

**Exhibit C**

**TRANSACTION CONFIRMATION LETTER**

\_\_\_\_\_, 20\_\_

PSE&G Ref. # \_\_\_\_\_

To:

Phone:

Fax:

From

Phone:

Fax:

In accordance with Section \_\_\_\_ of the Solar Loan Agreement entered into by Public Service Electric and Gas Company (“**Lender**” or “**Buyer**”) and \_\_\_\_\_ (“**Borrower**” or “**Seller**”) dated \_\_\_\_\_ (“**Loan Agreement**”), this is to confirm Buyer’s exercise of its option to purchase Solar Renewable Energy Certificates (“**SRECs**”) from Seller’s Facility<sup>1</sup> according to the following terms and conditions:

**Trade Date:** \_\_\_\_\_, 20\_\_

**Product**

**and Creation:**

The product is Solar Renewable Energy Certificates, as defined in the New Jersey Renewable Energy Portfolio Standards 14:8-2.2, as amended. SRECs are issued on a monthly basis by the New Jersey SREC Program Administrator based on electricity generated by solar Photovoltaic (“**PV**”) systems in New Jersey. This electricity generation is tracked either through monthly meter readings (for systems greater than or equal to 10 KW) or engineering estimates (for systems less than 10 KW). When 1,000 KWh, or 1 MWh, of energy are produced, the Program Administrator deposits 1 SREC into the Seller’s or its Agent’s account on the SREC website ([www.njcep.com/srec](http://www.njcep.com/srec)).

<sup>1</sup> Unless a different meaning is expressly stated, capitalized terms shall have the meaning given to them in the Loan Agreement.

**Delivery Period:** [to be determined]

**Facility (ies):** The number of SRECs credited to an individual SREC account will be based on the energy generation from the generation facilities physically located within the state of New Jersey and owned by the Seller, as such Facility is identified in the Loan Agreement .

**Contract Quantity:** Approximately \_\_\_\_\_ SRECs (not to exceed the Maximum Contract Quantity), as produced by the Facility.

**Contract Price:** \$\_\_\_\_\_ per SREC in accordance with Section \_\_\_\_\_ of the Loan Agreement.

**Delivery Schedule:** Monthly, during Delivery Period, or as soon as one (1) SREC is generated, whichever is longer. It is anticipated that for residential installations, one SREC will be generated every four to five months.

**Delivery to Buyer**

**and Payment:** Seller will deliver the Contract Quantity of certified SRECs to Buyer each month, or as soon thereafter as the SREC is generated and certified, during the Delivery Period using the New Jersey Solar Renewable Energy Certificate Program Internet website ([www.njcep.com/srec](http://www.njcep.com/srec)) or its equivalent, as sanctioned by the NJ BPU (“**Website**”). Buyer’s registered account name on the Website is “Public Service Electric and Gas Company”. Seller’s registered account name on the Website is “\_\_\_\_\_”. SRECs delivered from Seller to Buyer, in accordance with the Website’s protocol, shall be deposited into an escrow account on behalf of Buyer as title holder of those SRECs. Within ten (10) Business Days following expiration of the Delivery Period, Buyer shall issue payment to Seller along with an explanatory statement showing how Buyer arrived at the payment amount. Seller shall have ten Business Days from receipt of the statement to contest the amount paid. Payments

not issued by the 10<sup>th</sup> of the month will be considered delinquent, and will be assessed a late fee at the rate of 1% of the unpaid amount per month. Within two (2) Business Days after receipt of payment, Seller shall notify the administrator for the Website (“**Administrator**”) that Buyer’s payment has been received and Seller shall request that the remaining escrow period be rescinded thereby allowing for the immediate and permanent physical transfer of the SRECs to Buyer. SREC delivery by Seller shall be deemed complete when the Administrator has been notified to release the SRECs from the escrow account into the Buyer’s Website Account. This notification shall fulfill Seller’s obligations.

Failure to make delivery on the day scheduled due to Buyer’s action or inaction or due to problems with the Website shall not be deemed to be a default by Seller. In such event, Seller shall deliver the applicable SRECs to Buyer within three (3) Business Days of Seller being advised of the correction of the problem that prevented transfer.

Seller warrants that Buyer shall have the exclusive title and rights to any and all SRECs in an amount up to the Contract Quantity produced by the Facility free and clear of all liens, security interests, encumbrances, and Claims.

**Certification:** All SRECs included in the sale hereunder will be New Jersey Certified, as verified by an agent appointed by the NJ BPU.

**Other Terms:** See the General Terms and Conditions attached and by this reference made a part of this document.

Very truly yours,

Public Service Electric and Gas Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## GENERAL TERMS AND CONDITIONS

### 1) **WARRANTY; REPRESENTATIONS**

Seller represents and warrants that all Product sold under this Agreement is delivered free and clear of all liens, encumbrances and claims. For the purposes of this Agreement, "Delivery" occurs when title and risk of loss related to Product has been transferred from Seller to Buyer and the transfer of SREC's is properly recorded within the New Jersey Solar Renewable Energy Certificate Program ("NJ SREC Program"). On and as of the Trade Date, each Party represents and warrants to the other Party that the term "Claim" for purposes of this Agreement shall mean all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys' fees and court costs, whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

Buyer represents and warrants:

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) 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;

D) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms; subject to any equitable defenses, bankruptcy principles, or the like;

E) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

F) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

G) no event of default 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;

H) it is acting for its own account, has made its own independent decision to enter into this Agreement 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;

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.

Seller represents and warrants:

A) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms; subject to any equitable defenses, bankruptcy principles, or the like;

B) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

C) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

D) no event of default 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; and

E) it is acting for its own account, has made its own independent decision to enter into this Agreement 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.

## **2) MOVEMENT OF PRODUCT**

Subject to the terms and conditions of this Agreement, Seller shall sell and deliver, and Buyer shall purchase and receive, the Contract Quantity of Product at Delivery and Buyer shall pay the Contract Price for Product so delivered. Seller shall be responsible for any costs or charges imposed on or associated with the Product up to Delivery and Buyer shall be responsible for any costs or charges imposed on or associated with the Product at and from the Delivery.

## **3) PAYMENT**

Payment shall be made in accordance with the Confirmation Letter. If Seller in good faith disputes the correctness of a payment and accompanying explanatory statement issued by Buyer, Seller shall have the right to contest this in accordance with the Confirmation Letter. The Parties shall attempt in good faith to resolve the dispute promptly through negotiations. If it is determined that Buyer has underpaid, Buyer shall pay Seller the amount which remains due and unpaid within five (5) Business Days of such determination, along with interest accrued from the original payment due date to the date the payment is made. The past due amount shall carry interest as provided herein.

## **4) ASSIGNMENT/DELEGATION**

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, conditioned or delayed; otherwise any such delegation or assignment shall be voidable at the option of the other Party. Notwithstanding the foregoing, either Party may, without the prior consent of the other Party, (i) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness it reasonably determines is equal to or higher than that of such

Party, or (ii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness it reasonably determines is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

#### **5) WAIVER**

The failure of Buyer or Seller to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a future waiver of any such provisions or the relinquishment of any such rights, but the same shall continue and remain in full force and effect for the term of this Agreement.

#### **6) EVENT OF DEFAULT AND DAMAGES**

A) In the event ("Event of Default") of (i) the failure of either Party to make when due, any payment required hereunder if such failure is not remedied within five (5) Business Days after notice of such failure is given to the defaulting Party by the other Party; (ii) the failure of either Party to comply with any or all of its other respective obligations in good faith as herein set forth and such noncompliance is not cured within thirty (30) Business Days after notice thereof to defaulting Party; or (iii) either Party (a) filing a petition in bankruptcy, (b) having such a petition filed against it, (c) becoming otherwise insolvent or unable to pay its debts as they become due, the non-defaulting Party may, for so long as such Event of Default is continuing, establish by notice to the defaulting Party a date on which this Agreement shall terminate early, and the non-defaulting Party shall calculate, in a commercially reasonable manner, its damages, including any associated costs, resulting from the early termination of this Agreement. Such damages and costs, if any, shall be paid or cause to be paid by the defaulting Party to the non-defaulting Party within ten (10) Business Days of the defaulting Party's receipt of notice of the damages amount. The non-defaulting Party may suspend performance of its obligations under this Agreement until such Event of Default is cured, or if the Event of Default is a failure to pay as set forth in (i), until such amounts plus interest at the interest rate made in accordance with the Confirmation Letter have been paid, and/or exercise any remedy available at law or in equity to enforce payment of such amount plus interest at the interest rate made in accordance with the Confirmation Letter.

B) If Buyer fails to accept all or any part of the quantity of Product to be delivered under this Agreement, Buyer shall pay Seller within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price plus reasonable legal costs incurred by Seller in enforcement and protection of its rights under this Agreement. "Sales Price" means the price, determined by Seller in a commercially reasonable manner, at which Seller resells (if at all) the Product and any corresponding energy, or, absent such a sale, the market price for such quantity of Product at or during the time that Buyer fails to accept the Product.

C) For purposes of this Agreement, "Force Majeure" means an event or circumstances that prevents one Party from performing its obligations under a Confirmation Letter, which event or circumstance was not anticipated as of the date of the Confirmation Letter, which is not within the reasonable control of, or the result of the negligence of, the Party claiming Force Majeure, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid or

cause to be avoided. In the case of Seller, for purposes of excusing Seller's obligation to deliver the Contract Quantity of SRECs during the Delivery Period, Force Majeure shall include, but not be limited to, any governmental action which impairs, in whole or in part, the value of SRECs to Buyer.

Unless excused by Force Majeure or Buyer's material failure to perform, if Seller fails to deliver all or any part of the quantity of Product to be delivered under this Agreement, Seller shall pay Buyer within fifteen (15) Business Days of statement receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Agreement Price from the Replacement Price plus reasonable legal costs incurred by Buyer in enforcement and protection of its rights under this Agreement. "Replacement Price" means the price, determined by Buyer in a commercially reasonable manner, at which Buyer purchases (if at all) substitute Product and corresponding Energy for the deficiency or, absent such a purchase, the market price for such quantity of Product at or during the time that Seller fails to deliver the Product.

D) Each Party hereby stipulates that the payment obligations set forth in (B) and (C) above are reasonable in light of the anticipated harm and each Party hereby waives the right to contest such payments as an unreasonable penalty or otherwise. Except as set for in the "Payment" section in the transaction Confirmation Letter, the remedy set forth in (B) and (C) of this Paragraph 6 shall be the sole and exclusive remedy of the aggrieved Party for the failure of the other to deliver or accept, as the case may be, the quantity of Product specified herein and all other damages and remedies are hereby waived as to such failure(s), except as set forth in Paragraph 7 below.

#### **7) LIMITATION ON LIABILITY**

No waiver of remedies or damages herein shall apply to Claims of anticipatory repudiation or remedies therefor provided by law, except that neither Seller nor Buyer shall be liable to the other for consequential, incidental, punitive, exemplary or indirect damages, lost profits, or business interruption damages, whether by statute, in tort or in contract, under any indemnity provision or otherwise.

#### **8) FORWARD CONTRACT**

Buyer and Seller each acknowledge that it is a "forward contract merchant" and that all transactions pursuant to this Agreement constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

#### **9) NETTING AND SETOFF**

If Buyer and Seller are required to pay any amount under this Agreement on the same day or in the same month, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the Party owed the difference between the amounts owed. Each Party reserves to itself all rights, setoffs, counterclaims, combination of accounts, liens and other remedies and defenses which such Party has or may be entitled to (whether by operation of law or otherwise). The obligations to make payments under this Agreement and/or any other contract between the Buyer and Seller may be offset against each other, set off or recouped therefrom.



**10) CONFIDENTIALITY**

The Parties and their respective affiliates shall keep confidential any and all matters relating to this Agreement for one (1) year after the term of this Agreement, except (as otherwise provided herein) those readily obtainable from public information, requested by a regulatory commission, or otherwise required by law to be disclosed or to enable a Party to demonstrate compliance with applicable law or regulation and provided further a Party may disclose confidential information to affiliates, consultants, accountants and its lenders ("Representatives") so long as they agree to maintain such information on a confidential basis. A Party shall be responsible for any breach of this agreement by its Representative.

**11) ENTIRE AGREEMENT**

This Agreement, together with any attachments or exhibits specifically referenced herein, constitutes the entire contract 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.

**12) COMPLIANCE WITH THE LAW**

Seller and Buyer shall make good faith efforts to comply with the provisions of all federal, state, and other governmental laws and any applicable order and/or regulations, or any amendments or supplements thereto, which have been, or may at any time be, issued by a governmental agency.

**13) GOVERNING LAW**

This Agreement shall be construed, enforced, and performed in accordance with the laws of the State of New Jersey, without recourse to principles governing conflicts of law, any dispute or Claim arising hereunder shall be exclusively litigated in a federal courts located in Newark, New Jersey.

**14) NOTICES**

Notices provided for or required under this Agreement shall be exercised in writing. The Parties shall be legally bound from the date the notification is exercised. Notices provided for or required in writing herein shall be delivered by hand or transmitted by facsimile or sent by postage prepaid, certified mail, return receipt requested, or by overnight mail or courier. Notices hand delivered, shall be deemed delivered by the close of the Business Day on which it was hand delivered (unless hand delivered after the close of the Business Day in which case it shall be deemed received by the close of the next Business Day). Notices provided by facsimile shall be deemed to have been received upon the sending Party's receipt of its facsimile machine's confirmation of a successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. Eastern Prevailing Time on a Business Day, then such facsimile shall be deemed to have been received on the following Business Day. Notices provided by postage prepaid, certified mail, return receipt requested, or by overnight mail or courier, shall be deemed delivered upon mailing.

**15) GOVERNMENTAL CHARGES**

Seller shall pay or cause to be paid all taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product arising prior to Delivery. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product at and

from Delivery (other than ad valorem, franchise or income taxes which are directly related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law and timely asserts and diligently pursues such exemption, until final determination thereof.

**16) INDEMNITY**

Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided for in Paragraph 1. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Paragraph 16.

**17) AUDITING**

Seller shall maintain reasonable records relating to this Agreement for a period of two (2) years from the Trade Date.

**18) RECORDING**

Each Party consents to the recording of its trading, marketing and scheduling representatives' telephone conversations without any further notice. All recordings may be introduced into evidence and used to prove the oral agreements constituting a transaction between the Parties. The Parties agree not to contest or assert any defense to the validity or enforceability of a telephonic or electronic transaction entered into in accordance with this Agreement under laws relating to whether certain contracts are to be in writing or signed by the Party to be thereby bound, or the authority of any employee of the Party to enter into a transaction. The Parties intend that they are legally bound by the terms of each transaction from the moment they agree to those terms (whether orally or otherwise).

**19) FORM OF AGREEMENT**

This Agreement shall be entered into as soon as practicable and memorialized by an exchange of facsimile transmissions or in a portable document format on an electronic messaging system, including but not limited to, electronic mail, which shall constitute an original signed document for all purposes under law and this Agreement.