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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of amended standard offer contract (Schedule COG-2) and amended interconnection agreement, by Duke Energy Florida, Inc. DOCKET NO. 150106-EQ ORDER NO. PSC-15-0305-PAA-EQ ISSUED: July 28, 2015

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman LISA POLAK EDGAR RONALD A. BRISÉ JULIE I. BROWN JIMMY PATRONIS

NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVING STANDARD OFFER CONTRACT, RATE SCHEDULE AND INTERCONNECTION AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Case Background

On April 1, 2015, Duke Energy Florida, Inc. (DEF) filed a petition for approval of its standard offer contract and associated rate schedule based on its 2015 Ten-Year Site Plan. Section 366.91(3), Florida Statutes (F.S.) requires that each investor-owned utility (IOU) continuously offers to purchase capacity and energy from renewable energy generators. Commission Rules 25-17.200 through 25-17.310, F.A.C., implement the statute and require each IOU to file with us, by April 1 of each year, a standard offer contract to purchase the capacity and energy from renewable generators, with estimated payments based on the next avoidable fossil-fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan.

On July 28, 2014, we approved DEF's 2014 standard offer contract.¹ Shortly before we approved DEF's standard offer contract, DEF filed a petition for approval of modifications to its as-available purchase tariff and interconnection agreement on June 25, 2014.² Prior to DEF making these changes, DEF's interconnection agreement was a section within its standard offer contract. The purpose of the modifications was to separate the interconnection agreement from the other components of the as-available purchase tariff, along with other technical and formatting changes, so that the interconnection agreement would be a stand-alone document. We approved DEF's modifications on October 21, 2014.³ The approved modifications required that any RF/QF operator seeking to sell capacity and/or energy to DEF under its standard offer contract would also have to execute the interconnection agreement.

Analysis

Rule 25-17.250, F.A.C., requires that DEF, an IOU, continuously makes available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatts (kW) or less. Pursuant to Rule 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent Ten-Year Site Plan or, if no avoided unit is identified, its next avoidable planned purchase. DEF has identified an 811 MW natural gas-fueled combustion turbine (CT) facility as its next planned generating unit in its 2015 Ten-Year Site Plan. The projected in-service date of the unit is June 1, 2024.

As stated above, on April 1, 2015, DEF filed a petition for approval of its standard offer contract and associated rate schedule based on its 2015 Ten-Year Site Plan. Notable revisions include an updated example of monthly capacity payments, updates to calendar dates, as-available energy costs, estimated fuel costs, and the stand-alone interconnection agreement. The interconnection agreement has an additional section detailing technical parameters such as voltage, harmonics, and reactive power requirements. Other changes primarily seek to improve the flow of the document. The type-and-strike format versions of the revised standard offer contract and associated rate schedule, as well as the interconnection agreement, are included as Attachment A to this Order.

¹ FPSC Order No. PSC-14-0391-PAA-EI, issued July 28, 2014, in Docket No. 140065-EI, Petition for approval of amended standard offer contract COG-2 by Duke Energy Florida, Inc.

² Docket No. 140137-EI, Petition for approval of modifications to tariff sheet Nos. 9.100 through 9.330 and tariff sheet Nos. 9.700 through 9.709 as-available purchase tariff and interconnection agreement, by Duke Energy Florida, Inc.

³ FPSC Order No. PSC-14-0589-PAA-EI, issued October 21, 2014, in Docket No. 140137-EI, Petition for approval of modifications to tariff sheet Nos. 9.100 through 9.330 and tariff sheet Nos. 9.700 through 9.709 as-available purchase tariff and interconnection agreement, by Duke Energy Florida, Inc.

A RF/QF operator may elect to make no commitment as to the quantity or timing of its deliveries to DEF, and to have a committed capacity of zero (0) MW. Under such a scenario, the energy is delivered on an as-available basis and the operator receives only an energy payment. Alternatively, the RF/QF operator may elect to commit to certain minimum performance requirements based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit, and thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract often serves as a starting point for negotiation of contract terms by providing payment information to the RF/QF operator, in a situation where one or both parties desire particular contract terms different from those set out in the standard offer contract.

In order to promote renewable generation, we require the IOUs, such as DEF, to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it would receive as-available energy payments only until the inservice date of the avoided unit (in this case June 1, 2024), and, thereafter, would begin to receive capacity payments in addition to the energy payments. If either the early or early levelized option is selected, then the RF/QF operator would begin to receive capacity payments earlier than the in-service date of the avoided unit. Payments made under the early capacity payments options, however, tend to be lower in the later years of the contract options.

Table 1 below estimates the annual payments for each payment option available under the revised standard offer contract to a RF/QF operator with a 50 MW facility and an in-service date of June 1, 2024, and operating at a capacity factor of 94 percent, which is the minimum capacity factor required to qualify for full capacity payments under the contract. Normal and levelized capacity payments would begin in 2024, reflecting the projected in-service date of the avoided unit (June 1, 2024).

	_	Capacity Payment (By Type)				
Year	Energy Payment	Normal	Levelized	Early	Early Levelized	
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
2016	15,121	-	-	-	_	
2017	15,344	_	-	-	_	
2018	15,800	_	-	-	_	
2019	17,257	_	_	_	-	
2020	19,817	_	_	_	-	
2021	20,573	_	_	_	-	
2022	21,342	-	-	2,074	2,350	
2023	22,229	-	-	2,125	2,355	
2024	23,286	1,624	1,818	2,179	2,361	
2025	24,057	2,854	3,125	2,233	2,367	
2026	24,701	2,925	3,132	2,289	2,373	
2027	25,233	2,998	3,140	2,346	2,379	
2028	26,105	3,073	3,148	2,405	2,385	
2029	26,564	3,150	3,156	2,465	2,391	
2030	27,444	3,229	3,165	2,526	2,398	
2031	28,508	3,309	3,173	2,590	2,404	
2032	29,610	3,392	3,182	2,654	2,411	
2033	30,745	3,477	3,191	2,721	2,418	
2034	30,944	3,564	3,200	2,789	2,426	
2035	32,935	3,653	3,210	2,858	2,433	
Total	444,681	33,593	33,433	31,395	31,017	
NPV (2016)	242,338	14,558	14,558	14,558	14,558	

Table 1 – Estimated Annual Payments to a 50 MW Renewable Facility(94% Capacity Factor)

The provisions of DEF's revised standard offer contract and associated rate schedule COG-2, as filed on April 1, 2015, appear to conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. In addition, all of the changes made to the tariff sheets, as well as the economic and financial assumptions used in the contract, appear to be consistent with DEF's updated avoided unit. Therefore, we find it appropriate to approve DEF's revised standard offer contract and related rate schedule COG-2 as filed, as well as its modified interconnection agreement.

Decision

The provisions of DEF's revised standard offer contract and associated rate schedule COG-2, as filed on April 1, 2015, conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. DEF's revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Therefore, we approve DEF's revised standard offer contract and related rate schedule COG-2, as well as DEF's modified interconnection agreement, as filed on April 1, 2015, and incorporated herein as Attachment A.

Potential signatories should be aware that, if a timely protest is filed, DEF's standard offer contract may subsequently be revised.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Duke Energy Florida, Inc.'s revised standard offer contract and related rate schedule COG-2, and modified interconnection agreement are hereby approved, effective the date of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, F.A.C., is received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that potential signatories shall be aware that, if a timely protest is filed, Duke Energy Florida, Inc.'s standard offer contract may subsequently be revised. It is further

ORDERED that, if no timely protest is filed and this Order becomes final, then this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 28th day of July, 2015.

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Chief Deputy Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399 (850) 413-6770 www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on <u>August 18, 2015</u>.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

	ike Iergy.	SECTION No. IX ORIGINAL SHEET No. 9.700
	INTERCON	NECTION AGREEMENT
INTERCO	NNECTION SCHEDULING	AND COST RESPONSIBILITY
1.0 Purpo	se	
Interconne Interconne procedures system. T interconne	ection Facilities as well as the of ection Costs. This Agreement is intended to promote the safe his Agreement applies to QF's icted with the Company's syste	for the scheduling of construction for the Company's ost responsibility of the QF for the payment of also provides general operating, testing, and inspection parallel operation of the Facility with the Company's whether or not their Facility will be directly m. All requirements contained herein shall apply in ns of the Power Purchase Agreement.
2.0 Defini	itions	
2.1	"Agreement" means this Inter	connection Agreement.
2.1	"Company" means Duke Ene	rgy Florida.
2.2	Company's side of the Point connection, switching, transm provisions which in the Comp delivery and measurement of the QF, including all metering	Facilities" means all equipment located on the of Delivery, including without limitation, equipment for ission, distribution, protective relaying and safety any's judgment are required to be installed for the electric energy into the Company's system on behalf of and telemetering equipment installed for the regardless of its location in relation to the Point of
2.3	"Execution Date" means the	late on which the Company executes this Agreement.
2.4		nt, as described in this Agreement, used to produce eneration facility, used to produce useful thermal energy energy.
2.5	Company's Interconnection F	s the actual costs incurred by the Company for the acilities, including, without limitation, the cost of nunication and administrative activities.
ISSUED BY: EFFECTIVE:	Javier Portuondo, Director, Rates & October 2, 2014	Regulatory Strategy - FL

ATTACHMENT

	JKE SECTION No. IX ORIGINAL SHEET No. 9.701
2.6	"Interconnection Costs Offset" means the estimated costs included in the Interconnection Costs that the Company would have incurred if it were not purchasing electric energy but instead itself generated or purchased from other sources an equivalent amount of electric energy and provided normal service to the Facility as if it were a non-generating customers.
2.7	"Part(y)(ies)" means the Company or/and the QF.
2.8	" <u>Point of Delivery</u> " means the point(s) where electric energy delivered to the Company pursuant to this Agreement enters the Company's system.
2.9	"Point of Metering" means the point(s) where electric energy made available for delivery to the Company, subject to adjustment for losses, is measured.
2.10	"Point of Ownership" means the interconnection point(s) between the Facility and the interconnected utility.
2.11	"Power Purchase Agreement" means either the (i) Agreement for Purchase of As- Available Energy, (ii) the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW or (iii) a negotiated contract based upon (i) or (ii).
2.11	"Qualifying Facility" or " <u>QF</u> " means a facility that meets the requirements defined in FPSC Rule 25-17.080.
2.12	" <u>Transmission Service Utility</u> " means the operator(s) of the Transmission System(s) or any successor thereof or any other entity or entities authorized to transmit Energy on behalf of RF/QF from the Electrical Interconnection Point.
3.0 Subm	ission of Plans and Development of Interconnection Schedules and Cost Estimates
e a i I I I I I I	No later than sixty (60) days after the Execution Date, the QF shall specify the date it lesires the Company's Interconnection Facilities to be available for receipt of the electric energy and shall provide a preliminary written description of the Facility and, if applicable, the QF's anticipated arrangements with the Transmission Service Utility, ncluding without limitation, a one-line diagram, anticipated Facility site data and any additional facilities anticipated to be needed by the Transmission Service Utility. Based upon the information provided, the Company shall develop preliminary written nterconnection Costs and scheduling estimates for the Company's Interconnection Facilities within sixty (60) days after the information is provided. The schedule leveloped hereunder will indicate when the QF's final electrical plans must be submitted to the Company pursuant to section 3.2 hereof.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL EFFECTIVE: October 2, 2014

ATTACHMENT

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SECTION No. IX ORIGINAL SHEET No. 9.702

- 3.2 The QF shall submit the Facility's final electrical plans and all revisions to the information previously submitted under section 3.1 hereof to the Company no later than the date specified under section 3.1 hereof, unless such date is modified in the Company's reasonable discretion. Based upon the information provided and within sixty (60) days after the information is provided, the Company shall update its written Interconnection Costs and schedule estimates, provide the estimated time period required for construction of the Company's Interconnection Facilities, and specify the date by which the Company must receive notice from the QF to initiate construction, which date shall, to the extent practical, be consistent with the QF's schedule for delivery of energy into the Company's system. The final electrical plans shall include the following information, unless all or a portion of such information is waived by the Company in its discretion:
 - a. Physical layout drawings, including dimensions;
 - All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;
 - c. Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the Facility's proposed system and to be able to make a coordinated system;
 - d. Power requirements in watts and vars;
 - e. Expected radio-noise, harmonic generation and telephone interference factor;
 - f. Synchronizing methods; and
 - g. Facility operating/instruction manuals.
 - h. If applicable, a detailed description of the facilities to be utilized by the Transmission Service Utility to deliver energy to the Point of Delivery.
- 3.3 Any subsequent change in the final electrical plans shall be submitted to the Company and it is understood and agreed that any such changes may affect the Company's schedules and Interconnection Costs as previously estimated.
- 3.4 The QF shall pay the actual costs incurred by the Company to develop all estimates pursuant to section 3.1 and 3.2 hereof and to evaluate any changes proposed by the QF under section 3.3 hereof, as such costs are billed pursuant to the Power Purchase Agreement. At the Company's option, advance payment for these cost estimates may be required, in which event the Company will issue an adjusted bill reflecting actual costs following completion of the cost estimates.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL EFFECTIVE: October 2, 2014

	NERGY.	SECTION No. IX ORIGINAL- <u>FIRST REVISED</u> SHEET No. 9.703 CANCELS ORIGINAL SHEET No. 9.703
3.5	The Parties agree that any cost or schedulin hereunder shall be prepared in good faith bu modify such schedules as necessary to acco Company's ability to initiate or complete the actual costs will be used as the basis for all	at shall not be binding. The Company may mmodate contingencies that affect the e Company's Interconnection Facilities and
3.6	All studies required for interconnection and facilities required shall be placed in the que to ensure that all interconnection requests to best practices, are just and reasonable, and a	ue with any other interconnection requests the Company's system promote current
4.0 Pay	ment Obligations for Interconnection Costs.	
4.1	The Company shall have no obligation to in Interconnection Facilities prior to a written Company's interconnection design requirem its activities to construct the Company's Inter that such notice shall be received not later to under section 3.2 hereof. The QF shall be I Interconnection Costs incurred by the Comp initiation of construction.	notice from the QF agreeing to the nents and notifying the Company to initiate erconnection Facilities; provided, however, han the date specified by the Company iable for and agrees to pay all
4.2	The QF agrees to pay all of the Company's are incurred and billed in accordance with t amounts shall be billed pursuant to section a permitted by FPSC Rule 25-17.087(3). Oth section 4.2.2.	he Power Purchase Agreement. Such 4.2.1 if the QF elects the payment option
2	than thirty six (36) months. The period payments will be based on the estimated Interconnection Costs Offset, divided by determine the monthly principal paymen month following first incurrence of Inte Invoices to the QF will include principa balance, if any, calculated at a rate equa commercial paper rate as published in th	connection Costs over a period no longer selected is months. Principal d Interconnection Costs less the y the repayment period in months to nt. Payments will be invoiced in the first rconnection Costs by the Company. I payments plus interest on the unpaid l to the thirty (30) day highest grade he Wall Street Journal on the first business or payments will be adjusted to cause the
2	4.2.2 When Interconnection Costs are incurre to the QF to the extent that they exceed	
ISSUED B	f: Javier Portuondo, Director, Rates & Regulatory Stra E: October-2,-2014	tegy - FL

SECTION No. IX ORIGINAL-<u>FIRST REVISED</u> SHEET No. 9.703 CANCELS ORIGINAL SHEET No. 9.703 4.3 If the QF notifies the Company in writing to interrupt or cease interconnection work at any time and for any reason, the QF shall nonetheless be obligated to pay the Company for all costs incurred in connection with the Company's Interconnection Facilities through the date of such notification and for all additional costs for which the Company is responsible pursuant to binding contracts with third parties. ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL EFFECTIVE: October-2, 2014

	NERGY. SECTION No. IX FIRST REVISED SHEET No. 9.704 CANCELS ORIGINAL SHEET No. 9.704
4.3	If the QF notifies the Company in writing to interrupt or cease interconnection work at any time and for any reason, the QF shall nonetheless be obligated to pay the Company for all costs incurred in connection with the Company's Interconnection Facilities through the date of such notification and for all additional costs for which the Company is responsible pursuant to binding contracts with third parties.
	ment Obligation for Operation, Maintenance and Repair of the Company's erconnection Facilities
ma ins wo	e Qualifying Facility shall be billed monthly for the costs associated with the operation, intenance, and repair of the interconnection. These include (a) the Company's pections of the interconnection and (b) maintenance of any equipment beyond that which uld be required to provide normal electric service to the Qualifying Facility if no sales to Company were involved.
Con The ass Fac Con	e Qualifying Facility shall pay a monthly charge equal to 0.50% of the Interconnection sts less the Interconnection Costs Offset. e QF also agrees to pay monthly through the term of the Agreement for all costs ociated with the operation, maintenance and repair of the Company's Interconnection vilities, based on a percentage of the total Interconnection Costs net of the Interconnection sts Offset, as set forth in Appendix A of the Agreement for Purchase of As Available ergy and/or Parallel Operation With a Qualifying Facility.
6.0 Sch	ematic Diagram
ma sho difi by	hibit B-1, attached hereto and made a part hereof, is a schematic diagram showing the jor circuit components connecting the Facility and the Company's [substation] and owing the Point of Delivery and the Point of Metering and/or Point of Ownership, if ferent. All switch number designations initially left blank on Exhibit B-1 will be inserted the Company on or before the date on which the Facility first operates in parallel with the mpany's system.
7.0 Op	erating Standards
7.1	The QF and the Company will independently provide for the safe operation of their respective facilities, including periods during which the other Party's facilities are unexpectedly energized or de-energized.
7.2	The QF shall reduce, curtail, or interrupt electrical generation or take other appropriate action for so long as it is reasonably necessary, which in the judgment of the QF or the Company may be necessary to operate and maintain a part of either Party's system, to address, if applicable, an emergency on either Party's system.
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e.	DUK	GY.			SECTION No FIRST REVIS CANCELS O	RIGINAL SHEET No. 9.7	<u>04</u> o. 9.704	
7	Faci prior	ity's electric written con	generation (equipment in company. Su	parallel with	, the QF shall i i the Company nall not be give ent and has:	's system with	hout
	(i)—	submitted to specificatio		d consent fr	om the Comp	any of its as bu	uilt electrical	
	(ii)-					he Facility is i e Agreement; a		with
	(iii)	all-regulation authority here	ons, rules, or	ders, or deci ction over th	isions of any g	he Facility is i governmental c enerating equip	or regulatory	with

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7.4	As may be provided in the Power Purchase Agreement, the QF shall not operate the Facility's electric generation equipment in parallel with the Company's system without prior written consent of the Company. Such consent shall not be given until the QF has satisfied all criteria under the Power Purchase Agreement and has:
	 submitted to and received consent from the Company of its as-built electrical specifications;
	(ii) demonstrated to the Company's satisfaction that the Facility is in compliance with the insurance requirements of the Power Purchase Agreement; and
	(iii) demonstrated to the Company's satisfaction that the Facility is in compliance with all regulations, rules, orders, or decisions of any governmental or regulatory authority having jurisdiction over the Facility's generating equipment or the operation of such equipment.
7.4 <u>5</u>	Any proposed modifications to the electrical equipment of the Facility will be submitted to the Company for approval. It is further understood that the scope of some modifications may require new interconnection studies that will result in additional interconnections costs along with other costs detailed in Section 5 of the Agreement. After any approved Facility modifications are completed, the QF shall not resume parallel operation with the Company's system until the QF has demonstrated that it is in compliance with all the requirements of section 8.2 hereof.
7. <u>56</u>	The QF shall be responsible for coordination and synchronization of the Facility's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the utility's system.
7. <u>67</u>	The Company shall have the right to open and lock, with a Company padlock, manual disconnect switch numbers(s) and isolate the Facility's generation system without prior notice to the QF. To the extent practicable, however, prior notice shall be given. Any of the following conditions shall be cause for disconnection:
	 Company system emergencies and/or maintenance repair and construction requirements;
	 hazardous conditions existing on the Facility's generating or protective equipment as determined by the Company;
	 adverse effects of the Facility's generation to the Company's other electric consumers and/or system as determined by the Company;
	4. failure of the QF to maintain any required insurance; or
	Y: Javier Portuondo, Director, Rates & Regulatory Strategy - FL

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	FIRST REVISED SHEET No. 9.705 CANCELS ORIGINAL SHEET No. 9.705
or decisions of any ge	omply with any existing or future regulations, rules, orders overnmental or regulatory authority having jurisdiction over generating equipment or the operation of such equipment.
	ration equipment shall not be operated in parallel with the axiliary power is being provided from a source other than the n equipment.
	switching devices owned by the other Party, except that the anual disconnect switch number(s) owned by the hereof.
	change the operating position of a switching device owned owing procedures shall be followed:
representative of the o	the switching change shall orally agree with an authorized other Party regarding which switch or switches are to be ad position of each switching device, and when each switch
ISSUED BY: Javier Portuondo, Director, Rat	as ^e Basulatan Stataan El
ISSUED BY: Javier Portuondo, Director, Rat EFFECTIVE: October 2, 2014	es a negulatory strategy - FL

	5.	failure of the QF to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the Facility's electric generating equipment or the operation of such equipment.
7.8	Com	Facility's electric generation equipment shall not be operated in parallel with the pany's system when auxiliary power is being provided from a source other than the
7.9		lity's electric generation equipment. her Party shall operate switching devices owned by the other Party, except that the
	Com	apany may open the manual disconnect switch number(s) owned by the oursuant to section 7.7 hereof.
7.10		ald one Party desire to change the operating position of a switching device owned the other Party, the following procedures shall be followed:
	<u>(i)</u>	The Party requesting the switching change shall orally agree with an authorized representative of the other Party regarding which switch or switches are to be operated, the requested position of each switching device, and when each switch is to be operated.
	(ii)	The Party performing the requested switching shall notify the requesting Party when the requested switching change has been completed.
	(iii)	Neither Party shall rely solely on the other party's switching device to provide electrical isolation necessary for personnel safety. Each Party will perform work on its side of the Point of Ownership as if its facilities are energized or test for voltage and install grounds prior to beginning work.
	(iv)	Each Party shall be responsible for returning its facilities to approved operating conditions, including removal of grounds, prior to the Company authorizing the restoration of parallel operation.
	(v)	The Company shall install one or more red tags similar to the red tag shown in Exhibit B-2 attached hereto and made a part hereof, on all open switches. Only Company personnel on the Company's switching and tagging list shall remove and/or close any switch bearing a Company red tag under any circumstances.
7.10		Should any
	cons disco shall	ntial protective equipment fail or be removed from service for maintenance or truction requirements, the Facility's electric generation equipment shall be onnected from the Company's system. To accomplish this disconnection, the QF either (i) open the generator breaker number(s); or (ii) open the manual onnect switch number(s)

	KE SECTION No. IX FIRST REVISED SHEET No. 9.706 CANCELS ORIGINAL SHEET No. 9.706
7	10.1 If the QF elects option (i), the breaker assembly shall be opened and drawn out by QF personnel. As promptly as practicable, Company personnel shall install a Company padlock and a red tag on the breaker enclosure door.
7	10.2 If the QF elects option (ii), the switch shall be opened by QF personnel or by Company personnel and, as promptly as practicable, Company personnel will install a Company padlock and a red tag.
8.0 Inspec	tion and Testing
8.1	The inspection and testing of all electrical relays governing the operation of the generator's circuit breaker shall be performed in accordance with manufacturer's recommendations, but in no case less than once every 12 months. This inspection and testing shall include, but not be limited to, the following:
	(i) electrical checks on all relays and verification of settings electrically;
	(ii) cleaning of all contacts;
	(iii) complete testing of tripping mechanisms for correct operating sequence and proper time intervals; and

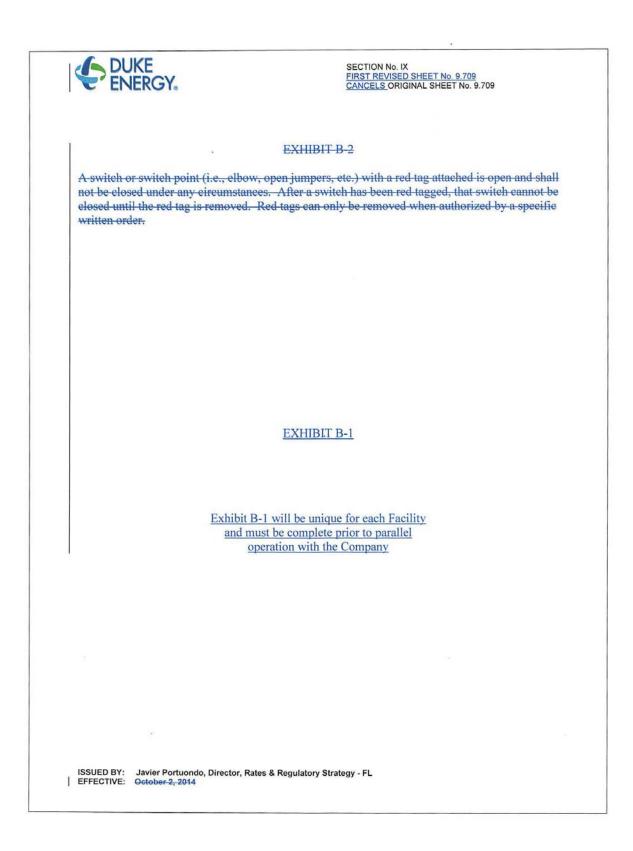
0	DL	SECTION No. IX FIRST REVISED SHEET No. 9.707 CANCELS ORIGINAL SHEET No. 9.707
	7	.11.1 If the QF elects option (i), the breaker assembly shall be opened and drawn out by QF personnel. As promptly as practicable, Company personnel shall install a Company padlock and a red tag on the breaker enclosure door.
	7	.11.2 If the QF elects option (ii), the switch shall be opened by QF personnel or by Company personnel and, as promptly as practicable, Company personnel will install a Company padlock and a red tag.
8	3.0 Inspec	ction and Testing
	8.1	The inspection and testing of all electrical relays governing the operation of the generator's circuit breaker shall be performed in accordance with manufacturer's recommendations, but in no case less than once every 12 months. This inspection and testing shall include, but not be limited to, the following:
		(i) electrical checks on all relays and verification of settings electrically;
		(ii) cleaning of all contacts;
		 (iii) complete testing of tripping mechanisms for correct operating sequence and proper time intervals; and (iv) visual inspection of the general condition of the relays.
	8.2	In the event that any essential relay or protective equipment is found to be inoperative or in need of repair, the QF shall notify the Company of the problem and cease parallel operation of the generator until repairs or replacements have been made. The QF shall be responsible for maintaining records of all inspections and repairs and shall make said records available to the Company upon request.
	8.3	The Company shall have the right to operate and test any of the Facility's protective equipment to assure accuracy and proper operation. This testing shall not relieve the QF of the responsibility to assure proper operation of its equipment and to perform routine maintenance and testing.
9	0.0 Notifi	cation
	9.1	Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing:
		To The Company: <u>System Dispatcher on Duty</u> Title: <u>System Dispatcher</u> Telephone: <u>(727)384-7211</u> Telecopier: <u>(727)384-7865</u>
1		To The QF: Name:
	SSUED BY:	Javier Portuondo, Director, Rates & Regulatory Strategy - FL October 2, 2014

P E	OUKE ENERGY。			D SHEET No. 9.707 GINAL SHEET No. 9.707	
	Title:				
	Telephone:				
	Telecopier:				
9.2	2 Each Party shall pr regarding planned			cable to the other P et the other Party's c	
10.0 Sta	andards				
acc FP for sy: for	terconnection with, an cordance with the pro- 2SC Order No. PSC 06 r a QF that is a Distrib stem must be accompl stem must be accompl r Interconnecting Distri e time of construction.	visions of FPSC Ru 5-0707-PAA-EI, is outed-Resource, the lished in accordance ributed-Resources	ale 25-17.087. Ad sued August 18, 2 QF's interconnec e with the provisi	Iditionally, as provi 2006, in Docket No. etion with the Comp ons of the IEEE Sta	ded in . 060410-E pany's andard 154'
tin	e unie of construction.				
ISSUED B	Y: Javier Portuondo, Direc E: October-2,-2014	ctor, Rates & Regulatory	y Strategy - FL		

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DUKE ENERGY.	SECTION No. IX FIRST REVISED SHEET No. 9.708 CANCELS ORIGINAL SHEET No. 9.708
×	
	EXHIBIT B-1
Exhibit R-1	-will be unique for each Facility
and must	to complete prior to parallel ation with the Company
TT 1 1	
	much notification as practicable to the other Party of equipment that may affect the other Party's operation.
10.1 Standards	
accordance with the provisions of FPSC Order No. PSC-06-0707-P. for a QF that is a Distributed Res system must be accomplished in a	ry into, the Company's system must be accomplished in f FPSC Rule 25-17.087. Additionally, as provided in AA-EI, issued August 18, 2006, in Docket No. 060410-EI, ource, the QF's interconnection with the Company's accordance with the provisions of the IEEE Standard 1547 tesources with Electric Power Systems that is in effect at
SSUED BY: Javier Portuondo. Director. Rates	& Regulatory Strategy - FL

	DUKE SECTION NO. IX
	DUKE SECTION NO. IX FIRST REVISED SHEET NO. 9.708 CANCELS ORIGINAL SHEET NO. 9.708
	The following minimum guidelines shall also be met: a. The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.
	b. The regulator control shall be capable of maintaining the generator output voltage within limits from no-load up to rated output. The limits for voltage shall be the nominal operating voltage, plus or minus 5%.
	c. The output sine wave distortion shall be deemed acceptable with it does not have a higher content (root mean squared) of harmonics than the Company's normal harmonic content at the interconnection point.
	d. The QF's generation shall be designed, operated, and controlled to provide reactive power requirements from 0.95 lagging to 0.95 leading power factor at the point of interconnection with the Company. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. (Capacitors shall not be so large as to permit self-excitation of the QF's generator field.
	e. Direct current (DC) generators may be operated in parallel with the Company's system through a synchronous invertor. The inverter must meet all the criteria in this Agreement.
ISSUED EFFEC1	and a subor a state of the subor of the subo



	SECTION No. IX ORIGINAL SHEET No. 9.710
not be closed under any circumsta	EXHIBIT B-2 bow, open jumpers, etc.) with a red tag attached is open and shall inces. After a switch has been red tagged, that switch cannot be d. Red tags can only be removed when authorized by a specific
ISSUED BY: Javier Portuondo, Director. EFFECTIVE:	Rates & Regulatory Strategy - FL

DUKE ENERGY.	SECTION No. IX SECOND REVISED SHEET NO CANCELS FIRST REVISED SH	
	OR THE PURCHASE OF FIRM C ENEWABLE ENERGY PRODUCH CILITY LESS THAN 100 KW	
TAE	BLE OF CONTENTS	
		<u>SHEET NO:</u>
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ISSUED BY: Javier Portuondo, Director, Rates & Regulat EFFECTIVE: April 29, 2013	ory Strategy - FL	

DUKE ENERGY.	SECTION NO. IX FIRST REVISED SHEET NO. 9.401 CANCELS ORIGINAL SHEET NO. 9.401
AND ENERGY FROM A R	FOR THE PURCHASE OF FIRM CAPACITY RENEWABLE ENERGY PRODUCER ACILITY LESS THAN 100 KW
	between
	and
DUKE E	NERGY FLORIDA
ISSUED BY: Javier Portuondo, Director, Rates & Regul: EFFECTIVE: April 29, 2013	atory Strategy - FL

	SF. C/	ECTION NO. IX ECOND REVISED SHEET NO.9.402 ANCELS FIRST REVISED SHEET NO. 9.402
	TABLE OF CONTEN i	ITS
		SHEET NO:
Introduction	& Parties' Recitals	9.404
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4	DUKE ENERGY.	SECTION NO. IX FOURTH REVISED SHEET NO.9.403 CANCELS THIRD REVISED SHEET NO. 9.403
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19.	Representations, Warranties, and Covenants of RF	/QF 9.433
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	Execution	9.441

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL EFFECTIVE: July 10, 2014 DUKE ENERGY.

SECTION NO. IX THIRD REVISED SHEET NO. 9.404 CANCELS SECOND REVISED SHEET NO. 9.404

STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY FROM A RENEWABLE ENERGY PRODUCER OR QUALIFYING FACILITY LESS THAN 100 KW

THIS STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY (hereinafter referred to as the "Contract") is made and entered , (hereinafter referred to as the "Execution Date"), by and this day of (hereinafter the Renewable hetween Energy Provider/Oualifying Facility ("RF/OF"), and Duke Energy Florida, Inc. d/b/a Duke Energy (hereinafter "DEF"), a private utility corporation organized and existing under the laws of the State of Florida. The RF/OF and DEF shall be individually identified herein as the "Party" and collectively as the "Parties". This Contract contains five Appendices which are incorporated into and made part of this Contract: Appendix A: Monthly Capacity Payment Calculation; Appendix B: Termination Fee; Appendix C: Detailed Project Information; Appendix D: Rate Schedule COG-2; Appendix E: Agreed Upon Payment Schedules and Other Mutual Agreements; and Appendix F: Florida Public Service Commission ("FPSC") Rules 25-17.080 through 25-17.310, F.A.C.

WITNESSETH:

WHEREAS, the RF/QF desires to sell, and DEF desires to purchase electricity to be generated by the RF/QF consistent with Florida Statutes 366.91 (2006) and FPSC Rules 25-17.080 through 25-17.310 F.A.C.; and

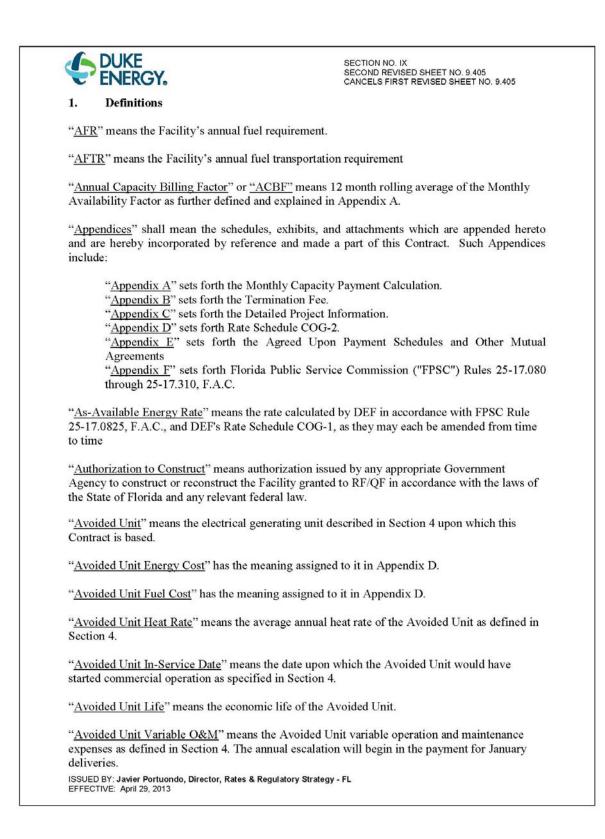
WHEREAS, the RF/QF will acquire an interconnection/transmission service agreement with the utility in whose service territory the Facility is to be located, pursuant to which the RF/QF assumes contractual responsibility to make any and all transmission-related arrangements (including ancillary services) between the RF/QF and the Transmission Provider for delivery of the Facility's firm capacity and energy to DEF. The Parties recognize that the Transmission Provider may be DEF and that the transmission service will be provided under a separate agreement; and

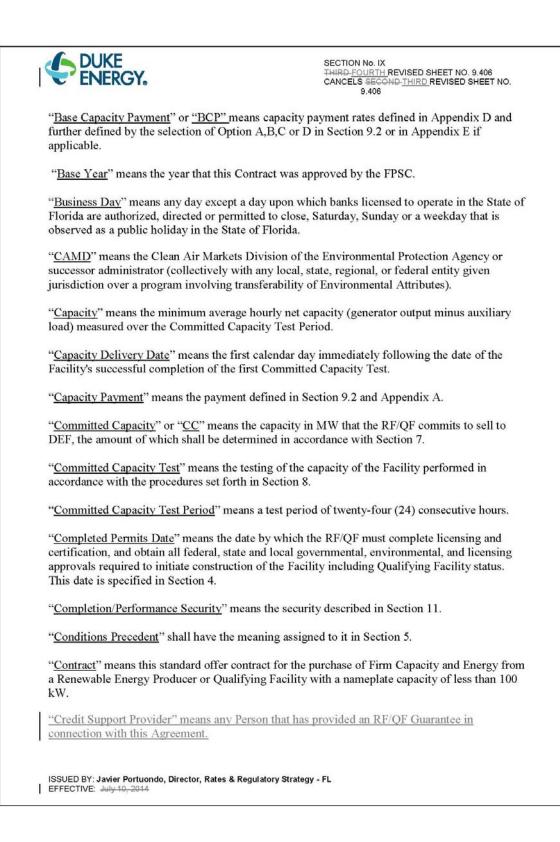
WHEREAS, the FPSC has approved this Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer; and

WHEREAS, the RF/QF guarantees that the Facility is capable of delivering firm capacity and energy to DEF for the term of this Contract in a manner consistent with the provision of this Contract;

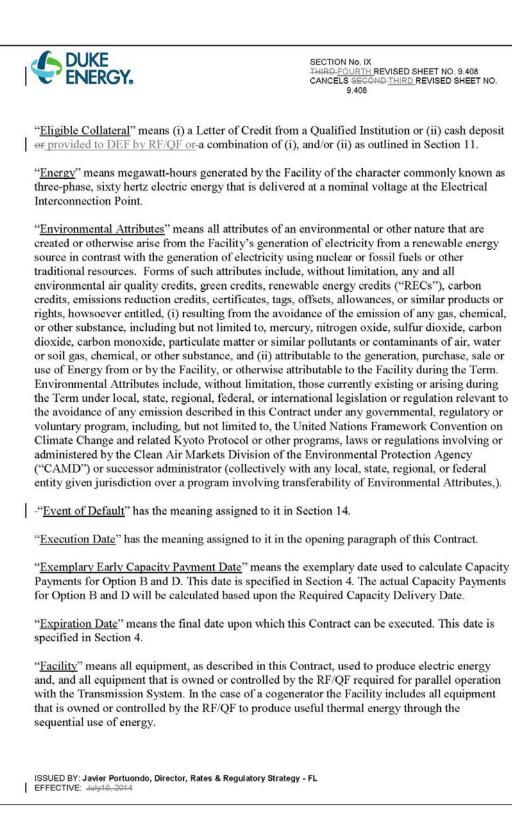
NOW, THEREFORE, for mutual consideration the Parties agree as follows:

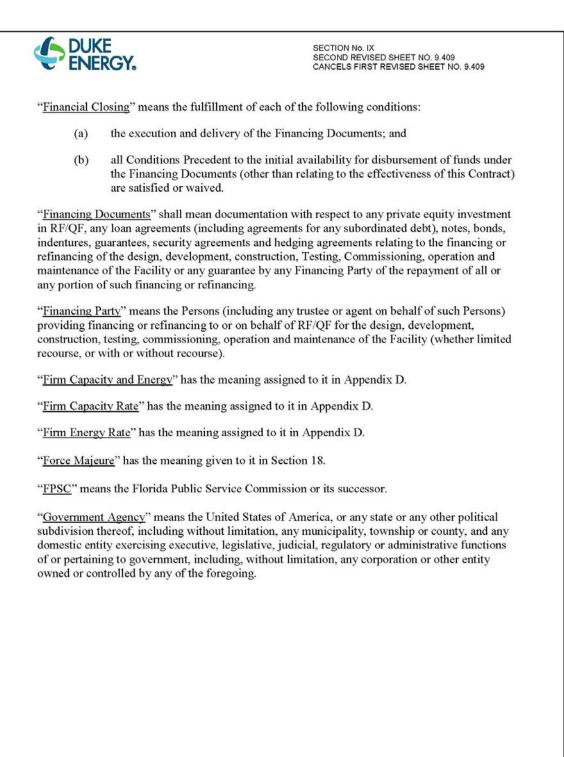
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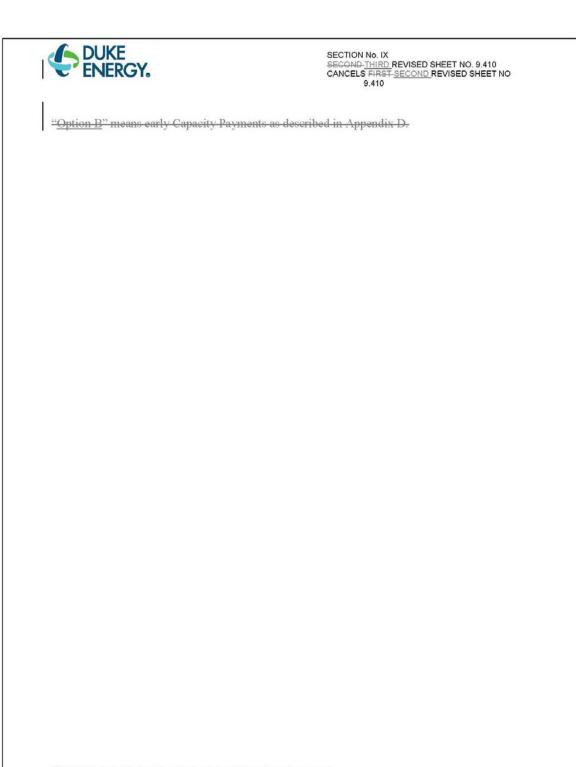
DUKE ENERGY.	SECTION No. IX SECOND_THIRD_REVISED SHEET NO. 9.407 CANCELS_FIRST_SECOND_REVISED SHEET NO. 9.407
applicable, means a party is rated at least Moody's Investor Services (Moody's). R rating (not supported by third party credit	its <u>eredit_Credit support_Support providerProvider</u> , as BBB by Standard & Poor's (S&P), or at least Baa3 by ating shall be the unsecured, senior long-term debt enhancement) or the issuer rating will be used if not Provider, as applicable, is rated by both S&P and s will apply.
" <u>DEF</u> " has the meaning assigned to it in t	he opening paragraph of this Contract.
"DEF Entities" has the meaning assigned	to it in Section 16.
-" <u>Demonstration Period</u> " means a sixty-h must be completed.	nour period in which the Committed Capacity Test
	ion system consisting of electric lines, electric plant, veying electricity to ultimate consumers, but not stem.
"Dispute" shall have the meaning assigne	d to it in Section 20.9.
"Drop Dead Date" means the date which	is twelve (12) months following the Execution Date.
	ns the time in effect in the Eastern Time Zone of the n Standard Time or Eastern Daylight Savings Time.
"Effective Date" has the meaning assigne	d to it in Section 5.
with the Transmission System or, if RF/Q	the physical point at which the Facility is connected F interconnects with a Transmission System other than ransmission Provider's Transmission System, or such DEF may agree.
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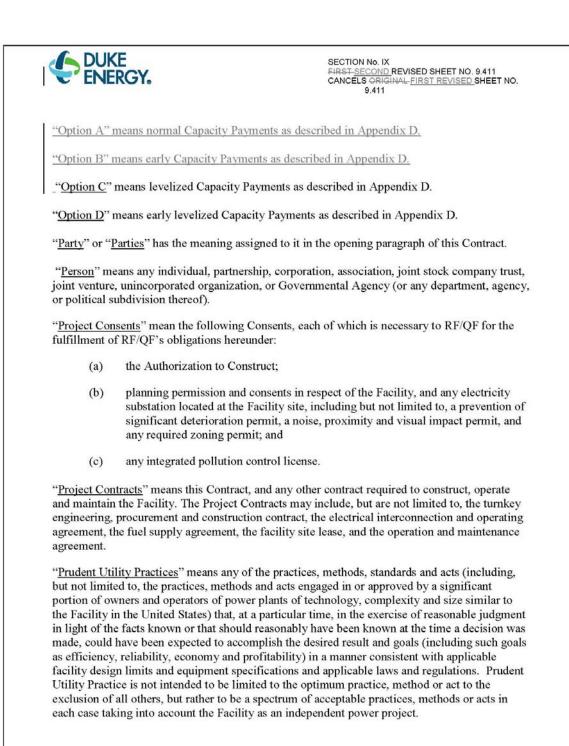
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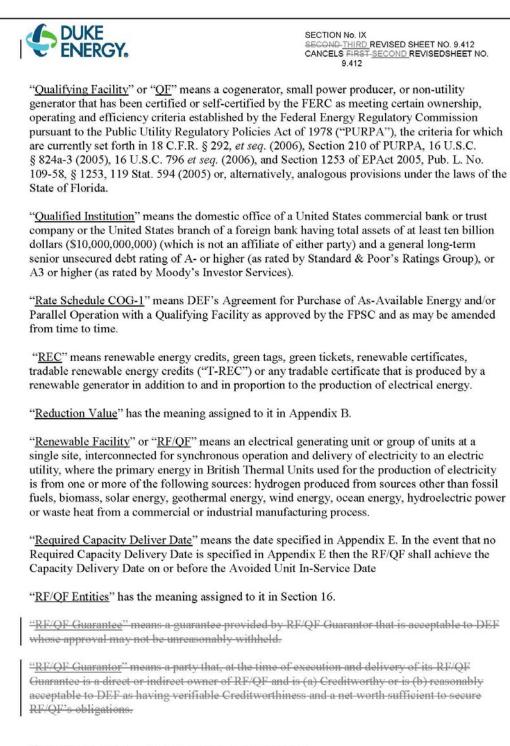
	SECTION No. IX SECOND-THIRD REVISED SHEET NO. 9.410 CANCELS FIRST_SECOND REVISED SHEET NO 9.410
"IEEE" means the Institute of Electrical and Elect	tronics Engineers, Inc.
"Indemnified Party" has the meaning assigned to i	it in Section 16.
"Indemnifying Party" has the meaning assigned to	it in Section 16.
"Initial Reduction Value" has the meaning assigned	ed to it in Appendix B.
"Insurance Services Office" has the meaning assig	gned to it in Section 17.
"KVA" means one or more kilovolts-amperes of e	electricity, as the context requires.
" <u>kW</u> " means one or more kilowatts of electricity,	as the context requires.
" <u>kWh</u> " means one or more kilowatt-hours of elect	ricity, as the context requires.
"Letter of Credit" means a stand-by letter of credit to DEF whose approval may not be unreasonably that DEF has the right to draw on the Letter of Cred Business Days remain until its expiration and RF/4 provide replacement Eligible Collateral as required	withheld. <u>The Letter of Credit must provide</u> edit in the event that less than twenty (20) QF has failed to renew the Letter of Credit or
"LOI" means a letter of intent for fuel supply.	
" <u>Material Adverse Change</u> " means any of the follo guarantor <u>Credit Support Provider</u> , if applicable, is its guarantor <u>Credit Support Provider</u> , if applicable dollars (\$50,000,000) or five percent (5%) of equi	no longer Creditworthy or (b) the RF/QF's or e, defaults on an aggregate of fifty million
" <u>MCPC</u> " means the Monthly Capacity Payment for	or Option A.
" <u>Monthly Billing Period</u> " means the period begin month, except that the initial Monthly Billing Peri a.m., on the Capacity Delivery Date and ending w	od shall consist of the period beginning 12:01
" <u>Monthly Availability Factor</u> " or " <u>MAF</u> " means the Billing Period for which the calculation is made, d and the total hours during the Monthly Billing Per	livided by the product of Committed Capacity
"Monthly Capacity Payment" or "MCP" means th accordance with Appendix A.	e payment for Capacity calculated in
" <u>MW</u> " means one or more megawatts of electricit	y, as the context requires.
"MWh" means one or more megawatt-hours of ele	ectricity, as the context requires.
" <u>Option A</u> " means normal Capacity Payments as o ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Stra EFFECTIVE: July 10, 2014	

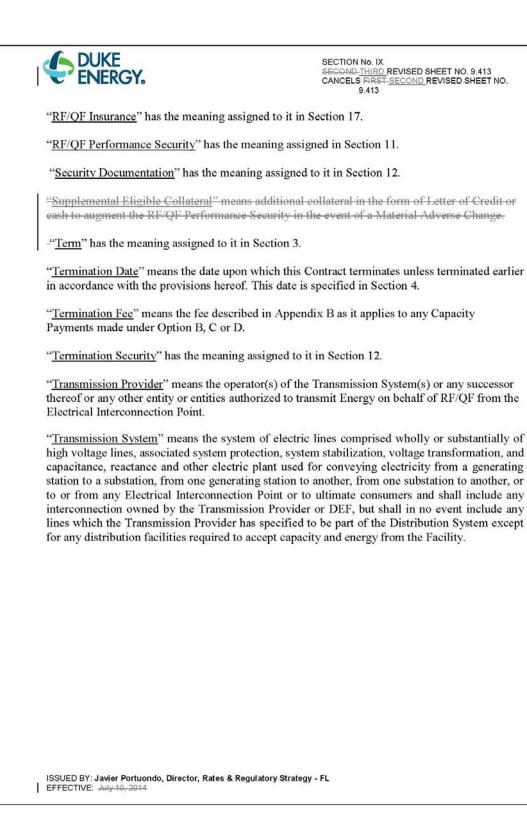


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SECTION No. IX SECOND REVISED SHEET NO. 9.414 CANCELS FIRST REVISED SHEET NO. 9.414

2. Facility; Renewable Facility or Qualifying Facility Status

The Facility's location and generation capabilities are as described in Table 1 below.

TABLE 1				
TECHNOLOGY AND GENERATOR CAPABILITIES				
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	City: County:			
Generator Type (Induction or Synchronous)				
Technology				
Fuel Type and Source				
Generator Rating (KVA)				
Maximum Capability (kW)				
Net Output (kW)				
Power Factor (%)				
Operating Voltage (kV)				
Peak Internal Load kW				

The RF/QF's failure to complete Table 1 in its entirety shall render this Contract null and void and of no further effect.

The RF/QF shall use the same fuel or energy source and maintain the status as a Renewable Facility or a Qualifying Facility throughout the term of this Contract. RF/QF shall at all times keep DEF informed of any material changes in its business which affects its Renewable Facility or Qualifying Facility status. DEF and RF/QF shall have the right, upon reasonable notice of not less than seven (7) Business Days, to inspect the Facility and to examine any books, records, or other documents reasonably deemed necessary to verify compliance with this Contract. In the event of an emergency at or in proximity to the RF/QF site that impacts DEF's system, DEF shall make reasonable efforts to contact the Facility and make arrangements for an emergency inspection. On or before March 31 of each year during the term of this Contract, the RF/QF shall provide to DEF a certificate signed by an officer of the RF/QF certifying that the RF/QF continuously maintained its status as a Renewable Facility or a Qualifying Facility during the prior calendar year.



SECTION No. IX EIGHTH-NINTH REVISED SHEET NO. 9.415 CANCELS SEVENTH-EIGHTH REVISED SHEET NO. 9.415

3. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall end at 12:01 a.m. on the Termination Date, (the "Term") unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date of the Facility is not accomplished by the RF/QF before the Required Capacity Delivery Date (or such later date as may be permitted by DEF pursuant to Section 7), this Contract shall be rendered null and void and DEF's shall have no obligations under this Contract.

4. Minimum Specifications and Milestones

As required by FPSC Rule 25-17.0832(4)(e), the minimum specifications pertaining to this Contract and milestone dates are as follows:

Avoided Unit	Undesignated Combustion CTurbine
Avoided Unit Capacity	793-811 MW
Avoided Unit In-Service Date	June 1, 2021 2024
Avoided Unit Heat Rate	6,74110,399 BTU/kWh
Avoided Unit Variable O&M	0.5450919¢ per kWh in mid-2014-2015 dollars escalating annually at 2.50%
Avoided Unit Life	35 years
Capacity Payments begin	Avoided Unit In-Service Date unless Option B, or D is selected or amended in Appendix E
Termination Date	May 31, 2031-2034 (10 years) unless amended in Appendix E
Minimum Performance Standards – On Peak Availability Factor*	
Minimum Performance Standards – Off Peak Availability Factor	87 94%
Minimum Availability Factor Required to qualify for a Capacity payment	67<u>74</u>%
Expiration Date	April 1, 20152016
Completed Permits Date	June 1, 20172021
Exemplary Early Capacity Payment Date	January 1, 20162022

* RF/QF performance shall be as measured and/or described in Appendix A.

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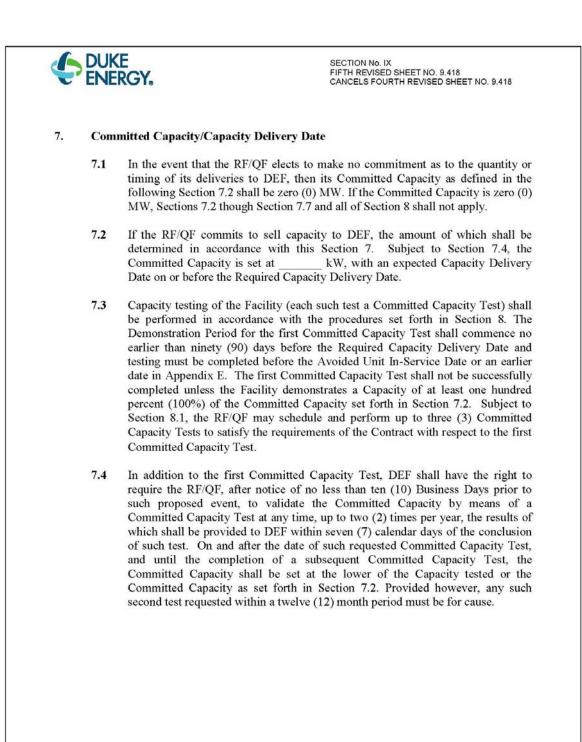
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	DUK	E RGY.	SECTION No. IX	
5.		KGY.	CANCELS FOURTH <u>FIFTH</u> REVISED SHEET NO. 9.416	
(a)	Unles	s otherwise waived in writing by DEF, o satisfy the following Conditions Preceder		
	(i)	RF/QF shall have obtained firm transm Capacity and energy from the Facility t form and substance satisfactory to RF/0	o the Electrical Interconnection Point, in a	
	 (ii) RF/QF shall have obtained the Project Consents and any other Consents for which it is responsible under the terms hereof in a form and substance satisfactory to RF/QF in its sole discretion; 			
	(iii)	RF/QF shall have entered into Financir of the Facility and have achieved Finan satisfactory to RF/QF in its sole discret		
	(iv)	RF/QF shall have entered into the Proje satisfactory to RF/QF in its sole discret		
	(v)	RF/QF shall have obtained insurance p Section 17;	olicies or coverage in compliance with	
	(vi)	documents (certified by its corporate se and (ii) a copy of a corporate resolution		
	(vii)	RF/QF shall have obtained Qualifying FERC.	Facility status from either the FPSC or	
(b) 	Promptly upon satisfaction (or waiver in writing) of the Conditions Precedent to be satisfied, the Party having satisfied the same shall deliver to the other Party a certificate evidencing such satisfaction. DEF may waive the satisfaction of a Conditions Precedent at its sole discretion. Such waiver must be made in writing. Subject to there being no Event of Default which has occurred and/or is continuing as of the date upon which the last of such certificates is delivered, the date of such last certificate shall constitute the effective date of this Contract (the "Effective Date").			
(c)	Unless all Conditions Precedent are satisfied on or before the Drop Dead Date or such Conditions Precedent are waived in writing, this Contract shall terminate on such date and neither Party shall have any further liability to the other Party hereunder.			
(d)	27 (5.0 T. U. S. 1997)	F shall achieve the Capacity Delivery Da ery Date.	te on or before the Required Capacity	
		er Portuondo, Director, Rates & Regulatory Strategy y 10, 2014	- FL	

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RF/QF (a) (b)	shall ensure that before the initial Comm the Facility shall have been constructed s be duly and properly undertaken in accord	so that the Committed Capacity Test may
(b)		rdance with Section 7; and
	an operable physical connection from the shall have been effected in accordance w operating agreement required by the Tran that such physical connection shall be made	vith the electrical interconnection and nsmission Provider, provided, however,
Sale of	Electricity by the RF/QF	
6.1	purchase from the RF/QF electric power and sale of electricity pursuant to the arrangement or () simultaneous pur however, that no such arrangement sha Facility's net output. The billing method	RF/QF shall sell to DEF and DEF shall r generated by the Facility. The purchase is Contract shall be a () net billing rchase and sale arrangement; provided, 11 cause the RF/QF to sell more than the odology may be changed at the option of Appendix D.
6.2	Ownership and Offering For Sale Of Ren	newable Energy Attributes
6.3		ble or curtailable standby service for the e) of the Facility.
6.4	for all costs, expenses, taxes, fees and energy to DEF. The RF/QF shall ent with the Transmission Provider in who located and the RF/QF shall make any a (including interconnection and ancillar Transmission Provider for delivery of th DEF. The Capacity and energy amoun include transmission losses. The RF/C losses that occur prior to the point at w DEF. The Parties recognize that the Tra	scheduling of required transmission and charges associated with the delivery of er into a transmission service agreement ose service territory the Facility is to be and all transmission-related arrangements y services) between the RF/QF and the he Facility's firm Capacity and energy to its paid to the RF/QF hereunder do not QF shall be responsible for transmission which the RF/QF's energy is delivered to ansmission Provider may be DEF and that he transmission service will be provided
	6.16.26.3	 purchase from the RF/QF electric power and sale of electricity pursuant to the arrangement or () simultaneous pur however, that no such arrangement shall Facility's net output. The billing method the RF/QF, subject to the provisions of A 6.2 Ownership and Offering For Sale Of Read The RF/QF shall retain any and all rights Environmental Attributes associated with start up requirements (initial or otherwise) 6.4 The RF/QF shall be responsible for the for all costs, expenses, taxes, fees and energy to DEF. The RF/QF shall make any a (including interconnection and ancillar) Transmission Provider for delivery of the DEF. The Capacity and energy amount include transmission losses. The RF/QF losses that occur prior to the point at we DEF. The Parties recognize that the Transmission Provider, the the transmission Provider, the the transmission Provider to the point at wheth the Transmission losses. The RF/QF losses that occur prior to the point at whether the transmission Provider, the

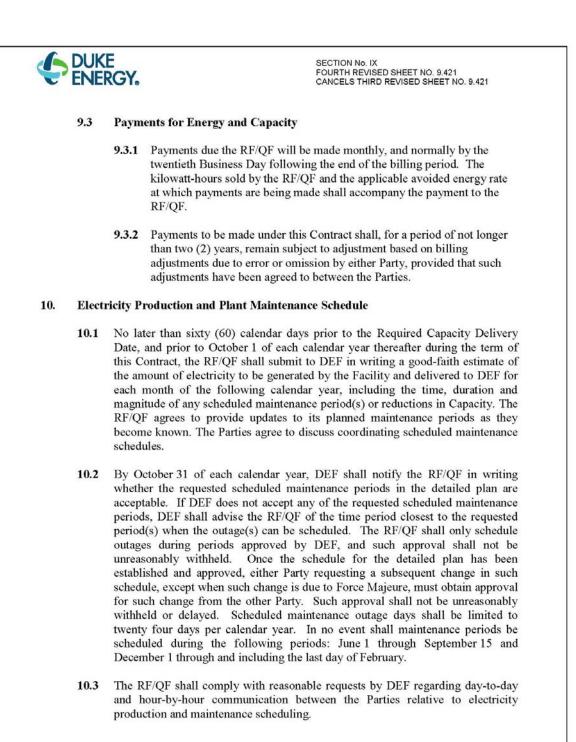


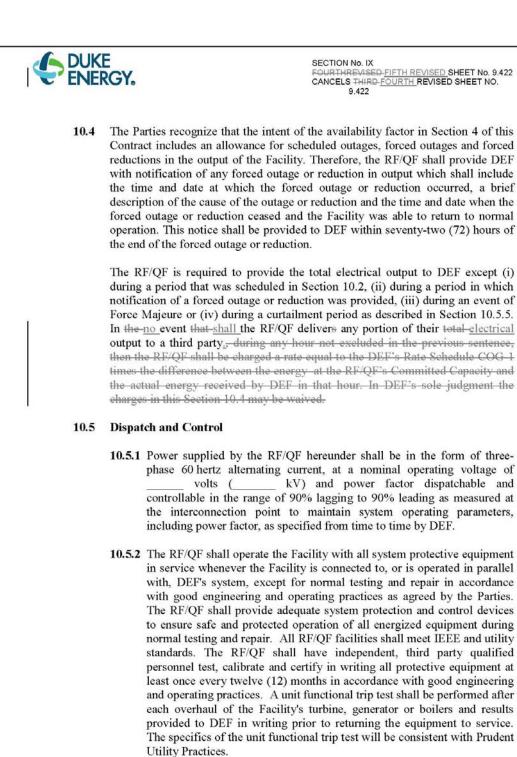
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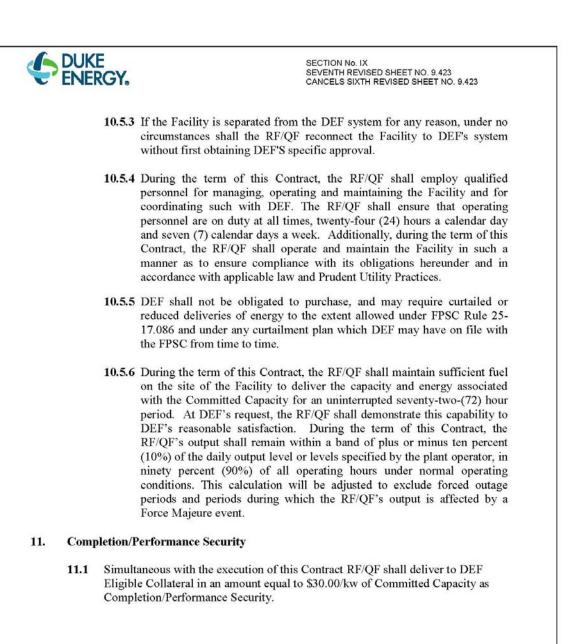
DUKE SECTION No. IX FIFTH REVISED SHEET NO. 9.419 FNFRGY. CANCELS FOURTH REVISED SHEET NO. 9.419 7.5 Notwithstanding anything contrary to the terms hereof, the Committed Capacity may not exceed the amount set forth in Section 7.2 without the consent of DEF, which consent shall be granted in DEF's sole discretion. 7.6 Unless Option B or D as contained in Appendix D or Appendix E is chosen by RF/QF, DEF shall make no Capacity Payments to the RF/QF prior to the Avoided Unit In-Service Date. 7.7 The RF/OF shall be entitled to receive Capacity Payments beginning on the Capacity Delivery Date, provided the Capacity Delivery Date occurs before the Required Capacity Delivery Date (or such later date permitted by DEF). If the Capacity Delivery Date does not occur before the Required Capacity Delivery Date. DEF shall immediately be entitled to draw down the Completion/Performance Security in full. **Testing Procedures** The Committed Capacity Test must be completed successfully within the 8.1 Demonstration Period, which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the RF/QF by means of a written notice to DEF delivered at least thirty (30) calendar days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test ordered by DEF under any of the provisions of this Contract. DEF shall have the right to be present onsite to monitor firsthand any Committed Capacity Test required or permitted under this Contract. 8.2 The Committed Capacity Test results shall be based on a test period of twenty-

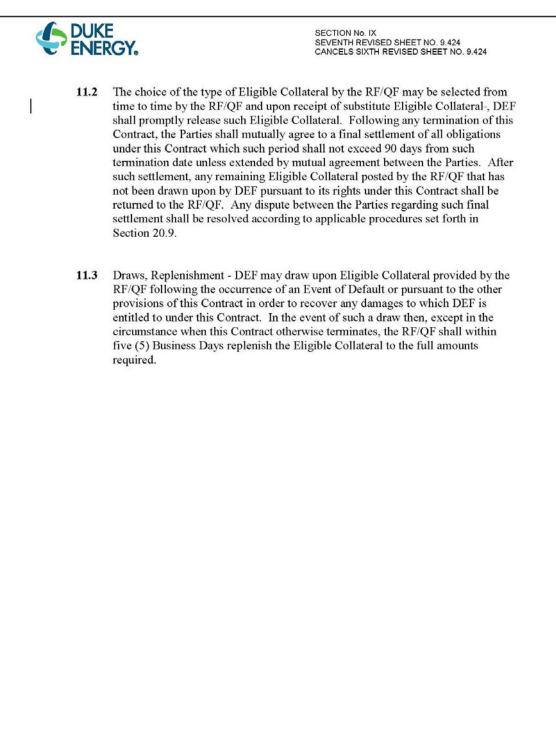
- four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net kW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. The Committed Capacity Test Period shall commence at the time designated by the RF/QF pursuant to Section 8.1 or at such time requested by DEF pursuant to Section 7.4; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that DEF is notified of, and consents to, such earlier time.
- **8.3** Normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period.
- **8.4** The Capacity of the Facility shall be the minimum average hourly net output in kW (generator output minus auxiliary) measured over the Committed Capacity Test Period.

¢	DUKI	GY. SECTION No. IX FOURTH REVISED SHEET NO. 9.420 CANCELS THIRD REVISED SHEET NO. 9.420
	8.5	The Committed Capacity Test shall be performed according to standard industry testing procedures for the appropriate technology of the RF/QF.
	8.6	The results of any Committed Capacity Test, including all data related to Facility operation and performance during testing, shall be submitted to DEF by the RF/QF within seven (7) calendar days of the conclusion of the Committed Capacity Test. The RF/QF shall certify that all such data is accurate and complete.
9.	Paym	nt for Electricity Produced by the Facility
	9.1	Energy
		 9.1.1 DEF agrees to pay the RF/QF for energy produced by the Facility and delivered to DEF in accordance with the rates and procedures contained in DEF's approved Rate Schedule COG-1, as it may be amended from time to time if the Committed Capacity pursuant to Section 7.2 is set to zero. If the Committed Capacity is greater than zero MW, then DEF agrees to pay the RF/QF for energy produced by the Facility and delivered to DEF in accordance with the rates and procedures contained in Appendix D, as it may be amended from time to time. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule COG-1 or Appendix D whichever applies as approved and on file with the FPSC. 9.1.2 DEF may, at its option, limit deliveries under this Contract to 110% of the Committed Capacity as set forth in Section 7. In the event that DEF
		chooses to limit deliveries, any energy in excess of 110% of the Committed Capacity will be paid for at the rates defined in Rate Schedule COG-1 and shall not be included in the calculations in Appendix A hereto.
	9.2	Capacity
		DEF agrees to pay the RF/QF for the Capacity described in Section 7 in accordance with the rates and procedures contained in Appendix D, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of Option of Appendix D or an alternative rate schedule in Appendix E. The RF/QF understands and agrees that Capacity Payments will only be made if the Capacity Delivery Date occurs before the Required Capacity Delivery Date and the Facility is delivering firm Capacity and Energy to DEF. Once so selected, this Option, the Firm Capacity Rate and/or the Firm Energy Rate cannot be changed for the term of this Contract.









EFFECTIVE: July 10, 201/

DUKE SECTION No. IX THIRD-FOURTH REVISED SHEET NO. 9.425 CANCELS SECOND-THIRD REVISED SHEET NO. 9.425 In the event that the (a) Capacity Delivery Date occurs before the Required 11.4 Capacity Delivery Date and (b) the ACBF is equal to or greater than 8794% for the first twelve (12) months following the Capacity Delivery Date then DEF will return the Completion/Performance Security to the RF/QF within ninety (90) days of the first anniversary of the Capacity Delivery Date. In the event that the Capacity Delivery Date does not occur before the Required Capacity Delivery Date then DEF shall immediately be entitled to draw down the Completion/Performance Security in full. In the event that the ACBF is less than 8794% for any of the first twelve (12) months following the Capacity Delivery Date then DEF shall retain the Completion/Security until the ACBF is equal to or greater than 8794% for 12 consecutive months. Upon the completion of twelve (12) consecutive months with the ACBF greater than or equal to \$794% then DEF will return the Completion/Performance Security within ninety (90) days. 11.5 Reporting - RF/QF shall promptly notify DEF of any circumstance that results in RF/QF's failure to be in compliance with the RF/QF Performance Security Requirements of this Section 11. From time to time, at DEF's written request, RF/QF shall provide DEF with such evidence as DEF may reasonably request, that RF/QF Letter of Credit or Security Account is in full compliance with this Contract. 12. **Termination Fee and Security** 12.1 In the event that the RF/QF receives Capacity Payments pursuant to Option B, Option C, or Option D of Appendix D or any Capacity Payment schedule in Appendix E that differs from a Normal Capacity Payment Rate as calculated in FPSC Rule 25-17.0832(6)(a), then upon the termination of this Contract, the RF/QF shall owe and be liable to DEF for the Termination Fee. The RF/QF's obligation to pay the Termination Fee shall survive the termination of this Contract. DEF shall provide the RF/QF, on a monthly basis, a calculation of the Termination Fee. 12.1.1 The Termination Fee shall be secured by the RF/QF by: (i) an unconditional, irrevocable, direct paystandby letter(s) of credit issued by a Qualified Institution in form and substance acceptable to DEF (including provisions (a) permitting partial and full draws and (b) permitting DEF to draw upon such Letter of Credit, in full, if such Letter of Credit is not renewed or replaced at least twenty (20) Business Days prior to its expiration date); (ii) a bond issued to DEF by a financially sound company in form and substance acceptable to DEF in its sole discretion; or (iii) a cash deposit with DEF (any of (i), (ii), or (iii), the "Termination Security"). ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL

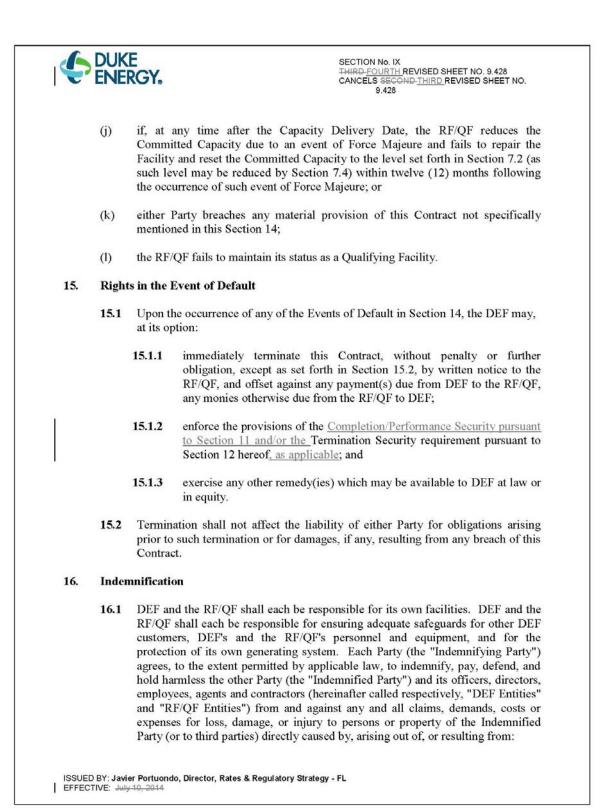
DUKE SECTION No. IX SECOND-THIRD REVISED SHEET NO. 9.426 CANCELS FIRST_SECOND REVISED SHEET NO. ENERGY. 9.426 12.1.2 DEF shall have the right and the RF/QF shall be required to monitor the financial condition of (i) the issuer(s) in the case of any Letter of Credit and (ii) the insurer(s), in the case of any bond. In the event the senior debt rating of any issuer(s) or insurer(s) has deteriorated to the extent that they no longer meet the issuer requirements, fail to meet the requirements of a Qualified Institution, DEF may require the RF/QF to replace the letter(s) of credit or the bond, as applicable. In the event that DEF notifies the RF/QF that it requires such a replacement, the replacement letter(s) of credit or bond, as applicable, must be issued by a financial institution(s) or insurer(s) with an acceptable credit ratingQualified Institution, and meet the requirements of Section 12.1.1 within thirty (30) calendar days following such notification. Failure by the RF/QF to comply with the requirements of this Section 12.1.2 shall be grounds for DEF to draw in full on any existing Letter of Credit or bond and to exercise any other remedies it may have hereunder. 12.1.3 After the close of each calendar quarter (March 31, June 30, September 30, and December 31) occurring subsequent to the Capacity Delivery Date, upon DEF's issuance of the Termination Fee calculation as described in Section 12.1, the RF/QF must provide DEF, within ten calendar (10) days, written assurance and documentation (the "Security Documentation"), in form and substance acceptable to DEF, that the amount of the Termination Security is sufficient to cover the balance of the Termination Fee through the end of the following quarter. In addition to the foregoing, at any time during the term of this Contract, DEF shall have the right to request and the RF/QF shall be obligated to deliver within five (5) calendar days of such request, such Security Documentation. Failure by the RF/QF to comply with the requirements of this Section 12.1.3 shall be grounds for DEF to draw in full on any existing Letter of Credit or bond or to retain any cash deposit, and to exercise any other remedies it may have hereunder. 12.1.4 Upon any termination of this Contract following the Required Capacity Delivery Date, DEF shall be entitled to receive (and in the case of the Letter(s) of Credit or bond, draw upon such Letter(s) of Credit or bond)

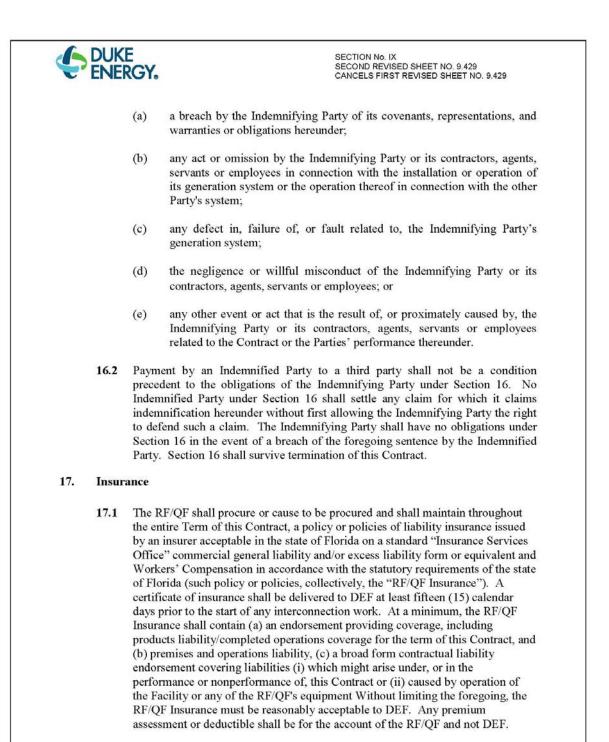
13. Performance Factor

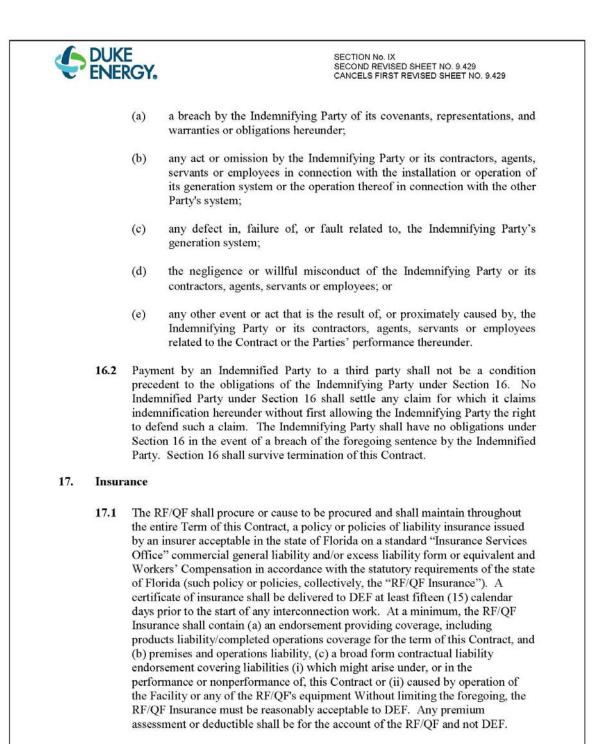
DEF desires to provide an incentive to the RF/QF to operate the Facility during on-peak and off-peak periods in a manner that approximates the projected performance of the Avoided Unit. A formula to achieve this objective is attached as Appendix A.

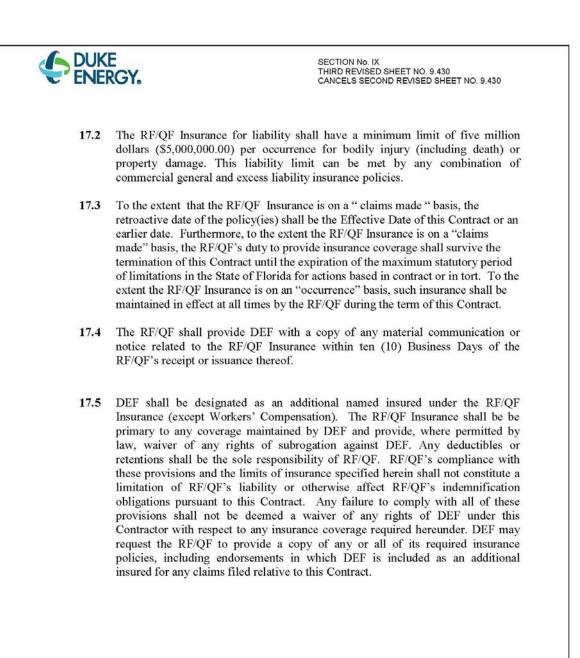
and retain one hundred percent (100%) of the Termination Security.

(DUK	SECTION No. IX FOURTH FIFTH REVISED SHEET NO. 9.427 CANCELS THIRD FOURTH REVISED SHEET NO. 9.427
14.	Defa	ult
		vithstanding the occurrence of any Force Majeure as described in Section 18, each of ollowing shall constitute an Event of Default:
	(a)	the RF/QF changes or modifies the Facility from that provided in Section 2 with respect to its type, location, technology or fuel source, without the prior written approval of DEF;
I	(b)	after the Capacity Delivery Date, the Facility fails for twelve (12) consecutive months to maintain an Annual Capacity Billing Factor, as described in Appendix A, of at least sixty-seventy seven four percent (6774%);
	(c)	the RF/QF fails to satisfy its obligations to maintain sufficient fuel on the site of the Facility to deliver the capacity and energy associated with the Committed Capacity for an uninterrupted seventy-two-(72) hour period under Section 10.5.6 hereof;
	(d)	the failure to make when due, any payment required pursuant to this Contract if such failure is not remedied within three (3) Business Days after written notice;
	(e)	either Party, or the entity which owns or controls either Party, ceases the conduct of active business; or if proceedings under the federal bankruptcy law or insolvency laws shall be instituted by or for or against either Party or the entity which owns or controls either Party; or if a receiver shall be appointed for either Party or any of its assets or properties, or for the entity which owns or controls either Party; or if any part of either Party's assets shall be attached, levied upon, encumbered, pledged, seized or taken under any judicial process, and such proceedings shall not be vacated or fully stayed within thirty (30) calendar days thereof; or if either Party shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due;
	(f)	the RF/QF fails to give proper assurance of adequate performance as specified under this Contract within thirty (30) calendar days after DEF, with reasonable grounds for insecurity, has requested in writing such assurance;
	(g)	the RF/QF fails to achieve licensing, certification, and all federal, state and local governmental, environmental, and licensing approvals required to initiate construction of the Facility by no later than the Completed Permits Date;
	(h)	the RF/QF fails to comply with the provisions of Section 11 hereof;
	(i)	any of the representations or warranties, including the certification of the completion of the Conditions Precedent, made by either Party in this Contract is false or misleading in any material respect as of the time made;
		ier Portuondo, Director, Rates & Regulatory Strategy - FL ly 10, 2014







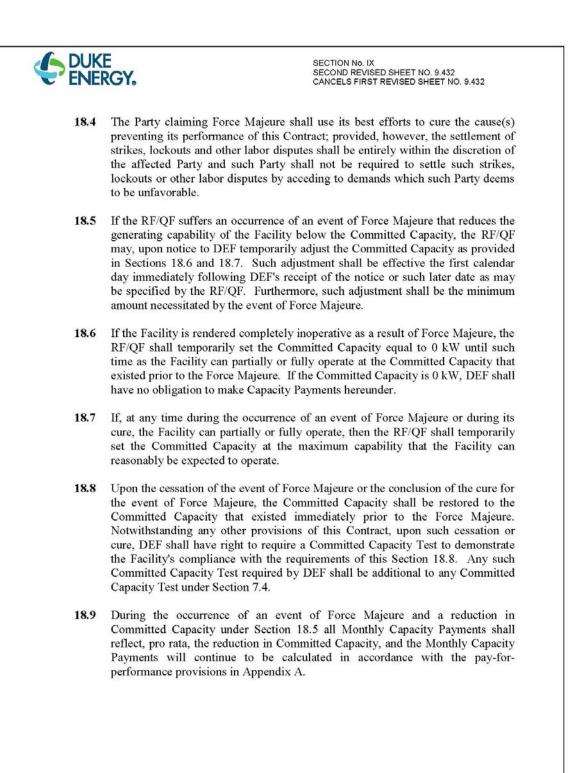




SECTION No. IX THIRD REVISED SHEET NO. 9.431 CANCELS SECOND REVISED SHEET NO. 9.431

18. Force Majeure

- "Force Majeure" is defined as an event or circumstance that is not reasonably 18.1 foreseeable, is beyond the reasonable control of and is not caused by the negligence or lack of due diligence of the Party claiming Force Majeure or its contractors or suppliers and adversely affects the performance by that Party of its obligations under or pursuant to this Contract. Such events or circumstances may include, but are not limited to, actions or inactions of civil or military authority (including courts and governmental or administrative agencies), acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes or difficulties (not caused by the failure of the affected party to comply with the terms of a collective bargaining agreement). Force Majeure shall not be based on (i) the loss of DEF's markets; (ii) DEF's economic inability to use or resell the Capacity and Energy purchased hereunder; or (iii) RF/QF's ability to sell the Capacity or Energy at a price greater than the price herein. Equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the control of a Party, or a Party's failure to obtain on a timely basis and maintain a necessary permit or other regulatory approval, shall not be considered an event of Force Majeure, unless such Party can reasonably demonstrate, to the reasonable satisfaction of the non-claiming Party, that the event was not reasonably foreseeable, was beyond the Party's reasonable control and was not caused by the negligence or lack of due diligence of the Party claiming Force Majeure or its agents, contractors or suppliers and adversely affects the performance by that Party of its obligations under or pursuant to this Contract.
- **18.2** Except as otherwise provided in this Contract, each Party shall be excused from performance when its nonperformance was caused, directly or indirectly by an event of Force Majeure.
- **18.3** In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party claiming Force Majeure shall notify the other Party in writing within five (5) Business Days of the occurrence of the event of Force Majeure, of the nature cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any deadlines or date(s), imposed hereunder may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. A Party claiming Force Majeure shall not be entitled to any relief therefore unless and until conforming notice is provided. The Party claiming Force Majeure or of the conclusion of the affected Party's cure for the event of Force Majeure in either case within two (2) Business Days thereof.





SECTION No. IX SECOND REVISED SHEET NO. 9.433 CANCELS FIRST REVISED SHEET NO. 9.433

18.10 The RF/QF agrees to be responsible for and pay the costs necessary to reactivate the Facility and/or the interconnection with DEF's system if the same is (are) rendered inoperable due to actions of the RF/QF, its agents, or Force Majeure events affecting the RF/QF, the Facility or the interconnection with DEF. DEF agrees to reactivate, at its own cost, the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by DEF or its agents.

19. Representations, Warranties, and Covenants of RF/QF

Each Party hereto represents and warrants that as of the Effective Date:

19.1 Organization, Standing and Qualification

DEF is a corporation duly organized and validly existing in good standing under the laws of Florida and has all necessary power and authority to carry on its business as presently conducted to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The RF/QF is a (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of and has all necessary power and authority to carry on its business as presently conducted to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. Each Party is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on the other Party.

19.2 Due Authorization, No Approvals, No Defaults

Each of the execution, delivery and performance by each Party of this Contract has been duly authorized by all necessary action on the part of such Party, does not require any approval, except as has been heretofore obtained, of the shareholders DEF or of the _______ (shareholders, partners, or others, as applicable) of the RF/QF or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of such Party, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the articles of incorporation of DEF or the ______ (articles of incorporation, bylaws, or other as applicable) of such Party, or any agreement, judgment, injunction, order, decree or other instrument binding upon such Party, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract.



SECTION No. IX SECOND REVISED SHEET NO. 9.434 CANCELS FIRST REVISED SHEET NO. 9.434

19.3 Compliance with Laws

Each party has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. Each party also is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the other Party.

19.4 Governmental Approvals

Except as expressly contemplated herein, neither the execution and delivery by each Party of this Contract, nor the consummation by each Party of any of the transaction contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action with respect to governmental authority, except with respect to permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the RF/QF has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).

19.5 No Suits, Proceedings

There are no actions, suits, proceedings or investigations pending or, to the knowledge of each Party, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on each Party's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. Each Party has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment.

19.6 Environmental Matters

To the best of its knowledge after diligent inquiry, each Party knows of no (a) existing violations of any environmental laws at the Facility, including those governing hazardous materials or (b) pending, ongoing, or unresolved administrative or enforcement investigations, compliance orders, claims, demands, actions, or other litigation brought by governmental authorities or other third parties alleging violations of any environmental law or permit which would materially and adversely affect the operation of the Facility as contemplated by this Contract.



SECTION No. IX THIRD REVISED SHEET NO. 9.435 CANCELS SECOND REVISED SHEET NO. 9.435

20. General Provisions

20.1 Project Viability

To assist DEF in assessing the RF/QF's financial and technical viability, the RF/QF shall provide the information and documents requested in Appendix C or substantially similar documents, to the extent the documents apply to the type of Facility covered by this Contract and to the extent the documents are available. All documents to be considered by DEF must be submitted at the time this Contract is presented to DEF. Failure to provide the following such documents may result in a determination of non-viability by DEF.

20.2 Permits

The RF/QF hereby agrees to obtain and maintain any and all permits, certifications, licenses, consents or approvals of any governmental authority which the RF/QF is required to obtain as a prerequisite to engaging in the activities specified in this Contract.

20.3 Project Management

If requested by DEF, the RF/QF shall submit to DEF its integrated project schedule for DEF's review within sixty (60) calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least sixty (60) calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. If requested by DEF, the RF/QF shall submit progress reports in a form satisfactory to DEF every calendar month until the Capacity Delivery Date and shall notify DEF of any changes in such schedules within ten (10) calendar days after such changes are determined. DEF shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off-site. DEF's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

The RF/QF shall provide DEF with the final designer's/manufacturer's generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current and direct elementary diagrams for review and inspection at DEF no later than one hundred eighty (180) calendar days prior to the initial synchronization date.

20.4 Assignment

Either Party may not assign this Contract, without the other Party's prior written approval, which approval may not be unreasonably withheld or delayed.

	E RGY.	SECTION No. IX SECOND REVISED SHEET NO. 9.436 CANCELS FIRST REVISED SHEET NO. 9.436
20.5	Disclaimer	
	credit or financial support for	does not, nor should it be construed, to extend its benefit of any third parties lending money to or he RF/QF or any assigns of this Contract.
20.6	Notification	
	delivered in person, or sent b followed immediately with a d individuals designated below. T be notified or to whom payme	this Contract shall be deemed duly given when y registered or certified mail, or sent by fax if copy sent by registered or certified mail, to the The Parties designate the following individuals to ent shall be sent until such time as either Party instructions to contact another individual:
	For the RF/QF:	For DEF:
		Duke Energy Florida Cogeneration Manager DEF 155 299 First Avenue North St. Petersburg, FL 33701
	l business hours (8:00 a.m. to 4:4	e mailed to the address below or delivered during 5 p.m.) to the visitors' entrance at the address
	Florida Power Co d/b/a Duke Energ 299 First Avenue St. Petersburg, F	gy Florida, Inc. 9 North
	Attention: Coger	neration Manager DEF 155
20.7		d in accordance with and governed by the laws of hts of the parties shall be construed in accordance rida.
ISSUED BY: Javie EFFECTIVE: April	r Portuondo, Director, Rates & Regulatory 29, 2013	/ Strategy - FL

DUKE ENERGY.

SECTION No. IX FIRST REVISED SHEET NO. 9.437 CANCELS ORIGINAL SHEET NO. 9.437

20.8 Taxation

In the event that DEF becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Services determination, through audit, ruling or other authority, that DEF's payments to the RF/QF for Capacity under Options B, C, or D of the Appendix D are not fully deductible when paid (additional tax liability), DEF may bill the RF/QF monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these Capacity Payments are not currently deductible for federal and/or state income tax purposes. DEF, at its option, may offset or recoup these costs against amounts due the RF/QF hereunder. These costs would be calculated so as to place DEF in the same economic position in which it would have been if the entire Capacity Payments had been deductible in the period in which the payments were made. If DEF decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with DEF.

20.9 Resolution of Disputes

20.9.1 Notice of Dispute

In the event that any dispute, controversy or claim arising out of or relating to this Contract or the breach, termination or validity thereof should arise between the Parties (a "Dispute"), the Party may declare a Dispute by delivering to the other Party a written notice identifying the disputed issue.

20.9.2 Resolution by Parties

Upon receipt of a written notice claiming a Dispute, executives of both Parties shall meet at a mutually agreeable time and place within ten (10) Business Days after delivery of such notice and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the Dispute. In such meetings and exchanges, a Party shall have the right to designate as confidential any information that such Party offers. No confidential information exchanged in such meetings for the purpose of resolving a Dispute may be used by a Party in litigation against the other Party. If the matter has not been resolved within thirty (30) Days of the disputing Party's notice having been issued, or if the Parties fail to meet within ten (10) Business Days as required above, either Party may initiate binding arbitration in St. Petersburg, Florida, conducted in accordance with the then current American Arbitration Association's ("AAA") Large, Complex Commercial Rules or other mutually agreed upon procedures.

ATTACHMENT

DUKE SECTION No. IX SECOND REVISED SHEET NO. 9.438 FNFRGY. CANCELS FIRST REVISED SHEET NO. 9.438 20.10 Limitation of Liability IN NO EVENT SHALL DEF, ITS PARENT CORPORATION, OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR MULTIPLE DAMAGES RESULTING FROM ANY CLAIM OR CAUSE OF ACTION, WHETHER BROUGHT IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER LEGAL THEORY. 20.11 Severability If any part of this Contract, for any reason, is declared invalid or unenforceable by a public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of the Contract, which remainder shall remain in force and effect as if this Contract had been executed without the invalid or unenforceable portion. 20.12 **Complete Agreement and Amendments** All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Contract are hereby abrogated. No amendment or modification to this Contract shall be binding unless it shall be set forth in writing and duly executed by both Parties. This Contract constitutes the entire agreement between the Parties. 20.13 Survival of Contract Subject to the requirements of Section 20.4, this Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest and legal representatives. 20.14 **Record Retention**

Each Party shall maintain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder.



SECTION No. IX SECOND REVISED SHEET NO. 9.439 CANCELS FIRST REVISED SHEET NO. 9.439

20.15 No Waiver

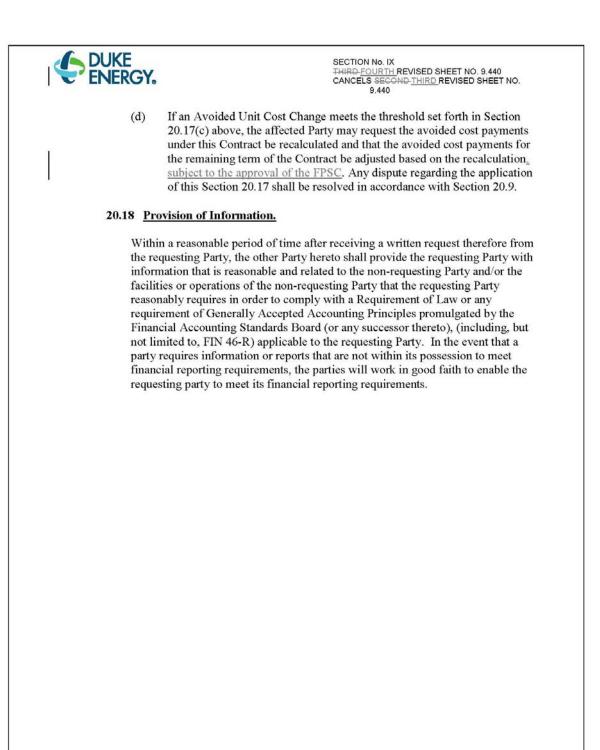
No waiver of any of the terms and conditions of this Contract shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. The failure of a Party to insist, in any instance, on the strict performance of any of the terms and conditions hereof shall not be construed as a waiver of such Party's right in the future to insist on such strict performance.

20.16 Set-Off

DEF may at any time, but shall be under no obligation to, set off or recoup any and all sums due from the RF/QF against sums due to the RF/QF hereunder without undergoing any legal process.

20.17 Change in Environmental Law or Other Regulatory Requirements

- (a) As used herein, "Change(s) in Environmental Law or Other Regulatory Requirements" means the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental or regulatory issues and that takes effect after the Effective Date.
- (b) The Parties acknowledge that Change(s) in Environmental Law or Other Regulatory Requirements could significantly affect the cost of the Avoided Unit ("Avoided Unit Cost Changes") and agree that, if any such change(s) should affect the cost of the Avoided Unit more than the Threshold defined in Section 20.17(c) below, the Party affected by such change(s) may avail itself of the remedy set forth in Section 20.17(d) below as its sole and exclusive remedy.
 - (c) The Parties recognize and agree that certain Change(s) in Environmental Law or Other Regulatory Requirements may occur that do not rise to a level that the Parties desire to impact this Contract. Accordingly, the Parties agree that for the purposes of this Contract, such change(s) will not be deemed to have occurred unless the change in Avoided Cost resulting from such change(s) exceed a mutually agreed upon amount. This mutually agreed upon amount is attached to this Contract in Appendix E.



ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL

EFFECTIVE: April 29, 2013

DUKE ENERGY.	SECTION No. IX SECOND REVISED SHEET NO. 9.441 CANCELS FIRST REVISED SHEET NO. 9.441
IN WITNESS WHEREOF, the RF/QF	has executed this Contract on the date set forth below.
RF/QF	
Signature	
Print Name	
Title	
Date	
DUKE ENERGY FLORIDA, INC.	cknowledged receipt of this executed Contract.
Print Name	
Title	
Date	

	DUK	æ Rgy.		SECTION No. IX FIFTH SIXTH REVISED SHEET NO. 9.442 CANCELS FOURTH FIFTH REVISED SHEET NO. 9.442			
	APPENDIX A						
	ŀ	RENEWAB		TO DUKE ENERGY FLORIDA R QUALIFYING FACILITY LESS THAN 100 KW TANDARD OFFER CONTRACT			
		MON	THL	Y CAPACITY PAYMENT CALCULATION			
Sta	indard Off	fer Contract	for the	e defined herein have the meaning ascribed to them in the Purchase of Firm Capacity and Energy from a Renewable ng Facility less than 100 kW.			
I	A.			t the ACBF is less than or equal to 6774% , then no Monthly ent shall be due. That is:			
		М	[CP = 0]	0			
I	В.			t the ACBF is greater than 6774% but less than 8794% , then the ity Payment shall be calculated by using the following formula:			
1		Μ	[CP =]	BCP x [1 - [5 x (. 87-<u>94</u> - ACBF)] x CC			
I	C.			at the ACBF is equal to or greater than 8794%, then the Monthly ent shall be calculated by using the following formula:			
		Μ	[CP =]	BCP x CC			
		Where:					
		MCP	=	Monthly Capacity Payment in dollars.			
		BCP	=	Base Capacity Payment in \$/kW/Month as specified in Appendix D or E.			
		CC	=	Committed Capacity in kW.			

ATTACHMENT

DUKE ENERGY.	SECTION No. IX SECOND REVISED SHEET NO. 9.443 CANCELS FIRST REVISED SHEET NO. 9.443
ACBF	Annual Capacity Billing Factor. The ACBF shall be the electric energy actually received by DEF for the 12 consecutive months preceding the date of calculation excluding any energy received during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the 12 consecutive months preceding the date of calculation excluding the hours during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW. If an event of Force Majeure occurs during the 12 consecutive months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro- rated accordingly. During the first 12 consecutive Monthly Billing Periods commencing with the first Monthly Billing Period in which Capacity Payments are to be made, the calculation of 12-month rolling average ACBF shall be performed as follows (a) during the first Monthly Billing Period, the ACBF shall be equal to the Monthly Availability Factor; (b) thereafter, the calculation of the ACBF shall be computed by summing the electric energy actually received by DEF for the number of full consecutive months preceding the date of calculation excluding any energy received during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the number of full consecutive months preceding the date of calculation excluding the hours during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW. If an event of Force Majeure occurs during the months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro- rated accordingly. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly
MAF	Monthly Availability Factor. The total energy received during the Monthly Billing Period for which the calculation is made, divided by the product of Committed Capacity times the total hours during the Monthly Billing Period.
Monthly Billing Period	The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m., on the Capacity Delivery Date and ending with the last calendar day of such month.

DUKE ENERGY.	SECTION No. IX THIRD REVISED SHEET 9.444 CANCELS SECOND REVISED SHEET NO. 9.444				
APPENDIX B TO DUKE ENERGY FLORIDA RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW STANDARD OFFER CONTRACT					
	TERMINATION FEE				
Standard Offer Contract f	Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.				
in which the Capacity I	hall be the sum of the values for each month beginning with the month Delivery Date occurs through the month of the Termination Date (or he case may be) computed according to the following formula:				
$\sum_{i=1}^{n} (MCP_{i})$	$-MCPC_i) \cdot (1+r)^{(n-i)}$				
with:	MCPC = 0 for all periods prior to the in-service date of the Avoided Unit:				
where					
i	number of Monthly Billing Periods commencing with the Capacity Delivery Date (i.e., the month in which Capacity Delivery Date occurs = 1; the month following this month in which Capacity Delivery Date occurs = 2 etc.)				
n	the number of Monthly Billing Periods which have elapsed from the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be)				
r	 DEF's incremental after-tax avoided cost of capital (defined as r in Appendix D). 				
MCPi	Monthly Capacity Payment paid to RF/QFQF corresponding to the Monthly Billing Period i, calculated in accordance with Appendix A.				
MCPC _i	 Monthly Capacity Payment for Option A corresponding to the Monthly Billing Period i, calculated in accordance with this Contract. 				
ISSUED BY: Javier Portuondo, D EFFECTIVE: April 29, 2013	Director, Rates & Regulatory Strategy - FL				

3	DUKE ENERGY.	SECTION No. IX FOURTH FIFTH REVISED SHEET NO. 9.445 CANCELS THIRD FOURTH REVISED SHEET NO. 9.445
	Fee for such Monthly Billi of the Termination Fee sh number (the "Initial Redu	onthly Billing Period, the computation of the value of the Termination ng Period (as set forth above) yields a value less than zero, the amount all be decreased by the amount of such value expressed as a positive ction Value"); provided, however, that such Initial Reduction Value ollowing adjustments (the Initial Reduction Value, as adjusted, the
	a.	In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A is less than or equal to 6774% , then the Initial Reduction Value shall be adjusted to equal zero (Reduction Value = 0), and the Termination Fee shall not be reduced for the applicable Monthly Billing Period.
]	b.	In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A, is greater than 6774% but less than 8794% , than the Reduction Value shall be determined as follows:
)	l	Reduction Value = Initial Reduction Value x [5 x (ACBF8794)]
		For the applicable Monthly Billing period, the Termination Fee shall be reduced by the amount of such Reduction Value.
	с.	In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A, is equal to or greater than 8794% , then the Initial Reduction Value shall not be adjusted (Reduction Value = Initial Reduction Value), and the Termination Fee shall be reduced for the applicable Monthly Billing period by the amount of the Initial Reduction Value.
		iable to the RF/QF at any time for any amount by which the in accordance with the foregoing, is less than zero (0).
1	ISSUED BY: Javier Portuondo, Di EFFECTIVE: April-29, 2013	rector, Rates & Regulatory Strategy - FL



SECTION No. IX FIRST REVISED SHEET NO. 9.446 CANCELS ORIGINAL SHEET NO. 9.446

APPENDIX C TO DUKE ENERGY FLORIDA RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW STANDARD OFFER CONTRACT

DETAILED PROJECT INFORMATION

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

Each eligible Contract received by DEF will be evaluated to determine if the underlying RF/QF project is financially and technically viable. The RF/QF shall, to the extent available, provide DEF with a detailed project proposal which addresses the information requested below:

I. FACILITY DESCRIPTION

- Project Name
- Project Location
- * Street Address
- * Size Plot Plan
- * Legal Description of Site
- Generating Technology
- Primary Fuel
- Alternate Fuel (if applicable)
- Committed Capacity
- Expected In-Service Date
- Contact Person
- * Individual's Name and Title
- * Company Name
- * Address
- * Telephone Number
- * Fax Number

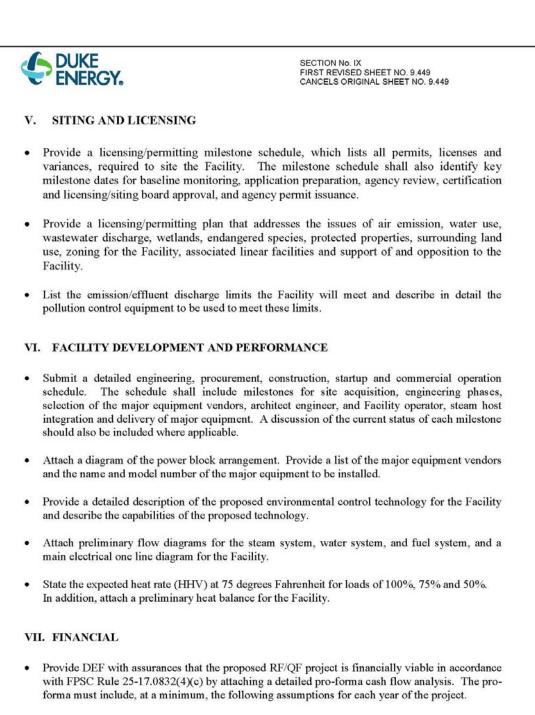
II. PROJECT PARTICIPANTS

• Indicate the entities responsible for the following project management activities and provide a detailed description of the experience and capabilities of the entities:

DUKE SECTION No. IX FIRST REVISED SHEET NO. 9.447 ENERGY. CANCELS ORIGINAL SHEET NO. 9.447 Project Development * Siting and Licensing the Facility Designing the Facility Constructing the Facility Securing the Fuel Supply Operating the Facility Provide details on all electrical facilities which are currently under construction or operational which were developed by the RF/OF. Describe the financing structure for the projects identified above, including the type of financing used, the permanent financing term, the major lenders and the percentage of equity invested at Financial Closing. III. FUEL SUPPLY Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (e.g. Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements. Provide AFR necessary to support planned levels of generation and list the assumptions used to determine these quantities. Provide a summary of the status of the fuel supply arrangements in place to meet the AFR, in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFR. Description of Fuel Supply Arrangement Category fuel is from a fully developed source owned by one or more of the project owned = participants fully executed firm fuel contract exists between the developer(s) and fuel contract = supplier(s) LOI = a letter of intent for fuel supply exists between developer(s) and fuel supplier(s) SPP =small power production facility will burn biomass, waste, or another renewable resource fuel supply will be purchased on the spot market spot = no firm fuel supply arrangement currently in place none = fuel supply arrangement which does not fit any of the above categories (please other = describe) Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location. ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL EFFECTIVE: April 29, 2013

DUKE ENERGY.	SECTION No. IX FIRST REVISED SHEET NO. 9.448 CANCELS ORIGINAL SHEET NO, 9.448
secondary fuel segment of the	transportation networks available for delivering all primary and to the Facility site. Indicate the mode, route and distance of each e journey, from fuel source to the Facility site. Discuss the current rtinent factors impacting future availability of the transportation
	R necessary to support planned levels of generation and list the sed to determine these quantities.
meet the AFT	mary of the status of the fuel transportation arrangements in place to R in each year of the proposed operating life of the Facility. Use the w to describe the current arrangement for securing the AFTR.
owned =	fuel transport via a fully developed system owned by one or more of the project participants
contract =	fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
LOI =	a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
spot = none = other =	fuel transportation will be purchased on the spot market no firm fuel transportation arrangement currently in place fuel transportation arrangement which does not fit any of the above categories (please describe)
for primary an	aximum, minimum and average fuel inventory levels to be maintained ad secondary fuels at the Facility site. List the assumptions used in e inventory levels.
	nation regarding RF/QF's plans to maintain sufficient on site fuel to y and energy for an uninterrupted seventy-two (72) hour period.
IV. PLANT DISPATC	HABILITY/CONTROLLABILITY
• Provide the following performance capabiliti	g operating characteristics and a detailed explanation supporting the es indicated:
* Peak C * Minimu * Facility	Rate (MW/minute) apability (% above Committed Capacity) un power level (% of Committed Capacity) 7 Turnaround Time, Hot to Hot (hours) 5 Time from Cold Shutdown (hours)

- * Unit Cycling (# cycles/yr.)
- * MW and MVAR Control (ACC, Manual, Other (please explain))



ATTACHMENT

	Y.	SECTION No. IX FIRST REVISED SHEET NO. 9.450 CANCELS ORIGINAL SHEET NO. 9.450
Annual Project	t Revenues	
*	Capacity Payments (\$ and \$/kW/M	
*	Variable O&M (\$ and \$/MWh)	0.)
*	Energy (\$ and \$/MWh)	
*	Tipping Fees (\$ and \$/ton)	
*	Interest Income	
*	Other Revenues	
*	Variable O&M Escalation (%/yr.)	
*	Energy Escalation (%/yr.)	
*	Tipping Fee Escalation (%/yr.)	
Annual Project	t Expense	
*	Fixed O&M (\$ and \$/kW/Mo.)	
*	Variable O&M (\$ and \$/MWh)	
*	Energy (\$ and \$/MWh)	
*	Property Taxes (\$)	
*	Insurance (\$)	
*	Emission Compliance (\$ and \$/M	Wh)
*	Depreciation (\$ and %/yr.)	
*	Other Expenses (\$)	
*	Fixed O&M Escalation (%/yr.)	
*	Variable O&M Escalation (%/yr.)	
*	Energy Escalation (%/yr.)	
 Other Project 	Information	
*	Installed Cost of the Facility (\$ an	nd \$/kW)
*	Committed Capacity (kW)	
*	Average Heat Rate - HHV (MBT)	U/kWh)
*	Federal Income Tax Rate (%)	
*	Facility Capacity Factor (%)	
*	Energy Sold to DEF (MWh)	
• Permanent Fi	nancing	
*	Permanent Financing Term (yr.)	
*	Project Capital Structure (perc	centage of long-term debt, subordinated del
*	tax exempt debt and equity)	a tamp data anti-adding d data ta
*		g-term debt, subordinated debt, tax exem
*	debt and equity)	
*	Annual Interest Expense Annual Debt Service (\$)	
*		inning balance, interest expense, princip
	reduction, ending balance)	mang balance, merest expense, princip
	a un natur traderio de natura de para de 1997 nation de la constitución de la constitución de la constitución d	

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SECTION No. IX FIRST REVISED SHEET NO. 9.451 CANCELS ORIGINAL SHEET NO. 9.451

- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.
- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.



SECTION No. IX FIRST REVISED SHEET NO. 9.452 CANCELS ORIGINAL SHEET NO. 9.452

APPENDIX D

то

DUKE ENERGY FLORIDA RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW STANDARD OFFER CONTRACT

RATE SCHEDULE COG-2

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

SCHEDULE

COG-2, Firm Capacity and Energy from a Renewable Facility ("RF/QF") or a Qualifying Facility less than 100 kW ("QF")

AVAILABLE

DEF will, under the provisions of this schedule and the Contract to which this Appendix is attached and incorporated into by reference, purchase firm capacity and energy offered by a RF/QF as defined in the contract. DEF's obligation to contract to purchase firm capacity from such RF/QF by means of this schedule and the Contract will continue no later than the Expiration Date.

APPLICABLE

To RF/QFs as defined in the Contract producing capacity and energy for sale to DEF on a firm basis pursuant to the terms and conditions of this schedule and the Contract. "Firm Capacity and Energy" are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a RF/QF pursuant to the Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE

Purchases within the territory served by DEF shall be, at the option of DEF, single or three phase, 60-hertz alternating current at any available standard DEF voltage. Purchases from outside the territory served by DEF shall be three phase, 60-hertz alternating current at the voltage level available at the interchange point between DEF and the entry delivering the Firm Capacity and Energy from the RF/QF.



SECTION No. IX FIRST REVISED SHEET NO. 9.453 CANCELS ORIGINAL SHEET NO, 9.453

LIMITATION

Purchases under this schedule are subject to FPSC Rules 25-17.080 through 25-17.310, F.A.C., and are limited to those RF/QFs which:

- A. Are defined in the Contract;
- B. Execute a Contract;

RATES FOR PURCHASES BY DEF

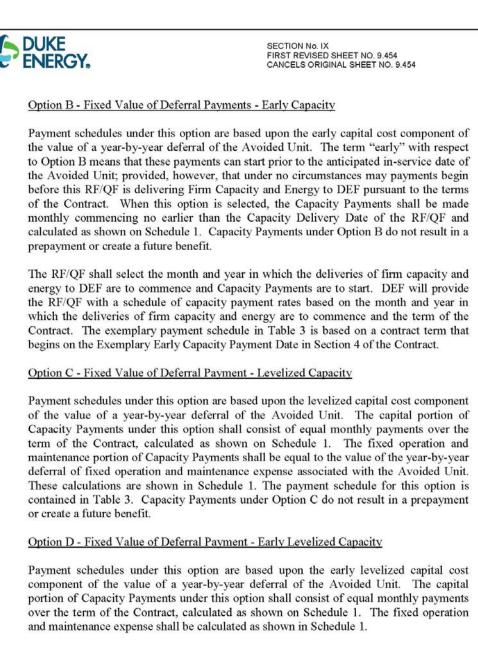
Firm Capacity and Energy are purchased at unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by DEF. For the purpose of this schedule, an Avoided Unit has been designated by DEF. DEF's next Avoided Unit has been identified in Section 4 of the Contract. Schedule 1 to this Appendix describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Contract filed and approved pursuant to FPSC Rules 25-17.080 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Four options, A through D, as set forth below, are available for payments of firm capacity that is produced by a RF/QF and delivered to DEF. Once selected, an option shall remain in effect for the term of the Contract. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of firm Capacity which the RF/QF has contractually committed to deliver to DEF and are based on a contract term which extends through the Termination Date in Section 4 of the Contract. Payment schedules for other contract terms will be made available to any RF/QF upon request and may be calculated based on the methodologies described in Schedule 1. The currently approved parameters used to calculate the following schedule of payments are found in Schedule 2 to this Appendix.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a year-by-year deferral of DEF's Avoided Unit with an in-service date as of the Avoided Unit In-Service Date in Section 4 of the Contract, calculated in accordance with FPSC Rule 25-17.0832, F.A.C., as described in Schedule 1. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Contract. The payment schedule for this option follows in Table 3.

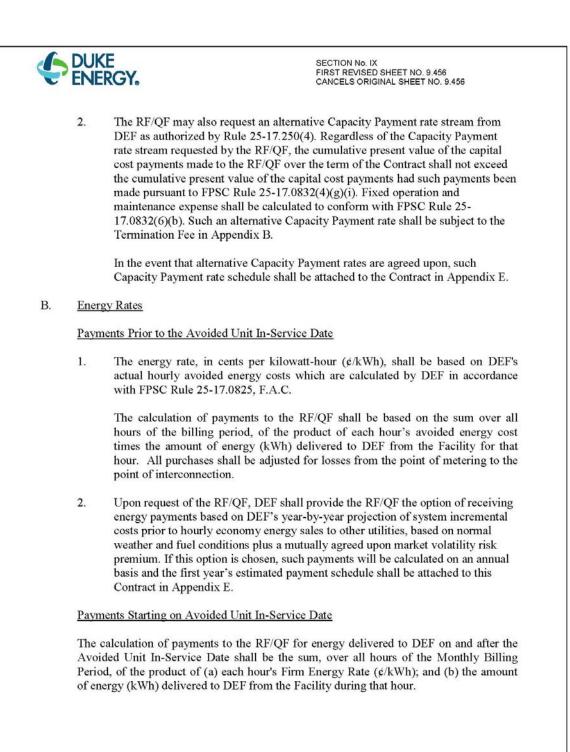


The RF/QF shall select the month and year in which the deliveries of firm capacity and energy to DEF are to commence and Capacity Payments are to start. DEF will provide the RF/QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Contract. The exemplary payment schedule in Table 3 is based on a contract term that begins on the Exemplary Early Capacity Payment Date in Section 4 of the Contract.

DUKE ENER	GY.	SECTION No. IX EIGHTH-NINTH REVISED SHEET NO. 9.455 CANCELS SEVENTH EIGHTH REVISED SHEET N 9.455					
TABLE 3 EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH DEF'S June 1, 2021-2024 Undesignated CCCT Renewable or Qualifying Facility Standard Offer Contract Avoided Capacity Payments							
	Option A	(\$/kW/MONT) Option B	Option C	Option D			
Contract	Normal Capacity Payment Starting	Early Capacity Payment Starting	Levelized Capacity Payment Starting	Early Levelized Capacity Payment Starting			
Year	on the Avoided	on the	on the Avoided	on the			
	Unit In-Service	Exemplary	Unit In-Service	Exemplary			
	Date	Capacity	Date	Capacity			
		Payment Date		Payment Date			
20152021		5 4/0 57		621103			
20162022		5.46 <u>3.57</u>		6.344.01			
20172023	1.71	5.603.66	5.10	<u>6.354.02</u>			
20182024	4.64	5.74 <u>3.75</u>	5.12	6.364.03			
20192025	4.76	5.88 <u>3.84</u>	5.13	6.37 <u>4.04</u>			
20202026	4.87	6.03 <u>3.94</u>	5.15	6.38 <u>4.05</u>			
20212027	9.97 <u>5.00</u>	<u>6.184.04</u>	<u>11.065.16</u>	6.39 <u>4.06</u>			
20222028	10.21 <u>5.12</u>	6.344.14	<u>11.085.17</u>	6.404.07			
20232029	10.47 <u>5.25</u>	6.49 <u>4.24</u>	<u>11.095.19</u>	6.41 <u>4.08</u>			
20242030 20252031	10.73 <u>5.38</u>	<u>6.664.35</u>	<u>11.115.20</u>	6.42 <u>4.09</u>			
20252031	<u>11.005.52</u>	6.82 <u>4.46</u>	<u>11.135.22</u>	6.43 <u>4.10</u>			
2026 <u>2032</u>	<u>11.275.65</u>	<u>6.994.57</u> 7.174.69	<u>11.155.23</u>	<u>6.444.12</u>			
20272033 20282034	11.56<u>5.79</u>	7.174.68	11.16<u>5.24</u>	6.46 <u>4.13</u>			
20282034 2020	11.855.94	7.354.80	<u>11.185.26</u>	6.47 <u>4.14</u>			
2029	12.14	7.53	11.20	6.48			
2030	12.45	7.72	11.22	6.49			

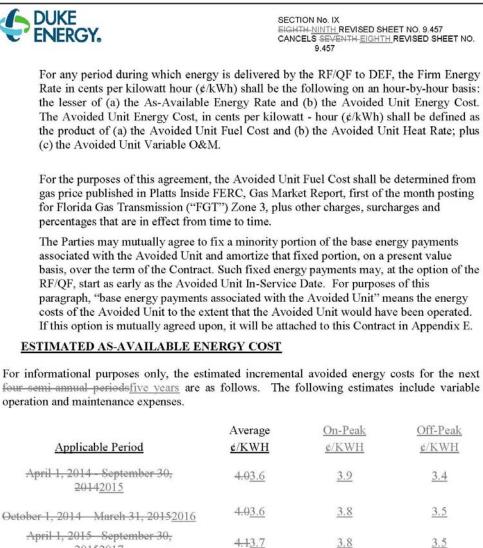
 The Capacity Payment schedules contained in this Contract assume a term of ten years from the Avoided Unit In-Service Date. In the event the RF/QF requests a term greater than ten years but less than the Avoided Unit Life then DEF shall prepare a schedule of Capacity Payments for the requested term. Such Capacity Payment rates shall be calculated utilizing the value-of-deferral methodology described in FPSC Rule 25-17.0832(6).

ATTACHMENT



3.6

3.9



four semi annual periodsfive years are as follows. The following estimates include variable operation and maintenance expenses.

October 1, 2015 March 31, 20162018 4.13.8 4.0 4.4 2019 4.1

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL

20152017

EFFECTIVE: July 10, 2014

SECTION No. IX EIGHTH_NINTH_REVISED SHEET NO. 9.458 CANCELS SEVENTH_EIGHTH_REVISED SHEET NO. 9.458

ESTIMATED UNIT FUEL COST

The estimated unit fuel costs listed below are associated with the Avoided Unit and are based on current estimates of the price of natural gas.

\$/MMBTU

2015201	2016201	2017201	2018201	2019202	2020202	2021 202	2022 202	2023202
<u>6</u>	<u>7</u>	8	<u>9</u>	<u>0</u>	1	2	<u>3</u>	4
4.444.00	4.564.11	<u>5.254.49</u>	<u>5.755.15</u>	6.03 <u>6.17</u>	<u>6.626.40</u>	6.93 <u>6.65</u>	7.16 6.91	7.39 <u>7.18</u>

DELIVERY VOLTAGE ADJUSTMENT

DEF's average system line losses are analyzed annually for the prior calendar year, and delivery efficiencies are developed for the transmission, distribution primary, and distribution secondary voltage levels. This analysis is provided in the DEF's <u>Procedures For Changing The Real Power</u> Loss Factor (currently Attachment Q) in its Open Access Transmission Tariff and DEF'ssemiannual-fuel cost recovery filing with the FPSC-in Exhibit Schedule E1. An adjustment factor, calculated as the reciprocal of the appropriate delivery efficiency factor, is applicable to the above determined energy costs if the RF/QF is within DEF's service territory to reflect the delivery voltage level at which RF/QF energy is received by the DEF.

The current delivery voltage adjustment factors are:

Delivery Voltage	Adjustment Factor
Transmission Voltage Delivery	1.0149<u>1.0134</u>
Primary Voltage Delivery	1.0249<u>1.0234</u>
Secondary Voltage Delivery	<u>1.0639</u> <u>1.0536</u>

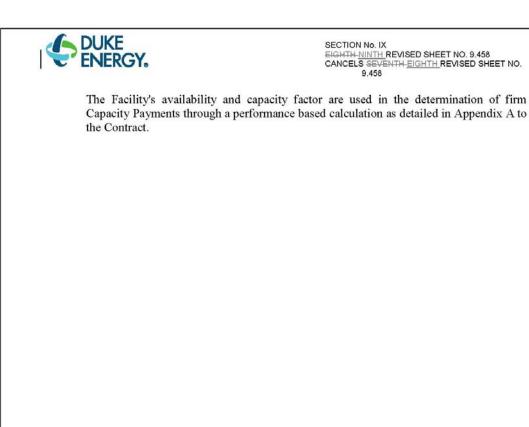
PERFORMANCE CRITERIA

Payments for firm Capacity are conditioned on the RF/QF's ability to maintain the following performance criteria:

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the Required Capacity Delivery Date.

B. Availability and Capacity Factor





SECTION No. IX SECOND REVISED SHEET NO. 9.459 CANCELS FIRST REVISED SHEET NO. 9.459

METERING REQUIREMENTS

The RF/QFs within the territory served by DEF shall be required to purchase from DEF hourly recording meters to measure their energy deliveries to DEF. Energy purchases from the RF/QFs outside the territory of DEF shall be measured as the quantities scheduled for interchange to DEF by the entity delivering Firm Capacity and Energy to DEF.

For the purpose of this Contract, the on-peak hours shall be those hours occurring April 1 through October 31, from 11:00 a.m. to 10:00 p.m., and November 1 through March 31, from 6:00 a.m. to 12:00 noon and 5:00 p.m. to 10:00 p.m. prevailing Eastern time. DEF shall have the right to change such on-peak Hours by providing the RF/QF a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A RF/QF, upon entering into this Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to DEF, or net sales to DEF; provided, however, that no such arrangement shall cause the RF/QF to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a RF/QF selling as-available energy enters into this Contract for the sale of firm capacity and energy; 2) when a Contact expires or is lawfully terminated by either the RF/QF or DEF; 3) when the RF/QF is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene the provisions of FPSC Rule 25-17.0832 or a contract between the RF/QF and DEF.

If a RF/QF elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days advance written note to DEF; 2) the installation by DEF of any additional metering equipment reasonably required to effect the change in billing and upon payment by the RF/QF for such metering equipment and its installation; and 3) upon completion and approval by DEF of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the RF/QF for such alteration(s).

Payments due a RF/QF will be made monthly and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the RF/QF and the applicable avoided energy rates at which payment are being made shall accompany the payment to the RF/QF.



SECTION No. IX FOURTH REVISED SHEET NO. 9.460 CANCELS THIRD REVISED SHEET NO. 9.460

CHARGES TO RENEWABLE ENERGY PROVIDER

The RF/QF shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. <u>Retail Service Charges</u>

The RF/QF shall be responsible for all FPSC approved charges for any retail service that may be provided by DEF. The RF/QF shall be billed at the customer charge rate stated in DEF's applicable standby tariff monthly for the costs of meter reading, billing, and other administrative costs.

B. Interconnection Charges

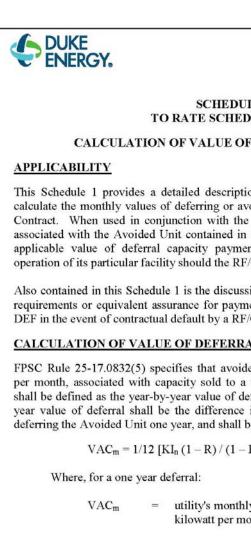
Applicable Interconnection Charges are included in the transmission arrangements entered into with the Transmission Provider. Notwithstanding the above, Interconnection Charges must be in accordance with the provisions of FPSC Rule 25-17.087.

C. Transmission Charges

Applicable Transmission Charges are included in the transmission arrangements entered into with the Transmission Provider. Notwithstanding the above, Transmission Charges must be in accordance with the provisions of FPSC Rule 25-17.087.

C	DUK	RGY.	SECTION No. IX FIRST REVISED SHEET NO. 9.461 CANCELS ORIGINAL SHEET NO, 9.461		
<u>TER</u>	MS OF	SERV	ICE		
A.			e RF/QF's responsibility to inform DEF of any change in its electric apability.		
B.		y electric service delivered by DEF to a RF/QF located in DEF's service area all be subject to the following terms and conditions:			
	(1)		VQF shall be metered separately and billed under the applicable retail chedule(s), whose terms and conditions shall pertain.		
	(2)		curity deposit will be required in accordance with FPSC Rules 25- 32(5) and 25-6.097, F.A.C., and the following:		
		(i)	In the first year of operation, the security deposit should be based upon the singular month in which the RF/QF's projected purchases from DEF exceed, by the greatest amount, DEF's estimated purchases from the RF/QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.		
		(ii)	For each year thereafter, a review of the actual sales and purchases between the RF/QF and DEF will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the RF/QF exceed the actual sales in DEF in that month.		
	(3)	DEF	shall specify the point of interconnection and voltage level.		
	(4)	featur consi Notw Comp	RF/QF must enter into an interconnection to DEF's system. Specific res of the RF/QF and its interconnection to DEF's facilities will be dered by DEF in preparing the interconnection agreement. vithstanding the above, interconnection with, and delivery into, the pany's system must be accomplished in accordance with the sions of FPSC Rule 25-17.087.		
C.	Servi FPSC		er this rate schedule is subject to the rules and regulations of the		

EFFECTIVE: April 29, 2013



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In

SECTION No. IX FIRST REVISED SHEET NO. 9.462 CANCELS ORIGINAL SHEET NO. 9.462

SCHEDULE 1 **TO RATE SCHEDULE COG-2**

CALCULATION OF VALUE OF DEFERRAL PAYMENTS

This Schedule 1 provides a detailed description of the methodology used by DEF to calculate the monthly values of deferring or avoiding the Avoided Unit identified in the Contract. When used in conjunction with the current FPSC-approved cost parameters associated with the Avoided Unit contained in Schedule 2, a RF/QF may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the RF/QF enter into a Contract with DEF.

Also contained in this Schedule 1 is the discussion of the types and forms of surety bond requirements or equivalent assurance for payment of the Termination Fee acceptable to DEF in the event of contractual default by a RF/OF.

CALCULATION OF VALUE OF DEFERRAL OPTION A

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a RF/QF pursuant to Contract shall be defined as the year-by-year value of deferral of the Avoided Unit. The year-byyear value of deferral shall be the difference in revenue requirements associated with deferring the Avoided Unit one year, and shall be calculated as follows:

 $VAC_m = 1/12 [KI_n (1 - R) / (1 - R^L) + O_n]$

/AC _m	=	utility's monthly value of avoided capacity, in dollars per
		kilowatt per month, for each month of year n;

present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;

R =
$$(1 + i_p)/(1 + r);$$

total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction for the Avoided Unit which would have been paid had the Avoided Unit been constructed;

DUKE ENERGY.			SECTION No. IX FIRST REVISED SHEET NO. 9.463 CANCELS ORIGINAL SHEET NO, 9.463
	On	=	total fixed operation and maintenance expense for the year n, in mid-year dollars per kilowatt per year, of the Avoided Unit;
	ip	=	annual escalation rate associated with the plant cost of the Avoided Unit;
	io	=	annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;
	r	=	annual discount rate, defined as the utility's incremental after-tax cost of capital;
	L	=	expected life of the Avoided Unit; and
	n	=	year for which the Avoided Unit is deferred starting with the Avoided Unit In-Service Date and ending with the Termination Date.

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY-OPTION B

Under the fixed value of deferral Option A, payments for firm capacity shall not commence until the in-service date of the Avoided unit(s). At the option of the RF/QF, however, DEF may begin making payments for capacity consisting of the capital cost component of the value of a year-by-year deferral of the Avoided Unit prior to the anticipated in-service date of the Avoided Unit. When such payments for capacity are elected, the avoided capital cost component of Capacity Payments shall be paid monthly commencing no earlier than the Capacity Delivery Date of the RF/QF, and shall be calculated as follows:

$$A_{M} = [A_{c} (1 + i_{p})^{(m-1)} + A_{o} (1 + i_{o})^{(m-1)}] / 12$$
 for m = 1 to t

Where:

A _M	=	monthly payments to be made to the RF/QF for each month of the contract year n, in dollars per kilowatt per month in which RF/QF delivers capacity pursuant to the early capacity option;
i _p	=	annual escalation rate associated with the plant cost of the Avoided Unit;

i_o = annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;

DUKE ENERGY.	SECTION No. IX FIRST REVISED SHEET NO. 9.464 CANCELS ORIGINAL SHEET NO, 9.464
m	year for which the fixed value of deferral payments under the early capacity option are made to a RF/QF, starting in year one and ending in the year t;
t	= the Term, in years, of the Contract:
Ac	$= F[(1-R)/(1-R^{t})]$
Where:	
F	the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of Capacity Payments which would have been made had Capacity Payments commenced with the Avoided Unit In-Service Date;
R	$= (1 + i_p)/(1 + r)$
r	 annual discount rate, defined as DEF's incremental after- tax cost of capital; and
A _o	$= G[(1-R)/(1-R^{t})]$
Where:	
G	= The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the Avoided Unit In-Service Date.
R	= (1 + i _o)/(1 + r)
The currently approve	ed parameters applicable to the formulas above are found in Schedule 2.
CALCULATION OF 1 LEVELIZED AND EA RESPECTIVELY	<u>FIXED VALUE OF DEFERRAL PAYMENTS -</u> ARLY LEVELIZED CAPACITY - OPTION C & OPTION D,
Monthly fixed value of	deferral payments for levelized and early levelized capacity shall

LINER	GY.		SECTION No. IX FIRST REVISED SHEET NO. 9.465 CANCELS ORIGINAL SHEET NO. 9.465
	$P_{L} = (F / 12)$	· [r	$(1 - (1 + r)^{-t}] + O$
Where:	i -		
	P_L	=	the monthly levelized capacity payment, starting on or prior to the in-service date of DEF's Avoided Unit(s):
	F	=	the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the Capacity Payments which would have been made had the Capacity Payments not been levelized;
	r	=	the annual discount rate, defined as DEF's incremental after-tax cost of capital;
	t	=	the Term, in years of the Contract
	0	=	the monthly fixed operation and maintenance component of the Capacity Payments, calculated in accordance with calculation of the fixed value of deferral payments for the levelized capacity or the early levelized capacity options.
RISK-RELAT	TED GUAR	ANI	EES
17.091, FPSC payments - ear RF/QF must p Termination Fe Contract. De solvency, and	Rule 25-17 rly capacity, rovide a sure ee in the even pending on its ability to	1.083 level ety b nt th the me	nental solid waste facilities covered by FPSC Rule 25- 2 (4)(e)10 requires that, when fixed value of deferral lized capacity, or early levelized capacity are elected, the ond or equivalent assurance of securing the payment of a e RF/QF is unable to meet the terms and conditions of its nature of the RF/QF's operation, financial health and et the terms and conditions of the Contract, one of the ivalent assurance of payment:
(1)	Bond; Cash deposit		
(2) (3) (4) (5)	Unsecured p payments for conjunction allowing the government's customers oo levelized cap Unsecured p early or level legally bind company, ar payments for	or or with a util s eleo of su pacit prom elize ling nd/or r ear	ise by a privately-owned RF/QF to repay payments for d capacity in the event of default, in conjunction with a commitment from the owner(s) of the RF/QF, parent subsidiary companies located in Florida to assure that ly, levelized or early levelized capacity are repaid; or
(2) (3) (4) (5)	Unsecured p payments for conjunction allowing the government's customers oo levelized cap Unsecured p early or level legally bind company, ar payments for	or or with a util s eleo of su pacit prom elize ling nd/or r ear	ise by a municipal, county or state government to repay arly or levelized capacity in the event of default, in a legally binding commitment from such government ity to levy a surcharge on either the electric bills of the extricity consuming facilities or the constituent electric ich government to assure that payments for early or y are repaid; ise by a privately-owned RF/QF to repay payments for d capacity in the event of default, in conjunction with a commitment from the owner(s) of the RF/QF, parent subsidiary companies located in Florida to assure that



SECTION No. IX FIRST REVISED SHEET NO. 9.466 CANCELS ORIGINAL SHEET NO. 6.466

DEF will cooperate with each RF/QF applying for fixed value of deferral payments under the early, levelized or early levelized capacity options to determine the exact form of an "equivalent assurance" for payment of the Termination Fee to be required based on the particular aspects of the RF/QF. DEF will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the RF/QF and DEF's ratepayers.

DUKE ENERGY.	EIGHTH- <u>NINTH</u> REVISED SHEET NO. CANCELS <u>SEVENTH-EIGHTH</u> REVISE NO. 9.467							
TO RATE S	SCHEDULE 2 TO RATE SCHEDULE COG-2CAPACITY OPTION PARAMETERS							
	FIXED VALUE OF DEFERRAL PAYMENTS - ORMAL CAPACITY OPTION PARAMETERS							
Where, for one year	deferral:							
		Value						
	value of avoided capacity and O&M, in dollars per tt per month, during month m;	9.97<u>4</u>.64						
over I annual	t value of carrying charges for one dollar of investment , years with carrying charges computed using average rate base and assumed to be paid at the middle of each ad present valued to the middle of the first year;	1.367<u>1.298</u>						
includi	irect and indirect cost, in mid-year dollars per kilowatt ing AFUDC but excluding CWIP, of the Avoided Unit a in-service date of year n;	<u>1613.11713.</u> <u>38</u>						
	xed operation and maintenance expense, for the year n, in ear dollars per kilowatt per year, of the Avoided Unit:	7.85 5.90						
	escalation rate associated with the plant cost of the ed Unit;	2.50%						
	escalation rate associated with the operation and nance expense of the Avoided Unit;	2.50%						
r = annual of capi	discount rate, defined as DEF's incremental after-tax cost tal;	6.46 <u>6.95</u> %						
L = expected	ed life of the Avoided Unit;	35						
	or which the Avoided Unit is deferred starting with the ed Unit In-Service Date and ending with the Termination	2021 2024						
ISSUED BY: Javier Portur EFFECTIVE: July 10, 2014	ondo, Director, Rates & Regulatory Strategy - FL							

\	DUKI ENER	SECTION No. IX EIGHTH-NINTH REVISED SHEET NO. 9.4 CANCELS SEVENTH-EIGHTH REVISED S 9.468	
l.		FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS	5.10 3.19
A _m 		monthly avoided capital cost component of Capacity Payments to be made to the RF/QF starting as early as <u>seven-two</u> years prior to the Avoided Unit In-Service Date, in dollars per kilowatt per month;	
ip	=	annual escalation rate associated with the plant cost of the Avoided Unit;	2.50%
l _n	=	year for which early Capacity Payments to a RF/QF are to begin;	2016 2022
F		the cumulative present value of the avoided capital cost component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in- service date of the Avoided Unit and continued for a period of 10 years;	<u>660.53244.</u> <u>04</u>
l _r		annual discount rate, defined as DEF's incremental after-tax cost of capital;	6.46<u>6.95</u>%
l _t	=	the Term, in years, of the Contract for the purchase of firm capacity commencing prior to the in-service date of the Avoided Unit;	46 <u>13</u>
G	=	the cumulative present value of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in-service date of the Avoided Unit and continued until the Termination Date.	4 <u>6.4128.93</u>
ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL EFFECTIVE: July 10, 2014			

