



South Carolina - Green Tariff

Act 236 2.0 Stakeholders Meeting
October 23, 2018

Participating Customers

- Directly support new renewable energy generation connected to Duke's grid by negotiating the Power Purchase Agreement ("PPA") with its chosen Developer
- Acquire renewable attributes of the generation (often called "Renewable Energy Credits" or "RECs"*)
- Earn bill credits for the energy generated based upon marginal energy costs

Non-Participating Customers

- Receive additional energy at marginal energy cost
- Realize benefits from a growing SC economy – clean energy programs help to attract new business investment
- Do not subsidize the program

* If the customer wants unbundled RECs, Duke Energy is able to broker REC deals based on the customer's REC requirements (price, generation source, and location).

SC Green Tariff Structure



Duke Energy Carolina/Progress - South Carolina	
TARIFF SIZE	150MW (113 MW DEC & 37 MW)
STRUCTURE	Duke Energy enters up to a 15-year PPA with the solar developer which is then paid by the participating customer. Customer receives a bill credit during the program term (will match the PPA) .
ADMIN FEE	\$2,000 Notice of Intent application fee. Administrative fees: Incremental cost to recover costs such as manual billing.
PROCUREMENT	Based on customer agreement Duke Energy signs PPAs with renewable developers.
Green Tariff Charge	Participating customer charge agreed to between developer, customer and Duke to be collected from customer and paid to developer.
RECS	RECs are retired in the customer's name.
FLEXIBILITY	Customer can work with utility to meet multiple facility requirements within the same jurisdiction.
BILL CREDIT	Hourly marginal day ahead rate.
CUSTOMER LIMITATIONS / ELIGIBILITY	Customers with annual peak demand of 3 MW at a premise or aggregated load of 5MW within SC utility. Subscription level cannot exceed 100% of contract demand per facility.
RISK	Customer takes on performance risk subject to their assigned renewable generation during the subscription term as well as early termination risk.

Green Tariffs are an economic development tool as companies with sustainability goals looking to relocate or expand will favorably score South Carolina for having clean energy generation programs.

Transaction Summary

Party	Pay / Produce	Receive / Use
All Customers	Marginal Cost for Energy Supplied	Energy from Renewable Facility
Green Tariff Participants	Negotiated PPA Price	RECs
	Administrative Fee	Marginal Cost for Energy Supplied (as a bill credit)
Renewable Developer	RECs	Negotiated PPA Price
	Energy from Renewable Facility	
Duke Energy	Administrative Costs	Administrative Fee