

Buy All Sell All Rider
for Interconnection of Renewable Generation

I. Availability

Available to each Customer of Fayetteville Public Works Commission (PWC) that purchases retail electricity from PWC and that owns and operates a new renewable energy facility, as defined in G.S. 62-133.8(a)(5), or a qualifying facility, as defined in accordance with section 210 of the Public Utility Regulatory Policies Act of 1978, as amended, (each of which is a “Facility”) that is: (i) located entirely on the Customer’s premises served by PWC; (ii) installed on the Customer’s side of the delivery point primarily for the Customer’s own use; and (iii) interconnected with and operated in parallel with the PWC distribution system in accordance with the terms of an interconnection agreement between the Customer and PWC.

WARNING: PWC is a municipal utility that does not lease solar energy facilities within its service territory and thus is not an electric generator lessor in its service territory. Electric generator lessors are therefore prohibited from soliciting or engaging in business in PWC’s service territory pursuant to the North Carolina Distributed Resources Access Act (please refer to North Carolina Session Law 2017-192 and N.C.G.S. § 62-126.1, et seq., for additional information). All persons and entities are specifically prohibited from leasing solar generating facilities such as rooftop solar panels to customers in PWC’s service territory.

II. Definitions

A. CP Demand Cost is defined as the total of the Monthly Capacity Charges estimated for and billed during the applicable calendar year by Duke Energy Progress, LLC (DEP) to PWC in accordance with the parties’ Power Supply Coordination Agreement, as amended and restated from time to time (PSCA).

B. Energy Consumption is defined as the total energy purchases that PWC is projected by DEP to make during the applicable calendar year.

C. Energy Cost is defined as the total of the Monthly Energy Charges estimated for and billed during the applicable calendar year by DEP to PWC in accordance with the PSCA.

D. Transmission Cost is defined as the total of the Transmission Charges (or Transmission Service Charges), adjusted for losses, and the Ancillary Services Charges determined in accordance with OATT Schedules 1 and 2 that are estimated for and billed during the applicable calendar year by DEP to PWC in accordance with DEP’s Open Access Transmission Tariff Agreement, as amended (OATT).

E. System Loss Factor is defined as the percentage computed as follows:

$$\frac{\text{(Purchases from Electricity Suppliers - Sales to Ultimate Consumers)}}{\text{(Purchases from Electricity Suppliers)}}$$

Purchases from Electricity Suppliers and Sales to Ultimate Consumers shall be derived from Schedule 2, Part B of PWC U.S. Energy Information Agency EIA-

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861 Annual Electric Power Industry Report most recently filed prior to the applicable calendar year.

- F. Ancillary Credits** is defined as the total amount that is estimated for and credited by DEP to PWC during the applicable calendar year pursuant to the PSCA for any charges incurred by PWC pursuant to Schedule 2, Schedule 3, Schedule 5, and Schedule 6 of the OATT that are provided from DEP's generation resources.
- G. True-Up Factor** is defined as the Customer Credit minus the Actual Value computed for the same calendar year in which the Customer Credit is applied. A negative True-Up Factor will result in an additional payment in arrears by the Customer to PWC, and a positive True-Up Factor will produce a credit or payment in arrears by PWC to the Customer.
- H. Actual Value** is for a calendar year is computed using the actual costs and credits that PWC incurs or receives under the PSCA and the actual amount of energy that PWC purchases from Duke during said calendar year with the following formula:

$$\frac{[(\text{Actual Demand Cost} + \text{Actual Energy Cost} + \text{Actual Transmission Cost})(1 + \text{System Loss Factor})] - \text{Actual Ancillary Credits}}{(\text{Actual Energy Consumption})}$$

The computation of the Actual Value will generally occur six to nine months after the calendar year in which a particular Customer Credit is applied, which will generally result in the application of a true-up factor as much as one year in arrears.

III. General Provisions

- A.** An Agreement for the Interconnection of Renewable Generation Equipment must be completed before service can be received under this Rider.
- B.** For Customers with a Facility of 10 kW (based on nameplate rating) or less, the Customer Credits (defined below) that the Customer may earn pursuant to this Rider shall apply to the Customer's monthly electric bill from PWC and shall not exceed the Customer's kWh charges on the bill under the applicable retail electric rate schedule on which the Customer is purchasing electricity from PWC (the "Rate Schedule"). For Customers with a Facility of more than 10 kW, the Customer Credits (as defined in a purchase power agreement between the Customer and PWC) shall not exceed the Customer's charges on PWC's bills under the Rate Schedule for each contract year, which is the 12 month period immediately following the contract effective date or its anniversary.
- C.** The Customer or its affiliates shall not be eligible to engage in transactions under this Rider for more than one Facility located on contiguous parcels or more than one Facility located within a one-half mile radius of another Facility owned by the Customer or its affiliate and engaged in transactions under this Rider. All other

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- D.** provisions of the Rate Schedule including, but not limited to, definitions of monthly, Wholesale Power Cost Adjustments, Fuel Adjustments, Payments, and Special Facilities Charges apply.
- E.** PWC's Service Regulations and Charges and the Rate Schedule are subject to change with Commission approval.
- F.** PWC will furnish, install, own, and maintain all metering to measure the energy produced by the Facility, subject to Customer's payment of a monthly Customer Charge for the meter as specified below. Customer's service shall be metered with two electric meters, one of which measures all energy provided by PWC used by the Customer and billed under the Rate Schedule, and another meter which measures the amount of energy generated by the Customer's Facility and delivered to PWC's electric grid. For Facilities larger than 10 kW owned by Customers whose Rate Schedule includes demand charges, the meters will also measure demand/capacity. PWC shall have the right to install special metering and load research devices on the Customer's Facility and the right to use the Customer's telephone line for communication with PWC and the Customer's Facility, if needed.
- G.** In the event PWC determines that it is necessary to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay an Extra Facilities Charge as specified in PWC's Service Regulations and Charges for the additional equipment.
- H.** If the Facility is a new renewable energy facility, PWC has the option of entering into a separate contract for the ownership and use of the renewable energy credits (REC's) or "green tags" associated with renewable generation source energy.
- I.** PWC retains the right, at its discretion, to limit Customer-owned generation depending upon PWC's system requirements and limitations.
- J.** PWC reserves the right to terminate service under this Rider at any time upon written notice to Customer in the event that Customer violates any of the terms or conditions of this Rider or operates the Facility in a manner which is detrimental to PWC or its customers or in the event that this Rider is terminated. PWC, in addition to all other legal remedies, may either terminate service under this Rider or suspend purchases of energy from Customer for (1) fraudulent or unauthorized use of PWC's meter; (2) failure to pay any applicable bills when due and payable; (3) Customer's failure to operate the Facility in compliance with all applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC") and the SERC Reliability Corporation ("SERC") and with the National Electrical Safety Code and all applicable laws and regulations or any successor(s) thereto; or (4) failure to maintain generating and protective equipment



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- K. in a manner that insures that reliable, utility grade electric energy is being delivered to PWC.
- L. Any capacity or energy associated with or derived from distributed generation that is not a Facility or from energy storage or demand side management or demand response programs is not eligible for compensation under this Rider, and any wheeling or purchase of such capacity and energy is permitted only by the execution by the Customer who owns or controls such capacity or energy of a special negotiated contract with PWC that may be offered by PWC on a case by case basis.

IV. Customer Charge

For each Facility of 10 kW (nameplate rating) or less:

Monthly Basic Facility Charge per meter:

4 terminal single phase:	\$ 20.00
5 terminal three phase:	\$ 30.00

For each Facility greater than 10 kW:

Per special negotiated contract with PWC

V. Customer Credit

For each Facility of 10 kW (nameplate rating) or less, the Customer shall receive a monthly bill credit 30 days in arrears based on the kilowatt hours of energy generated by the Customer's Facility and metered and delivered to PWC's electric grid during the applicable billing month.

For each Facility of 10 kW (nameplate rating) or less:

The Customer Credit shall apply to the standard month's bill and charges, and the Customer Credit shall not exceed the Customer's total current kWh energy charges on the monthly bill. The Customer Credit shall be computed for the applicable calendar year using the following formula:

$$\frac{[(CP \text{ Demand Cost} + \text{Energy Cost} + \text{Transmission Cost} (1 + \text{System Loss Factor})] - \text{Ancillary Credits}}{\text{Energy Consumption}}$$

For applicable calendar year 2019, the Customer Credit per kWh shall be initially:

\$0.0709 per kWh

However, the Customer Credit may be modified at any time within a calendar year based upon any changes made by DEP during the calendar year to any one or more of the components used above to calculate the Customer Credit.

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All Customer Credits shall be subject to a true-up in arrears. In the event PWC is engaged in a dispute with DEP over the amount of one or more DEP-imposed adjustments that comprise a component of a true-up, PWC may elect to impose on the Customer an interim true-up and a final true-up, and PWC reserves the right to determine the final true-up more than one year after the relevant Customer Credit is given. The amount of the true-up shall equal the kWh of energy for which the Customer received a Customer Credit during the applicable calendar year multiplied by the True-Up Factor computed for the same year once actual information is available to PWC from Duke. True-up amounts owed to PWC shall be subject to the payment terms set forth in PWC's Service Regulations and Charges; provided, however, if the total true-up amount exceeds \$100 for a residential customer, PWC may in its discretion allow the true-up amount to be paid over a period of more than one month. True-up amounts owed by PWC to the Customer shall be awarded to current PWC electric customers as a bill credit against the Customer's monthly energy charges over one or more months, and true-up amounts owed to persons who are no longer PWC electric customers shall be paid via lump sum check to the Customer's last address of record.

The True-Up Factor per kWh to be applied in 2019 based upon the actual DEP-imposed adjustments in 2018 is:

True-Up Factor: not applicable for sales prior to May 1, 2018 ;
 to be determined for all sales thereafter

For each Facility greater than 10 kW, the Customer Credit and True-Up will be:

Per special negotiated contract with PWC addressing the credit amount and timing and caps and true-up procedure and amounts.

VI. Minimum Bill

The monthly minimum bill for Customers with systems of 10 kW or less under this Rider shall be no less than the Monthly Basic Facilities charges from the Rate Schedule, and all additional charges other than energy charges, including but not limited to, any Wholesale Power Cost Adjustment, all riders, and the Extra Facilities and/or Special Facilities Charges, if applicable. The Customer Credit shall not exceed the Customer's kWh energy charges on the bill for Customers with a Facility of 10 kW (nameplate rating) or less.

VII. Tax Applicable North Carolina Sales Tax will apply.