REQUEST FOR PROPOSAL ("RFP")
50 MW PURCHASE OF PMPA'S CATAWBA PROJECT

December 31, 2024

REQUEST FOR PROPOSAL

Piedmont Municipal Power Agency ("PMPA") hereby requests a proposal for the purchase of a 50 MW entitlement to PMPA's Catawba Project. The term sheet attached hereto as Exhibit A outlines the transaction arrangement terms that would ultimately be memorialized with a definitive Power Purchase Agreement ("PPA) between PMPA and the chosen respondent ("Purchaser").

The term sheet contemplates that a pro-rata share of PMPA's ongoing Catawba operating and capital additions costs, including decommission accruals, would be allocated to the Purchaser in a manner that is designed to mimic an ownership structure. Consequently, PMPA is requesting that respondents propose an up-front asset value payment for the 50 MW of its Catawba Project.[1] PMPA requests pricing under two different scenarios:

> Scenario 1: A finite term that starts on January 1, 2026 and ends in December 2043 (the termination date of Catawba's Operating License from the NRC).
>
> Scenario 2: A life-of-the-facility term that starts on January 1, 2026 and ends on the date the last Catawba Unit is retired from service (Duke indicates it plans to seek Subsequent License Renewals for both the Catawba and McGuire Nuclear Stations, and the current expectation is that the NRC will approve these Subsequent License Renewals for an additional 20 years of operation beyond the current operating license termination dates).

PMPA requests that proposals be submitted no later than January 31, 2025. PMPA reserves the right to reject any and all proposals received in connection with this RFP for any reason. PMPA's Board of Directors will ultimately determine the respondent(s) that PMPA will proceed with in development of a PPA, if any, and all transactions and related transaction documents are subject to approval by the PMPA Board of Directors. PMPA expects that a PPA could be finalized by Summer 2025.

All communications related to this RFP should be directed solely to Mr. Joel Ledbetter, General Manager of PMPA. Joel can be reached at (864) 877-9632 (PMPA's office in Greer, South Carolina) or via email at jledbetter@pmpa.com.

BACKGROUND AND OVERVIEW OF PMPA AND ITS CATAWBA PROJECT

PMPA is a joint action municipal power agency with an undivided ownership interest of 25% in Unit 2 of the Catawba Nuclear Station (the "Catawba Project"), which was constructed and is being operated by Duke Energy Carolinas, LLC ("Duke"). Duke, North Carolina Municipal Power Agency No. 1 ("NCMPA1") and North Carolina Electric Membership Corporation ("NCEMC") also have various undivided ownership shares in the Catawba Nuclear Station. NCMPA1 owns the remaining 75% of Catawba Unit 2, while NCEMC and Duke own approximately 61.5% and 38.5% of Catawba Unit 1,

[1] PMPA would offer a levelized payment plan that would spread the up-front payment over the ten-year period 2026-2035 using a carrying cost rate of 6%.

respectively. The following table sets forth PMPA's entitlement share of the Catawba Project, after giving effect to the Catawba and McGuire Reliability Exchanges as discussed later in this section.

	Commercial Operation	Maximum Dependable Capability (MW) [1]	PMPA Entitlement [2]	
			Share	(MW)
Catawba Nuclear Station:				
Unit 1	1985	1,160	6.25%	72.5
Unit 2	1986	1,150	6.25%	71.9
Total Catawba Station				**144.4**
McGuire Nuclear Station:				
Unit 1	1981	1,158	6.06% **[3]**	70.2
Unit 2	1984	1,158	6.06% **[3]**	70.2
Total McGuire Station				**140.5**
Total Catawba Project				**284.8**

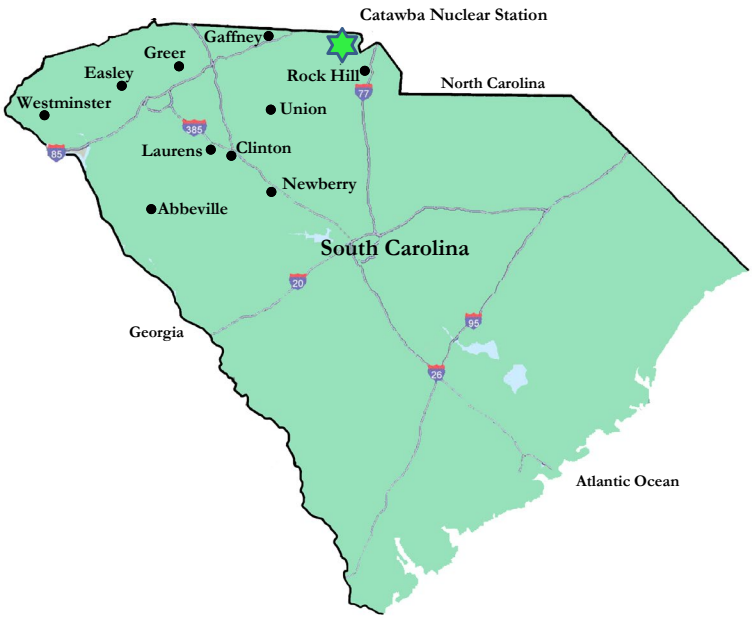
[1] Duke's reported Maximum Dependable Capability ("MDC") is the main unit capability less auxiliaries and is intended to be a dependably attainable value.

[2] After reflecting the Catawba and McGuire Reliability Exchanges.

[3] Effective percentage after reflecting the differences in original design capacity ratings of the Catawba and McGuire units of 1,145 MW and 1,180 MW, respectively.

Since 1985, PMPA has, through power sales agreements, served ten South Carolina cities (the "Participants") located in the Piedmont region of South Carolina. The Participants own electric distribution systems and nine of these Participants receive all of their power deliveries through Duke's transmission system. The tenth Participant, the City of Union, receives power deliveries through Lockhart Power Company's transmission system.

The following figure is a map of the state of South Carolina with the locations of the Participants and the Catawba Nuclear Station identified.



PROJECT AGREEMENTS WITH DUKE

The relationship between PMPA and Duke with respect to the Catawba Project and certain other power supply matters results from four contracts between PMPA and Duke: (i) a Purchase, Construction and Ownership Agreement (as amended, the "Sales Agreement"); (ii) an Operating and Fuel Agreement (as amended, the "Operating Agreement"); (iii) the Catawba Nuclear Station Joint Ownership Support Agreement (the "JOSA"); and (iv) the McGuire Reliability Exchange Agreement (the "MREA," and collectively with the Sales Agreement, the Operating Agreement and the JOSA, the "Project Agreements").

The Sales Agreement provided for the construction of the Catawba Nuclear Station and the sale by Duke to PMPA of a 25% undivided ownership interest in Catawba Unit 2. The closing under the Sales Agreement occurred on December 20, 1984.

The Operating Agreement establishes the terms and conditions between Duke and PMPA under which Duke operates and maintains the Catawba Nuclear Station, provides the nuclear fuel, makes capital additions thereto, and arranges for the decommissioning of the facility at the end of its life.

The JOSA generally provides for (i) the interconnection of the Catawba Project and Duke's system and (ii) the Catawba Reliability Exchange pursuant to which Project Output is provided in approximately equal amounts from Units 1 and 2 of the Catawba Nuclear Station. The purpose of the Catawba Reliability Exchange is to make the supply of capacity and energy to which PMPA is entitled pursuant to its ownership interest in Catawba Unit 2 more reliable, and to mitigate potential adverse economic effects on PMPA and the Participants from unscheduled outages of Catawba Unit 2. Correspondingly, PMPA bears the risks of unscheduled outages of either of the Catawba units.

The MREA generally provides for an exchange of capability and output from Catawba Units 1 and 2 for capability and output from McGuire Units 1 and 2. The purpose of the McGuire Reliability Exchange is to make the supply of capacity and energy to PMPA in the amounts to which PMPA is entitled pursuant to its ownership interest in Catawba Unit 2 more reliable, and to mitigate potential adverse economic effects on PMPA and the Participants from unscheduled outages of Catawba Units 1 and 2.

Correspondingly, PMPA bears the risks of unscheduled outages of either of the McGuire units. The MREA will terminate on the date on which the last Catawba or McGuire Unit is retired; provided, that both PMPA and Duke may terminate the agreement upon 3 years written notice.

Operating Lives of Catawba/McGuire

The current operating licenses for both Catawba Units 1 and 2 expire on December 5, 2043. The current operating licenses for McGuire Units 1 and 2 expire on June 12, 2041 and March 3, 2043, respectively. In September 2019, Duke announced their intent to seek additional 20-year operating license renewals from the Nuclear Regulatory Commission ("NRC") for all Duke Energy-owned and operated nuclear plants in the Carolinas beginning in 2021. In June 2021, Duke submitted its application for Subsequent License Renewal ("SLR") for its Oconee Nuclear Station. The NRC has defined SLR to be the period of extended operation from 60 years to 80 years (i.e., a 20-year extended life). Duke has indicated that it plans to submit applications for SLR for the Catawba and McGuire plants later in this decade.

Operating Costs, Capital Costs, and Other Assumptions Related to PMPA's Ownership Interest in the Catawba Nuclear Station

Exhibit B to this RFP provides PMPA's projection of both non-fuel and fuel-related Catawba Project operating and capital additions costs, including decommissioning accruals, as well as generation output over the period 2026-2043. Such projections reflect various assumptions concerning the future performance of the Catawba and McGuire units and are subject to business and economic uncertainties and contingencies, many of which are beyond the control of PMPA. As such, PMPA cannot warrant or guarantee the accuracy or reasonableness of such projections.

Exhibit C to this RFP is PMPA's Annual Engineering Report for Fiscal Year ending December 31, 2023, prepared by its Consulting Engineer (GDS Associates, Inc.). Among other things specific to 2023, the report provides (i) historical information regarding the operating performance of the Catawba and McGuire Nuclear Plants (see Section 3), (ii) information relative to the capital additions currently planned for Catawba and status of PMPA's decommissioning funding (see Section 6), and (iii) PMPA's audited financials (see Appendix A).

Respondent Proposals

The pricing proposal that PMPA is requesting from respondents is simply the asset value payment that would be inserted into the term sheet (see the blank $/kW value in Exhibit A) for each of the term scenarios outlined above (18-year finite term and life-of-the-facility term). To the extent respondents choose to propose pricing under a construct different from such term sheet, PMPA requests that respondent describe in detail any such differences.

In addition to the pricing proposal, respondents shall include in their response information that would demonstrate that they have the financial and technical wherewithal to be a viable counterparty to the envisioned transaction.

PMPA's anticipated schedule for this RFP process is as follows:

Proposals Due:	January 31, 2025
Short List Notification:	February 28, 2025
Development of PPA:	June 30, 2025
PPA Approvals:	September 30, 2025
Effective Date of PPA:	January 1, 2026

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