



GRIDSMART BATTERY PROGRAM TERMS AND CONDITIONS

1. INTRODUCTION

The GridSmart Battery Program (the “**Program**”) offered by Public Service Electric and Gas Company (“**PSE&G**”) and operated by ICF International, Inc. (the “**Program Implementor**”) incentivizes PSE&G customers (the “**Customers**”) to install a residential battery energy storage system (“**BESS**”) and aggregates enrolled systems for coordinated dispatch to provide power grid services. These terms and conditions (these “**Terms and Conditions**”) govern enrollment, equipment, dispatch, incentives, on-bill repayment (“**OBR**”) financing, data access, and the responsibilities of participants and PSE&G-approved installation contractors (the “**Trade Allies**”) under the Program.

2. PROGRAM TERMS AND CONDITIONS

- 2.1 To be eligible for incentives and participation in the Program, Customers shall have: (i) a valid PSE&G residential electric or dual fuel account; (ii) at least twelve (12) months of billing history at their respective current enrolled service addresses, and (iii) an installed advanced metering infrastructure system at their respective residences. Customer accounts must be in good standing; unresolved safety, permitting, or billing issues may disqualify participation.
- 2.2 Only Customers who install new BESS units through this Program are eligible; existing or previously installed BESS and equipment are ineligible.
- 2.3 Incentives and Financing:
 - 2.3.1 PSE&G will provide an incentive of five thousand Dollars (\$5,000) toward the installation costs of a new BESS (the “**Incentive**”), provided: (i) the BESS qualifies as Compatible Battery Storage; and (ii) is installed through a Trade Ally.
 - 2.3.2 Customer acknowledges that the Incentive was applied to reduce the installation cost of the BESS, is deemed received by Customer through reduction in cost, and is earned over the first five (5) years of the Term.
 - 2.3.3 “**Compatible Battery Storage**” means a BESS designated by PSE&G as eligible for participation in the Program. PSE&G shall maintain and publish on its website, a list of approved battery energy storage system models and SKUs that qualify as Compatible Battery Storage. PSE&G may revise such list at any time, including by adding or removing eligible models or SKUs, in its sole discretion.
 - 2.3.4 Subject to program eligibility requirements, Customers may be eligible for OBR financing for the portion of the BESS installation costs remaining after application of the Incentive, up to a maximum financing amount of twenty-five thousand Dollars (\$25,000) per participating Customer. Participation in the OBR financing program is subject to the Customer’s execution of, and compliance with, the applicable On-Bill Repayment Agreement and related terms and conditions. The rights and obligations of the Customer with respect to OBR financing shall be governed exclusively by such agreement together with these Terms and Conditions.
 - 2.3.5 Customer agrees to assign the Incentive relating to the Project to the applicable Trade Ally under a separate incentive assignment agreement. Following such assignment, PSE&G shall pay the amount of the Incentive directly to the Trade Ally in accordance with PSE&G’s program requirements and procedures. PSE&G reserves the right to change the value of the Incentives at any time and without prior notice to Customers. Revised incentives, if any, will be posted to these Terms and Conditions.

- 2.4 Customer expressly authorizes the Program Implementor to dispatch the BESS, modify charge and discharge schedules, and adjust operating parameters solely as reasonably necessary to provide Program services in accordance with Program rules established by PSE&G and implemented by Program Implementor. Customer grants PSE&G and the Program Implementor control and management of Program BESS for eighty-four (84) months including the month during which the BESS is installed (the “**Term**”).
- 2.5 Program Implementor may schedule up to one hundred (100) dispatch events (“**GridSmart Event**”) per calendar year. During a GridSmart Event, Program Implementor will remotely dispatch BESS to temporarily modify BESS operations (including charge and discharge levels and rates) to provide grid services. GridSmart Events may last up to four (4) hours per day, provided that Program Implementor will use commercially reasonable efforts to maintain a minimum state of charge of 20% of the BESS’ usable capacity (unless overridden or otherwise modified to a lower setting by the Customer) and will not intentionally dispatch the BESS below such level during a GridSmart Event. Program Implementor shall use commercially reasonable efforts to provide Participants with email notice of upcoming GridSmart Events at least one (1) hour prior to the start of the applicable GridSmart Event; provided, however, that Program Implementor’s failure to provide such notice shall not affect the validity of the GridSmart Event or give rise to any liability of PSE&G.
- 2.6 Customer may override or suspend a GridSmart Event for health, safety, emergency, or critical backup power purposes. Repeated or excessive overrides may result in removal from the Program or disqualification from future Program incentives.
- 2.7 Except as specified above, Customers shall not interfere with or override Program Implementor’s remote management of the BESS. Customers shall use commercially reasonable efforts to maintain internet connectivity for the BESS throughout the Term. If, due to Customer action or inaction, PSE&G is unable to maintain remote control of the BESS, or if the BESS lacks internet connectivity for ninety (90) consecutive days, PSE&G may terminate the Customer’s enrollment in the Program and any associated OBR Agreement.
- 2.8 GridSmart Battery Program participants may not dual-enroll in PSE&G’s Demand Response program Pay-for-Performance “SmartFlex” pathway. Current SmartFlex participants who enroll in this Program will automatically be removed from the SmartFlex pathway following BESS installation and will not be eligible to earn incentives from the SmartFlex pathway. However, Program participants are permitted to enroll in and receive incentives from the Demand Response program’s Direct Load Control “FlexPower” pathway.
- 2.9 The availability of Program incentives is dependent upon, among other things, the availability of funds to support the Program as well as regulatory approvals. PSE&G’s obligations under these Terms and Conditions are subject to funding and approval and PSE&G’s election to participate in the Program. PSE&G may elect not to participate in the Program or may terminate the Program, in its sole discretion, in which case, these Terms and Conditions and the Program Implementor’s obligations hereunder, shall automatically terminate.
- 2.10 Any BESS firmware updates shall be performed solely through OEM-authorized systems and processes.

3. DATA AUTHORIZATION

- 3.1 By enrolling in the Program, Customer authorizes PSE&G to collect, access, and use its data solely to the extent necessary to implement, administer the Program and participate in markets operated by PJM Interconnection LLC (“**PJM**”). The data PSE&G is authorized to collect under this Section is limited to the following categories: meter and consumption data, including interval reads, load profiles, and demand response event performance data associated with the Program-enrolled account and premises; device operational data, meaning status, availability, and dispatch response data generated by Program-enrolled distributed energy resources, the BESS, and other devices enrolled in the Program (the “**Enrolled**

Devices”), and program evaluation data, consisting of de-identified or anonymized performance and participation data used solely for New Jersey Board of Public Utilities (“**NJBPU**”) required Program evaluation and participation in PJM.

- 3.2 PSE&G may disclose Customer data only to authorized recipients, strictly on a need-to-know basis, and solely for the purposes identified above. Before disclosing data to any such recipient (except to the NJBPU), PSE&G will require that recipient to enter into a binding written agreement imposing data protection obligations no less protective than those set forth in this Section 3 and in Section 4 of these Terms and Conditions.
- 3.3 PSE&G and all authorized recipients of data under this Section shall collect and process only the minimum data necessary to accomplish the specific Program purpose for which collection is authorized. PSE&G and its authorized recipients shall maintain appropriate technical and organizational controls to prevent unauthorized access, use, or disclosure of Customer’s data at all times during the term of this Agreement and thereafter.
- 3.4 PSE&G will retain data only for as long as necessary to fulfill the purposes set forth in this Section 3, or as required by applicable law or any applicable NJBPU rule, whichever period is longer. Within sixty (60) days following the expiration or termination of Program participation, PSE&G will delete or render irrecoverable all identifiable data collected about the Customer in connection with the Program, except to the extent that continued retention is required by applicable law or NJBPU rule. To the extent Customer data is used for Program evaluation studies, reporting to the NJBPU, or any form of aggregated analysis, PSE&G will de-identify or anonymize that data in accordance with recognized industry standards before any such use or disclosure occurs.
- 3.5 PSE&G and Program Implementor may contact Customer using the contact information on file with PSE&G, but only for the limited purposes of: communicating Program instructions, dispatch events, or operational updates; conducting Program evaluation studies, including surveys or interviews, participation in which is entirely voluntary; and delivering required regulatory or Program-related notices.
- 3.6 All data collection, use, and disclosure authorized under this Section is subject to, and shall be construed consistently with, the confidentiality obligations set forth in Section 4 of this Agreement. In the event of any conflict between this Section and Section 4, the provision affording greater protection to Customer’s data shall control.

4. CUSTOMER CONFIDENTIALITY

PSE&G, Program Implementor, Trade Allies, or original equipment manufacturers of the BESS (an “**OEM**”) involved in collecting Customer information and usage data will consider all Customer information obtained under the Program: (i) to be confidential; and (ii) will not use such information for any purpose other than in connection with the operation of the Program or any other PSE&G program or service. Customer expressly understands and agrees that on a periodic basis, PSE&G, the Program Implementor and Trade Allies are required to report to the BPU: (i) Program data; and (ii) a Program evaluation report. Nothing contained herein shall prohibit disclosure of aggregated data as part of any regulatory reporting requirement.

5. PSE&G’S DISCLAIMER OF WARRANTIES

- 5.1 PSE&G does not make any warranties or representations of any kind, whether statutory, express, or implied, including without limitations: (i) installation, performance or any resultant energy savings of any BESS; or (ii) any benefits that may be derived from the Program individually, or in the aggregate.
- 5.2 Customer acknowledges that PSE&G is not the manufacturer, installer, owner, operator, or warrantor of the BESS.

- 5.3 Any warranty relating to the BESS shall be solely between Customer and the applicable manufacturer, installer, vendor, or warranty provider. Customer waives and releases any claim against PSE&G arising from or relating to any warranty obligation, warranty claim, equipment defect, failure, degradation, repair, replacement, or other BESS-related matter.
- 5.4 Customer acknowledges that nothing in these Terms and Conditions constitutes an endorsement by PSE&G of any goods or services provided by the Program Implementor, a Trade Ally, contractor, an OEM, a retailer, or a distributor.
- 5.5 Customer will not hold PSE&G responsible for any pre-existing conditions, circumstances or events, including, but not limited to, the structural defects, or other environmental hazards existing at Customer's residence.

6. ENERGY SAVINGS

- 6.1 In consideration of the services provided by PSE&G as part of this Program, Customer agrees that PSE&G is entitled to 100% of the rights and benefits associated with the measures, including, without limitation, all other current or future attributes, credits or products associated therewith under any regional initiative or federal, state or local law, program or regulation, and the Customer waives, and agrees not to seek, any right to the same.
- 6.2 PSE&G may participate in markets operated by PJM through the grid services provided by the BESS installed as part of this Program. Customer acknowledges and agrees that, for purposes of participating in markets operated by PJM, PSE&G shall own the capacity rights or other rights derived from all such grid services without cost or obligation to Customer.
- 6.3 PSE&G's ownership of such capacity rights does not affect Customer's ownership of the BESS nor the energy savings derived from the BESS.

7. INDEMNIFICATION

- 7.1 Customer shall indemnify, defend and save harmless PSE&G and each of its respective officers, directors, representatives, members, shareholders, employees, affiliates, agents, and successors (each an "**Indemnified Party**") from and against any and all damages, losses, liabilities, claims, lawsuits and expenses of any kind and nature (including reasonable attorney fees) arising out of or resulting from: (i) Customer's actions or omissions in connection with these Terms and Conditions; (ii) failure of the BESS to comply with any and all applicable warranties; and (iii) any and all claims based on product liability with respect to BESS, including but not limited to product defects, deficiencies or nonconformities, product design and manufacturing issues.
- 7.2 If a third-party institutes a legal action or asserts a claim against an Indemnified Party for which an Indemnified Party may be entitled to a defense or indemnity or to be held harmless pursuant to this Section 7, then the Indemnified Party shall notify the Customer immediately of any such claims and shall permit Customer to defend or settle such claims and to select counsel for such defense, subject, in each case, to PSE&G's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. Customer shall pay the costs of such defense and any judgment or settlement resulting therefrom, provided that no settlement shall be entered into without PSE&G's prior written consent (not to be unreasonably withheld, conditioned, or delayed) unless such settlement includes a full and unconditional release of all Indemnified Parties from all liability with respect to the claim. Indemnified Party shall provide all reasonable assistance to Customer for the defense or settlement of all such legal actions or claims. Customer shall assume the defense and control of such claim or action but shall allow Indemnified Party reasonable opportunity to participate in the defense thereof with its own counsel and at its own expense.

8. DISPUTES/GOVERNING LAW

- 8.1 These Terms and Conditions shall be governed by, and construed in accordance with, the laws of the State of New Jersey, without reference to the principles of conflicts of laws.
- 8.2 Any dispute arising out of, or in connection with the eligibility, applicability or availability of the Incentive, including a clawback of the Incentive from Customer, shall first be brought before the NJBPU. If the NJBPU does not have jurisdiction, any dispute against PSE&G shall be brought in the courts of the State of New Jersey, or in the United States District Court, District of New Jersey. As may be applicable, each of the parties hereby irrevocably consents to the jurisdiction of: (i) the NJBPU; or (ii) the courts of the State of New Jersey, or in the United States District Court, District of New Jersey in any such action or proceeding and service of process in any such action or proceeding may be accomplished by the mailing of copies thereof to it by registered or certified mail, postage prepaid, return receipt requested or by recognized overnight delivery service to each of the parties at its address set forth herein. Each of the parties hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such suit, proceeding, or action in such jurisdiction. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF, RELATING TO, RESULTING FROM, OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR ANY MATTER ARISING HEREUNDER.

9. LIMITATIONS OF LIABILITY

- 9.1 Customer hereby unconditionally and irrevocably releases and forever discharges, to the fullest extent permitted by applicable law, PSE&G, and each of its respective officers, directors, employees, agents, representatives, assigns, affiliates, parents, subsidiaries, and successors, contractors, from any and all damages, demands, and liabilities arising in relation to these Terms and Conditions.
- 9.2 In no event shall PSE&G be liable to Customer for any consequential, indirect, exemplary, special, incidental or punitive damages including, without limitation, lost profits, even if such damages are foreseeable or the damaged party has been advised of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy, and, in no event shall PSE&G's liability to Customer exceed the total amount of incentives extended to Customer pursuant to the Program.

10. TERM AND TERMINATION

- 10.1 These Terms and Conditions shall continue until terminated, amended, or modified by Customer, PSE&G or the Program Implementor.
- 10.2 PSE&G or the Program Implementor may terminate Customer's participation from the Program upon the occurrence of any event that permits termination in accordance with these Terms and Conditions.
- 10.3 Customers may withdraw from the Program at any time by providing notice to PSE&G or Program Implementor, including by contacting Program Implementor at 1-855-846-2895.
- 10.4 Upon a Customer's withdrawal from the Program, PSE&G may terminate the Customer's enrollment, discontinue any associated OBR Agreement, and require repayment of any outstanding OBR balance and the prorated Incentive in accordance with the Program requirements (as described in Section 10.5 below).
- 10.5 If Customer withdraws from the Program or otherwise ceases participation prior to the fifth (5th) anniversary of the Term, PSE&G may require repayment of a portion of the Incentive as follows: (i) \$5,000 if withdrawal occurs before the first (1st) anniversary of the Term; (ii) \$4,000 if withdrawal occurs on or after the first (1st) anniversary but before the second (2nd) anniversary of the Term; (iii) \$3,000 if withdrawal occurs on or after the second (2nd) anniversary but before the third (3rd) anniversary of the Term; (iv)

\$2,000 if withdrawal occurs on or after the third (3rd) anniversary but before the fourth (4th) anniversary of the Term; and (v) \$1,000 if withdrawal occurs on or after the fourth (4th) anniversary but before the fifth (5th) anniversary of the Term. No Incentive repayment shall be required for withdrawal on or after the fifth (5th) anniversary of the Term.

Signature: _____ Date: _____