

POWERPAIRSM SOLAR AND BATTERY INSTALLATION PROGRAM PPSB (PILOT)
TERMS AND CONDITIONS

- A. **Terms and Conditions.** These Terms and Conditions (the “Terms and Conditions”) apply to the Duke Energy Progress, LLC (the “Company”) PowerPairSM Pilot Program approved by the North Carolina Utilities Commission (the “Commission”) in Docket No. E-2, Sub1287 (the “Pilot”) a copy of which is available at the following link: duke-energy.com/PowerPair. In the event of a discrepancy between these Terms and Conditions and the Pilot, the terms of the Pilot (as may be amended from time to time) shall prevail. These Terms and Conditions and the payment of any incentive under the Pilot is subject to change or cancellation at any time prior to payment to customer.
- B. **Customer Compliance.** By applying for and participating in the Pilot, the customer (the “Customer”) agrees to comply with these Terms and Conditions and the failure to do so may result in the disqualification of the Customer as determined by Company in its sole discretion.
- C. **Availability; Premises.** The Pilot is available to qualifying customers of the Company on a voluntary basis to reduce the costs of installation of certain solar generation (the “Solar Panels”) and stationary energy storage equipment (the “Battery” and collectively with Solar Panels, the “Installed Equipment”) meeting the requirements set forth in the Pilot and installed at Customer's property (the “Premises”).
- D. **Ownership of Installed Equipment.** The Installed Equipment shall be owned or leased by the Customer at all times during the Term (as defined below). In no event shall Company own the Installed Equipment.
- E. **Limitation on Participation.** New participation in the Pilot shall be limited to no greater than 30,000 kW-AC of Solar Panels; if and when the participation limit is met, no additional customers shall be enrolled in the Pilot.
- F. **Customer Attestations.** By submitting an application to participate in the Pilot, the Customer attests that each of the following is true:
- a. that Customer is a North Carolina utility customer of the Company;
 - b. that Customer owns or leases the Installed Equipment; and
 - c. That Customer is the owner of the Premises and has the authority to enroll the Premises in the Pilot and to grant Company access rights thereto as contemplated in the Pilot and detailed in these Terms and Conditions.
- G. **Eligibility.** To be eligible to participate in the Pilot and receive the PowerPairSM Incentive, the Customer must meet and comply with all of the following requirements:
- a. The Customer must be installing a complying solar generation and a battery storage system at the Premises for the first time or must have completed installation no earlier than 90 days prior to submission of an application to the Pilot program, subject to capacity and participation limits. Completion will be determined based on the Operational Date of Installed Equipment as determined by the Company, which may be no earlier than 90 days prior to submission of an application and no later than 270 days following notification of the PowerPairSM Reservation. Customers who are installing additional solar generation to an existing solar generation system are not eligible to participate in the Pilot.

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- b. Customer must have submitted a valid Interconnection Request for the Installed Equipment before submitting an application to the Pilot program.
 - c. Customer must be a North Carolina customer receiving concurrent electric retail service from the Company and meet the eligibility requirements of and participate in an approved Company residential rate schedule.
 - d. The Customer must enroll and participate in either Net Metering Bridge Rider NMB or Residential Solar Choice Rider RSC. The Company may manage new participation under the net metering riders to achieve minimum levels of participation under each.
 - e. If the Customer participates in Net Metering Bridge Rider NMB, the Customer must enroll and participate in the battery control option of the EnergyWise Program.
 - f. The Customer must agree to and comply with these Terms and Conditions throughout the Term.
 - g. Installed Equipment must be installed by a Company-approved installer and shall be subject to inspection and verification upon request by the Company. Installer must be Company-approved prior to Customer submitting an application for a PowerPairSM Incentive for the Installed Equipment.
 - h. Maximum export to the grid from the Customer's energy system, including but not limited to Installed Equipment, must not exceed 20 kW-AC at any time.
 - i. The Customer's Battery must comply with interconnection standards and maintain internet connectivity in order to track usage data. Approved Battery models will be posted on the Company's website.
 - j. The Customer must own the premises for which the PowerPairSM Incentive is sought, including access and rights to the location of Installed Equipment.
- H. **Application Requirement:**
- a. Customer must complete and submit an application on the Company's website requesting service under the program in accordance with the random selection process (RSP) system rules outlined in the Pilot.
 - b. The first day of the initial application period will be posted on the Company's website with at least 30 days' notice. Applications may be submitted no earlier than the first day of the application period and are applicable to both new installations and installations completed no earlier than 90 days prior to submission of an application.
 - c. Details regarding the application acceptance and review process are further described in the Pilot. Customers may initially apply for the Pilot during a four-week application period. If eligible applications received in the initial four-week period exceed the participation limit, eligible applications will be entered into the RSP. The Company will send communications to customers informing them of their receipt of a PowerPairSM Reservation or placement on a waiting list. After communications are sent, a second application period will open with applications received added to the waiting list in first come, first served order.
 - d. If eligible applications received in the initial four-week period do not exceed the participation limit, the Company will continue to accept applications beyond the first four weeks and PowerPairSM Incentives will be allocated to eligible applications on a first come, first served basis.

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- e. All information requested in the application must be provided, as applicable, and must include nameplate capacity in kW-AC (alternating current) for the Solar Panels and in kW- DC (direct current) and kWh for the Battery for which the PowerPairSM Incentive is sought.
 - f. The Customer may apply prior to installation of the new solar generation and energy storage system in which case a PowerPairSM Reservation will be provided reserving the PowerPairSM Incentive (as defined in the Pilot).
 - g. The Customer must complete the installation within 270 days following Company notification of the PowerPairSM Reservation. If Customer receives a PowerPairSM Reservation but does not complete installation within 270 days, then the Customer's application and PowerPairSM Reservation will be canceled, and the resulting unused PowerPairSM Incentive capacity will be made available for other applications.
 - h. The Company may stop accepting new applications before the end of the three-year enrollment window if it becomes evident that the waiting list is too long for new applications to have a reasonable probability of receiving a PowerPairSM Incentive allocation.
 - i. Waitlisted customers who are not allocated unused capacity by the end of the three-year enrollment window will have their applications cancelled.
- I. **PowerPairSM Incentive Payment.**
- a. Payment Terms: To receive an incentive payment the Customer must first submit a Certificate of Completion indicating that the installation of the Installed Equipment is complete, and the Company must confirm that billing under an eligible rate schedule and Rider has commenced.
 - b. The Customer shall receive a one-time PowerPairSM Incentive based upon the kW-AC nameplate rating of customer's Solar Panels and the kWh nameplate rating of the customer's Battery. The PowerPairSM Incentive shall not exceed the capacity requested in Customer's PowerPairSM application and in all cases shall be limited to 10 kW-AC for the Solar Panels and 13.5 kWh for the Battery.
 - c. Pursuant to the applicable Rider selected for participation, the Customer's total installed capacity shall not be limited by the maximum incentive limits.
 - d. The participating PowerPairSM customer shall receive a one-time incentive payment of \$0.36 per watt for eligible Solar Panel installation and \$400 per kilowatt hour for eligible Battery installation.
 - e. The PowerPairSM Incentive shall only be provided once for Installed Equipment.
- J. **Tax Reporting.** Customer acknowledges and agrees that payments made by Company to Customer will be reported to the IRS on Form 1099 and that Customer is solely responsible for any income tax consequence of the receipt of incentive payback.
- K. **Potential Tax Credits.** If available, Customers may qualify for United States Federal tax credits as a result of installing the Solar Panels and/or Battery. Customers are solely responsible for confirming tax credit eligibility and if applicable filing for and claiming the appropriate credit. Company makes no representations or warranties as to the availability of any such tax credits and any risk as to the availability or non-availability of any such tax credits shall be borne entirely by Customer.

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- L. **Term.** Customer agrees to participate in the PowerPairSM Program for a term of 10 years (120 months) commencing with the start of billing under the applicable net metering rider and ending on the 10-year anniversary thereof (the “Term”).
- M. **Early Termination Charges.** If the Installed Equipment is removed, or the agreement for electric service at the Premises is terminated, or electric service at the Premises is discontinued under an applicable rate schedule as prescribed in the availability section of the Pilot prior to the expiration of the Term, the Customer’s participation in the Pilot will be terminated and an early termination charge (“Early Termination Charge”) shall apply unless the termination is for good cause as determined by Company in its reasonable discretion. Good cause includes any act or circumstance resulting in early termination, which is beyond the control of the Customer, and includes circumstances where the Customer sells the home where the Installed Equipment is installed.
- a. The Early Termination Charge shall be calculated as follows:
(one minus the number of months since initial participation divided by 120 multiplied by the applicable PowerPairSM Incentive = Early Termination Charge)
- Example – for illustration purposes only, is as follows:
(1-(74 months since initial participation / 120 months initial term)) * \$3600 total incentive amount paid = \$1380 total amount due to Company.
- N. **Termination for Cause.** Company reserves the right to terminate Customer’s participation in the Pilot and request repayment of the PowerPairSM Incentive payment paid to Customer at any time upon written notice to the Customer in the event that the Customer intentionally violates any of these Terms and Conditions or operates the Installed Equipment in a manner which is detrimental to the Company and/or its customers and fails to correct such operation. Company may also terminate Customer’s participation in the Pilot and request repayment of the PowerPairSM Incentive payment if the Customer intentionally misstates or misrepresents the operating capacity or operating characteristics of the Installed Equipment during the Term.
- O. **Inoperable Equipment Monthly Charge.** If any portion of the Installed Equipment is rendered inoperable within the Term, the Customer may be assessed a monthly charge after a 90-day grace period (“Inoperable Equipment Monthly Charge”). In order to be considered “operable”, the Installed Equipment must be provided with and maintain a reliable and functioning internet connection and must be capable of generating electricity (Solar Panels) and storing electricity (Battery). The Inoperable Equipment Monthly Charge shall be equal to the total PowerPairSM Incentive payment amount divided by the total number of months in the term (120 months). The Inoperable Equipment Monthly Charge shall continue to be assessed until such time as the Installed Equipment is rendered operable again or until the end of the Contract Period. If the Customer’s Installed Equipment remains inoperable for a continuous 12-month period beyond the grace period, the Customer may be removed from the Pilot and assessed an Early Termination Charge.
- a. Example of Inoperable Equipment Monthly Charge Calculation – for illustration purposes only: \$3600 total incentive amount paid / 120 months initial term = \$30 per

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month charge amount.

- P. **No Warranty.** Notwithstanding anything to the contrary set forth in these Terms and Conditions or in the Pilot, Company makes no representations or warranties of any kind regarding the reduction in the actual electricity usage at the Premises or that Customer will realize any savings resulting from the Installed Equipment at the Premises or by Customer's participation in the Pilot.
- Q. **Additional Provisions.** Customers may switch between Net Metering Bridge Rider NMB and Residential Solar Choice Rider RSC after completion of 24 months in their selected rider, subject to availability, and will be subject to applicable terms and conditions and eligibility requirements for continued participation in the Pilot program immediately upon switching. Customers may only switch between Net Metering Bridge Rider NMB and Residential Solar Choice Rider RSC twice during the 120-month contract period. Switching net metering riders under the Pilot in this manner will not affect the Customer's Term.
- R. **Access to the Premises.** Customer agrees to allow Company and/or its contractors access to the Premises to inspect the Installed Equipment upon reasonable request by the Company. If the Premises is occupied by a tenant that is not a party to this agreement, Customer shall make arrangements with the tenant to facilitate access to the Premises in accordance with this Section. Failure to allow Company access to the Premises may result in the disqualification of Customer.
- S. **Use of Data.** Through the Customer's enrollment in the Pilot, the Customer grants the Company and, if applicable, a third party working on the Company's behalf, rights to access and use all data associated with operation and operating characteristics of Installed Equipment. The Customer agrees to complete the steps necessary to provide the Company access to operating data for the Installed Equipment before receiving the PowerPairSM Incentive payment.
- T. **Metering Equipment.** Customer hereby grants Company the right, at Company's expense, to install, operate, and monitor special equipment to measure Customer's load, generating system output, or any part thereof and to obtain any other data necessary to determine the operating characteristics and effects of the Installed Equipment. Customer shall provide access and designate a location on the load side of Company's billing meter for Company to furnish, install, own, and maintain metering with capability to record 100% of Customer's output. All metering shall be at a location that is readily accessible by Company.
- U. **Further Assurances.** Customer agrees to cooperate with Company and provide additional information or documents deemed reasonable to determine Customer's eligibility to participate in the Pilot or confirm the accuracy of the information provided in the Interconnection Application.
- V. **No Company Liability.** Customer acknowledges that Customer or its contractor shall be solely responsible for the installation of the installed Equipment at the Premises and neither Company nor any of its affiliates and their respective employees, consultants, contractors, or agents are responsible for or in any way liable for the installation of the

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installed Equipment, including but not limited to, determining that the installation of the infrastructure complies with any laws, codes, or industry standards.

- W. **Indemnification.** Customer agrees to indemnify and hold Company, its agents, employees, officers, directors, shareholders, representatives, parent and other affiliates harmless from and against any loss, liability, claim, cost, damage or expense (including reasonable attorney's fees) arising out of or in connection with any of the following:
- a. any inaccuracy in or breach of any of the certifications, representations or warranties of Customer contained in these Terms and Conditions or in the Customer's Application;
 - b. any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Customer pursuant to these Terms and Conditions;
 - c. any acts or omissions of, or as a result of acts or inactions by Customer or its contractors or agents, or as a result of negligence by Customer, its contractors, or agents, which resulted in: (i) injury (including mental or emotional injuries) to or death of any person or (ii) damage to, destruction of or loss of any property; or
 - d. Customer's receipt of the incentive payment, a failure to receive the incentive payment, or any taxes associated therewith.
- X. **Responsible for Battery Requirements.** Customer is responsible for verifying that the selected battery storage system meets all requirements for participation.
- Y. **Misrepresentation.** Customer agrees if it intentionally misstates or misrepresents the operating capacity or operating capabilities of the solar photovoltaic (PV) electric generating system and/or the battery storage system, the Company may request repayment of the PowerPairSM Rebate Payment.
- Z. **Appeal Process.** Company decisions may be appealed by the customer contacting or filing an informal complaint with the Public Staff of the North Carolina Utilities Commission (Public Staff) or by filing a formal complaint with the North Carolina Utilities Commission. The Public Staff may be contacted by email at Consumer.Services@psncuc.nc.gov or by telephone at 866.380.9816.
- AA. **Program Website.** Visit us online at <https://www.duke-energy.com>.
- BB. **Contact Us.** Email us at PowerPair@duke-energy.com with any program related questions or concerns.
- CC. **Governing Law.** These Terms and Conditions shall be construed in accordance with the laws of the State of North Carolina.