

ALTERNATIVE ENERGY ~~CREDIT~~CREDITS

SUPPLIER MASTER AGREEMENT (SMA)

BETWEEN

PPL ELECTRIC UTILITIES CORPORATION

AND

[SELLER NAME]

DATED \_\_\_\_\_

**ALTERNATIVE ENERGY CREDITS SUPPLIER MASTER AGREEMENT**

**Articles and Provisions**

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**ALTERNATIVE ENERGY CREDITS SUPPLIER MASTER AGREEMENT**

**THIS ALTERNATIVE ENERGY CREDITS SUPPLIER MASTER AGREEMENT**, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (“Effective Date”), by and between PPL Electric Utilities Corporation (the “Company” and “Buyer”), a corporation and a public utility organized and existing under the laws of the Commonwealth of Pennsylvania and \_\_\_\_\_ (“AEC Supplier” or “Seller”), the Company and the AEC Supplier hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”.

**RECITALS**

**WHEREAS**, Seller has the ownership rights, or possesses all necessary rights as a marketer, to the Environmental Attributes to certain renewable resources (the "Projects");

**WHEREAS**, the Projects also represent and create certain characteristics that arise from the generation of electricity using a renewable energy source, referred to herein as Alternative Energy Credits or AECs;

**WHEREAS**, Seller is in the business of owning and operating such Projects or marketing AECs from producers and reselling them to retail and wholesale customers; and

**WHEREAS**, Seller wishes to sell AECs created by the Projects and Buyer wishes to buy such AECs from Seller.

**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises of the parties set forth below, the Parties hereto and intending to be legally bound hereby, agree as follows:

# ARTICLE 1

## TERM OF AGREEMENT

The term of this Agreement shall commence on the Effective Date and shall remain in effect through May 31, ~~2025~~2029, unless terminated earlier in accordance with the terms of this Agreement.

# ARTICLE 2

## DEFINITIONS

As used in this Agreement, the following terms have the respective meanings set forth below. Other capitalized terms are defined elsewhere in this Agreement.

**Agreement** - ~~means~~Shall mean all provisions, exhibits incorporated as part of this Agreement, and documents incorporated by reference and all amendments and addenda thereto.

**Alternative Energy Credit ("AEC")** - ~~shall~~Shall have, the meaning set forth in the AEPS Act.

**Alternative Energy Portfolio Standards ("AEPS")** - ~~standards~~Standards requiring that a certain amount of electric energy sold from Alternative Energy Resources be included as part of the sources of electric generation by electric utilities within the Commonwealth of Pennsylvania in accordance with the Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8, as may be amended from time to time.

**Alternative Energy Portfolio Standards Act ("AEPS Act")** - ~~the~~The Pennsylvania statute found at 73 P.S. §§ 1648.1-1648.8, as amended from time to time which, among other things, establishes the AEPS.

**Alternative Energy Resource** - ~~means~~Shall mean an electric power generator producing electric power from Solar Photovoltaic, Tier I (non-Solar Photovoltaic) or Tier II as set forth in the AEPS Act.

**Business Day** - ~~any~~Any day on which the Buyer's and PJM's corporate offices are open for business and commercial banks are not authorized or required to close in New York, New York.

**Confidential Information** - ~~means~~Shall mean all information or material, whether tangible or intangible and in whatever form, that is exchanged between the Parties with respect to the subject matter of this Agreement. The following information or materials do not constitute Confidential Information for purposes of this Agreement: (i) information or materials already known to the receiving Party before receipt from the disclosing Party; (ii) it is or becomes publicly available other than through the acts of the receiving Party; (iii) it is received by the receiving Party from a third party who, to the receiving Party's knowledge, is not prohibited from disclosing the information to the receiving Party by a contractual, fiduciary or other duty; (iv) developed or derived by the receiving Party without the aid, application or use of the Confidential Information; (v) authorized for disclosure in writing by the disclosing Party, to the extent of such authorization; or (vi) the receiving Party is advised by legal counsel that it is required to disclose by law or legal process, provided, however, that prior to any such disclosure, the receiving Party will give the disclosing Party as much advance notice of the requirement as is practical, will cooperate with the disclosing Party at the disclosing Party's expense to protect against disclosure, and if disclosure is still required, then disclose only such part of the Confidential Information that its legal counsel advises it must disclose and only to the extent of its compliance with such law or legal process.

**Contract Quantity** - ~~means~~Shall mean the total number of AECs to be delivered under this contract and pursuant to the Transaction Confirmation.

**Delivery Date** - ~~means~~Shall mean with respect to a Transaction, the last date on which Seller must initiate a transfer order for the Product to Buyer's PJM GATS account.

**Interest Rate** - ~~means~~Shall mean a per annum rate of interest equal to two (2%) percent over the prime lending rate as published from time to time in the Wall Street Journal under "Money Rates" on such due date (or if not published on such day on the most recent preceding day on which published), but in no event to exceed the maximum lawful rate.

**Party or Parties** - ~~means~~Shall mean Buyer and Seller, individually or collectively, as applicable.

**PJM GATS** - ~~means~~Shall mean the environmental registry and information system, which is administered by PJM Environmental Information Services, Inc., that tracks the environmental and fuel attributes of generation, and any successor tracking system that both Parties agree in their reasonable commercial judgment facilitates the sale and purchase of Product.

**Product** - Seller represents the Product sold hereunder meets the definition of "Alternative Energy Credit" as that term is defined in the AEPS Act, *et seq.*, as of the Effective Date.

**Product Delivery** - Seller shall initiate transfer order(s) for the Contract Quantity or Product to Buyer's PJM GATS account on or before the date set forth in Exhibit A. Upon

receiving electronic confirmation from PJM GATS that a transfer order has been initiated by Seller, Buyer shall confirm the transfer order in PJM GATS within ~~ten (10)~~five (5) Business Days.

**PUC – Shall mean the Pennsylvania Public Utility Commission and any successor thereto.**

**Replacement Price - ~~means~~Shall mean** the alternative compliance payment required by the AEPS Act for each AEC not delivered. If the alternative compliance payment required by the AEPS Act is not known for a Reporting Year for which the AECs have been intended for AEPS compliance by Buyer, then the last reported alternative compliance payment for such Product shall be used.

**Reporting Year - With respect to Pennsylvania,** means the period beginning June 1 of the prior year and continuing until May 31 of the subject year (e.g. Reporting ~~Period 2020~~Year 2025 means June 1, ~~2020~~2024 through May 31, ~~2021~~2025).

**Transaction - ~~means~~Shall mean** a particular agreement by which the Company purchases and the AEC Supplier sells AECs pursuant to this Agreement, the details of which are more fully set forth in the Transaction Confirmation(s) in the form attached as Exhibit A.

**Transaction Confirmation - ~~means~~Shall mean** a schedule in a form substantially as set forth in Exhibit A of this Agreement that contains quantity, pricing and delivery details of a Transaction.

**Transaction Date - ~~means~~Shall mean** with respect to a Transaction, the date the ~~Pennsylvania Public Utility Commission~~PUC approved the bid results associated with such Transaction.

**Vintage - ~~means~~Shall mean** the acceptable period for which the renewable energy supporting the AEC is generated as set forth in the Transaction Confirmation.

## ARTICLE 3 AEC PROVISIONS

### 3.1 Provisions

Seller agrees to sell and Buyer agrees to purchase all of Seller's right, title and interest in and to the AECs to be provided on the date and otherwise as set forth on an applicable Transaction Confirmation. In selling the AECs to Buyer, Seller hereby

represents and warrants that it transfers, conveys and sells to Buyer all present and future rights, title and interest of Seller in and to the AECs as set forth in Exhibit A to the extent: (i) Seller will have such rights, title, and interest in and to such AECs and shall be deemed to be the sole and exclusive owner of such AECs under applicable law; and (ii) such transfer and sale to Buyer is not in violation of any applicable law at the time of such transfer and sale. Seller represents and warrants that it has exclusive rights to the full and good, unencumbered and marketable title and interest in and to the AECs being transferred to Buyer and will transfer the same to Buyer on the dates provided in an applicable Transaction Confirmation. Seller covenants that it has not and will not transfer any portion of the right, title and interest in and to the AECs to any other person. Seller shall take such action as may be necessary to transfer and evidence such transfer of AECs to Buyer including the registration and Product Delivery of AECs with PJM GATS.

### **3.2 Reporting**

Seller shall be obligated to assist Buyer in the event of any discrepancies from transferring RECs to the Buyer's PJM GATS account.

## **ARTICLE 4 BILLING AND PAYMENT**

Within ten (10) Business Days of Buyer's receipt of electronic confirmation from PJM GATS that the transfer order has been completed and an invoice has been received, Buyer shall pay Seller the Contract Price for the Product delivered in accordance with this Agreement. If payment is not made within the time specified herein, the past due amount

shall carry interest at the Interest Rate.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

### **5.1 Representations and Warranties of Both Parties**

As of the Effective Date, each Party hereby represents and warrants to the other Party that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (c) it has the full right, power and authority to enter into this Agreement, to grant the rights granted hereunder, and to perform its obligations hereunder;
- (d) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (e) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
- (f) no Event of Default (as defined in Article 10 below) with respect to it has occurred and is continuing and no such event or circumstance would occur as a

result of its entering into or performing its obligations under this Agreement;

(g) it is acting for its own account, has made its own independent decision to enter into this Agreement, has had its own legal counsel review the Agreement or had the opportunity for its own legal counsel to review the Agreement and elected to not have such a review, and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(h) it is a "forward contract merchant" within the meaning of the United States Bankruptcy Code;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Agreement to which it is a Party; and

(j) with respect to this Agreement, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Agreement for purposes related to its business as such.

## **5.2 Representations and ~~Warraties~~Warranties of Seller**

As of each Delivery Date, Seller hereby represents and warrants to Buyer that:

- (a) it has the full right, interest, and/or title to sell the Product;
- (b) the Product has never been sold for any other purpose or use;
- (c) such transfer and sale to Buyer is not in violation of any applicable law at

the time of such transfer and sale or the rights of any third party;

(d) the Product is free and clear of all liens or other encumbrances or clouds on title or marketability; and

(e) the Product is based on renewable energy generation that occurred during the eligible Vintage Period.

## **ARTICLE 6 TAXES AND FEES**

Each Party shall be responsible for any taxes or other fees associated with its respective purchase and sale hereunder. As used herein "taxes" means, but is not limited to, any or all ad valorem, property, occupation, severance, first use, conservation, gross receipts, privilege, sales, use, consumption, excise, lease, transfer, transaction, surcharges, business license, and other taxes, governmental charges, licenses, fees, permits and assessments, or increases therein, other than taxes based on net income or net worth. A tax is not a penalty or a fine.

## **ARTICLE 7 ASSIGNMENT**

Neither Buyer nor Seller shall assign this Agreement nor delegate any of its duties hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided that Seller may assign this Agreement without the consent of Buyer as collateral security to any lender (and in connection therewith, Buyer shall

execute and deliver to such lender, at Seller's expense for all of Buyer's costs and legal fees related to such consent, a consent agreement in a form reasonably acceptable to Buyer) or to a successor of all or substantially all of the assets of Seller through merger, reorganization, consolidation or acquisition.

## **ARTICLE 8 CHANGE IN LAW**

If any statutes, rules, regulations, permits or authorizations are enacted, amended, granted or revoked which have the effect of changing the transfer and sale procedure set forth in this Agreement so that the implementation of this Agreement becomes impossible or impracticable, or otherwise revokes or eliminates the Pennsylvania Alternative Energy Portfolio Standards, the Parties hereto agree to exercise reasonable efforts to negotiate an amendment to this Agreement to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Agreement.

## **ARTICLE 9 INDEMNIFICATION**

(a) Should Buyer become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of Seller with respect to an obligation arising under or in connection with this Agreement, or for which Seller has otherwise assumed liability

under the terms of this Agreement, Seller shall defend (at Buyer's option), indemnify and hold harmless Buyer and its affiliates and each of their respective shareholders, board members, directors, officers and employees, agents, contractors, subcontractors, invitees, successors, representatives, and permitted assigns from and against any and all such third party claims and/or liabilities, and shall appoint counsel at Seller's expense, subject to the approval of Buyer, to defend any such claims or liabilities, except in the event of and to the extent that there is a final determination by a court of competent jurisdiction that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of Buyer, ~~in which event Buyer agrees to reimburse Seller within sixty (60) days of Seller's demand to the extent that such third party claims and/or liabilities are not covered by insurance required to be maintained pursuant to this Agreement solely for Buyer's share in contributing to the cause of such losses, penalties, expenses or damages.~~ Buyer may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(b) Should Seller (the "Indemnified Seller") become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of Buyer with respect to an obligation arising under or in connection with this Agreement, or for which Buyer has otherwise assumed liability under the terms of this Agreement, Buyer shall defend (at the option of the Indemnified Seller), indemnify and hold harmless the Indemnified Seller, its shareholders, board members, directors, officers and employees, from and against any and

all such third party claims and/or liabilities, except in the event of and to the extent that there is a final determination by a court of competent jurisdiction that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Indemnified Seller. The Indemnified Seller may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(c) If either Party intends to seek indemnification under Section 9(a) or ~~9~~Section 9(b), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld, conditioned or delayed.

(d) In the event that a Party fails or refuses to indemnify an indemnitee hereunder, in addition to all other obligations and upon adjudication in favor of an indemnitee, the indemnitor shall be responsible for any and all costs associated with bringing such action, including, but not limited to, attorneys' fees and costs.

(e) The obligation of a Party to defend, indemnify, and hold harmless another Party under this Article 9 (Indemnification) shall survive termination of this Agreement, and as such

obligation relates to claims asserted by employees of the indemnified party or otherwise, shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any statutory scheme, including any workers' compensation acts, disability benefit acts or other employee benefit acts, and both Parties hereby waive any and all immunities or statutory protections under any workers' compensation act or similar statute.

## **ARTICLE 10 EVENTS OF DEFAULT**

For purposes of this Agreement, a Party shall be in default (each of the following, an "Event of Default"):

- (a) if that Party materially breaches any or all of its obligations as described in this Agreement and such breach is not cured within five (5) Business Days of written notice of such breach from the other Party;
- (b) if any representation or warranty made by a Party in Article 5 of this Agreement proves to have been misleading or false in any material respect when made and such Party does not cure the underlying facts so as to make such representation and warranty correct and not misleading within five (5) Business Days of written notice from the other Party; or
- (c) if a Party:
  - (i) makes an assignment or any general arrangement for the benefit of its creditors,

- (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it,
  - (iii) otherwise becomes bankrupt or insolvent (however evidenced),
  - (iv) has a resolution passed for its winding-up, official management or liquidation; or
  - (v) be unable to pay its debts as they fall due.
- (d) if Seller fails to deliver AECs to Buyer's PJM GATS account within ~~five~~ ten (10) Business Days of the approval of the bid results by the Pennsylvania Public Utility Commission, or if Seller delivered AECs to Buyer's PJM GATS account, but such AECs do not conform to the requirements of this Agreement or allow Buyer to comply with the AEPS Act, and such non-compliant AECs are not replaced with compliant AECs within five (5) Business Days of Buyer's notice to Seller of such non-compliance; or
- (e) if Seller violates any federal, state or local code, regulation or statute applicable to the provision of AECs in a manner that materially<sub>2</sub> and adversely<sub>2</sub> affects the Party's performance under this Agreement.

## **ARTICLE 11 REMEDIES UPON DEFAULT**

### **11.1 Remedies**

If either Party is in default, as set forth in Article 10 at any time during the term of

this Agreement, the non-defaulting Party may select any or all of the following remedies:

(i) upon two (2) Business Days written notice to the defaulting Party, terminate this Agreement, (ii) withhold any payments due in respect of this Agreement and any other agreements between the Parties to the extent of its damages pursuant to this Article 11, and (iii) exercise such remedies as provided in this Agreement, including an action for damages (except as limited by Section 11.7) subject to the dispute resolution provisions in Article 13 of this Agreement.

### **11.2 Termination By Seller**

If Buyer is in default and Seller elects to terminate this Agreement, then Buyer shall pay Seller, within ten (10) Business Days of invoice receipt, an amount equal to the Contract Price for any Product delivered to Buyer for which Seller has not been paid.

### **11.3 Termination By Buyer**

If Seller is in default pursuant to Article 10 and Buyer elects to terminate this Agreement, then Seller shall be obligated to pay Buyer, within ten (10) Business Days of invoice receipt, an amount equal to the Replacement Price for any undelivered or non-compliant Product.

### **11.4 Interest**

All overdue payments hereunder shall bear interest from (and including) the due date to (but excluding) the date of payment at the Interest Rate.

### **11.5 No Penalty**

Both Parties hereby stipulate that the payment obligations set forth in this Article 11 are reasonable in light of the anticipated harm and the difficulty of estimation or

calculation of actual damages, and each Party hereby waives the right to contest such payments as an unreasonable penalty.

#### **11.6 Exclusive Remedy**

THE REMEDIES SET FORTH IN THIS ARTICLE 11 ARE THE SOLE AND EXCLUSIVE REMEDIES IN THE EVENT OF A DEFAULT OF A PARTY'S OBLIGATIONS TO SELL OR PURCHASE PRODUCT, AND A PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN THIS ARTICLE. ALL OTHER REMEDIES OR DAMAGES FOR FAILURE TO SELL OR PURCHASE PRODUCT AT LAW ARE HEREBY WAIVED.

#### **11.7 Limitation of Liability**

EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, IN THE EVENT OF A DEFAULT, THE DEFAULTING PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY, AND SUCH DIRECT AND ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER. IN NO EVENT SHALL ANY OTHER LIABILITY BE INCURRED BY EITHER PARTY FOR ANY OBLIGATIONS WHICH ARISE UNDER THIS AGREEMENT, INCLUDING (BUT NOT LIMITED TO) CONSEQUENTIAL, SPECIAL, INCIDENTAL, TREBLE, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES; LOST PROFITS, LOSS OF FINANCING, BUSINESS OR REPUTATION, WHEN IN TORT, CONTRACT, OR OTHERWISE.

## **ARTICLE 12 CONFIDENTIALITY**

### **12.1 Confidentiality.**

Except as provided in this Article, neither Party shall publish, disclose, or otherwise divulge Confidential Information to any person at any time during or after the term of this Agreement, without the other Party's prior express written consent. Each Party shall permit knowledge of and access to Confidential Information only to those of its affiliates and to persons investing in, providing funding to or acquiring it or its affiliates, and to its and the foregoing persons' respective attorneys, accountants, representatives, agents and employees who have a need to know such Confidential Information related to this Agreement. If Seller defaults and this Agreement is terminated pursuant to Article 11, Buyer may disclose the terms of this Agreement and any Transaction Confirmation to all other non-defaulting suppliers providing AECs to Buyer pursuant to the PUC Orders. Such disclosure by Buyer shall be made for the purpose of allowing each non-defaulting supplier to make its Step-Up elections described in Article 19 below.

### **12.2 Required Disclosure.**

If required by any law, statute, ordinance, decision, order or regulation passed, adopted, issued or promulgated by a court, governmental agency or authority having jurisdiction over a Party, as determined by legal counsel for a Party, that Party may release Confidential Information, or a portion thereof, to the court, governmental agency or authority, as required by the applicable law, statute, ordinance, decision, order or regulation, and a Party may disclose Confidential Information to accountants in

connection with audits, provided that such Party has notified the other Party of the required disclosure, such that the other Party may attempt (if such Party so chooses) to cause that court, governmental agency, authority or accountant to treat such information in a confidential manner and to prevent such information from being disclosed or otherwise becoming part of the public domain.

### **12.3 Tax.**

Notwithstanding any provision of this Agreement to the contrary, the legal obligations of confidentiality hereunder do not extend to the U.S. federal or state tax structure or the U.S. federal or state tax treatment of any transaction hereunder. If any U.S. federal or state tax analyses or materials are provided to a Party, such Party is free to disclose any such analyses or materials without limitation.

### **12.4 Survival.**

The Parties' obligations under this Article 12 shall survive for a period of three (3) years following the expiration or termination of this Agreement.

## **ARTICLE 13 GOVERNING LAW; DISPUTE ~~RESOLUTION;~~ ~~FORM RESOLUTION; FORUM~~ SELECTION; WAIVER OF TRIAL BY JURY**

This Agreement shall be construed, enforced, and performed in accordance with the laws of the Commonwealth of Pennsylvania, without recourse to principles governing conflicts of law.

In the event of any dispute, claim, question or disagreement arising from or relating

to this Agreement or breach thereof, including but not limited to claims for equitable relief, to the extent not subject to the jurisdiction of the FERC, the Parties agree that all such disputes arising under this Agreement not satisfied or resolved under the required informal resolution provisions of this Article 13 shall be submitted to the ~~Pennsylvania Public Utility Commission~~PUC for determination, unless the Buyer, at its sole ~~discretion~~discretion, elects to submit any such dispute hereunder to the Lehigh County Court of Common Pleas, or the Eastern District Court of Pennsylvania in Allentown.

AS A MATERIAL INDUCEMENT TO EACH PARTY TO ENTER INTO THIS AGREEMENT, IF THE BUYER ELECTS ~~COURT~~TO PROCEED IN A COURT TO RESOLVE A DISPUTE, THE PARTIES EACH HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING HERETO, ANY PRODUCT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

In the event that the Buyer elects ~~Court~~to proceed to a court to resolve any dispute, the Seller hereby consents to the jurisdiction of the Lehigh County Court of Common Pleas, or the Eastern District Court of Pennsylvania in Allentown and waives all rights to contest the Buyer's election of court whether based on forum non conveniens or otherwise.

## **ARTICLE 14 ENTIRE AGREEMENT**

This Agreement, together with any attachments or exhibits specifically referenced herein, constitutes the entire agreement between the Seller and the Buyer with respect to the subject matter hereof, supersedes all prior oral or written representations and contracts, and may be modified only by a written amendment signed by Buyer and Seller.

## **ARTICLE 15 RECORDING**

Each Party consents to the recording of its trading, marketing and scheduling representatives' telephone conversations without any further notice. ~~Any~~To the extent relevant, any tape recordings may be submitted in evidence to any court or in any legal proceeding for the purpose of establishing any matter relating to the Transaction. In addition, the Parties agree not to contest the authority of either Party's employees to enter into the Transaction evidenced by this Confirmation. Notwithstanding the foregoing, any agreement with respect to the Transaction shall be in a writing signed by both Parties.

## **ARTICLE 16 WAIVER**

No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed or considered as a waiver or relinquishment thereof, and any such

right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

## **ARTICLE 17 MISCELLANEOUS**

- (a) In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision of the Agreement either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party.
- (b) Neither Party shall issue or release any announcement, statement, press release or other publicity or marketing materials relating to this Agreement, or otherwise use the other Party's trademarks, service marks, trade names, logos, symbols or brand names, in each case, without the prior written consent of the other Party.
- (c) This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.
- (d) This Agreement including all Transaction Confirmations hereunder may be executed in counterparts, each of which will be considered an original, but all

of which shall constitute one instrument. Further, the Parties agree that the electronic signature of a Party to this Agreement and the forms appended herein shall be as valid as an original signature of such Party and shall be effective to bind such Party. For purposes hereof, “electronic signature” means either a manually signed original signature or an electronic symbol or process attached to or logically associated with a record and executed or adopted by a party with the intent to sign the record that is then transmitted by electronic means; “transmitted by “electronic means” means email transmission or other similar electronic or digital means of communication providing evidence of transmission, including transmission via the internet as a “pdf” (portable document format) or equivalent format. The use of electronic signature shall be approved by Buyer prior to use by Seller. ~~The requirement for Attestation and Witness is waived upon approval of electronic signature by Buyer.~~

(e) The Parties may, by mutual agreement, execute Exhibit B attached hereto for purposes of incorporating the International Swaps and Derivatives Association (“ISDA”) 2018 U.S. Resolution Stay Protocol (“ISDA U.S. Stay Protocol”) into this Agreement.

## ARTICLE 18 NOTICES

~~All notices, payments and other formal communications which either Party may~~

~~give to the other under or in connection with this Agreement shall be in writing and shall be sent electronically and by any of the following methods: hand delivery; reputable overnight courier; certified mail, return receipt requested; or, with respect to communications other than payments, by electronic means, if the original communication is delivered by reputable overnight courier.~~Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement other than legal communications shall be in writing and shall be personally delivered or sent by email, overnight express mail or courier service. Any legal communications shall be in writing and shall be personally delivered or sent by email, overnight express mail or courier service, provided that any legal communications sent via email transmission must also be transmitted by overnight express mail or courier service. All notices and communications must be addressed per the notification information for the AEC Supplier and Company as set forth below.

~~Such notices, demands or requests shall also be provided to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day.~~ The communications shall be sent to the following addresses, and shall be effective when received:

If to PPL Electric Utilities Corporation:

PPL Electric Utilities Corporation

~~Address: 827 Hausman Rd., 1st Floor, Allentown,  
PA 18104~~

~~Attn: Energy Procurement Team~~Andy Castanaro

Telephone: 484.634.3716610.774.5585

Email: PPLUAEAcastanaro@pplweb.com

If to \_\_\_\_\_ (Seller):

Attn: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

## **ARTICLE 19 SELLER'S STEP-UP RIGHT**

In the event of an early termination of an AEC SMA between Buyer and an entity other than the Seller, Buyer shall send a written notification to Seller which: (i) describes the individual AEC supply obligations associated with the terminated transaction(s); and (ii) requests Seller to agree to supply its full or partial amount of the AEC supply obligation associated with such terminated transaction, without change to the pricing, terms and conditions of the terminated agreement and transaction(s). Such agreement to make additional AECs available shall be termed a "Step-Up".

In the event that Seller wishes to exercise its option to Step-Up when such an opportunity arises, Seller shall respond to Buyer of such within five (5) Business Days from the date of Buyer's notification. In Seller's response, Seller shall indicate: (i) the maximum amount of the increased obligation that Seller wishes to take on given the additional AEC supply obligation available from the terminated transactions (which need

not be all). The amount of AEC supply obligation assigned to Seller following Seller's Step-Up response will be Seller's pro-rata share of the total of such Step-Up responses from all sellers and will be from zero up to and including the maximum amount that the Seller indicates. Seller's pro-rata share, as described in this paragraph, shall be the ratio of Seller's amount indicated in Seller's Step-Up response to the total of amounts indicated in all sellers' Step-Up responses. Once Buyer has determined Seller's pro-rata share, the Seller is obligated to execute a Transaction Confirmation in the amount of the pro-rata share within one (1) Business Day. The Delivery Date for such Transaction shall be the ~~5<sup>th</sup>~~10<sup>th</sup> Business Day from the ~~effective date of such~~ Transaction Confirmation Date.

For the avoidance of doubt, in the event that Seller does not respond to Buyer's Step-Up request within the relevant timeframe, Seller shall be deemed to have rejected the Buyer's request in full.

**WITNESS WHEREOF**, each of the parties hereto acknowledge that they have read the terms and conditions contained herein, understand and agree to the same and agree to be bound thereby and have caused this Agreement to be executed in duplicate originals by its duly authorized representative on the respective dates entered below.

**[AEC SUPPLIER]**  
("SELLER")

**PPL Electric Utilities Corporation**  
("BUYER")

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME:

TITLE: \_\_\_\_\_

TITLE:

DATE:

DATE:

**PPL Electric Utilities Corporation**  
**(“BUYER”)**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

# EXHIBIT A TRANSACTION CONFIRMATION EXAMPLE

## (One per Product)

This Transaction Confirmation letter is being provided pursuant to and in accordance with the AEC Supplier Master Agreement (“Agreement”) dated [INSERT SMA Effective DATE] between PPL Electric Utilities Corporation (“Company” or “Buyer”) and [INSERT AEC SUPPLIER NAME] (“AEC Supplier” or “Seller”). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on [INSERT AEC RFP Solicitation ~~PaPUCPUC~~ approval date] (“Transaction Date”).

Buyer and Seller are each referred to as a "Party" and, collectively, as the "Parties".

The terms of the Transaction to which this Letter relates are as follows:

**Delivery Date:** \_\_\_\_\_, which shall be ~~by or before~~ the ~~5th~~10th Business Day after the Transaction Date.

**Product:** Pennsylvania [Insert Tier] Alternative Energy Credits ("AECs") as defined in this Agreement.

**Vintage:** \_\_\_\_\_ through \_\_\_\_\_.

**Contract Quantity:** \_\_\_\_\_ AECs

**Contract Price:** \$XX.XX per AEC

**Transaction Value:** \$ \_\_\_\_\_

**Seller:** \_\_\_\_\_

**Buyer:** PPL Electric Utilities Corporation

Capitalized terms used but not defined herein shall have the meanings given to them in the AEC SMA.

~~AEC SUPPLIER~~  
**SELLER** (“SELLER”)

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**BUYER** (“BUYER”)

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**PPL Electric Utilities Corporation**  
 (“BUYER”)

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT B**  
**ADHERENCE TO THE U.S. RESOLUTION STAY**  
**PROTOCOL**

The Parties may, by mutual agreement, execute this Exhibit B for purposes of incorporating the International Swaps and Derivatives Association (“ISDA”) 2018 U.S. Resolution Stay Protocol (“ISDA U.S. Stay Protocol”) into this Alternative Energy Credits Supplier Master Agreement.

This Exhibit B is part of the Alternative Energy Credits Supplier Master Agreement dated \_\_\_\_\_, 20 (as amended, modified or extended from time to time) between PPL Electric Utilities Corporation (the “Buyer”) and \_\_\_\_\_ (the “AEC Supplier”).

AEC Supplier hereby confirms that it is an adherent to the ISDA U.S. Stay Protocol. Buyer confirms that it is or that it will become an adherent to the ISDA U.S. Stay Protocol. If Buyer is not an adherent to the ISDA U.S. Stay Protocol when this Exhibit B is executed, Buyer will submit an Adherence Letter for acceptance by the ISDA no later than ten (10) Business Days after execution of this Exhibit B.

The terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of the Alternative Energy Credits Supplier Master Agreement, and the Alternative Energy Credits Supplier Master Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay

Protocol, AEC Supplier shall be deemed to be a Regulated Entity and Buyer shall be deemed to be an Adhering Party. In the event of any inconsistencies between the Alternative Energy Credits Supplier Master Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

The terms “Regulated Entity”, “Adhering Party”, “Adherence Letter” and “Protocol Covered Agreement” shall have the meanings given to them in the ISDA U.S. Stay Protocol. All other terms not defined herein shall have the meanings given to them in the Alternative Energy Credits Supplier Master Agreement between the Parties.

**PPL ELECTRIC UTILITIES  
CORPORATION**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

**[AEC SUPPLIER]**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_