

Wind Energy Lease Holder Pre-ARFI Engagement Q&A

Additional Email Questions received.

Notes:

The questions provided have been modified to preserve confidentiality. Recommendations and other editorial comments regarding the ARFI structure have been received with thanks from the Duke Energy Team.

Q1. In the “minimum case” O&M Plan, is Duke Energy interested in leaseholders including estimated Capital Expenditures (CapEx) and Operations Expenditures (OpEx) cost estimates for any of the following? Which of these services, if any, might be considered redundant for Duke Energy or otherwise not necessary for the participant to estimate? Additionally, would any of the above services be requested in an SLA?

a) Control Center, including:

- **Outage Management**
- **Automatic Generation Control**
- **Compliance with the ISO NE**
- **Automatic Voltage Regulator**
- **Frequency Response Regulator**
- **Monitoring of Plant**

Substation

- **Emergency Procedures**
- **Plant Commissioning and Test Energy**
- **Control Center Back Office**
- **Marine Control**
- **Switching**

b) NERC Compliance, including:

- **NERC Compliance Services/Support**

c) Meteorology, including:

- **NERC-Specific Meteorological Services**

d) Trading, Asset Management & Back Office, including:

- **Portfolio management**
- **Market Participation, ancillary service sales**
- **Back Office Services**

A. Complete details regarding the requirements of the ARFI will be made available upon issuance of the ARFI on January 29, 2025.

Q2. Can the ARFI Team please clarify the extent of confidentiality of the ARFI responses, and which parties will be privy to the details of the individual submissions?

A. Complete details regarding the confidentiality of responses will be provided in the ARFI upon issuance.



Q3. The “ARFI Minimum Structure Requirement” slide within the December 19th presentation stated that “[O&M SLAs] will be considered as well as transfers prior to mechanical completion”, however the Pre-ARFI Engagement Q&A document as issued on January 8 stated that “Alternative proposed structures must include a transfer of ownership no earlier than the date contemplated in the BOT minimum requirement.” These two statements appear to be contradictory; can the ARFI team please clarify?

- A. As described in the WEA Leaseholder meeting on December 19, 2024, the published responses to Q&A are the definitive responses to questions posed during the pre-ARFI phase.

Q4. Following the discussion in the 2nd WEA Leaseholder Meeting, please clarify the ownership requirements anticipated in the upcoming ARFI.

- A. While Duke Energy Progress and Duke Energy Carolinas (the Companies) take the position that HB 951 requires 100% utility ownership of offshore wind resources upon operation, if a developer submits a proposal that meets the minimum standards including Build-Own-Transfer and 100% ownership by the utilities, that developer may also submit a proposal(s) into the ARFI with joint ownership structures, which may be considered by the Companies, in their reasonable discretion in consultation with the Independent Evaluator provided that the developer would be required to demonstrate in a future RFP issued after the ARFI is concluded and prior to the date that RFP responses are due that such joint ownership structures comply with both the CIPRP Order and HB 951 ownership requirements.

Please note that this response supersedes all prior responses related to ownership requirements provided in past Q&A.