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**NOTICE OF COMMITMENT TO SELL THE OUTPUT OF A QUALIFYING FACILITY TO Duke Energy Carolinas, LLC or Duke Energy Progress, LLC (South Carolina)**

This notice of commitment form establishes a binding legally enforceable obligation on behalf of the small power producer qualifying facility ("QF"), further described as "Seller" below, committing to sell and deliver the full energy and capacity output of a proposed QF generating facility to Duke Energy Carolinas, LLC or Duke Energy Progress, LLC (the "Company") as provided for in S.C. Code Ann. § 58-41-20(D) and 18 C.F.R. 292.304(d)(2).

Instructions to QF: The QF shall deliver by email, its executed Notice of Commitment to:

Duke Energy - Distributed Energy Technologies
Attn.: Wholesale Renewable Contract Manager
DERContracts@duke-energy.com

Any subsequent notice that a QF is required to provide to Company pursuant to this Notice of Commitment shall be delivered to the same email address specified above.

1. **[_____]** ("Seller") hereby commits to sell and deliver to the Company all of the electrical output of the Seller's QF described in Seller's self-certification of QF status filed with the Federal Energy Regulatory Commission in Docket No. QF _____ (the "Facility"), located at _____ (the "Project Site"). (Note: QFs with a net power production capacity of 1 MW or less that are exempted from obtaining QF certification may alternatively provide a physical address and description of the QF facility, which shall be designated the "Project Site".)

2. The name, address, and contact information for Seller is:

_____ Telephone: _____

_____ Email: _____

3. By execution and submittal of this binding legally enforceable obligation to sell and deliver the output of the Facility for the Delivery Term (the "Notice of Commitment"), Seller certifies as follows:

   i. Within 365 days of the Submittal Date (as defined below), Seller will achieve commercial operation and shall commence delivery of its electrical output to the Company for the committed Delivery Term specified by Seller in 3.ii below.

   ii. Seller obligates itself to deliver its full electrical output to the Company for a period of *[2 years, 5 years, 10 years]* (the "Delivery Term").

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iii. The documents attached hereto as Exhibit A confirm that Seller has secured control of the Project Site for at least the length of the Delivery Term.

iv. Seller has requested to become an Interconnection Customer of the Company, as that term is defined in the South Carolina Generator Interconnection Procedures ("SC GIP"), and the Seller has received a System Impact Study Report and has returned the signed Facilities Study Agreement to the Company, unless (a) the Company has not delivered a completed System Impact Study Report to the Seller within 365 days after the Seller has submitted a completed interconnection request for the Facility under the SC GIP, where the Company commenced System Impact Study of the Facility upon receipt of the completed interconnection request, or (b) the Facility was initially designated as interdependent with more than one other interconnection customer under the SC GIP, and 365 days have passed since the Seller executed a System Impact Study Agreement.

v. The information the QF provided in its self-certification with the Federal Energy Regulatory Commission (FERC Form 556) is accurate as of the Submittal Date.

4. The mutually-binding legally enforceable obligation established by this Notice of Commitment shall take effect on its "Submittal Date" as hereinafter defined. "Submittal Date" means the date on which an electronic copy of this Notice of Commitment is sent via email to the Company if such email is sent during regular business hours (9:00 a.m. to 5:00 p.m.) on a business day (Monday through Friday excluding federal and state holidays). Emails sent after regular business hours or on days that are not business days shall be deemed submitted on the next business day.

5. By execution and submittal of this Notice of Commitment, Seller acknowledges that the date of the QF's binding legally enforceable obligation to sell the Facility's full capacity and energy output to the Company ("LEO Date") will be determined as of the Submittal Date. Rates for purchases from the Facility will be based on the Company's avoided costs as of the LEO Date, calculated using data current as of the LEO Date.

6. This Notice of Commitment shall automatically terminate and be of no further force and effect in each of the following circumstances:

i. Upon execution of a power purchase agreement ("PPA") between Seller and Company.

ii. If Seller does not execute a PPA within 90 days (as such period may be extended by mutual agreement of Seller and Company for a period not to exceed 365 days from Submittal Date) after the Company's delivery of an "executable" PPA to the Seller that contains all information necessary for execution and which the Company has requested the Seller to execute and return, provided, however, that if a final interconnection agreement for the Facility has not been tendered to Seller prior to the expiration of such

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deadline, the deadline for execution of the PPA shall be automatically extended until the date that is five business days after the date that the final interconnection agreement is tendered to the Seller.

iii. If the Seller cannot commence delivery of its electrical output to the Company within 365 days of the Submittal Date, except where the Seller's failure to begin delivery of power is due to the Company's delays in completing interconnection facilities or system upgrades by the in-service date specified in the interconnection agreement between the Seller and the Company, for which the Seller shall be given day-for-day extensions on its in-service date for any delays attributable to the in-service date of these interconnection facilities or system upgrades;

iv. If the Seller ceases to have control of the Project Site; or ceases to be certified as a QF with FERC and any such deficiency has not been cured within ten (10) business days.

7. Termination of this Notice of Commitment shall result in termination of the LEO and the Seller shall only be offered an as-available rate for a two-year period following expiration or termination of this Notice of Commitment. Thereafter, the Seller may elect to submit a new Notice of Commitment Form to establish a new LEO.

8. Seller's Limited Termination Right. Where the Seller has executed this Notice of Commitment prior to receiving a System Impact Study Report from the Company, as provided for under Section 3(iv) above, the Seller shall have the right to terminate this Notice of Commitment by providing written notice of termination to the Company no later than ten (10) Business days after it has received the completed System Impact Study Report for the Facility, if the estimated interconnection facilities and system upgrades specified in the completed System Impact Study Report delivered to the Seller by the Company exceed Seventy-Five Thousand Dollars per Megawatt AC ($75,000/MW AC).

[*signature page follows*]

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I swear or affirm, in my capacity as a duly-appointed officer of the Seller, that I have personal knowledge of the facts stated in this Notice of Commitment, I am competent to testify to those facts, and I have authority to make this binding legally enforceable obligation to the Company on behalf of Seller. I further swear or affirm that all of the statements and representations made in this Notice of Commitment are true and correct as of the date hereof. I further swear or affirm that Seller will comply will all requirements of this Notice of Commitment.

_____
By

_____
Name

_____
Title

_____
Date

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**Exhibit A**

[Seller to Attach Documents Establishing Site Control for Delivery Term]

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**NOTICE OF COMMITMENT TO SELL THE OUTPUT**
**OF A QUALIFYING FACILITY TO**
**Duke Energy Carolinas, LLC or Duke Energy Progress, LLC**
**(South Carolina)**

This notice of commitment form establishes a binding legally enforceable obligation on behalf of the small power producer qualifying facility ("QF"), further described as "Seller" below, committing to sell and deliver the full energy and capacity output of a proposed QF generating facility to Duke Energy Carolinas, LLC or Duke Energy Progress, LLC (the "Company") as provided for in S.C. Code Ann. § 58-41-20(D) and 18 C.F.R. 292.304(d)(2).

Instructions to QF: The QF shall deliver~~, via certified mail, courier, hand delivery or~~ by email, its executed Notice of Commitment to:

Duke Energy - Distributed Energy Technologies
~~400 South Tryon Street~~
~~Mail Code: ST 14A~~
~~Charlotte, North Carolina 28202~~
Attn.: Wholesale Renewable Contract Manager
DERContracts@duke-energy.com

Any subsequent notice that a QF is required to provide to Company pursuant to this Notice of Commitment shall be delivered to the same email address ~~by one of the foregoing delivery methods~~specified above.

1. **[_____]** ("Seller") hereby commits to sell and deliver to the Company all of the electrical output of the Seller's QF described in Seller's self-certification of QF status filed with the Federal Energy Regulatory Commission in Docket No. QF _____ (the "Facility"), located at _____ (the "Project Site"). (Note: QFs with a net power production capacity of 1 MW or less that are exempted from obtaining QF certification may alternatively provide a physical address and description of the QF facility, which shall be designated the "Project Site".)

2. The name, address, and contact information for Seller is:

   _____ Telephone: _____

   _____ Email: _____

3. By execution and submittal of this binding legally enforceable obligation to sell and deliver the output of the Facility for the Delivery Term (the "Notice of Commitment"), Seller certifies as follows:

   i. Within 365 days of the Submittal Date (as defined below), Seller will achieve commercial operation and shall commence delivery of its electrical

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output to the Company for the committed Delivery Term specified by Seller in 3.ii below.

ii. Seller obligates itself to deliver its full electrical output to the Company for a period of *[2 years, 5 years, 10 years]* (the "Delivery Term").

iii. The documents attached hereto as Exhibit A confirm that Seller has secured control of the Project Site for at least the length of the Delivery Term.

iv. Seller has requested to become an Interconnection Customer of the Company, as that term is defined in the South Carolina Generator Interconnection Procedures ("SC GIP"), and the Seller has received a System Impact Study Report and has returned the signed Facilities Study Agreement to the Company, unless (a) the Company has not delivered a completed System Impact Study Report to the Seller within 365 days after the Seller has submitted a completed interconnection request for the Facility under the SC GIP, where the Company commenced System Impact Study of the Facility upon receipt of the completed interconnection request, or (b) the Facility was initially designated as interdependent with more than one other interconnection customer under the SC GIP, and 365 days have passed since the Seller executed a System Impact Study Agreement.

v. The information the QF provided in its self-certification with the Federal Energy Regulatory Commission (FERC Form 556) is accurate as of the Submittal Date.

4. The mutually-binding legally enforceable obligation established by this Notice of Commitment shall take effect on its "Submittal Date" as hereinafter defined. "Submittal Date" means ~~(i) the receipted date of deposit of this Notice of Commitment with the U.S. Postal Service for certified mail delivery to the Company, (ii) the receipted date of deposit of this Notice of Commitment with a third-party courier (e.g., Federal Express, United Parcel Service) for trackable delivery to the Company, (iii) the receipted date of hand delivery of this Notice of Commitment to the Company at the address set forth above, or (iv)~~ the date on which an electronic copy of this Notice of Commitment is sent via email to the Company if such email is sent during regular business hours (9:00 a.m. to 5:00 p.m.) on a business day (Monday through Friday excluding federal and state holidays). Emails sent after regular business hours or on days that are not business days shall be deemed submitted on the next business day.

5. By execution and submittal of this Notice of Commitment, Seller acknowledges that the date of the QF's binding legally enforceable obligation to sell the Facility's full capacity and energy output to the Company ("LEO Date") will be determined as of the Submittal Date. Rates for purchases from the Facility will be based on the Company's avoided costs as of the LEO Date, calculated using data current as of the LEO Date.

6. This Notice of Commitment shall automatically terminate and be of no further force and effect in each of the following circumstances:

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i. Upon execution of a power purchase agreement ("PPA") between Seller and Company.

ii. If Seller does not execute a PPA within 90 days (as such period may be extended by mutual agreement of Seller and Company for a period not to exceed 365 days from Submittal Date) after the Company's delivery of an "executable" PPA to the Seller that contains all information necessary for execution and which the Company has requested the Seller to execute and return, provided, however, that if a final interconnection agreement for the Facility has not been tendered to Seller prior to the expiration of such deadline, the deadline for execution of the PPA shall be automatically extended until the date that is five business days after the date that the final interconnection agreement is tendered to the Seller.

iii. If the Seller cannot commence delivery of its electrical output to the Company within 365 days of the Submittal Date, except where the Seller's failure to begin delivery of power is due to the Company's delays in completing interconnection facilities or system upgrades by the in-service date specified in the interconnection agreement between the Seller and the Company, for which the Seller shall be given day-for-day extensions on its in-service date for any delays attributable to the in-service date of these interconnection facilities or system upgrades;

iv. If the Seller ceases to have control of the Project Site; or ceases to be certified as a QF with FERC and any such deficiency has not been cured within ten (10) business days.

7. Termination of this Notice of Commitment shall result in termination of the LEO and the Seller shall only be offered an as-available rate for a two-year period following expiration or termination of this Notice of Commitment. Thereafter, the Seller may elect to submit a new Notice of Commitment Form to establish a new LEO.

8. Seller's Limited Termination Right. Where the Seller has executed this Notice of Commitment prior to receiving a System Impact Study Report from the Company, as provided for under Section 3(iv) above, the Seller shall have the right to terminate this Notice of Commitment by providing written notice of termination to the Company no later than ten (10) Business days after it has received the completed System Impact Study Report for the Facility, if the estimated interconnection facilities and system upgrades specified in the completed System Impact Study Report delivered to the Seller by the Company exceed Seventy-Five Thousand Dollars per Megawatt AC ($75,000/MW AC).

[*signature page follows*]

I swear or affirm, in my capacity as a duly-appointed officer of the Seller, that I have personal knowledge of the facts stated in this Notice of Commitment, I am competent to testify to those facts, and I have authority to make this binding legally enforceable obligation to the Company on behalf of Seller. I further swear or affirm that all of the statements and representations made in this Notice of Commitment are true and correct as of the date hereof. I further swear or affirm that Seller will comply will all requirements of this Notice of Commitment.

_____
By

_____
Name

_____
Title

_____
Date



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**Exhibit A**

[Seller to Attach Documents Establishing Site Control for Delivery Term]