

SCHEDULE PP (NC)
PURCHASED POWERAVAILABILITY (North Carolina only)

Upon Seller's completion and Company's acceptance of a Purchase Power Agreement, this Schedule is available for electrical energy and capacity supplied by Eligible Qualifying Facilities (as defined below) to Company, provided Seller is a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket No. RM79-54 and 18 C.F.R. §§ 292.203, 292.204, and 292.205. This Schedule is not available for electric service supplied by Company to Seller or to Seller who has negotiated rate credits or conditions with Company which are different from those below. This Schedule is not available to a Qualifying Facility owned by a Customer or affiliate or partner of a Customer, who sells power to the Company from another Qualifying Facility of the same energy resource located within one-half mile, as measured from the electrical generating equipment, unless the combined capacity is equal to or less than one (1) megawatt.¹

Service necessary for the delivery of power from the Seller's generating facilities into Company's system shall be furnished solely to the individual contracting Seller in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to Company's purchase of energy or energy and capacity from the Customer's generating facilities up to the Contract Capacity specified in the Purchase Power Agreement which may be operated in parallel with Company's system. Power delivered to Company under this Schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of Company. If Seller requires supplemental, back-up, or standby services, Seller shall enter into a separate service agreement with Company in accordance with Company's applicable electric rates, riders, and Service Regulations on file with and authorized by the state regulatory agency having jurisdiction.

All qualifying facilities have the option to sell energy to the Company on an "as available" basis and receive energy credits only calculated using the Variable Rates identified in this Schedule for the delivered energy. The Variable Energy Credit shall constitute the "as available" avoided cost credit for Non-Eligible Qualifying Facilities. The Fixed Long Term Credit rates on this schedule are available only to otherwise eligible Sellers that establish a Legally Enforceable Obligation on or before the filing date of proposed rates in the next biennial avoided cost proceeding, as further addressed in the RATE UPDATES section of this Schedule, provided eligible Seller begins delivery of power no later than thirty (30) months from the date of the order approving avoided cost rates in Docket No. E-100, Sub 167, but may be extended beyond 30 months if construction is nearly complete and Seller demonstrates that it is making a good faith effort to complete its project in a timely manner. Notwithstanding the foregoing, eligible Sellers establishing a Legally Enforceable Obligation on or before November 15, 2016, and seeking payment under rates approved in Docket No. E-100, Sub 140, shall continue to be eligible for such rates, even if they failed to commence delivering power to the utility on or before September 10, 2018, pursuant to Section 1.(c) of Session Law 2017-192, unless the Seller's nameplate capacity along with the combined nameplate capacity of generation facilities connected or with priority rights under the North Carolina Interconnection Procedures to be connected ahead of Seller to the same general distribution substation transformer exceeds the nameplate capacity of the transformer. If extended, as provided for in Session Law 2017-192, the contract term available to eligible E-100 Sub 140 Sellers shall commence on September 10, 2018 and expire no later than 15 years from that date.

Sellers not qualifying for the Fixed Long-Term Credit rates remain eligible for the Variable Credit rates or the Fixed Long Term Credit rates proposed in the next biennial avoided cost proceeding, which will be subject to adjustment if different rates are approved by the North Carolina Utilities Commission in that proceeding.

QUALIFYING FACILITIES ELIGIBLE FOR CAPACITY AND/OR ENERGY CREDITS

In order to be an Eligible Qualifying Facility and receive Energy Credits under this Schedule, the Qualifying Facility must be a hydroelectric or a generator fueled by trash or methane derived from landfills, solar, wind, hog or poultry waste-fueled or non-animal biomass-fueled Qualifying Facility with a Contract Capacity of one (1) megawatt or less, based on the nameplate rating of the generator(s), which are interconnected directly with the Company's system and which are Qualifying Facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

Capacity Credits are limited to Eligible Qualifying Facilities located within Company's service area that are classified as New Capacity in accordance with FERC Order No. 69 under Docket No. RM79-55 and interconnected to Company's transmission or distribution facilities in accordance with the North Carolina Utilities Commission's Order dated September 21, 1981 in Docket No. E-100, Sub 41. Pursuant to N.C.G.S. § 62-156(b)(3), certain Sellers eligible for this tariff may be eligible for a different avoided capacity credit and rate: (i) certain hydroelectric small power producers with a Contract Capacity of up to one (1) MW and a purchase power agreement in effect as of July 27, 2017, which commit to sell and deliver energy and capacity for a fixed contract term prior to terminating the existing purchase power agreement, as set forth in N.C.G.S. § 62-156(b)(3); or (ii) swine waste and poultry waste fueled small power producers if Seller sells the output of its facility, including renewable energy credits, to Company for Company to comply with its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") requirements set forth in N.C.G.S. § 62-133.8(e) and (f).

¹ Once Purchase Power Agreements are executed with Sellers having a Legally Enforceable Obligation after November 16, 2016 for an aggregate generation capacity of 100 megawatts (MWs), Monthly Rates will only be available thereafter to Sellers establishing a Legally Enforceable Obligation after November 16, 2016 with a Contract Capacity of 100 kW or less.

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Eligible Qualifying Facilities receiving Capacity Credits under this Schedule shall also receive corresponding Energy Credits of like term, as set forth in the "Rate" section of this Schedule.

TYPE OF SERVICE

Company will furnish 60 Hertz service through one metering point, at one delivery point, at one of the following approximate voltages, where available, upon mutual agreement:

- Single-phase, 120/240; 120/208, 240/480 or other available single-phase voltages at the Company's option, or
- 3-phase, 208Y/120, 460Y/265, 480Y/277 volts, or
- 3-phase, 3-wire, 240, 480, 575 or 2300 volts, or
- 3-phase, 4160Y/2400, 12470Y/7200, or 24940Y/14400 volts, or
- 3-phase voltages other than the those listed above may be available at the Company's option if the size of the Customer's contract warrants a substation solely to serve that Customer, and if the Customer furnishes suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company's specifications.

The type of service under this Schedule shall be determined by the Company. Prospective customers shall ascertain the available voltage by written inquiry of the Company before purchasing equipment.

RATE

The Company shall pay Eligible Qualifying Facilities for energy and/or capacity furnished to Company at the Credits set forth below, as applicable. Such payments shall be reduced by both the Administrative Charge and any applicable Interconnection Facilities Charge.

Energy and Capacity Credits

Eligible Qualifying Facilities for Company's Fixed Long-Term and/or Variable Energy and Capacity Credits shall be paid based upon the Seller's interconnection with Company's distribution or transmission system for all energy delivered to Company's system as registered or computed from Company's metering facilities. The Energy and Capacity Credit will be in accordance with the length of rate term for energy sales so established in the Purchase Power Agreement. The Capacity Credit is determined based upon the Seller's generation resource.

Administrative Charge \$19.91 per month

Interconnection Facilities Charge:

The Interconnection Charge for each customer is set forth in the Agreement as outlined in the Terms and Conditions; however, the \$25.00 minimum will not apply if the charge is for a meter only.

<u>Interconnected to Distribution</u>		<u>Interconnected to Transmission</u>	
<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>	<u>Variable Rate</u>	<u>Fixed Long-Term Rate (10 years)</u>

Energy Credits (¢/kWh)²:

Credits Applicable to All but Uncontrolled Solar Generation³

On-peak kWh:

a. Summer	2.88	3.36	2.78	3.25
b. Winter				
1. Morning Hours	0.77	3.50	0.75	3.40
2. Evening Hours	3.26	3.57	3.17	3.48
c. Premium Peak				
1. Summer	3.67	3.46	3.53	3.33
2. Winter	3.95	4.34	3.83	4.21

North Carolina Ninth Revised Leaf No. 90
 Effective for energy and capacity rendered on and after November 1, 2020
 NCUC Docket No. E-100, Sub 167, Order dated _____

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d. Shoulder	2.25	2.26	2.20	2.21
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Off-peak kWh:

a. Summer	2.63	2.85	2.58	2.80
b. Winter	2.86	3.03	2.80	2.97
c. Shoulder	2.75	2.85	2.71	2.81

Credits Applicable to Uncontrolled Solar Generation⁴ Only

On-peak kWh:

a. Summer	2.77	3.25	2.67	3.14
b. Winter				
1. Morning Hours	0.66	3.39	0.64	3.29
2. Evening Hours	3.15	3.46	3.06	3.37
c. Premium Peak				
1. Summer	3.56	3.35	3.42	3.22
2. Winter	3.84	4.23	3.72	4.10
d. Shoulder	2.14	2.15	2.09	2.10

Off-peak kWh:

a. Summer	2.52	2.74	2.47	2.69
b. Winter	2.75	2.92	2.69	2.86
c. Shoulder	2.64	2.74	2.60	2.70

**Capacity Credits (¢/kWh)⁵:
 Credits Applicable to All but Swine or Poultry Waste
 Generation for which a Need is Established Pursuant
 to N.C.G.S. § 62-133.8(e) and (f) and Hydroelectric
 Generation without Storage**

On-peak kWh:

a. Summer	0.00	1.37	0.00	1.33
b. Winter				
1. Morning Hours	0.00	6.37	0.00	6.19
2. Evening Hours	0.00	2.06	0.00	2.00

**Credits Applicable to Swine or Poultry Waste
 Generation for Which a Need is Established Pursuant
 to N.C.G.S. § 62-133.8(e) and (f)**

On-peak kWh:

a. Summer	3.07	3.18	2.99	3.09
b. Winter				
1. Morning Hours	14.28	14.77	13.89	14.36
2. Evening Hours	4.62	4.78	4.49	4.65

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Credits Applicable to Certain Hydroelectric Generation without Storage⁶ Only

On-peak kWh

a. Summer	5.80	6.00	5.64	5.83
b. Winter				
1. Morning Hours	26.95	27.87	26.21	27.10
2. Evening Hours	8.72	9.02	8.48	8.77

Credits Applicable to All Other Hydroelectric Generation without Storage⁷ Only

On-peak kWh

a. Summer	0.00	2.59	0.00	2.52
b. Winter				
1. Morning Hours	0.00	12.02	0.00	11.69
2. Evening Hours	0.00	3.89	0.00	3.78

- ² For Energy Credit purposes, Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 12:00 p.m. noon to 4:00 p.m. and 8:00 p.m. to 10:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 6:00 a.m. and 9:00 a.m. to 10:00 a.m., plus evening hours from 5:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 6:00 a.m. to 10:00 a.m. plus evening hours from 4:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When a holiday 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.
- ³ Includes “controlled solar generation” defined as solar generation where the Qualifying Facility demonstrates that its facility is capable of operating, and contractually agrees to operate, in a manner that reduces its average daylight volatility to 6% or less of its average daylight power output. Controlled solar generation must be served under a negotiated Purchase Power Agreement that describes provisions for operating the technology used to reduce average daylight volatility.
- ⁴ “Uncontrolled Solar Generation” is defined as solar generation where the Qualifying Facility does not demonstrate that its facility is capable of operating, or does not contractually agree to operate, in a manner that reduces its average daylight volatility to 6% or less of its average daylight power output. Eligible Qualifying Facilities with controlled solar generation shall be governed under a negotiated Purchase Power Agreement between Seller and Company, which shall be based on Company’s standard Purchase Power Agreement and Terms and Conditions for the Purchase of Electric Power with additional terms added to address requirements for operating the technology used to reduce average daylight volatility.
- ⁵ Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.
- ⁶ For hydroelectric generation without storage where the Qualifying Facility renews a Purchased Power Agreement that was in effect as of July 27, 2017, under N.C.G.S. § 62-156(b)(3).
- ⁷ For all other hydroelectric generation without storage.

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PURCHASED POWERRENEWABLE ENERGY CREDITS

Unless otherwise specified in the Company's agreements with the Seller, the sale of power under this schedule does not convey to the Company the right to renewable energy credits (RECs) or green tags associated with the energy delivered.

INTERCONNECTION FACILITIES CHARGE

For Eligible Qualifying Facilities, the installed costs for all facilities constructed or installed by Company to interconnect and safely operate in parallel with Seller's equipment shall be determined in accordance with Company's Terms and Conditions for the Purchase of Electric Power. Interconnection of Customer's generation to Company's system shall be in accordance with the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generation Interconnections.

POWER FACTOR CORRECTION

Unless the Seller is required by an Operating Agreement to adjust VAR production to support voltage control, when the Seller consumes VARs supplied by the Company or the Seller delivers VARs to Company, the Company may reduce the purchased energy measured in kilowatt-hours for that month by multiplying by the Average Consumed Power Factor. The Average Consumed Power Factor shall be the calculated on a monthly basis as the average kWh divided the average kVAh, where average kVAh shall be the square root of the sum of the average kWh squared plus the average consumed and delivered kVARh squared. Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of Company. If a Seller without an Operating Agreement is requested by the Company to operate pursuant to a voltage schedule by providing or absorbing VARS, the Seller shall be compensated in the same manner as sellers with Operating Agreements.

CONTRACT CAPACITY

The Contract Capacity shall be as specified in the Purchase Power Agreement between Company and Seller. Only one such Standard Contract shall be permitted for any Qualifying Facility.

RATE UPDATES

The Credits and Administrative Charge under this Schedule will be updated by the Company in November, 2021, or as otherwise directed by the North Carolina Utilities Commission, and every two years thereafter. Sellers who have contracted for the Fixed Long-Term Energy and Capacity Credits will not be affected by updates in the Energy and Capacity Credits until their rate term expires. For all Qualifying Facilities selling to Company pursuant to the Variable Capacity Rate provisions of this schedule, such capacity credits shall be updated and changed in accordance with the Commission's revisions to such credits in the Company's biennial avoided cost proceedings.

The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with the Variable or Long-Term rates selected by Seller in Company's Schedule PP and the Terms and Conditions for the Purchase of Electric Power. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part of the Agreement as though fully written herein, and shall nullify any prior provision in conflict therewith. Any change to the Rate Schedule or Terms and Conditions shall not apply to the Fixed Long-Term Rates themselves, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges, and all non-rate provisions. For Purchase Power Agreements executed pursuant to the Fixed Long Term rates approved in Docket No. E-100, Sub 167 or its predecessors, any change to the schedule shall not apply to the Fixed Long Term Energy and Capacity Rates during the Contract Period.

PAYMENTS

Credit billings to the Seller shall be payable to the Seller within fifteen (15) days of the date of the bill.

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Seller shall enter into a Purchase Power Agreement which shall specify the Contract Capacity committed for delivery throughout the term of the contract and shall specify the initial term and associated rate.