Non-residential Distributed Generation Terms and Conditions

These terms and conditions ("Terms and Conditions") apply to the Non-residential Distributed Generation program ("Program"). This Program has been approved by the Virginia State Corporation Commission.

Any reference in these documents to "Dominion Energy" or "Dominion Energy Virginia" should be read as a reference to Virginia Electric and Power Company d/b/a Dominion Energy Virginia, as well as its authorized agents and contractors.

PowerSecure, Inc. ("Vendor") has been hired to manage the Program. Vendor is a leading national distributed generation company and has been in business since 2000, deploying over 2,400 distributed generation systems for large industrial and commercial customers, and currently manages approximately 2500 MW's of generation assets for peak shaving needs for utilities and customers nationwide.

Enrollment Qualifications and Requirements for Participation

1. Eligible customers ("Customer") will include any nonresidential customers who: (1) purchase electricity pursuant to schedules other than Schedule CS, Schedule SG, Schedule 10, Schedule DP-1 or Schedule DP-2, (2) have use of backup generation facilities of 200 kW or greater that are either owned by such customer or that are subject to a lease that is used as a financing instrument to facilitate the sale of such backup generation facilities to such customer, and (3) agree to allow Vendor to dispatch such backup generation facilities as directed by Dominion Energy for up to 120 hours per year. Load curtailment enrolled in this Program may not simultaneously be enrolled in a demand response program offered by PJM Interconnection, L.L.C.
2. Vendor will provide dispatch, monitoring, maintenance and operation services as well as any additional agreed-upon services that are consistent with the provisions of the Program.
3. Customer will submit to Vendor all data and detail requested by Dominion Energy to ensure compliance with the Program requirements.
4. Upon notice of initiation of a control event from Dominion Energy, Vendor will communicate with Customer and dispatch the committed backup generators at Customer's site within 30 minutes of the notice of initiation of a control event by Dominion Energy.
5. Customer will be responsible for obtaining and maintaining compliance, including but not limited to monitoring, reporting, recordkeeping and emission testing, with all applicable environmental permits required for participation in this Program.
6. Subject to adjustment pursuant to Paragraph vi of the "Process and Payment" section below, Vendor will pay Customer as consideration for participating in the Program an agreed upon amount, but in no event less than (i) eighty percent of the monthly Load Curtailment Capability Payment, and (ii) one hundred percent of the actual monthly Fuel Payment and Variable Operations & Maintenance Adder paid by Dominion Energy to Vendor.
7. Distribution of such incentive payments by Vendor to Customer may be made as either a credit for services provided under the individual agreement with Customer or by direct payment to Customer.

Process and Payment

Customer's incentive for participating is based on the amount of load curtailed and upon the amount of fuel consumed during load control events. "Control events" are periods of time during which Dominion Energy initiates measures to manage demand or supply to maintain grid stability and reliability or for other economic purposes. The formula for calculation of the incentive is below.

Dominion Energy has the right to adjust the payment to reflect actual load curtailed (see Paragraph vi below for additional details.).

The monthly incentive payment ("Monthly Participation Payment") will be based on:

i. The amount of load curtailment enrolled and actually delivered during control events ("Load Curtailment Capability Payment")
ii. The amount of fuel consumed during control events ("either the “Diesel Fuel Payment" or the “Natural Gas Fuel Payment”, as applicable), and
iii. The amount of operations and maintenance fees incurred during control events ("Variable Operations & Maintenance Adder")

The Monthly Participation Payment will be calculated as follows:

Monthly Participation Payment = Load Curtailment Capability Payment + (Diesel Fuel Payment or Natural Gas Fuel Payment) + Variable Operations & Maintenance Adder – (Load Curtailment Capability Payment * Vendor Administration Fee (15%))

i. The Load Curtailment Capability Payment is equal to $8.25/kW-month of load curtailment committed by Customer for dispatch by Vendor as directed by Dominion Energy Virginia.

ii. The Diesel Fuel Payment is calculated on a monthly basis as (Diesel Fuel Index Price/0.14) x Generator Heat Rate (MMBTU/MWh) x Generator Output (MWh)+ ((Previous Month Diesel Fuel Delivered Price – Previous Month Diesel Fuel Index Price)/0.14) x Generator Heat Rate (MMBTU/MWh) x Previous Month Generator Output (MWh)), where:

   - **Diesel Fuel Index Price** – Closing price for Ultra-Low Sulfur No. 2 Diesel Fuel – New York Harbor (in $/gallon) set by the United States Energy Information Administration on the first working day of each month.
   - **Generator Heat Rate** – Heat Rate (in MMBTU/MWh) of backup generator unit as set forth in the participation agreement between Vendor and Customer.
   - **Generator Output** – Metered generator output (in MWh) of dispatched operation delivered during control events and any tests of enrolled backup generators called by Dominion Energy occurring within the monthly payment period.
   - **Previous Month Diesel Fuel Delivered Price** – Utilized a month in arrears to calculate the difference between the New York Harbor Price and delivered price to Customer. Determined by using the weighted average price of the actual delivered cost of fuel used during control events for the given Program month for each customer enrolled in the Program. Fuel cost would be determined based on Customer providing its diesel delivery bills for the previous month’s performance.
   - **Previous Month Diesel Fuel Index Price** – The New York Harbor Price from the previous invoice.
   - **Previous Month Generator Output (MWh)** – The Generator Output (MWh) from the previous invoice.

iii. The Natural Gas Fuel Payment is calculated on a monthly basis as (Natural Gas Fuel Index Price ($/MMBTU) x Generator Heat Rate (MMBTU/MWh)) x Generator Output (MWh)) + ((Previous Month Natural Gas Fuel Delivered Price – Previous Month Natural Gas Fuel Index Price) x Generator Heat Rate (MMBTU/MWh) x Previous Month Generator Output (MWh)), where:

   - **Natural Gas Fuel Index Price** – Monthly average price for the month of operations of Henry Hub Natural Gas Spot Price ($/MMBTU) set by the United States Energy Information Administration during the first week of each month (the “Henry Hub Price”).

- **Generator Heat Rate** – [The Generator Heat Rate is 10 MMBTU/MWh][1]. Heat Rate (in MMBTU/MWh) of backup generator unit as set forth in the participation agreement between Vendor and Customer.
- **Generator Output** – Metered generator output (in MWh) of dispatched operation delivered during all control events and any tests of enrolled backup generators called by Dominion Energy Virginia occurring within the monthly payment period.
- **Previous Month Natural Gas Fuel Delivered Price** – Utilized a month in arrears to calculate the difference between the Henry Hub Price and delivered price to Customer. Determined by using the weighted average price of the actual delivered cost of fuel used during control events for the given Program month for each customer enrolled in the Program. Fuel cost would be determined based on Customer providing its natural gas bills for the previous month's performance.
- **Previous Month Natural Gas Fuel Index Price** – The Henry Hub Price from the previous invoice.
- **Previous Month Generator Output (MWh)** – The Generator Output (MWh) from the previous invoice.

Dominion Energy and Vendor reserve the right to require comparable indices and calculation methodologies as necessary to accommodate fuel(s) other than Ultra-Low Sulfur #2 Diesel and Natural Gas if Customer elects to use such other fuel(s).

iv. The Variable Operations & Maintenance Adder for each metered MWh of dispatched operation delivered during all control events occurring within the monthly payment period will include the following structure.

Year	2026	2027	2028	2029	2030
VOM Adder ($/MWh)	$3.75	$3.86	$3.98	$4.10	$4.22

v. Vendor Administration Fee Percentage (%) – Percentage of Load Curtailment Capability Payment retained to administer the program. The fee for will be 15% of Load Curtailment Capability Payment for the given month (the "Administration Fee").

Vendor agrees to compensate Customer as consideration for participating in the Program not less than (i) eighty percent of the actual monthly Load Curtailment Capability Payment, and (ii) one hundred percent of the actual monthly Fuel Payment and Variable Operations & Maintenance Adder paid by Dominion Energy to Vendor. Compensation from Vendor to Customer will be in the form agreed to by Vendor and Customer.

vi. Incentive payment calculations will be primarily based upon measured generator output data. As a secondary alternative, subject to approval by Dominion Energy, incentive payments may be determined using the following methodology: If Customer's backup generation achieves an average load curtailment amount across all control events during a given month anywhere in the range of five percent above to five percent below its enrolled commitment amount, the Load Curtailment Capability Payment will not be adjusted and will be paid based on the load curtailment committed by Customer. If, however, Customer's backup generation achieves an average load curtailment amount across all control events during a given month that is (i) greater than five percent above its enrolled commitment amount or (ii) less than five percent below its enrolled commitment amount, Dominion Energy will pay a Load Curtailment Capability Payment based on the actual average load curtailment amount across all control events achieved by Customer during such month; provided that, in no event will Dominion Energy pay a Load Curtailment Capability Payment based on the actual average load curtailment amount across all control events achieved by Customer during such month in excess of ten percent above Customer’s enrolled commitment amount. In the event there are no control events during a given month, Dominion Energy will pay Vendor an amount equal to the Load Curtailment Capability Payment paid in the previous month, unless in Dominion Energy’s discretion, Customer demonstrates that the backup generation is capable of achieving its total enrolled commitment, in which case, the Load Curtailment Capability Payment will be paid based on the load curtailment committed by Customer.

Termination

Dominion Energy, in its sole discretion, may terminate Customer’s participation in the Program if Customer fails to achieve at least fifty percent compliance with its enrolled commitment during any two months during a given year.

Other Requirements.

1. Program procedures, requirements and incentive levels are subject to change or cancellation without notice and are subject to Program funds being available and regulatory approval.
2. Dominion Energy Virginia and its parents, subsidiaries, employees, affiliates and agents assume no responsibility for and make no representations (express or implied) about Customer’s performance in the Program.
3. By participating in this Program, Customer hereby agrees to indemnify, defend and hold harmless each of Dominion Energy Virginia and its respective parents, subsidiaries, employees, affiliates and agents from any and all liability associated with the Program. f Dominion Energy Virginia shall not be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from Customer’s participation in this Program.
4. Dominion Energy Virginia retains all rights to energy and demand reductions resulting from Customer’s participation in the Program. Dominion Energy has the exclusive right to enroll, nominate, or offer a bid for energy or demand reductions resulting from Customer’s participation into load management programs, demand response programs, or auctions operated by PJM Interconnection, L.L.C. (“PJM”), the regional electric transmission entity of which Dominion Energy Virginia is a member. Customer’s participation in the Program means that Customer is consenting to Dominion Energy Virginia sharing Customer’s pertinent information with PJM, Dominion Energy Virginia’s agents and contractors, including, but not limited to, its implementing contractors and its measurement and verification vendor. Pertinent Customer information includes account holder name, account number, energy usage and billing information, address, other contact information, curtailment measures enabled, demand/energy reductions resulting from Customer’s participation in the Program and the technical basis for such reductions, loss factors, coincidence factors, interactive factors, building type and other information necessary to implement and monitor the Program including other information as required by PJM or any other regulatory authority.
5. These Program specific terms and conditions are in addition to the terms and conditions of service currently on file with the Virginia State Corporation Commission and contained in any agreement currently in effect between Customer and Vendor.