

February 2, 2016

**VIA ELECTRONIC FILING**

Mrs. Gail L. Mount, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
4325 Mail Service Center  
Raleigh, NC 27699-4325

**Re: Docket No. E-100, Sub 140  
Compliance Filing of Rate Schedules and Contracts**

Dear Mrs. Mount:

Pursuant to the Order Establishing Standard Rates and Contract Terms for Qualifying Facilities, issued by the North Carolina Utilities Commission ("Commission") in Docket No. E-100, Sub 140 on December 17, 2015 ("Phase 2 Order") and the Order Granting Extension issued on January 15, 2016, Virginia Electric and Power Company d/b/a Dominion North Carolina Power ("DNCP" or the "Company") hereby files clean and blacklined versions of its revised standard avoided cost rate schedules and contracts in compliance with the directives of the Phase 2 Order. These revisions are described further below.

First, DNCP has recalculated the installed capital cost of a combustion turbine (CT) unit using the GE-7FA model data from the 2014 Brattle report. This recalculation is shown at Exhibit A attached hereto, which consists of the Figure 1 that was included with the Company's March 2, 2015 initial filing, revised to reflect the use of the GE-7FA model data. Also as shown at the revised Figure 1, in order to recalculate the installed CT capital cost to exclude economies of scope, DNCP has adjusted mobilization and start-up costs to reflect the assumption, required by Ordering Paragraph 6 of the Phase 2 Order, that one CT unit will be installed at a time. The installed CT capital cost has also been recalculated to account for extra carrying costs associated with economies of scale, which consist of the incremental carrying costs related to electrical interconnection, gas interconnection, and land. Finally, based on the discovery, made during the course of responding to previous data requests in this proceeding, that DNCP's initial filing inadvertently overstated the staffing levels for a four-CT site, the Company has also adjusted the fixed operation and maintenance ("O&M") cost assumptions from the assumptions contained in DNCP's initial filing. See the information contained in the response to Public Staff Set 9, question #4. Taken together, these adjustments result in a

revised installed capital cost of a GE-7FA model CT of \$593.60/kW, versus the \$485/kW that was used in the Company's initial filing. The resulting revised avoided cost rates for capacity are reflected at Rate Schedule 19-FP, attached hereto as Exhibit B.

As directed by Ordering Paragraph 8 of the Phase 2 Order, DNCP has recalculated the avoided cost energy rates contained in Schedule 19-FP using commodity forecasts constructed in a manner consistent with those utilized in the Company's 2014 IRP. In addition, pursuant to the Memorandum of Understanding entered into between DNCP, Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and the Public Staff on February 2, 2016 and being filed contemporaneously in this proceeding, the Company has for purposes of this compliance filing recalculated its standard avoided cost energy rates to reflect a fuel hedging value of renewable generation of 0.028 cents per kWh, as proposed by the Public Staff in its June 22, 2015 Initial Statement. Consistent with the Phase 2 Order, the hedging value has been included for each year of the entire term of the Schedule 19-FP PPA. The revised avoided energy cost rates are reflected at Rate Schedule 19-FP, attached hereto.

DNCP has made two additional revisions to its standard rate schedules in compliance with the Phase 2 Order. First, Section 1 of both Schedule 19-FP and Schedule 19-LMP, attached hereto as Exhibit C, has been revised to reflect the Commission's amended criteria for establishing a legally enforceable obligation ("LEO"). Second, Section 1 has also been revised to reflect a one-half mile limit for renewable resources owned or affiliated with a nearby facility, and to specify that the distance between such renewable facilities is measured by the location of the electric generating equipment.

In Ordering Paragraph 22 of the Phase 2 Order, the Commission directed that "the Utilities shall update their applicable rate schedules to reflect the utility's payment associated with reactive power for interconnection customers." DNCP submits that no revisions are required to its avoided cost rate schedules to comply with this directive. QFs are not required to provide reactive power under the Company's avoided cost rate schedules and standard contracts. Instead, requirements for the provision of reactive power and compensation for providing reactive power are addressed in the Company's pro forma interconnection agreement and interconnection rate schedules. Accordingly, there is no need to address compensation for reactive power in DNCP's avoided cost rate schedules or standard contracts.

DNCP's Schedule 19-FP and 19-LMP standard contracts have been revised to remove the proposed language regarding the Company's right to terminate the contract if the Federal Energy Regulatory Commission ("FERC") grants a PURPA Section 210(m) petition. As the Commission accepted DNCP's proposed language regarding assignments of standard PPAs, no revisions to the Company's standard contracts were required in order to comply with Ordering Paragraph 14 of the Phase 2 Order. The revised standard contracts are included at Exhibits D and E hereto.

Finally, in the Phase 2 Order, the Commission concluded that the LEO Form submitted as Exhibit E to DNCP's August 7, 2015 reply comments would be the form required of all facilities seeking to make a commitment to sell in order to establish an LEO. The Commission also revised the criteria for establishing an LEO to include the requirement that an entity, in addition to making a commitment to sell via the approved LEO Form and receiving a CPCN for construction of its facility, also have self-certified its facility with FERC as a QF. Pursuant to the Phase 2 Order, the Company will, going forward, require developers seeking to sell their facilities' output to DNCP as QFs to use the LEO Form submitted as Exhibit E to DNCP's August 7, 2015 reply comments. Also in compliance with the Order, DNCP has posted the LEO Form on its web site at the following location: <https://www.dom.com/salestodnncp> (screen shots of which are attached hereto as Exhibit F). This web page also contains information that, as directed by the Phase 2 Order: clearly shows how a facility can establish an LEO, including the requirement that the facility have self-certified with FERC as a QF; provides information regarding the Company departments that a facility should contact in order to negotiate power purchase agreements and interconnection agreements; and contains the language proposed by the Public Staff in its June 22, 2015 Initial Statement that clarifies that a request for interconnection does not constitute a commitment to sell for purposes of the LEO criteria. DNCP will also include this language with the Company's email responses to interconnection requests.

Attached to this compliance filing are the following exhibits:

- Exhibit A: revised Figure 1;
- Exhibit B: Rate Schedule 19-FP – blackline and clean versions;
- Exhibit C: Rate Schedule 19-LMP – blackline and clean versions;
- Exhibit D: Rate Schedule 19-FP power purchase agreement – blackline and clean versions;
- Exhibit E: Rate Schedule 19-LMP power purchase agreement – blackline and clean versions; and
- Exhibit F: screen shots of the Company web page containing LEO information.

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

Very truly yours,

/s/ Andrea R. Kells

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Enclosures

# Exhibit A

# Attachment Public Staff Question 1 - Workpaper 1 - Revised Figure 1

## CT Cost Estimates Summary

(\$ in millions)

Changes shaded in green

### Other Costs, including Owner & Construction Costs - PJM Cost of New Entry (Dominion Area)

	Brattle Estimate	Adjustments	Adjusted Estimate	Notes
Owner Furnished Equipment				
Gas Turbines	98.6		98.6	
SCR	18.8	(18.8)	0.0	Removed SCR scope not expected for installation in NC/VA
Sales Tax	7.3	(2.1)	5.2	Adjusted for VA 5.3% sales tax
<b>Total Owner Furnished Equipment</b>	<b>124.7</b>		<b>103.8</b>	
Other EPC Costs				
Equipment	30.7		30.7	
Construction Labor	48.2	(27.1)	21.1	PJM adjustment for CONE basis
Other Labor	19.0		19.0	
Materials	9.4		9.4	
Sales Tax	2.5	(0.4)	2.1	Adjusted for VA 5.3% sales tax
EPC Contractor Fee	23.5	(4.8)	18.7	Reflects changes in scope & costs
EPC Contingency	25.8	(5.3)	20.5	Reflects changes in scope & costs
<b>Total Other EPC Costs</b>	<b>159.1</b>		<b>121.5</b>	
Non-EPC Costs				
Project Development	14.2	(2.9)	11.3	Brattle estimate based on 5% of EPC costs, reflects changes in EPC scope & costs
Mobilization and Start-Up	2.8	1.6	4.4	Brattle estimate based on 1% of EPC costs, reflects changes in EPC scope & costs. Adjusted to exclude economies of scope.
Net Start-Up Fuel Costs	4.7	(3.1)	1.6	Adjusted to be consistent with avoided fuel cost projections
Electrical Interconnection	12.9	(7.9)	5.0	Reflects economies of 4 CT site and exclusion of network upgrades.
Gas Interconnection	22.6	(19.0)	3.6	Reflects economies of 4 CT site and 1 mile lateral expected for installation in NC/VA
Land	1.6		1.6	
Fuel Inventories	5.2	(1.0)	4.2	Adjusted to be consistent with avoided fuel cost projections
Non-Fuel Inventories	1.4		1.4	
Owner's Contingency	5.9	(2.9)	3.0	Brattle estimate based on 9% of Non-EPC costs, reflects changes in scope & costs
Financing Fees	8.5	(8.5)	0.0	Financing fees and costs included in Economic Carrying Charge
<b>Total Non-EPC Costs</b>	<b>79.8</b>		<b>36.1</b>	
Total Capital Costs (\$2018 nominal)			261.3	
Annual Escalation Rate			3.0%	
Total Capital Costs (\$2014 nominal)			232.2	

### Total Cost

Total Cost (\$2014 nom., millions)	232.2	
ISO Base Load Capacity (MW)	394.9	Based on 2014 Brattle Report; 391 MW summer
Sub-total (\$/kW)	588.0	
Add'l Carrying cost related to CT site build-out	5.6	Economies of scale items, carrying cost
Total Cost (\$2014 nom./kW)	593.6	

# Exhibit B

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

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I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I, 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, has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub 140, (a) has obtained a certificate of public convenience and necessity for its facility from the Commission or filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) has self-certified with FERC as a Qualifying Facility (QF), and (c) has submitted to the Company a duly executed "Notice of Commitment to Sell the Output of a Qualifying Facility to Dominion North Carolina Power Company ("Notice of Commitment"). The form of the Notice of Commitment can be found on the Company's website through the following link: <https://www.dom.com/salestodncp>. Alternatively, a QF may request a Notice of Commitment form via email to [PowerContracts@dom.com](mailto:PowerContracts@dom.com).

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

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POWER PURCHASES FROM  
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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- A. Where the QF operates hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass, the amount of Contracted 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 five, 10, or 15 years, at the option of the QF.
- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted 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.

Where the QF elects to be compensated for firm or non-firm deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub 140 approving this Schedule 19-FP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 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.

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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells 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. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer who is selling or will sell power to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 5,000 kW (ac). For purposes of this paragraph, distance between QFs shall be measured from the electrical generating equipment of each facility.

II. MONTHLY BILLING TO THE QF

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

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$17.24
One time-differentiated meter	\$35.55
Two time-differentiated meters	\$41.16

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III. DEFINITION OF ON- AND OFF-PEAK HOURS

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

Summer

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

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

Non-Summer

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

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

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

Summer

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

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

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

Non-Summer

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

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

**Note: Option B Rates and Hours are Applicable Only to QFs Electing the Firm Mode of Operation**

C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified above as on-peak hours. All hours for the following holidays will be considered as off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. When one of the above holidays falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

IV. CONTRACT OPTIONS FOR DESIGNATING MODE OF OPERATION

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

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

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(Continued)

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

- B. Energy-Only, Non-time-differentiated or the Energy-Only, Time-differentiated Mode. The QF may contract for the delivery of energy-only energy to the Company (energy-only payments are not fixed for the duration of the PPA term; the rates will change with each revision of this schedule, and there is no payment for capacity to QFs selecting the energy-only option). Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the energy-only, Non-time-differentiated Mode of Operation. Regardless of nameplate rating the QF may designate the energy-only, Time-differentiated Mode of Operation.
- C. Firm Mode. The QF may contract for the delivery of both energy and capacity to the Company under Firm Mode. 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 ENERGY-ONLY

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

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V. PAYMENT FOR COMPANY PURCHASES OF ENERGY-ONLY (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 energy-only, Non-time-differentiated Mode of Operation, the following rates in cents per kWh are applicable:

3.356

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

On-peak (as defined in Section III.A)	3.826
Off-peak	3.096

The rates in both B and C above will be redetermined on a biennial basis on each revision of this schedule. Further, for clarity, the Energy-only rates in C above are identical to the Variable Rates shown below in Section VI. A.

All energy purchase rates regardless of Mode of Operation will be further increased by 3.0% to account for line losses avoided by the Company.

VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY

QFs designating the Firm Mode of Operation will be eligible to receive capacity payments in addition to energy rates under this Section VI – Firm Energy. 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. Capacity payments to the QF will be paired with the option the QF selects for firm energy payments (e.g., if the QF selects Option A for firm energy payments, the QF will be paid Option A capacity payments).

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VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY (Continued)

In lieu of fixed rates, a QF that selects the Firm Mode of Operation may contract to receive payment for 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 energy until the next biennial filing, are as shown in the price tables below under the heading Variable Rate:

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

	<u>Variable Rate</u>	<u>Fixed Long-Term Rate</u>		
		<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh)	3.826	4.367	4.743	5.037
Off-peak (¢/kWh)	3.096	3.612	3.963	4.188

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

	<u>Variable Rate</u>	<u>Fixed Long-Term Rate</u>		
		<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh)	3.826	4.412	4.802	5.124
Off-peak (¢/kWh)	3.226	3.734	4.085	4.314

Operator shall be paid for energy up to 5% above the Contracted Capacity in any hour at the then applicable energy-only rates under Schedule 19-FP except no payment shall be made for generation in excess of 5,000 kW or 3,000 kW as applicable pursuant to Section I.A. or I.B.

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company.

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

Company purchases of capacity are applicable only where the QF elects the Firm Mode of Operation. The QF will receive payments for capacity based on Option A below if the QF selected Option A for firm energy payments. The QF will receive capacity payment based on Option B below if the QF selected Option B for firm energy payments. 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 of 10 or 15 years are available only for QFs described in Paragraph I.A.

**Option A:**

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

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	4.351	4.515	4.665
On-Peak (¢/kWh) Non-summer	2.900	3.010	3.110

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	2.611	2.709	2.799
On-Peak (¢/kWh) Non-summer	1.740	1.806	1.866

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)

**Option B:**

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

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	9.981	10.358	10.701
On-Peak (¢/kWh) Non-summer	3.848	3.993	4.125

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	5.989	6.215	6.421
On-Peak (¢/kWh) Non-summer	2.309	2.396	2.475

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.

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VIII. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

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

<https://www.dom.com/library/domcom/pdfs/north-carolina-power/rates/terms-and-conditions/term24.pdf>.

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

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IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

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

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

Such excess payments will be calculated by taking the difference between (1) the total capacity and energy payments already made by the Company to the QF and (2) capacity and energy payments calculated based on the levelized capacity and energy purchase price 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.

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

---

I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I, 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, has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub 140, (a) has obtained a certificate of public convenience and necessity for its facility from the Commission or filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, and ~~(b)~~ **has self-certified with FERC as a Qualifying Facility (QF), and (c)** has submitted to the Company a duly executed "Notice of Commitment to Sell the Output of a Qualifying Facility to Dominion North Carolina Power Company ("Notice of Commitment"). The form of the Notice of Commitment can be found on the Company's website through the following link: <https://www.dom.com/salestodncp>. Alternatively, a QF may request a Notice of Commitment form via email to PowerContracts@dom.com.

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

(Continued)

Filed ~~03-02-15~~ **02-16**  
Electric-North Carolina

Superseding Amending Filing Effective For  
Usage On and After ~~03-28-14~~ **02-15**. This Filing  
Effective For Usage On and After ~~03-02-15~~ **17-**  
**16**.

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- A. Where the QF operates hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass, the amount of Contracted 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 five, 10, or 15 years, at the option of the QF.
- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted 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.

Where the QF elects to be compensated for firm or non-firm deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub 140 approving this Schedule 19-FP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 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.

(Continued)

Filed 02-02-16

Electric-North Carolina

Superseding Filing Effective For

Usage On and After 03-02-15. This Filing

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells 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. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer, who is selling or will sell power to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 5,000 kW (ac). For purposes of this paragraph, distance between QFs shall be measured from the electrical generating equipment of ~~the QF~~ each facility.

II. MONTHLY BILLING TO THE QF

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

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$17.24
One time-differentiated meter	\$35.55
Two time-differentiated meters	\$41.16

(Continued)

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POWER PURCHASES FROM  
COGENERATION AND SMALL POWER PRODUCTION  
QUALIFYING FACILITIES

(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS

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

Summer

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

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

Non-Summer

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

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

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

Summer

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

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

(Continued)

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Electric-North Carolina

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

**(Continued)**

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

Non-Summer

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

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

**Note: Option B Rates and Hours are Applicable Only to QFs Electing the Firm Mode of Operation**

C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified above as on-peak hours. All hours for the following holidays will be considered as off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. When one of the above holidays falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

**IV. CONTRACT OPTIONS FOR DESIGNATING MODE OF OPERATION**

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

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

**(Continued)**

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Electric-North Carolina

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

(Continued)

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

- B. Energy-Only, Non-time-differentiated or the Energy-Only, Time-differentiated Mode. The QF may contract for the delivery of energy-only energy to the Company (energy-only payments are not fixed for the duration of the PPA term; the rates will change with each revision of this schedule, and there is no payment for capacity to QFs selecting the energy-only option). Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the energy-only, Non-time-differentiated Mode of Operation. Regardless of nameplate rating the QF may designate the energy-only, Time-differentiated Mode of Operation.
- C. Firm Mode. The QF may contract for the delivery of both energy and capacity to the Company under Firm Mode. 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 ENERGY-ONLY

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

(Continued)

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Superseding Filing Effective For

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Effective For Usage On and After 02-17-16.



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

**(Continued)**

**V. PAYMENT FOR COMPANY PURCHASES OF ENERGY-ONLY**  
**(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 energy-only, Non-time-differentiated Mode of Operation, the following rates in cents per kWh are applicable:

~~3.297~~ **3.356**

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

On-peak (as defined in Section III.A)	<del>3.769</del> <b><u>3.826</u></b>
Off-peak	<del>3.035</del> <b><u>3.096</u></b>

The rates in both B and C above will be redetermined on a biennial basis on each revision of this schedule. Further, for clarity, the Energy-only rates in C above are identical to the Variable Rates shown below in Section VI. A.

All energy purchase rates regardless of Mode of Operation will be further increased by 3.0% to account for line losses avoided by the Company.

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

QFs designating the Firm Mode of Operation will be eligible to receive capacity payments in addition to energy rates under this Section VI – Firm Energy. 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. Capacity payments to the QF will be paired with the option the QF selects for firm energy payments (e.g., if the QF selects Option A for firm energy payments, the QF will be paid Option A capacity payments).

**(Continued)**

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**(Continued)**

**VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY**  
**(Continued)**

In lieu of fixed rates, a QF that selects the Firm Mode of Operation may contract to receive payment for 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 energy until the next biennial filing, are as shown in the price tables below under the heading Variable Rate:

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

	<u>Fixed Long-Term Rate</u>			
	<u>Variable Rate</u>	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh)	3.769	3.900	4.390	4.756
Off-Peak (¢/kWh)	3.035	3.132	3.605	3.903

	<u>Fixed Long-Term Rate</u>			
	<u>Variable Rate</u>	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
<u>On-Peak (¢/kWh)</u>	<u>3.826</u>	<u>4.367</u>	<u>4.743</u>	<u>5.037</u>
<u>Off-peak (¢/kWh)</u>	<u>3.096</u>	<u>3.612</u>	<u>3.963</u>	<u>4.188</u>

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

	<u>Fixed Long-Term Rate</u>			
	<u>Variable Rate</u>	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh)	3.773	3.930	4.442	4.838

**(Continued)**

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**(Continued)**

Off-Peak (¢/kWh) — 3.164 — 3.259 — 3.730 — 4.032

	<b><u>Fixed Long-Term Rate</u></b>			
	<b><u>Variable Rate</u></b>	<b><u>5-Year</u></b>	<b><u>10-Year</u></b>	<b><u>15-Year</u></b>
<b><u>On-Peak (¢/kWh)</u></b>	<b><u>3.826</u></b>	<b><u>4.412</u></b>	<b><u>4.802</u></b>	<b><u>5.124</u></b>
<b><u>Off-peak (¢/kWh)</u></b>	<b><u>3.226</u></b>	<b><u>3.734</u></b>	<b><u>4.085</u></b>	<b><u>4.314</u></b>

Operator shall be paid for energy up to 5% above the Contracted Capacity in any hour at the then applicable energy-only rates under Schedule 19-FP except no payment shall be made for generation in excess of 5,000 kW or 3,000 kW as applicable pursuant to Section I.A. or I.B.

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company.

**(Continued)**

**Filed 02-02-16** **Superseding Filing Effective For**  
**Electric-North Carolina** **Usage On and After 03-02-15. This Filing**  
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**POWER PURCHASES FROM**  
**COGENERATION AND SMALL POWER PRODUCTION**  
**QUALIFYING FACILITIES**

**(Continued)**

**VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY**

Company purchases of capacity are applicable only where the QF elects the Firm Mode of Operation. The QF will receive payments for capacity based on Option A below if the QF selected Option A for firm energy payments. The QF will receive capacity payment based on Option B below if the QF selected Option B for firm energy payments. 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 of 10 or 15 years are available only for QFs described in Paragraph I.A.

**Option A:**

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

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	3.761	3.903	4.032
On-Peak (¢/kWh) Non-summer	2.507	2.602	2.688

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
<u>On-Peak (¢/kWh) Summer</u>	<u>4.351</u>	<u>4.515</u>	<u>4.665</u>
<u>On-Peak (¢/kWh) Non-summer</u>	<u>2.900</u>	<u>3.010</u>	<u>3.110</u>

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>

**(Continued)**

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(Continued)

On-Peak (¢/kWh) Summer	2.257	2.342	2.419
On-Peak (¢/kWh) Non-summer	1.504	1.561	1.613

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
<u>On-Peak (¢/kWh) Summer</u>	<u>2.611</u>	<u>2.709</u>	<u>2.799</u>
<u>On-Peak (¢/kWh) Non-summer</u>	<u>1.740</u>	<u>1.806</u>	<u>1.866</u>

(Continued)

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**QUALIFYING FACILITIES**

**(Continued)**

**VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)**

**Option B:**

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

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	8.628	8.954	9.250
On-Peak (¢/kWh) Non-summer	3.326	3.452	3.566

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
<u>On-Peak (¢/kWh) Summer</u>	<u>9.981</u>	<u>10.358</u>	<u>10.701</u>
<u>On-Peak (¢/kWh) Non-summer</u>	<u>3.848</u>	<u>3.993</u>	<u>4.125</u>

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	5.177	5.373	5.550
On-Peak (¢/kWh) Non-summer	1.996	2.071	2.140

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
<u>On-Peak (¢/kWh) Summer</u>	<u>5.989</u>	<u>6.215</u>	<u>6.421</u>
<u>On-Peak (¢/kWh) Non-summer</u>	<u>2.309</u>	<u>2.396</u>	<u>2.475</u>

**(Continued)**

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(Continued)

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.

(Continued)

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**(Continued)**

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-FP 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.~~

DC. The QF is responsible for obtaining an interconnection service agreement for delivery of capacity and energy generated by its facility onto the Company's electrical system. Information on interconnection procedures for the QF's generation interconnection is provided through the Internet at the Company's website:

<https://www.dom.com/library/domcom/pdfs/north-carolina-power/rates/terms-and-conditions/term24.pdf>.

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

~~E. The QF must have submitted a Notice of Commitment to the Company.~~

**(Continued)**

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(Continued)

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

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

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

Such excess payments will be calculated by taking the difference between (1) the total capacity and energy payments already made by the Company to the QF and (2) capacity and energy payments calculated based on the levelized capacity and energy purchase price 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.

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Docket No. E-100, Sub 140

# Exhibit C

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

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I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I, 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, has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub 140, (a) has obtained a certificate of public convenience and necessity for its facility from the Commission or filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, (b) has self-certified with FERC as a Qualifying Facility (QF), and (c) has submitted to the Company a duly executed Notice of Commitment to Sell the Output of a Qualifying Facility Company ("Notice of Commitment"). The form of Notice of Commitment can be found on the Company's website through the following link: <https://www.dom.com/salestodncp>. Alternatively, a QF may request a Notice of Commitment form via email to [PowerContracts@dom.com](mailto:PowerContracts@dom.com).

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

(Continued)

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Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15. This Filing  
Effective For Usage On and After 02-17-16.

Docket No. E-100, Sub 140

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

- A. Where the QF operates hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass, the amount of Contracted Capacity subject to compensation shall be no greater than 5,000 kW, and the amount of energy purchased during a given hour shall be no greater than 5,000 kWh. The initial term of contract for such a QF shall be for a period of five, 10, or 15 years, at the option of the QF.
- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted Capacity subject to compensation shall be no greater than 3,000 kW, and the amount of energy purchased during a given hour shall be no greater than 3,000 kWh. The initial term of contract for such a QF shall be for a period of five years.

Where the QF elects to be compensated for deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub 140 approving this Schedule 19-LMP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 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.

(Continued)

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15. This Filing  
Effective For Usage On and After 02-17-16.

Docket No. E-100, Sub 140

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells 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. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer, who is selling or will sell power to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 5,000 kW (ac). For purposes of this paragraph, distance between QFs shall be measured from the electrical generating equipment of each facility.

II. MONTHLY BILLING TO THE QF

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

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$17.24
One time-differentiated meter	\$35.55
Two time-differentiated meters	\$41.16

(Continued)

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
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Effective For Usage On and After 02-17-16.

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

(Continued)

III. CONTRACT OPTIONS

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

- A. Supply of Energy and Capacity. A QF shall contract for the supply of both energy and capacity to the Company, except as may be permitted pursuant to Paragraph III. B., below. The level of capacity that the QF contracts for shall not exceed the capacity limits outlined in Paragraph I. The supply of both energy and capacity shall require the installation of one (or two, if necessary) time differentiated meter(s) to measure the hourly output of the QF's generation facility.
- B. Supply of Energy Only. A QF with a design capacity of 10 kW or less may elect to contract for the supply of energy only to the Company. A QF electing this option will not be eligible for capacity payments. Election of this option shall require the installation of a non-time-differentiated meter to measure the monthly output of the QF's generation facility.

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:

(Continued)

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15. This Filing  
Effective For Usage On and After 02-17-16.

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

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(Continued)

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

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. Operator shall be paid for energy up to 105% of Contracted Capacity in any hour except no payment shall be made for generation in excess of contracted capacity of 5,000 kW or 3,000 kW as applicable pursuant to Section I.A. or I.B. There will be no reimbursement for any energy delivered above 105% of such QF's Contracted Capacity.
2. All energy purchase prices per kWh will be increased by 3.0% to account for line losses avoided by the Company.

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. Capacity Payment shall not be made for generation in any hour that exceeds the Contracted Capacity.

(Continued)

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15. This Filing  
Effective For Usage On and After 02-17-16.

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

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(Continued)

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

Effective each June 1, PJM will establish the Reliability Pricing Model capacity resource clearing price for each PJM zone, shown as \$/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. In the event there are multiple products and prices for the applicable PJM Base Residual Auction, DNCP will pay Operator the price associated with the capacity product most applicable to the QF resource type and performance.

Using the applicable price for the Dom Zone, 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.

Initially, a QF's SPPF will be 1. Once a QF has achieved Commercial Operations and such operation encompasses at least a full Summer (defined by PJM as June 1 through September 30), the following January billing month, and for each January billing month thereafter, an SPPF will be calculated that is based on the QF's operation during the five (5) PJM coincident peak hours ("CP Hours"), as posted by PJM, during the Summer of the previous calendar year. The QF's SPPF is equal to the number of CP Hours in which the QF generated at or greater than 75% of its Contracted Capacity, divided by 5. Therefore, the SPPF could be 0, 0.2, 0.4, 0.6, 0.8, or 1.0. The QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

(Continued)

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15. This Filing  
Effective For Usage On and After 02-17-16.



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

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(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY ONLY

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

- A. Purchase payments for the supply of energy only by the QF to the Company will be based on an energy purchase price (cents per kWh) that is calculated using the average of the hourly \$/MWh Dom Zone DA LMP 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 3.0% to account for line losses avoided by the Company .

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

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

(Continued)

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15, This Filing  
Effective For Usage On and After 02-17-16.

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

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(Continued)

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

<https://www.dom.com/library/domcom/pdfs/north-carolina-power/rates/terms-and-conditions/term24.pdf>.

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

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.

VIII. TERM OF CONTRACT

The term of contract shall be such as may be mutually agreed upon but for not less than one year. A QF that initially chooses Schedule 19 – LMP will be permitted a one-time switch to Schedule 19-FP on the first day of its second year under its contract, with 90 days written notice, and in so doing, enter into a new contract with pricing in accordance with the Schedule 19- FP in effect at the time of the initial contract date and with a choice of term of five, 10, or 15 years, less the days elapsed between the commencement of the original contract and the time of execution of the new contract. This one-time option to switch shall only be permitted contingent on Schedule 19 - FP being in effect on the first day of the QF's second year under contract.

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

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I. APPLICABILITY AND AVAILABILITY

Subject to the limitations of this Section I, 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, has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. § 292.304(b)(1), or (2) hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that, no later than the date on which proposed rates are filed in the next biennial avoided cost proceeding after Docket No. E-100, Sub 140, (a) has obtained a certificate of public convenience and necessity for its facility from the Commission or filed a report of proposed construction with the Commission pursuant to Commission Rule R8-65, and (b) has self-certified with FERC as a Qualifying Facility (QF), and (c) has submitted to the Company a duly executed Notice of Commitment to Sell the Output of a Qualifying Facility Company ("Notice of Commitment"). The form of Notice of Commitment can be found on the Company's website through the following link: <https://www.dom.com/salestodnecp>. Alternatively, a QF may request a Notice of Commitment form via email to PowerContracts@dom.com.

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

(Continued)

Filed ~~03-02-15~~ 02-16  
Electric-North Carolina

Superseding ~~Amending~~ Filing Effective For  
Usage On and After ~~03-28-14~~ 02-15. This Filing  
Effective For Usage On and After ~~03-02-15~~ 17-  
16.

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

**(Continued)**

**I. APPLICABILITY AND AVAILABILITY (Continued)**

- A. Where the QF operates hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass, the amount of Contracted Capacity subject to compensation shall be no greater than 5,000 kW, and the amount of energy purchased during a given hour shall be no greater than 5,000 kWh. The initial term of contract for such a QF shall be for a period of five, 10, or 15 years, at the option of the QF.
- B. Where the QF is not defined under Paragraph I.A., the amount of Contracted Capacity subject to compensation shall be no greater than 3,000 kW, and the amount of energy purchased during a given hour shall be no greater than 3,000 kWh. The initial term of contract for such a QF shall be for a period of five years.

Where the QF elects to be compensated for deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of the Commission's order in Docket No. E-100, Sub 140 approving this Schedule 19-LMP to retain eligibility for the rates contained in this schedule; provided, however, a QF may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner. Where the QF elects an initial contract term of 10 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.

**(Continued)**

**Filed 02-02-16**

**Electric-North Carolina**

**Superseding Filing Effective For**

**Usage On and After 03-02-15. This Filing**

**Effective For Usage On and After 02-17-16.**

**Docket No. E-100, Sub 140**

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

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

This schedule is not available or applicable to a QF owned by a developer, or affiliate of a developer, who sells 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. For purposes of this paragraph, the distance between facilities shall be measured from the electrical-generating equipment of each facility.

This schedule is not available or applicable to a QF that utilizes a renewable resource, such as hydroelectric, solar, or wind power facilities, which is owned by a developer, or affiliate of a developer, who is selling or will sell power to the Company from another QF using the same renewable energy resource located within one-half mile if the combined output of such renewable resource QFs will exceed 5,000 kW (ac). For purposes of this paragraph, distance between QFs shall be measured from the electrical generating equipment of ~~the QF~~ each facility.

II. MONTHLY BILLING TO THE QF

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

<u>Metering required</u>	<u>Charge</u>
One non-time-differentiated meter	\$17.24
One time-differentiated meter	\$35.55
Two time-differentiated meters	\$41.16

(Continued)

Filed 02-02-16

Electric-North Carolina

Superseding Filing Effective For

Usage On and After 03-02-15. This Filing

Effective For Usage On and After 02-17-16.

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

(Continued)

III. CONTRACT OPTIONS

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

- A. Supply of Energy and Capacity. A QF shall contract for the supply of both energy and capacity to the Company, except as may be permitted pursuant to Paragraph III. B., below. The level of capacity that the QF contracts for shall not exceed the capacity limits outlined in Paragraph I. The supply of both energy and capacity shall require the installation of one (or two, if necessary) time differentiated meter(s) to measure the hourly output of the QF's generation facility.
- B. Supply of Energy Only. A QF with a design capacity of 10 kW or less may elect to contract for the supply of energy only to the Company. A QF electing this option will not be eligible for capacity payments. Election of this option shall require the installation of a non-time-differentiated meter to measure the monthly output of the QF's generation facility.

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:

(Continued)

Filed 02-02-16

Electric-North Carolina

Superseding Filing Effective For

Usage On and After 03-02-15. This Filing  
Effective For Usage On and After 02-17-16.

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

**(Continued)**

**IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY**

**(Continued)**

A. 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. Operator shall be paid for energy up to 105% of Contracted Capacity in any hour except no payment shall be made for generation in excess of contracted capacity of 5,000 kW or 3,000 kW as applicable pursuant to Section I.A. or I.B. There will be no reimbursement for any energy delivered above 105% of such QF's Contracted Capacity.
2. All energy purchase prices per kWh will be increased by 3.0% to account for line losses avoided by the Company.

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. Capacity Payment shall not be made for generation in any hour that exceeds the Contracted Capacity.

**(Continued)**

**Filed 02-02-16**

**Electric-North Carolina**

**Superseding Filing Effective For**

**Usage On and After 03-02-15. This Filing**

**Effective For Usage On and After 02-17-16.**

**Docket No. E-100, Sub 140**



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

(Continued)

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY

(Continued)

Effective each June 1, PJM will establish the Reliability Pricing Model capacity resource clearing price for each PJM zone, shown as \$/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. In the event there are multiple products and prices for the applicable PJM Base Residual Auction, DNCP will pay Operator the price associated with the capacity product most applicable to the QF resource type and performance.

Using the applicable price for the Dom Zone, 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.

Initially, a QF's SPPF will be 1. Once a QF has achieved Commercial Operations and such operation encompasses at least a full Summer (defined by PJM as June 1 through September 30), the following January billing month, and for each January billing month thereafter, an SPPF will be calculated that is based on the QF's operation during the five (5) PJM coincident peak hours ("CP Hours"), as posted by PJM, during the Summer of the previous calendar year. The QF's SPPF is equal to the number of CP Hours in which the QF generated at or greater than 75% of its Contracted Capacity, divided by 5. Therefore, the SPPF could be 0, 0.2, 0.4, 0.6, 0.8, or 1.0. The QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

(Continued)

Filed 02-02-16

Electric-North Carolina

Superseding Filing Effective For

Usage On and After 03-02-15. This Filing

Effective For Usage On and After 02-17-16.

Docket No. E-100, Sub 140



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

**(Continued)**

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY ONLY

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

- A. Purchase payments for the supply of energy only by the QF to the Company will be based on an energy purchase price (cents per kWh) that is calculated using the average of the hourly \$/MWh Dom Zone DA LMP 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 3.0% to account for line losses avoided by the Company .

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
  - 1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  - 2. Control and protective devices as required by the Company on the QF's side of the meter.
- B. The sale of power to the Company by a QF at avoided cost rates pursuant to this Schedule 19-LMP does not convey ownership to the Company of the renewable energy credits or green tags associated with the QF facility.

~~Upon request by the Company, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.~~

- C. The QF is responsible for obtaining an interconnection service agreement for delivery of capacity and energy generated by its facility onto the Company's electrical system. Information on interconnection procedures

**(Continued)**

**Filed 02-02-16**

**Electric-North Carolina**

**Superseding Filing Effective For**

**Usage On and After 03-02-15. This Filing**

**Effective For Usage On and After 02-17-16.**

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

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(Continued)

for the QF's generation interconnection are provided through the Internet  
at the Company's website:

(Continued)

<u>Filed 02-02-16</u>	<u>Superseding Filing Effective For</u>
<u>Electric-North Carolina</u>	<u>Usage On and After 03-02-15. This Filing</u>
	<u>Effective For Usage On and After 02-17-16.</u>

Docket No. E-100, Sub 140

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

(Continued)

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

<https://www.dom.com/library/domcom/pdfs/north-carolina-power/rates/terms-and-conditions/term24.pdf>.

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

D. ~~The QF must have submitted a Notice of Commitment to the Company.~~

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.

VIII. TERM OF CONTRACT

The term of contract shall be such as may be mutually agreed upon but for not less than one year. A QF that initially chooses Schedule 19 – LMP will be permitted a one-time switch to Schedule 19-FP on the first day of its second year under its contract, with 90 days written notice, and in so doing, enter into a new contract with pricing in accordance with the Schedule 19- FP in effect at the time of the initial contract date and with a choice of term of five, 10, or 15 years, less the days elapsed between the commencement of the original contract and the time of execution of the new contract. This one-time option to switch shall only be permitted contingent on Schedule 19 - FP being in effect on the first day of the QF's second year under contract.

Filed 02-02-16  
Electric-North Carolina

Superseding Filing Effective For  
Usage On and After 03-02-15. This Filing Effective  
For Usage On and After 02-17-16.

Docket No. E-100, Sub 140

# Exhibit D

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

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

RECITALS

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

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

or [The inapplicable recital will be deleted]

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

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

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

**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 [Operator to choose] \_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is. [Operator to select Mode of Operation]:

- \_\_\_ Non-Reimbursement Mode as described in Section IV.A of Schedule 19-FP;
- \_\_\_ Energy-Only, Non-time-differentiated Mode of Operation as described in Section IV.B of Schedule 19-FP;
- \_\_\_ Energy-Only, Time-differentiated Mode of Operation as described in Section IV.B of Schedule FP; or
- \_\_\_ Firm Mode of Operation as described in Section IV.C of Schedule 19-FP

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

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

- (a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion 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 COD and certifying that the Facility is ready to begin commercial operations as a QF;
- (c) Operator and Dominion North Carolina Power (or the PJM Interconnection, L.L.C. or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an interconnection service agreement for delivery of capacity and energy generated by the Facility onto the Company's electrical system ("Interconnection

Agreement”), a copy of which has been provided to Company;

- (d) The Facility is a QF as evidenced by Operator providing a copy of its currently effective Form 556 self-certification or formal FERC QF certification order; and
- (e) The CPCN or RPCN, as applicable, is in full force and effect.

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

### Article 3: Contracted Capacity

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

### Article 4: Attachments

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in Article 1
- Exhibit E: Evidence of QF Status on the Effective Date
- Exhibit F: Copy of CPCN or RPCN, as applicable.

### Article 5: Price

Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions for payments in Schedule 19-FP included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-FP as stated in Article 1

hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatt-hour basis.

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

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

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

#### Article 7: Early Termination

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

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

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

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



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

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

(i) failure to meet the requirements necessary to maintain QF status (formal or self-certification at the Operator's option) or revocation of its QF status (formal or self-certification, as applicable) for any reason;

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

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

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

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

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-FP rates filed by the Company in Docket No. E-100, Sub 140; provided, however, an Operator may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

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

**Article 8: Representations and Warranties**

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

**Article 9: Notices and Payments**

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

POWER:	OPERATOR:	DOMINION NORTH CAROLINA
	(Operator name)	Virginia Electric and Power Company
	(Operator address)	Power Contracts (3SE)
		5000 Dominion Boulevard
		Glen Allen, Virginia 23060-6711

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

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

[SIGNATURE PAGE FOLLOWS]

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

(Operator)

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

## EXHIBIT A

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

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

EXHIBIT B  
General Terms and Conditions

I - Assignments

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

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion 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 QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion North Carolina Power prior to May 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 currently effective FERC Form 556 or formal FERC certification, as applicable and any subsequent revisions or amendments;
- (c) Where applicable, a copy of any contract executed with a thermal host;
- (d) Where applicable, identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation;
- (e) Where applicable, identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation;
- (f) Identification of the QF's useful power output for each month. These values should be verifiable by auditing supporting documentation;
- (g) Where applicable, drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations; and
- (h) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

#### IV - Consequential Damages

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

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

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take

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

#### VI - Compliance with Laws

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

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

#### VII - Interconnection and Operation

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

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

#### 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(s).

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 via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. At Dominion 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 a copy of the Operator Form 556 or formal FERC certification of QF status in effect as of the Effective Date.

OR

If Facility is less than 1MW, Operator 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 (codified at 16 U.S.C. § 824a-3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## EXHIBIT F

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

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

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

RECITALS

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

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

or [The inapplicable recital will be deleted]

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

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

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

**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 [Operator to choose] \_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is. [Operator to select Mode of Operation]:

- \_\_\_ Non-Reimbursement Mode as described in Section IV.A of Schedule 19-FP;
- \_\_\_ Energy-Only, Non-time-differentiated Mode of Operation as described in Section IV.B of Schedule 19-FP;
- \_\_\_ Energy-Only, Time-differentiated Mode of Operation as described in Section IV.B of Schedule FP; or
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**Article 2: Term and Commercial Operations Date**

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

- (a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion 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 COD and certifying that the Facility is ready to begin commercial operations as a QF;
- (c) Operator and Dominion North Carolina Power (or the PJM Interconnection, L.L.C. or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an interconnection service agreement for delivery of capacity and energy generated by the Facility onto



the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;

- (d) The Facility is a QF as evidenced by Operator providing a copy of its currently effective Form 556 self-certification or formal FERC QF certification order; and
- (e) The CPCN or RPCN, as applicable, is in full force and effect.

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

~~PURPA § 210(m). The Parties acknowledge that as of the Effective Date, Company has a pending application before the Federal Energy Regulatory Commission ("FERC") for a FERC determination pursuant to Section 210(m) of PURPA and Section 292.310 of the FERC's regulations that the Company is not obligated to enter into a new contract or obligation to purchase energy and capacity from the Facility. That application has been designated FERC Docket No. QM 1-000. If the FERC grants Company's application with respect to the Facility, the Company's obligation under PURPA to purchase the energy and capacity of the Facility will terminate and Company shall have the unilateral right to terminate this Agreement. [Note: This provision will be included in the contract only if the Company has a PURPA § 210(m) application related to the Facility pending before the FERC on the Effective Date of the PPA]~~

### Article 3: Contracted Capacity

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

### Article 4: Attachments

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-FP

- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in Article 1
- Exhibit E: Evidence of QF Status on the Effective Date
- Exhibit F: Copy of CPCN or RPCN, as applicable.

### Article 5: Price

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

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

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

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

### Article 7: Early Termination

(a) Defaults with No Cure Period. Operator and Company agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Company's right to early termination of this Agreement upon written notice to Operator, but without being subject to a cure period, provided

however, that Company shall be obligated to pay for any capacity and energy delivered by Facility prior to termination of this Agreement at the rates stated herein.

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

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

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

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

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

(i) failure to meet the requirements necessary to maintain QF status (formal or self-certification at the Operator's option) or revocation of its QF status (formal or self-certification, as applicable) for any reason;

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

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

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

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

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve Commercial Operations Date within thirty months

from the date of a Commission Order approving the Schedule 19-FP rates filed by the Company in Docket No. E-100, Sub 140; provided, however, an Operator may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

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

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

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

### **Article 9: Notices and Payments**

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

POWER:	OPERATOR:	DOMINION NORTH CAROLINA
	(Operator name)	Virginia Electric and Power Company
	(Operator address)	Power Contracts (3SE) 5000 Dominion Boulevard Glen Allen, Virginia 23060-6711

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

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

[SIGNATURE PAGE FOLLOWS]

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

(Operator)

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

## EXHIBIT A

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

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

EXHIBIT B  
General Terms and Conditions

I - Assignments

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

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion 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 QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion North Carolina Power prior to May 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 currently effective FERC Form 556 or formal FERC certification, as applicable and any subsequent revisions or amendments;
- (c) Where applicable, a copy of any contract executed with a thermal host;
- (d) Where applicable, identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation;
- (e) Where applicable, identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation;
- (f) Identification of the QF's useful power output for each month. These values should be verifiable by auditing supporting documentation;
- (g) Where applicable, drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations; and
- (h) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

#### IV - Consequential Damages

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

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

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take



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

#### VI - Compliance with Laws

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

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

#### VII - Interconnection and Operation

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

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

#### 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(s).

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 via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. At Dominion 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 a copy of the Operator Form 556 or formal FERC certification of QF status in effect as of the Effective Date.

OR

If Facility is less than 1MW, Operator 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 (codified at 16 U.S.C. § 824a-3).

---

Name

---

Title



## EXHIBIT F

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

# Exhibit E

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

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

**RECITALS**

WHEREAS, the North Carolina Utilities Commission ("Commission") has adopted a rate schedule described in this Agreement below as **Schedule 19-LMP** applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. § 292) which can provide Contracted Capacity (as defined in Schedule 19-LMP) (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 Operator is the owner of the [Name of Facility] (the "Facility") described in the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission ("Commission") in Docket No. SP-\_\_\_\_ ("CPCN"); and

or [The inapplicable recital will be deleted]

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

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

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

**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 [Operator to choose] \_\_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is. [Operator to select Mode of Operation]:

- \_\_\_\_ Supply of energy and capacity per Schedule 19-LMP paragraph III.A, or  
\_\_\_\_ Energy only per Schedule 19-LMP paragraph III.B.

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

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

- (a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion 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 COD and certifying that the Facility is ready to begin commercial operations as a QF;
- (c) Operator and Dominion North Carolina Power (or the PJM Interconnection, L.L.C. or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an interconnection service agreement for delivery of capacity and energy generated by the Facility onto the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;
- (d) The Facility is a QF as evidenced by Operator providing a copy of its currently effective Form 556 self-certification or formal FERC QF certification order; and

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

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

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

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

### **Article 4: Attachments**

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

- Exhibit A: Quarterly Status Report Contents
- Exhibit B: General Terms and Conditions
- Exhibit C: Schedule 19-LMP
- Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in Article 1
- Exhibit E: Evidence of QF Status on the Effective Date
- Exhibit F: Copy of CPCN or RPCN, as applicable.

### **Article 5: Price**

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

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-LMP tariff Paragraph V (Energy Only).

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

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

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

**Article 7: Early Termination**

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

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

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

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

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

Company may not terminate this Agreement unless the failure lasts for three hundred sixty-five consecutive days.

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

(i) failure to meet the requirements necessary to maintain QF status (formal or self-certification at the Operator's option) or revocation of its QF status (formal or self-certification, as applicable) for any reason;

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

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

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

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

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-LMP rates filed by the Company in Docket No. E-100, Sub 140; provided, however, an Operator may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

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

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

Operator represents and warrants that it has the right to operate the Facility in accordance with the terms of this Agreement. Operator further represents and warrants that all permits, approvals, and/or licenses necessary for the operation of the Facility will be obtained prior to the COD and shall be maintained throughout the Term of this Agreement. Operator shall provide such documentation and evidence of such right,

permits, approvals and/or licenses as Dominion North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

#### **Article 9: Notices and Payments**

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

POWER: OPERATOR: DOMINION NORTH CAROLINA

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

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

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

[SIGNATURE PAGE FOLLOWS]



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

(Operator)

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

## EXHIBIT A

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

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

EXHIBIT B  
General Terms and Conditions

I - Assignments

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

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion 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 QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion North Carolina Power prior to May 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 currently effective FERC Form 556 or formal FERC certification, as applicable and any subsequent revisions or amendments;
- (c) Where applicable, a copy of any contract executed with a thermal host;
- (d) Where applicable, identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation;
- (e) Where applicable, identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation;
- (f) Identification of the QF's useful power output for each month. These values should be verifiable by auditing supporting documentation;
- (g) Where applicable, drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations; and
- (h) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

#### IV - Consequential Damages

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

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

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or

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

#### VI - Compliance with Laws

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

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

#### VII - Interconnection and Operation

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

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

#### 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(s).

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-LMP.

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 via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. At Dominion 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-LMP 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-LMP

#### 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 a copy of the Operator Form 556 or formal FERC certification of QF status in effect as of the Effective Date.

OR

If Facility is less than 1MW, Operator 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 (codified at 16 U.S.C. § 824a3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## EXHIBIT F

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

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

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

**RECITALS**

WHEREAS, the North Carolina Utilities Commission ("Commission") has adopted a rate schedule described in this Agreement below as **Schedule 19-LMP** applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. § 292) which can provide Contracted Capacity (as defined in Schedule 19-LMP) (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 Operator is the owner of the [Name of Facility] (the "Facility") described in the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission ("Commission") in Docket No. SP-\_\_\_\_ ("CPCN"); and

or [The inapplicable recital will be deleted]

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

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

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

**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 [Operator to choose] \_\_\_\_ a simultaneous purchase and sale arrangement OR \_\_\_\_ an excess sale arrangement. The Mode of Operation that the Operator elects to operate the Facility is. [Operator to select Mode of Operation]:

- \_\_\_\_ Supply of energy and capacity per Schedule 19-LMP paragraph III.A, or  
\_\_\_\_ Energy only per Schedule 19-LMP paragraph III.B.

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

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

- (a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion 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 COD and certifying that the Facility is ready to begin commercial operations as a QF;
- (c) Operator and Dominion North Carolina Power (or the PJM Interconnection, L.L.C. or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an interconnection service agreement for delivery of capacity and energy generated by the Facility onto the Company's electrical system ("Interconnection Agreement"), a copy of which has been provided to Company;
- (d) The Facility is a QF as evidenced by Operator providing a copy of its currently effective Form 556 self-certification or formal FERC QF certification order; and

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

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

~~PURPA § 210(m). The Parties acknowledge that as of the Effective Date, Company has a pending application before the Federal Energy Regulatory Commission ("FERC") for a FERC determination pursuant to Section 210(m) of PURPA and Section 292.310 of the FERC's regulations that the Company is not obligated to enter into a new contract or obligation to purchase energy and capacity from the Facility. That application has been designated FERC Docket No. QM\_\_1-000. If the FERC grants Company's application with respect to the Facility, the Company's obligation under PURPA to purchase the energy and capacity of the Facility will terminate and Company shall have the unilateral right to terminate this Agreement. [Note: This provision will be included in the contract only if the Company has a PURPA § 210(m) application related to the Facility pending before the FERC on the Effective Date of the PPA]~~

### Article 3: Contracted Capacity

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

### Article 4: Attachments

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

Exhibit A: Quarterly Status Report Contents

Exhibit B: General Terms and Conditions

Exhibit C: Schedule 19-LMP

Exhibit D: Map and related written description identifying the specific location of the Facility in the City or County designated in Article 1

Exhibit E: Evidence of QF Status on the Effective Date

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

### Article 5: Price

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

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-LMP tariff Paragraph V (Energy Only).

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

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

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

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

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

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



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

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

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

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

(i) failure to meet the requirements necessary to maintain QF status (formal or self-certification at the Operator's option) or revocation of its QF status (formal or self-certification, as applicable) for any reason;

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

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

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

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

(c) Delay in COD. Company shall have the right to terminate this Agreement if Operator fails to achieve Commercial Operations Date within thirty months from the date of a Commission Order approving the Schedule 19-LMP rates filed by the Company in Docket No. E-100, Sub 140; provided, however, an Operator may be allowed additional time to begin deliveries of power to the Company if the QF facilities in question are nearly complete at the end of such thirty month period and the QF is able to demonstrate that it is making a good faith effort to complete its project in a timely manner.

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

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

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

#### **Article 9: Notices and Payments**

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

POWER:	OPERATOR:	DOMINION NORTH CAROLINA
	(Operator name)	Virginia Electric and Power Company
	(Operator address)	Power Contracts (3SE)
		5000 Dominion Boulevard
		Glen Allen, Virginia 23060-6711

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

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

[SIGNATURE PAGE FOLLOWS]

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

(Operator)

By:

Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By:

Title:

Date:

## EXHIBIT A

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

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

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, which consent shall not be unreasonably withheld, provided, that such assignment does not require any amendment of the terms and conditions of the Agreement, other than the notice provisions, thereof. Any attempted assignment that Dominion North Carolina Power has not approved in writing shall be null and void and ineffective for all purposes. In the event of assignment by Operator, Operator shall pay the Company within thirty (30) days of the effective date of the assignment an amount equal to the actual costs incurred by Company in connection with such assignment up to a maximum amount of \$12,000 per assignment; provided, however, assignment of this Agreement by Operator in connection with an initial financing arrangement which is finalized and for which consent of the Company is requested within nine months of the Effective Date of this Agreement shall not be subject to the payment requirement provided herein.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion 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 QF requirements established as of the Effective Date of this Agreement by the FERC's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to maintain QF status throughout the term of this Agreement. Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to status of the Facility as a QF. If requested by Dominion North Carolina Power prior to May 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 currently effective FERC Form 556 or formal FERC certification, as applicable and any subsequent revisions or amendments;
- (c) Where applicable, a copy of any contract executed with a thermal host;
- (d) Where applicable, identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation;
- (e) Where applicable, identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation;
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- (h) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

#### IV - Consequential Damages

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

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

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one

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

#### VI - Compliance with Laws

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

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

#### VII - Interconnection and Operation

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

Operator shall: (a) maintain the Facility in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such

authorizations and permits, Dominion 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.

#### 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(s).

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-LMP.

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 via mail Operator payment for energy and Contracted Capacity delivered, except if payment is made via wire transfer then payment shall be made within thirty-one (31) days thereafter. At Dominion 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-LMP 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-LMP

#### 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 a copy of the Operator Form 556 or formal FERC certification of QF status in effect as of the Effective Date.

OR

If Facility is less than 1MW, Operator 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 (codified at 16 U.S.C. § 824a3).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title





## EXHIBIT F

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

# Exhibit F



Dominion

Dominion North Carolina Power



Customer Service

B2B Services

Outage Center

Rates

Safety

Ways To Save

News

[Dominion North Carolina Power](#) > [B2B Services](#) > [Selling Power to Dominion](#) > Sales of Power to Dominion North Carolina Power



# Sales of Power to Dominion North Carolina Power

## Initiating a Request For an Interconnection Agreement

You must obtain permission to interconnect your parallel generator to Dominion's electric grid. For more detailed information, view our [Parallel Generation and Interconnection information](#) or contact:

Generator Interconnections  
Dominion Virginia Power/North Carolina Power  
One James River Plaza, 8th Floor  
P.O. Box 26666  
Richmond, Virginia 23261-6666

*NOTE: The submission of an interconnection request **does not** constitute an indication of a customer's commitment to sell the output of a facility to Dominion. For information on submitting a legally enforceable obligation (LEO) form or requesting a power purchase agreement (PPA), please see the information and links provided below.*

## Contracting to Sell Power to Dominion North Carolina Power

The following information applies to owners of Qualifying Facilities or "QFs" (as that term is defined by the Federal Energy Regulatory Commission or "FERC") located in North Carolina with a capacity of either (1) no more than 5 MW that meet the applicability and availability criteria of Dominion's Schedule 19 – FP or Schedule 19-LMP as currently approved by the North Carolina Utilities Commission ("NCUC"), or (2) between 5 and 20 MW.

### B2B Services

[Business Applications Access](#)[Electronic Bulletin Boards](#)[New Construction](#)[Suppliers](#)[Economic Development](#)[Facility and Location Requests](#)[Selling Power to Dominion](#)[Parallel Generation and Interconnection](#)[Sales of Power to Dominion North Carolina Power](#)

A QF must establish a **legally enforceable obligation or "LEO"** in order to enter into a power purchase agreement or "PPA" with Dominion, either at the standard rates contained in Dominion's current Schedule 19-FP and Schedule 19-LMP or, for QFs with capacity between 5 and 20 MW, at negotiated avoided cost rates. A legally enforceable obligation is established by the facility (a) either obtaining formal FERC certification or self-certifying with FERC as a QF, (b) receiving a certificate of public convenience and necessity or "CPCN" for construction of the facility from the NCUC, or if exempt from the CPCN requirements, filing a report of proposed construction, and (c) making a commitment to sell its output to Dominion pursuant to PURPA by submitting to Dominion a "Notice of Commitment" form (or "**LEO form**"). Please follow the instructions on the form itself for completing the form and forwarding it to the Company.

### QFs With Net Output No Greater Than 5 MW

- To initiate the PPA process, contact Dominion via:

Director - Power Contracts  
 Dominion North Carolina Power  
 5000 Dominion Boulevard Innsbrook 3SE  
 Glen Allen, Virginia 23060  
 Email: [powercontracts@dom.com](mailto:powercontracts@dom.com)

- View the following rate schedules: [Schedule 19 – FP](#) and [Schedule 19 – LMP](#) for applicability and availability criteria.
- View the following standard PPAs: [Schedule 19 - FP - PPA](#) and [Schedule 19 - LMP - PPA](#).

### QFs With Net Output Greater than 5 MW and No Greater than 20 MW

- Initiate the PPA process with Dominion by contacting:

Director - Power Contracts  
 Dominion North Carolina Power  
 5000 Dominion Boulevard Innsbrook 3SE  
 Glen Allen, Virginia 23060  
 Email: [powercontracts@dom.com](mailto:powercontracts@dom.com)

Customer Service	B2B Services	Outage Center	Rates
<a href="#">Manage Account</a>	<a href="#">Business Applications Access</a>	<a href="#">Report and Check Outages</a>	<a href="#">Business Rate Schedules</a>
<a href="#">Manage Service</a>	<a href="#">Electronic Bulletin Boards</a>	<a href="#">Outages by Region and Maps</a>	<a href="#">Terms and Conditions</a>
<a href="#">Billing Options</a>	<a href="#">Suppliers</a>	<a href="#">Outage Safety and Preparation</a>	<a href="#">Curtailment Notices</a>
<a href="#">Payment Options</a>	<a href="#">Economic Development</a>	<a href="#">Streetlight Outages</a>	<a href="#">Schedule 10</a>
		<a href="#">Text Alerts</a>	
Safety	Ways To Save	News	
<a href="#">Electrical Safety</a>	<a href="#">Energy Conservation Programs</a>	<a href="#">News Releases</a>	
<a href="#">Downed Power Line Safety</a>	<a href="#">Renewable Energy Programs</a>	<a href="#">Social Media</a>	
<a href="#">Call Before You Dig</a>	<a href="#">Energy Saving Tips</a>	<a href="#">Feeds and Alerts</a>	
	<a href="#">Calculators</a>	<a href="#">For the Media</a>	



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Compliance Filing of Dominion North Carolina Power, as filed in Docket No. E-100, Sub 140 was served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 2<sup>nd</sup> day of February, 2016.

s/ Andrea R. Kells

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