



An Exelon Company

Program Rules and Customer Agreement

April 2016

energy  **wise** rewards[™]
Maryland

ENERGY WISE REWARDS™

PROGRAM RULES

Eligibility

- Open to all residential rate classes.
- Customer must be named on the Pepco account.
- Customer must have a central air conditioner or heat pump.
- Customer must have control of the thermostat. If Customer is a tenant, landlord approval must be certified.

Devices

- Customer can select either a web-programmable thermostat or an outdoor switch to be used to cycle off and on the compressor during times of high overall electricity demand.
- Pepco will provide and install the device(s) at no charge to Customer.
- Pepco will install, and provide Customer bill credits for, one device for each air conditioning unit or heat pump on the premises.

Credits

- Pepco will apply the one-time Installation Credit to Customer's bill after the device is installed.
- Pepco will apply the Annual Reward Credit to Customer's bill each month, June through October, each year Customer participates in the program.

Cycling Level	Installation Credit after installed	Annual Reward Credits (billing months June-October)
50%	\$40	\$8/mo.
75%	\$60	\$12/mo.
100%	\$80	\$16/mo.

- Pepco may modify the incentive structure at any time.

Participation

- Customer can select a cycling level that will permit Pepco to cycle off and on the compressor of the Customer's central air conditioner unit or heat pump during times of high overall electricity demand.
- Participating Customers may experience a temperature increase during a cooling season conservation period.

Variables such as insulation, shaded windows, the use of ceiling fans, and the amount of foot traffic, all can also affect the temperature. Below are the changes a typical home may experience:

Cycling Level	Temperature Change
50%	1-3 degrees
75%	2-4 degrees
100%	4-7 degrees

Cycling Level Changes

- Customer may change the cycling level twice in the first year, and once each subsequent year.
- Customer shall have the right at any time to terminate the service by notifying Pepco in writing or by telephone.
- If Customer ceases to participate in the program, Pepco will disable the device in the operational and billing systems effective immediately, the device will no longer be cycled during conservation events, and Customer will no longer receive bill credits. *The device will remain in place unless Customer requests Pepco remove it.*

Conservation Periods

- Conservation periods will occur during the cooling season, generally June through September on Peak Savings Days, between noon and 8 p.m., and usually last 3-6 hours.
- During a Peak Savings Day conservation period, Pepco will post information on **pepco.com**, and Customer will see an indicator light on the Energy Wise Rewards device.
- There is no limit to the number of Peak Savings Days Pepco can call each year, but Customer can expect five or fewer a year.
- Customer may opt out of up to two Peak Savings Day conservation periods a year by calling **1-866-353-5798**.
- PJM* could require a conservation period (Priority Peak Day) for reliability reasons any time of year, and Pepco may cycle the air conditioner or heat pump to comply. The period will last until the situation is resolved. Pepco cannot state how long a conservation period of this type may last. Customer may not opt out of a Priority Peak Day conservation period.

CUSTOMER AGREEMENT

1. BY SUBMITTING YOUR ENROLLMENT CARD, AND/OR BY PARTICIPATING IN THE PROGRAM, YOU ("CUSTOMER") CERTIFY THAT YOU ARE A NAMED PEPSCO ACCOUNT HOLDER, AND YOU AGREE TO THE TERMS OF THIS PARTICIPATION AGREEMENT. IF YOU DO NOT AGREE WITH THESE TERMS, PLEASE CONTACT A PEPSCO REPRESENTATIVE TO REQUEST THAT YOUR NAME BE REMOVED FROM THE ENERGY WISE REWARDS PROGRAM ("THE PROGRAM") BEFORE PEPSCO INSTALLS A WEB-PROGRAMMABLE THERMOSTAT INSIDE YOUR HOME, OR AN OUTDOOR SWITCH NEAR YOUR CENTRAL AIR CONDITIONER UNIT (BOTH REFERRED TO HEREIN AS "the Equipment"). IF YOU DO NOT AGREE TO THESE TERMS AFTER THE EQUIPMENT HAS BEEN INSTALLED, PLEASE CONTACT PEPSCO TO HAVE YOUR EQUIPMENT REMOVED. A PORTION OF THE INSTALLATION CREDIT WILL BE REVERSED IF CUSTOMER CANCELS WITHIN 12 MONTHS OF INSTALLATION.
2. Pepco (or its Contractor) will install the Equipment. While it is not necessary for Customer to be home while Pepco installs the outdoor switch, Customer may request an appointment so that Customer may be home during installation. If Customer is at home, Customer may advise the installer as to where the device is to be placed. Installer will accommodate Customer's request so long as the desired location will provide the required functionality. Customer agrees that, if the web-programmable thermostat is to be installed, Customer will need to make an appointment and have a responsible adult at home during the installation inside Customer's home. Pepco (or its contractor) will be responsible for properly disposing of the old thermostat(s), if necessary. Customer agrees to provide Pepco or its Contractor with access, at reasonable times, to Customer's premises to install, inspect, maintain, and/or repair the Equipment.
3. Unless Pepco advises Customer otherwise, the Equipment shall remain the property of Pepco and shall not become a fixture. Customer agrees to notify Pepco if Customer disconnects or removes the Equipment. This Agreement and the Equipment supplied by Pepco are not assignable or otherwise transferable by Customer. Pepco will not be liable to Customer or to any third party for any losses or damages, including loss of profits, loss

of earnings, loss of business opportunities, and personal injuries (including death), including, without limitation, any damage resulting from or arising out of Customer's participation in the Program.

4. Customer understands that Pepco assumes no responsibility for and shall have no responsibility for the condition or repair of Customer's central air conditioner or other equipment. Customer understands that Customer is responsible for the repair and maintenance of Customer's equipment.
5. THE PROGRAM AND EQUIPMENT ARE PROVIDED "AS IS." CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT PEPCO MAKES NO REPRESENTATION OR WARRANTIES ABOUT THE EQUIPMENT OR PROGRAM, WHICH ARE BOTH PROVIDED WITHOUT WARRANTY OF ANY KIND, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT. PEPCO DISCLAIMS ALL WARRANTIES TO THE FULLEST EXTENT PERMITTED BY LAW.
6. Customer agrees to hold harmless, defend, and indemnify Pepco and its subsidiaries, affiliates, officers, agents, and employees, from and against any third-party claim arising from or in any way related to your improper use of the Equipment or Program, including any liability or expense arising from all claims, losses, damages (actual and consequential), suits, judgments, litigation costs, and attorney's fees, of every kind and nature. In such a case, Pepco will provide you with written notice of such claim, suit, or action.
7. This Agreement constitutes the entire agreement between Customer and Pepco. No undertaking, representation, or warranty made by any agent or representative of Pepco in connection with the sale, installation, maintenance, or removal of services or Equipment shall be binding on Pepco except as expressly included herein.
8. Customer understands that Pepco reserves the right to modify the terms of the Energy Wise Rewards program, and notify Customer of such Program modification. Customer's continued participation in the Program following notice of such change shall be considered acceptance.
9. Pepco may assign or delegate any of its rights or obligations under this Agreement to independent

contractors or other third-party organizations. Customer may not assign or transfer your rights without Pepco's written consent.

10. The above provisions regarding events beyond Pepco's control, warranties, disclaimers of warranty and liability, and termination will survive the termination of this Agreement. Failure to insist on strict performance of the terms will not operate as a waiver of any subsequent default or failure of performance. If any part of the above is determined to be invalid or unenforceable by a court of competent jurisdiction, then the invalid or unenforceable provision will be deemed ineffective and the remainder of the Agreement shall continue in effect. No joint venture, partnership, employment, or agency relationship exists between Customer and Pepco as a result of this Agreement.



An Exelon Company

For answers to your questions about the Energy Wise Rewards program, please call **1-866-353-5798** or visit **pepco.com/rewards**

*PJM is the organization that manages the generation and transmission of electricity for all residents of the Middle Atlantic Region and portions of the Midwest. PJM determines when operating conditions are approaching the limits of the system and what actions are to be taken to avoid blackouts or other system emergencies potentially affecting large areas. PJM schedules all power plant and load management operation through an auction mechanism to obtain lowest reasonable cost of electricity for supply to electric utility customers in the region. Individual customers may also contract with independent generating companies for a portion of their electric supply, such as for renewable energy, but delivery of their energy across the regional grid is coordinated through the PJM operation control center to maintain system stability for all areas within our region.

PERPR1622