

September 22, 2019

Mr. Joseph F. Damico
Director
Commonwealth of Virginia
Virginia Department of General Services
1100 Bank Street, Suite 420
Richmond, VA 23219

**Letter Supplement for the Purchase of Electric Energy from Renewable Energy Facilities
and the Implementation of Rider REF to the Amended and Restated
Agreement for the Provision of Electric Service Restricted to
Agencies of the Commonwealth of Virginia**

Dear Mr. Damico:

This Letter Supplement dated September 22, 2019 to the *Amended and Restated Agreement for the Provision of Electric Service Restricted to Agencies of the Commonwealth of Virginia* effective July 14, 2003 (the "Agreement") by and between the Commonwealth of Virginia ("COVA" or the "Commonwealth") and Virginia Electric and Power Company (the "Company" or "Dominion Energy Virginia"), a Virginia public service corporation (individually, a "Party" or collectively with COVA, the "Parties"), provides the terms underlying the Company's procurement of renewable energy and Environmental Attributes (as defined herein), for the benefit of Customers identified by the COVA, as more fully described below. Capitalized terms that are not expressly defined herein shall have the meanings given to them in the Agreement.

- I. **Renewable Energy Facilities** – The Parties agree that the Company shall procure, and the COVA shall purchase, the Net Electrical Energy Output (as defined below) and Environmental Attributes of renewable energy facilities (each, a "Facility") that together will total up to 420.6 MW of nameplate capacity, including approximately 345 MW of solar capacity and approximately 75.6 MW of wind capacity (the "Capacity Target"). The Parties intend to satisfy the wind component of the Capacity Target with the Rocky Forge Wind Facility located in Botetourt County, Virginia ("Rocky Forge"). If, for any reason, (i) the PPA (as defined below) is not executed on or before December 31, 2019, (ii) the PPA is timely executed but Rocky Forge fails to achieve COD by December 31, 2021, or (iii) the PPA is terminated, the Capacity Target shall be automatically reduced to 345 MW, all of which shall be solar capacity (each, a "PPA Issue"). The Facilities used to meet the Capacity Target shall achieve commercial operations (as defined in the relevant Appendix) on or before December 31, 2022.
 - A. **Facility Appendices** – Appendix A to this Letter Supplement describes the Facilities that the Parties intend to use to satisfy the solar component of the Capacity Target (each, a "Solar Facility"), as well as terms and conditions applicable to such solar Facilities. Appendix B to this Letter Supplement describes Rocky Forge and the terms and conditions applicable to Rocky Forge. Each Appendix shall supplement and form a part of this Letter Supplement and shall be read and construed together with this Letter Supplement.

B. Purchase and Sale Obligation

1. The Company agrees to sell, and the COVA agrees to purchase, 100% of the Net Electrical Energy Output and Environmental Attributes of each Facility described on Appendices A and B (or such substitute Facilities as permitted by Section I.D. below), less all Net Electrical Energy Output and Environmental Attributes sold to a Locality pursuant to Section I.E. below. The purchase and sale obligation for each Facility shall run from the Facility's COD through the end of the Facility Term. All sales pursuant to this Letter Supplement are Unit Contingent (as defined below). The solar Facilities described on Appendix A will be structured as a sale of the Net Electrical Energy Output and Environmental Attributes from a Facility owned and operated by the Company. Rocky Forge will be structured as a sale of the Net Electrical Energy Output and Environmental Attributes from a Facility not affiliated with the Company but with which the Company has a power purchase agreement (the "PPA"), as further described in Appendix B.

2. "Net Electrical Energy Output" of the Facility shall mean the electrical energy output per hour (measured in kilowatt hours (kWh)) that is delivered to the Facility's interconnection point with PJM.

3. "Environmental Attributes" shall mean any and all environmental credits, environmental benefits, environmental emissions reductions, environmental offsets, environmental allowances and environmental allocations, existing now or in the future, howsoever characterized, denominated, measured or entitled, attributable to the capacity or generation of the Facility. Environmental Attributes include but are not limited to: (i) any avoided emissions of pollutants to the air, soil or water including but not limited to sulfur oxides (SO_x), nitrogen oxides (NO), carbon monoxide (CO), particulate matter and other pollutants; (ii) any avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases that have been or may be determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; (iii) all set-aside allowances and/or allocations from emissions trading programs; and (iv) all credits, certificates, registrations, recordations or other memorializations of whatever type or sort, representing any of the above, including but not limited to all RECs. Environmental Attributes do not include (a) any energy, capacity, reliability or other power products, such as ancillary services, or (b) federal, state or local tax credits, production tax credits, incentives, subsidies or financial grants, production incentives or similar tax cash benefits of any type.

4. "RECs" shall mean renewable energy certificates related to Environmental Attributes of the Facility that qualify for application towards compliance with the renewable energy portfolio standard under Va. Code § 56-585.2 or successor statute or program. One (1) REC represents the Environmental Attributes made available by the generation of one (1) megawatt hour (MWh) of electricity. The Company shall register RECs in an independent third party tracking system and, except during the Deferral Period, periodically transfer such RECs from the Company's account designated for the

COVA's RECs to the COVA's account. The COVA shall accept the RECs within such tracking system within five (5) business days of each transfer. The Company shall provide the COVA with read-only access rights to the Company's tracking system account designated for the COVA's RECs.

5. "Unit Contingent" means that (i) the Net Electrical Energy Output will be sourced solely from the Facility, and (ii) the Company does not represent or covenant that any quantity of Net Electrical Energy Output or Environmental Attributes will be generated or produced in any hour.

- C. **Commercial Operations Date** – The Appendices include a commercial operations date, or a mechanism for determining the commercial operations date, for each Facility ("COD").
- D. **TBD Solar Facility and Solar Facility Substitution** – As of the date of this Letter Supplement, the Parties have not yet identified a Facility to satisfy the final 100 MW of the solar component of the Capacity Target (referenced on Appendix A as the "TBD Solar Facility"). The Company shall, on or before July 1, 2020, provide the COVA with a proposal for the TBD Solar Facility. In addition, the Company may, at any time, propose to substitute a different solar Facility for any Facility described on Appendix A that has not yet achieved COD (a "Solar Facility Substitution"). The Company's proposal for the TBD Solar Facility and for any Solar Facility Substitutions shall be provided in writing and shall include details sufficient to complete the chart on Appendix A for the applicable Facility. The COVA shall have thirty (30) days after receipt of each such notice of proposed substitution to provide a written response to the Company that includes (i) the COVA's consent to the proposal, with the COVA's consent not to be unreasonably withheld or conditioned, (ii) the COVA's reasons for rejection of the proposal, or (iii) the COVA's request for a 30-day extension of time to consider the proposal, in which case the COVA shall provide a further written response to the Company that includes items (i) or (ii) before the expiration of such extension period. If COVA provides written objections, the Parties shall enter into good faith negotiations to amend the proposal and/or this Letter Supplement. If the Company does not receive a written response from the COVA within thirty (30) days after receipt of the proposal (or, if the COVA requests an extension pursuant to (iii) above, does not receive a written response from the COVA before the expiration of the extension period), or if the Parties do not reach agreement within ninety (90) days of the Company's receipt of the COVA's objections, the solar component of the Capacity Target shall be reduced by the nameplate capacity of the proposed Facility upon written notice by the Company to the COVA.
- E. **Locality Option** – The COVA shall have the option, exercisable by written notice to the Company, to request that up to ten percent (10%) of the aggregate Net Electrical Energy Output and Environmental Attributes under this Letter Supplement be offered by the Company to political subdivisions of the COVA (each, a "Locality"). Such offer shall include the same pricing, pricing adjustments, Letter Supplement Term, and Facility Terms as described in this Letter Supplement, but shall not be subject to the Deferral

Period (as defined herein). Upon receipt of an option notice from the COVA, the Company shall negotiate in good faith with the Locality to develop agreements for the Locality's purchases on terms and conditions acceptable to both the Locality and the Company in their sole discretion (the "Locality REF Agreement"). The Locality's purchases shall be billed to the Locality under the Locality's agreement for electric service. If a Locality fails to perform, and Company elects to exercise any termination right it holds under the Locality REF Agreement, then the portion of the Net Electrical Energy Output and Environmental Attributes that had been allocated to the Locality shall revert back to the COVA and become part of the COVA's purchase obligations in accordance with Section I.B(1) above, effective as of the date of the Company's notice to the COVA.

- F. Capacity Target Reductions** – The Capacity Target may be reduced under the following circumstances:
1. A PPA Issue pursuant to Section I (Renewable Energy Facilities) of this Letter Supplement;
 2. Failure to timely reach agreement following a proposal for the TBD Solar Facility or a Solar Facility Substitution pursuant to Section I.D. (TBD Solar Facility and Solar Facility Substitution) of this Letter Supplement;
 3. Failure of Conditions Precedent pursuant to Section 3(b) (Failure of Conditions Precedent) of Appendix A or Section 6(b) (Failure of Conditions Precedent) of Appendix B; and
 4. The Facility Owner's non-performance or default under the PPA, or the PPA's expiration or termination, pursuant to Section 8 (Production Requirements, PPA Claims, and Warranties) of Appendix B.

II. Letter Supplement Term and Termination

- A. Letter Supplement Term** – The term of this Letter Supplement shall commence on September 22, 2019 (the "Effective Date") and shall continue until each Facility Term described in Appendices A and B has expired or been terminated (the "Letter Supplement Term"). Notwithstanding the aforementioned Letter Supplement Term, the term of the Rider REF (as defined below) shall extend past this period to the extent necessary to complete all payment of compensation to the Company under this Letter Supplement. Such Rider REF extension past the aforementioned Letter Supplement Term shall last through the Rider Period (as defined below) after the Rider Period in which the last Facility Term expired in order to allow for any necessary True-ups (as defined below).
- B. Termination** – Notwithstanding any termination or amendment provisions of the Agreement, the Parties do not have the right to terminate this Letter Supplement except as expressly stated in this Letter Supplement or as otherwise mutually agreed in writing. Expiration, termination, or amendment of the terms and conditions applicable to a Facility

shall not terminate this Letter Supplement nor any other Facility under the Letter Supplement, nor give rise to any right to amendment. Those provisions of the Agreement necessary for the Parties to continue to perform under this Letter Supplement shall survive termination of the Agreement with respect to this Letter Supplement.

III. Price, Billing, and Payment

A. Price

1. **Base Rates** – For all Net Electrical Energy Output attributable to a Facility, the COVA shall pay the Company the applicable base rate listed on Appendix A or B (each, a “Base Rate”). For the Solar Facilities, the Base Rate is a negotiated rate that covers the Facility’s costs, including but not limited to development, interconnection, Environmental Attributes, security, insurance, construction, operation and maintenance, and financing costs. For Rocky Forge, the Base Rate represents the rates for Net Electrical Energy Output charged to the Company under the PPA, including Environmental Attributes, but excludes other obligations, costs and expenses related to the PPA, which are included in the PPA Charges and Credits provisions in III.A.4 below.

2. **Blended Price** – The Parties agree to use the Base Rates described above to calculate a weighted base rate per MWh for all Facilities (the “Blended Price”). This Blended Price shall include all Facilities that are within their Facility Term during the applicable Rider Period (as defined herein) and shall be calculated using the Base Rates specified for such Facilities in Appendices A and B, as applicable. The Base Rates are subject to adjustment as described in the Appendices and to the True-Up described in this Letter Supplement. The Blended Price will be adjusted as additional Facilities achieve COD.

3. **Offset Credits** – For each kWh of Net Electrical Energy Output purchased by the COVA and attributable to a Facility (other than during the circumstances described in Section 2(b) (Curtailment) of Appendix B when the Offset Credit will be deemed to be zero), the Company will calculate an Offset Credit as follows:

For each hour, the Offset Credit shall be equal to that hour’s Net Electrical Energy Output of the Facility multiplied by the corresponding hour’s Day-Ahead LMP (in cents per kWh). Bill crediting may be subject to a delay based on the time needed to administer Offset Credits. The Day-Ahead LMP used for determining the Offset Credits shall mean the respective hourly \$/MWh PJM, or any successor thereto, Day-Ahead LMP for the applicable pricing node for the Facility divided by 10 to get a price in cents per kWh (\$/MWh divided by 1000 to get \$ per kWh and subsequently multiplied by 100 to get cents per kWh). In the event of any future change in PJM’s process for determining the price reflecting the cost to procure energy in the PJM market to serve the COVA, the Day-Ahead LMP shall be replaced by the new similar or like method used by PJM or any successor

thereto for determining the Day-Ahead LMP. The assessment of these Offset Credits shall be included in the “True-up” described below.

4. PPA Charges and Credits – In addition to the Base Price and the Offset Credits, the following PPA Charges and Credits will apply to all Net Electrical Energy Output delivered to the Company’s electrical system and attributable to Rocky Forge:

- a) **Administrative Fees** – A charge equal to \$0.50 per MWh, which includes:
 - (i) PJM administration charges and credits; (ii) the Company’s PPA administration costs; and (iii) costs and expenses associated with the registration and transfer of Environmental Attributes;

- b) **Deemed Energy Payments** – In the event that the Rocky Forge Facility Owner opts to curtail Rocky Forge as described in Section 2(b) (Curtailment) of Appendix B, a charge equal to amounts charged under the PPA attributable to the curtailment for the Base Rate plus the value of the production tax credit and an additional “gross up” amount to take into account the federal, state and local income tax to the Rocky Forge Facility Owner on such payments in lieu of the production tax credit;

- c) **Availability Guarantee** – A credit equal to any payments received from the Rocky Forge Facility Owner or invoice credits issued by the Company based on Rocky Forge’s failure to meet the availability requirements of the PPA;

- d) **Buydown Payment** – A credit equal to any payments received from the Rocky Forge Facility Owner based on Rocky Forge’s failure to achieve the estimated nameplate capacity requirements of the PPA;

- e) **Exclusions** – Any costs incurred by the Company associated with the Exclusions described in Section 3 (Exclusions) of Appendix B will not be charged to the COVA.

B. Rider REF

1. Cost Assignment – The Company in consultation with the COVA will establish a Renewable Energy Facilities Rider (“Rider REF”) solely for capturing the costs of the Facilities designated specifically for the COVA in Appendices A and B. For the Facilities on Appendix A, this Rider REF does not change any other rates schedules and riders but is in addition to all other rate schedules and riders of the Agreement. For the Letter Supplement Term, the Company shall bill and credit the COVA for the Facilities through Rider REF. Rider REF will be billed in addition to the Company’s existing rate schedule and rider charges for the COVA Customer accounts, and shall apply to the Customer accounts specified by the COVA even if the Customers charged under such accounts obtain electricity supply service in whole or in part from third parties. The charges for all Facilities in service during the applicable billing month will be netted into one Rider

REF charge or credit. Rider REF will be subject to True-ups (as defined below) with over or under-recovery factored into the next year's pricing; provided, however, that all charges and credits related to Rider REF shall be subject to the Deferral Period. The terms of Rider REF will ensure that no other customers (jurisdictional or non-jurisdictional) will bear costs related to the Facilities.

2. Designated Customer Accounts – Prior to the Effective Date of this Letter Supplement, the COVA shall identify the COVA Customer accounts to which Rider REF shall apply based upon the monthly purchases from the Company under this Letter Supplement. The COVA shall designate Customer accounts that cumulatively exceed the Capacity Target.

3. Rider Period – The Company will start calculating Rider REF on the first day of the month which is at least ten (10) calendar days following COD of the first Facility to achieve commercial operations (the "Rider Effective Date"). Rider REF will be effective as to all identified Customer accounts with the usage on and after the Rider Effective Date. The Parties agree that the Rider REF rate shall be updated July 1 of each year (including the July 1 immediately following the Effective Date) and shall remain in effect through and including June 30 of the following year (the "Rider Period"). The definition of Rider Period shall include the fraction of the year between the Effective Date and the next July 1 as well as the fraction of a year between the final July 1 and the end of the final Contract Year of the last Facility Term. A "Contract Year" shall mean (i) for each Solar Facility, consecutive increments of 365 days (or 366 days during a leap year) starting on the Facility's COD and each anniversary thereafter and (ii) for Rocky Forge, as defined in the PPA.

4. Estimates and Forecasts – Prior to the start of each Rider Period, and thereafter annually prior to September 30 of each year during the Letter Supplement Term, the Company will determine the forecasted costs of all Facilities that will be in service during the next Rider Period. Using the forecasted costs, the Company will determine the estimated total price for the Rider Period and the estimated Offset Credits for the Rider Period. Additionally, the Company will estimate the total number of kWh that will be consumed by the Customer accounts the COVA identifies as participating in Rider REF for the Rider Period. Based upon these estimates and forecasts, the Company shall determine a Rider REF rate (in cents per kWh) that shall be applied to each kWh metered at each participating COVA Customer account beginning (1) the Rider Effective Date and (2) July 1 for each new Rider Period; provided, however, that all charges and credits related to Rider REF shall be subject to the Deferral Period. All estimates and forecasts shall include the percentage of the aggregate Net Electrical Energy Output and Environmental Attributes, if any, allocated to a Locality or anticipated to be allocated to a Locality during such period. These shall be shown as separate line items to assist the COVA in determining its anticipated Rider REF charges and credits both in the event a Locality performs as expected and in the event a Locality fails to perform its obligations and triggers assignment back to the COVA as described in Section I.E. of this Letter Supplement. The Company will provide the COVA with the Company's best estimate of expected changes in Rider REF in accordance with Section III.H of the Agreement.

- 5. True-up** – Prior to each new Rider Period, the Company shall determine shortfalls or credits from the Rider Period prior to the new Rider Period for each Facility such that the COVA pays for and the Company is credited for the prior Rider Period’s shortfalls or credits as follows: (i) for the solar Facilities described on Appendix A, the actual Net Electrical Energy Output multiplied by the prior Rider Period’s purchase price plus the Offset Credits, and (ii) for Rocky Forge, the actual Net Electrical Energy Output multiplied by the prior Rider Period’s purchase price plus the Offset Credits, plus the PPA Charges and Credits. The resulting adjustments for each Facility shall then be netted together and applied (the “True-up”). Any True-up shortfall or credit shall be added to the estimate for the new Rider Period when establishing the Rider REF rate for the new Rider Period; provided, however, that all charges and credits related to Rider REF shall be subject to the Deferral Period. The timing of the COD, the beginning and ending of Rider Periods, and the billing cycles of the COVA Customer accounts may create timing issues for determining the True-up discussed above. The Parties agree that the Company may need to adjust the period used for calculating the charges and credits based upon actual Net Electrical Energy Output and actual PPA Charges and Credits, as applicable, for the True-up in order to include such True-up with the next Rider Period’s Rider REF rate. Any period from a Rider Period that is not included in the True-up shall be captured in the following Rider Period’s True-up. Utilization of PJM LMP pricing as part of the PPA Settlement and/or as used in calculating Offset Credits (as defined in Appendix A) may create timing issues with identified COVA Customer account billing. The Parties agree to work together to minimize such impacts, which could include creating a lag in the billing (or bill adjustment) for identified COVA Customer accounts.
- C. Deferral Period** – For a period of five (5) years following the Effective Date of this Letter Supplement (the “Deferral Period”), all charges and credits under Rider REF shall be deferred. Within thirty days following the date five years from the Effective Date, the Company shall bill or credit the COVA for the net Rider REF charges and credits accumulated during the Deferral Period (the “Deferral Payment”), and the COVA shall make the Deferral Payment, if any, within 30 days from the beginning of the Commonwealth’s next fiscal year following receipt of the bill for such Deferral Payment.
- D. REC Optimization** – “REC Optimization” means selling the RECs generated by the Facilities to third parties and purchasing Tier 2 RECs in the same quantity as sold from available sources. During the Deferral Period, the Company shall, if requested in writing by the COVA, perform REC Optimization for the quantity of RECs generated by the Facilities and specified by the COVA, to the extent such quantity is available in the Company’s tracking system account designated for the COVA. The material terms of the REC Optimization transaction documents shall be consistent with prevailing market conditions at the time that the Company and the REC counterparty agree to the transaction, which shall be within ten (10) business days of receipt of the COVA’s request. In addition, during the Deferral Period, the Company may, at its option during at any time the accumulated Deferral Payment reaches \$500,000 or greater, perform REC Optimization for all or any portion of the RECs generated by the Facilities and available in the tracking system account designated for the COVA. All proceeds from REC

Optimization during the Deferral Period shall be held by the Company in a segregated account and shall be netted against the Deferral Payment. Upon the expiration of the Deferral Period, (i) the Company may retain and transfer to another account all REC Optimization proceeds in the segregated account, up to the amount of the Deferral Payment, (ii) any REC Optimization proceeds in the segregated account in excess of the Deferral Payment shall be transferred to the COVA, and (iii) the Company shall have no further obligations with respect to REC Optimization.

IV. Force Majeure – Neither Party shall be responsible or liable or deemed in breach hereof because of any delay or failure in the performance of their respective obligations under this Letter Supplement due solely to circumstances beyond the reasonable control of the Party experiencing such delay or failure, including but not limited to acts of God, unusually severe weather conditions; strikes or other labor difficulties; war; riots; requirements, actions or failures to act on the part of governmental authorities preventing performance; inability despite due diligence to obtain required licenses; accident; fire; damage to or breakdown of necessary facilities; or transportation delays or accidents (such causes hereinafter referred to as “Force Majeure”); provided that:

- a) The non-performing Party gives the other Party written notice describing the particulars of the occurrence; and
- b) The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure; and
- c) The non-performing Party uses its commercially reasonable efforts to remedy its inability to perform; and
- d) When the non-performing Party is able to resume performance of its obligations under this Letter Supplement, that Party shall give the other Party written notice to that effect; and
- e) The Force Majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance or for any breach or default of this Letter Supplement.

V. Miscellaneous

A. Metering and Record Keeping – The Parties agree to make available all records necessary for compliance with the terms and conditions of this Letter Supplement. The Company will work with the COVA to establish terms under which the Company will provide information including the hourly meter readings of the Net Electrical Energy Output of the Facility and the Day-Ahead LMP pricing to the extent used in the Appendices. All Net Electrical Energy Output will be measured by the Company or the relevant Facility owner using revenue grade metering equipment, and the Company agrees to bear all costs related to such metering equipment.

B. Assignment – Neither Party shall assign this Letter Supplement nor any portion thereof without the prior written consent of the other Party, which consent shall not be

unreasonably withheld; provided, however, that such consent shall not be required prior to the assignment to a parent, subsidiary or affiliated corporation (which may require approval by the State Corporation Commission of Virginia in the event that the Company proposes to assign this Letter Supplement to an affiliated interest); but provided, further that (i) any assignee shall expressly assume assignor's obligations hereunder; or (ii) unless expressly agreed by the other Party, no assignment, whether or not consented to, shall relieve the assignor of its obligations hereunder in the event its assignee fails to perform.

- C. **Amendment** – This Letter Supplement can be amended only by agreement between the Parties in writing.
- D. **Strict Performance** – The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Letter Supplement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect.
- E. **Headings** – The headings contained in this Letter Supplement are used solely for convenience and do not constitute a part of this Letter Supplement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Letter Supplement.
- F. **Liability** – Electric service is provided by the Company and purchased by the Customer upon the express condition that after electricity passes the Delivery Point, it enters the custody of the Customer and becomes the property of the Customer to be used only as herein provided. The Company shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electricity on the premises owned, leased, or occupied by the Customer after it passes the Delivery Point; or for any loss or damage resulting from the presence, character, or conditions of the wires or appliances of the Customer; or for any loss or damage by reason of the construction, maintenance, or use of the Customer's intermediate service line from the entrance upon the premises occupied by the Customer to the metering equipment, nor for the inspection or repairs thereof.
- G. **Confidentiality** – The Parties acknowledge that this Letter Supplement is a public record subject to disclosure under the Commonwealth's public records laws, and the COVA will disclose this Letter Supplement as required by law. The COVA will attempt to provide the Company with notice of such disclosure no less than two (2) business days prior to any such disclosure. In addition, the Company may disclose this Letter Supplement, or any part thereof, if required to do so by any applicable law or regulation or in connection with any regulatory inquiry or proceeding.
- H. **Notice** – The following individuals are hereby designated as the points of contact for this Letter Supplement:

For the Commonwealth of Virginia:

Nam Q. Nguyen
nam.nguyen@dmme.virginia.gov
804-692-3216

For Virginia Electric and Power Company:

Machesha Hasty
machesha.s.hasty@dominionenergy.com
804-771-3533

- I. Public Announcements** – Neither Party will make any public announcement regarding this Letter Supplement or the Facilities without first obtaining prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned, or delayed. The phrase “public announcement” does not include communications within state government or between the COVA and its participating agencies, or to any communications or disclosures required by law.
- J. Appropriations** – This Letter Supplement shall not be deemed to impose any obligation upon the COVA to make any payments hereunder unless the General Assembly of Virginia has heretofore provided or shall hereafter provide by appropriation the money with which to make said payments.
- K. Entirety** – This Letter Supplement is intended by the Parties as the final expression of their agreement regarding the subject matters discussed herein. It is intended also as a complete and exclusive statement of the terms of their agreement with respect to the Facilities. All prior written or oral understandings, offers or other communications of every kind between the Parties pertaining to the Facilities are hereby abrogated and withdrawn.

Sincerely,



Dianne Corsello
Director – Business Development
Dominion Energy Virginia

[SIGNATURES APPEAR BELOW]

Commonwealth of Virginia

By authority of the undersigned



By: Joseph F. Damico

Title: Director – Department of
General Services

Date: 9/22/19

Dominion Energy Virginia

By authority of the undersigned



By: Keith Windle

Title: Vice President – Business Development

Date: 9/22/19

The effective date of this Letter Supplement is: September 22, 2019
(To be completed by Dominion Energy Virginia only)

**Appendix A
Solar Facilities**

The following Facilities shall be used by the Parties to satisfy the solar component of the Capacity Target:

SOLAR FACILITY 1

<u>PROJECT:</u>	Belcher Solar located in Louisa County, Virginia, subject to the Solar Facility Substitution right
<u>NAMEPLATE CAPACITY:</u>	88 MW _{AC}
<u>PJM PRICING NODE:</u>	PJM pricing node to be created pursuant to the PJM interconnection process.
<u>FACILITY OWNER:</u>	Virginia Electric and Power Company
<u>COMMERCIAL OPERATIONS DATE:</u>	As defined in Section 4 of this Appendix A. The non-binding, estimated COD is 12/1/2020.
<u>CONDITIONS PRECEDENT DEADLINE:</u>	3/3/2020
<u>FACILITY TERM:</u>	20 years from the Facility's COD
<u>BASE RATE:</u>	\$34.00/MWh for the first three (3) Contract Years, escalating at 2.0% on each anniversary of the Facility's COD beginning with the third anniversary
<u>OBLIGATION:</u>	Unit Contingent

SOLAR FACILITY 2

<u>PROJECT:</u>	Walnut I Solar located in King and Queen County, Virginia, subject to the Solar Facility Substitution right
-----------------	---

<u>NAMEPLATE CAPACITY:</u>	90 MW _{AC}
<u>PJM PRICING NODE:</u>	PJM pricing node to be created pursuant to the PJM interconnection process.
<u>FACILITY OWNER:</u>	Virginia Electric and Power Company
<u>COMMERCIAL OPERATIONS DATE:</u>	As defined in Section 4 of this Appendix A. The non-binding, estimated COD is 10/1/2021.
<u>CONDITIONS PRECEDENT DEADLINE:</u>	3/3/2021
<u>FACILITY TERM:</u>	20 years from the Facility's COD
<u>BASE RATE:</u>	\$34.00/MWh for the first three (3) Contract Years, escalating at 2.0% on each anniversary of the Facility's COD beginning with the third anniversary
<u>OBLIGATION:</u>	Unit Contingent

SOLAR FACILITY 3

<u>PROJECT:</u>	Bedford Solar located in City of Chesapeake, Virginia, subject to the Solar Facility Substitution right
<u>NAMEPLATE CAPACITY:</u>	70 MW _{AC}
<u>PJM PRICING NODE:</u>	PJM pricing node to be created pursuant to the PJM interconnection process.
<u>FACILITY OWNER:</u>	Virginia Electric and Power Company
<u>COMMERCIAL OPERATIONS DATE:</u>	As defined in Section 4 of this Appendix A. The non-binding, estimated COD is 12/1/2021.

<u>CONDITIONS PRECEDENT DEADLINE:</u>	3/1/2021
<u>FACILITY TERM:</u>	20 years from the Facility's COD
<u>BASE RATE:</u>	\$34.00/MWh for the first three (3) Contract Years, escalating at 2.0% on each anniversary of the Facility's COD beginning with the third anniversary
<u>OBLIGATION:</u>	Unit Contingent

SOLAR FACILITY 4

<u>PROJECT:</u>	TBD Solar Facility, to be determined in accordance with the procedures described in Section 1.D. of the Letter Supplement
<u>NAMEPLATE CAPACITY:</u>	_____ MW _{AC}
<u>PJM PRICING NODE:</u>	PJM pricing node to be created pursuant to the PJM interconnection process.
<u>FACILITY OWNER:</u>	Virginia Electric and Power Company
<u>COMMERCIAL OPERATIONS DATE:</u>	As defined in Section 4 of this Appendix A. The non-binding, estimated COD is _____.
<u>CONDITIONS PRECEDENT DEADLINE:</u>	_____
<u>FACILITY TERM:</u>	20 years from the Facility's COD
<u>BASE RATE:</u>	\$34.00/MWh for the first three (3) Contract Years, escalating at 2.0% on each anniversary of the Facility's COD beginning with the third anniversary
<u>OBLIGATION:</u>	Unit Contingent

The following additional terms and conditions shall apply to each solar Facility described above:

- 1. Facility Ownership and Operation** – The Company will construct, own, operate, and maintain the Facility, subject to satisfaction of the Conditions Precedent and subject to the TBD Solar Facility and Solar Facility Substitution procedures described in Section 1.D. of the Letter Supplement.
- 2. Exclusions**
 - a. Test Energy** – The Parties agree that all Net Electrical Energy Output from the Facility during testing and prior to the COD shall be the property of the Company and shall not be part of the obligations under this Appendix A.
 - b. Capacity** – The Parties agree that the Facility’s capacity shall be retained by the Company and shall not be part of the obligations under this Appendix A. “Capacity” means the capability of the Facility to generate, store or deliver, as applicable, a specific amount of energy at a given point in time.
 - c. Ancillary Services** – The Parties agree that all ancillary services related to the Facility shall be retained by the Company and shall not be part of the obligations under this Appendix A.
- 3. Conditions Precedent**
 - a. Conditions Precedent** – The obligations of both Parties with respect to each Facility are conditioned on the satisfaction or waiver by the Company of the conditions set forth below (“Conditions Precedent”):
 - i. The Company has obtained an Interconnection Agreement for the Facility on terms and conditions acceptable to the Company in its sole discretion;
 - ii. The Company has obtained a certificate of public convenience and necessity from the State Corporation Commission of Virginia or a Permit by Rule from the Virginia Department of Environmental Quality, as applicable, for the Facility on terms and conditions acceptable to the Company in its sole discretion;
 - iii. The Company has obtained any and all necessary permits, governmental approvals, land rights, construction contracts and equipment contracts on terms and conditions that are acceptable to the Company and permit the Company to economically construct the Facility under the terms and conditions of the Letter Supplement; and
 - iv. The Company has obtained all necessary corporate authorizations and approvals for the performance of the Company’s obligations under the Letter Supplement with respect to the Facility.
 - b. Failure of Condition Precedent** – If the Conditions Precedent for any Facility have not been satisfied, or otherwise waived in writing by the Company, by the applicable Conditions Precedent Deadline, then the Company may, on issuing written notice to the COVA, elect to reduce the Capacity Target by the capacity of such Facility.

4. Commercial Operations Date – The commercial operations date (“COD”) for a Facility shall be the first date that all of the following conditions have been satisfied:

- i. The Facility is suitable to operate and deliver Net Electrical Energy Output to the Company’s electrical system;
- ii. After completion of item (i) immediately above, the COVA has received written notice from the Company specifying the COD and certifying that the Facility is ready to begin commercial operations;
- iii. All Conditions Precedent have been satisfied or waived in writing by the Company.

5. Production Requirements, Limitation of Liability, and Warranties

a. Production Requirements – The Facility’s products are being sold on a Unit Contingent basis. The Company shall diligently pursue and in good faith take appropriate action to operate and maintain the Facility to produce and deliver renewable energy in accordance with the capabilities of the Facility, its design, and industry standards for degradation over the life of the Facility. In the event of a forced outage, the Company shall diligently pursue and in good faith take appropriate action to make repairs and return the Facility to full service.

b. No Warranty – Other than those expressly provided herein, the Company makes no other representation or warranty, written or oral, express or implied, in connection with the Facilities, the Net Electrical Energy Output, and/or the Environmental Attributes. All warranties of merchantability or of fitness for a particular purpose or arising from a course of dealing or usage of trade are specifically excluded.

**Appendix B
Rocky Forge Wind Facility**

<u>PROJECT:</u>	Rocky Forge Wind Facility, located in Botetourt County, Virginia
<u>NAMEPLATE CAPACITY:</u>	76.8 MW _{AC} , as adjusted pursuant to the PPA
<u>PJM PRICING NODE:</u>	PJM pricing node to be created pursuant to the PJM interconnection process.
<u>FACILITY OWNER:</u>	Rocky Forge Wind, LLC, or its successors or assigns
<u>COMMERCIAL OPERATIONS DATE:</u>	The non-binding, estimated COD is 12/31/2021, as adjusted pursuant to the PPA
<u>CONDITIONS PRECEDENT DEADLINE:</u>	12/31/2019
<u>FACILITY TERM:</u>	Concurrent with the term of the PPA and as further described in Section 5 (Facility Term) of this Appendix B
<u>BASE RATE:</u>	Contract Years 1-5 = \$35.00/MWh Contract Year 6 = \$53.58/MWh Each Contract Year, beginning with Contract Year 7, the Base Rate shall be increased by a factor of 2.5% from the prior Contract Year.
<u>OBLIGATION:</u>	Unit Contingent

The following additional terms and conditions shall apply to Rocky Forge:

- 1. Facility Ownership and Operation** – The Facility Owner will construct, own, operate, and maintain the Facility. The COVA acknowledges that the Company does not control the operation or maintenance of the Facility and shall have no liability to the COVA with respect to the Facility’s operation or maintenance.

2. **Power Purchase Agreement**

a. **PPA Parties** – The COVA acknowledges that the PPA will be separate from the Letter Supplement and will be between the Company and the Facility Owner.

b. **Curtailment** – The COVA acknowledges and agrees that the Facility Owner may exercise curtailment rights under certain circumstances described in the PPA, that the Facility Owner is not obligated to exercise curtailment rights, and that the Facility Owner is not required to take direction from the COVA or from the Company regarding curtailment rights. With respect to curtailments based on negative day-ahead LMPs only, curtailment will trigger the Deemed Energy Payments described in III.A.4(b) of the Letter Supplement. If the Facility Owner, in its sole judgment, opts to exercise its curtailment rights, (i) the COVA will pay the amounts described in the Letter Supplement and this Appendix B despite the fact that no Environmental Attributes will be generated during the curtailment period, (ii) the Company is not obligated to procure nor to transfer replacement Environmental Attributes, and (iii) the Company will provide email notice to the COVA of such curtailment prior to the end of the next calendar month, provided that the Facility Owner provides the Company with timely notice of such curtailment. If the Facility Owner, in its sole judgment, opts not to curtail despite a negative Day-Ahead LMP, (i) the COVA will pay only the applicable amounts described in III.A.4 of the Letter Supplement, (ii) the Company will transfer any Environmental Attributes generated during such period except as may be limited by the Deferral Period procedures, and (iii) the Offset Credit for such period will be deemed to be zero.

3. **Exclusions**

a. **Test Energy** – The Parties agree that all Net Electrical Energy Output from the Facility during testing and prior to the COD shall not be part of the obligations under this Appendix B.

b. **Capacity** – The Parties agree that the Facility's capacity shall be retained by the Company and shall not be part of the obligations under this Appendix B. "Capacity" means the capability of the Facility to generate, store or deliver, as applicable, a specific amount of energy at a given point in time.

c. **Ancillary Services** – The Parties agree that all ancillary services related to the Facility shall be retained by the Company and shall not be part of the obligations under this Appendix B.

4. **Acknowledgement of PPA Costs** – The COVA acknowledges that the Company will enter into the PPA and incur obligations, costs and expenses related to the PPA for the benefit of Customers identified by the COVA. The COVA acknowledges and agrees that it has participated in the PPA negotiations and has provided feedback to the Company throughout the development of the PPA.

5. **Facility Term** – The Parties' obligations with respect to the Facility shall commence on the effective date of the PPA and shall remain in effect for as long as the PPA remains in effect (the "Facility Term"). Notwithstanding the aforementioned term, the term of Rider REF for this Facility shall extend to the extent necessary to complete all payments pursuant to the True-up.

6. Conditions Precedent

a. Conditions Precedent – The obligations of both Parties are conditioned on the satisfaction or waiver by the Company of the conditions set forth below (“Conditions Precedent”):

- i. The Company has executed the PPA on terms and conditions acceptable to the Company in its sole discretion; and
- ii. The Company has obtained all necessary corporate authorizations and approvals for the performance of the Company’s obligations under the Letter Supplement and the PPA.

b. Failure of Condition Precedent – If the Conditions Precedent have not been satisfied, or otherwise waived in writing by the Company, by the Conditions Precedent Deadline, then the Company may, on issuing written notice to the COVA, elect to reduce the Capacity Target by the capacity of the Facility.

7. Force Majeure – In addition to the Force Majeure provisions described in the Letter Supplement, the Parties acknowledge and agree that if the Facility Owner declares a force majeure under the PPA, it shall qualify as a Company Force Majeure under the Letter Supplement.

8. Production Requirements, PPA Claims, and Warranties

a. Production Requirements – The Facility’s products are being sold on a Unit Contingent basis. The Company shall not be liable for any failure by the Facility Owner to deliver Net Electrical Energy Output, Environmental Attributes, or RECs or to otherwise comply with the PPA. The COVA will rely exclusively on the third party beneficiary rights described below for remedies related to the foregoing.

b. Facility Owner Non-Performance – To the extent that the Facility Owner is unable to perform or otherwise defaults under the terms of the PPA, the COVA acknowledges that the Company may, in its sole discretion, allow the Facility Owner, or its lenders and financing parties, to cure such breach or default, including without limitation cures or settlements that require amendment of the PPA. To the extent that the Facility Owner is unable to perform or otherwise defaults under the terms of the PPA, or if the PPA expires or terminates for any reason, the Company will be under no obligation to continue to purchase the Net Electrical Energy Output and Environmental Attributes, nor to acquire replacement energy, replacement Environmental Attributes, nor a replacement PPA, and shall have the right to reduce the Capacity Target by the capacity of the Facility. The Company will notify the COVA as soon as practicable of the Facility Owner’s non-performance or default and/or of the PPA’s expiration or termination.

c. Third Party Beneficiary Rights – The PPA will include language acknowledging that the Company has entered into the PPA for the benefit of the COVA and providing that the COVA shall have all rights entitled to it under governing law as a third-party beneficiary, subject to the Facility Owner’s right to defenses against a third-party beneficiary as provided under governing law.

d. Assignment of Claims – In the event of a breach or default by the COVA hereunder, without limiting the Company's rights and remedies under this Letter Supplement, at law and in equity, the Company may assign, in whole or in part, its right, title and interest in and to any claim or cause of action that it may have arising out of such breach or default, to the Facility Owner such that Facility Owner may proceed directly against the COVA, and the COVA consents to any such assignment.

e. No Warranty – Other than those expressly provided herein, the Company makes no other representation or warranty, written or oral, express or implied, in connection with the PPA, the purchase of Net Electrical Energy Output, and/or the purchase and transfer of the Environmental Attributes. All warranties of merchantability or of fitness for a particular purpose or arising from a course of dealing or usage of trade are specifically excluded.