

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

E-100, Sub 136

This FIRST AMENDMENT TO THE AGREEMENT FOR THE SALE OF ELECTRICAL OUTPUT TO VIRGINIA ELECTRIC AND POWER COMPANY (this "Amendment") is entered into as of this 3rd day of June, 2014 by and between TIER ONE SOLAR, LLC, a North Carolina limited liability company ("Operator"), and VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation doing business in North Carolina as Dominion North Carolina Power, hereinafter called "Dominion North Carolina Power" (each a "Party" and collectively, the "Parties").

WHEREAS, effective, January 22, 2013, Operator and Dominion North Carolina Power entered into an Agreement for the Sale of Electric Output to Virginia Electric and Power Company (the "Agreement");

WHEREAS, Operator elected to receive energy and capacity payments under sections VI.B and VII of Dominion North Carolina Power's November 1, 2012 filed Schedule 19-FP; and;

WHEREAS, as of January 22, 2013, the aforementioned Schedule was pending approval before the North Carolina Utilities Commission (the "Commission"); and

WHEREAS, on February 21, 2014, the Commission issued an Order, which among other things, approved and modified Dominion North Carolina Power's Schedule 19-FP; and

WHEREAS, the Parties desire to amend Articles 5, 6 and 8 of the Agreement so that it complies with the Commission's February 21, 2014 Order.

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

- a. All text following the title Article 5: Price shall be deleted in its entirety and replaced with the following:

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

If Operator elects the Firm Mode of Operation, then for the term of this Agreement Operator shall be paid for firm energy, in accordance with Schedule 19-FP, effective for usage on March 28, 2014, the 15-year Fixed Long-Term Rate as provided for at Section VI.A of Schedule 19-FP. Payments for firm energy will begin on the Commercial Operations Date. All energy delivered per hour above the Contracted Capacity up to 105% of the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate pursuant to Section V of Schedule 19-FP. No payment shall be made for energy delivered above 105% of the Contracted Capacity. All energy delivered prior to the Commercial Operations Date shall be considered non-firm and paid at the non-firm energy rate. In all cases, such non-firm energy rates will be those in the Schedule 19-FP in effect at the time such energy is delivered.

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

- b. Article 6 shall be renamed from “Regulatory Pricing Adjustment and Refund” to “Reserved”, and all text following the title shall be deleted and replaced with “This Article is reserved.”
- c. Article 8 (i) shall be deleted and replaced with “failure to commence construction of the Facility, as defined in Article 7 above, and provide Dominion North Carolina Power with written notice thereof by July 1, 2016,”
- d. Article 8 (ii) shall be deleted and replaced with “failure to achieve Commercial Operations Date by August 21, 2016,”
- e. The 11-01-12 version of Schedule 19-FP included in the Agreement as Exhibit C shall be replaced with the 03-13-14 version of Schedule 19-FP.

2. Entire Agreement. This Amendment and the Agreement represent the entire agreement between the Parties with respect to the subject matter hereof. Except as expressly set forth herein, this Amendment shall not alter, amend or modify any other terms, conditions or provisions of the Agreement, which, except as and to the extent modified herein, shall continue in full force and effect.

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

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

TIER ONE SOLAR, LLC

By: 

Name: Dr. Isaac B. Horton III

Title: Authorized Representative

VIRGINIA ELECTRIC AND POWER COMPANY

By: 

Name: James L. Neal

Title: Authorized Representative

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

OFFICIAL COPY

Feb 27 2015

I. APPLICABILITY AND AVAILABILITY

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

This schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that by November 1, 2014 (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 8-65, and (b) has indicated to the Company in writing that it is committed to selling the output of the facility to the Company pursuant to the terms of this schedule.

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

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

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(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

Where the QF elects to be compensated for firm or non-firm deliveries in accordance with this schedule, the QF must begin deliveries to the Company within thirty months of February 21, 2014 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.

This schedule is not applicable to a QF owned by a developer, or affiliate of a developer, who sells power to the Company from another facility located within one-half mile unless: (1) each facility provides thermal energy to different, unaffiliated hosts; (2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs; or (3) each facility utilizes a renewable resource which may be subject to geographic siting limitations, such as hydroelectric, solar, or wind power facilities.

II. MONTHLY BILLING TO THE QF

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

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II. MONTHLY BILLING TO THE QF (Continued)

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

III. DEFINITION OF ON- AND OFF-PEAK HOURS

A. 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 am and 10:00 pm., Monday through Friday, excluding holidays considered as off-peak.

Non-Summer

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

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

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

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

Summer

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

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

Non-Summer

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

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

C. Off-Peak Hours:

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

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IV. CONTRACT OPTIONS FOR DESIGNATING MODE OF OPERATION

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

- A. The QF may contract for the delivery of energy to the Company without reimbursement, designated as the Non-reimbursement Mode of Operation; or,
- B. The QF may contract for the delivery of non-firm energy to the Company (no payment for capacity). This option includes QFs that elect to contract to deliver non-firm energy to the Company on an as-available basis. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the Non-firm, Non-time-differentiated Mode of Operation. Regardless of nameplate rating the QF may designate the Non-firm, Time-differentiated Mode of Operation.
- C. The QF may contract for the delivery of firm energy and capacity to the Company. The level of capacity which the QF contracts to sell to the Company shall not exceed 5,000 kW, where the QF is defined under Paragraph I.A., or 3,000 kW otherwise. This capacity level, in kW, shall be referred to as the Contracted Capacity. When the QF elects to sell firm energy and capacity, the QF shall designate the Firm Mode of Operation.

V. PAYMENT FOR COMPANY PURCHASES OF NON-FIRM ENERGY

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

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

- A. Non-reimbursement Mode of Operation. Where the QF designates the Non-Reimbursement Mode of Operation, no payment will be made for energy delivered.
- B. Non-time-differentiated Mode of Operation. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less and the QF designates the Non-Firm, Non-time-differentiated Mode of Operation, the following rates in cents per kWh are applicable:

3.843

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

On-peak	4.541
Off-peak	3.455

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

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VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY

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

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

- 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)	4.541	5.055	5.526	5.813
Off-Peak (¢/kWh)	3.455	3.964	4.388	4.661

- 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:

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

		<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)	4.663	5.194	5.675	5.962
Off-Peak (¢/kWh)	3.614	4.119	4.549	4.824

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

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

VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

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

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (Continued)

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	5.895	6.095	6.263
Off-Peak (¢/kWh) Non-summer	3.930	4.063	4.175

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	3.537	3.657	3.758
Off-Peak (¢/kWh) Non-summer	2.358	2.438	2.505

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	13.524	13.982	14.368
Off-Peak (¢/kWh) Non-summer	5.214	5.390	5.539

For all other facilities:

	<u>Capacity Price</u>		
	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
On-Peak (¢/kWh) Summer	8.115	8.389	8.621
Off-Peak (¢/kWh) Non-summer	3.128	3.234	3.323

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VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY (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.

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.
- D. Interconnection procedures for the QF's generation interconnection are provided through the Internet at the Company's website;
<http://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf>.

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

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.