elizabeth S. Robinson line North  $72^{\circ}59'22$  seconds W 1976.91 feet to a found axel, common corner with Elizabeth S. Robinson, C.A. Thomas Estate and Northampton County; running thence with the C.A. Thomas Estate line in a Northerly direction approximately 437.5 feet to a found iron pipe, common corner between C.A. Thomas Estate land and other lands of Northampton County; running thence in an Easterly direction approximately 2475 feet to a new made corner on the Western right-of-way margin of North Carolina State Road 1200; running thence South  $15^{\circ}06'59$  seconds West approximately 437.5 feet to the point and place of beginning. Said exact final meets and bounds description to be based upon a new survey, but said Western, Eastern, and Southern boundaries to remain unchanged. The Northern boundary to be set by the surveyor so as to achieve the exact number of 25 acres.

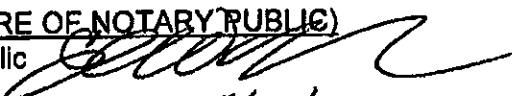
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Registration Statement for a Renewable Energy ) VERIFICATION  
Facility AND/OR Report of Proposed Construction )  
)

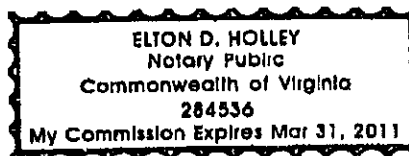
I, Reginald Parker, CEO of 510nano, on behalf of 510nano, the managing member of 510 REPP ONE, verify that the contents of the Registration Statement for a Renewable Energy Facility AND/OR Report of Proposed Construction by 510 REPP One filed in this docket are true to the best of my knowledge. I am duly authorized to act on behalf of 510 REPP One.

  
(SIGNATURE OF APPLICANT OR AUTHORIZED REPRESENTATIVE)  
(PRINTED OR TYPED NAME) Reginald Parker

Sworn to and subscribed before me,  
this is the 9<sup>th</sup> day of MONTH, YEAR. Sept 2010

(SIGNATURE OF NOTARY PUBLIC)  
Notary Public 

My Commission expires: 3/24/11



**GDF SUEZ**

August 8, 2013

Robert J. Trexler  
Director of Power Contracts  
Dominion Virginia Power  
5000 Dominion Boulevard  
Glen Allen, Virginia 23060

Re: Fourth Interim Energy Pricing Agreement ("FRIEPA"); Power Purchase and Operating Agreement dated as of June 15, 1987, as amended by Amendment No. 1, dated as of July 29, 1988, Amendment No. 2, dated as of March 6, 1989, Amendment No. 3 as of March 17, 2008, and Amendment No. 4 as of April 17, 2013 (collectively, the "PPOA")

Dear Bob:

This Letter Agreement is between Hopewell Cogeneration Limited Partnership ("Operator") and Virginia Electric and Power Company, ("Virginia Power") who are also parties to the PPOA referenced above. On August 19, 2009, the Parties entered into the Second Interim Energy Pricing Agreement ("SIEPA") under which the Parties adopted a replacement pricing mechanism regarding the provision of the PPOA for determining the price to be paid for Net Electrical Output during the term of the SIEPA. Subsequently, on June 7, 2012, the Parties entered into a temporary Third Interim Energy Pricing Agreement ("TIEPA") under which the Parties adopted a temporary replacement pricing mechanism for the Energy Purchase Price to be paid under the PPOA for power delivered during a ninety (90) day period commencing on June 10, 2012 (the "Interim Term"). After the Interim Term, the TIEPA terminated by its terms and calculation of the Energy Purchase Price returned to the mechanism set forth in SIEPA. This instant Letter Agreement evidences the agreement of the Parties to terminate the SIEPA and to adopt a fourth interim replacement pricing mechanism under the PPOA subject to the following terms and conditions:

**A. DEFINED TERMS.**

All capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the PPOA and/or in the PJM Agreements. In addition, the following terms, when used herein, shall have the following meaning:

1. "Daily Gas Index" ("DGI") – shall mean the price per MMBtu posted under the "Midpoint" column for "Transco Zone 3" in the table "Daily Price Survey" under the subheading "Louisiana-Onshore South,"



published in Platt's Gas Daily by the McGraw Hill Company (or its successor publisher) for the Flow date(s) specified therein.

2. "Daily Oil Index" ("DOI") –shall mean the average of the high and low prices per gallon for No. 2 Oil posted under the "New York Barge" column in the table "US Atlantic Coast", under the subheading "New York" published in Platt's US Marketscan by the McGraw Hill Company (or its successor publisher) for the Price Effective date specified therein.
3. "Day-Ahead Price" – shall mean the PJM "Day-Ahead Locational Marginal Price" ("LMP") as defined in the PJM Agreements and reported by PJM that pertains to the Operator Node for each hour of a Substitute Energy Schedule Day, as expressed in \$/MWh and rounded to four (4) decimal places. If the Day-Ahead Price at the Operator Node is not reported by PJM and PJM has not designated or identified a pricing point to serve as the comparable alternative to the Operator Node, the Parties shall determine a mutually agreeable alternative PJM pricing point as set forth in Section E.5 of this FRIEPA.
4. "Deemed Substitute Schedule" – shall have the meaning set forth in Section D.4 of this FRIEPA.
5. "Delivery Day" – shall mean each Day that Net Electrical Output is delivered by Operator to Virginia Power in accordance with the PPOA during the FRIEPA Term.
6. "EPT" – shall mean Eastern Prevailing Time.
7. "Fourth Interim Energy Pricing Agreement" or "FRIEPA" shall mean this Letter Agreement.
8. "FRIEPA Effective Date" – shall have the meaning set forth in Section J.1 of this FRIEPA.
9. "FRIEPA Price" – shall mean the price per megawatt-hour that Virginia Power pays Operator for Net Electrical Output under the terms and conditions set forth in this FRIEPA, as adjusted pursuant to Section 10.1(e) of the PPOA.
10. "FRIEPA Term" – shall have the meaning set forth in Section J.1 of this FRIEPA.
11. "Gas Index Energy Price" or "GIEP" – shall mean the price calculated in accordance with Section B.1(a) of this FRIEPA.
12. "Index Disruption Event" – shall have the meaning set forth in Section B.2 of this FRIEPA.
13. "Oil-Based Schedule Day" – shall have the meaning set forth in Sections D.4 and E.4 of this FRIEPA.
14. "Oil-Based Schedule Dispatch Notice" – shall have the meaning set forth in Sections D.3 and E.3 of this FRIEPA.



15. "Oil-Based Schedule Directive" – shall have the meaning set forth in Sections D.1 and E.1 of this FRIEPA.
16. "Oil Day" – shall have the meaning set forth in Section D.1 of this FRIEPA.
17. "Oil Forced Outage Day" – shall have the meaning set forth in Section D.1 of this FRIEPA.
18. "Oil Index Energy Price" or "OIEP" – shall have the meaning set forth in Section B.1 (b) of this FRIEPA.
19. "Oil Index Energy Price Offer" – shall have the meaning set forth in Sections D.3 and E.3 of this FRIEPA.
20. "Oil Substitute Day" – shall have the meaning set forth in Section D.4 of this FRIEPA.
21. "Regulation MWhs" – shall have the meaning set forth in Sections D.4(b) and E.4(b) of this FRIEPA.
22. "Substitute Energy Schedule Credit" – shall have the meaning set forth in Section E.4 of this FRIEPA.
23. "Substitute Energy Schedule Hour" – shall have the meaning set forth in Section E.4 of this FRIEPA.
24. "Turbine Day" – shall have the meaning set forth in Section D.1 of this FRIEPA.

## B. ENERGY PURCHASE PRICE

1. FRIEPA Energy Purchase Price Formula: The Energy Purchase Price for energy received from the Facility each Delivery Day during the FRIEPA Term shall equal the lesser of the (i) Gas Index Energy Price or the (ii) Oil Index Energy Price, each calculated for such Delivery Day in accordance with its respective formula as set forth below.

- (a) The Gas Index Energy Price for the Delivery Day shall be expressed in \$/MWh and shall be calculated in accordance with the following formula:

$$\text{GIEP} = [(\text{DGI} \times 1.049) + 0.64] \text{ \$/MMBtu} \times 8.47 \text{ MMBtu/MWh}$$

Where:

DGI is the Daily Gas Index published for the Flow date(s) that is or are coincident with that Delivery Day, notwithstanding that the Delivery Day (i) commences at midnight before the 1000 hour on the calendar day that marks the commencement of the applicable Flow date and (ii) ends at the next midnight before the 1000 hour on the next calendar day that marks the end of the applicable Flow date.

1.049 reflects the agreed factor for pipeline transportation fuel and losses;

\$0.64 reflects deemed transportation costs to the Facility's burner tips; and

8.47 is the factor agreed upon for converting MMBtu to MWh.

- (b) The Oil Index Energy Price for the Delivery Day shall be expressed in \$/MWh and shall be calculated in accordance with the following formula:

$$\text{OIEP} = [(\text{DOI} + 0.056) \$/\text{gallon} \times 7.143 \text{ gallons/MMBtu}] \times 8.47 \text{ MMBtu/MWh}$$

Where:

DOI is the Daily Oil Index for the Marketscan's Price Effective date that is coincident with the Delivery Day. Where the Delivery Day for which the Index is to apply occurs (i) on a Saturday or a non-Monday holiday, then the DOI shall be for the Price Effective date that immediately precedes such Saturday or non-Monday holiday; or (ii) on a Sunday or a Monday holiday, then the DOI shall be for the Price Effective date that immediately succeeds such Sunday or Monday holiday.

\$0.056 reflects deemed transportation costs to the Facility;

7.143 gallons/MMBtu is the factor agreed upon for converting gallons to MMBtu; and

8.47 is the factor agreed upon for converting MMBtu to MWh.

2. Index Disruption Event: An "Index Disruption Event" shall occur, with respect to either the Daily Gas Index or Daily Oil Index, when: (i) the publication source ceases to be published, either temporarily or permanently; (ii) the publication source ceases to publish the Daily Gas Index or Daily Oil Index, as applicable, either temporarily or permanently; or (iii) the failure of trading to commence or the permanent discontinuation or material suspension of trading in either the natural gas or oil commodity as applicable in the relevant market; or (iv) both Parties agree that a material change in the formula for, or the method of, determining the Daily Gas Index or Daily Oil Index, as applicable, has occurred.

If an Index Disruption Event occurs, as set forth above, during the FRIEPA Term, the Daily Gas Index or Daily Oil Index, as applicable (singularly referenced for purposes of this Section as the "Applicable Index") for the affected Delivery Day shall be determined by referencing the Applicable Index published coincident with the first Delivery Day to occur on which the Index Disruption Event no longer exists; provided, however, if the Index Disruption Event shall extend and continue for a period longer than four (4) Business Days, the Parties shall negotiate in good faith to agree on a comparable publicly available, published index, and if the Parties have not so agreed on or before the sixth (6th) Business Day following the first day on which the Index Disruption Event occurred, the Parties shall determine in good faith a price to serve as a replacement for the Applicable Index by taking the arithmetic average of three (3) quotations (converted to the same per unit basis as the Applicable Index was stated) obtained from three (3) credit worthy leading dealers in the applicable commodity mutually agreeable to the Parties.

### C. TEMPORARY ENERGY PURCHASE PRICE

The Parties agree that, upon execution of this FRIEPA, certain pricing provisions of the SIEPA, which otherwise remains in effect until the FRIEPA Effective Date, shall be temporarily suspended and a temporary replacement pricing mechanism for the Energy Purchase Price shall apply for the period commencing on June 24, 2013 and ending on July 31, 2013 ("Temporary Term"), all in accordance with the following terms and conditions. Capitalized terms used in this Section C of the FRIEPA but not defined in this Section shall have the meaning assigned such terms in the PPOA or Section A of the FRIEPA, as applicable.

1. Notwithstanding the definition of "Gas Index Energy Price" or "GIEP" in Section B(1) of the FRIEPA, during each Delivery Day of the Temporary Term the Gas Index Energy Price for that Delivery Day expressed in \$/MWh shall be calculated in accordance with the following formula:

$$\text{GIEP} = [(\text{DGI} \times 1.0825) + \$0.55] \$/\text{MMBtu} \times 8.47 \text{ MMBtu/MWh}$$

Where:

DGI is the Daily Gas Index for the Delivery Day determined during the Temporary Term in the same way it is to be determined during the FRIEPA Term.

1.0825 reflects the agreed factor during the Temporary Term for pipeline transportation fuel and losses;

\$0.55 reflects deemed transportation costs during the Temporary Term to the delivery point; and

8.47 is the factor agreed upon for converting MMBtu to MWh.

2. The Energy Purchase Price for energy received each Delivery Day during the Temporary Term shall be equal to the Gas Index Energy Price, calculated as set forth above in Section C.1 of this FRIEPA. Following expiration of the Temporary Term (i.e., commencing August 1, 2013), the Energy Purchase Price for each Delivery Day shall be calculated pursuant to Section B(1)(a) of this FRIEPA.

3. Section B(1)(b) of the FRIEPA, setting forth the Oil Index Energy Price, Section D and Section E of the FRIEPA, describing the Oil-Based Schedule Option, and any other provisions of the FRIEPA relating to the Oil Index Energy Price shall not apply to calculation of the Energy Purchase Price for any energy received from the Facility during the Temporary Term.

4. Without any additional payment during the Temporary Term, Virginia Power shall have the right to dispatch the Facility in a way that would result in any one of the three gas turbines ("GT") to be started (each a "GT Start") for up to a maximum of forty-five (45) GT Starts during the Temporary Term; provided, however, the first three GT Starts occurring after commencement of the Temporary Term shall not apply to such maximum. For each GT Start in excess of such GT Start maximum, Virginia Power shall pay

Operator a Start Fee equal to \$4,240 (the "GT Start Fee"). Any GT Start Fee incurred by Virginia Power during the Temporary Term shall be reflected as an Energy Charge in the first bill issued after the GT Start.

#### D. OIL OPTION #1

1. Operator's Option: In each Agreement Year of the FRIEPA Term, Operator shall be entitled to modified procedures for energy delivered under the PPOA for up to seven (7) days for which it has received pipeline notification of a partial or full curtailment or interruption of gas transportation for the next Flow day (each an "Oil Day"). For an Oil Day, the Operator shall have the right (but not the obligation) to instruct Virginia Power to offer all or a portion of the Facility's Net Electrical Output into the PJM Day-Ahead Energy Market at a price equal to the Oil Index Energy Price (an "Oil-Based Schedule Directive"). Each Oil Day allows for modified pricing for energy from the Facility's three gas turbines and such Oil Days may be used in one-third increments (each a "Turbine Day"), as dictated by the number of gas turbines at the Facility that are unable to obtain gas supply on any given Day. Further, the seven Oil Days comprise two sub-categories with days allotted as follows:

- (a) Four (4) Oil Days (which comprises twelve (12) Turbine Days) may be "Oil Forced Outage Days", and
- (b) Three (3) Oil Days (which comprises nine (9) Turbine Days) may be "Oil Substitute Days".

Each Oil-Based Schedule Directive submitted by Operator to Virginia Power must indicate (1) the Facility level to be offered at each of the GIEP and OIEP prices (e.g., Levels 1&2 at GIEP / Level 3 at OIEP), and (2) whether the Oil Day pertaining to that Directive (or 1/3 fraction thereof) will reduce the remaining allotment of Oil Forced Outage Days or Oil Substitute Days in the Agreement Year. If the Oil-Based Schedule Directive does not indicate whether the Oil Day will be a Oil Forced Outage Day or Oil Substitute Day, it shall be deemed to be an Oil Forced Outage Day unless the full allotment of such Days for the Agreement Year have been utilized, in which case it shall be deemed an Oil Substitute Day.

2. Virginia Power's Conditional Compliance: Virginia Power shall comply with Operator's Oil-Based Schedule Directive so long as Operator submits the Oil-Based Schedule Directive to Virginia Power either in writing (including email) or orally via telephone prior to 0930 hours EPT, provided that any oral notification is promptly followed with a facsimile or email confirmation. In the event that Virginia Power receives Operator's Oil-Based Schedule Directive after 0930 hours EPT, Virginia Power may elect at its sole discretion, to bid into the PJM Day-Ahead Market in accordance with the Oil-Based Schedule Directive and shall provide Operator written notification of such election no later than 1500 hours EPT of that same Day. If Operator does not receive written notification from Virginia Power by 1500 hours EPT, the Oil-Based Schedule Directive shall be deemed revoked by Virginia Power for all purposes hereunder.

3. PJM Offer and Dispatch: Pursuant to the applicable compliance requirement under Section D.2 above, Virginia Power shall offer the Facility into the PJM Day-Ahead Energy Market using the Operator's Oil-Based Schedule Directive, which offer shall in all respects be consistent with the terms of the PPOA and the Operating Procedures (an "Oil Index Energy Price Offer"). Once an Oil Index Energy Price Offer has been submitted to and accepted by PJM, an Oil Day (or portion thereof as appropriate) shall be deemed to have occurred, regardless of whether the Facility receives a Day Ahead award at the OIEP or not. As soon as practicable after PJM posts results of the Day Ahead market (but in no event later than one hour after such results are posted), Virginia Power shall provide a dispatch notification to Operator for the Oil Day. Such dispatch notification may differ from the PJM Day Ahead award schedule at Virginia Power's discretion, but in all cases compensation for Net Electric Output on the Oil Day shall be based on instructions in the Oil-Based Schedule Directive. Virginia Power shall Dispatch the Facility consistent with the terms of the PPOA and the Operating Procedures and shall purchase all of the Net Electrical Output associated with such Oil-Based Schedule Directive. Notwithstanding the otherwise applicable Energy Purchase Price for that Oil Day (or portion thereof as appropriate) determined in accordance with Section B.1 of this FRIEPA, Virginia Power shall pay the OIEP for the portion of the Net Electric Output that was offered at the OIEP, and shall pay the Energy Purchase Price determined in accordance with Section B.1 of this FRIEPA for the remainder of the Net Electrical Output.

4. Dispatch Schedule Not Awarded for Oil Index Energy Price Offer: For an Oil Forced Outage Day when, because of the offer at OIEP, PJM does not schedule the Facility, or any portion thereof, to operate in the Day Ahead dispatch, the Parties will record a PPOA Forced Outage Day (or appropriate fraction thereof) and nothing further is required. For an Oil Substitute Day when, because of the offer at OIEP, PJM does not schedule the Facility or any portion thereof to operate in the Day Ahead dispatch, in addition to the actual Net Electric Output from the Facility that Day, Operator shall also provide substitute power from the PJM market for the Net Electric Output that was not dispatched due to the offer at OIEP, which shall be determined as described in this Section 4 below. Virginia Power shall pay Operator for all the energy it received that Day at the GEIP, subject to a credit to Virginia Power for lost PJM regulation market revenue (the "Regulation Market Credit"), which also shall be determined in accordance with this Section 4 below. Substitute power from the PJM market shall be provided by Operator to Virginia Power through a bilateral Day Ahead MWh schedule at the Operator Node entered and confirmed in PJM's "inSchedule" system (a "Deemed Substitute Schedule"), with Operator the "seller" and Virginia Power the "buyer", by 1130 hours EPT of the day following each Oil Substitute Day (or, in the case of weekends and PJM holidays, the next business following each Oil Substitute Day). The Deemed Substitute Schedule will be determined as follows:

- (a) Determine the full Facility Day Ahead award that would have maximized the profit margin to Virginia Power associated with the Facility for the Day had the Facility been offered on gas for the entire output (the "Assumed PJM Gas Award"). The Assumed PJM Gas Award will take



into account the difference between hourly Day Ahead Operator Node LMPs and the GIEP, and be consistent with the Design Limits as displayed in PPOA Amendment 3 Attachments 4 and 5 (including, but not limited to, minimum up hours, start-up hours, and maximum sustained ramp rates), and utilize MWh values displayed in the "3 Units: 100%" column of PPOA Amendment 3 Attachment 6: Plant "Temperature Vs. Megawatts" Chart. The Assumed PJM Gas Award will maximize the net energy revenue ( $LMP - \text{Gas Index Energy Price} \times \text{MWhs}$ ) to Virginia Power on a *daily* rather than an hourly basis. Specifically, the Assumed PJM Gas Award may include one or more hours where the GIEP exceeds the LMP, so long as their inclusion maximizes the daily net energy revenue to Virginia Power.

- (b) For each hour in the Oil Substitute Day, subtract the actual PJM Day Ahead award from the Assumed PJM Gas Award to arrive at the Deemed Substitute Schedule.

The Regulation Market Credit shall equal the product of the PJM Regulation Market Clearing Price (RMCP), expressed in \$/MWh multiplied by the MWhs of regulation that would have otherwise been available ("Regulation MWhs") based upon the Deemed Substitute Schedule for the Oil Substitute Day. Regulation MWhs shall be calculated by (i) determining the number of gas turbines that would have otherwise been operating as implied by the Deemed Substitute Schedule; and (ii) calculating the positive difference between the applicable temperature-dependent output MWhs between the 100% and 80% columns for 3 Unit mode, the 100% and 80% columns for 2 Unit mode, and the 100% and 95% columns for the 1 Unit mode, all as displayed in Attachment 6 to Amendment No. 3 to the PPOA, "Plant Temperature VS Megawatts Chart", and (iii) multiplying the MWh difference determined under clause (ii) by 0.5.

Exhibit A attached hereto provides examples of Deemed Substitute Schedules and Regulation Market Credits under three different scenarios for illustration purposes only.

5. Final Determination of Deemed Substitute Schedule: Virginia Power shall forward to Operator for review a spreadsheet showing all steps in determining the Deemed Substitute Schedule by 1600 hours EPT of each Oil Substitute Day. That Deemed Substitute Schedule shall become final at 0900 hours EPT of the next day unless Operator has expressed to Virginia Power its disagreement with the Deemed Substitute Schedule. If an Oil Substitute Day occurs on a weekend or PJM Holiday, Virginia Power shall forward the spreadsheet to Operator for review by 1000 hours EPT of the next business day, and the Deemed Substitute Schedule in that spreadsheet shall become final at 1200 hours EPT of that same Day unless Operator has expressed to Virginia Power its disagreement with the Deemed Substitute Schedule. If Operator has timely raised with Virginia Power its disagreement with a Deemed Substitute Schedule, the Parties will make good faith efforts to come to agreement on that Schedule in time to allow the bilateral Day Ahead MWH schedule to be entered and confirmed in PJM's "inSchedule" system.

## E. OIL OPTION #2

1. Operator's Option: On any Day during the FRIEPA Term, Operator shall have the right (but not the obligation) to submit instructions to Virginia Power to offer the Facility's Net Electrical Output into the Day-Ahead Energy Market at a price equal to the Oil Index Energy Price (an "Oil-Based Schedule Directive") subject, however, to both of the following two conditions occurring on such Day:

(a) Operator has been notified by a relevant natural gas supplier that gas transportation to the Facility will be curtailed or interrupted on the next Flow day; and

(b) the difference between the Daily Oil Index and Daily Gas Index that were effective the Day before receiving such curtailment notice is greater than \$4.00/MMBtu.

2. Virginia Power's Conditional Compliance: Virginia Power shall comply with Operator's Oil-Based Schedule Directive so long as Operator submits the Oil-Based Schedule Directive to Virginia Power either in writing or orally via telephone prior to 0930 hours EPT, and which, in the instance of oral notification, is promptly followed with a facsimile confirmation. In the event that Virginia Power receives Operator's Oil-Based Schedule Directive after 0930 hours EPT, Virginia Power may elect at its sole discretion, to bid the Facility into the PJM Day-Ahead Market in accordance with the Oil-Based Schedule Directive and shall provide Operator written notification of such agreement no later than 1500 hours EPT of that same Day. If Operator does not receive written notification from Virginia Power by 1500 hours EPT, the Oil-Based Schedule Directive shall be deemed revoked by Virginia Power for all purposes hereunder.

3. PJM Bid and Dispatch: Pursuant to the applicable compliance requirement under Section D.2 above, Virginia Power shall bid an Oil Index Energy Price Offer into the PJM Day-Ahead Energy Market using Operator's Oil-Based Schedule Directive which bid shall in all other respects be consistent with the terms of the PPOA and the Operating Procedures (an "Oil Index Energy Price Offer"). As soon as practicable after receiving the Day Ahead award schedule from PJM (but in no event later than one hour after receiving such award), Virginia Power shall provide notification to Operator of whether or not the Facility was awarded a dispatch schedule based upon such Oil Index Energy Price Offer. Such notification shall be by telephone, followed promptly by a facsimile confirmation, and shall include, when awarded, the hourly schedule of Net Electrical Output to be delivered from the Facility consistent with the Dispatch provisions of the PPOA (the "Oil-Based Schedule Dispatch Notice"). Virginia Power shall Dispatch the Facility in accordance with PJM's dispatch schedule and consistent with the terms of the PPOA and the Operating Procedures and shall purchase all of the Net Electrical Output associated with such Oil-Based Schedule Dispatch Notice.

4. Dispatch Schedule Not Awarded: The Day following the Day on which Operator submits an Oil-Based Schedule Directive shall be an "Oil-Based Schedule Day." Each

hour of an Oil-Based Schedule Day during which (i) the Facility has not been Dispatched and (ii) the Gas Index Energy Price is lower than the Day-Ahead Price shall be deemed a "Substitute Energy Schedule Hour" for which Virginia Power may be entitled to a financial credit ("Substitute Energy Schedule Credit"). The Substitute Energy Schedule Credit shall be based on the projected MWs that Operator would have delivered during each such Substitute Energy Schedule Hour had the Facility been Dispatched by PJM assuming that Virginia Power would have otherwise offered the Facility's Net Electrical Output into the Day-Ahead Market at a price equal to the Gas Index Energy Price ("Deemed Substitute MWs"). Deemed Substitute MWs shall be determined using criteria consistent with the Design Limits as detailed in the Operating Procedures and as displayed in Attachment 6 to Amendment 3 to the PPOA, "Plant Temperature VS Megawatts Chart", and with the goal of maximizing the net energy revenue (LMP – Gas Index Energy Price X MWs) to Virginia Power on a *daily* rather than an hourly basis. Specifically, Deemed Substitute MWs may include one or more hours where the Gas Index Energy Price exceeds the Day Ahead Price, so long as their inclusion maximizes the daily net energy revenue to DVP. The Substitute Energy Schedule Credit shall be equal to the sum of the following:

- (a) an amount equal to the product of (i) the total quantity of Deemed Substitute MWs and (ii) the positive difference between the Day-Ahead Price and the Gas Index Energy Price; and
- (b) lost PJM market-based regulation revenue attributed to unavailability of Automatic Generation Control, which revenue shall equal the product of the PJM Regulation Market Clearing Price (RMCP), expressed in \$/MWh multiplied by the MWs of regulation that would have otherwise been available ("Regulation MWs") based upon the Deemed Substitute MWs for the Oil-Based Schedule Day. Regulation MWs are calculated by (i) determining the number of gas turbines that would have been operating as implied by the Deemed Substitute MWs; and (ii) taking the positive difference between the temperature-dependent output MWs (using the 100% and 80% columns for 3 Unit mode, the 100% and 80% columns for 2 Unit mode, and the 100% and 95% columns for the 1 Unit mode), as displayed in Attachment 6 to Amendment No. 3 to the PPOA, "Plant Temperature VS Megawatts Chart," and (iii) multiplying that difference by 0.5. However, if the Deemed Substitute MWs indicate only 1 gas turbine running for the hour, the Regulation MWs will be zero; and
- (c) an amount equal to (80%) of the positive difference (if any) between (i) the product of the Deemed Substitute MWs and the positive difference between the Oil Index Energy Price and the Gas Index Energy Price, and (ii) the total of amounts calculated in (a) and (b) above. If there is no positive difference between amounts calculated in (i) and (ii), the amount calculated in this section (c) will be zero.



Sample Substitute Energy Schedule Credit calculations are included in Exhibit A attached hereto for purposes of illustration only.

5. Alternative Determination for Day-Ahead Prices: If PJM does not report a Day-Ahead Price for any Substitute Energy Schedule Hour(s), the Parties shall use a price equal to the simple average of the Day-Ahead Prices for (i) the hour directly preceding, and (ii) the hour directly following such non-reported hour(s). If the period of non-reported Day-Ahead Prices exceeds eight (8) consecutive hours, the Parties shall determine a mutually agreeable alternative PJM pricing point that provides the most comparable Day-Ahead Price, taking into consideration certain value factors such as, but not limited to, transmission constraints, similar facility, etc.

6. Documentation and Application of Substitute Energy Schedule Credit: Virginia Power shall offset any Substitute Energy Schedule Credit against the amounts due Operator under the PPOA owed within the same billing period, pursuant to Section 10.5 of the PPOA. In addition, Virginia Power shall forward to Operator with its monthly billing, a complete and accurate statement reflecting all components and calculations relating to and supporting the Substitute Energy Schedule Credit.

#### **F. ESTIMATED DISPATCH NOTICE**

During the FRIEPA Term, Virginia Power shall forward to Operator, by 0945 hours EPT each Day, a good faith forecast of the hours that Facility will be Dispatched during the next Day. This forecast shall be non-binding and offered as a goodwill effort to assist Operator in managing its fuel purchases.

#### **G. SHORTENED SHUT DOWN NOTICE**

The first clause of Section 7.6 (b) of the PPOA shall be modified during the FRIEPA Term to read as follows: "Virginia Power will provide Operator with twelve (12) hours' notice of a request to start-up the Facility and with six (6) hours' notice of a request to shut down the Facility." Any other reference to a shutdown notice in the Operating Procedures shall be conformed to reflect this shortened shutdown notice during the FRIEPA Term.

#### **H. REDUCED MINIMUM DOWNTIME**

Attachment 4, Exhibit C, Revision 1 of the PPOA is modified during the FRIEPA Term to reduce the "minimum down hours" for the Facility from six (6) hours to three (3) hours. Any other reference to minimum down hours in the Operating Procedures shall be conformed to reflect this reduction during the FRIEPA Term. Virginia Power shall not utilize the three hour minimum downtime to Dispatch the Facility on line more than once per Day, if it could not have done so without violating the original six hour minimum downtime. For avoidance of doubt, within the startup and shutdown of the Facility, Virginia Power retains the right to Dispatch the Facility to MW levels consistent with the Plant Performance Specifications shown in PPOA Attachment 4 and the temperature-dependent MW levels shown in Attachment 6 to Amendment 3 of the PPOA.

**I. NO CHANGE IN VARIABLE LINE LOSS AND O&M**

For purposes of clarification, Section 10.1(e) of the PPOA is not modified by this FRIEPA.

**J. TERM, TERMINATION AND TRANSITION**

Upon full execution hereof by the Parties, this FRIEPA shall be effective on August 1, 2013 ("FRIEPA Effective Date"), except that the Temporary Term shall be effective as described in Section C of this FRIEPA. The FRIEPA shall continue in effect through and including July 31, 2015, which the Parties agree is the termination date of the PPOA, unless Virginia Power elects sooner than that date to exercise its Single Redetermination under the PPOA, in which case the termination of the FRIEPA shall be determined in that Redetermination (the time from the FRIEPA Effective Date through the termination of the FRIEPA shall be the "FRIEPA Term").

**K. CHESTERFIELD 7 SEMI ANNUAL ADJUSTMENT**

The Chesterfield 7 semiannual adjustment specified in Section 10.1(d) of the PPOA shall not be in effect during the FRIEPA Term.

**L. FRIEPA / FRIEPA PRICE SUBSTITUTION**

Whenever the term FIEPA or SIEPA or FIEPA Price or SIEPA Price is used in the PPOA, the Parties shall substitute the term FRIEPA or FRIEPA Price as appropriate.

**M. TERMINATION OF THE SIEPA**

The Parties agree that the SIEPA shall terminate coincident with the FRIEPA Effective Date.

**N. COMPLETION OF PRICE REDETERMINATION NEGOTIATIONS**

This FRIEPA reflects the completion of negotiations to redetermine price provisions in response to (i) a letter sent on behalf of Virginia Power to Operator, which was dated January 31, 2013, regarding a Notice of Redetermination under Section 10.1(d) of the PPOA for a "Set Period Notice of Redetermination" to modify certain pricing provisions that were identified in that letter. This FRIEPA does not serve to change or modify in any way the Energy Price Components of the PPOA as requested in those notices, but instead revises the pricing arrangements in a way that satisfies both Parties. All requirements to negotiate in response to the Virginia Power letter dated January 31, 2013 notice have been satisfied. Unless the Parties agree in writing otherwise, the provisions of the PPOA, including, but not limited to, the methods of redetermination under Article X, shall control any future adjustments to payments under the PPOA, and the agreement to a

different price arrangement under this FRIEPA shall not be construed as a waiver or modification of any of the PPOA price redetermination provisions.

#### **O. MISCELLANEOUS**

1. Representations: Each Party represents and warrants that: (i) it has the power to execute, deliver and perform this FRIEPA; (ii) all necessary action has been taken to authorize the execution, delivery and performance of this FRIEPA; (iii) no consent or approval of any person or entity, and no consent, approval, authorization or declaration of any governmental authority, bureau, commission or agency, is required in connection with the execution, delivery and performance of this FRIEPA by such Party or as a condition precedent to the validity or enforceability of this FRIEPA; and (iv) this FRIEPA has been duly executed and delivered by, and constitutes the valid and legally binding obligation of, such Party, enforceable against such Party in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights generally.
2. FRIEPA Effect on PPOA: Except for the modifications set forth above, each of Virginia Power and Operator agrees and confirms to the other that all other terms and provisions of the PPOA remain in full force and effect, and the termination of this FRIEPA for any reason whatsoever shall not affect the obligations, duties, rights, and remedies applicable to each of Virginia Power and Operator under the PPOA.
3. Adjustments: Either Party shall notify the other Party upon becoming aware of any error in billing or any calculation performed pursuant to this FRIEPA that requires an adjustment of a previous payment made under the PPOA, which adjustment shall be reflected as either a credit or an additional amount owing on the billing statement for the month in which the error is discovered and corrected.
4. Amendment: This FRIEPA may not be amended, modified, extended, or supplemented in any manner except by an instrument in writing executed by each of Operator and Virginia Power.
5. Choice of Law: This FRIEPA shall be governed by and construed in accordance with the applicable laws of the Commonwealth of Virginia, without regard to the conflict of laws principles thereof.
6. PJM Dispatch Notice: Virginia Power shall endeavor to provide Operator an electronic notification of the Day Ahead award schedule from PJM no later than one hour after receiving such award.

Please confirm your agreement by executing the enclosed copy of this letter agreement and returning it to me.

Sincerely,

HOPEWELL COGENERATION LIMITED PARTNERSHIP  
by Hopewell Cogeneration, LLC, its General Partner

By: Kenneth L. Jackson *8/13*

Agreed this day 8<sup>th</sup> of August 2013

VIRGINIA ELECTRIC AND POWER COMPANY

By: J L N J

Title: AUTHORIZED REPRESENTATIVE

**EXHIBIT A**

**A. Three Levels Offered on Oil / Zero Levels on Gas**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
From PPA Attach 6: "Temp vs MW"													Regulation Credit				
HE	3 Unit 100%	3 Unit 80%	2 Unit 100%	2 Unit 80%	1 Unit 100%	1 Unit 95%	GIEP	OIEP	DA LMP	Actual PJM DA Award	Assumed Gas Award	Deemed Subst. MWs	3 Unit Delta 100% - 80%	Reg Sub MWs 50% of Delta	PJM RMCP	Regulation Credit	
1	398	318	254	238	115	109	\$65	\$155	\$56	0		0					
2	398	318	254	238	115	109	\$65	\$155	\$56	0		0					
3	398	318	254	238	115	109	\$65	\$155	\$52	0		0					
4	397	318	254	238	115	109	\$65	\$155	\$53	0		0					
5	397	318	254	238	115	109	\$65	\$155	\$57	0		0					
6	396	317	254	238	115	109	\$65	\$155	\$63	0		0					
7	396	317	254	238	115	109	\$65	\$155	\$75	0	396	396	79	39.5	\$30	\$1,185	
8	395	316	254	238	115	109	\$65	\$155	\$90	0	395	395	79	39.5	\$29	\$1,146	
9	392	314	251	235	114	108	\$65	\$155	\$86	0	392	392	78	39.0	\$29	\$1,131	
10	390	312	249	233	113	107	\$65	\$155	\$77	0	390	390	78	39.0	\$29	\$1,131	
11	388	310	248	232	112	106	\$65	\$155	\$71	0	388	388	78	39.0	\$34	\$1,326	
12	387	310	248	232	112	106	\$65	\$155	\$65	0	387	387	77	38.5	\$30	\$1,155	
13	389	311	249	233	113	107	\$65	\$155	\$62	0	311	311	78	39.0	\$29	\$1,131	
14	390	312	249	233	113	107	\$65	\$155	\$58	0	312	312	78	39.0	\$29	\$1,131	
15	390	312	249	233	113	107	\$65	\$155	\$56	0	312	312	78	39.0	\$29	\$1,131	
16	391	313	249	233	113	107	\$65	\$155	\$56	0	313	313	78	39.0	\$34	\$1,326	
17	392	314	251	235	114	108	\$65	\$155	\$68	0	392	392	78	39.0	\$30	\$1,170	
18	393	314	251	235	114	108	\$65	\$155	\$97	0	393	393	79	39.5	\$29	\$1,146	
19	395	316	254	238	115	109	\$65	\$155	\$100	0	395	395	79	39.5	\$29	\$1,146	
20	397	318	254	238	115	109	\$65	\$155	\$105	0	397	397	79	39.5	\$29	\$1,146	
21	398	318	254	238	115	109	\$65	\$155	\$111	0	398	398	80	40.0	\$34	\$1,360	
22	398	318	254	238	115	109	\$65	\$155	\$107	0	398	398	80	40.0	\$30	\$1,200	
23	399	319	255	239	116	110	\$65	\$155	\$98	0	399	399	80	40.0	\$29	\$1,160	
24	400	320	255	239	116	110	\$65	\$155	\$88	0	400	400	80	40.0	\$29	\$1,160	
TOTAL										0	6768	6768					\$21,279
Calculations:										L - K		B - C		N x 50%		O x P	

EXHIBIT A

B. Two Levels Offered on Oil / One Level on Gas

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
From PPA Attach 6: "Temp vs MW"													Regulation Credit				
HE	3 Unit 100%	3 Unit 80%	2 Unit 100%	2 Unit 80%	1 Unit 100%	1 Unit 95%	GIEP	OIEP	LMP	Actual PJM DA Award	Assumed Gas Award	Deemed Subst. MWs	3 Unit Delta 100% - 80%	Reg Sub MWhs 50% of Delta	PJM RMCP	Regulation Credit	
1	398	318	254	238	115	109	\$65	\$155	\$56			0					
2	398	318	254	238	115	109	\$65	\$155	\$56			0					
3	398	318	254	238	115	109	\$65	\$155	\$52			0					
4	397	318	254	238	115	109	\$65	\$155	\$53			0					
5	397	318	254	238	115	109	\$65	\$155	\$57			0					
6	396	317	254	238	115	109	\$65	\$155	\$63			0					
7	396	317	254	238	115	109	\$65	\$155	\$75	115	396	281	79	39.5	\$30	\$1,185	
8	395	316	254	238	115	109	\$65	\$155	\$90	115	395	280	79	39.5	\$29	\$1,146	
9	392	314	251	235	114	108	\$65	\$155	\$86	114	392	278	78	39.0	\$29	\$1,131	
10	390	312	249	233	113	107	\$65	\$155	\$77	113	390	277	78	39.0	\$29	\$1,131	
11	388	310	248	232	112	106	\$65	\$155	\$71	112	388	276	78	39.0	\$34	\$1,326	
12	387	310	248	232	112	106	\$65	\$155	\$65	112	387	275	77	38.5	\$30	\$1,155	
13	389	311	249	233	113	107	\$65	\$155	\$62	107	311	204	78	39.0	\$29	\$1,131	
14	390	312	249	233	113	107	\$65	\$155	\$58	107	312	205	78	39.0	\$29	\$1,131	
15	390	312	249	233	113	107	\$65	\$155	\$56	107	312	205	78	39.0	\$29	\$1,131	
16	391	313	249	233	113	107	\$65	\$155	\$56	107	313	206	78	39.0	\$34	\$1,326	
17	392	314	251	235	114	108	\$65	\$155	\$68	114	392	278	78	39.0	\$30	\$1,170	
18	393	314	251	235	114	108	\$65	\$155	\$97	114	393	279	79	39.5	\$29	\$1,146	
19	395	316	254	238	115	109	\$65	\$155	\$100	115	395	280	79	39.5	\$29	\$1,146	
20	397	318	254	238	115	109	\$65	\$155	\$105	115	397	282	79	39.5	\$29	\$1,146	
21	398	318	254	238	115	109	\$65	\$155	\$111	115	398	283	80	40.0	\$34	\$1,360	
22	398	318	254	238	115	109	\$65	\$155	\$107	115	398	283	80	40.0	\$30	\$1,200	
23	399	319	255	239	116	110	\$65	\$155	\$98	116	399	283	80	40.0	\$29	\$1,160	
24	400	320	255	239	116	110	\$65	\$155	\$88	116	400	284	80	40.0	\$29	\$1,160	
TOTAL										2029	6768	4739					\$21,279
Calculations:										L - K		B - C		N x 50%		O x P	

## EXHIBIT A

## C. One Level Offered on Oil / Two Levels on Gas

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
From PPA Attach 6: "Temp vs MW"												Regulation Credit					
HE	3 Unit 100%	3 Unit 80%	2 Unit 100%	2 Unit 80%	1 Unit 100%	1 Unit 95%	GIEP	OIEP	DA LMP	Actual PJM DA Award	Assumed Gas Award	Deemed Subst. MWs	3 Unit Reg MWs*	2 Unit Reg MWs*	Reg Sub MWs 3 Unit - 2 Unit Reg	PJM RMCP	Regulation Credit
1	398	318	254	238	115	109	\$65	\$155	\$56	0		0					
2	398	318	254	238	115	109	\$65	\$155	\$56	0		0					
3	398	318	254	238	115	109	\$65	\$155	\$52	0		0					
4	397	318	254	238	115	109	\$65	\$155	\$53	0		0					
5	397	318	254	238	115	109	\$65	\$155	\$57	0		0					
6	396	317	254	238	115	109	\$65	\$155	\$63	0		0					
7	396	317	254	238	115	109	\$65	\$155	\$75	254	396	142	39.5	8.0	31.5	\$30	\$945
8	395	316	254	238	115	109	\$65	\$155	\$90	254	395	141	39.5	8.0	31.5	\$29	\$914
9	392	314	251	235	114	108	\$65	\$155	\$86	251	392	141	39.0	8.0	31.0	\$29	\$899
10	390	312	249	233	113	107	\$65	\$155	\$77	249	390	141	39.0	8.0	31.0	\$29	\$899
11	388	310	248	232	112	106	\$65	\$155	\$71	248	388	140	39.0	8.0	31.0	\$34	\$1,054
12	387	310	248	232	112	106	\$65	\$155	\$65	248	387	139	38.5	8.0	30.5	\$30	\$915
13	389	311	249	233	113	107	\$65	\$155	\$62	233	311	78	39.0	8.0	31.0	\$29	\$899
14	390	312	249	233	113	107	\$65	\$155	\$58	233	312	79	39.0	8.0	31.0	\$29	\$899
15	390	312	249	233	113	107	\$65	\$155	\$56	233	312	79	39.0	8.0	31.0	\$29	\$899
16	391	313	249	233	113	107	\$65	\$155	\$56	233	313	80	39.0	8.0	31.0	\$34	\$1,054
17	392	314	251	235	114	108	\$65	\$155	\$68	251	392	141	39.0	8.0	31.0	\$30	\$930
18	393	314	251	235	114	108	\$65	\$155	\$97	251	393	142	39.5	8.0	31.5	\$29	\$914
19	395	316	254	238	115	109	\$65	\$155	\$100	254	395	141	39.5	8.0	31.5	\$29	\$914
20	397	318	254	238	115	109	\$65	\$155	\$105	254	397	143	39.5	8.0	31.5	\$29	\$914
21	398	318	254	238	115	109	\$65	\$155	\$111	254	398	144	40.0	8.0	32.0	\$34	\$1,088
22	398	318	254	238	115	109	\$65	\$155	\$107	254	398	144	40.0	8.0	32.0	\$30	\$960
23	399	319	255	239	116	110	\$65	\$155	\$98	255	399	144	40.0	8.0	32.0	\$29	\$928
24	400	320	255	239	116	110	\$65	\$155	\$88	255	400	145	40.0	8.0	32.0	\$29	\$928
<b>TOTAL</b>										4464	6768	2304	*50% of Delta between 100% and 80% MW values				\$16,951

Calculations:

L - K

B - C

N x 50%

O x P



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

THIS AGREEMENT, effective as of the 17<sup>th</sup> day of May, 2013, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" or "Company", and Plymouth Solar, LLC, a North Carolina Corporation, with its principal office in Mooresville, North Carolina, hereinafter called "Operator", operator of the Plymouth Solar Facility, hereinafter called the "Facility":

**RECITALS**

WHEREAS, the North Carolina Utilities Commission ("NCUC") has directed Dominion North Carolina Power to offer a rate schedule described in this Agreement below as Schedule 19-FP applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, Dominion North Carolina Power's Schedule 19-FP is currently pending before the NCUC and the avoided cost rates proposed therein by the Company are subject to a true-up if the NCUC approves rates higher than those proposed; and

WHEREAS, the parties hereto wish to contract 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 North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on an excess sale arrangement. In addition, Operator has elected to contract under the FP Method for determining the Company's avoided cost as described more fully in Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section-IV.C (Firm Mode of Operation) of Schedule 19-FP. The Facility is located in Dominion North Carolina Power's retail service area in Plymouth, Washington County, North Carolina.



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

This Agreement shall commence on the Effective Date and shall continue in effect for a period of fifteen (15) 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 North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;
- b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;
- c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;
- d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit E; and
- e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For the purposes of this Agreement, the Parties agree that the Facility achieved it's COD on October 4, 2012.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

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

The Facility, consisting of solar panels and eleven inverters, will have a combined nameplate rating of approximately 5,000 kW. The Facility's Contracted Capacity shall be 5,000 kW. In the event that Operator enlarges the Facility and desires to modify the Contracted Capacity to above 5,000 kW, this Agreement shall terminate and the parties agree to enter into good faith negotiations to draft a new agreement that will capture the net electrical output of the entire Facility.

### **Article 4: Attachments**

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

- Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the FP Method (effective January 1, 2013, sometimes referred to as "Schedule 19-FP" herein)
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in ARTICLE 1
- Exhibit E: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)
- Exhibit F: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

### **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, if any, as stated in Article 1 hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

If Operator elects the Firm Mode of Operation, then for the term of this Agreement Operator shall be paid for firm energy in accordance with VI.B in Schedule 19-FP. Payments for firm energy will begin on the Effective Date. All energy delivered per hour above the Contracted Capacity up to 105% of the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. No payment shall be made for energy delivered above 105% of the Contracted Capacity. In all cases, such non-firm energy rates will be those in the Schedule 19-FP in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-FP, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-FP, Section VII. Operator shall not be paid for capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Article 3.

#### **Article 6: Regulatory Pricing Adjustment and Refund**

Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount

projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

#### **Article 7: Operator's Pre-COD Obligations**

This Article is not applicable under the terms of this Agreement.

#### **Article 8: Default and Early Termination**

Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (ii) failure to meet those requirements necessary to maintain Qualifying Facility status, (iii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (iv) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (v) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity.

#### **Article 9: 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 Commercial Operations Date 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 North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

**Article 10: 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:**

Plymouth Solar, LLC  
192 Raceway Drive  
Mooresville, NC 28117

**DOMINION NORTH CAROLINA POWER:**


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

**Article 11: 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.

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

Plymouth Solar, LLC

By:   
Kenny Habul

Title: Chief Executive Officer

Date: 8/13/13

VIRGINIA ELECTRIC AND POWER COMPANY

By:   
Robert J. Trexler

Title: Authorized Representative

Date: 8/13/13

EXHIBIT A  
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is <https://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

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

**I - Assignments**

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion 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 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 \$10,000 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 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 North Carolina Power, defend Dominion 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 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 North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion 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 North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

**III - QF Certification**

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. § 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the

Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion 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 QF Certification and any subsequent revisions or amendments,
- (c) Provide a copy of any contract executed with a thermal host.
- (d) 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) 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) Provide 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.
- (h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.
- (i) 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 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. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement.

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, 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 North Carolina Power may refuse to accept deliveries of power hereunder.

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

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

#### VIII - Metering

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

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

#### IX - Billing and Payment

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

In no event shall Dominion North Carolina Power 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 Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion 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 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 map and written description identifying the specific location of the Facility and is provided by the Operator.



### EXHIBIT E

Exhibit E is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit E 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 ("PURPA") (codified at 16 U.S.C. § 824a-3.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Dominion North Carolina Power's Proposed Schedule 19**  
**and Supporting Comments**  
**Docket No. E-100, Sub 136**

**EXHIBIT F**

Exhibit F is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

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

THIS AGREEMENT, effective as of the 19<sup>th</sup> day of December, 2013, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" or "Company", and Bethel Price Solar, LLC, a Delaware limited liability company, with its principal office in Cincinnati, Ohio, hereinafter called "Operator", operator of the Bethel Price Solar Facility, hereinafter called the "Facility":

**RECITALS**

WHEREAS, the North Carolina Utilities Commission ("NCUC") has directed Dominion North Carolina Power to offer a rate schedule described in this Agreement below as Schedule 19-FP applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, Dominion North Carolina Power's Schedule 19-FP is currently pending before the NCUC and the avoided cost rates proposed therein by the Company are subject to a true-up if the NCUC approves rates higher than those proposed; and

WHEREAS, the parties hereto wish to contract 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 North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on an excess sale arrangement. In addition, Operator has elected to contract under the FP Method for determining the Company's avoided cost as described more fully in Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section-IV.C (Firm Mode of Operation) of Schedule 19-FP. The Facility is located in Dominion North Carolina Power's retail service area on Price Road in Bethel, Pitt County, North Carolina.

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

This Agreement shall commence on the Effective Date and shall continue in effect for a period of fifteen (15) 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 North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;
- b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;
- c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;
- d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit E; and
- e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

## **Article 3: Contracted Capacity**

The Facility, consisting of solar panels and six (6) inverters, will have a combined nameplate rating of approximately 5,000 kW. The Facility's Contracted Capacity shall be 5,000 kW. In the event that Operator enlarges the Facility and desires to modify the Contracted

Capacity to above 5,000 kW, Dominion North Carolina Power has the option to terminate this Agreement, and the parties agree to enter into good faith negotiations to draft a new agreement that will capture the net electrical output of the entire Facility.

#### **Article 4: Attachments**

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

- Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the FP Method (effective January 1, 2013, sometimes referred to as "Schedule 19-FP" herein)
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in ARTICLE 1
- Exhibit E: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)
- Exhibit F: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

#### **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, if any, as stated in Article 1 hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

If Operator elects the Firm Mode of Operation, then for the term of this Agreement Operator shall be paid for firm energy in accordance with VI.B in Schedule 19-FP. Payments for firm energy will begin on the Effective Date. All energy delivered per hour above the Contracted Capacity up to 105% of the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. No payment shall be made for energy delivered above 105% of the Contracted Capacity. In all cases, such non-firm energy rates will be those in the Schedule 19-FP in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-FP, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-FP, Section VII. Operator shall not be paid for capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Article 3.

#### **Article 6: Regulatory Pricing Adjustment and Refund**

Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

### **Article 7: Operator's Pre-COD Obligations**

This Article is not applicable under the terms of this Agreement.

### **Article 8: Default and Early Termination**

Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (ii) failure to meet those requirements necessary to maintain Qualifying Facility status, (iii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (iv) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (v) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity.

### **Article 9: 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 Commercial Operations Date 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 North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

**Article 10: 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:**

Bethel Price Solar, LLC  
c/o Duke Energy Renewables-  
NC Solar, LLC  
139 E. Fourth Street  
Cincinnati, OH 45202

**DOMINION NORTH CAROLINA POWER:**

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

**Article 11: 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.

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

Bethel Price Solar, LLC

By: BK Stallman  
Brian Stallman

Title: Vice President

Date: 12/19/13

VIRGINIA ELECTRIC AND POWER COMPANY

By: James L. Neal  
James L. Neal

Title: Authorized Representative

Date: 12/26/13



EXHIBIT A  
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is <https://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

## EXHIBIT B General Terms and Conditions

### I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion 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 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 \$10,000 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 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 North Carolina Power, defend Dominion 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 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 North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion 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 North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

### III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. § 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the

Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion 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 QF Certification and any subsequent revisions or amendments,
- (c) Provide a copy of any contract executed with a thermal host.
- (d) 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) 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) Provide 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.
- (h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.
- (i) 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 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. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement.

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, 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 North Carolina Power may refuse to accept deliveries of power hereunder.

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

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

#### VIII - Metering

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

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

#### IX - Billing and Payment

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

In no event shall Dominion North Carolina Power 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 Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion 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 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 map and written description identifying the specific location of the Facility and is provided by the Operator.

## EXHIBIT E

Exhibit E is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit E 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 ("PURPA") (codified at 16 U.S.C. § 824a-3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Dominion North Carolina Power's Proposed Schedule 19**  
**and Supporting Comments**  
**Docket No. E-100, Sub 136**

EXHIBIT F

Exhibit F is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

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

THIS AGREEMENT, effective as of the 20<sup>th</sup> day of December, 2013, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" or "Company", and Windsor Cooper Hill Solar, LLC, a Delaware limited liability company, with its principal office in Cincinnati, Ohio, hereinafter called "Operator", operator of the Windsor Cooper Hill Solar Facility, hereinafter called the "Facility":

**RECITALS**

WHEREAS, the North Carolina Utilities Commission ("NCUC") has directed Dominion North Carolina Power to offer a rate schedule described in this Agreement below as Schedule 19-FP applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, Dominion North Carolina Power's Schedule 19-FP is currently pending before the NCUC and the avoided cost rates proposed therein by the Company are subject to a true-up if the NCUC approves rates higher than those proposed; and

WHEREAS, the parties hereto wish to contract 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 North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on an excess sale arrangement. In addition, Operator has elected to contract under the FP Method for determining the Company's avoided cost as described more fully in Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section-IV.C (Firm Mode of Operation) of Schedule 19-FP. The Facility is located in Dominion North Carolina Power's retail service area off Cooper Hill Road in Windsor, Bertie County, North Carolina.

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

This Agreement shall commence on the Effective Date and shall continue in effect for a period of fifteen (15) 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 North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;
- b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;
- c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;
- d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit E; and
- e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

## **Article 3: Contracted Capacity**

The Facility, consisting of solar panels and six (6) inverters, will have a combined nameplate rating of approximately 5,000 kW. The Facility's Contracted Capacity shall be 5,000 kW. In the event that Operator enlarges the Facility and desires to modify the Contracted

Capacity to above 5,000 kW, Dominion North Carolina Power has the option to terminate this Agreement, and the parties agree to enter into good faith negotiations to draft a new agreement that will capture the net electrical output of the entire Facility.

#### **Article 4: Attachments**

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

- Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the FP Method (effective January 1, 2013, sometimes referred to as "Schedule 19-FP" herein)
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in ARTICLE 1
- Exhibit E: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)
- Exhibit F: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

#### **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, if any, as stated in Article 1 hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

If Operator elects the Firm Mode of Operation, then for the term of this Agreement Operator shall be paid for firm energy in accordance with VI.B in Schedule 19-FP. Payments for firm energy will begin on the Effective Date. All energy delivered per hour above the Contracted Capacity up to 105% of the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. No payment shall be made for energy delivered above 105% of the Contracted Capacity. In all cases, such non-firm energy rates will be those in the Schedule 19-FP in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-FP, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-FP, Section VII. Operator shall not be paid for capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Article 3.

#### **Article 6: Regulatory Pricing Adjustment and Refund**

Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.



**Article 7: Operator's Pre-COD Obligations**

This Article is not applicable under the terms of this Agreement.

**Article 8: Default and Early Termination**

Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (ii) failure to meet those requirements necessary to maintain Qualifying Facility status, (iii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (iv) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (v) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity.

**Article 9: 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 Commercial Operations Date 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 North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

**Article 10: 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:**

Windsor Cooper Hill Solar, LLC  
c/o Duke Energy Renewables-  
NC Solar, LLC  
139 E. Fourth Street  
Cincinnati, OH 45202

**DOMINION NORTH CAROLINA POWER:**

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

**Article 11: 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.

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

Windsor Cooper Hill Solar, LLC

By: BK Stallman  
Brian Stallman

Title: Vice President

Date: 12/19/13

VIRGINIA ELECTRIC AND POWER COMPANY

By: James L. Neal  
James L. Neal

Title: Authorized Representative

Date: 12/26/13

EXHIBIT A  
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is <https://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

## EXHIBIT B General Terms and Conditions

### I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion 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 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 \$10,000 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 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 North Carolina Power, defend Dominion 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 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 North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion 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 North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

### III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. § 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the

Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion 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 QF Certification and any subsequent revisions or amendments,
- (c) Provide a copy of any contract executed with a thermal host.
- (d) 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) 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) Provide 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.
- (h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.
- (i) 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 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. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement.

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, 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 North Carolina Power may refuse to accept deliveries of power hereunder.

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

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

#### VIII - Metering

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

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

#### IX - Billing and Payment

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

In no event shall Dominion North Carolina Power 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 Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion 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 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 map and written description identifying the specific location of the Facility and is provided by the Operator.

## EXHIBIT E

Exhibit E is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit E 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 ("PURPA") (codified at 16 U.S.C. § 824a-3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Dominion North Carolina Power's Proposed Schedule 19**  
**and Supporting Comments**  
**Docket No. E-100, Sub 136**

EXHIBIT F

Exhibit F is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.