

# ARFI Q&A Received as of March 5, 2025

## Notes:

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

- 1. In Part VI (a) (i) on tab Part VI - Prod Data (Phase 1) of the uptake form, an 8760 for a single year representative of the Project's 30-yr average production is requested. We understand that the request is for a timeseries that represents the long-term average production opposed to a "realistic" yearly production time series, is this correct? The difference between these two approaches is that the first one is a multi-year time series that is averaged out to a long-term average 8760 annual profile resulting in a smooth timeseries with low production variability (never reaching zero or rated production), and the second one is based on a Typical Meteorological Year, which has the peaks and troughs of the production (reaches zero and rated production)."**

Please provide the 8760 using the "Typical Meteorological Year" approach, with the greater peaks and troughs included (not averaged out).

- 2. Could you please provide definitions for the column headers on the tab Part IV (e) - O&M Proposal of the uptake that define what each column represents? This would be helpful since the column headers do not match our standard breakdown of O&M costs and will help ensure we correctly assign the costs to the different columns.**

Marine logistics: accounts for all costs related to securing, operating, managing, and maintaining the vessels involved with offshore wind operations and maintenance. This includes the day-to-day access vessels, such as CTVs or SOVs, and also the specialized vessels and support vessels required for both Routine Maintenance and Equipment Replacement (as defined below).

O&M Facilities and On-shore Equipment: the ongoing costs related to the onshore facility (or facilities) which the project uses as its headquarters for the O&M of the project, including office areas, control rooms, staging areas, storage areas, berthing locations, workshops, quaysides, and warehouses. This category also includes any specialized onshore-based equipment such as cranes, trucks, specialized moving vehicles, and other large pieces of equipment outside of vessels.

Routine Maintenance: the cost of labor, tools, equipment, and consumables associated with the scheduled maintenance of the project, including turbines, monopiles, cables, offshore substation, onshore substation, and all other associated balance of plant. This includes the cost for technicians, engineering staff, and workforce management dedicated to the project day-to-day. For the avoidance of doubt, planned maintenance includes the scheduled replacement of minor components which are expected to fail during the project's operational period. This category should also include the resources for troubleshooting the type of minor issues which are expected to occur day to day. Typically, these are the activities covered by a standard service agreement.

Equipment Replacement: the cost of labor, tools, equipment, consumables, and minor and major parts associated with the unplanned maintenance of the project, including turbines, monopiles, cables, offshore substation, onshore substation, and all other associated balance of plant. This category is for costs associated with events which were unexpected, such as failure of major components. This category should include all maintenance activities which do not fall within the "Routine Maintenance" definition. Typically, these are the activities which would fall outside the scope of a standard service agreement.

Maintenance / Replacement Reserves: contingency budget associated with the "Routine Maintenance" and "Equipment Replacement" categories.

Lease Fees: the costs related to obtaining and keeping site control for both onshore and offshore infrastructure locations.

Environmental and Stakeholder: fees related to environmental survey work, permitting compliance work, funding of groups not associated with the project, and activities planned with surrounding communities.

Legal and Administrative: support necessary for the Project to meet its reporting, financing, contractual and tax obligations. Typically, these are staff dealing with non-technical aspects of operations, performing the tasks which are required to allow the project to operate legally and according to its various contractual arrangements.

Other: other costs associated with operations and maintenance of the project not captured in the categories above.

**3. Where should O&M contingencies be included on the tab Part IV (e) - O&M Proposal of the update form? OTHER - Please Specify?**

Please include O&M contingencies within the category titled "Maintenance / Replacement Reserves" (Column I in the template).

**4. In sections Part V (a) and (b)(ii) of the tab Part V(a)&(b) - Cash Flow & Pmts of the uptake form there are 46 rows and adding rows is not possible. Is it correct that there should not be more than one row per quarter and that for quarters with multiple project milestones, the Cash Flow field should be the sum of all Milestones occurring within each respective quarter for both Phase 1 and Phase 2?**

Yes, if using multiple phases, or, if more than one milestone occurs within a single quarter for a single or multiple phases, a single line should include each milestone for each phase that occurs during that quarter. Reporting of cashflows should be handled in a similar manner. For such a circumstance, we would request the Participant to provide a brief explanation under the Cash Flow Explanation in Part V(a).

**5. Nine (9) "key project milestones" are listed on the tab Part V(a)&(b) - Cash Flow & Pmts of the uptake form. Are these the only milestones that can be used? There are several key project milestones that are not included in the list.**

As stated in the instructions at the top of the table for Part V(a)&(B), reporting of the nine (9) project milestones listed is a minimum requirement. We would welcome additional detail, where available, to better understand the development timing and supporting cash flow requirements.

- 6. In Part V (b) of the the tab Part V(a)&(b) - CashFlow & Pmts it is stated that "In the event the Project is developed in phases, information provided in Part V(v)(ii) should be provided separately for each phase and specified as such, as described in the instructions for Part V(a)(left)." Given there are only 46 rows, it will not be possible to provide the values separately. Please advise on how the values are expected to be provided separately.**

If providing an Alternative Submission where Payment Milestones are used, each line in the spreadsheet does not have to represent a consecutive quarter for purposes of completing Part(b)(ii). Additionally, consecutive rows can represent the same time period. For example, if a project is developed in two (2) phases with Phase 1 having a payment milestone estimated in 4Q 2033 for Turbine Installation and Phase 2 has a payment milestone in the same quarter for Monopile Installation, you could have two consecutive rows specifying 4Q 2033, each with a milestone payment for their respective phase.

- 7. Is there a preference or expectation on how project contingency is included in Parts V (a) and V (b) (ii) on the tab Part V(a)&(b) - CashFlow & Pmts?**

Preference would be to include all contingency in the Contingency line item with an explanation in the Notes section to the right of that entry providing a breakdown of the sources of that contingency. As an alternative, contingency can be included in the total for each individual element such as Turbine Supply or Shore Landing Civil Work. In this latter case, we would expect the amount of contingency included in the Amount(\$) for that line item to be specified in the Notes.