

Additional Wind Energy Area Lease Holder Pre-ARFI Engagement Q&A prior to 2nd Meeting.

Notes:

The following constitutes a complete set of responses to additional questions received prior to the 2nd WEA Lease Holder Meeting scheduled for 01/09/2025.

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

All references to slide numbers refer to the presentation shared at the 1st WEA Leaseholder Meeting 12/19/2024.

#1. Can you please define “Operations Plans” as this term is used on slide 13?

A: The Operations Plan is meant to cover the overall operations and maintenance (O&M) needs for the project, including assumptions for scheduled maintenance intervals and for unscheduled maintenance and resources and costs required to complete this work, and what parties would be responsible for such work. This plan should provide a roadmap for preparing a financial model of the operating costs to support project operations and reliability. Further details will be provided in the ARFI.

#2. Can you please define “Installation Plans” as this term is used on slide 13?

A: The Installation Plan is meant to include all aspects of engineering, construction and installation for the proposed scope of work. Further details will be provided in the ARFI.

#3. Both the Operations Plans and Installation Plans are listed as “required” on slide 13. Is the expectation to develop these plans within the time period of the ARFI?

A: Yes, and details sufficient to outline the scope of each plan should be included. Further details will be provided in the ARFI.

#4. Can you please provide the level of detail requested/desired in the Ports and Vessel Plans?

A: Additional guidance will be provided in the ARFI; however, the expectation is the detail will be sufficient to provide a reasonable assessment of whether the plan supports the activities proposed from a scope, cost and schedule perspective.

#5. Is the Ports and Vessel Plans only needed for installation / construction? Slide 13 included “O&M” in the bullet description for the Installation Plan, but a SLA for O&M is provided as being optional on slide 12.

A: A Ports and Vessel Plan would be needed for both construction and service level agreement (SLA) for O&M services as applicable. Regarding description of ports and vessels during the operational period of the proposed project, we would expect there to be overlap with the descriptions included as part of the “Operations Plan”.

#6. Does an Operations Plan and associated cost need to be provided, if a Service Level Agreement (SLA) is not being proposed?

A: The minimum proposal will require a response similar to the scope of the Operations Plan for a period of time following initial commercial operation of the facility. Further details and whether an estimate of the cost of such plan is required if no SLA is proposed will be provided in the ARFI.

#7. If no SLA will be proposed, does the leaseholder need to propose an onshore location for the O&M facility?

A: Yes.

#8. Does decommissioning and disposal costs need to be included in the pricing options?

A: An estimate of those costs will be requested as part of the ARFI.

#9. Regarding the onshore transmission to the point of interconnection (POI), can a leaseholder propose to use existing electrical transmission rights-of-way managed by Duke Energy Progress (DEP)?

A: Existing occupied Rights of Way (RoW) would not be available for this purpose. If Duke Energy has existing unoccupied RoW that can accommodate the needed onshore interconnection facilities and will result in lower cost for customers considering Duke Energy being the resource owner, then Duke Energy will give full consideration to using the unoccupied RoW.



#10. Regarding tax attributes, does an analysis of available tax credits need to be provided in the ARFI response or will all tax credits be evaluated and accounted for by DEP?

A: Respondents will be required to state any tax credits the facility would be eligible aside from those currently within the scope of the Inflation Reduction Act of 2022 (IRA). The utilities will require responses to state which IRA bonus credits for domestic content and energy communities would apply for the applicable response with a brief supporting explanation. We will require each response to assume compliance with the Prevailing Wage and Apprenticeship (PW&A) provisions of the IRA.

#11. Can you please clarify if energy modeling / energy yield assessment will be a part of the AFRI deliverables?

A: Yes, energy yield values for the proposed project will be a minimum requirement. Along with the specific values, a summary of how the values were determined will be requested.

If so, what requirements or guidelines should be followed?

A: Given the energy yield values are estimates, respondents will be requested to provide a description of how the values were determined, including some key assumptions and intermediate values, for Duke Energy to better understand the uncertainties and accuracy of the predictions. The exact minimum requirements will be specified in the ARFI.