

AVAILABILITY

Available to each Customer of the Fayetteville Public Works Commission (PWC) in accordance with PWC's established Service Regulations and Charges that purchases retail electricity from PWC under its Residential Service, Residential Service Whole Home, Small Power Service, Small Power Service Whole Business, Medium Power Service, and Medium Power Service – Coincident Peak Rate Schedules 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) a solar electric generating facility below 500 kW, (ii) located entirely on the Customer's premises served by PWC; (iii) installed on the Customer's side of the delivery point primarily for the Customer's own use; and (iv) 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.

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:

(Purchases from Electricity Suppliers - Sales to Ultimate Consumers)
(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-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.

GENERAL PROVISIONS

- A. An Agreement for the Interconnection of Renewable Generation Equipment must be completed before service can be received under this Rider.
- B. 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").
- 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-mile radius of another Facility owned by the Customer or its affiliate and engaged in transactions under this Rider. All other provisions of the Rate Schedule including, but not limited to, definitions of Monthly Rate, Power Supply Adjustments, Payments, and Special Facilities Charges apply.
- D. 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 on their applicable Rate Schedule. Customer's service shall be metered with a bi-directional electric meter, which measures all energy provided by PWC used by the Customer and billed under the Rate Schedule, and the amount of energy generated by the Customer's Facility and delivered to PWC's electric grid. 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.
- E. 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.
- F. 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.
- G. 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 in a manner that insures that reliable, utility grade electric energy is being delivered to PWC.

H. 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.

CUSTOMER CREDIT

For each Facility below 500 kW (nameplate rating), the Customer shall receive a monthly bill credit for the billing period based on the kilowatt hours of energy generated by the Customer’s Facility, metered and delivered to PWC’s electric grid during the applicable billing period.

The Customer Credit shall apply to the standard month’s bill and charges for energy usage 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:

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

The Customer Credit per kWh is calculated to be:

\$0.04584 per kWh

MINIMUM BILL

The monthly minimum bill for Customers with systems below 500 kW under this Rider shall be no less than the Monthly Basic Facilities Charge from the applicable Rate Schedule, and all additional charges other than energy charges, including but not limited to, any Power Supply Adjustment, all riders, and the Extra Facilities and/or Special Facilities Charges, if applicable. In the event energy produced exceeds energy consumed during the billing period, any resulting credit to the Customer’s bill above the usage charges will not apply or be carried forward to the next month’s bill.

POWER SUPPLY ADJUSTMENT (PSA)

All stated rates are subject to a monthly power supply adjustment (PSA).

PAYMENTS

All bills shall be paid in accordance with the terms of the Service Regulations and Charges.

TAX

Applicable North Carolina sales tax will apply.