

PPL Electric Utilities Business Energy Efficiency Program Terms and Conditions

Terms and Conditions

PPL Electric Utilities Corporation ("PPL") is offering financial incentives under the PPL Electric Utilities Business Energy Efficiency Program to facilitate the implementation of cost-effective energy-efficient measures for commercial, industrial, governmental, institutional, and non-profit customers.

Completed applications will be reviewed in the order received. Applicants who submit incomplete applications will be notified of deficiencies upon review of the application, which will be held separately until all requested information is received. Applicants are encouraged to email PPLBusiness@clearesult.com or call 1-866-432- 5501 if they have any questions about documentation requirements. Funds are limited and subject to availability. The program and/or its individual components may be extended, modified (including changing incentive levels), or terminated without prior notice.

Program Effective Dates

The current program cycle runs from June 1, 2021, through May 31, 2026. The PPL Electric Utilities Business Energy Efficiency Program offers incentives under Act 129 and is subject to change. See the Business Energy Efficiency Program website at pplelectric.com/businessrebates for program information.

Program and Project Eligibility

All customers who receive their electricity via the PPL distribution network are eligible to apply for these incentives, regardless of the electric generation supplier from which the customer has chosen to purchase electricity. Both small and large multifamily projects also are eligible for incentives under this program and must provide their master meter account information.

Many projects involving energy savings may be eligible. To qualify for financial incentives, customers are required to provide documentation that their proposed efficiency upgrades pass the program cost-effectiveness threshold and technical criteria according to the Act 129 evaluation requirements. Incentives are determined on a case-by-case basis and are paid per unit of energy (kWh) and/or peak demand (kW) saved (up to \$500,000 per site or \$1 million per parent company). Projects not eligible for incentives include those that:

- Do not receive pre-approval prior to project construction beginning
- Receive incentive through any other energy efficiency program offered by PPL
- Merely terminate existing processes, facilities, or operations; or are simple control adjustments
- Relocate existing processes, facilities, or operations out of PPL's service territory

- Are required by local, state, or federal law, building or other codes; or are standard industry practices.

Incentive Payment Limits

Incentives are capped at \$500,000 per customer site per year, and/or \$1 million per parent company per year for customers with multiple sites. Incentives payments cannot exceed 50% (80% for DD) of the customer's total external out-of-pocket costs for the project (e.g., net of any third-party funding such as grants). Customer internal labor costs cannot be included in calculating implementation costs as they are 'sunk' costs and not incremental costs associated with the custom incentive project.

Application Review Process

Once an application is submitted in good order, pre-approval will be received in 15 business days. Following review of the pre-approval application, which must include all relevant documentation, the PPL program team will respond with an offer letter if the project is eligible. The offer letter is not a guarantee of an exact dollar amount; but serves as approval for project acceptance.

Invoices for all associated work must be provided. Each project invoice must provide sufficient detail to separate the project cost from the cost of other services such as repairs and building code compliance. PPL reserves the right to request additional supporting documentation necessary to determine measure eligibility and verify that the expected energy savings will occur. Requested information may include, but is not limited to: equipment purchase dates, installation dates, proof that the equipment is operational, manufacturer specifications, warranty information, and proof of customer co-payment. PPL will make every effort to maintain the confidentiality of customer information except when such information must be provided to the Pennsylvania Public Utility Commission ("PUC") and its contractors, as well as contractors engaged by PPL to perform measurement and evaluation.

Inspections and/or PUC's Statewide Program Evaluation

PPL, its agents, program evaluation contractor, and/or the PUC statewide program evaluator have the right to audit or inspect all projects to verify the accuracy of project documentation as well as compliance with these terms and conditions and the program rules. This may include pre-installation and/or post-installation inspections, detailed lighting layout descriptions, metering, data collection, interviews, and utility bill data analysis. By submitting a completed application, the customer agrees to allow access by the entities listed above to project documents and the facility where the measures were installed for a period of five years after receipt of incentive payment from PPL.

Tax Liability

Incentives may be taxable for most taxpayers. If the incentive is more than \$600, it will be reported to the IRS and the customer will be provided by CLEAResult with an IRS form 1099, unless the customer is exempt. PPL is not responsible for any tax liability that may be imposed on any customer as a result of the payment of program incentives. All customers must supply their federal taxpayer ID number to PPL in order to receive a program incentive. Please consult with your tax professional for information on the tax treatment of the incentives.

Warranties/No Endorsement and Limitation of Liability

PPL does not endorse, support, or recommend any particular manufacturer, contractor, supplier, product, measure, or system design in connection with this program. PPL does not guarantee the specific level of energy savings with respect to any product, system design, or energy efficiency measure.

PPL makes no representations and provides no warranty or guarantee with respect to: (a) design, manufacture, construction, safety performance, or effectiveness of newly installed equipment or (b) the work performed by any contractor with respect to the design, manufacture, or installation of any measures in connection with this program, including any warranties of merchantability or fitness for a particular purpose. By virtue of participating in this program, the customer agrees to waive any and all claims or damages against PPL except the receipt of any applicable program incentives. Customer agrees that, except with respect to any applicable third-party payment release authorization, PPL shall have no obligations to any third party arising under or related to the program.

The customer and its contractor(s) shall be solely responsible for (i) the construction, installation, maintenance, and/or operation of the measures, and (ii) any liability or claims arising under or related thereto. The customer and its contractor(s), and not PPL, are responsible for (a) the installation of the measure in accordance with any and all laws, standards and codes, and (b) disposing of any equipment and materials according to local and state code requirements.

Capacity Rights

PPL Electric Utilities ("PPL") owns the forward capacity rights and the ability to bid this capacity into the PJM forward capacity market for any energy-efficiency project, measure installed, or product purchased, which includes downstream programs, direct discount, rebate or incentive paid, or free measures installed or provided by PPL Electric Utilities, its representative conservation service provider, partners, trade allies, or distributors. Customers can request that PPL return ownership of the forward capacity rights by emailing retainrights@clearesult.com with the EA number assigned to your energy efficiency project. PPL's decision to return the forward capacity rights is in its sole discretion and is under no obligation to return ownership of forward capacity rights upon customer request. Customers will receive a response concerning their capacity rights within 4 to 6 weeks.

Final (post-construction) Application Agreement

In exchange for the receipt of any incentive payments from PPL Electric Utilities Corporation ("PPL") for which the applicant may be eligible, the applicant:

1. Certifies that work was installed between June 1, 2021 and May 31, 2026. Project documentation, including product specification sheets, and copies of dated invoices for the purchase and installation of the measures, are attached to the project application or submitted via the online application portal.
2. Understands that the location or business name on the invoice must be consistent with the application information. The applicant agrees to verification, by PPL or its representatives, of both sales transactions and equipment installation.
3. Has attached to the project application or submitted via the online application portal any other documentation requested by the program team. The applicant understands that PPL or its

representatives shall have the right to ask for additional information at any time, and that PPL will make the final determination of incentive levels for all projects.

Certifies that the information on the project application or submitted via the online application portal is true and correct and that the taxpayer ID number and tax status is the applicant's. The applicant understands that incentives more than \$600 will be reported to the IRS unless the applicant submits appropriate exemption documentation.

4. Understands that this project must involve a facility improvement that results in improved energy efficiency and/or a permanent reduction in energy usage. The applicant understands that in the event the incentive funds were reserved based upon the initial application, such reservation, including the specific dollar amount of reservation, did not represent a guarantee that such funds will be paid. Payment of incentives is based upon the documentation provided at project completion and final review of the project and program terms and conditions, as well as the availability of funds.
5. Understands that all materials removed, including lamps and PCB ballasts, must be permanently taken out of service and disposed of in accordance with all laws, including local codes and ordinances. The applicant understands it is the applicant's responsibility to be aware of any applicable codes or ordinances and that information about hazardous waste disposal can be found at www.epa.gov/hw.
6. Understands that it may be recognized as a program participant in promotional materials; however, project details will not be released to the public without the applicant's prior consent. If the applicant chooses to opt-out of any recognition, it will indicate its choice in a letter addressed to:

Attn: PPL Electric Utilities Business Energy
Efficiency Program
CLEAResult
1275 Glenlivet Drive, Suite 340
Allentown, PA 18106
or via email to pplbusiness@clearresult.com

7. Understands that PPL does not guarantee the energy savings and does not make any warranties associated with the measures eligible for incentives under the programs and, further, that PPL has no obligations regarding and does not endorse or guarantee any claims, promises, work, or equipment made, performed, or furnished by any contractors or equipment vendors that sell or install any energy efficiency measures.
8. Understands that programs, eligibility requirements, and incentives are subject to change. Program information is listed on the Business Incentive website at pplelectric.com/businessrebates.
9. Understands and agrees to be bound to the terms and conditions herein when submitting any incentive application to PPL, and further understands that these terms and conditions may be changed at any time without prior notice and shall be governed by the laws of the

Commonwealth of Pennsylvania. The applicant understands that either it or PPL may bring any legal action or proceeding arising out of or relating to this application only in federal courts in eastern Pennsylvania or in the state courts in Lehigh County, Pennsylvania.

The applicant consents to the exclusive jurisdiction of such courts for the purpose of all legal actions and proceedings. THE APPLICANT WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR LATER HAVE TO THE LAYING OF VENUE AS PROVIDED IN THIS SECTION AND ANY CLAIM THAT ANY ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORM. THE APPLICANT KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATION TO THIS APPLICATION. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER IN CONTRACT, TORT, OR OTHERWISE.

10. Has read, understood, and is in compliance with all rules and regulations concerning PPL Business Energy Efficiency Programs. The applicant certifies that all information provided is correct to the best of its knowledge and gives PPL permission to share the applicant's records with the PUC, and agents, representatives, and contractors it selects to manage, coordinate, or evaluate the program. Additionally, the applicant hereby authorizes PPL to have reasonable access to its property to inspect the installation and performance of the equipment and installations that are eligible for incentives under the guidelines of the program.