

CALIFORNIA ENERGY COMMISSION (CEC) DEMAND SIDE GRID SUPPORT (DSGS) PROGRAM PARTICIPANT TERMS AND CONDITIONS

These terms and conditions apply to participants in the California Energy Commission's ("CEC") Demand Side Grid Support Program, Incentive Option 3 ("DSGS Program").

BY PARTICIPATING IN THE DSGS PROGRAM, CUSTOMER AGREES THAT THEY HAVE READ AND UNDERSTOOD, AND, AS A CONDITION TO PARTICIPATION IN THE DSGS PROGRAM, AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING FRANKLINWH'S PRIVACY POLICY.

1. GENERAL SERVICES

FranklinWH Energy Storage Inc. ("FranklinWH") will manage Customer's participation in grid services program(s) ("Program"). FranklinWH will participate Customer in the most suitable program(s) on an ongoing basis and add Customer to new program opportunities when appropriate. FranklinWH will participate Customer in the program(s) in accordance with rules set forth by the grid operator and/or utility ("Operator"). FranklinWH will:

- Work with Customer to develop a participation plan
- Manage all aspects of Customer's participation in the Program(s) including battery system operation and integration
- Process all Program payments in accordance with the terms set forth below

2. ELIGIBILITY AND CUSTOMER REQUIREMENTS

By participating in the Program, Customer represents and warrants that:

- a) **Program Eligibility:** Customer meets all eligibility requirements of the Demand Side Grid Support (DSGS) Program Guidelines ("DSGS Guidelines") (available at [Demand Side Grid Support Program | California Energy Commission](#)) and will maintain eligibility throughout participation.
- b) **Testing:** If any programs require acceptance testing, Customer will work with FranklinWH to establish Customer capability at each location in a timely manner prior to registration of each location in the Program(s).
- c) **Battery System Control:** Customer grants FranklinWH remote access to automatically charge and/or discharge the system during demand response events. Customer authorizes FranklinWH to manage the charging and discharging of the battery system throughout the day to optimize for Program participation. Customer may designate a minimum level of charge as a backup reserve. FranklinWH agrees not to draw the Customer's charge below this designated backup reserve and will not discharge the Customer's system when the state of charge is below this reserve level.
- d) **Program Participation:** Customer agrees to let FranklinWH manage the dispatch of the battery in support of Program(s) participation. Customer will make best efforts to not interfere with the battery dispatching.
- e) **Data Authorization:** Customer authorizes all relevant utility data access for FranklinWH for the purposes of Program participation. Customer authorizes FranklinWH and its employees and representatives, as well as Program partners, to use and exchange any confidential information to administer the program in accordance with FranklinWH privacy policy at [FranklinWH Energy](#)

[Storage Inc. Policy | FranklinWH](#). Customer information may also be shared with program regulatory representatives.

- f) **Load Changes:** Customer agrees to notify FranklinWH, whenever to its awareness, that the daytime peak kW load at any location to decrease by 10% or more and remain at the decreased level for more than 30 days. Failure to notify FranklinWH in a timely manner of such decreases in load may result in retroactive disqualification.
- g) **On-Site Technology:** Customer will maintain all facility equipment and WiFi capabilities, and ensure facility equipment won't interfere with battery operations or prevent FranklinWH from managing customer's demand response participation.
- h) **Exclusivity:** Customer agrees not to contract with other demand response service providers for the same sites for the Term of this Agreement. Doing so may result in penalties.
- i) **Contact Information:** Customer will provide a minimum of two contacts who will be responsible for receiving communications related to events and testing. Communication will be delivered through applications operated by FranklinWH, with additional notification options maybe available including API signals, email, SMS/text messages, or phone communications.

3. PROGRAM AVAILABILITY AND EVENT DETAILS

Customer acknowledges and agrees to the following with respect to the DSGS Provider's control over the discharge of Customer's Battery System as defined in the DSGS Program Guidelines:

- a) **Event Schedule:** Program discharge events may start no earlier than 4:00 PM (PT) and end no later than 9:00 PM (PT), seven (7) days per week between May 1 and October 31 of a given year.
- b) **Event Frequency:** There will be no more than thirty-five (35) Program discharge events between May 1 and October 31 of a given year. Customer is not required to participate in more than thirty-five (35) Program discharge events annually.
- c) **Event Duration:** Each discharge of the Customer's Battery System will last no longer than two (2) hours, and the Battery System will not be discharged to a state of charge less than 20%.
- d) **Power Outages:** A Program discharge event will not occur, and the Battery System will not be discharged with respect to a Program discharge event, during a power outage.

4. PROGRAM PAYMENTS

- a) **Payment Structure:** Please refer to the DSGS Program and DSGS Guidelines for the total incentive payment provided by the Program. FranklinWH will pay Customer the total payment received, after deduction of the fee charged by (i) the Operator up to 25% of the total payment for their market access and (ii) FranklinWH of 10% of the total payment for API operation and maintenance.
- b) **Payment Timing:** FranklinWH will pay Customer within 30 days of receiving payments.
- c) **Incentive Acknowledgment:** Customer acknowledges that all incentive payments attributable to the DSGS Program will be received by FranklinWH for further distribution pursuant to this Section. Customer understands that payment to Customer is governed by this separate agreement between the Parties as permitted under the DSGS Program Guidelines.

5. TERM AND TERMINATION

- a) **Term:** This Agreement will begin the date Customer completes the application process, including agreeing to these terms and conditions. The Agreement will automatically renew on an

annual calendar basis unless terminated pursuant to this Section. If the Program terms change, Customer's continued participation in the Program or acceptance of payment represents their acceptance of those changes..

b) **Opt-Out:** Customer may opt-out of this Agreement at any time by providing written notice to FranklinWH. Such opt-out will become effective within ten (10) business days of receipt of Customer's opt-out notice.

c) **Partner Termination Rights:** FranklinWH may suspend or terminate Customer's participation in the Program at any time and without prior notice, for any reason, including if FranklinWH believes Customer has breached any provision of this Agreement.

6. LIMITATION OF LIABILITY

Neither FranklinWH nor its affiliates will be liable for any indirect, incidental, consequential, special, reliance, exemplary or punitive damages arising out of or related to this Agreement. The maximum aggregate liability arising out of or related to this Agreement shall be the total amount paid by Customer to FranklinWH in connection with this Agreement, or \$100.00, whichever is greater.

7. MISCELLANEOUS

a) **Data Privacy:** Customer authorizes FranklinWH to access and use Battery System and site electric load data for the purpose of Program participation, as described in FranklinWH's Privacy Policy ([FranklinWH Energy Storage Inc. Policy | FranklinWH](#)).

b) **Records Retention:** Customer agrees to retain all records required to be submitted to the CEC pursuant to the DSGS Program Guidelines for a period of five years after the date the project receives its final incentive payment from the CEC, as notified to Customer by FranklinWH.

c) **Compliance with DSGS Program and Applicable Laws:** Customer agrees to comply with all applicable laws and the DSGS Program requirements (available at [Demand Side Grid Support Program | California Energy Commission](#)).

d) **Governing Law:** This Agreement shall be governed by and construed under the laws of the State of California, without regard to its principles of conflicts of law.

d) **Entire Agreement:** This Agreement constitutes the entire agreement between Customer and FranklinWH relating to the subject matter hereof, and supersedes any and all prior or contemporaneous written or oral agreements or understandings.

e) **Audits:** Customer agrees to keep separate, complete, and correct accounting of the costs involved in participating in the DSGS Program, as applicable, and comply with the CEC's audit requirements as set forth in the DSGS Guidelines.

f) **Force Majeure:** FranklinWH will not be responsible for any delay or failure to fulfill any obligation due to any cause beyond its control, including acts of God, acts of war, natural disasters, pandemic, or failure of internet or power grid infrastructure.

g) **CEC Enforcement:** Customer acknowledges that CEC may take any action to enforce the CEC's rights and DSGS Program requirements, make changes thereof. Consequently, FranklinWH expressly reserves the right to modify, amend, or change any terms and conditions of this Agreement at any time. FranklinWH will provide notice of material changes through applications operated by FranklinWH or other communication methods specified herein. Customer's continued participation in the program or acceptance of any payment after such

modifications constitutes Customer's acceptance of the revised terms. Customer agrees to participate in the DSGS Program during the term of the DSGS Program as it may be extended, unless earlier terminated or until Customer opts out in accordance with this Agreement.