



Duke Energy Carolinas Standard Purchase Offer for Renewable Energy Certificates (“RECs”)

Duke Energy Corporation has identified renewable energy development as a strategic initiative and regulatory requirement as the world moves toward a lower-carbon use future. Along with many other states, North Carolina has enacted a Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”) to diversify electricity generation resources and to encourage investment in renewable energy technologies. The REPS bill, also known as NC Senate Bill 3 (“SB3”), has generated substantial interest in renewable energy generation development in the Company’s service territories.

In order to comply with the REPS requirements Duke Energy Carolinas plans to develop renewable energy and energy efficiency resources and purchase Renewable Energy Certificates (“RECs”) from qualifying renewable energy facilities. RECs represent the renewable energy or “green” attribute of renewable energy supply and will be used to document compliance with the North Carolina REPS law. A REC is equivalent to one megawatt hour (1,000 KWH) of renewable energy supply.

Duke Energy Carolinas has received a number of requests from customer generators including small hydroelectric, solar photovoltaic, solar thermal, and other renewable energy generators who have RECs they would like to sell to help North Carolina achieve its renewable energy requirements. Because of this interest, we have established this standard offer for the purchase of Renewable Energy Certificates (RECs) from smaller projects to help meet Duke Energy Carolinas’ North Carolina REPS requirements.

If you are interested in entering into an agreement to provide RECs to Duke Energy Carolinas from your qualifying renewable energy facility, please contact:

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Duke Energy Carolinas Renewable Energy Certificates (“RECs”) Standard Offer

- All offers to provide RECs to Duke Energy Carolinas must be made in writing.
- The owner of each renewable energy facility must register and receive approval of the North Carolina Utilities Commission (“NCUC”) as a certified new renewable energy facility. See NCUC Rule R8-66 (<http://www.ncuc.net/ncrules/Chapter08.pdf>). All certified facilities will need to create an account in the state’s online tracking system, NC-RETS, in order for RECs to be created and transferred (<http://www.ncrets.org>). Delivery of title of the RECs shall only occur once the transfer of RECs from Seller’s account to Duke Energy’s account is recorded in the NC-RETS system in accordance with the terms and conditions of the system operating rules.
- Customer’s facility must generate RECs from one of the approved renewable energy resources under NC REPS (e.g. solar electric, solar thermal, wind, hydropower, geothermal or ocean current, a wave energy resource, biomass resource, landfill methane, waste heat derived from a renewable resource, or hydrogen derived from a renewable resource).
- RECs must be produced from a 'New renewable energy facility' which under SB3 is defined to be a renewable energy facility that either:
 - *a. Was placed into service on or after 1 January 2007.*
 - *b. Delivers or has delivered electric power to an electric power supplier pursuant to a contract with NC GreenPower Corporation that was entered into prior to 1 January 2007.*
 - *c. Is a hydroelectric power facility with a generation capacity of 10 megawatts or less that delivers electric power to an electric power supplier.*
- RECs must be able to be counted as North Carolina “in-state” RECs from projects interconnected with the Company’s electric grid that will deliver energy to the Duke Energy Carolinas grid, or from other qualifying solar technology projects located in the Duke Energy North Carolina service area.
- General RECs Purchase Agreements must provide a minimum of 50 RECs per year (50 MWH) up to 5,000 RECs (5,000 MWH) per year. Projects that are able to provide more than 5,000 general RECs per year are not eligible for this standard offer and should submit an unsolicited bid proposal to supply energy and/or RECs to Duke Energy. (see <http://www.duke-energy.com/suppliers/carolinas-rfp.asp>)
- Solar RECs Purchase Agreements must provide a minimum of 35 RECs (35 MWH equivalent) per year up to 250 RECs (250 MWH equivalent) per year. For example, a 25 kilowatt solar PV system will produce approximately 35 RECs per year. Projects that are able to provide more than 250 solar RECs per year are not eligible for this standard offer and should submit an unsolicited bid proposal to supply energy and/or RECs to Duke Energy. (see <http://www.duke-energy.com/suppliers/carolinas-rfp.asp>)
- Minimum term for RECs Purchase Agreements is five (5) years, up to a maximum term of fifteen (15) years.
- RECs pricing for new contracts is reviewed on a periodic basis and will be adjusted on an as-needed basis.
- This RECs purchase program is not a tariff rate. Duke Energy Carolinas reserves the right to modify any terms of the offer, or may cease to offer this program at its discretion.

Duke Energy Carolinas Renewable Energy Certificates (“RECs”) Standard Offer (cont’d)

Duke Energy Carolinas Standard Offer RECs Pricing		
RECs Class Year	General RECs Price	Solar RECs Price
2011	\$6.00	\$30.00
2012	\$6.15	\$30.75
2013	\$6.30	\$31.52
2014	\$6.46	\$32.31
2015	\$6.62	\$33.11
2016	\$6.79	\$33.94
2017	\$6.96	\$34.79
2018	\$7.13	\$35.66
2019	\$7.31	\$36.55
2020	\$7.49	\$37.47
2021	\$7.68	\$38.40
2022	\$7.87	\$39.36
2023	\$8.07	\$40.35
2024	\$8.27	\$41.36
2025	\$8.48	\$42.39
2026	\$8.69	\$43.45