

**MARYLAND RESIDENTIAL & SMALL COMMERCIAL
TERMS AND CONDITIONS**Electricity Supply Service
Direct Energy Services, LLC

1. Terms of Service. These Terms and Conditions together with the Contract Summary (defined below), which is incorporated herein by reference, constitute the agreement (“Agreement”) between you and Direct Energy Services, LLC (“Direct Energy”). “Contract Summary” means, as applicable, either the section of the enrollment consent form/letter of authorization entitled ‘*Contract Summary*’ or the Schedule A accompanying these Terms and Conditions entitled ‘*Contract Summary – Schedule A to Terms and Conditions*’.

2. Agreement to Purchase Electric Generation Service. This Agreement serves as the agreement for electric generation service to be provided to you by Direct Energy. This Agreement is subject to the occurrence of the following conditions: (a) your receipt of this Agreement from Direct Energy; (b) Direct Energy’s acceptance of this Agreement; (c) your Electric Company’s acceptance of your enrollment and; (d) your applicable Rescission Period (as defined in Section 8) having run. You agree to become a Direct Energy customer and appoint Direct Energy as your limited agent to perform the necessary tasks associated with your electric generation service and fulfill the terms of this Agreement. You authorize Direct Energy to obtain information from your Electric Company that includes your billing history, payment history, historical and future electricity usage, meter readings, and characteristics of electricity service. Direct Energy agrees to sell and deliver to you, and you agree to purchase and accept, the quantity of electricity delivered to you, as measured and/or estimated by your Electric Company, all in accordance with the terms and conditions set forth in this Agreement. Your electricity will be delivered to you by your Electric Company. Direct Energy is licensed by the Maryland Public Service Commission (the “Commission”) as an “electricity supplier” to sell electric generation service in Maryland. Direct Energy’s license number in Maryland is IR-719.

3. Renewable Energy Plan. If you are purchasing our Renewable Energy Plan pursuant to this Agreement, you are agreeing to purchase from Direct Energy a product that is supported 100% by renewable energy credits (“RECs”), in an amount sufficient to match your annual consumption from your EDC. RECs are a tradeable, non-tangible energy commodity in the United States that represents proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource like biomass, hydro, solar or wind. Direct Energy will purchase and retire renewable energy certificates in either the state where you are located, the North American Electric Reliability Corporation (NERC) region, Independent System Operator (ISO), Regional Transmission Organization (RTO) or Balancing Authority Area of the customer being served, at any time and from time to time throughout the year. The electricity supply actually distributed to your service location will not contain electricity supply generated from any specific electric generation facility. The availability of electric generation facilities varies hour to hour, and from season to season, as does electricity use by customers. Direct Energy may take up to

three (3) months following the close of a calendar year to make up any deficiency in the volume of renewable energy certificates needed from particular generation facilities associated with your Renewable Energy Plan. Direct Energy complies with Maryland’s Renewable Portfolio Standard (“RPS”) applicable to all retail electricity suppliers. Direct Energy may retire Tier 1 or Tier 2 renewable energy credits to meet its RPS obligations. The RPS for 2019 is 20.7% from Tier 1 sources, including at least 5.5% from solar energy and up to 2.5% from PSC-directed offshore wind energy, and 2.5% from Tier 2 sources. The RPS for 2020 is 28% from Tier 1 sources, including at least 6% from solar energy and up to 2.5% from PSC-directed offshore wind energy, and 2.5% from Tier 2 sources. The RPS for 2021 is 30.8% from Tier 1 sources, including at least 7.5% from solar energy and a PSC-directed amount of offshore wind energy. Alternatively, Direct Energy may meet its RPS obligation by paying a compliance fee to the Maryland Renewable Energy Fund. The compliance fees for each kWh shortfall are: 3 cents for Tier 1 non-solar (2019 through 2023); 10 cents for Tier 1 solar (2019-2020); 8 cents for Tier 1 solar (2021); and 1.5 cents for Tier 2.

4. Time of Use Product. To be eligible to enroll in a Time of Use Product, you must have a smart meter. If you are not certain if you have a smart meter, please contact your Utility Company or Direct Energy at the information provided in the attached terms and conditions. By enrolling in a Time of Use Product, you authorize your Utility Company to provide Direct Energy access to your thirty (30) minute interval smart meter usage data on a daily and/or monthly basis as may be requested by Direct Energy (“Interval Data Authorization”). In addition, you also authorize Direct Energy to share your usage data with our third-party vendor(s) pursuant to Direct Energy’s privacy policy located at <https://www.directenergy.com/privacy-policy> for load forecasting purposes and to separate data based on your usage throughout your household, or for purposes as outlined in our privacy policy. If you rescind your Interval Data Authorization while you receive electric generation service from Direct Energy under a Time of Use Product, then Direct Energy will have the right to cancel this Agreement and charge you an early cancellation fee in the amount set forth in the Contract Summary. If you enroll (or attempt to enroll) in a Time of Use Product, and Direct Energy determines that you do not have a smart meter, then Direct Energy will have the right to cancel this Agreement (or cancel your enrollment with Direct Energy). Based upon the assumption that, i) 31% of your total electricity consumption occurs during the Designated Free Weekend Period(s) and ii) 21% of your total electricity consumption occurs during the Designated Free Night Period(s), the average rate for a “Free Night/Weekend” time of use product is calculated as (Non-Free Period Usage X \$Rate/kwh + Free Period Usage X \$0.00)/Total Usage. Your actual average price per kwh may vary depending on actual consumption.

5. Pricing, Billing and Payment Terms. During the Initial Term, you will pay Direct Energy for your electric generation service as set forth in the Contract Summary. The Initial Term rate is for electric generation service and excludes taxes and regulated charges from the utility, including but not limited to, delivery and distribution charges. Electric

generation service prices of electric suppliers such as Direct Energy are set competitively and are not regulated by the Commission. As to your billing and payment terms, your Electric Company will send you a bill monthly (or at such other frequency as it determines) which will set forth the total electric service charges for your electric service. That bill will contain, among other charges, Direct Energy's electric generation service price multiplied by the amount of electricity you used during the billing cycle, as measured and/or estimated by your Electric Company. **Depending upon the date of the meter read, your bill from the Electric Company may be prorated. The prorated billing is a technique for applying standard methods to nonstandard billing periods. A billing period that is shorter or longer than the Electric Company's designated billing period days will have prorated charges based on a 30-day average for the applicable rate.** Your payment will be due to the Electric Company by the date specified in the Electric Company bill. Direct Energy's provision of electric generation service to you under this Agreement is subject to the Electric Company accepting enrollment of your account for consolidated billing. If you are not eligible for consolidated billing, you will be required to remedy that restriction with your Electric Company prior to Direct Energy serving you. If any time during your Initial Term or any Renewal Period (as defined in Section 7), your Electric Company no longer provides consolidated billing for your account, you will be billed by Direct Energy for any charges owed to Direct Energy. You will be billed separately by your Electric Company for any taxes, distribution charges or other utility fees and charges. If Direct Energy has any new or increased fees, taxes, or charges imposed on it or you during the term of this Agreement, you will be responsible for said fees.

6. Term of Agreement. The term of this Agreement will begin on the meter read date that your electricity supplier is changed to Direct Energy by the Electric Company and continue for the number of billing cycles set forth in the Contract Summary ("Initial Term"). When the Initial Term expires, this Agreement will automatically renew on a month-to-month basis, as described in the Contract Summary and in Section 7. This Agreement will be effective during the Initial Term and through any of these monthly Renewal Periods, subject to the cancellation provisions of Sections 7 through 9 below.

7. Renewal; Notice of a Change to this Agreement. Upon completion of the Initial Term, this Agreement will automatically renew on a month-to-month basis ("Renewal Period"). While taking service on a month-to-month basis, the rate for electricity will be a variable rate that may be higher or lower each month and will be set in Direct Energy's sole discretion. Direct Energy typically considers the following factors when setting variable rates:

- publicly available competitor pricing;
- strategic business objectives;
- customer retention or attrition;
- market volatility or uncertainty;
- anticipated customer usage;
- the cost of procuring power including wholesale prices, ancillary service costs, capacity auctions, utility fees, transmission and distribution losses and storage costs;

- weather, supply congestion and infrastructure issues;
- legal or regulatory issues; and
- profit margin.

This list of factors is not exhaustive and no single factor will determine the rate. Some factors must be estimated or projected and the factors Direct Energy considers may be weighed differently each month. Direct Energy may amortize sudden cost increases over multiple billing cycles so that its customers do not bear the burden of such increases in a single month. In addition, Direct Energy seeks to acquire the majority of its anticipated electricity supply in advance rather than from the spot market. **For all of these reasons, the variable rate may not correlate with changes in wholesale market prices or your local utility's rates.** In addition, the variable rate may be higher than your local utility rate or other suppliers' rates. To obtain your next month's variable price you may call us at 1-888-200-7930. During such Renewal Period, there is no limit as to how much your variable rate may increase or decrease from one month to the next month. You may obtain next month's variable price by calling Direct Energy using the contact information set forth in Section 16 below. A notice will be sent to you forty-five (45) days before the expiration of your Initial Term informing you of your impending automatic renewal. The notice will contain a copy of the Agreement with the proposed terms highlighting any changes in the material terms of this Agreement and it will inform you of your right to accept the Agreement with the proposed terms or your right to cancel this Agreement. If you find the proposed changes unacceptable, you can, without incurring a charge from Direct Energy, cancel this Agreement and choose another electricity supplier. However, if you do terminate this Agreement and do not choose another electricity supplier, you will return to the Electric utility for service.

8. Your Right to Cancel Service. You have three (3) business days after you receive a written copy of this Agreement to cancel your enrollment with Direct Energy ("Rescission Period") by calling Direct Energy using the contact information set forth in Section 16 below. If you do so, Direct Energy will request the Electric Company to stop your enrollment. After the end of the Rescission Period, you can cancel service by contacting Direct Energy using the contact information set forth in Section 16 below. If you cancel service with Direct Energy, it may take 1 to 2 billing cycles for your Direct Energy service to be cancelled.

9. Relocation. You should notify both your Electric Company and Direct Energy of a change in your residence/service location at least thirty (30) days before such change. A final meter read will be made at your old address and your account will be finalized with both your Electric Company and Direct Energy. If you change your residence/service location within your Electric Company's service territory, then you may have the option of entering into a new Direct Energy electricity supply contract for your new residence/service location. Direct Energy's contact information is shown in Section 16 below. When you cancel pursuant to this Section 9, you will be responsible to pay for Direct Energy's service through the date that you are switched to another supplier or returned to service from your

Electric Company and the early cancellation fee in the amount set forth in the Contract Summary.

10. Direct Energy's Right to Cancel Service. You are affirming to Direct Energy that you have provided Direct Energy with your correct and complete name, address and contact information and you do not have any outstanding balance with Direct Energy. If there is any evidence that any of these statements are or become untrue, or you otherwise provide fraudulent or misrepresented information, Direct Energy can cancel this Agreement immediately. Also, if for any reason performance of this Agreement becomes materially uneconomical to Direct Energy, or if Direct Energy is otherwise unable to continue this Agreement, Direct Energy can cancel this Agreement after giving you at least fourteen (14) days' advance written notice. If Direct Energy cancels this Agreement, you must still pay all Direct Energy charges through the date you are switched to another supplier or returned to the Electric Company for service. Your cancellation will not be effective until the next regularly scheduled meter read date following the date on which Direct Energy gives notice to the Electric Company of your cancellation request.

11. Disputes. You should contact Direct Energy regarding any dispute related to this Agreement. Direct Energy will attempt to resolve the dispute in an efficient, fair and timely manner. Direct Energy will provide an acknowledgment of your dispute within a reasonable time after receipt. Direct Energy will then issue a report within thirty (30) days after initiation of the dispute. Direct Energy will report to you the results of its investigation of the dispute, and that report will be available to you upon request. If you are not satisfied after discussing your terms of service with Direct Energy, you may contact the Commission. The contact information for both Direct Energy and the Commission is set forth in Section 16.

12. Title to Electricity. Title to the electricity will pass from Direct Energy to you when it is delivered by Direct Energy to the Electric Company.

13. Force Majeure ("Uncontrollable Forces"). Direct Energy will make commercially reasonable efforts to provide your electric service, but does not guarantee a continuous supply of electricity. Certain causes and events are out of Direct Energy's reasonable control ("Force Majeure Event(s)") and may result in interruptions in service. Direct Energy will not be liable for any such interruptions caused by a Force Majeure Event. Direct Energy is not responsible for transmitting or distributing electricity. Therefore, you agree that Direct Energy is not, and shall not be, liable for damages caused by Force Majeure Events, including but not limited to: acts of God, changes in laws, rules, or regulations or other acts of any governmental authority (including the Commission or PJM Interconnection, LLC, the operator of the regional power grid), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the Electric Company or any other cause beyond Direct Energy's reasonable control. In addition, you may be required to pay any additional or increased fees or charges that are generally beyond Direct Energy's reasonable control including, but not limited to, fees for switching, disconnecting, reconnecting or

maintaining electric service or equipment, or transmission charges, that are imposed by law, rule, regulation or tariff, or Commission rule or order. These charges or fees will be passed through to you and added to your price.

14. Limitations of Liabilities. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE WILL BE LIMITED TO DIRECT ACTUAL DAMAGES. DIRECT ENERGY WILL NOT BE LIABLE TO YOU OR ANY THIRD PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. DIRECT ENERGY IS NOT LIABLE FOR INTERRUPTIONS TO, OR SHORTAGES OF, ELECTRICITY SUPPLY, NOR IS IT LIABLE FOR ANY RESULTING ASSOCIATED LOSS OR DAMAGE. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE.

15. Indemnification, Direct Energy's Representations and Warranties; Limitations. You are responsible for, and will immediately indemnify Direct Energy against, any and all loss or damage resulting from: (a) your failure to fully comply with this Agreement; or (b) your use or misuse of electricity after it is delivered to you. The electricity provided under this Agreement will meet the quality standard of the Electric Company and will be supplied from a variety of electric generation sources, including the electricity provided pursuant to any renewable energy requirements. Direct Energy makes no representations or warranties other than those expressly set forth in this Agreement. DIRECT ENERGY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

16. Contact Information.

Direct Energy: You may contact Direct Energy in one of the following ways: (a) call 1-888-200-7930 or 1-844-827-0602 (Residential Door-to-Door customers only), Monday through Friday 8:00 a.m. to 8:00 p.m. EST, and Saturday 8:00 a.m. to 5:00 p.m. EST (contact center hours subject to change without notice); or (b) write to Direct Energy at PO Box 180, Tulsa, OK 74101-0180 (be sure to include your choice ID(s)). Direct Energy's internet domain address is:

<http://www.directenergy.com>. Answers to frequently asked questions can be found on Direct Energy's website.

Your Electric Company: For utility customer service, outage, service interruption or emergency, please refer to your Contract Summary for your Electric Company's contact information.

The Commission: You may contact the Maryland Public Service Commission, with an Informal Complaint or otherwise, as follows: (a) call 1-800-492-0474; (b) write to 6 St. Paul Street, Baltimore, MD 21202-6806; or via the internet domain address <http://www.psc.state.md.us/>.

17. Privacy Policy. Direct Energy may not release your electricity billing, payment and credit information without your consent; however, Direct Energy is permitted to disclose to any party, including the Electric Company, any such information for the purpose of facilitating billing, bill collection and credit reporting. Further, except as described below, Direct Energy may not release your other proprietary personal

information to any other person without your consent. Other proprietary personal information means your name, address, choice ID, type or classification of service, historical electricity usage (actual or profiled by your Electric Company), current electricity usage, expected patterns of use, types of facilities receiving service and individual Agreement information. These prohibitions do not apply to the release of your information under certain circumstances: as required by law, including release to the Commission; as required by court order or the Commission, as required by law enforcement agencies, or your Electric Company. Further, Direct Energy may also share your other proprietary personal information with a third party for the purpose of, or in connection with, marketing, selling or evaluating Direct Energy's or any of its affiliates' products or services, including this electric generation service. Finally, Direct Energy may also share your other proprietary personal information with a third party for the purpose of marketing such party's products or services to you after you have been provided an opportunity to opt-out of the release of your information.

18. Credit Checks. Direct Energy reserves the right to perform credit checks and request financial data on you. Direct Energy reserves the sole right to determine if your credit standing is satisfactory for originating electric generation service under this Agreement. Direct Energy can refuse service based on your credit standing. Direct Energy may require you to be current with your Electric Company payments or to submit a deposit (deposit will be no greater than two (2) months of your total electric service charges) for this Agreement as a condition of starting or continuing service in connection with this Agreement.

19. Choice of Law. This Agreement will be governed by Maryland law, without regard to its conflict of law principles.

20. Customer Information Release Authorization. By entering into this Agreement, you agree that your Electric Company may release to Direct Energy certain information that Direct Energy needs to provide service to you, including your address, telephone number, account number(s), historical usage information and peak electricity demand. Direct Energy will not give or sell your personal information to any unaffiliated party without your consent, subject to the provisions set forth in Section 17 above.

21. Miscellaneous Provisions. This Agreement is subject to applicable laws and supersedes any previous promises, understandings and agreements. If any provision of this Agreement is deemed invalid, illegal or otherwise unenforceable, you agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If a provision cannot be modified in a manner that would make it valid, legal and enforceable, the provision shall be severed from the Agreement, and all other provisions shall remain in full force and effect. Any failure on our part to enforce any of the terms of this Agreement or to exercise any right under such terms shall not be considered a waiver of Direct Energy's right to enforce each and every such term, exercise such right or exercise any other right under this Agreement. You may not assign this Agreement without Direct Energy's prior written consent. Direct Energy may: (a) transfer or sell

this Agreement or your account in connection with any financing; (b) assign this Agreement to any of its affiliates; (c) transfer or assign this Agreement to anyone succeeding to all or substantially all of Direct Energy's assets or business; and (d) transfer this Agreement to another supplier licensed by the Commission. After assignment, Direct Energy will have no further obligations under this Agreement. This Agreement is binding upon you and Direct Energy, and will further bind each of your successors and permitted assigns. There are no third-party beneficiaries to this Agreement.