

APPENDIX E

DS SUPPLIER'S OBLIGATIONS FOR AEPS COMPLIANCE

To satisfy AEPS requirements with respect to the DS Supplier Responsibility Share, DS Supplier shall fulfill the following obligations:

- (1) Providing sufficient AECs for each tranche award via the DS Solicitation less the allocated AECs. Appendix E and Exhibit 1 will apply during the term of the Agreement and will be used to determine the number of AECs a DS Supplier must deliver to Buyer to fulfill DS Supplier's AEPS obligation except to the extent that DS Supplier's AEPS obligation may be reduced by any AECs obtained separately by the Buyer and allocated to DS Supplier's AEPS obligation as shown on a Transaction Confirmation. Any Buyer AECs allocated to DS Supplier's AEPS obligation as set forth in Exhibit 1 shall remain the property of Buyer and shall not be transferred to DS Supplier;
- (2) Paying any AEC penalties, costs, charges, etc. assessed against the DS Supplier and/or the Company associated with the DS Supplier's non-performance with AEPS requirements;
- (3) Submitting to the Company proof of AEPS compliance under this agreement in such form and manner as may be required by the Company.
- (4) Provide to the Company all information the Company may require to comply with the AEPS Act and its implementing regulations and other Requirements of Law, including, but not limited to the price paid per AEC required by 73 Pa.C.S. §1648.3(e)(8).

This Appendix E shall conform the AEPS obligation of the Transaction agreed to on _____ ("Transaction Due Date").

AEPS obligations for the period beginning 6/1/2015 based on the total MWh supplied by the DS Supplier:

<u>Reporting Period</u>	<u>Tier 1</u>	<u>PV</u>	<u>Tier 2</u>
6/1/2015 to 5/31/2016	5.5%	0.2500%	8.20%
6/1/2016 to 5/31/2017	6.00%	0.2933%	8.20%
6/1/2017 to 5/31/2018	6.50%	0.3400%	8.20%

The percentages set forth above are those applicable for the DS Solicitation and may be revised for future DS Solicitations to reflect changes in law or other applicable regulatory requirements.

September 5, 2015

DS Supplier shall transfer all AECs to Buyer using GATS. Buyer will provide with an estimate of DS Supplier's AEPS obligation following the second quarter of the AEPS reporting period and with a final statement within thirty (30) calendar days of the end of AEPS reporting period. DS Supplier shall transfer the amount of AECs shown on Buyer's estimate and on the final statement within forty-five (45) calendar days after the date of each such estimate or statement. DS Supplier warrants that all AECs transferred to Buyer during an AEPS reporting period (or during the twenty calendar days thereafter) shall be eligible for Buyer's use for compliance during such AEPS reporting period.

If AEPS requirements change by law or any other reason, DS Supplier shall be responsible for providing the credits at its expense in order to comply with its obligations under Full Requirements Service.