

Energy Management Program Trade Ally Participation Agreement

This Trade Ally Participation Agreement (this “Agreement”) sets forth the requirements to become a Trade Ally for the Atlantic City Electric Company (“ACE”) Energy Management Program, inclusive of HVAC Tune-Up, Full Building Tune-Up/Retro-commissioning (RCx), and Monitoring-Based Commissioning (MBCx) subcomponents (the “Program”). “Trade Ally” is defined as any independent contractor, skilled tradesmen or electrical-mechanical service provider or any other person/entity that (i) delivers energy efficient products and expertise directly to customers, (ii) meets the below requirements, and (iii) is accepted by ACE or TRC Companies Inc. (“TRC”), the Program Implementer for ACE, as a Trade Ally in the Program. The term Trade Ally as used below will include any subcontractors engaged by the Trade Ally to perform work for customers under the Program.

To be included on the approved list of Trade Allies, a contractor must submit to TRC the Trade Ally Application. TRC will offer Trade Ally network membership to applicants at its discretion. When offered membership as a Trade Ally, the applicant must sign this Agreement, agree to follow Program guidelines, protocols and other requirements, including program reporting and verification requirements, agree to participate in a required Program orientation, and otherwise remain in good standing with ACE.

PROGRAM DESCRIPTION

1. **THE PROGRAM:** The Program is a comprehensive commercial energy efficiency program that offers financial incentives and financing for energy assessment services, energy monitoring services, and qualifying energy efficiency upgrades and measures in commercial buildings to customers who are property owners, tenants or managers (customers) of ACE in New Jersey. Customers must receive ACE electric delivery service and be in good standing. Incentives are available to customers for the purchase and installation of qualifying energy-efficiency measures at the location where the qualifying project is to be installed. ACE will not offer financial incentives for the same eligible measure to those customers who have received financial incentives or rebates from other ACE energy efficiency programs.
2. **QUALIFYING PROJECTS AND MEASURES:** Qualifying projects include electric or dual-fuel energy-efficiency assessments, energy monitoring services, and measures identified as eligible incentives in the Program. Dual-fuel energy-efficiency measures are those defined as providing both electric and natural gas energy savings. Qualifying projects do not include any electric or dual-fuel energy-efficiency measures or energy-efficiency equipment or services purchased, contracted for, or installed prior to July 1, 2021 or the project Notice to Proceed date identified by TRC. Incentives are not available for any measures served by deliverable fuels and any electric equipment served by municipal electric utilities.
3. **INCENTIVE AMOUNTS:** The amounts of the incentives for which qualifying projects are eligible are set forth below, per subcomponent. ACE reserves the right to change the measures and incentives at any time throughout the Program term. Incentive levels will be affected, in ACE’s sole discretion, by the level of comprehensiveness of the project. ACE’s decisions on these issues will be final.

a. HVAC Tune-Up:

Incentives are capped at 100% of the tune-up cost, applied at the unit level.

Unit Type	Incentive Rate
Single Compressor Units	\$175/unit
Multiple Compressor Units	\$250/unit
PTAC, PTHP or Mini-Split	\$75/unit

b. Full Building Tune-Up

ACE will pay 100% of the cost of the Trade Ally Fee for Full Building Tune-Up services, paid directly to the Trade Ally upon successful completion of the following project milestones:

Milestone	Trade Ally Incentive Amount
Application Phase complete and contract signed with customer	15% of total Trade Ally Fee
TA completion of investigation and customer agreement to proceed to measure Implementation	60% of total Trade Ally Fee
TA completion of M&V report and project closeout	25% of total Trade Ally Fee, plus Performance Bonus (see below)

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Additionally, Trade Allies may earn a Performance Bonus incentive. The value of the Performance Bonus is based on the amount of savings achieved beyond the initial savings target approved during the Application Phase. This is intended to reward Trade Allies for going above and beyond to as much savings as possible for customers. The amount of savings achieved above energy savings target will be tabulated by comparing the M&V report with the initial proposed energy savings target from the Application Phase.

Trade Allies who do meet but do not exceed the proposed savings target will not receive the Performance Bonus for the project.

Savings achieved above target	Performance Bonus Amount
Application Phase complete and contract signed with customer	3% of total Trade Ally Fee
TA completion of investigation and customer agreement to proceed to measure Implementation	6% of total Trade Ally Fee
TA completion of M&V report and project closeout	10% of total Trade Ally Fee

c. Monitoring-Based Commissioning:

ACE will pay 100% of the cost of the Trade Ally Fee for Monitoring-Based Commissioning services, paid directly to the Trade Ally upon successful completion of the following project milestones:

Milestone	Trade Ally Incentive Amount
Successful integration of MBCx software	15% of software integration and study fee, not to exceed \$25,000
Completion of MBCx Phase #1	25% of software integration and study fee
Completion of MBCx Phase #2	25% of software integration and study fee
Completion of MBCx Phase #3	35% of software integration and study fee

4. **PROGRAM FINANCING:** Third-party financing may be available for projects under the Program for Customers who qualify.

5. **IMPLEMENTATION OF WORK, PAYMENT OF INCENTIVES, INSPECTION REQUIREMENTS:** The customer will be required to pay the Trade Ally the full cost of each service or measure to be installed pursuant to the agreed upon and approved Scope of Work at a time not later than the completion of the project. Trade Ally will be responsible for providing regular updates for MBCx and RCx projects which span more than 3 months. When TRC/ACE confirms that installation of the project is satisfactorily completed, TRC/ACE will arrange for payment of the project incentive to the customer, either directly or by ACE, or, if authorized to do so by the customer, directly to the Trade Ally or other designated party. TRC/ACE quality-assurance and/or quality-control inspectors and/or ACE, in its sole discretion, may schedule and conduct a post-installation inspection to ensure satisfactory measure installation. Incentive checks will be sent after TRC confirms satisfactory installation. With advance notice to the customer, following completion of the project and in order to provide ACE with an opportunity to review the operation of the energy-efficiency measures for Program evaluation purposes, the customer will be required to agree to cooperate with any effort by ACE or its contractors and subcontractors, to make or to have made follow-up visits to customer facilities, and the customer will be required to provide building energy system data, supporting documentation, and otherwise cooperate fully in support of this effort. Pursuant to New Jersey Board of Public Utilities directive, ACE will aggregate Program energy-efficiency benefits and will be offering them into the PJM Forward Capacity Market ("FCM") as a future resource to help reduce future energy efficiency program costs. As a condition of acceptance of any financial incentives awarded by ACE, the incentive recipient/ACE customer will be required to grant ACE exclusive rights to resulting energy-efficiency benefits as related to the PJM FCM offer.

6. **TAX LIABILITY AND CREDITS:** ACE will not be responsible for any taxes which may be imposed on the customer as a result of measures installed under the Program. Each customer will be required to provide a valid Federal Tax I.D. number.

7. **DISPUTES:** ACE will have sole discretion to decide on the final resolution of any issues including but not limited to customer eligibility or incentives.

8. **PROGRAM CHANGES:** ACE reserves the right to change, modify, or terminate the Program at any time without any liability except as expressly stated herein or in the customer participation agreement. ACE will honor all written commitments made in approved application(s) provided to customers prior to the date of any change, modification, or termination of the Program, provided that project installations are fully completed within the time specified in the applicable approval period.

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9. **PROGRAM EXPIRATION:** The Program will expire June 30, 2024, when funds are depleted, or when the Program is terminated, whichever comes first.

10. **DISCLAIMER:** ACE and TRC will make no representations or warranties, expressed or implied, nor will either of them guarantee that implementation of energy-efficiency measures or use of the equipment purchased or installed pursuant to the Program will result in energy-cost savings. Accordingly, ACE recommends in the Program materials that all customers consider engaging qualified engineers or other qualified consultants to evaluate the risks and benefits, if any, of such implementation and use on energy consumption, cost savings, or operation of customers' facilities.

TRADE ALLY OBLIGATIONS

The Trade Ally will be obligated to comply with the following in becoming a Trade Ally and providing work for customers under the Program:

11. **INFORMATION AND DATA:** The Trade Ally will maintain any customer information including name, account numbers, electric & natural gas consumption data and electric & natural gas energy savings it obtains in performing work for customers under the Program (the "Confidential Information") in strict confidence. This means that the Trade Ally will treat and cause to be treated as confidential and proprietary all Confidential Information in its possession. In furtherance thereof, the Trade Ally will: (a) take commercially reasonable steps consistent with industry practices and the Trade Ally's published privacy policies to prevent the disclosure of Confidential Information except as permitted by herein or otherwise agreed to in writing by the customer; (2) use or process Confidential Information only in connection with the performance of the work for the customer under the Program; (3) make copies of any Confidential Information only as necessary for the performance of such work; (4) disclose Confidential Information only to personnel of the Trade Ally who have a need to know the Confidential Information in connection with the performance or use of such work; and (5) destroy the Confidential Information promptly following the request of TRC or ACE, and in any event upon completion of all the Trade Ally's obligations under the Program. Participants in the program must comply with the terms and conditions regarding data security set by ACE within [Attachment A](#).

12. **INSTALLATION REQUIREMENTS:** All work provided to customers under the Program by the Trade Ally must be in full compliance with the requirements of applicable laws, rules, licensing, and regulations of authorities having governmental and regulatory jurisdiction. Additionally, such work must be completed in accordance with the agreement between the Program customer and the Trade Ally. In the removal of old equipment, the Trade Ally confirms that, as a requirement of the Program, Trade Ally will remove and dispose of, or confirm that the customer has done so, any and all equipment or materials that are replaced or removed in accordance with all applicable laws, rules, and regulations. If these requirements are not met, then ACE may cancel, withdraw, and revoke Trade Ally membership.

13. **TRADE ALLY CERTIFICATION:** Trade Ally certifies that it purchased and installed the equipment listed in its application at the location within ACE's service territory specified in the application. Customer certifies that all information submitted in its Program application is true and correct and that it conformed to all Program and equipment requirements listed in the Program materials. Applications submitted by anyone other than Customer on Customer's behalf must be submitted with the express written consent of Customer. Program Incentive payments for any applications submitted by such other person or entity without the express written consent of Customer are not guaranteed.

14. **INDEMNIFICATION:** The Trade Ally will, to the fullest extent permitted by law or regulation, defend, indemnify and hold harmless each of ACE and TRC, and all their respective subsidiaries or affiliates, their respective directors, officers, employees, agents and representatives ("Indemnitees") from and against any and all liabilities, losses, claims, damages, fines, penalties, costs, expenses (including without limitation attorney's fees and expenses), demands and causes of actions of every kind or character ("Losses") arising, or alleged to have arisen, out of any claims (just or unjust) relating to: personal injury, including death to any employee or other person; damage or injury to property, including loss of use; or a breach or incident to the performance of work under the Program and/or the acts or omissions of the Trade Ally, its employees and/or subcontractors. Notwithstanding the foregoing, the Trade Ally's obligations under this section will not extend to Losses that are the direct result of a fully adjudicated finding of the sole negligence or intentional misconduct of an Indemnitee.

15. **PREVAILING WAGE AND PUBLIC WORKS:** If the work to be performed by the Trade Ally qualifies as a "public work" under the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq. (the "Act"), the Trade Ally agrees to adhere to and comply with the Act and shall require the same of its subcontractors. These obligations include but are not limited to: 1) workers employed in the performance of work under the Program shall be paid not less than the prevailing wages applicable, and 2) irrespective of public works, the Trade Ally will employ on the site only individuals who have successfully completed all OSHA-certified safety training, if any, required as a prerequisite for the particular work to be performed under the Program, which may include customer specific training. If the work falls under the jurisdiction of the New Jersey Division of Property Management and Construction, The Trade Ally agrees to comply with and to require its subcontractors to comply with all requirements of that agency and any related law.

16. **LIMITATION OF LIABILITY:** BY PARTICIPATING AS A TRADE ALLY FOR THE PROGRAM, THE TRADE ALLY AGREES TO WAIVE ANY AND ALL CLAIMS, WHETHER ARISING IN CONTRACT OR TORT AND TO FULLY RELEASE ACE AND TRC, THEIR RESPECTIVE PARENTS AND AFFILIATES, AND ALL THEIR RESPECTIVE REPRESENTATIVES, OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS AND AGENTS FROM ANY AND ALL DAMAGES, OF ANY KIND. IN NO EVENT WILL ACE OR TRC, THEIR RESPECTIVE PARENTS OR AFFILIATES, OR ANY OF THEIR RESPECTIVE PARENTS, REPRESENTATIVES, OFFICERS,

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DIRECTORS, EMPLOYEES, CONTRACTORS OR AGENTS, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL LOSSES INCLUDING, BUT NOT LIMITED TO, DAMAGES RELATED TO SAFETY, HEALTH OR WELL-BEING, LOST OR REDUCED PROFITS, REVENUES, EFFICIENCY, PRODUCTIVITY, BONDING CAPACITY, OR BUSINESS OPPORTUNITIES, OR INCREASED OR EXTENDED OVERHEAD, OPERATING, MAINTENANCE, OR DEPRECIATION COSTS AND EXPENSES.

17. **WARRANTIES:** In providing work for customers under the Program, the Trade Ally will warrant that: (a) all work provided by the Trade Ally will: (i) be of high quality; (ii) be free from any defects; (iii) be suitable for the purposes for which it was intended; (iv) be properly installed; (v) result in dependable service and performance as specified in, or that may reasonably be inferred from, the Program requirements or the agreement with the customer; (vi) comply with established industry codes and standards; (vii) comply with sound industry and work practices; (viii) comply with all laws and licensing requirements for the work; (ix) not violate any intellectual property right or other proprietary interest; and (x) otherwise fully conform in all respects to the Program requirements or the agreement with the customer; (b) all material provided to the customer, including all components incorporated into the work, will be new and free from any liens, encumbrances, security interests, and defects in title; (c) any system(s) provided as part of the work (including but not limited to heating, wiring, piping, cooling, plumbing, electrical, control, lighting, alarm, or computer systems) will operate properly and dependably and be compatible with other existing or connecting systems; (d) any material provided as part of such system(s) shall be compatible with the system(s) and its components; (e) during the progress of the work, the Trade Ally will, at its sole cost and expense, promptly repair, replace, or re-perform any work, including material, in whole or in part, that is rejected by ACE, TRC, or the customer as failing to conform to the Program requirements, and the Trade Ally will also bear all expenses required to fix any work under the Program that is impaired, destroyed, or damaged by such non-conforming work or the repair, replacement, or re-performance of such non-conforming work. and (f) for one year from the date work has been placed into commercial use (the "Warranty Period"), the Trade Ally will promptly repair, correct, replace, and re-perform any said work that fails to conform to the Program requirements or the agreement with the customer at no additional cost to the customer and all such warranty work will be performed on a schedule acceptable to the customer and will be warranted for one (1) additional full year from the date of repair, correction, replacement, or reperformance of such work, which one (1) additional year shall be considered the Warranty Period; in addition, the placement of such work into commercial use will not relieve the Trade Ally of its responsibility to provide conforming work.

Further in providing work for customers under the Program: (a) written communication to the Trade Ally from the customer, ACE or TRC specifying defective or otherwise nonconforming work that appears either during the progress of the work or during the Warranty Period after placement of the into commercial use will be deemed sufficient notice to the Trade Ally to promptly remedy the defect or nonconformity as required under the Program requirements and the agreement with the customer; (b) if repair, correction, replacement, or reperformance of defective or otherwise nonconforming work by the Trade Ally would, in ACE's, TRC's or the customer's opinion, be impracticable or disadvantageous to the customer, the customer and ACE will be entitled to a full refund of the price paid by the customer and the incentive amount paid by ACE for such defective or nonconforming work; (c) the liability of the Trade Ally will extend to all of customer's damages caused by the breach of any of the foregoing warranties and shall include, but not be limited to, the cost of removal and replacement of nonconforming material, shipping of material, correction of work, the customer's expenses resulting from the breach of the warranty, and the cost of removal and reinstallation of other material or work made necessary thereby; and (d) the Trade Ally will identify to the customer in writing all third-party or original equipment manufacturer warranties that the Trade Ally receives in connection with the work and will pass through to the customer the benefits of all such warranties (the "Pass-Through Warranties"); provided, however, that nothing in this section will reduce, or limit, the Trade Ally's obligations under the Program or the agreement with the customer.

It is further understood that: NEITHER ACE, TRC, RESPECTIVE PARENTS OR AFFILIATES, NOR ANY OF THEIR RESPECTIVE REPRESENTATIVES, THEIR OFFICERS, DIRECTORS, EMPLOYEES, , CONTRACTORS OR AGENTS ARE RESPONSIBLE FOR ASSURING THAT THE DESIGN, ENGINEERING AND CONSTRUCTION OF THE FACILITY OR INSTALLATION OF THE INSTALLED MEASURES IS PROPER OR COMPLIES WITH ANY PARTICULAR LAWS, REGULATIONS, CODES, OR INDUSTRY STANDARDS. NEITHER ACE, TRC, THEIR OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, CONTRACTORS, OR AGENTS MAKE, AND ARE NOT AUTHORIZED TO MAKE, ANY REPRESENTATIONS OF ANY KIND REGARDING THE RESULTS TO BE ACHIEVED BY THE INSTALLED MEASURES OR THE ADEQUACY OR SAFETY OF SUCH MEASURES.

18. **INSURANCE REQUIREMENTS:** By participating as a Trade Ally under the Program, the Trade Ally agrees to provide and maintain in effect during the duration of its tenure as a Trade Ally the following minimum insurance coverage with carriers authorized to conduct business in the State of New Jersey, including: (a) Workers Compensation insurance ("WCI") with statutory limits, as required by the State of New Jersey; (b) Employer's liability insurance ("ELI") with limits of not less than \$1,000,000.00 each accident for bodily injury by accident, each employee for bodily injury by disease, and policy limit; (c) Commercial general liability ("CGL") insurance (with coverage consistent with ISO Form CG 00 0104 13 or its equivalent with a limit of not less than \$1,000,000.00 per occurrence and per project or per location aggregate, covering liability for bodily injury and property damage, arising from premises, operations, independent contractors, personal injury/advertising injury, liability assumed under an insured contract and products/completed operations for not less than three years from the Program end date, or the last date the project for any customer served by the Trade Ally under the Program is placed into commercial use, whichever is later; (d) Automobile liability insurance ("ALI") coverage (including coverage for claims against the customer for injuries to personnel of the Trade Ally for owned, non-owned, and hired autos with a limit of not less than \$1,000,000.00 per accident; and (e) Excess or Umbrella liability insurance coverage with a limit of not less than \$4,000,000.00 per occurrence and per project or per location aggregate. These limits apply in excess of each of the above-mentioned policies. Excess coverage will be follow form. The liability limits under subsections (b), (c), (d) and (e) above may be met with any combination of primary and Excess or Umbrella Insurance policy limits totaling \$5,000,000. If any policy is written on a claims made basis, the retroactive date may not be advanced beyond the Program start date and coverage will be maintained in full force and effect

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for three years from the Program end date, or the last date the project for any customer served by the Trade Ally under the Program is placed into commercial use, whichever is later, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Trade Ally and either TRC or ACE. The Trade Ally will be responsible for any deductibles or self-insured retentions applicable to the insurance provided in compliance with this section. To the extent permitted by applicable laws, all above-mentioned insurance policies will: (1) be primary and non-contributory to any other insurance afforded to the customer, ACE or TRC; (2) contain cross-liability coverage as provided under standard ISO Forms' separation of insureds clause; (3) provide for a waiver of all rights of subrogation which the Trade Ally's insurance carrier might exercise against the customer, ACE or TRC (excluding PLI); (4) not require contribution before any Excess or Umbrella liability coverage will apply; and (5) having ratings of A-VII or better in the Best's Key Rating Insurance Guide (latest edition in effect at the latest date stated in the Certificate of Insurance. All liability insurance policies (excluding PLI and WCI) will include the ACE as an additional insured, will be primary to any other insurance carried by the customer, and will provide coverage consistent with ISO Form CG 2026 (11/85), or the combination of ISO Form CG 20 10 04 13 and CG 20 37 04 13, or their equivalents, and will maintain the required coverages, for a period of not less than three years from the Program end date, or the last date the project for any customer served by the Trade Ally under the Program is placed into commercial use, whichever is later. The Trade Ally will provide evidence of the required insurance coverage and file with TRC a Certificate of Insurance acceptable to TRC prior to commencement of any work under the Program. The Trade Ally will provide written notification to TRC if the policies required by this section are canceled, allowed to expire or the limits materially reduced with at least 30 days prior written notice ten business days in the case of nonpayment of premium).

19. **DEFINITIONS:** Terms used herein but not defined above will have the following meanings.

- Trade Ally – Qualified contractor/installer approved to provide services for HVAC Tune-Up, Full Building Tune-Up (RCx), or Monitoring-Based Commissioning (MBCx) paths of the Program.
- Trade Ally Fee – the contract value agreed upon between the customer and the Trade Ally, and approved by the program, for delivery of Full Building Tune-Up or Monitoring-Based Commissioning services including investigation, overseeing implementation, and savings verification. This cost does not include material and labor associated with implementation of the project.
- Energy Assessment - An inventory of Customer's existing energy consuming equipment and analysis of possible improvements and replacement measures generated by the Program, and may also be referred to as an energy audit.
- Scope of Work – Document which captures all improvements that will be part of the project.
- Project - The measure(s) to be installed in the facility listed on the application for the Program. May also be referred to herein as improvements or EEMs.

20. By participating as a Trade Ally under the Program, the Trade Ally agrees, in addition to complying with all other Program requirements, to be subject to the Contractor Remediation Policy attached as Attachment A, which was agreed to by the seven investor-owned utilities in New Jersey. For purposes of clarity, references to "Contractor" in the Contractor Remediation Policy will have the same meaning as Trade Ally.

Agreement and Signature		
By signing below, the undersigned certifies that they have the authority to sign on behalf of the Trade Ally identified below and agree on behalf of the Trade Ally to (a) comply with the foregoing obligations, (b) follow Program guidelines, protocols and other requirements, including Program reporting and verification requirements, (c) participate in a required Program orientation, and (d) remain in good standing with ACE. In addition, the undersigned Trade Ally acknowledges that it is acting as an independent entity to provide work for customers as a Trade Ally under the Program and has not hereby entered into a contractual agreement to provide services or other work for ACE or any entity of TRC.		
Trade Ally Full Legal Name		
Authorized Representative (please print)	Title:	Date:
Signature:		

Attachment A
Contractor Remediation Policy

New Jersey Energy Efficiency Programs Joint Utility Contractor Remediation Policy

As part of the transition anticipated by the 2018 Clean Energy Act (“CEA”), the seven (7) investor-owned utilities in New Jersey¹ (each, a “Utility”) have assumed primary responsibility for many of the Energy Efficiency Programs (“Programs”) previously administered by the State of New Jersey and have launched new Programs in an effort to meet the energy reduction targets required by the CEA. The Board of Public Utilities (“BPU”) has further established requirements for the utilities to adopt a coordinated Contractor remediation policy for Programs.² All Contractors participating in any of the Utility Programs should be familiar with this policy and understand the consequences for failure to comply. For purposes of this policy, a Contractor is defined as an entity that is participating in one or more Programs by providing goods or services pursuant to the terms of the Program.

General Requirements

In order to participate in the Programs, Contractors must:

- Carefully review, understand and comply with the requirements of all Programs in which they will participate.
- Hold a valid New Jersey license for all contractor work performed and continue to meet all underlying requirements for the respective licenses for the types of work they are performing.
- Secure permits when required.

Minor Infractions

Each Utility, or its implementation contractor, will monitor Contractor performance. Minor infractions regarding Program rules, as determined in the sole discretion of the applicable Utility or implementation contractor, will be brought to the contractor’s attention and corrected by the Contractor. Examples of minor infractions, include but are not limited to:

- Unintentionally submitting incorrect or incomplete data;
- Unintentionally submitting incorrect or incomplete equipment ratings; or
- Evidence, including legitimate customer complaints, of deficient service and/or equipment

Contractors will be notified of any planned remediation strategies regarding the minor infractions which may include but are not limited to coaching, additional written guidance, increased level of

¹The seven Investor-Owned Utilities include Atlantic City Electric Company, Elizabethtown Gas Company, Jersey Central Power and Light Company, New Jersey Natural Gas Company, Public Service Electric and Gas Company, Rockland Electric Company, and South Jersey Gas Company.

²As defined in the BPU’s June 10, 2020 Order in Docket Nos. QO19010040, QO19060748, and QO17091004.

quality assurance/quality control/inspections performed on their projects and/or training. There is no requirement that a Utility share information regarding minor infractions with any other Utility.

Repeated minor infractions may be escalated to be considered as a major infraction if a Contractor has not taken action to address the underlying problems causing such infractions despite the remediation actions taken.

Major Infractions

Each Utility, or its implementation Contractor, will monitor Contractor performance and share its discovery of major infractions with the other Utilities. Examples of major infractions include, but are not limited to:

- Any actions that pose a significant threat to human health and safety;
- Evidence of intentionally incorrect or incomplete data submittals or repeated incorrect or incomplete data submittals that have occurred in spite of remedial action having been previously taken;
- Evidence of intentionally incorrect or incomplete equipment ratings or repeated incorrect or incomplete equipment ratings that have occurred in spite of remedial action having been previously taken;
- Evidence of dishonesty, fraud, deception, misrepresentation, false promise or false pretense;
- Evidence the Contractor has engaged in repeated acts of negligence, deficient service, unethical, misleading, or illegal sales or commercial practices, or other failures to meet standards of business conduct and/or professional standards required under their licensing or technical requirements;
- Evidence the Contractor has been accused of engaging in acts constituting, any crime or offense relating to the Contractor's business;
- Evidence that any of the Contractor's personnel is engaged in drug or alcohol use that is reasonably likely to impair such personnel's ability to conduct Contractor's business with reasonable skill and safety;
- Misrepresentation within the Contractor's participation agreement (where applicable);
- Violation of applicable New Jersey licensing requirements or any applicable law or regulation.

Contractors will be notified in writing of major infractions identified by a Utility, along with planned remediation strategies, which may include but are not limited to probation, suspension, or termination from the Programs. The remediation strategies employed with regard to a major infraction shall be in the sole discretion of each Utility that identifies a major infraction in its

Program. Each Utility shall have the right to impose a remediation strategy based on another Utility's determination that a major infraction has occurred. For the purposes of this policy, these actions shall be defined as:

Probation: Defined period of days where every pending project for that Contractor for a particular Utility will be inspected before issuing payment and all applications pending will require pre- approval from a Manager or higher for all Programs for the Utility.

Suspension: Defined period of days where the Contractor will be prohibited from submitting any new applications to any Program or participating in any new Program customer applications as a subcontractor. Existing applications that are in process and deemed complete prior to the suspension will be allowed to proceed; provided however that the Utility will have the right but not the obligation to inspect up to 100% of the Contractor's remaining projects. A Contractor that has been suspended is precluded from using any Utility forms or software.

Termination: Contractor is prohibited from participation in any Program.

Utility Coordination:

When an individual Utility identifies a major infraction for a Contractor, all Utilities will be notified of the circumstances of the major infraction. The Contractor will have five (5) business days from the date a notice of action by a Utility is issued to provide a response if it believes there are extenuating circumstances that merit reconsideration of the action by the Utility. The Utility will provide a response within ten (10) business days and either confirm initial remediation action or issue a modified response.

Regarding major infractions, each individual Utility shall have the right to impose Probation, Suspension or Termination on a Contractor in its service territory. This may include prohibiting a Contractor from participating in any Program.