

RIDER TO RETAIL RATES

VOLUNTARY RENEWABLE ENERGY (“VRE”) RIDER FOR
RENEWABLE GENERATION (“RG”) SUPPLY AGREEMENTS

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AVAILABILITY

This VRE Rider (Rider) is available in conjunction with the Company’s Retail Non-Residential Electric Service Rates, the terms of which are incorporated herein by reference as an alternative to special contracts related to electrical service provided through renewable energy which are subject to Commission approval on a case by case basis. This Rider is only available to a non-residential customer (Customer) with a new or existing contract demand greater than or equal to one megawatt (1 MW) at a single metered location or aggregated across multiple metered locations under direct ownership of a single Customer and served by Dominion Energy South Carolina, Inc. (Company). This rider is available on a first come, first serve basis until the total capacity committed under renewable generation supply agreements (RG-Supply Agreements) entered into under this Rider shall equal 135MW.

RG-SUPPLY AGREEMENT

The RG-Supply Agreement subject to this Rider shall provide for the renewable energy supplier (Supplier) to provide electric power and capacity to the Company’s electrical system from a renewable energy facility as defined by S.C. Code Ann. § 58-41-10(12) (Facility). A separate RG-Supply Agreement shall be required for each Customer and each Facility. The Company shall not be the Supplier. The RG-Supply Agreement shall specify the price to be paid to the Supplier (Negotiated Rate) for renewable energy and capacity under the terms of this Rider. The participating Customer shall negotiate the Negotiated Rate and contract term of the RG-Supply Agreement with the Supplier so long as consistent with the VRE program set forth in this Rider. The RG-Supply Agreement shall be cross defaulted to the PPA such that a default by the Supplier under the terms of the PPA shall result in concurrent termination of the RG-Supply Agreement and service under this VRE Rider.

POWER PURCHASE AGREEMENT

The supply of renewable energy shall be subject to a new Power Purchase Agreement (PPA) executed between the Company and Supplier with terms consistent with the form contract power purchase agreement filed in Public Service Commission of South Carolina (Commission) Docket No. 2019-184-E or such successor contract as may be approved by the Commission except as otherwise provided herein. At the Customer’s option, and with the agreement of the Supplier, the PPA shall specify that the total charges to be paid for the delivery of energy and capacity supplied under the PPA (the “Net Energy Rate”) for either

1. The levelized avoided cost rates for energy and capacity for which the PPA is otherwise eligible at the time of contracting, or
2. The day-ahead hourly rate for energy and capacity on the Company’s system applied on an hourly basis to the energy provided to the Company’s system by the Supplier.

The levelized avoided cost rates for energy and capacity shall be derived using the then Commission-approved methodology for avoided cost calculations. The day-ahead hourly rate for capacity and energy shall be computed as set forth in Attachment A. The selected pricing option shall remain in force during the full term of the PPA. If the term of the PPA exceeds ten (10) years beyond the Commercial Operation Date of the Facility (as defined in the PPA), the initial ten-year Net Energy Rate shall be established at the outset of the contract and the Net Energy Rate for any subsequent period of the contract shall be adjusted at the end of the initial ten (10) year term based upon the then-current market conditions, assumptions, and avoided costs. No less than one hundred eighty (180) days prior to the effective date of such adjusted Net Energy Rate, the Company shall notify the Customer and the Supplier of the applicable adjusted Net Energy Rate.

INITIAL AND INDICATIVE PRICING

Upon initial approval of this Rider by the Commission, the Company will establish a date on which the program will open for Customers to submit applications (Opening Date). Thirty (30) days in advance of the Opening Date, the Company will establish the levelized avoided cost rates for energy and capacity that will be available for Customers submitting applications on the Opening Date. The Company will provide notice of such avoided cost rates to all Customers who so request. These rates will be available on a first-come, first-served basis to Customers submitting applications (i) by 5:00 p.m. EPT on the Opening Date and (ii) in proper form up to the 135 MW cap generally applicable to the program. The price commitment shall lapse if the Customer fails to complete the process for **Qualification Under the Rider and Expiration of the Application** as specified herein. During the 30-day period ending on the Opening Date, the Company shall treat all 135 MW of potential program capacity as committed capacity for avoided cost rates calculations for all purposes. Pending qualifying Customers’ completion of the process for **Qualification Under the Rider and Expiration of the Application**, the Company shall treat all capacity reflected in the Customers’ accepted application as committed capacity for avoided cost rates calculations for all purposes. After 5:00 p.m. EPT on the Opening Date, the Company will provide indicative avoided cost rate information to Customers on request.

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That indicative pricing will in no way be binding on the Company and avoided costs rates shall be as established at the time of contracting.

MULTIPLE CUSTOMERS FOR A SINGLE FACILITY AND PPA

Multiple Customers may negotiate separate RG-Supply Agreements for separate quantities of renewable energy and capacity provided from a single Facility under a single PPA. In such case each Customer’s RG-Supply Agreement shall reference a specified percentage of the Facility’s output and each Customer shall be allocated a pro rata share of actual output accordingly.

APPLICATION FOR AN RG-SUPPLY AGREEMENT

The Customer shall apply for an RG-Supply Agreement by submitting to the Company an application (Application) on a form to be provided by the Company including:

1. The Customer’s name and address.
2. The location(s) and Customer account(s) to which the Rider will apply.
3. The contract demand of each such account.
4. The effective date and expiration date of the contract for each such account.
5. The anticipated allocation of RG supply among accounts.
6. The name and location of the Facility along with
 - a. The name and address of its owner or developer, *i.e.*, the Supplier,
 - b. Its renewable energy source,
 - c. Its net reliable summer and winter capacities,
 - d. Its expected commercial operation date,
 - e. The percentage of its energy and capacity to be purchased,
 - f. Its position in the interconnection queue if applicable, and
 - g. The pricing methodology for the PPA agreed upon by Customer and Supplier.
7. A signed statement by the Supplier supporting the Application and agreeing to enter into negotiations of a RG-Supply Agreement and PPA with Customer and the Company.
8. Such other information as the Company may reasonably require.
9. A non-refundable application fee of \$2,000.

FORMATION OF AN RG-SUPPLY AGREEMENT

Upon receipt of an Application in due form and the application fee, the Company will notify the Customer and provide the Customer and the Supplier with a form RG-Supply Agreement to serve as the basis of negotiation of a definitive RG-Supply Agreement for signature by the parties incorporating the terms of this Rider. At conclusion of the negotiations, the Customer shall provide to the Company for signature an RG-Supply Agreement, in a form satisfactory to the Company, which is duly executed by the Customer and the Supplier.

QUALIFICATION UNDER THE RIDER AND EXPIRATION OF THE APPLICATION

The Customer shall qualify for service under this Rider only when the Company has signed and delivered to Customer and Supplier the RG-Supply Agreement and a PPA, each executed by all necessary parties. The Application shall expire if an RG-Supply Agreement and PPA are not signed by the parties within ninety (90) days of the date that the Application is submitted or if the 135 MW cap has been exhausted before qualification.

NO CROSS SUBSIDIZATION

None of the costs of the RG-Supply Agreement or of the PPA subject to an RG-Supply Agreement may be borne by the Company or Company’s non-participating customers.

TERM

The RG-Supply Agreement and PPA shall be of equal duration provided that the term of neither agreement exceed the lesser

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of (a) twenty (20) years, or (b) the remaining term of the Customer’s electric service contracts associated with service under the Rider whichever will expire first (not considering automatic renewal terms.) The Customer must agree to take electric service exclusively from the Company for the life of the RG-Supply Agreement and PPA. The Supplier’s rights under the PPA shall survive termination of the RS-Supply Agreement due to default by the Customer. No RG-Supply Agreement or PPA shall be for a term of less than one year.

ENERGY AND CAPACITY

The capacity provided under the RG-Supply Agreement may not exceed one hundred and twenty-five percent (125%) of the Customer’s contracted demand under Customer’s electric service contracts associated with service to be provided under that

RG-Supply Agreement. The energy to be provided under the RG-Supply Agreement, as determined by the Company based on the expected capacity factor of the supply resources subject to the PPA, may not exceed the Customer’s energy usage over the 12-month period prior to the date that the RG-Supply Agreement is tendered to the Company. If the Customer’s energy usage data for that period is atypical as determined by the Company in its reasonable discretion, or if service under this Rider includes new incremental load, the energy usage shall be as reasonably forecasted by Company.

ENVIRONMENTAL ATTRIBUTES

All environmental attributes of the electric supply provided under the RG-Supply Agreement shall belong to the Customer. The Company shall bear no costs or risks associated with the creation, certification, registration, documentation, tracking and use of the environmental attributes.

NOTICES AND EXERCISE OF RIGHTS UNDER THE PPA

The Customer shall have the right upon reasonable written request to receive all reports, notices and billing data provided by or available from the Supplier under the PPA. The Customer shall have the right to consult with the Company where reasonably practical on the Company’s exercise of rights under the PPA. The Company, however, shall act exclusively on behalf of its system, its customer base generally and system reliability in exercising its rights under the PPA or RG-Supply Agreement. The Company shall not act as Customer’s agent nor shall any fiduciary relationship exist with regard to the Company’s exercise of any rights under the PPA or the RG-Supply Agreement. The Company shall not be liable to Customer for the exercise of or failure to exercise any rights under the PPA or the RG-Supply Agreement.

BASE BILL

The Company shall bill the Customer for electric service as specified in its rates and tariffs and subject to its General Terms and Conditions of service that would otherwise apply to service to the Customer (Base Bill).

NEGOTIATED RATE AND PPA COSTS

In addition to the Base Bill, the Customer shall pay to the Company the Negotiated Rate (which includes the Net Energy Rate) and all applicable administrative program fees as set forth within this Rider. In all cases in which the PPA is committed to multiple Customers pursuant to this Rider, the payment by the Customer of the Net Energy Rate under the PPA will be pro-rated to reflect the Customer’s allocated percentage of capacity and energy.

**ASSIGNMENT AND CREDITING OF
PAYMENTS**

To ensure that the Company’s obligation to the Supplier will be limited to the Net Energy Rate payable under the PPA and actual payments from the Customer of the Negotiated Rate, the RG Supply Agreement shall provide that:

1. The Company will pay the Supplier the Net Energy Rate payable under the PPA. This amount shall be included as cost of fuel and capacity for purposes of annual fuel clause calculations under S.C. Code Ann. § 58-27-865.
2. The Supplier will assign the payment of the Net Energy Rate under the PPA to the Company for credit back to the Customer on its monthly bill.

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3. The Company will provide the Customer a credit on its bill for the Net Energy Rate payable to the Supplier under the PPA for that month and as assigned to the Company by the Supplier for that purpose. If the PPA serves multiple Customers under this Rider, then the Customer’s credit shall be pro-rated to reflect the Customer’s allocated percentage of capacity and energy under the PPA.
4. The Customer will pay the Company the Negotiated Rate payment for each month.
5. The Company will assign to the Supplier all of the Company’s rights title and interest in the amounts actually paid by the Customer under the Negotiated Rate. This assignment will be the Supplier’s exclusive source of payment for such payments. The Negotiated Rate deemed to be paid by the Customer in any given month shall in no event exceed the amount remaining after all other costs and charges are properly deducted from Customer’s payment against its electric bill for that month.

INCORPORATED TERMS

The form RG-Supply Agreement shall reflect terms consistent with the Company’s form contract power purchase agreement filed in Commission Docket No. 2019-184-E including without limitation terms concerning Force Majeure, Default, Termination, Remedies, Limitation of Liabilities, Indemnification, Representations, Warranties and Covenants, Dispute Resolution, Assignment, Notices, Third Party Beneficiaries, Dedication, Integration, Amendment, Governing Law, Relationship of Parties, Good Faith and Fair Dealing, Severability, Cooperation, Forward Contracts, Waiver, Confidentiality, Permitted Disclosures, Goodwill and Publicity, Regulatory Matters, Termination, Survival, Change in Law, Choice of Venue and other terms. These incorporated terms shall be in addition to the specific terms of the VRE Program listed here and other terms consistent with the nature of the proposed VRE supply to be purchased by the Customer and the PPA under which that purchase will take place.

TERMINATION

In addition to any Incorporated Terms related to Termination, the Company may terminate the RG-Supply Agreement (a) upon bankruptcy, or insolvency of the Customer or Supplier, (b) upon termination of Customer’s service on the account or accounts served under this tariff or non-payment of the bill for any such account when due, (c) upon Customer reducing its contract demand on Company’s system to a level less than the amount stated in the RG-Supply Agreement, or (d) upon termination of the associated PPA.

ASSIGNMENT

The Customer, or the Supplier in the case of the Customer’s default, may assign the right to benefit from the RG-Supply Agreement to another customer which shall provide the Company with written notice that it is willing and able to take service under this tariff. The right to assign shall be conditional on (a) the new customer having contract demand and energy usage sufficient to meet the capacity and energy terms of the RG-Supply Agreement in question, (b) the Customer or Supplier paying all cost due to the Company that the Customer incurred prior to the transfer, and (c) the transfer occurring no more than 30 days after termination of Customer’s service.

FEES

The Customer shall pay a monthly administration fee of \$375 per month for each RG-Supply Agreement plus an additional \$50 per additional account subject to the RG-Supply Agreement. The Company may adjust the fee from time to time to reflect intervening changes in the Producer Price Index as reported by the US Department of Labor or successor index.

GENERAL PROVISIONS

The Customer is solely responsible for compliance with any federal, state, county, municipal or other tax laws, rules, and regulations.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this Rider.

ATTACHMENT A

VOLUNTARY RENEWABLE ENERGY ("VRE") RIDER FOR
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Energy and Capacity Value**

As allowed by the VRE Rider, the Customer and Supplier may agree to avoided cost payments based on one of two methods, 1) a levelized avoided costs for capacity and energy, or 2) a day-ahead hourly marginal energy and capacity cost. The day-ahead hourly marginal avoided energy and capacity costs shall be reflected in an Hourly Marginal Avoided Cost Rate calculated by the Company as follows.

Hourly Marginal Avoided Cost Rate:

The Hourly Marginal Avoided Cost Rate (Hourly Rate) applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges).

- a. Hourly Energy Charges = Expected marginal production cost, and other directly-related costs for each hour as determined each day in advance by the Company.
- b. Rationing Charges = Marginal capacity costs during hours with an operating reserve constraint as determined each day in advance by the Company.
- c. Neither component of the Hourly Rate will be, under any circumstance, lower than zero.
- d. The Hourly Rate will reflect day-ahead costs as determined by the Company without true-up for actual costs.

The election for this rate must be made by the Customer and Supplier at the time the contract is executed and cannot be reconsidered after execution.