



Agenda Date: 9/25/25
Agenda Item: LSA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF TRENTON)	FINAL DECISION AND
RENEWABLE POWER, LLC FOR APPROVAL OF A)	ORDER
RENEWABLE ENERGY POWER PURCHASE)	
AGREEMENT WITH PUBLIC SERVICE ELECTRIC AND)	DOCKET NO. EM24020105
GAS COMPANY)	

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Gregory Eisenstark, Esq., on behalf of Trenton Renewable Power, LLC
Matthew Weissman, Esq., on behalf of Public Service Electric and Gas Company

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") signed by Board Staff ("Staff"), Trenton Renewable Power, LLC ("Trenton Renewable"), and Public Service Electric and Gas Company ("PSE&G") (collectively, "Signatory Parties") seeking approval of a ten (10)-year renewable energy power purchase agreement ("PPA") between PSE&G and Trenton Renewable for the sale of electricity.¹

BACKGROUND

Trenton Renewable owns and operates a food waste recycling facility ("Facility"), also known as a "biomass facility," in Trenton, New Jersey. The Facility includes a digester that recycles vegetative food waste and produces Renewable Natural Gas ("RNG") as a byproduct of the recycling process. The Facility includes three (3) onsite 1.134 megawatt ("MW") electric generation turbines that use the RNG produced by the digester to generate electricity. The Facility has a total nameplate capacity of 3.4 MW and the electricity it generates is classified as electricity pursuant to N.J.A.C. 14:8-1.2 and N.J.A.C. 14:8-2.5(b)(8) and (c). The Generation System is also a Qualified Facility as defined under the Public Utility Regulatory Policy Act of 1979, originally codified at 16 U.S.C. § 2601 *et seq.* The Facility and Generation System are in PSE&G's service

¹ The New Jersey Division of Rate Counsel ("Rate Counsel") did not sign the Stipulation and declined to file any opposition or letter of non-objection to the Stipulation.

territory and interconnected with PSE&G's electric distribution system in Trenton, New Jersey.

Pursuant to an August 29, 2018 interconnection agreement between Trenton Renewable and PSE&G, Trenton Renewable currently sells the Facility's net electric generation to PSE&G under PSE&G's Purchased Electric Power ("PEP") tariff based on a wholesale "avoided cost" proxy at a price of \$0.038 per kilowatt-hour ("kWh").² The Facility also earns revenue through Class I Renewable Energy Certificates ("REC") pursuant to N.J.A.C. 14:8-1.2 and N.J.A.C. 14:8-2.5 at a price of \$0.029 per kWh.

PETITION

By petition filed February 8, 2024 ("Petition"), Trenton Renewable sought Board approval for the PPA, whereby it agreed to a purchase price for energy sold to PSE&G from the Facility of \$0.20 per kWh, noting that it does not currently earn enough revenue to continue operations. To justify the proposed rate, Trenton Renewable identified that the social cost of carbon dioxide equivalent emissions avoided by Trenton Renewable's operations to be \$1.65 per kWh. Combined with the wholesale value of electricity Trenton Renewable receives from PSE&G, Trenton Renewable proffered that the total value of energy sold from the Facility via the PPA should be \$2.03 per kWh when considering all factors affecting the value of energy it generates. Trenton Renewable further noted that the PPA would allow PSE&G to offset some of its basic generation service requirements by using the purchased electricity as committed supply.

On February 27, 2024, PSE&G filed a Motion to Intervene in this matter ("Motion"), noting that it will be directly and specifically affected by the outcome of this proceeding, and its inclusion will contribute to the development of a full and complete record for review by the Board. By letter dated March 4, 2024, Trenton Renewable replied to the Motion, noting that it did not oppose the Motion.

By Order dated April 17, 2024, the Board designated President Christine Guhl-Sadovy as presiding commissioner with authority to rule on all motions that may arise during the pendency of this proceeding and set all schedules as may be necessary to secure a just and expeditious determination of the issues.³ By the April 2024 Order, the Board also granted the Motion, thereby granting PSE&G intervenor status in this matter.

By Order dated December 10, 2024, President Guhl-Sadovy set a procedural schedule in this matter, thereby setting the date for Staff to submit its initial position in this matter on or before December 18, 2024, and requiring the parties to this proceeding ("Parties") to submit replies on or before January 10, 2025, and sur-replies on or before January 17, 2025.⁴

On December 20, 2024, Rate Counsel submitted comments noting that, pursuant to Exhibit A to the December 2024 Order, Staff was to submit its initial position by December 18, 2024. The correspondence further provided that as of December 20, 2024, Rate Counsel had not received

² See PSE&G Electric Tariff, Original Sheet No. 176, Payment Schedule PEP – Purchased Electric Power.

³ In re the Petition of Trenton Renewable Power, LLC for Approval of a Renewable Energy Power Purchase Agreement with Public Service Electric and Gas Company, BPU Docket No. EM24020105, Order dated April 17, 2024 ("April 2024 Order").

⁴ In re the Petition of Trenton Renewable Power, LLC for Approval of a Renewable Energy Power Purchase Agreement with Public Service Electric and Gas Company, BPU Docket No. EM24020105, Order dated December 10, 2024 ("December 2024 Order").

Staff's Initial Position. Based upon the delay, Rate Counsel concluded that, absent clarification from President Guhl-Sadovy or Staff, the procedural schedule was "suspended until such time as Staff provides its position, subsequent to which a new schedule can be set."

By Order dated January 9, 2025, President Guhl-Sadovy amended the procedural schedule in this matter, thereby requiring Staff to submit its initial position on or before January 15, 2025, and requiring the Parties to submit replies by February 5, 2025, and sur-replies by February 12, 2025.⁵

INITIAL POSITION

On January 24, 2025, Staff submitted its initial position in this matter ("Initial Position"). By the Initial Position, Staff identified that, upon review of discovery, the projected revenues under the PPA and for Class I RECs in 2025 appear to be "within the range of plausible operating scenarios." Staff subsequently recommended 1) a PPA rate of \$0.16 per kWh; 2) requiring Trenton Renewable to file with the Board annual financial statements comparing the "gap" under its current revenue stream from the PEP tariff rate and the forecasted revenues under the proposed PPA; and 3) requiring a "reopener" after three (3) years to re-evaluate and, if required, modify the terms of the PPA where appropriate, subject to Board approval.

By letter dated January 28, 2025, Trenton Renewable indicated it would not require additional time to submit replies in this matter despite Staff's delay in submitting the Initial Position. By letter dated January 28, 2025, Rate Counsel indicated, given Staff's nine (9)-day delay in submitting its Initial Position, it would require an additional nine (9) days to submit its reply. Rate Counsel therefore requested the Procedural Schedule be amended to require submission of replies on or before February 14, 2025, and sur-replies on or before February 21, 2025. By letter dated January 29, 2025, PSE&G noted it agreed with, and joined in, Rate Counsel's request contained within its January 28, 2025 correspondence.

By Order dated February 4, 2025, following submission of the Initial Position and letters from the parties to this proceeding, President Guhl-Sadovy further amended the procedural schedule in this matter, thereby requiring replies to be filed on or before February 14, 2025 and sur-replies on or before February 21, 2025.⁶

REPLIES TO STAFF'S INITIAL POSITION

Trenton Renewable

On February 14, 2025, Trenton Renewable filed its reply to the Initial Position ("TRP Reply"), reiterating their position that the proposed \$0.20 per kWh PPA rate is appropriate and adequately justified; however, Trenton Renewable identified that it would accept the \$0.16 per kWh rate established in Staff's Initial Position. TRP Reply at 1, 5. Trenton Renewable requested that, should the Board approve Staff's proposal to include a "reopener," the Board make clear the results of any such review could result in either maintaining, increasing, or decreasing the \$0.16

⁵ In re the Petition of Trenton Renewable Power, LLC for Approval of a Renewable Energy Power Purchase Agreement with Public Service Electric and Gas Company, BPU Docket No. EM24020105, Order dated January 9, 2025 ("January 2025 Order").

⁶ In re the Petition of Trenton Renewable Power, LLC for Approval of a Renewable Energy Power Purchase Agreement with Public Service Electric and Gas Company, BPU Docket No. EM24020105, Order dated February 4, 2025.

per kWh rate. Id. at 5. Trenton Renewable further identified that the Board's final Order in this matter should address PSE&G's cost recovery of payments under the PPA. Ibid.

Trenton Renewable concluded that "[e]ven though 16 cents per kWh represents only a fraction of the true societal value [of power produced at the Facility], the increase will allow the Facility to become financially stable [...] [and] the bill impact on PSE&G customers from the \$0.16 per kWh rate will be extremely small." Id. at 6. Trenton Renewable reiterated that a \$0.20 kWh rate would have an average monthly customer impact of \$0.055 "or an increase of \$0.66 per year for a typical residential customer." Ibid.

Finally, Trenton Renewable noted that the Board should address "the timing of the execution of the PPA," which should be "no later than 14 days (two weeks) after the effective date of the Order [approving the PPA]." Ibid.

PSE&G

By letter dated February 14, 2025, PSE&G filed its reply to the Initial Position ("PSE&G Reply"), noting that it takes no position regarding 1) the merits of Trenton Renewable's request for an approved PPA rate of \$0.20 per kWh, and 2) Staff's Initial Position memo. PSE&G Reply at 1. However, PSE&G also noted that "in the event the Board directs PSE&G to enter into a PPA with Trenton Renewable, the law requires that any costs incurred by PSE&G under that PPA must be recoverable under the Company's Non-Utility Generation Charge." Ibid. PSE&G further reiterated its right to "negotiate all non-price terms of that agreement prior to submission of a final PPA for Board approval." Id. at 2-3.

Rate Counsel

On February 14, 2025, Rate Counsel filed its reply to the Initial Position ("RC Reply"), arguing that the Petition "seeks to bypass the Board's processes for evaluating utility tariffs, customer class cost allocation, and setting renewable energy incentives." RC Reply at 9. Rate Counsel further identified that Trenton Renewable's request essentially asked the Board to disregard utility tariff law for its own financial gains, noting that N.J.A.C. 14:3-1.3(e) requires an electric utility to file a petition with the Board for approval of a contract or agreement for service or rates different from those authorized under a Board-approved tariff. Ibid. Rate Counsel argued that that this rule is only applied when the negotiation of special contracts was "not already authorized under the utility's tariff," and that PSE&G's electric PEP tariff did not allow for such special contract service, so PSE&G is the party that must file a petition in this instance. Id. at 9-10. Rate Counsel ultimately claimed that Trenton Renewable's request was procedurally improper, and that it should be rejected on the basis that 1) the request did not come from PSE&G, and 2) did not include certain information required by N.J.A.C. 14:3-1.3(f) but instead relies on Trenton Renewable's calculation of the social cost of carbon dioxide to justify the proposed PPA. Id. at 10.

Rate Counsel further asserted that changes to PSE&G's tariff should be addressed in the context of a base rate case, noting that, through a forum such as a base rate case, "the Board's decision must consider the equanimity of the ratemaking (as well as the precedent being set) inherent in Trenton Renewable's request for a subsidy from its fellow customers." Id. at 11. Rate Counsel asserted that "any change to the tariff that would cause an increase in out-of-pocket expenditures must have a nexus to a rate case" and that PSE&G may not request, and the Board may not set, a rate absent a nexus to a rate case. Id. at 12.

Rate Counsel asserted that Trenton Renewable's request improperly circumvented N.J.S.A. 48:3-60(a)(3), which requires a comprehensive resource analysis for Class I RECs that includes public hearings and analysis from the New Jersey Department of Environmental Protection ("DEP"). Id. at 13. Rate Counsel identified that N.J.S.A. 48:3-60(a)(3) sets forth the approval process for Class I RECs, and states the statute is clear "to inform markets at the outset, not to provide subsidies in hindsight when a project may experience subsequent and unforeseen financial obstacles" and to "put guardrails on the Board awarding RECs to projects, requiring public comments and more importantly, an environmental analysis with input from DEP." Id. at 13-14. Rate Counsel argued that increases in subsidies warrant further public notice, comment, and analysis and that permitting Trenton Renewable's request may constitute a *de facto* rulemaking, in violation of the requirement that the Board and DEP provide an environmental analysis to support a change in Class I RECs. Id. at 14.

Rate Counsel further asserted that providing subsidies for burning biogas methane requires a formal rulemaking process. Ibid. Rate Counsel noted that an increase in Trenton Renewable's current subsidies would essentially carve out a biogas REC that will attract petitions from other existing biogas facilities and encourage new biogas facility construction. Ibid. Rate Counsel further argued, because there are no additional distinguishing characteristics in the record, the reasoning for granting Trenton Renewable's request would apply to all biogas facilities and constitute a *de facto* rulemaking in violation of the standards set forth in Metromedia, Inc. v. Dir., Div of Taxation, 97 N.J. 313, 331-32 (1984). Id. at 15.

Rate Counsel asserted that Trenton Renewable incorrectly argued that the Board can approve contracts between a public utility and a customer based upon N.J.S.A. 48:2-13 or N.J.S.A. 48:2-21, noting that granting such relief would be *ultra vires*. Id. at 16. Rate Counsel noted that the Board has broad authority to regulate utilities as well as incidental powers required to fulfill that mandate. Ibid. However, Rate Counsel identified that those powers are not unlimited and that the Board cannot institute drastic alterations of the "prevailing statutory scheme" absent legislative approval. Id. at 17 (citing In re Centex Homes, LLC, 411 N.J. Super. 244, 267 [App. Div. 2009]). As such, contrary to Trenton renewable's assertion, the Board does not have authority under either N.J.S.A. 48:2-13 or N.J.S.A. 48:2-21 to establish incentives for privately held generators and to force those costs onto ratepayers. Ibid. Specifically, Rate Counsel notes that the Board's authority is limited to public utilities under these statutes and the Legislature did not grant the Board the power to "enforce specific performance of contracts." Id. at 17-18 (quoting Pub. Serv. Elec. Co. v. Bd. Of Pub. Util. Comm'rs., 87 N.J.L. 128, 131 [1915]).

Rate Counsel asserted that the Board is not permitted to force new Non-Utility Generation Contracts onto ratepayers. Id. at 19. Rate Counsel cited the Electric Discount and Energy Competition Act ("EDECA"), L. 1999, c. 23, noting that the Board is specifically prohibited from prescribing rates of competitive electric generators. Ibid. Rate Counsel also points out that EDECA enables the Board to "authorize electric public utilities to recover stranded costs created as a result of the introduction of electric power supply competition in New Jersey." Ibid. However, the Board, in certain cases, is able to authorize new power purchase agreements if they come from a "renegotiation, restructuring or termination of a previous non-utility generator power purchase agreement that will result in savings to be passed through to ratepayers." Id. at 19-20. Rate Counsel concluded that, because Trenton Renewable became operational in 2019—after retail choice was established in the State—and the PPA is not the result of a renegotiation, restructuring, or termination of a previous non-utility generator power purchase agreement, the Board may not permit cost recovery to Trenton Renewable through the non-utility generation charge ("NGC") component of PSE&G's tariff and doing would be *ultra vires*. Id. at 21.

Rate Counsel argued that Trenton Renewable's Petition did not include any admissions to financial struggles. Id. at 21-22. Rate Counsel also concluded that Trenton Renewable has failed to show that ratepayers will receive any benefit from the increase in rates resulting from the PPA and that ratepayers should not be asked to "pay more for the same avoided emissions that are already being delivered." Id. at 23.

Rate Counsel contended that it would be arbitrary and capricious to accept Staff's recommendation, noting that the Administrative Procedure Act ("APA"), N.J.S.A. 52:14B-1, *et seq.*, requires the Board to set forth the findings of fact and include an explicit statement of the underlying facts that support its findings. Id. at 24. Rate Counsel identified that the Initial Position does not allow the Board to meet this standard. Ibid. Rate Counsel identified that the only information provided by Staff in the Initial Position—a statement that Trenton Renewable provided its Gap Analysis upon Staff's request and that the Gap Analysis shows the projected revenues under the PPA to be within the range of plausible operating scenarios—demonstrates that Staff has not asked for support in addition to Trenton Renewable's provided calculations to aid Staff's position. Ibid.

SUR-REPLIES

Trenton Renewable

By letter dated February 21, 2025, Trenton Renewable filed its sur-replies ("TRP Sur-Reply") in response to the RC Reply, arguing that the evidence in the record establishes that Trenton Renewable is entitled to an increase in the rate PSE&G pays for power generated at the Facility. TRP Sur-Reply at 2. Trenton Renewable argued that its two (2) expert reports established 1) "Trenton Renewable's operations result in a gross avoided [carbon dioxide emissions ("CO₂e")] of 239,787 metric tonnes per year ("TPY") and a net CO₂e offset of 224,895 metric TPY" and 2) "The social cost of carbon dioxide equivalent emissions avoided by Trenton Renewable's operations is \$1.65 per kWh." Id. at 2-3. Aside from the evidence that Trenton Renewable provided, no other party provided anything to refute these conclusions. Id. at 3.

Trenton Renewable further identified that, contrary to Rate Counsel's assertions, the Board has the authority to consider and grant the Petition and that Rate Counsel's assertions are contrary to the relevant law. Ibid. In response to Rate Counsel's assertion that the Board's regulations do not permit special rate contracts, Trenton Renewable argued that these regulations are inappropriate and do not apply to this matter because the regulations discussed by Rate Counsel refer to utility contracts for special sale rates with their customers, whereas this matter concerns sale of energy to the utility. Id. at 3-4.

Regarding Rate Counsel's assertion that changes to the PSE&G tariff should be dealt with in a Base Rate Case, Trenton Renewable argued that Rate Counsel's assertion lacks merit because Trenton Renewable is not seeking changes to PSE&G's tariff. Id. at 4. Trenton Renewable further argued that, because the NGC is a statutory rate clause that operates as a separate component of PSE&G's tariff reviewed distinct from any base rate case, and Rate Counsel participates in each utility's annual NGC filings absent any nexus to base rate proceedings. Id. at 4-5.

Regarding Rate Counsel's assertion that the Board would have to conduct a comprehensive resources analysis to award the PPA, Trenton Renewable argued that it is not seeking a change to the Class 1 REC and therefore no such analysis is necessary. Id. at 5. Trenton Renewable noted that it only sought a change in the per-kWh rate received from PSE&G with no alteration to the Class I REC. Ibid.

Regarding Rate Counsel's assertion that the Board must conduct a rulemaking proceeding in this matter, Trenton Renewable argued that Rate Counsel incorrectly claimed that Trenton Renewable seeks a carve-out REC for biogas that would attract similar petitions from other facilities and encourage further proliferation of such facilities. Ibid. Trenton Renewable asserted that there is no factual basis that this matter concerns modification to the Class I REC and, therefore, the claim that this matter constitutes a rulemaking under Metromedia lacks factual foundation and Rate Counsel failed to explain how this matter satisfies the six (6)-indicia test established therein. Id. at 5-6.

Trenton Renewable further argued that Rate Counsel's contention that approval of the PPA would be *ultra vires* is erroneous and contrary to State and Federal Law. Id. at 6. Trenton Renewable proffered that, under various sections of Title 48 and the Public Utility Regulatory Policies Act of 1978, the Board has clear authority as part of its incidental ratemaking power to approve a PPA between Trenton Renewable and PSE&G. Id. at 7-9.

Trenton Renewable further identified that, pursuant to N.J.S.A. 48:3-61, the Board may authorize continued recovery of the amount PSE&G pays Trenton Renewable via the PPA through its NGC.⁷ Id. at 10. Trenton Renewable asserted that N.J.S.A. 48:3-61 recognizes an electric utility's obligation to purchase from non-utility generators and therefore authorized recovery of those costs through the NGC, which PSE&G currently does and, pursuant to N.J.S.A. 48:3-61, may continue to do. Ibid.

Trenton Renewable asserted that its financial position is fully and accurately documented in the record. Trenton Renewable claimed that the Petition "is based on the economic value the renewable energy it generates has, pursuant to the widely recognized methodology for calculating the social cost of carbon." Id. at 12. Trenton Renewable also identified that Rate Counsel "did not include any testimony or expert analysis of Trenton Renewable's financial statements; rather, it[s] arguments are mere speculation of staff attorneys, which have no evidential value." Id. at 14.

Trenton Renewable asserted that it is contrary to facts and business realities for Rate Counsel to speculate that the Board's approval of the Petition would lead to other facilities seeking similar treatment. Id. at 15. Trenton Renewable claimed it is the only biogas facility in the State and does not have knowledge of other similar facilities even being considered for development. Id. at 15-16. Trenton Renewable identified that the Board would be able to limit the scope of its Order to the particular facts in the record in this matter. Id. at 16.

PSE&G

On February 21, 2025 PSE&G filed a sur-reply ("PSE&G Sur-Reply") in response to Rate Counsel's and Trenton Renewable's comments, arguing that the majority of Rate Counsel's comments hinge on the idea that the additional costs of the PPA, if approved, will be recovered from PSE&G's ratepayers. PSE&G Sur-Reply at 1. PSE&G noted that it agrees with Rate Counsel's premise and reiterated their original comments that, upon entering into a PPA, "the law requires that any costs incurred by PSE&G [...] must be recoverable under the Company's NUG Charge." Ibid.

⁷ N.J.S.A. 48:3-61 concerns the "Market Transition Charge" which Trenton Renewable identifies was later renamed the "NGC" following EDECA's enactment.

PSE&G argued Rate Counsel's assertion that "the Board has no authority to impose above-market supply costs onto utility customers or allow utilities to recover costs associated with new non-utility generators [...]" was a misreading and an improper extension of EDECA. Id. at 1-2. PSE&G further claimed that Rate Counsel failed to cite any authority that precluded the Board from authorizing cost recovery for the PPA through the Company's Non-Utility Generation Transition Charge ("NTC"). Id. at 2.

PSE&G disagreed with Trenton Renewable's comment that the PPA has been under review for over a year and, as such, the Board should direct that PSE&G and Trenton Renewable execute the PPA within fourteen (14) days of the effective date of any Order approving the PPA. Id. at 2-3. PSE&G identified that it has no obligation to review and analyze the PPA "unilaterally proposed by Trenton Renewable[]" until the Board directs PSE&G to enter into the PPA at a determined price and reserved the right to negotiate the terms of the PPA at that time for final submission to the Board for approval. Id. at 3. PSE&G therefore requested, if the Board grants Trenton Renewable's request, that it provide at least thirty (30) days to finalize and execute the PPA. Ibid.

Rate Counsel

On February 21, 2025, Rate Counsel filed a sur-reply in this matter ("RC Sur-Reply"), reiterating that the Petition fails to discuss financial need. RC Sur-Reply at 3. Rate Counsel identified that Trenton Renewable failed to allege any financial need for recovery of additional subsidies and that only in response to discovery did Trenton Renewable provide any financial information and only raised the issue of financial need due to budget deficit for the first time in its Reply. Ibid. Rate Counsel further asserted that Trenton Renewable's responses to discovery establish that PSE&G's current PEP Tariff structure would allow Trenton Renewable to recover more than triple the revenue accounted for in 2023 and, as such, switching to a PPA arrangement is likely unnecessary. Id. at 4.

Rate Counsel further reiterated that the instant request coincides with many pending PSE&G rate increases and that, although characterized as a small increase, Rate Counsel noted that PSE&G customers will see rate increases this summer. Id. at 5.

Rate Counsel contended that PSE&G's NGC Tariff does not authorize recovery of payments to Trenton Renewable. Id. at 5. Rate Counsel noted that approval of the PPA would increase PSE&G's costs, contrary to the intent of EDECA. Id. at 6. Rate Counsel further asserted that directing PSE&G into the PPA would violate the provisions of N.J.S.A. 48:3-2 which prohibits enforcement of any regulation, practice, or measurement that is unjust, unreasonable, unduly preferential, or in any way in violation of any law. Id. at 8 (quoting N.J.S.A. 48:3-2).

Finally, Rate Counsel noted their disagreement with the PPA terms, noting that the Parties' positions conflict but, regardless of the Board's decision, Rate Counsel must be involved in the negotiation of any PPA terms as representative of PSE&G's ratepayers. Ibid.

STIPULATION

Following a review of the Petition and discovery, several settlement meetings, and review of the filings, on September 9, 2025, the Signatory Parties executed the Stipulation, the key elements

of which are as follows:⁸

14. The Signatory Parties agree and recommend that the Board approve an “Interconnection, Operations and Power Purchase Agreement” between Trenton Renewable and PSE&G (“Agreement”), which would amend and supersede the Interconnection Agreement, for the sale of the electricity generated by the facility from Trenton Renewable to PSE&G at rate equal to the then-current highest PSE&G BGS-Residential and Small Commercial Pricing (“RSCP”) Energy and Capacity Charge for rate classification “Residential Service”(“RS”) for the applicable season,⁹ as approved by the Board each year, minus one (1) cent per kWh. The highest PSE&G BGS-RSCP Energy and Capacity Charge for the current summer season for rate classification RS is \$0.132378 per kWh. The highest PSE&G BGS RSCP Energy and Capacity Charge for the upcoming winter season for rate classification RS will be \$0.126236 per kWh effective October 1, 2025, and the initial rate paid to Trenton Renewable under the Agreement will be \$0.116236 per kWh, not including any applicable Sales and Use Tax. The Signatory Parties agree that the rate under the Agreement will be adjusted annually on June 1 of each year, based on the then-current highest PSE&G BGS RSCP rate for each season for rate classification RS as approved by the Board, minus one (1) cent per kWh. If the future highest PSE&G RSCP RS rate is no longer a single kWh rate for a particular season, PSE&G will select a suitable rate that reflects the effective RS annual average rate for that season.
15. PSE&G shall pay Trenton Renewable at a rate equal to the applicable then-current PSE&G BGS RSCP rate for rate classification RS minus one (1) cent per kWh, as described in Paragraph 14 of this Stipulation, for so long as the Facility is fueled by renewable natural gas and the electricity generated by the Generation System is classified as Class I renewable energy, as described in paragraphs 2-4 of the Stipulation, or for a term of ten (10) years, as set forth in paragraph 17 below, whichever is shorter. In the event the Facility changes its fuel source to pipeline quality gas or other fuel source, the payment terms set forth in Paragraphs 14 and 15 shall no longer apply, and Trenton Renewable shall revert to selling the net electric generation from the Generation System to PSE&G under PSE&G’s PEP tariff. Trenton Renewable shall annually certify to PSE&G that the Facility continues to be fueled exclusively using renewable natural gas and all electricity generated by the Facility continues to be Class I-eligible and shall notify PSE&G in writing in advance of any change to this status.
16. The Signatory Parties also agree that, under the Agreement, Trenton Renewable will sell, and PSE&G will purchase, all of the electricity produced by the Generation System and delivered to PSE&G at the interconnection point, which is located within the Facility in Trenton, New Jersey. The Signatory Parties also agree that there will be no quantity of electricity specified or guaranteed under the Agreement; rather, PSE&G will purchase the total delivered amount as determined by a utility-grade meter at the interconnection point limited to the Generation System.

⁸ Should there be any conflict between the summary in this Order and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

⁹ See, PSE&G Electric Tariff, B.P.U.N.J. No. 17 ELECTRIC, First Revised Sheet No. 75.

17. The Signatory Parties further agree that the term of the Agreement shall be ten (10) years.
18. The Signatory Parties further agree that sales pursuant to the Agreement will replace and supersede the Company's sales to PSE&G under the PSE&G PEP tariff.
19. The Signatory Parties further agree and recommend that the Board direct Trenton Renewable and PSE&G to finalize and execute the Agreement within thirty (30) days after a Board Order approving this Stipulation, and that the Agreement thereafter be filed with the Board. A form of the Agreement is attached to the Stipulation as Exhibit A.
20. The Signatory Parties further agree and recommend that the Board approve cost recovery for all amounts PSE&G pays to Trenton Renewable under the Agreement via PSE&G's NGC. The Signatory Parties agree that full and timely recovery of all costs prudently incurred by PSE&G under the Agreement is an essential element of the Stipulation.
21. The Signatory Parties further agree that the Stipulation addresses the unique situation involving Trenton Renewable, its developers and its food waste digester facility that uses the renewable natural gas to generate electricity. The Signatory Parties rely on the specific facts of this matter as set forth in the Petition and discovery to agree to the terms of the Stipulation. The Signatory Parties therefore agree that the Stipulation has no precedential value for any other party or proceeding.

DISCUSSION AND FINDINGS

The Board maintains general supervisory and regulatory authority and control over all public utilities in the State pursuant to N.J.S.A. 48:2-13. Such regulatory authority includes the property rights, equipment, facilities, and franchises of those utilities "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." N.J.S.A. 48:2-13(a). Further, the Board maintains the power to fix just and reasonable utility rates when it determines any existing rate to be unjust, unreasonable, insufficient, or unjustly discriminatory or preferential. N.J.S.A. 48:2-21(b). The courts have broadly interpreted these powers, holding that "the BPU's authority over utilities . . . extends beyond powers expressly granted by statute to include incidental powers that the agency needs to fulfill its statutory mandate." In re Pub. Serv. Elec. & Gas Co.'s Rate Unbundling, Stranded Costs & Restructuring Filings, 167 N.J. 377, 384 (2000) (quoting In re Valley Rd. Sewerage Co., 154 N.J. 224, 235 (1998)).

EDECA directs that the Board may not regulate, fix, or prescribe rates for competitive services, including electric generation service. However, pursuant to N.J.S.A. 48:3-61, the Board may permit the State's electric public utilities to recover certain costs through a market transition charge, or NGC. N.J.S.A. 48:3-61(a). Such costs include 1) utility generation plant stranded costs, 2) stranded costs related to power purchase contracts with other utilities, 3) stranded costs related to long-term power purchase contracts with non-utility generators, and 4) restructuring-related costs as the Board may determine to be appropriate. N.J.S.A. 48:3-61(a)(1-4). To this end, the Board may approve new power purchase contracts that are "the result of the renegotiation, restructuring or termination of a previous non-utility generator purchase agreement" if the Board determines the new contract "will result in a substantial reduction in the total stranded costs of the utility, which resulting savings will be passed through to ratepayers . . ." N.J.S.A.

48:3-61(l)(i).

Throughout this proceeding, Trenton Renewable responded to several rounds of discovery requests propounded by Staff (S-1 through S-11) and Rate Counsel (RCR-1 through RCR-49). Through its discovery responses, Trenton Renewable indicated it currently operates at a deficit, with net income at zero or less from 2019 to 2023. Trenton Renewable further indicated that, if it does not receive a higher rate for electricity sales, its financial condition may deteriorate.

Rate Counsel argued Trenton Renewable improperly seeks to circumvent N.J.S.A. 48:3-60(a)(3) which requires a comprehensive resource analysis be undertaken to determine the appropriate level of funding for certain programs that provide environmental benefits, including Class I RECs. Rate Counsel asserted that the PPA effectively seeks to grant Trenton Renewable additional subsidies that function as Class I RECs, an incentive mechanism already awarded to Trenton Renewable and for which the funding level has already been set. As such, Rate Counsel argued that the approval of the PPA functions as awarding additional Class I RECs and the statutorily mandated process for awarding Class I RECs, including a comprehensive resource analysis, must be followed accordingly. However, this matter does not see a change to the Class I REC amount awarded to Trenton Renewable, but a change in the overall cost of energy sold by the Facility. The Class I REC exists as a subsidy for “programs that provide environmental benefits above and beyond those provided by standard offer or similar programs.” This matter concerns an increase in the rate charged for energy produced at the Facility, not a change in the State-offered subsidy to the Facility for its environmental benefits. The mention of the Facility’s avoided CO₂e contained in the Petition, and the estimated value thereof, supports an increase in the cost per kWh paid to the facility, however, the mention of avoided CO₂e does not, alone, convert the Petition into a request for greater Class I RECs. *The PPA rate represents a totality of factors, of which the avoided CO₂e is only a single component, meant to be evaluated as a whole.*

In this instance, by the Stipulation, the Signatory Parties agreed to implement the Agreement, including a PPA, and thereby supersede Trenton Renewable’s sale of power to PSE&G under PSE&G’s PEP tariff at a rate one (1) cent per kWh lower than that charged to PSE&G’s customers for BGS. This rate, if implemented, would allow Trenton Renewable to continue operating while reducing ratepayer impact that would arise if supply provided by Trenton Renewable is replaced by BGS. Further, the Stipulation provides that this rate would remain tied to the BGS rate such that it remains one (1) cent below BGS for the duration of the PPA, regardless of any increase or decrease in the BGS price.

Accordingly, the Board, having carefully reviewed the Petition, the Stipulation, and the full record in this proceeding, **HEREBY FINDS** that a rate of \$0.116236, as contained in the Stipulation, is just and reasonable.

Because the rate is, and will remain, lower than the rate PSE&G charges for its RS service class, the PPA rate will result in a net benefit to ratepayers while enabling the Facility to continue operations. Accordingly, the Board **FURTHER FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law.

The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as if fully set forth herein. The Board **HEREBY APPROVES** the PPA rate reflected in the Stipulation.

The approvals granted hereinabove shall be subject to the following provisions:

1. This Order shall not affect or in any way limit the Board's, or the State's, exercise of authority in any future petition, or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any matter affecting Trenton Renewable and/or PSE&G;
2. Trenton Renewable shall file a petition with the Board on or before the third anniversary of the date of the PPA's execution for reevaluation of the reasonableness of the continuation of the PPA. whereupon Trenton Renewable and PSE&G shall submit a recommendation to the Board regarding whether to modify, terminate, or continue the PPA as agreed via the Stipulation; and
3. Trenton Renewable shall, on or before June 1 of each year for the duration of the PPA, file with the Board notice of any change to the PPA rate in accordance with the terms of the Stipulation.

The Agreement addresses a unique situation, and the facts specific thereto, involving Trenton Renewable and the Facility in particular. As such, the Board **NOTES** that the Stipulation and the PPA have no precedential value in any future proceedings seeking approval of a PPA for the sale of energy generated using RNG or any other such situation whereby a generator seeks to sell energy.

The Board **HEREBY RATIFIES** the decisions made by President Guhl-Sadovy during the pendency of this proceeding.

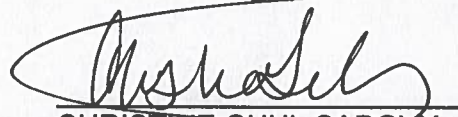
PSE&G's costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any action determined to be appropriate as a result of any such audit.

The effective date of this Order is September 25, 2025.

DATED: September 25, 2025

BOARD OF PUBLIC UTILITIES


BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD SECRETARY

IN THE MATTER OF THE PETITION OF TRENTON RENEWABLE POWER, LLC FOR
APPROVAL OF A RENEWABLE ENERGY POWER PURCHASE AGREEMENT WITH PUBLIC
SERVICE ELECTRIC AND GAS COMPANY

DOCKET NO. EM24020105

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF : **STIPULATION OF SETTLEMENT**
TRENTON RENEWABLE POWER, LLC :
 FOR APPROVAL OF A RENEWABLE :
 ENERGY POWER PURCHASE AGREEMENT : **BPU DOCKET NO. EM24020105**
 WITH PUBLIC SERVICE ELECTRIC AND :
 GAS COMPANY :

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:

APPEARANCES:

Gregory Eisenstark, Esq., (Cozen O'Connor, PC, attorneys) for the Petitioner, Trenton Renewable Power, LLC

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities
(**Matthew J. Platkin**, Attorney General of New Jersey)

Brian O. Lipman, Esq. (Director), **T. David Wand, Esq.** (Managing Attorney), **Maura Caroselli, Esq.** (Managing Attorney) and **Robert Glover, Esq.** (Assistant Deputy Rate Counsel), New Jersey Division of Rate Counsel

Matthew Weissman, Esq., Special Counsel, Attorney for Intervenor Public Service Electric and Gas Company

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of the dates indicated below, by and among the Petitioner, Trenton Renewable Power, LLC (“Trenton Renewable” or “Petitioner”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”), and intervenor Public Service Electric and Gas Company (“PSE&G”) (collectively, “Signatory Parties”). The New Jersey Division of Rate Counsel (“Rate Counsel”) is a party to this matter but has indicated it will not execute the Stipulation.

The Signatory Parties do hereby request that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue an Order approving the Stipulation without modification.

Background

1. On February 8, 2024, Trenton Renewable filed a Verified Petition with the Board seeking approval of a renewable power purchase agreement (“PPA”) with PSE&G (“Petition”). According to Trenton Renewable, the Petition, supported by expert reports and analyses, demonstrated that the Class I renewable power generated by Petitioner’s Facility (and defined below) should be valued at \$2.03/kWh. However, the Petition sought Board approval of a PPA with PSE&G at a rate of 20 cents/kWh.

2. By way of background, Petitioner owns and operates a food waste recycling facility, also known as a biomass facility, located at 1600 Lamberton Road, Trenton, New Jersey (“Facility”). The Facility includes a digester that recycles vegetative food waste and produces renewable natural gas as a byproduct of the recycling process.

3. The Facility also has three onsite 1.134 megawatt (“MW”) electric generation turbines that use the renewable natural gas created by the digester to generate electricity (“Generation System”). The total nameplate capacity of the Generation System for the purposes of this Stipulation is and shall remain 3.4 MW.

4. Because it is a biomass facility as defined in the Board’s regulations, the electricity generated by the Generation System is classified as Class I renewable energy pursuant to N.J.A.C. 14:8-1.2 and N.J.A.C. 14:8-2.5(b)(8) and (c). In addition, the Generation System is a Qualified Facility (“QF”) as that term is defined under the Public Utility Regulatory Policy Act of 1978 (“PURPA,” originally codified at 16 U.S.C. § 2601 *et seq.*).

5. The Facility and Generation System are located within the service territory of PSE&G. The Generation System is interconnected with PSE&G's electric distribution system at voltage of 13.2 kV, at an interconnection point at 1600 Lamberton Road, Trenton, New Jersey.

6. PSE&G is a public utility of the State of New Jersey subject to the jurisdiction of the Board, and provides electric distribution and transmission service (along with Basic Generation Service or "BGS"), and natural gas distribution service (along with Basic Gas Supply Service) within a service territory that encompasses numerous municipalities within the State of New Jersey, including Trenton, New Jersey. Petitioner is an electric distribution customer of PSE&G at the Facility.

7. Pursuant to an interconnection agreement between Trenton Renewable and PSE&G dated August 29, 2018 ("Interconnection Agreement"), Petitioner currently sells the net electric generation from the Generation System to PSE&G under PSE&G's Purchased Electric Power ("PEP") tariff. *See* PSE&G Electric Tariff, Original Sheet No. 176, "Payment Schedule PEP - Purchased Electric Power." The pricing Trenton Renewable receives under PSE&G's PEP tariff is based on a wholesale "avoided cost" proxy. Essentially, the PJM Interconnection, L.L.C. ("PJM") wholesale locational marginal price ("LMP") at the PSEG node is the basis for the price that Trenton Renewable receives for its Class I renewable energy under the PEP tariff.

8. The Generation System commenced commercial operation on November 5, 2019, and began selling renewable energy to PSE&G under the PEP tariff in May 2020. Since it began selling electricity to PSE&G and through the date the Petition was filed, the average price that Trenton Renewable received for its renewable energy under the PEP tariff was 3.8 cents/kWh.

9. On February 27, 2024, PSE&G filed a motion to intervene, which was unopposed. On April 17, 2024, the Board issued an order that: 1) granted PSE&G's motion to intervene; 2) designated Board President Christine Guhl-Sadovy as the presiding officer for this matter; and 3)

set a bar date of May 15, 2024 for any additional motions to intervene. No other motions to intervene were filed with the Board.

10. Thereafter, the Signatory Parties and Rate Counsel engaged in extensive written discovery.

11. On December 10, 2024, President Guhl-Sadovy issued an Order Setting the Procedural Schedule, under which Board Staff would issue its initial position in the matter and the other parties would have an opportunity to respond and comment. On January 9, 2025, President Guhl-Sadovy issued an “Order Amending the Procedural Schedule.” On January 24, 2025, Board Staff issued its initial position. On February 4, 2025, President Guhl-Sadovy issued a “Second Order Amending Procedural Schedule.” Pursuant to the February 4, 2025 Order, parties were to file replies to Board Staff’s initial position by February 14, 2025 and sur-replies by February 21, 2025.

12. On February 14, 2025, Trenton Renewable, Rate Counsel and PSE&G filed replies to Board Staff’s initial position. On February 21, 2025, Trenton Renewable, Rate Counsel and PSE&G filed sur-replies.

13. During the course of this matter, the Signatory Parties engaged in settlement discussions, which ultimately led to this Stipulation.

Stipulation

The undersigned Signatory Parties **DO HEREBY STIPULATE AND AGREE** as follows:

14. The Signatory Parties agree and recommend that the Board approve an Interconnection, Operations and Power Purchase Agreement between Trenton Renewable and PSE&G (“Agreement”), which would amend and supersede the Interconnection Agreement, for the sale of the electricity generated by the facility from Trenton Renewable to PSE&G at rate equal to the then-current highest PSE&G BGS- Residential and Small Commercial Pricing (“BGS-RSCP”) Energy and Capacity

Charge for rate classification RS for the applicable season,¹ as approved by the Board each year, minus one cent/kWh. The highest PSE&G BGS-RSCP Energy and Capacity Charge for the current summer season for rate classification RS is \$0.132378 kWh. The highest PSE&G BGS-RSCP Energy and Capacity Charge for the upcoming winter season for rate classification RS will be \$0.126236/kWh effective October 1, 2025, and the initial rate paid to Trenton Renewable under the Agreement will be \$0.116236/kWh, not including any applicable Sales and Use Tax. The Signatory Parties agree that the rate under the Agreement will be adjusted annually on June 1 of each year, based on the then-current highest PSE&G BGS RSCP rate for each season for rate classification RS as approved by the Board, minus one cent/kWh. If the future highest PSE&G BGS-RSCP RS rate is no longer a single kWh rate for a particular season, PSE&G will select a suitable rate that reflects the effective RS annual average rate for that season.

15. PSE&G shall pay Trenton Renewables at a rate equal to the applicable then-current PSE&G BGS-RSCP rate for rate classification RS minus one cent/kWh, as described in Paragraph 14 of this Stipulation, for so long as the Facility is fueled by renewable natural gas and the electricity generated by the Generation System is classified as Class I renewable energy, as described in paragraphs 2-4 of this Stipulation, or for a term of ten years, as set forth in paragraph 17 below, whichever is shorter. In the event the Facility changes its fuel source to pipeline quality gas or other fuel source, the payment terms set forth in Paragraphs 14 and 15 shall no longer apply, and Trenton Renewables shall revert to selling the net electric generation from the Generation System to PSE&G under PSE&G's PEP tariff. Trenton Renewables shall annually certify to PSE&G that the Facility continues to be fueled exclusively using renewable natural gas and all electricity generated by the Facility continues to be Class 1-eligible, and shall notify PSE&G in writing in advance of any change to this status.

¹ See, PSE&G Electric Tariff, B.P.U.N.J. No. 17 ELECTRIC, First Revised Sheet No. 75.

16. The Signatory Parties also agree that, under the Agreement, Trenton Renewable will sell, and PSE&G will purchase, all of the Class I renewable electricity produced by the Generation System and delivered to PSE&G at the interconnection point, which is located within the Facility in Trenton, New Jersey. The Signatory Parties also agree that there will be no quantity of Class I renewable electricity specified or guaranteed under the Agreement; rather, PSE&G will purchase the total delivered amount as determined by a utility-grade meter at the interconnection point limited to the Generation System.

17. The Signatory Parties further agree that the term of the Agreement shall be ten years.

18. The Signatory Parties further agree that sales pursuant to the Agreement will replace and supersede Petitioner's sales to PSE&G under the PSE&G PEP tariff.

19. The Signatory Parties further agree and recommend that the Board direct Trenton Renewable and PSE&G to finalize and execute the Agreement within 30 days after a Board Order approving this Stipulation, and that the Agreement thereafter be filed with the Board. A form of the Agreement is attached to this Stipulation as Exhibit A.

20. The Signatory Parties further agree and recommend that the Board approve cost recovery for all amounts PSE&G pays to Trenton Renewable under the Agreement via PSE&G's non-utility generation charge component of its electric tariff ("NGC"). The Signatory Parties agree that full and timely recovery of all costs prudently incurred by PSE&G under the Agreement is an essential element of this Stipulation.

21. The Signatory Parties further agree that this Stipulation addresses the unique situation involving Trenton Renewable, its developers and its food waste digester facility that uses the renewable natural gas to generate electricity. The Signatory Parties rely on the specific facts of this matter as set forth in the petition and discovery to agree to the terms of this Stipulation. The Signatory Parties therefore agree that this Stipulation has no precedential value for any other party or proceeding.

22. The Signatory Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, or in the event that, following acceptance and approval of this Stipulation, the Board subsequently denies full and timely recovery of all costs PSE&G incurs under the Agreement or if there is any governmental action that would prevent or delay PSE&G from seeking full and timely recovery of those costs, then any Signatory Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Signatory Parties within ten days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, or the Board at any time denies PSE&G full and timely recovery of all costs incurred under the Agreement or if there is any governmental action that would prevent or delay PSE&G from seeking full and timely recovery of those costs, then any Signatory Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed. The Signatory Parties agree that this Stipulation shall be binding on them for all purposes herein.

23. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

- a. By executing this Stipulation, no Signatory Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation.
- b. The contents of this Stipulation shall not in any way be considered, cited, or used by any of the undersigned Signatory Parties as an

indication of any Signatory Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.


24. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Signatory Parties. The Signatory Parties understand that the Board's written Order approving this Stipulation shall become effective in accordance with N.J.S.A. 48:2-40.

CONCLUSION

WHEREFORE, the Signatory Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety and without modification in accordance with the terms hereof.

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Trenton Renewable Power, LLC

By: 
Gregory Eisenstark, Esq.
Cozen O'Connor, PC


Dated: 9/9/2025

Matthew J. Platkin
Attorney General of New Jersey
Attorney for **Staff of the Board of Public Utilities**

By: 
Matko Ilic, Deputy Attorney General

Dated: 9/9/2025

Public Service Electric and Gas Company

By: 
Matthew Weissman, Esq.
Special Counsel

Dated: 9/9/2025

OPERATIONS COORDINATION, INTERCONNECTION AND

POWER PURCHASE AGREEMENT

BETWEEN

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

AND

TRENTON BIOGAS, LLC

Date: September __, 2025

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**OPERATIONS COORDINATION, INTERCONNECTION AND
POWER PURCHASE AGREEMENT**

BETWEEN

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

AND

TRENTON BIOGAS, LLC

This AGREEMENT made and entered as of the ____ day of ____, 2025 by and between PUBLIC SERVICE ELECTRIC AND GAS COMPANY, a New Jersey corporation (PSE&G) and Trenton Biogas, LLC, a Delaware Company (GENERATOR).

RECITALS

WHEREAS, GENERATOR has, or has caused an entity to, finance, design, and construct, and now owns and operates a FACILITY located on GENERATOR's premises within the electric service territory of PSE&G on property designated as 1600 Lamberton Road, in the Township of Trenton, County of Mercer, State of New Jersey;

WHEREAS, GENERATOR has the FACILITY sell to PSE&G and PSE&G, in recognition of its obligation under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Section 796 et seq.) (PURPA) as implemented by the Federal Energy Regulatory Commission (FERC) and the State of New Jersey Board of Public Utilities (NJ BPU), will purchase in accordance with the order of the New Jersey Board of Public Utilities ("BPU" or "Board") dated XXXX in I/M/O the Petition of Trenton Renewable Power, LLC for Approval of a Renewable Energy Power Purchase Agreement with Public Service Electric and Gas Company, Docket No. EM24020105, the terms and conditions of which are by reference incorporated herein, and the terms and conditions set forth in this AGREEMENT, the electricity produced by the FACILITY and delivered to the RECEIPT POINT;

WHEREAS, GENERATOR is seeking to remain interconnected at a local distribution or sub-transmission facility, which is not subject to FERC jurisdiction; and

WHEREAS, GENERATOR has advised PSE&G that the name plate rating of the FACILITY is approximately 3.4 megawatts, and PSE&G and PJM have determined that the FACILITY will be interconnected with the PSE&G distribution system at 13-kV;

WHEREAS, PSE&G is a member of the PJM Interconnection, LLC (PJM or PJM SYSTEM);

WHEREAS, PSE&G has conducted engineering studies to determine that it is feasible to design, construct, install, commission and operate and maintain the INTERCONNECTION, and

to receive the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT, in accordance with this AGREEMENT; and

WHEREAS, certain activities in respect of pre-operational testing, phasing-in and testing operations, and initial operations (Article IV); design, construction, installation, testing and commissioning of the interconnection (Article VI, Section A); payment of interconnection costs (Article VI, Section E); and inspection (Article XII) have been completed, and the DATE OF COMMERCIAL OPERATION referenced in Article IV has been established as XXXXX, 2019;

NOW, THEREFORE, in consideration of the recitals and mutual covenants contained herein, the Parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms when used herein with capitalization shall have the following meanings, unless a different meaning shall be expressly stated:

AGREEMENT means this Operations Coordination, Interconnection and Power Purchase Agreement between the GENERATOR and PSE&G.

CANCELLATION COSTS means the actual costs and liabilities PSE&G incurs in connection with (a) cancellation of supplier and contractor orders/agreements entered into to construct and install the INTERCONNECTION; and (b) completion of specific unfinished portions of the INTERCONNECTION and/or removal of INTERCONNECTION facilities which have been installed and are no longer required.

COMMERCIAL OPERATION means the production of electric power by the electric generation unit at the FACILITY, and availability of the supply of such electric power to PSE&G at the RECEIPT POINT from the DATE OF COMMERCIAL OPERATION.

DATE OF COMMERCIAL OPERATION means the date the Parties hereto designate by mutual agreement as the date on which the electric generation unit at the FACILITY has been completed, satisfactorily tested and inspected and is available for and capable of: (i) production of electrical power; and (ii) the delivery thereof to PSE&G at the RECEIPT POINT.

DATE OF INITIAL OPERATION means the date on which GENERATOR causes the FACILITY to synchronize, for the first time, the electric generation unit at the FACILITY with the PUBLIC SERVICE SYSTEM.

EVENT OF DEFAULT shall have the meaning set forth in ARTICLE XIX.

FACILITY means the structures and equipment caused to be constructed, installed, operated and maintained at GENERATOR's site, for the purpose of generating electric power and other forms of useful energy output and having an installed name-plate rating of approximately 3.4 megawatts.

FINANCING PARTIES means person(s) or entities providing debt, equity or lease financing or refinancing in regard to the PROJECT or the FACILITY.

INITIAL OPERATION means the production of electrical power, as of the DATE OF INITIAL OPERATION and prior to the DATE OF COMMERCIAL OPERATION, by the electric generation unit at the FACILITY and the supply of any such electrical power to PSE&G at the RECEIPT POINT.

INTERCONNECTION means the facilities designed, constructed, installed and owned by PSE&G for the purpose of enabling PSE&G to accept the NET ELECTRICAL POWER OUTPUT from the FACILITY at the RECEIPT POINT pursuant to the terms and conditions of this AGREEMENT.

MONTH means the calendar month commencing at 12:00.01 a.m. Eastern Time on the first day of the calendar month and concluding at midnight Eastern Time on the final day of the same calendar month.

NET ELECTRICAL POWER OUTPUT means the amount of electrical power output delivered to PSE&G at the RECEIPT POINT which is the name plate rating of the energy resource associated with the electrical power generated by the FACILITY less the electrical power consumed by the FACILITY's auxiliary load.

PJM means PJM Interconnection, L.L.C., the regional transmission organization which operates and/or controls PSE&G's interconnected transmission facilities, and those of its other member transmission owners in the PJM SYSTEM, or such successor or alternative transmission provider to which PSE&G is electrically connected and coordinates operations with, as PSE&G may designate from time to time.

PJM SYSTEM shall mean the interconnected transmission facilities of all the PJM transmission owners, which encompasses the PSE&G transmission system.

POINT OF INTERCONNECTION – See RECEIPT POINT

PROJECT means the development, construction, operation, and financing of an approximate 3.4 Megawatt project consisting of 3 units each approximately 1.137 MW constituting the FACILITY and SUBSTATION FACILITY, and associated facilities and equipment caused to be constructed, owned/leased, operated and maintained by GENERATOR in the Town of Trenton, County of Mercer, State of New Jersey for the purpose of producing, among other things, electric power.

PUBLIC SERVICE SYSTEM means the electric power generation, transmission, subtransmission and distribution facilities owned, operated and maintained by PSE&G, which shall include some or all of the facilities required to complete the INTERCONNECTION.

PEP TARIFF means Payment Schedule PEP – Purchased Electric Power as defined in the PSE&G's Tariff for Electric Service or its successor tariff.

RECEIPT POINT, also referred to as **POINT OF INTERCONNECTION**, means the points of physical connection of the PROJECT to the 13-kV system located at the point where the PSE&G 13-kV system meets with and connects to the SUBSTATION FACILITY. The RECEIPT POINT is identified in the Interconnection Plan (hereinafter sometimes referred to as Exhibit 1).

RELEASE NOTICE means the written notice GENERATOR will provide to PSE&G, authorizing PSE&G to commence the tasks associated with the design, construction, installation, testing and commissioning of the INTERCONNECTION.

REQUIRED PERMIT means any permit, license or approval from any regulatory or governmental body which was required to be obtained by PSE&G to install, construct, own, operate and/or maintain the INTERCONNECTION.

SUBSTATION FACILITY means the ____ kV substation, and any modifications and additions of facilities and equipment thereto, which is required to connect the FACILITY with the PUBLIC SERVICE SYSTEM so as to enable GENERATOR to supply to PSE&G at the RECEIPT POINT, in a safe and reliable manner, the NET ELECTRICAL POWER OUTPUT. The GENERATOR is responsible for providing the SUBSTATION FACILITY.

SYSTEM EMERGENCY means the existence of a physical or operational condition and/or the occurrence of an event on the PUBLIC SERVICE SYSTEM or PJM SYSTEM which in PSE&G's sole judgment is: (i) imminently likely to endanger life or property; or (ii) impairs and/or imminently will impair: (a) PSE&G's ability to discharge its statutory obligation(s) to provide safe, adequate and proper service to its retail and sale-for-resale customers; and/or (b) the safety and/or reliability of the PUBLIC SERVICE SYSTEM or PJM SYSTEM.

TERMINATION DATE means the date of PSE&G's written notice of termination of this AGREEMENT issued to GENERATOR upon the occurrence of an EVENT OF DEFAULT by GENERATOR hereunder which is not cured by the GENERATOR within the time of cure provided hereunder, or, if such cure cannot be completed within the time provided hereunder, during the period in which GENERATOR (or FINANCING PARTIES) commences and diligently pursues such cure; *provided, however*, that PSE&G shall not issue a written notice of termination in respect of any EVENT OF DEFAULT arising under ARTICLE XIX 1.; 3; 4; or 5 in regard to which GENERATOR has submitted a dispute for mediation hereunder unless and until the resulting mediation of such dispute results in confirmation that the conditions of default and absence of cure referenced in the preceding clause exist or that such dispute is not resolved within the time provided under ARTICLE XXIV 2.d.

ARTICLE II

GENERAL CONDITIONS OF DELIVERY AND ACCEPTANCE OF NET ELECTRICAL POWER OUTPUT

Section A

Warranty of Qualifying Facility Status

GENERATOR warrants that, at the date of first power deliveries from the FACILITY and during the term of this AGREEMENT, the FACILITY shall meet the requirements for a Qualifying Facility as established by the FERC's Rules and Regulations set forth in Title 18, Code of Federal Regulations, Part 292, Subpart B, Section 292 et seq. GENERATOR's obligation to supply and PSE&G's obligation to accept the electricity produced by the FACILITY and delivered to the RECEIPT POINT shall be conditioned on GENERATOR's obtaining the requisite Qualifying Facility status as set forth in PURPA and the Rules and Regulations of the FERC implementing same and maintaining those conditions during the term of this AGREEMENT and applicable to the FACILITY with respect to Qualifying Facility status.

Section B
Exceptions to Obligation to Accept
Net Electrical Power Output

In addition to the provisions of ARTICLE XIV of this AGREEMENT, PSE&G shall be excused from accepting all or a portion of the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT if:

- (1) The FACILITY fails to comply with the Interconnection, Protection and Safety Requirements and Standards for Customer-Owned Generating Facilities as set forth in Exhibit 2.
- (2) PSE&G is unable to accept the NET ELECTRICAL POWER OUTPUT from the FACILITY without jeopardizing the integrity of the PUBLIC SERVICE SYSTEM or the PJM SYSTEM.
- (3) Transmission facilities are loaded to their appropriate ratings and continued or increased power output from the FACILITY would adversely affect the reliability of the PUBLIC SERVICE SYSTEM or the PJM SYSTEM.
- (4) A light load condition exists on the PJM and/or the PUBLIC SERVICE SYSTEM. For purposes of this Section B, a light load condition means a minimum generation emergency condition declared by PJM or the PUBLIC SERVICE SYSTEM Electric System Operations Center (ESOC) or similar circumstances which may imminently lead to such conditions without actions being taken by PSE&G to avoid this circumstance.
- (5) During any SYSTEM EMERGENCY if continued acceptance of NET ELECTRICAL POWER OUTPUT from GENERATOR would contribute to such SYSTEM EMERGENCY.
- (6) PSE&G intentionally interrupts acceptance of the FACILITY's NET ELECTRICAL POWER OUTPUT to conduct planned maintenance of the INTERCONNECTION or adjacent transmission, subtransmission and/or distribution facilities.

Where practicable, PSE&G will give GENERATOR twenty-four (24) hours advance notice of any interruption, curtailment or reduction of PSE&G's acceptance of the FACILITY's NET ELECTRICAL POWER OUTPUT and, if able, the reasons therefore, and the extent and duration thereof. In the event PSE&G is unable, for any reason, to give GENERATOR advance notice of such interruption, curtailment or reduction of such acceptance of the FACILITY's NET ELECTRICAL POWER OUTPUT, PSE&G will, as soon thereafter as practicable, contact GENERATOR to confirm such interruption, curtailment or reduction, explaining the circumstances requiring or necessitating the interruption, curtailment or reduction, and, if able, furnish the reasons therefore and the extent and duration thereof. At GENERATOR's request, PSE&G will provide written notice to GENERATOR explaining the circumstances requiring or necessitating any interruption, curtailment or reduction of service effective pursuant to this

ARTICLE II. PSE&G will resume the acceptance of the FACILITY's NET ELECTRICAL POWER OUTPUT when the reason for the interruption, curtailment or reduction no longer exists.

In the event acceptance of the FACILITY's NET ELECTRICAL POWER OUTPUT is interrupted, curtailed or reduced by PSE&G for any reason specified in this ARTICLE II, PSE&G agrees to use its reasonable commercial efforts (consistent with PSE&G's existing obligations to restore service to its retail and wholesale customers) to correct any condition and to restore acceptance of such power. GENERATOR expressly agrees that PSE&G is not liable for damages of any kind to GENERATOR or any third party, all as more fully set forth in ARTICLE XIII and ARTICLE XVI of this AGREEMENT, due to PSE&G's failure to accept all or part of the FACILITY's NET ELECTRICAL POWER OUTPUT for any of the reasons expressed above.

Section C

Obligation to Provide Reactive Power

PSE&G may request, and, when requested, GENERATOR shall use reasonable commercial efforts, to provide reactive power, leading or lagging, from the FACILITY up to the operating limits of the FACILITY to the extent that it does not require a reduction in the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT.

In the event of a SYSTEM EMERGENCY, PSE&G may request GENERATOR to provide reactive power, leading or lagging, from the FACILITY and, if PSE&G makes such a request, GENERATOR shall use its reasonable commercial efforts, consistent with its operational capability and without incurrence or expenditure of incremental capital or of costs of operation, to provide same up to the operating limits of the FACILITY, whether or not same requires a reduction in the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT.

Section D

Terms of Interconnection Service

PSE&G will furnish INTERCONNECTION SERVICE to GENERATOR in accordance with the terms of this AGREEMENT.

ARTICLE III

TERM

This AGREEMENT will commence as of the date first above written and will continue in effect for 10 years from that date, or, if sooner, on the Termination Date.

At the expiration of this AGREEMENT each Party's obligation(s) hereunder will automatically terminate; provided, however, expiration of this AGREEMENT shall not relieve either Party from any obligations arising under this AGREEMENT incurred prior to the date of termination of this AGREEMENT.

ARTICLE IV INITIAL OPERATIONS PERIOD

GENERATOR plans to cause the commencement of pre-operational testing of certain PROJECT equipment and facilities during _____, and shall notify PSE&G in writing of any change in its current projection for the commencement of pre-operational testing.

Upon completion of pre-operational testing of PROJECT equipment and facilities, GENERATOR plans to cause the commencement of phasing-in and conducting test operations of the electric generation unit. GENERATOR estimates that the phasing-in and testing operations of such unit will take approximately 45 days (hereinafter referred to as the INITIAL OPERATIONS PERIOD).

GENERATOR anticipates that during the INITIAL OPERATIONS PERIOD electric power will be produced at the FACILITY and supplied to PSE&G at the RECEIPT POINT. After completion of the inspection process specified in ARTICLE XII, PSE&G will be obligated to receive at the RECEIPT POINT the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT.

Upon termination of the INITIAL OPERATIONS PERIOD, the DATE OF COMMERCIAL OPERATION will be deemed to have occurred for the purpose of determining the start of the term of the AGREEMENT and acceptance of the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT.

ARTICLE V MEASUREMENT, BILLING AND PAYMENT

Measurement of the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to the RECEIPT POINT will be in accordance with standard PSE&G practices and procedures. Billing and payment for energy usage by the FACILITY will also be billed in accordance with standard PSE&G practices and procedures.

In the event GENERATOR disputes any statement, GENERATOR will present the dispute in writing and submit supporting documentation to PSE&G within a thirty (30) day period from receipt of such statement. Upon receipt of notice of the dispute and supporting documentation, PSE&G will have thirty (30) days from receipt of such notice to resolve any dispute with GENERATOR. In the event the dispute is not resolved, either Party may submit the matter for dispute resolution in accordance with ARTICLE XXIV.

ARTICLE VI INTERCONNECTION

Section A

Design, construction, installation, testing and commissioning of Interconnection

PSE&G will design, construct, install and own the INTERCONNECTION, in accordance with PSE&G standards and specifications. Once PSE&G has received the RELEASE NOTICE from GENERATOR, PSE&G will use reasonable commercial efforts to establish an estimated completion date for the INTERCONNECTION consistent with GENERATOR's estimated date of pre-operation testing, which is _____. PSE&G will use its reasonable commercial efforts to: (a) initiate the tasks required to obtain any REQUIRED PERMIT, easement, license, rental or right-of-way in PSE&G's scope of work needed for the construction and installation of the INTERCONNECTION; and (b) complete the design, construction, installation, testing and commissioning of the INTERCONNECTION; provided, however, that PSE&G's reasonable commercial efforts to complete same on or by the estimated completion date shall be subordinate and subject to any suspension effected pursuant to and in accordance with this AGREEMENT, PSE&G's primary obligation to provide and maintain safe, adequate and proper service to its retail and sale-for-resale customers and to operate and maintain its plant, property and equipment in such condition as to enable it to do so. Reasonable commercial efforts, as used herein, means the timely commencement and pursuit of a reasonable program of design, construction, installation, review and examination so as to complete the INTERCONNECTION to meet the estimated date of pre-operational testing, as that date may be amended from time-to-time. GENERATOR acknowledges and agrees that certain of the activities necessary to initiate and complete the construction and installation of the INTERCONNECTION may be affected by conditions, events and/or factors which are not within the direct control of PSE&G.

Section B Notice

Subject to and in accordance with the provisions of ARTICLES VII and XII of this AGREEMENT, PSE&G will permit GENERATOR to cause the parallel of the electric generation unit(s) with the PUBLIC SERVICE SYSTEM.

Section C Hold Harmless/Indemnification

PSE&G shall not be liable to GENERATOR for any direct or indirect cost, expense, loss, liability or damage which GENERATOR may incur or sustain which relates to or results from any delay in the completion of the INTERCONNECTION, except where such delay results from PSE&G's willful misconduct. GENERATOR will indemnify, defend and hold harmless PSE&G pursuant to and in accordance with ARTICLE XVII of the AGREEMENT.

Section D

Construction and Installation Plan

PSE&G has constructed and installed the INTERCONNECTION and shall have the right and the authority to make such changes in any construction and installation plan, designs, drawings or specifications required for the INTERCONNECTION, as PSE&G in its sole judgment and discretion determines is necessary or appropriate; provided, however, in the event any such change will result in a ten percent (10%) or greater increase in the estimated cost for the INTERCONNECTION, PSE&G will not make such change without GENERATOR's consent. GENERATOR shall not unreasonably delay or withhold its consent for any such change. Changes in the INTERCONNECTION will not require any amendment to this AGREEMENT. If such change, in PSE&G's sole judgment, is necessary or appropriate to enable the PROJECT to operate with the PUBLIC SERVICE SYSTEM in a safe and reliable manner, failure of GENERATOR to consent to such change may, in addition to any other right PSE&G may have under this AGREEMENT, result in PSE&G suspending all construction and installation activities and the performance of other obligations.

Section E Interconnection Costs

In accordance with this AGREEMENT, GENERATOR shall be liable for and shall pay to PSE&G a monthly payment based on PSE&G's estimate of all costs it will likely incur in the following month consistent with PSE&G's standards and practices in designing, constructing, installing, testing and commissioning the INTERCONNECTION (the "Interconnection Costs"). Such payments are listed in EXHIBIT 3 of this AGREEMENT.

The costs for any work done or service performed by PSE&G personnel and/or contractors, as required by this AGREEMENT, including without limitation the costs incurred in connection with furnishing the INTERCONNECTION, shall be determined by PSE&G in accordance with PSE&G's standard practices and procedures then in effect.

PSE&G estimates that the cost of the design, construction, installation, testing and commissioning of the INTERCONNECTION will be \$ _____. This is only an estimate and shall not in any way diminish, change or effect GENERATOR's responsibility for and obligation to pay PSE&G for all costs PSE&G actually incurs associated with the design, construction, installation, testing and commissioning of the INTERCONNECTION. PSE&G's anticipated expenditure pattern associated with these costs is contained in the Payment Schedule attached hereto as Exhibit 3. GENERATOR's responsibility for and obligation to pay to PSE&G the costs associated with the design, construction, installation, testing and commissioning of the INTERCONNECTION shall be in accordance with the Payment Schedule shown in EXHIBIT 3, as the same may be amended from time to time to reflect PSE&G's actual costs .

In the event GENERATOR fails to remit any payment as required, PSE&G may, in addition to any other remedy or right PSE&G may have under this AGREEMENT, immediately suspend performance of its obligation. PSE&G shall provide GENERATOR with written notice of any such suspension (hereinafter referred to as Notice of Suspension).

Within one hundred and twenty (120) days of completion of construction of the INTERCONNECTION, PSE&G shall furnish to GENERATOR a Final Reconciliation Statement certifying the nature and amount of costs actually incurred by PSE&G in connection with the design, construction, installation, testing and commissioning of the INTERCONNECTION. In connection with effecting the reconciliation, GENERATOR shall have the right to review any documentation or data available to PSE&G and reasonably necessary to enable GENERATOR to verify the accuracy of the Final Reconciliation statement. GENERATOR shall be obligated to make a timely request for such document or data. However, such review shall not extend the due date of, or extend or postpone or otherwise affect GENERATOR's obligation to pay in a timely manner any payment due, as specified in and required by the Final Reconciliation Statement.

Section F Telemetry and SCADA/DSCADA Equipment

Because the NET ELECTRICAL POWER OUTPUT produced by the FACILITY and delivered to Company's RECEIPT POINT is expected to exceed an hourly average of 3 megawatts, telemetry and SCADA equipment shall be installed at GENERATOR's expense in accordance with ARTICLE IX.

Section G Cancellation Costs

In order to complete the design, construction, installation, testing and commissioning of the INTERCONNECTION, PSE&G may enter into contractual arrangements with, inter alia, equipment and material suppliers and/or third party contractors. Upon occurrence of any EVENT OF DEFAULT as specified in ARTICLE XIX of this AGREEMENT during the construction period, PSE&G shall have the right to cancel or terminate any supplier and/or contractor agreements entered into in connection with discharging its obligations to design, construct and install, test and install the INTERCONNECTION. In the event PSE&G exercises any right pursuant to and in accordance with this Section G to cancel or terminate any supplier and/or contractor agreements, PSE&G may incur CANCELLATION COSTS. In such event, GENERATOR shall be liable for and make payment to PSE&G for all CANCELLATION COSTS which PSE&G incurs. In the event PSE&G terminates or cancels any supplier and/or contractor agreements as permitted in this Section G, PSE&G shall have complete discretion relative to the manner of resolving any claim or demand by any contractor and/or supplier in connection therewith and further, PSE&G shall in its sole and absolute discretion determine the acceptability of any compromise in settlement or resolution of any such claim or demand. Additionally, PSE&G shall in its sole and absolute discretion, determine what is necessary to maintain the safety, integrity or reliability of the PUBLIC SERVICE SYSTEM relative to the removal or completion of the construction work in progress. PSE&G shall have no liability to GENERATOR for or on account of the amount paid in effecting the resolution of any such claim or in effecting such removal or completion tests, except where the resolution of any such claim or demand or the completion of such tasks were effected by PSE&G in a manner which was in willful disregard of its obligation to mitigate, as defined in this paragraph.

Section H

Decommissioning Costs

Upon termination of this AGREEMENT, PSE&G may take any step(s), which PSE&G, in its sole discretion, deems necessary or appropriate relative to the INTERCONNECTION. GENERATOR shall be responsible to make payment for any costs associated with a decommissioning of the INTERCONNECTION.

Upon termination of this AGREEMENT for any reason, PSE&G may remove or maintain and utilize or take any other action which PSE&G, in its sole and absolute discretion, deems necessary or appropriate relative to the INTERCONNECTION, (hereinafter referred to as the Status).

Provided that PSE&G gives written notice to GENERATOR of PSE&G's election under this paragraph during the period commencing ninety (90) days before termination of this Agreement and ending ninety (90) days after termination of this Agreement, in the event PSE&G elects to remove or dismantle the INTERCONNECTION or a portion of the INTERCONNECTION, GENERATOR shall be responsible for and make payment to PSE&G for the costs associated with such removal or dismantlement, and any costs necessary to restore the original design of the electrical system before construction of the INTERCONNECTION, in order to maintain the integrity, safety, and reliability of the PUBLIC SERVICE SYSTEM. GENERATOR shall receive a credit toward the amount owed therefore for salvage value, if any. GENERATOR, if requested by PSE&G, shall be responsible to provide security for the estimated costs of such Decommissioning, which may be in such form as PSE&G shall in its sole and absolute discretion determine, including without limitation a cash collateral account, an escrow account, letter of credit, or acceptable form of a parent guarantee. PSE&G does not accept performance or other forms of bonds.

ARTICLE VII

OPERATIONS COORDINATION

Section A

Coordination with PUBLIC SERVICE SYSTEM

GENERATOR shall use best efforts to coordinate the operation of the PROJECT with the operation of PJM and the PUBLIC SERVICE SYSTEM. To discharge its best efforts obligation to coordinate operation of the PROJECT with the PUBLIC SERVICE SYSTEM, GENERATOR shall, or shall cause an entity to: (i) operate the PROJECT with due regard for the safety, security and reliability of the PUBLIC SERVICE SYSTEM; (ii) maintain a power factor at or as near unity as practicable at the POINT OF INTERCONNECTION of the PROJECT with and to the PUBLIC SERVICE SYSTEM, unless requested otherwise by PSE&G; (iii) control its voltage and frequency to values acceptable to PSE&G consistent with the operation of the PUBLIC SERVICE SYSTEM; (iv) coordinate its relaying and fusing so as to conform with PSE&G's system protection practices, in effect from time to time; (v) maintain the PROJECT in a safe and reliable operating condition; and, (vi) submit to PSE&G the monthly schedules and estimates required by this ARTICLE. In addition to the foregoing, GENERATOR shall use reasonable efforts to perform or cause to be performed such other actions not in conflict with the

provisions of this AGREEMENT or its obligations to PJM, as may be reasonably requested by PSE&G, to enable PSE&G to: (a) operate the PUBLIC SERVICE SYSTEM in a safe and reliable manner; and (b) operate the PUBLIC SERVICE SYSTEM so as to discharge PSE&G's obligations to provide safe, adequate and proper service to its customers.

Pursuant to and consistent with GENERATOR's obligation to coordinate operation of the PROJECT with the operation of the PUBLIC SERVICE SYSTEM, GENERATOR shall install and maintain, at its expense, during any term of this AGREEMENT, an unlisted business telephone line dedicated to the exclusive use of dispatching generation and coordinating operations by and between PSE&G operating personnel and FACILITY's control room operating personnel.

Section B

Reports, Schedules and Notifications

GENERATOR shall provide to PSE&G upon request the following: (i) an estimate of the NET ELECTRICAL POWER OUTPUT which GENERATOR plans to deliver to the RECEIPT POINT in the succeeding twelve (12) MONTHS; and (ii) an estimate of the NET ELECTRICAL POWER OUTPUT which GENERATOR plans to deliver to the RECEIPT POINT for each MONTH of the succeeding twelve (12) MONTHS. Such estimates shall be provided for planning purposes only, and shall not constitute a commitment by GENERATOR to deliver electricity to the RECEIPT POINT. GENERATOR shall provide to PSE&G, as soon as practicable, any changes in the names and telephone numbers of responsible management level employees for contact by PSE&G personnel at any time during the succeeding MONTH. In addition, GENERATOR shall also furnish to PSE&G in December of each year a schedule of planned maintenance and/or repair activities for the FACILITY, and provide any updates as they become available during the year.

GENERATOR agrees to notify PSE&G of its planned maintenance of the PROJECT as soon as reasonably practicable prior to a scheduled outage. PSE&G will review the effect of the proposed schedule on the overall maintenance schedules of PJM and PSE&G and advise GENERATOR of problems that may be created by GENERATOR's scheduled outage within ten (10) days of receipt of GENERATOR's notice and suggest reasonable alternative schedules.

Except in an emergency, GENERATOR shall give prior notice of not less than eight (8) hours, if practicable, for any anticipated outage other than planned maintenance. GENERATOR agrees to give notice to PSE&G as soon as is practicable in the event of emergencies or other unanticipated outages.

Where practicable, PSE&G shall attempt to coordinate PUBLIC SERVICE SYSTEM maintenance, repair, rearrangement, relocation, removal or reinforcement activities with GENERATOR's planned maintenance of the PROJECT so as to minimize any interruption, curtailment or reduction of acceptance of the PROJECT's NET ELECTRICAL POWER OUTPUT; provided, however, the scheduling, implementation and conduct of such activities by PSE&G shall remain within the sole discretion of PSE&G. PSE&G will provide a schedule of planned maintenance to GENERATOR as soon as is practicable after such a schedule is available for distribution.

Section C

Synchronization

GENERATOR shall not parallel the electric generation unit(s) with the PUBLIC SERVICE SYSTEM at any time without notification to and without obtaining the consent of PSE&G, which consent shall not be withheld except pursuant to and in accordance with the provisions of this AGREEMENT.

ARTICLE VIII

POWER SPECIFICATIONS

The NET ELECTRICAL POWER OUTPUT supplied by GENERATOR to the RECEIPT POINT for receipt by PSE&G during the term of this AGREEMENT shall be at a nominal voltage of 13.2- kV, 60 hertz, balanced three-phase alternating current produced by synchronous generators, and where applicable, equipped with automatic voltage regulation and automatic speed control and the generator shall be designed to meet the requirements of NEMA Standard MG 1-22. The NET ELECTRICAL POWER OUTPUT produced by the FACILITY, including the effects of harmonics, shall meet the requirements of IEEE 519, and shall not interfere with PSE&G's metering accuracy, the PUBLIC SERVICE SYSTEM, or the quality of PSE&G's service to its retail and sale-for-resale customer loads. Voltage waveform deviation, total harmonic content of the AC waveform, current distortion, and T.I.F. (Telephone Influence Factor) shall meet acceptable standards. In no event shall the operation of the FACILITY result in unacceptable harmonic distortion as defined by NEMA Standard MG 1-22.43.

ARTICLE IX

METERING/RECORDS

Section A

Electricity Revenue Metering

PSE&G shall install, own, operate and maintain electricity recording meters at the FACILITY which are required or necessary to enable PSE&G to make an accurate measurement of the quantity of NET ELECTRICAL POWER OUTPUT received at the RECEIPT POINT from the FACILITY. The electricity recording meters shall be of a type suitable for INTERCONNECTION billing purposes. The electricity recording meters, shall be designed and manufactured to conform to the performance described in ANSI C12.20 as Accuracy Class 0.2. PSE&G shall operate and maintain such electricity recording meters so as to assure, to the maximum extent practicable, that such meters provide an accurate record of the NET ELECTRICAL POWER OUTPUT (energy in kilowatt-hours) supplied to and received by PSE&G at the RECEIPT POINT from the FACILITY.

PSE&G shall designate, select and specify all associated electricity recording equipment (Associated Equipment) required by PSE&G to make measurement of the NET ELECTRICAL POWER OUTPUT supplied by GENERATOR to the RECEIPT POINT, including but not limited to instrument transformers (i.e. current transformers and voltage transformers), meter sockets, cables and accessories. PSE&G shall purchase and arrange for the delivery of such Associated Equipment to a PSE&G Electric Division location. The GENERATOR will transport

the Instrument Transformers and Associated Equipment to the PROJECT for installation by GENERATOR at GENERATOR's expense. PSE&G shall own, operate and maintain such Associated Equipment.

The costs of the electricity recording meters and Associated Equipment described in the preceding two paragraphs is included as a cost associated with the design, construction, installation, testing and commissioning of the INTERCONNECTION as provided for and in accordance with ARTICLE VI.

PSE&G shall have the right to secure and safeguard the electricity recording meters and Associated Equipment installed and maintained at the FACILITY. Neither GENERATOR nor any person, other than PSE&G, shall be permitted to operate, maintain, repair, alter, remove, replace, rearrange, reconstruct, relocate, tamper or interfere with in any way said meters or Associated Equipment.

Unless otherwise agreed to by PSE&G and/or except as otherwise provided in this AGREEMENT, PSE&G's electricity recording meters shall be utilized for the determination of the monthly charges reflected in any billing statement submitted to GENERATOR for payment under this AGREEMENT.

GENERATOR may, or may cause an entity to, install, own, operate and maintain, at its own expense, an electricity recording meter(s), Associated Equipment at the FACILITY for measuring and recording the quantity of NET ELECTRICAL POWER OUTPUT received by PSE&G at the RECEIPT POINT from the FACILITY; provided that the installation, operation and/or maintenance of such equipment does not utilize or connect to PSE&G's electricity recording meters or Associated Equipment (including instrument transformers) and does not interfere, in any way, with the operation of such meters or equipment.

Unless otherwise agreed to by PSE&G and/or except as otherwise provided in this AGREEMENT, the electricity recording meter(s) installed and maintained by GENERATOR at the SUBSTATION FACILITY shall not be utilized for any determination of the charges to be included in any statement submitted to GENERATOR for payment by PSE&G under this AGREEMENT.

The accuracy of PSE&G's electricity recording meters shall periodically be tested by PSE&G, at GENERATOR's expense. Such accuracy test shall be conducted in accordance with the standards set forth in the American National Standard Code for Electricity Metering. Notice of such accuracy test(s) shall be given by PSE&G to GENERATOR. GENERATOR's representatives may attend any such accuracy test. GENERATOR may, for good cause, request PSE&G to conduct an accuracy test of PSE&G's electricity recording meters. In the event good cause is shown, PSE&G shall conduct an accuracy test at GENERATOR's request. Any cost or expense associated with any accuracy test performed by PSE&G at GENERATOR's request on PSE&G's electricity recording meters shall be billed to and paid by GENERATOR; provided, however, in the event PSE&G's electricity recording meters are determined as a result of such test to be registering inaccurately in excess of one percent (1%), PSE&G shall pay the costs of such accuracy test.

The accuracy of any electricity recording meter(s) maintained by GENERATOR at the SUBSTATION FACILITY shall be verified by test at least once every two years, (every four years if NET ELECTRICAL POWER OUTPUT is less than or equal to 2 MW). The meter performance is considered useable when the percent registration is not less than 99% or more than 101%. Such accuracy test shall be conducted in accordance with the standards set forth in the American National Standard Code for Electricity Metering. GENERATOR shall, or shall cause an entity to, establish, at the time of installation, and maintain the accuracy of such electricity recording meter(s) in accordance with the standard of accuracy set forth in the American National Standard Code for Electricity Metering (ANSI C12.1). Instrument Transformers used with these electricity recording meters shall meet the requirements of C57.13 for accuracy class 0.3. Notice of such accuracy test(s) shall be given by GENERATOR to PSE&G, and PSE&G may attend any such accuracy test(s). PSE&G may, for good cause, request GENERATOR to conduct or have conducted an accuracy test(s) of FACILITY's electricity recording meter(s). In the event good cause is shown, GENERATOR shall conduct or have conducted an accuracy test of FACILITY's electricity recording meter(s). Any cost or expense associated with any accuracy test(s) shall be paid by GENERATOR, except where such test(s) was conducted at PSE&G's request and meter registration is determined to have inaccuracy of less than one percent (1%).

In the event PSE&G's electricity recording meter(s) is out of service or is registering inaccurately, the amount of inaccuracy shall be determined and such meter(s) shall be repaired, replaced and/or adjusted so as to accurately measure the NET ELECTRICAL POWER OUTPUT supplied by GENERATOR to the RECEIPT POINT. Any meter reading(s) and statement(s) for the period of the inaccuracy shall be adjusted so as to reflect any correction of such inaccuracy as far as such inaccuracy can be reasonably ascertained; provided, however, no adjustment shall be made in any meter reading(s) nor shall any billing statement be adjusted for or on account of a registration inaccuracy of one (1) percent or less.

In the event a registration inaccuracy of greater than one (1) percent is found on PSE&G's electricity recording meter(s), a billing adjustment shall be made. The billing adjustment shall be made for the period of inaccuracy, if ascertainable, or in the event the period of the inaccuracy cannot be reasonably encompassed one-half (1/2) of the time period since the last accuracy test of the meter(s) (hereinafter referred to as the Surrogate Period). The quantities delivered for the period of inaccuracy, if ascertainable, or, if not ascertainable, the Surrogate period, shall be determined and adjustments made for billing purposes by determining or estimating the quantity received by PSE&G during the relevant period from the best available source/data, which source/data may include but not be limited to: (i) registration data obtained from the electricity recording meter(s) maintained by GENERATOR at the FACILITY; and/or (ii) receipts by PSE&G during an equivalent or similar period when such meter(s) was registering accurately; and/or (iii) correction of the error, if the percentage of error is ascertainable, by calibration, test or mathematical calculation; provided, however, in the event FACILITY's metering equipment meets applicable PSE&G standards and PSE&G determines that such equipment has been installed, operated, read and maintained in accordance with applicable PSE&G standards, practices and/or procedures, the period of inaccuracy and the quantities delivered for such period shall be determined and the adjustment(s) made for payment purposes solely by reference to FACILITY's electricity recording equipment.

PSE&G and GENERATOR shall retain the records each prepares and maintains in the ordinary course of business relative to the amount of NET ELECTRICAL POWER OUTPUT produced by the FACILITY and supplied to and received by PSE&G at the RECEIPT POINT and any records each prepares and maintains relative to any maintenance, repair or testing of any electricity measuring meter(s) maintained at the FACILITY. The records possessed by one Party shall be made available for inspection by the other Party upon reasonable notice of request therefore. All such records shall be maintained for a period of six (6) years.

Additionally, GENERATOR shall obtain, at its own expense, a dedicated telephone circuit, or PSE&G-approved alternative, which is required to establish a telecommunications link for PSE&G's electricity recording metering equipment.

Section B Telemetry

Equipment may be installed at the PROJECT, PSE&G's local Electric Distribution Office and at PSE&G's Electric System Operations Center (ESOC) in Newark, New Jersey, to enable measurement of some or all of the following electrical quantities, and the subsequent telecommunication by telemetry of: (i) instantaneous net active electrical power output of the FACILITY's generating unit(s); (ii) instantaneous net reactive electrical power output of each of the FACILITY's generating units; (iii) instantaneous terminal voltage of each of the FACILITY's generating units; (iv) instantaneous voltage at the POINT OF INTERCONNECTION; (v) instantaneous active power flow on the INTERCONNECTION at the POINT OF INTERCONNECTION; (vi) instantaneous reactive power flow on the INTERCONNECTION at the POINT OF INTERCONNECTION; (vii) frequency of the FACILITY's generating unit(s); and (viii) hourly kilowatt hours of electrical energy received by PSE&G at the RECEIPT POINT.

The costs of the equipment described in the preceding paragraph shall be included as a cost associated with the design, construction, and installation of the INTERCONNECTION. GENERATOR shall pay PSE&G for any costs associated with the operation and maintenance and/or repair of all such equipment described in this Section B. GENERATOR shall pay any billing for operation and maintenance of such equipment within thirty (30) days of the date of billing.

Section C Supervisory Control and Data Acquisition (SCADA/DSCADA)

Equipment shall be installed at the PROJECT for both ESOC and PSE&G's Distribution Systems Service Dispatcher to: (i) provide an indication at ESOC of the status of certain circuit breaker(s) or disconnecting devices at the FACILITY and SUBSTATION FACILITY; (ii) provide an alarm indication of hard lockout and remote trip relays; and (iii) enable PSE&G to open certain circuit breakers or disconnecting devices at the SUBSTATION FACILITY to permit rapid separation of the FACILITY from the PUBLIC SERVICE SYSTEM.

The costs of the equipment described in the preceding paragraph shall be included as a cost associated with the design, construction, and installation of the INTERCONNECTION.

GENERATOR shall pay PSE&G for any costs associated with the operation and maintenance and/or repair of all such equipment described in this Section C. GENERATOR shall pay any billing for operation and maintenance of such equipment within thirty (30) days of the date of the billing.

Section D Telecommunications

GENERATOR shall reimburse PSE&G for the operation and maintenance costs of operating the telecommunication circuits required for telemetering to PSE&G's ESOC and Distribution Systems Service Dispatcher, and to GENERATOR where applicable, by means of both digital data links and analog signals, the measurements of the electrical quantities specified in Section B and Section C of this ARTICLE IX. If PSE&G furnishes and/or obtains these telecommunication circuits, it will bill GENERATOR on a monthly basis for this service.

The costs of the equipment described in the preceding paragraph shall be included as a cost associated with the design, construction, and installation of the INTERCONNECTION.

GENERATOR shall, or shall cause an entity to, lease, at its expense, the telephone circuits required by any transfer-trip relaying equipment required that may be required by this AGREEMENT. GENERATOR is responsible for maintaining this telecommunication service.

ARTICLE X DEDICATION OF FACILITIES

No undertaking by PSE&G under any provision of this AGREEMENT shall constitute the dedication to GENERATOR or to the public of the PUBLIC SERVICE SYSTEM.

ARTICLE XI REARRANGEMENT

PSE&G represents to GENERATOR that it has no present plans or intention to convert its PUBLIC SERVICE SYSTEM in the area of the PROJECT to a higher voltage. However, in the event PSE&G should decide, for cause, at any time or from time to time to convert the PUBLIC SERVICE SYSTEM at the point of connection of the PROJECT to the PUBLIC SERVICE SYSTEM, or in the vicinity thereof, to a different voltage, PSE&G shall advise GENERATOR in writing as soon as PSE&G shall make any such decision, but at least one (1) year in advance of making any such conversion. GENERATOR shall have no obligation to install and be responsible to pay for any of the costs associated with the conversion of the PUBLIC SERVICE SYSTEM to a higher voltage. However, GENERATOR shall be obligated to install, or have an entity install, and be responsible to pay for the facilities and equipment required to be installed at the PROJECT to continue the interconnected operation of the PUBLIC SERVICE SYSTEM and the FACILITY. Additionally, GENERATOR shall be responsible to pay for any modification to or replacement of any PSE&G electric recording meter(s) and

Associated Equipment which PSE&G requires to be modified or replaced at the FACILITY as a consequence of any such conversion. Unless other billing and payment arrangements are mutually agreed upon by PSE&G and GENERATOR, GENERATOR shall be billed and shall pay any billing(s) for such costs as such costs are incurred by PSE&G. Cause, as specified in this ARTICLE XI, shall include but not be limited to obsolescence, changing patterns of demand and usage of electric power and energy by PSE&G's retail and sale-for-resale customers or physical destruction of plant, whether the result of deterioration or casualty.

ARTICLE XII FACILITY AND SUBSTATION FACILITY

GENERATOR shall, or shall cause an entity, at its own expense, to design, construct, and install, and own/lease, operate and maintain the FACILITY, and the SUBSTATION FACILITY required to enable it to interconnect with the PUBLIC SERVICE SYSTEM. If a substation already exists at the PROJECT site, then the GENERATOR is responsible at its own expense to cause the design, construction and installation of any modifications needed to the existing equipment, and cause the operation and maintenance of the modified SUBSTATION FACILITY to enable it to interconnect with the PUBLIC SERVICE SYSTEM.

A copy of "Interconnection Protection and Safety Requirements and Standards for Customer-Owned Generating Facilities" (Exhibit 2) is attached to this AGREEMENT. Notwithstanding any implication to the contrary contained in this ARTICLE XII the right of acceptance by PSE&G with respect to the SUBSTATION FACILITY, as specified by this ARTICLE XII, shall be limited to a determination as to whether the design of the FACILITY and SUBSTATION FACILITY is consistent with the requirements contained in Exhibit 2.

Prior to execution of the AGREEMENT, GENERATOR shall provide and PSE&G shall review the plans and specifications of the FACILITY and SUBSTATION FACILITY, including but not limited to single line diagrams, protective relay schemes, protective equipment ratings and generator data such as equivalent impedances and time constants.

Prior to the DATE OF INITIAL OPERATION, PSE&G shall perform the functional tests on the relays required by PSE&G to be located in the SUBSTATION FACILITY. PSE&G shall specify and affect the settings of such relays. During the term of this AGREEMENT, PSE&G shall have access to and the right to inspect and perform scheduled maintenance on such relays as well as the right to readjust the settings of such relays as required at GENERATOR's expense.

GENERATOR shall not synchronize the generating unit(s) with the PUBLIC SERVICE SYSTEM at any time without notification to and without obtaining the consent of PSE&G, which consent shall not be withheld except pursuant to and in accordance with the provisions of ARTICLE VII and this ARTICLE XII.

GENERATOR shall not rearrange, reconfigure, modify, alter or change in a material way the FACILITY or SUBSTATION FACILITY without notice to and the acceptance by PSE&G of such rearrangement, reconfiguration, modification, alteration or change which acceptance will not be unreasonably delayed or withheld and shall be governed by the requirements specified in Exhibit 2.

Any review made by PSE&G of the Plans and Specifications of the FACILITY or SUBSTATION FACILITY, any examination made by PSE&G of the actual design, construction and/or installation of the FACILITY or SUBSTATION FACILITY and/or any determination made by PSE&G in connection with any such review or examination will be solely for the purpose of permitting PSE&G, consistent with its statutory obligations to its retail and sale-for-resale customers, to: (i) determine whether the design, construction, installation, testing and commissioning of such facilities are compatible with the PUBLIC SERVICE SYSTEM; and (ii) such facilities will not adversely affect the integrity, reliability or safe operation of the PUBLIC SERVICE SYSTEM.

PSE&G'S review or examination, and any determination made in connection therewith, is not intended to be, nor will same be made by PSE&G for the purpose of, nor should same be interpreted, construed and/or relied upon by GENERATOR, or any other person or entity, as an endorsement, approval, confirmation and/or warranty of or by PSE&G relative to any aspect of the design, construction or installation of the FACILITY and SUBSTATION FACILITY, their safety, reliability, economic and/or technical feasibility, performance and/or operational capability and/or the suitability of same for their intended purpose(s). GENERATOR shall not represent to any third-party that PSE&G's review was undertaken for any reason other than the reasons expressly stated in this ARTICLE XII.

GENERATOR shall permit PSE&G, its officers, agents, servants and employees, its successors and assigns, when and as requested, access to, egress and ingress, from and over the PROJECT, at any time and upon reasonable notice, as same may be necessary or required by PSE&G, to permit PSE&G, its officers, agents, servants and employees, its successors and assigns, to take any action necessary to discharge its obligations or to exercise its rights under this AGREEMENT, including but not limited to access to: (i) permit PSE&G to examine, inspect, test, operate, maintain, repair, remove, rearrange and/or replace its electricity recording equipment and associated electricity measuring equipment; (ii) permit PSE&G to perform switching operations on switchgear located in the SUBSTATION FACILITY; and (iii) permit PSE&G to examine, inspect, test and set protective relays required by PSE&G. GENERATOR shall not deny, refuse or delay PSE&G's access to the PROJECT, provided that while at the PROJECT such PSE&G representative shall observe such reasonable safety precautions as may be required by GENERATOR.

ARTICLE XIII LIMITATION OF LIABILITY

PSE&G'S TOTAL LIABILITY TO THE GENERATOR FOR ALL CLAIMS OR SUITS OF ANY KIND, WHETHER BASED UPON CONTRACT, TORT (INCLUDING NEGLIGENCE), WARRANTY, STRICT LIABILITY, OR OTHERWISE, FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES OF ANY KIND WHATSOEVER ARISING OUT OF, RESULTING FROM, OR RELATED TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT SHALL, UNDER NO CIRCUMSTANCES, EXCEED THE SUM OF THE PAYMENTS (EXCLUSIVE OF THE COSTS OF THE ELECTRICITY RECORDING METERS AND ASSOCIATED EQUIPMENT DESCRIBED IN ARTICLE IX OF THIS AGREEMENT) MADE BY THE GENERATOR UNDER ARTICLE VI.E OF THIS AGREEMENT, AS MAY BE AMENDED BY AGREED UPON PRICE FOR EXTRA WORK

AUTHORIZED BY WRITTEN CHANGE ORDER. NEITHER PSE&G NOR GENERATOR SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL LOSSES, DAMAGES, COSTS OR EXPENSES WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, LOST OR REDUCED PROFITS, REVENUES, EFFICIENCY, PRODUCTIVITY, BONDING CAPACITY, OR BUSINESS OPPORTUNITIES, OR INCREASED OR EXTENDED OVERHEAD, OPERATING, MAINTENANCE OR DEPRECIATION COSTS AND EXPENSES).

ARTICLE XIV FORCE MAJEURE

An event of "Force Majeure" as used herein means an event beyond the reasonable control of and which occurs without the fault or negligence of the Party claiming Force Majeure which events may include but are not limited to: acts of God; strikes, lockouts or other similar such industrial disturbances; acts of the public enemy, wars, civil industrial disturbances; blockades, military actions, insurrections or riots; landslides, floods, washouts, lightning, earthquakes, tornadoes, hurricanes, blizzards or other storms or storm warnings; explosions, fires, sabotage or vandalism; mandates, directives, orders or restraints, actions or inactions of any governmental, regulatory or judicial body or agency; breakage, defects, malfunctioning, or accident to machinery, equipment, materials or lines of pipe or wires, freezing of machinery, equipment, materials or lines of pipe or wires; inability or delay in the obtaining of materials or equipment; inability to obtain or utilize any permit, approval, easement, license or right-of-way. The settlement of strikes, lockouts or other similar such industrial disturbances shall be entirely within the discretion of the Party directly affected. The requirement herein that any event of Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or other similar such industrial disturbances when such course is, in the opinion of the Party directly affected, inadvisable.

In the event PSE&G or GENERATOR is rendered unable, wholly or in part, by an event of Force Majeure, to perform any obligation it has under this AGREEMENT, it is agreed that, on PSE&G or GENERATOR giving notice and full particulars of such event of Force Majeure to the other Party, as soon thereafter as practicable, the obligations of PSE&G or GENERATOR, so far as they are affected by such event of Force Majeure, shall be suspended during the continuance of any inability or incapacity so caused, but for no longer period; provided however, neither Party shall be relieved from any obligation to make payment to the other for expenses already incurred. PSE&G or GENERATOR shall use reasonable commercial efforts to remedy the cause of such inability or incapacity with all reasonable dispatch.

Neither Party shall be liable to the other for any claim(s), loss(es), damage(s), liability(ies) or expense(s) sustained or incurred by PSE&G or GENERATOR, arising out of, relating to, or resulting from either Party's inability or incapacity to perform its obligations under this AGREEMENT due to any event of Force Majeure, as herein defined.

ARTICLE XV PROTECTIVE DEVICES

GENERATOR has been advised and acknowledges that actions, conditions, and/or events on the PUBLIC SERVICE SYSTEM may adversely impair PROJECT operations and/or PROJECT. As such, GENERATOR agrees to install, operate and maintain protective devices at the PROJECT and institute and maintain procedures to minimize damage to PROJECT arising as a result of the occurrence of any such PUBLIC SERVICE SYSTEM or PJM SYSTEM condition.

ARTICLE XVI INDEMNIFICATION

Section A General

The provisions of this Article XVI providing for the GENERATOR's duty to defend, indemnify, and hold harmless PSE&G shall also apply to and protect PSE&G's officers, agents, servants, employees, shareholders, successors, and assigns. The GENERATOR's obligation to defend, indemnify, and hold harmless PSE&G shall under the provisions of this ARTICLE exclude only those instances which are due to PSE&G's intentional and deliberate misconduct or where the personal injury, death, occupational disease or loss or damage to real or personal property was due to PSE&G's sole negligence.

Section B Personal Injury and Property Damage

1. GENERATOR shall indemnify and hold harmless PSE&G from and against all liabilities, losses, liens, damages, judgments, fines, penalties, fees or expenses (including reasonable attorneys fees) due to personal injury, death, or occupational disease of any person, including, but not limited to, all GENERATOR's or subcontractor's employees or agents; or due to loss or damage to any real or personal property; which in whole or in part arise out of, relate to, result from, or are connected with or which in any manner, relate to or result from, but are not limited to, the design, construction, engineering, installation, operation, maintenance, repair, replacement, supervision, inspection, testing, protection, reinforcement, reconstruction, decommissioning, removal, use, control or ownership of its facilities. or equipment or machinery; the nature or condition of any site, premises or facilities where any work connected in any way to the INTERCONNECTION, the FACILITY or the PROJECT was provided; the operation of the INTERCONNECTION, the FACILITY or the PROJECT; or the GENERATOR'S or any subcontractor's failure to provide adequate preventative and protective measures, safeguards or devices.

2. The GENERATOR shall, at PSE&G's option and at the GENERATOR's own cost and expense, defend PSE&G against any and all claims, complaints, suits, proceedings, demands, disputes, actions or allegations of any kind, whether just or unjust, which are premised upon personal injury, death, or occupational disease of any person, including, but not limited to, all GENERATOR's or subcontractor's employees or agents; or due to loss or damage to any real or personal property; which in whole or in part arise out of, relate to, result from, or are connected with or which in any manner, relate to or result from, but are not limited to, the design, construction, engineering, installation, operation, maintenance, repair, replacement,

supervision, inspection, testing, protection, reinforcement, reconstruction, decommissioning, removal, use, control or ownership of its facilities. or equipment or machinery; the nature or condition of any site, premises or facilities where any work connected in any way to the INTERCONNECTION, the FACILITY or the PROJECT was provided; the operation of the INTERCONNECTION, the FACILITY or the PROJECT; or the GENERATOR's or any subcontractor's failure to provide adequate preventative and protective measures, safeguards or devices. For purposes of fulfilling its duties to defend, indemnify and hold harmless PSE&G, the GENERATOR waives the immunities, rights, or defenses which may be available under applicable Worker's Compensation Laws.

Section C

Compliance with Laws

The GENERATOR shall comply with all applicable Federal, State, County, and Municipal laws, statutes, ordinances, resolutions, rules and regulations in effect at the time any work in way connected in any way to the INTERCONNECTION, the FACILITY or the PROJECT is provided; the operation of the INTERCONNECTION, the FACILITY or the PROJECT; as well as the requirements of all commissions, boards, bodies, and agencies having jurisdiction over PSE&G, the INTERCONNECTION, the FACILITY or the PROJECT; the operation thereof or over or with respect to any persons or entities employed in the provision of any work relating thereto, including equipment or materials; and the GENERATOR shall indemnify and hold harmless PSE&G from and against any and all liabilities, losses, liens, damages, judgments, penalties, fines, fees, or expenses (including reasonable attorneys fees) which in whole or in part arise out of, relate to, result from, or are connected with any violation thereof by the GENERATOR or any of its subcontractors. GENERATOR shall, at PSE&G's option and at the GENERATOR's expense, defend PSE&G against any and all claims, complaints, suits, proceedings, demands, disputes, actions or allegations of any kind, whether just or unjust, which in whole or in part actually or allegedly arise out of, relate to, result from, or are connected with any such violation by the GENERATOR or any of its subcontractors.

Section D

Patent, Copyright and Proprietary Interests

GENERATOR shall not infringe upon or violate any patent, copyright, service mark, trademark, trade secret or any other proprietary interest of any kind of any person or entity in connection with the FACILITY or the PROJECT, or the design, construction of the operation thereof. GENERATOR shall indemnify and hold harmless PSE&G from and against any and all liabilities, losses, liens, damages, judgments, penalties, fines, fees, or expenses (including reasonable attorneys fees) due to any infringement or violation of any proprietary interest which in whole or in part, arise out of, relate to, result from, or are connected with any infringement or violation thereof. GENERATOR shall, at PSE&G's option and at the GENERATOR's expense, defend PSE&G against any and all claims, complaints, suits, proceedings, demands, disputes, actions or allegations, of any kind, whether just or unjust, that the FACILITY or the PROJECT, or the design, construction of the operation thereof, related to any invention, mark, name, diagram, drawing, design, apparatus, process, or work of authorship, or any part thereof,

provided under this AGREEMENT, that the use of any such item or part thereof, constitutes an infringement or violation of any proprietary interest.

ARTICLE XVII INSURANCE

Section A Coverages

Prior to the start of construction, GENERATOR shall at its own expense, procure and maintain in effect the following minimum insurance coverages with carriers acceptable to PSE&G, including:

1. Workers' Compensation insurance in accordance with statutory limits, as required by the State of New Jersey, and Employer's Liability insurance with limits of not less than one million dollars (\$1,000,000) per occurrence.
2. Commercial General Liability insurance (occurrence form) providing coverage for premises, bodily injury, property damage, personal injury, advertising liability, blanket contractual liability covering each GENERATOR's obligations under this Agreement, coverage for independent contractors and broad form property damage coverage with limits of not less than one million dollars (\$1,000,000) for each occurrence with an annual aggregate of three million dollars (\$3,000,000).
3. Commercial Automobile Liability insurance providing coverage for all owned, non-owned, and hired automobiles used by GENERATOR in the connection with the PROJECT with a combined single limit of not less than one million dollars (\$1,000,000) for each occurrence of bodily injury and property damage.
4. Excess or Umbrella Liability insurance with a limit of not less than five million dollars (\$5,000,000) for each occurrence with an annual aggregate of five million dollars (\$5,000,000). This limit applies in excess of each of the coverages set forth above in paragraphs 1.a (Employer's Liability), 1.b (Commercial General Liability insurance) and 1.c (Commercial Automobile Liability insurance), which are scheduled as primary.
5. Pollution/Environmental Liability insurance with a minimum limit of five million dollars (\$5,000,000) each occurrence where the work involves or includes contractor handling, transporting, disposing, or performing work or operations with hazardous substances, contaminates, waste, toxic materials, or any potential pollutants.
6. The insurance coverages to be provided by GENERATOR under this AGREEMENT shall not include any of the following; except for Professional Liability, any claims-made insurance policies; any self-insured retention or deductible amount greater than one million dollars (\$1,000,000) unless approved in writing by PSE&G. The insurance coverages provided under this

AGREEMENT shall not contain any restrictions or limitations that are inconsistent with PSE&G's rights under the AGREEMENT.

7. All above-mentioned insurance policies shall provide the following; be primary to any other insurance carried by either Party; contain standard cross-liability provisions; and provide for a waiver of all rights of subrogation against PSE&G or its insurers.

Section B Additional Coverages

PSE&G reserves the right at any time, including after construction has begun, to require GENERATOR to procure and maintain additional coverages or limits and GENERATOR shall furnish such additional insurance or limits and the associated increase, if any, in premium paid by GENERATOR.

Section C Additional Insured Endorsement

All liability insurance policies shall name PSE&G and its successors and assigns, as additional insureds and GENERATOR shall maintain the required coverages, naming the PSE&G as an additional insured.

Section D Evidence of Insurance

Prior to the start of construction, GENERATOR shall deliver to PSE&G's Manager Electric Supply Acquisition evidence of the required insurance coverage in the form of Certificates of Insurance acceptable to PSE&G. The Certificates of Insurance and the insurance policies required by this AGREEMENT shall contain a provision that coverage afforded under the policies will not be canceled, allowed to expire, or permit the policy limits to be reduced in any manner, until at least thirty (30) days prior Written Notice (ten (10) days Written Notice in the case of nonpayment of premium) has been given to PSE&G.

Section E Ratings

All insurance coverages required under this AGREEMENT shall be provided by insurance companies acceptable to PSE&G and having ratings of A-/VII or better in the Best's Key Rating Insurance Guide (latest edition in effect at the latest date stated in the Certificates of Insurance referred to above (Evidence of Insurance)).

Section F Failure to Obtain and Maintain Insurance

Failure to obtain and maintain the insurance required under this AGREEMENT shall constitute a material breach of this AGREEMENT and GENERATOR will be liable for any and

all costs, liabilities, and damages (including attorney's fees, court costs, and settlement expenses) resulting to PSE&G from such breach. In the event GENERATOR fails to provide the required insurance, PSE&G may at its option, procure said insurance at GENERATOR's expense.

Section G **GENERATOR's Obligations Not Limited**

The insurance requirements set forth above are to protect PSE&G from any and all claims by outside parties, including employees of each Party, its agents, subcontractors and invitees. Said insurance, however, is in no manner to relieve or release GENERATOR, its agents, subcontractors and invitees from, or limit their liability as to, any and all obligations assumed under this AGREEMENT.

ARTICLE XVIII **REPRESENTATIONS AND WARRANTIES**

GENERATOR hereby represents and warrants to PSE&G as follows:

- (a) GENERATOR is duly formed and existing in good standing under the laws of the State of New Jersey and is duly qualified and authorized to enter into and perform the obligations set forth in this AGREEMENT.
- (b) GENERATOR is duly registered in, and authorized to transact business under, the laws of the State of New Jersey.
- (c) The execution and performance of this AGREEMENT: (1) have been duly authorized by all required corporate or other actions of GENERATOR; (2) do not require any consent or approval not otherwise previously obtained; and (3) will not violate any judgment, order, law or regulation applicable to GENERATOR or any provisions of GENERATOR's charter, ordinances or resolutions.
- (d) The execution of this AGREEMENT and the performance of all obligations set forth herein do not conflict with, and will not, nor with the passage of time or the giving of notice, constitute a breach of or an event of default under any charter, ordinances or resolutions of GENERATOR, or any agreement, indenture, mortgage, bond, contract, instrument, or applicable laws to which GENERATOR is bound. This AGREEMENT has been duly executed and constitutes a legal, valid and binding obligation of GENERATOR and is enforceable in accordance with its terms, except to the extent that the enforcement thereof is limited by any bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditor's rights generally and the application of principles of equity.
- (e) There is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority pending or threatened against GENERATOR, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by GENERATOR of its obligations hereunder or the other transactions contemplated hereby, or which, in any way, would adversely affect

the validity or enforceability of this AGREEMENT, or any other agreement or instrument entered into by GENERATOR in connection with the transactions contemplated hereby.

- (f) NET ELECTRICAL POWER OUTPUT to be received by PSE&G from GENERATOR at the RECEIPT POINT shall be free and clear of any lien or adverse claims which might attach to said electricity prior to its supply to and receipt by PSE&G, except any lien or adverse claim that may accrue to any financier of GENERATOR;
- (g) GENERATOR shall maintain and operate the PROJECT (either directly or through a third party vendor) in compliance with this AGREEMENT and the regulations of PJM required to maintain its Eligible Customer status under the terms of its Wholesale Market Participation Agreement during the term of this AGREEMENT; and
- (h) The PROJECT and the operation thereof meets (and will meet) the requirements of all permits, licenses and approvals of all governmental bodies with jurisdiction needed to operate the PROJECT.

ARTICLE XIX

EVENTS OF DEFAULT AND BREACH OF CONTRACT

GENERATOR shall be in default under this AGREEMENT upon the happening or occurrence of any of the following events or conditions, each of which shall be deemed to be an "Event of Default," and, if not cured in accordance with the provisions specified below, shall be considered a breach of contract for purposes of this AGREEMENT.

- 1. GENERATOR breaches or fails to observe or perform to PSE&G's reasonable satisfaction, any of the obligations, covenants, conditions, services or responsibilities under this AGREEMENT, unless, within thirty (30) days after written notice from PSE&G specifying the nature of such breach or failure, GENERATOR either cures such breach or failure or, if such cure cannot be completed within thirty (30) days, commences and diligently pursues such cure.
- 2. There is an assignment for the benefit of GENERATOR's creditors, or GENERATOR is adjudged bankrupt, or a petition is filed by or against GENERATOR under the provisions of any state insolvency law or under the provisions of the Federal Bankruptcy Laws, or the business or principal assets of GENERATOR are placed in the hands of a receiver, assignee or trustee, or GENERATOR is dissolved, or GENERATOR's existence is terminated, or its business is discontinued; provided, however, that the events described in this Paragraph 2 shall not constitute an Event of Default or otherwise affect the validity of this AGREEMENT, so long as the terms, covenants and conditions of this AGREEMENT on the part of GENERATOR are performed, and in such event, this AGREEMENT shall continue to remain in full force in accordance with the terms herein contained.

3. GENERATOR takes any actions which prevents PSE&G from performing any of the obligations, covenants, conditions, responsibilities or services under this AGREEMENT, or fails to take any action which PSE&G determines is reasonably necessary to enable it to perform any of the obligations, covenants, conditions, responsibilities or services under this AGREEMENT, unless, within thirty (30) days after written notice from PSE&G specifying the nature of such action or failure to act, or, if such cure cannot be completed within thirty (30) days, commences and diligently pursues such cure.
4. GENERATOR fails to complete regular and required maintenance, testing or inspection of the FACILITY, SUBSTATION FACILITY and appurtenant equipment as required by this AGREEMENT within thirty (30) days after written notice of the need therefore by PSE&G; provided, however, if such maintenance testing or inspection cannot be completed within thirty (30) days GENERATOR shall not be in default if it has commenced and is diligently pursuing such activities.
5. GENERATOR continues to violate, after notice of a violation by a governmental agency, any code, regulation and/or statute applicable to the construction, installation or operation of the FACILITY and the SUBSTATION FACILITY, in accordance with this AGREEMENT, after written notice by PSE&G of such violation; provided, however, that if an immediate cessation of such violation is not possible or required by the nature of such violation GENERATOR shall not be in default if it immediately commences and diligently pursues steps necessary to cease any such violation.

Any waiver at any time by PSE&G of its rights with respect to a default under this AGREEMENT, or with respect to any other matters arising in connection with this AGREEMENT, shall not be deemed a waiver with respect to any subsequent default or any other matter.

ARTICLE XX ENTIRE AGREEMENT

The AGREEMENT constitutes the entire AGREEMENT between the Parties with respect to the matters contained herein and all prior AGREEMENTS with respect thereto are superseded hereby. Each Party confirms that it is not relying on any oral representations or warranties of the other Party except as specifically set forth herein. No additions, amendments or modifications hereof or of any terms included herein shall be binding unless duly executed by both Parties.

ARTICLE XXI ASSIGNMENT/TRANSFER

GENERATOR shall not assign this AGREEMENT to any other Party without the express prior written consent of PSE&G, which consent may be withheld in PSE&G's sole and absolute

discretion. PSE&G has the unrestricted right to assign any or all of its rights, remedies or obligations under this AGREEMENT.

Notwithstanding the foregoing, GENERATOR may assign this AGREEMENT with the consent (not to be unreasonably withheld or delayed) of PSE&G to any affiliate of GENERATOR and may assign, pledge, hypothecate or otherwise transfer, as and for, among other purposes, collateral security, in connection with any financing or the refinancing of the FACILITY OR PROJECT, including a sale of this AGREEMENT, together with a sale of the FACILITY OR PROJECT, combined with the lease back to GENERATOR of the AGREEMENT and FACILITY OR PROJECT, as part of a sale-leaseback financing transaction. In connection with any such permitted transfer by GENERATOR, PSE&G agrees to execute a written consent to such collateral assignment in form and substance satisfactory to PSE&G, which collateral assignment may include, among other terms, PSE&G's agreement not to terminate this AGREEMENT pursuant to ARTICLE III without first providing written notice to the FINANCING PARTIES under ARTICLE XIX in respect of the EVENT OF DEFAULT that could give rise to such termination and thereupon providing the FINANCING PARTIES with the opportunity to cure such EVENT OF DEFAULT in accordance with the provisions of ARTICLE XIX.

ARTICLE XXII DETERMINATION OF PSE&G COSTS

The costs for any work done or service performed by PSE&G personnel and/or contractors, as required by this AGREEMENT including without limitation the costs of the INTERCONNECTION, which costs are to be billed to and to be paid by GENERATOR pursuant to this AGREEMENT, shall be determined by PSE&G in accordance with PSE&G's standard practices and procedures then in effect.

ARTICLE XXIII STANDARD FOR PERFORMANCE

Unless otherwise expressly provided for in this AGREEMENT, PSE&G will undertake and discharge any obligation it has in this AGREEMENT to, inter alia, design, construct, install, operate, maintain, repair, replace, reinforce, rearrange, purchase, select, examine, review, inspect or accept any facility or equipment pursuant to and in accordance with any applicable PSE&G practice(s), standard(s) and/or procedure(s). PSE&G will use the same care and diligence in controlling the costs of any such activity(ies) GENERATOR is required to make payment for under this AGREEMENT as if the activity(ies) was being performed by and for PSE&G's own account.

ARTICLE XXIV DISPUTE RESOLUTION

1. The Parties shall cooperate within the limits of this AGREEMENT, as necessary, to facilitate the efficient performance hereunder. Disputes arising during the ordinary course are expected to be resolved by the respective managers of the Parties. However, any on-going dispute which cannot be settled by the respective

managers of the Parties shall be referred for resolution by the respective corporate executives to whom the manager reports, it being the intent of the Parties to undertake by timely negotiation the resolution of disputes, if any, in a timely manner so as to avoid where feasible any need for the resort to mediation or court action.

2. Any controversy or claim arising out of or relating to this AGREEMENT or breach thereof that cannot be resolved by mutual agreement may be settled by mediation. Any such mediation proceedings shall take place in the State of New Jersey.
 - a. A Dispute may be submitted to mediation by either Party by written notice to the other Party. In the mediation process, the Parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by agreement of the Parties as soon as practical after the written notice beginning the mediation process. Each Party shall provide the other with a list of no less than three (3) and no more than five (5) mediators, and the other Party may strike as many names as they choose. If the Parties cannot agree on a mediator, a mediator will be selected by the American Arbitration Association ("AAA") at the request of a Party.
 - b. The Parties agree that any and all mediation will be conducted in the AAA offices in or nearest to Newark, New Jersey, and in the manner specified by the mediator and agreed upon by the Parties. The Parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.
 - c. The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either Party in any later proceeding relating to the Dispute. No recording or transcript shall be made of the mediation proceedings.
 - d. If a Dispute has not been resolved within ninety (90) days after the written notice beginning the non-binding mediation process (or a longer period if the Parties agreed to extend the non-binding mediation), the mediation shall terminate. Any legal claim, suit, proceeding, or action not settled by mediation shall be brought in New Jersey state courts or, if the claim, suit, proceeding or action is to be brought in Federal Court, in the United States Court, District of New Jersey.

ARTICLE XXV SUCCESSORS AND ASSIGNS

This AGREEMENT shall be binding upon and shall inure to the benefit of, or may be performed by, the successors and assigns of the Parties, except that, no assignment, pledge or

other transfer of this AGREEMENT by any Party shall operate to release the assignor, pledgor or transferor from any of its obligations under this AGREEMENT, unless consent to the release is given in writing by the other Party, which consent shall not be unreasonably delayed or withheld, or unless such transfer is incident to a reorganization or merger or consolidation with or transfer of all or substantially all of the assets of the transferor to another person or business entity which person or entity shall, as part of such succession, assume all the obligations of the transferor under this AGREEMENT.

ARTICLE XXVI CHOICE OF LAW

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW JERSEY AND FEDERAL LAW, WHERE APPLICABLE, WITHOUT RESORT TO THE RULES GOVERNING CONFLICTS OF LAWS AND ANY DISPUTE OR CLAIM UNDER THIS AGREEMENT SHALL BE DELIBERATED IN A STATE OR FEDERAL COURT IN NEW JERSEY.

ARTICLE XXVII CAPTIONS

The subject headings of the ARTICLES of this AGREEMENT are inserted solely for the purpose of convenient reference and are not intended to, nor shall same affect the meaning of any provision of this AGREEMENT.

ARTICLE XXVIII COUNTERPARTS

This AGREEMENT may be executed in counterparts. Each shall be deemed an original but together shall constitute one and the same instrument.

ARTICLE XXIX MISCELLANEOUS

This AGREEMENT and the obligations of the Parties hereunder are subject to all present and future valid laws and to all valid present and future orders, rules and regulations of any court or regulatory authority having jurisdiction.

All terms defined in this AGREEMENT shall have the same defined meanings when used in any notice, correspondence, report or other document made or delivered pursuant to or in connection with this AGREEMENT, unless the context shall otherwise require.

Each reference herein to GENERATOR and PSE&G shall be deemed to include their respective successors and assigns.

All of the covenants, warranties, undertakings and agreements of GENERATOR and PSE&G shall bind the respective Parties, their successors and assigns.

No Party shall be prejudiced or bound, except as otherwise specifically provided herein, nor shall any Party be deemed to have approved, accepted, agreed or consented to any concept, theory or principle underlying or supposed to underlie any of the matters contained herein.

All Parties further understand and agree that the provisions of this AGREEMENT relate only to the specific matter referred to herein and no Party or person waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein.

ARTICLE XXX RESERVATIONS

No Party shall be prejudiced or bound, except as otherwise specifically provided herein, nor shall any Party be deemed to have approved, accepted, agreed or consented to any concept, theory or principle underlying or supposed to underlie any of the matters contained herein, including but not limited to any concept, theory, principle or method used to calculate the rates provided for herein.

All Parties further understand and agree that the provisions of this AGREEMENT relate only to the specific matter referred to herein and no Party or person waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein.

ARTICLE XXXI SURVIVAL OF OBLIGATIONS

Termination of this AGREEMENT for any reason shall not relieve PSE&G or GENERATOR of any obligation accruing or arising prior to such termination.

ARTICLE XXXII NOTICES

Any notice, request, demand, or statement which either PSE&G or GENERATOR may desire to give to the other shall be in writing and except as otherwise provided for in this AGREEMENT shall be considered as duly delivered when mailed by certified mail or delivered against receipt by messenger or overnight courier addressed to said Party as follows:

(a) If to PSE&G:

Public Service Electric and Gas Company
80 Park Plaza – Mail Code T8
P.O. Box 570
Newark, NJ 07101-0570
ATTENTION: Manager Electric Supply Acquisition
Email: Settlements@pseg.com; Myron.Filewicz@pseg.com

PSEG Services Corporation
Law Department Federal Regulatory Law – Interconnections
80 Park Plaza – T5G
Newark, NJ 07102-4194
ATTENTION: Ana Murteira, Associate Counsel – Regulatory, or successor
Email: Ana.Murteira@pseg.com

Project Manager – Interconnections
PSE&G Projects & Construction
4000 Hadley Rd. South Plainfield, NJ 07080
Attn: Garan Gunn, Sr. Project Manager, or successor
Email: Garan.Gunn@pseg.com

(b) If to GENERATOR:

Except as otherwise provided in this AGREEMENT, routine communications and billing statements shall be considered as duly delivered when mailed by either certified or ordinary mail:

(a) If to PSE&G:

Public Service Electric and Gas Company
80 Park Plaza – Mail Code T8
P.O. Box 570

Newark, New Jersey 07101-0570
ATTENTION: Manager Electric Supply Acquisition
Email: Settlements@pseg.com; Myron.Filewicz@pseg.com

PSEG Services Corporation
Law Department Federal Regulatory Law – Interconnections
80 Park Plaza – T5G
Newark, NJ 07102-4194
ATTENTION: Ana Murteira, Associate Counsel – Regulatory, or successor
Email: Ana.Murteira@pseg.com

Project Manager – Interconnections
PSE&G Projects & Construction
4000 Hadley Rd. South Plainfield, NJ 07080
Attn: Garan Gunn, Sr. Project Manager, or successor
Email: Garan.Gunn@pseg.com

(b) If to GENERATOR:

[Signature Block on Following Page]

IN WITNESS WHEREOF, this AGREEMENT has been executed and delivered as of the date and year first above written.

By: _____

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By: _____
Edward F. Gray
VP Asset Management & Planning

EXHIBIT 1

Interconnection Plan

Trenton Biogas, LLC, 1600 Lamberton Road, Trenton New Jersey

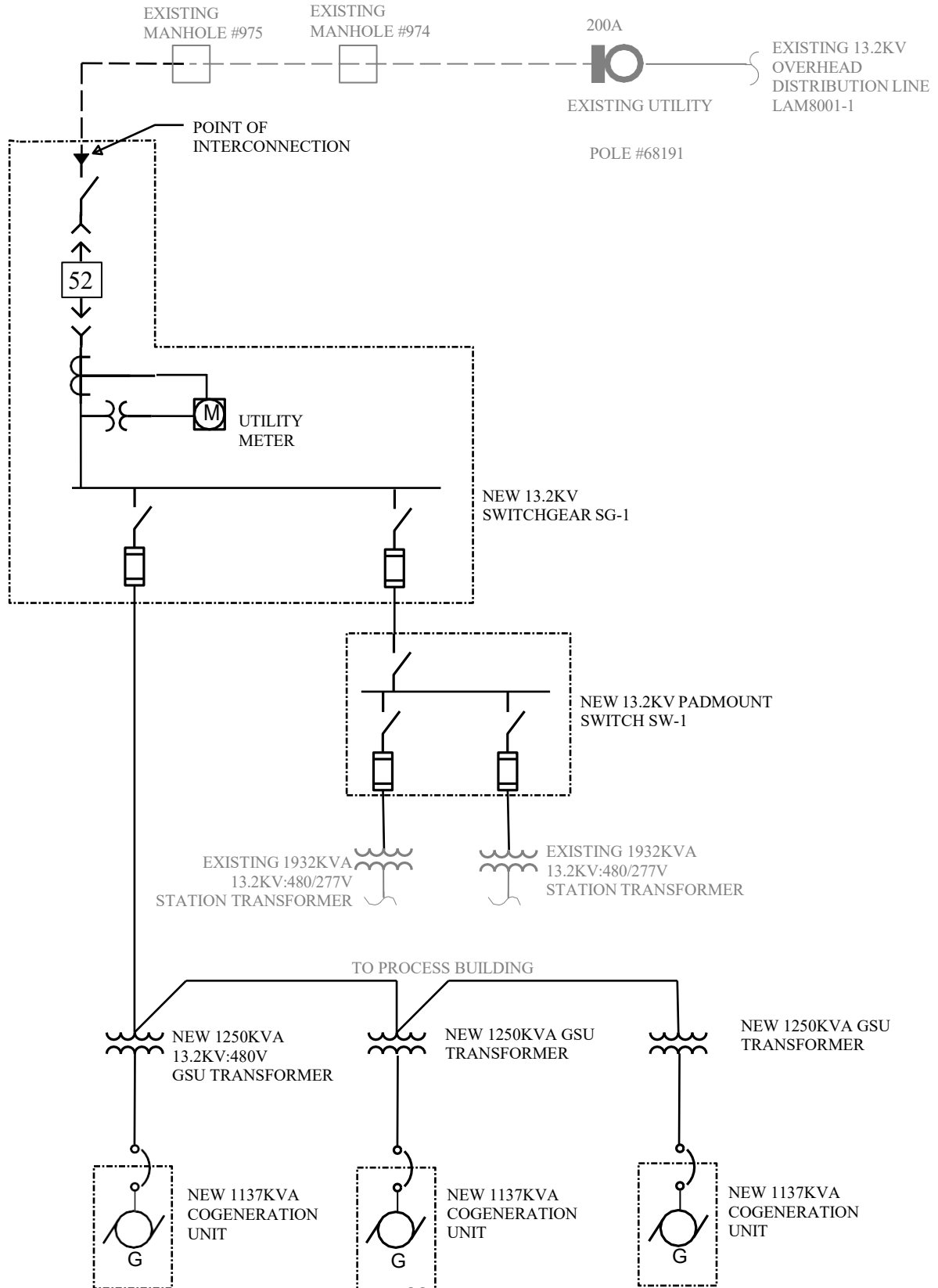


EXHIBIT 2

Interconnection, Protection and Safety Requirements and Standards for Customer-Owned Generating Facilities

SECTION 1.0 Requirements and Standards. The following requirements and standards for connection of customer-owned generating facilities to the PUBLIC SERVICE SYSTEM shall be met to assure the integrity and safe operation of the PUBLIC SERVICE SYSTEM with no deterioration to the quality and reliability of service to other customers. GENERATOR shall also adhere to applicable PSE&G standards and specifications as may be provided by PSE&G.

- (a) GENERATOR shall make application to PSE&G for approval to interconnect the FACILITY with the PUBLIC SERVICE SYSTEM.
- (b) PSE&G may require the following as part of the application:
 - (i) Plans and specifications of the proposed installation.
 - (ii) Single line diagram(s) and details of the proposed protection schemes.
 - (iii) Instruction manuals for all protective components.
 - (iv) Component specifications and internal wiring diagrams of protective components if not provided in instruction manuals.
 - (v) All protective equipment ratings if not provided in instruction manuals.
 - (vi) Generator data required to analyze fault contributions and load current flows including, but not limited to, equivalent impedances and time constraints.
 - (vii) The FACILITY's summer maximum capability rating, normal and emergency transfer ratings of all switching and transmission equipment, manufacturer's certified test data for all major equipment, expected hourly generation pattern, estimated forced and planned outage rates, maintenance schedules, expected life of major equipment, and the FACILITY's use of its own generation to feed its own load.

SECTION 2.0 Approval.

- (a) PSE&G shall within thirty (30) days from the receipt of all required data from GENERATOR either approve or reject the application for connection to the PSE&G SYSTEM. Connection to the PUBLIC SERVICE SYSTEM will be permitted only upon obtaining the formal approval of PSE&G. PSE&G may require the execution of a formal application form.

SECTION 3.0 Installation. The installation of the FACILITY must be in compliance with the requirements of PSE&G's Information and Requirements for Electric Service, the National Electrical Code and all applicable local, state and federal codes or regulations. The installation shall be done in a workmanlike manner, and shall meet or exceed industry acceptance standards of good practice. The provisions of the National Electrical Code and the standards of the National Electrical Safety Code and the standards of the National Electrical Manufacturers Association and the American National Standards Institute and IEEE shall be observed to the extent that they are applicable. Prior to connection, PSE&G must be provided with evidence of the satisfactory electrical inspection by an authorized inspection agency.

SECTION 4.0 Characteristics of Facility. The FACILITY shall be designed to ensure the safety of the public, PSE&G personnel and GENERATOR's personnel during both construction and operation, and shall have the following characteristics:

- (a) Output voltage shall be compatible and consistent with the PUBLIC SERVICE SYSTEM at the point at which the FACILITY is to be connected.
- (b) The FACILITY shall produce 60 Hertz sinusoidal output compatible with the PUBLIC SERVICE SYSTEM.
- (c) The FACILITY must provide and maintain automatic synchronization with the PUBLIC SERVICE SYSTEM.
- (d) For small generators, such as photovoltaic systems, the break point between the FACILITY producing single-phase or three-phase output shall be in accordance with existing utility specifications or as otherwise specified by PSE&G.
- (e) At no time shall the operation of the FACILITY result in excessive harmonic distortion of PSE&G waveform. Excessive harmonic distortion shall result in disconnection of the FACILITY from the PUBLIC SERVICE SYSTEM.
- (f) The installation of power factor correction (PFC) capacitors at the FACILITY may be required under conditions to be determined by PSE&G when necessary to assure the quality and reliability of service to other customers. The cost of such capacitors shall be borne by GENERATOR.
- (g) The cost of supplying and installing any special facilities or devices occasioned by GENERATOR's installation which PSE&G may deem necessary shall be borne by GENERATOR.
- (h) The ratings of the major components of the FACILITY must be consistent with PSE&G's contingency design criteria.
- (i) The FACILITY must be equipped to provide load following, generation schedule following, spinning reserve, area regulation, frequency, voltage and reactive

power control capabilities consistent with the terms of the AGREEMENT with PSE&G. As applicable, the generating unit shall be designed to meet the requirements of NEMA Standard MG 1, for rotating equipment, or UL1741 for inverter-based generation.

SECTION 5.0 Disconnection Devices. Automatic disconnection devices with appropriate control devices which will isolate the FACILITY from the PUBLIC SERVICE SYSTEM within a time period specified by PSE&G for, but not necessarily limited to, the following conditions, shall be provided by GENERATOR:

- (a) A fault on the FACILITY's equipment.
- (b) A fault on the PUBLIC SERVICE SYSTEM or PJM SYSTEM.
- (c) A de-energized electric line to which the FACILITY is connected.
- (d) An abnormal operating voltage or frequency.
- (e) Failure of automatic synchronization with the PUBLIC SERVICE SYSTEM.
- (f) Loss of a phase or improper phase sequence.
- (g) Total harmonic voltage content in excess of five (5) percent.
- (h) Abnormal power factor.

The devices shall be so designed and constructed to prevent reconnection of the FACILITY to the PUBLIC SERVICE SYSTEM until the cause of disconnection is corrected. PSE&G shall reserve the right to specify settings of certain isolation devices which are part of the FACILITY.

SECTION 6.0 Inspection. PSE&G may require initial inspection and testing as well as subsequent inspection and testing of the FACILITY's isolation and fault protection systems at GENERATOR's expense. Maintenance of these systems must be performed and documented by GENERATOR at specified intervals to the satisfaction of PSE&G. PSE&G shall reserve the right to disconnect the FACILITY from the PUBLIC SERVICE SYSTEM for failure to comply with these inspections, testing and maintenance requirements.

SECTION 7.0 Equipment Protection. GENERATOR is solely responsible for providing adequate protection for the equipment located on GENERATOR's side of the INTERCONNECTION system. This protection shall include, but not be limited to, negative phase sequence voltage on three-phase systems.

SECTION 8.0 Certain Obligations of GENERATOR.

- (a) GENERATOR shall provide a PSE&G controlled disconnecting device on the PSE&G side of the INTERCONNECTION. PSE&G may require that this device

accept a utility provided padlock. PSE&G may also require manual operation of the device when required.

- (b) GENERATOR shall agree to grant access to PSE&G's authorized representative(s) during any reasonable hours to install, inspect and maintain PSE&G's metering equipment.
- (c) GENERATOR must satisfy, and shall be subject to, all terms and conditions of PSE&G's applicable Tariff for Electric Service.
- (d) GENERATOR shall not install any wind generator(s), tower structure or device at a location where, in the event of failure, it can fall in such a manner as to contact, land upon, or interfere with any PSE&G lines or equipment.
- (e) GENERATOR shall, or shall cause an entity to, maintain the generator(s) and its associated structure, wiring and devices in a safe and proper operating condition so that the installation continues to meet all the requirements contained herein and meets the availability factor specified in the AGREEMENT.
- (f) By installation and connection of a generator(s) and/or appurtenant facilities, devices and equipment with the PUBLIC SERVICE SYSTEM, or having caused an entity to do so, GENERATOR agrees to indemnify and hold PSE&G harmless from any and all liability or claim therefore for damage to property, including property of PSE&G, and injury or death to persons resulting from or caused by the presence, operation, maintenance or removal of such GENERATOR's installation.

SECTION 9.0 System Emergency Conditions. GENERATOR may be required to place the control of the FACILITY under the direction of PSE&G to give assistance as follows: (i) quickly come on line; (ii) quickly adjust generation, reactive support or local load; (iii) remain on line, or (iv) quickly come off line. During restoration procedures, FACILITY's generation, load and switching facilities shall be under PSE&G's direction.

SECTION 10.0 Operating Procedures. GENERATOR shall, or shall cause an entity to, adhere to normal and emergency operating procedures specified by PSE&G in regard to switching and generation operations. PSE&G may require the FACILITY operations personnel to undergo training to familiarize them with such procedures.

EXHIBIT 3

Interconnection Payment Schedule

Payment Due Date

Payment Amount

Upon Receipt of Invoice from PSE&G

\$ _____

Pursuant to ARTICLE VI of this AGREEMENT, PSE&G will “true-up” the INTERCONNECTION's final actual costs within 120 days of the completion of PSE&G's scope of work, and shall either refund any over-payment made by GENERATOR or invoice GENERATOR for any additional amount due (as may be necessary).