

T2 Engineered Solutions 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”) Commercial & Industrial Engineered Solutions Program (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.

1. PROGRAM OFFER:

- a. ACE is offering the Program to existing Commercial, Industrial, Municipal, University, School, Hospital, and Non-profit customers located within ACE’s service territory meeting the eligibility requirements set forth in this Section and in Section 2 below (each, “Customer”). Multifamily Customers are eligible through the Multifamily Engineered Solutions program pathway. Trade Allies interested in qualifying as a Multifamily Engineered Solutions Program Trade Ally should refer to Attachment C of this document.
- b. The Program offers comprehensive design and build energy efficiency solutions to address cost-effective energy efficiency measures (“EEMs”). Examples of end-use categories covered by the Program include, but are not limited to, lighting, HVAC, controls, refrigeration, food service, motors, domestic hot water equipment.
- c. Energy Audit, Scope of Work development, Project Design, Bid Administration, Construction Administration, Commissioning, and Measurement and Verification services are provided to Customer by an approved Program Trade Ally.
- d. The Program provides a financial incentive to offset EEM Cost and Engineering Cost. Financing for the remaining Customer portion of Total Project Cost is available per Section 5.

2. ELIGIBILITY:

To be eligible for Program participation:

- a. Customer or Customer’s Trade Ally must submit the application package to be received by TRC Companies Inc., which is the Third-Party Implementation Contractor for the Program (“TRC”), on or before June 30, 2027. All submissions will be reviewed based on the current Program requirements and incentive levels approved by ACE.
- b. Customer must be an existing non-residential retail electric service ACE electric utility account customer in good standing. Customer must pay an EE Surcharge under an ACE electric utility account.
- c. Before commencing installation or construction of equipment that will be the subject of an application under the Program, Customer’s Trade Ally must receive a formal approval letter from TRC in order to remain eligible for incentives.
- d. EEMs must be installed in buildings located within ACE’s utility service territory. Program Incentives are not available for any measures served by deliverable fuels, for example, fuel oils, propane, biogas, etc., and any electric equipment served by municipal electric utilities.
- e. While participating in this Program, Projects (as defined below) may not participate or apply for incentives for EEMs for the same equipment through other NJ Investor-Owned Utilities.

3. INCENTIVE AMOUNTS:

Program Incentives are offered on a first-come, first-served basis and are subject to Project and Customer eligibility and availability of funds. Program incentives vary depending on if the Project is participating in Engineered Solutions “Tier I” or “Tier II”. Refer to the *Engineered Solutions T2 Program Guide* for incentive details. The final incentive amount is subject to Cost True-Up (as defined below) during the Stage Three payment described in Section 5(c). ACE reserves the right to limit the amount of Program Incentives on a per-Project basis. Any such caps on individual projects will be disclosed to Program applicants.

4. TRADE ALLY PAYMENTS:

- a. **Energy Audit:** ACE shall reimburse Trade Ally 100% of the cost of the Energy Audit up to the agreed upon fees as

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shown below. Payment of the audit fee is processed at the time of audit approval and commitment from Customer to move ahead with the approved Scope of Work. The following table lists the pre-approved fees for Energy Audit services. The fees are on a per-building basis and shall be summed up for all buildings in the Project scope. If additional funds are necessary, a written request with justification as to why the building or buildings require additional funding or effort must be submitted to TRC and approved by ACE and TRC before proceeding. Any value invoiced to Customer for these services above the pre-approved value will not be reimbursed by the Program. The final fee to be reimbursed will be agreed upon between Trade Ally and TRC, prior to application approval and Notice to Proceed to Energy Audit.

Project Audit/ Assessment Fee per Building- Business							
	Fee per Building (\$)			Fee per SF (\$/SF)			
Square Footage	1,000 to 10,000	10,001 to 50,000	50,001 to 100,000	100,001 to 250,000	250,001 to 500,000	500,001 to 1,000,000	>1,000,000
ASHRAE Audit: Base Fee	\$6,000	\$14,000	\$25,000	\$0.18	\$0.14	\$0.10	\$0.07

- b. **Design through Measurement & Verification:** The remaining Trade Ally fees for design through measurement and verification, are not incentivized or reimbursed by the Program but will be rolled into the total Project cost for Customer to pay Trade Ally as Project Incentive progress payments are released to Customer. The cost of these services is subject to agreement between Trade Ally and Customer. The *Engineered Solutions T2 Program Guide* provides recommended service costs as a percentage of Project cost.

Note: There is no Trade Ally reimbursement for projects enrolled in “Tier II”. ACE, at its discretion, may allow for an Energy Audit to be reimbursed.

5. CUSTOMER INCENTIVE:

ACE shall reimburse Customer, or their designated Payee, the committed Project Incentive, which is paid in three stages of progress during the Project:

- a. Stage One – Execution of Contract Payment: TRC will process payment worth 30% of the Project Incentive when Customer or Customer’s Trade Ally has satisfactorily executed construction contracts for the Project with the prime contractor(s).
- b. Stage Two – Progress Payments: TRC will process payment worth 50% of the Project Incentive during the course of Project construction. This progress payment may be made in a single payment or a series of payments, determined at TRC’s discretion based upon receipt of contractor invoices received from Customer or Customer’s Trade Ally, satisfactory construction progression and periodic site inspections coordinated through Customer or by Customer’s Trade Ally.
- c. Stage Three – Final Payment: When the Project has achieved Final Completion, TRC will process payment worth up to 20% of the Project Incentive, subject to Cost True-Up.
 - i. Final Completion – Requires (1) completed installation and commissioning of the approved EEMs, (2) completed punch list and final invoice(s) reflecting 100% completion, and (3) ACE or TRC verification and site inspection.
 - ii. Cost True Up – If the actual EEM Cost is less than the approved EEM Cost, the Stage Three – Final Payment will be adjusted down to reflect the actual costs set forth in the Cost True-Up. If the actual EEM Cost is equal to or greater than the approved EEM Cost, the Final Payment will not be adjusted, except in circumstances previously agreed upon in writing (e.g., change orders) and subject to Program funding availability. Payments by ACE will not exceed the total EEM Cost.

ACE reserves the right to apply Program Incentives to any of Customer’s unpaid or overdue ACE accounts.

6. PROGRAM FINANCING:

Third-party financing may be available through NEIF for Projects under the Program for Customers who qualify. If financing is applied for and approved through the Program, a schedule for financing will be provided in consultation with NEIF.

7. PROGRAM PROCESS:

To qualify for and receive Program Incentives, all Program processes and participation requirements must be met. See below for additional requirements:

- a. Customer, or Customer’s Trade Ally, submits the completed Program application to TRC. TRC reviews the Project for eligibility and issues the Notice to Proceed to Energy Audit, if the audit has not been started.
- b. Customer, or Customer’s Trade Ally, performs the Energy Audit of Customer’s building and develops the Scope of Work and, if prepared by Customer’s Trade Ally, presents it to Customer. TRC performs peer review of the Scope of Work, reviews cost-effectiveness screening, and establishes committed incentive value. Upon acceptance by all parties, TRC issues the Notice to Proceed to Design. Energy Audit cost is reimbursed at this time.

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- c. Customer, or Customer's Trade Ally, develops the design documents for the approved Scope of Work for purposes of the Program Incentive and, if prepared by Customer's Trade Ally, presents it to Customer. Upon agreement, if applicable, Customer signs off on the design and proceeds to the bid process. Any changes to the Scope of Work during the design stage must be presented to TRC in a timely manner and may result in adjustment of the Program Incentive.
- d. Customer, or Customer's Trade Ally, administers the bid process. Customer or Customer's Trade Ally contracts with its selected contractor(s) and Construction Manager (if applicable). TRC finalizes the Program Incentive offer based upon the Project contract amount. Customer must agree to repay the Customer portion of the Project cost, which represents the Total Project Cost minus the Program Incentive (see Section 3).
- e. Construction begins; TRC processes the Stage One payment upon satisfactory receipt of the required documents.
- f. TRC processes the Stage Two Progress Payments as construction progresses and upon satisfactory receipt of the required documents.
- g. TRC processes the Stage Three Final Payment upon construction completion, commissioning of the installed EEMs, and satisfactory receipt of the required documents.
- h. The Customer repayment period begins. Customer repays the Customer portion of the Total Project Cost minus the Program Incentive.
- i. Customer, or Customer's Trade Ally, performs Measurement and Verification following Final Completion of measures incentivized to ensure persistence of savings.

Note: Customers enrolled in "Tier II" of the program may select which services they would like to be included in the Program: Audit, Design, Construction Administration, Commissioning, and Measurement & Verification. Only those services will be rolled into the total Project cost to which incentive caps are applied. Projects can still enroll in the Program after audit or design is completed.

8. INSPECTIONS AND SITE VISITS:

- a. The Program reserves the right to perform inspections, walkthroughs, and site visits as ACE or TRC deems necessary for any Project and will be coordinated with Customer and Customer's Trade Ally.
- b. The Program must have reasonable access to Customer's facility to perform pre, post, and in-progress construction inspections during Project initiation and for prospective bidders, to complete Energy Audit and project design, and to perform construction inspections, project commissioning, and measurement and verification. Access will be coordinated with the customer and Trade Ally.
- c. ACE or TRC, or their respective subcontractor, as applicable, has the right to refuse or end the delivery of any such inspection, walkthrough, or site visit when confronted by a person present on the premises acting inappropriately or when facing a situation deemed potentially unsafe or harmful to health or well-being. Such event may cause a delay in the receipt of Project approval for Program Incentives until such time as the condition is removed and a new inspection appointment can be scheduled. "Behaving inappropriately" includes but is not limited to the following: unreasonable demands for service, personally threatening or offensive language, threatening or erratic behavior and personal contact.
- d. In connection with such inspections, walkthroughs or site visits, prior to the arrival of the ACE or TRC inspector on Customer's premises, Customer agrees to disclose and provide accurate information to ACE and TRC when Customer personnel on the premises develops symptoms and/or is tested positive for COVID-19; provided, however, that Customer need not disclose the identity of such personnel, but will disclose what date the symptoms first developed and, if applicable, the date the positive test was taken.

9. DEFICIENCIES:

- a. Applications: If an application package is incomplete, information is missing or deemed insufficient by ACE or TRC, a deficiency notice will be sent to Customer, or Customer's Trade Ally, requesting additional information via email or through the online portal system. The information or documentation so requested must be received by TRC as soon as possible to continue through the process. If Customer or Customer's Trade Ally fails to respond to a deficiency request within 30 days, the application may be cancelled. If an application is cancelled, Customer or Customer's Trade Ally may re-apply under the Program Incentives and requirements in place at the time of re-submittal.
- b. Project: If, during routine inspections or site visits, TRC or ACE does not approve the Project installation, the Program will provide Customer or Customer's Trade Ally with written notice specifying the reasons for its disapproval. Customer or Customer's Trade Ally will submit a written plan to remedy the deficiencies specified ("Remedial Plan"). If TRC or ACE disapproves the Remedial Plan, TRC or ACE may terminate this Agreement by delivering written notice of its intent to terminate to Customer and Customer's Trade Ally, and TRC or ACE will have no further liability hereunder. Any monies previously paid may become immediately due and payable to the Program. If the Remedial Plan is approved by TRC or ACE, Customer and Customer's Trade Ally will implement and complete the Remedial Plan within a timeframe agreed upon in writing. Customer and Customer's Trade Ally will undertake diligent efforts in good faith to implement and complete the Remedial Plan; provided, however, that notwithstanding any provisions contained in this Agreement to the contrary, TRC or ACE may terminate this Agreement by written notice to Customer and Customer's Trade Ally and will have no further liability hereunder if the Remedial Plan is not fully implemented and completed within the specified timeframe. Any monies previously paid by the Program to Customer may, at ACE's or TRC's discretion, become immediately due and payable to the Program.

10. EXPIRATIONS AND DEADLINES:

- a. Customer or Customer's Trade Ally will respond, reply, and/or submit documentation as requested by TRC or its subcontractors within the specified timeline. Failure of Customer or Customer's Trade Ally to respond timely may result in delays in Project approval and receipt of Program Incentives.
- b. All parties will make commercially reasonable efforts to follow the construction schedule as outlined in Customer's construction contract with the prime contractor. When deviations from the Project schedule must occur, Customer or Customer's Trade Ally will provide to TRC a notice in writing outlining the circumstances that led to the delay, the impact to the schedule, and resolution.
- c. In the event that the Customer or Customer's Trade Ally fails to deliver the completed Project by the Final Completion Date, TRC shall deliver written notice thereof to Customer and Customer's Trade Ally, which notice shall specify a date by which the Project shall be completed and the Stage Three – Final Payment will be reduced by ten percent (10%). If Customer or Customer's Trade Ally thereafter fails to complete the Project to TRC's and or Customer's satisfaction by the date specified in TRC's written notice, TRC may declare Customer's share immediately due and payable, and retain the Stage Three – Final Payment that would otherwise have been due to Customer.

11. EVALUATION: With advance notice to Customer, following completion of the Project and in order to provide ACE with an opportunity to review the operation of the EEMs for Program evaluation purposes, 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 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.

12. TAX LIABILITY AND CREDITS: ACE will not be responsible for any taxes which may be imposed on Customer or Customer's Trade Ally as a result of measures installed under the Program. Each Customer will be required to provide a valid Federal Tax I.D. number.

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

14. 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 Customer 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.

15. PROGRAM EXPIRATION: The Program will expire June 30, 2027, when funds are depleted, or when the Program is terminated, whichever comes first.

16. 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 Customer's facilities.

17. TRADE ALLY OBLIGATIONS

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

18. 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 Customer; (2) use or process Confidential Information only in connection with the performance of the work for 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.

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- 19. 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 by the deadlines provided by 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 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.
- 20. INDEMNIFICATION:** 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.
- 21. 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.
- 22. 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 SUBSIDIARIES 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 SUBSIDIARIES OR AFFILIATES, OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, OFFICERS, 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.
- 23. 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 Customer; (vi) comply with established industry codes and standards; (vii) comply with sound industry and work practices; (viii) comply with all laws; (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 Customer; (b) all material provided to 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 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 Customer at no additional cost to the customer and all such warranty work will be performed on a schedule acceptable to 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 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

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the defect or nonconformity as required under the Program requirements and the agreement with 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 Customer's opinion, be impracticable or disadvantageous to Customer, ACE and Customer will be entitled to a full refund of the price paid by 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, 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 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 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 Customer.

It is further understood that: NEITHER ACE, TRC, THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES, NOR ANY OF THEIR RESPECTIVE REPRESENTATIVES, 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.

- 24. 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 ("WC") 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 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 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 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 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 WC) will include the ACE as an additional insured, will be primary to any other insurance carried by 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).
- 25.** 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, and the Trade Ally Code of Conduct attached as Attachment B, which is required by ACE. For purposes of clarity, references to "Contractor" in the Contractor Remediation Policy will have the same meaning as Trade Ally.

26. DEFINITIONS:

Terms used herein but not defined above will have the following meanings.

- a. **TRC** – The implementor under contract by ACE that is responsible for fulfilling the Engineered Solutions Program. TRC will act in a consultative role responsible for review, approvals, ensuring the Program requirements are met

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- by Customer, Customer's Trade Ally or other representative, and for site inspections and administering payments.
- b. **Customer's Trade Ally** – Customer's qualified third party that is responsible to execute the requirements of the Engineered Solutions program subject to reviews and approvals by TRC and or ACE. Trade Ally qualification is the responsibility of TRC and ACE.
- c. **Energy Audit** – American Society of Heating, Refrigerating, and Air Conditioning Engineers ASHRAE Level II or Level III energy audit, which develops an inventory of Customer's existing energy consuming equipment and analysis of possible replacement measures generated by Customer's Trade Ally. The level of audit is determined by Customer's Trade Ally based on the complexity of the facility and the potential energy efficiency measures; a Level III audit may not be required for all facilities or components within a facility.
- d. **Engineering Cost** – The cost of Project Design, Bid Administration, Construction Administration, Commissioning, and Measurement and Verification performed by Customer's Trade Ally.
- e. **EEM Cost** – The total material and labor cost for installation of EEMs as initially estimated by Customer's Trade Ally and later true-up via the construction contract, then final invoices, as well as Construction Management costs if applicable. If Construction Management is handled internally, it is still considered an eligible cost so long as it is properly documented.
- f. **Total Project Cost** – The combined Engineering Cost and EEM Cost.
- g. **NJ Cost Test** – The primary cost-effectiveness test to be used by NJ public utilities in evaluating project eligibility, consistent with the New Jersey Board of Public Utilities [Order](#) in Docket No. QO19010040.
- h. **Scope of Work** – Document which captures all measures that will be part of the Project.
- i. **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.
- j. **NEIF** – National Energy Improvement Fund LLC, the lender working in coordination with ACE to provide 0% financing to ACE energy-efficiency program customers.
- k. **Project Incentive** – Incentive calculated per *Engineered Solutions T2 Program Guidelines* and based on Project's approved energy savings and scope cost. Paid to Customer or their designated Payee.

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
- 1. 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

¹ The 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.

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

of 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.

Attachment B

Trade Ally Code of Conduct

General

This Trade Ally Code of Conduct sets forth the expectations and guidelines for any vendor, manufacturer, distributor, contractor, or any other provider of products and/or services (collectively, “Contractors”) that participates as a Program Trade Ally (“Trade Ally”) in the Commercial & Industrial (“C&I”) Energy Solutions for Business Program (“Program”) of Atlantic City Electric Company (“ACE”).

Business Conduct

As applicable to Trade Ally in performing the work under the Program, Trade Ally and its Subcontractors and their respective employees, agents and representatives shall adhere at all times to the provisions contained in the [Exelon-Supplier-Code of Conduct.pdf \(exeloncorp.com\)](#) (the “Supplier Code of Conduct”).

Without limiting anything contained in the Supplier Code of Conduct, the Trade Ally agrees to conduct business in an honest and ethical manner, including the following:

1. Avoid conflicts of interest (as more fully described in the Supplier Code of Conduct) in all business practices and interactions.
2. Comply with applicable laws, ordinances, regulations, codes, and all Program-specific requirements.
3. Fulfill contractual obligations on contracts executed with Program applicants and participants.
4. Work in an ethical fashion (as more fully described in the Supplier Code of Conduct) to provide services in the best interest of the Program applicant and participant.
5. Maintain respect in communication and interaction with Program staff and Program applicants and participants.

Customer Service Requirements

1. Provide responses within two (2) business days for phone and email inquiries related to the Program. If unable to fully respond within two (2) business days, the Trade Ally should provide the outreaching party an estimate of the time needed to fully respond, based upon the complexity of the inquiry.
2. Honor scheduled appointments. When unable to attend scheduled Customer or inspection appointments, the Trade Ally should notify TRC and the Program applicant / participant.
3. Submit online applications to TRC on behalf of the Program applicant, managing Program applicant expectations throughout the entire application process.

Trade Ally Participation Requirements

In addition to what is required in the Trade Ally Participation Agreement to which this Attachment B is attached, Trade Ally shall adhere to the following requirements:

- Trade Ally shall provide a valid W-9 that has been signed and dated within the last 24 months.
- Trade Ally must participate in at least one (1) project completion per calendar year to avoid removal from the Trade Ally list.
- Failure to comply with this Trade Ally Code of Conduct, the Trade Ally Participation Agreement or any of the Program requirements is subject to review and may lead to removal from the Trade Ally list and the Program.

Ramifications for Non-Compliance with Trade Ally Code of Conduct

1st Offense: Written warning detailing issue – written response requested (Action Plan)

2nd Offense: Probation – as defined in the Contractor Remediation Policy

3rd Offense: Suspension – as defined in the Contractor Remediation Policy

4th Offense: Termination – as defined in the Contractor Remediation Policy