

Exelon Business Services Company
2301 Market Street/S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699Direct Dial: 215 841 4220
August 24, 2012**VIA FEDERAL EXPRESS**Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120**RECEIVED**

AUG 24 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**Re: Petition of PECO Energy Company for Expedited Approval of Demand Response
Contracts and Notice of Intent to Seek Amendment of the Contracts
Docket No. P-2012-2290512**

Dear Secretary Chiavetta:

Enclosed for filing and in accordance with PECO's Energy Efficiency and Conservation Plan are four (4) amendments to PECO's previously approved demand response contracts ("DR Contracts"). See the Commission's Opinion and Order ("Opinion and Order") entered on March 29, 2012 in the above-referenced docket.

Pursuant to the Opinion and Order, the purpose of these amendments is to include/file "pay for performance" provisions to PECO's DR Contracts to ensure compliance with Act 129's demand reduction requirements.

As such, PECO is hereby seeking approval of these amendments through the normal approval process administered by Commission Staff. Please file the amendments with the appropriate contracts as indicated below:

Amendment 1 to EnergyConnect, Inc. Demand Response Aggregator Agreement dated November 22, 2011.

Amendment 2 to Enerwise Global Technologies Demand Response Aggregator Agreement dated December 1, 2011.

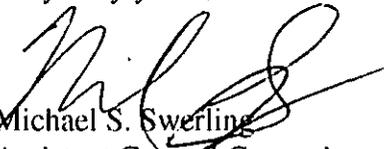
Amendment 3 to Enerwise Global Technologies Demand Response Aggregator Agreement dated December 2, 2011.

Amendment 4 to EnerNOC Demand Response Aggregator Agreement dated January 24, 2012.

PECO is also filing an amendment (Amendment 5) to its Direct Load Control (“DLC”) Services and Materials Agreement with Converge, Inc., dated March 19, 2010. The amendment serves two purposes. First, it will allocate existing budget money for additional marketing activities. The budget for this project has not increased; the money is simply being moved from the project’s equipment budget to the marketing budget. Second, it will formalize the agreement to change the type of thermostats installed pursuant to the DLC program.

Please feel free to contact me at (215) 841-4220 if you have any questions. An additional copy of this letter is also enclosed to be date-stamped and returned to PECO Energy.

Very truly yours,


Michael S. Swerling
Assistant General Counsel

Enclosures

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Amendment 1

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AMENDMENT NO. 1

TO

DEMAND RESPONSE AGGREGATOR AGREEMENT

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

This AMENDMENT NO. 1 TO DEMAND RESPONSE AGGREGATOR AGREEMENT (this "Amendment"), dated as of May 14, 2012, is made and entered into by and between PECO Energy Company ("PECO"), and EnergyConnect, Inc., curtailment service provider ("CSP"). PECO and CSP are referred to herein, collectively, as the "Parties" and each, individually, as a "Party."

WITNESSETH

WHEREAS, pursuant to that certain Demand Response Aggregator Agreement (the "DRAA"), dated as of November 22, 2011, between PECO and CSP, PECO agreed to purchase, and CSP agreed to provide a specified amount of electric load reduction MWs within the PECO service territory ("Specified MW"); and

WHEREAS, the CSP may have the ability to provide additional MW electric load reduction within the PECO service territory during the term of the DRAA; and

WHEREAS, PECO is willing to purchase such additional MW electric load reduction from CSP; and

WHEREAS, the Parties desire to hereby amend the DRAA to reflect the parties' agreement as to certain matters set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Amendment and the DRAA, the Parties do hereby agree as follows:

Section 1. Definitions. Capitalized terms used and not defined in this Amendment have the meanings ascribed to such terms in the DRAA. (a) Day-ahead Locational Marginal Price is defined as PJM's day ahead marginal price for energy for the PECO zone

Section 2. Amendments.

(a) Representation and Warranty CSP hereby represents and warrants to PECO as of the date hereof that CSP is not an affiliate of a Pennsylvania electric distribution company.

(b) Registration. CSP agrees to maintain a registration with the Pennsylvania Public Utility Commission ("PUC") during the term of the DRAA.

(c) Covenants. CSP will not merge with a Pennsylvania electric distribution company during the term of the DRAA. Should CSP merge with a Pennsylvania electric distribution company during the term of the DRAA, the DRAA will automatically terminate and CSP shall be liable for all actual damages incurred by PECO for any resulting shortfall in its required electric load reduction.

(d) Pay-for-Performance. PECO agrees to compensate CSP for additional MW electric load reduction in excess of the Specified MW reduction when PECO has called upon the CSP to provide additional MW (an "PPF Event");

(i) CSP shall be compensated by the Average Day-ahead Locational Marginal Price ("Day-ahead LMP");

(ii) Pay-for-Performance hourly compensation = (Sum of day-ahead hourly LMPs)/ (number of hours in the Event). The hourly compensation will be multiplied by the weighted average MW performance then by the number of hours of the Event;

(iii) Settlements will be made within 60 days of an Event.

(iv) PECO may cap the additional MW called for any Event.

(v) PFP compensation will only apply to verified MW > contract

(vi) PECO shall calculate the average Day-ahead LMP for each PFP event called for the day, and that the price paid (based on average Day-ahead LMP) for each PFP event called shall be the same for all participating CSP's

Section 3. Continuity. Except as expressly modified hereby, the terms and provisions of the DRAA and all instruments, agreements or other documents executed and delivered in connection therewith, shall continue in full force and effect. Whenever the "Agreement" is referenced in the DRAA or any of the instruments, agreements or other documents executed and delivered in connection therewith, such references shall be deemed to mean the DRAA as modified hereby.

Section 4. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties, and to the extent permitted by the DRAA, their successors, legal representatives and assigns.

Section 5. Severability. If any provision of this Amendment is held invalid, illegal or unenforceable in any jurisdiction, the remainder of this Amendment, or application of that provision to any Persons or circumstances, or in any jurisdiction, other than those as to which it is held unenforceable, will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by Law.

Section 6. Counterparts. The Parties may sign this Amendment in several counterparts, each of which will be deemed an original but all of which together will constitute one instrument. The Parties agree that delivery of this Amendment may be effected by means of an exchange of facsimile or other electronic copies.

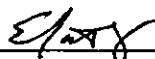
Section 7. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

Section 8. PUC Approval. This amendment shall be valid only upon approval hereof by the PUC.

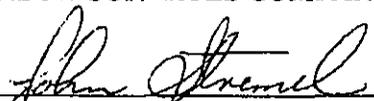
[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

PECO ENERGY COMPANY

By: 
Name: Elizabeth Murphy
Title: VP Governmental & External Affairs

ENERGYCONNECT, INC.,
A JOHNSONSON CONTROLS COMPANY

By: 
Name: JOHN STREMEL
Title: DIRECTOR MARKET INTEGRATION

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PA PUBLIC UTILITY COMMISSION
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Amendment 2

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AUG 24 2012

AMENDMENT NO. 1
TO
DEMAND RESPONSE AGGREGATOR AGREEMENT

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

This AMENDMENT NO. 1 TO DEMAND RESPONSE AGGREGATOR AGREEMENT (this "Amendment"), dated as of May 31, 2012, is made and entered into by and between PECO Energy Company ("PECO"), and Enerwise Global Technologies, Inc., curtailment service provider ("CSP"). PECO and CSP are referred to herein, collectively, as the "Parties" and each, individually, as a "Party."

WITNESSETH

WHEREAS, pursuant to that certain Demand Response Aggregator Agreement (the "DRAA"), dated as of December 1, 2011, between PECO and CSP, PECO agreed to purchase, and CSP agreed to provide 50 MW of electric load reduction within the PECO service territory ("Specified MW"); and

WHEREAS, CSP will be unable to provide the Specified MW as of June 1, 2012; and

WHEREAS, after June 1, 2012, the CSP may have the ability to provide additional MW electric load reduction; and

WHEREAS, the Parties desire to hereby amend the DRAA to reflect the parties' agreement as to certain matters set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Amendment and the DRAA, the Parties do hereby agree as follows:

Section 1. Definitions. Capitalized terms used and not defined in this Amendment have the meanings ascribed to such terms in the DRAA.

Section 2. Amendments.

- (a) Representation and Warranty CSP hereby represents and warrants to PECO as of the date hereof that CSP is not an affiliate of a Pennsylvania electric distribution company.
- (b) Registration. CSP agrees to maintain a registration with the Pennsylvania Public Utility Commission ("PUC") during the term of the DRAA.
- (c) Covenants. CSP will not merge with a Pennsylvania electric distribution company during the term of the DRAA. Should CSP merge with a Pennsylvania electric distribution company during the term of the DRAA, the DRAA will automatically terminate and CSP shall be liable for all actual damages incurred by PECO for any resulting shortfall in its required electric load reduction.
- (d) Quantity and Price Revisions.
 - (1) CSP will provide 30.67 MW's of firm electric load reduction within the PECO service territory for up to 125 hours between the period of June 1 – September 30,

2012; upon a curtailment event notification by PECO. This change reflects a reduction of 19.33MW from the previous commitment of 50 MW.

(2) CSP will be paid \$84,645 per MW. This change reflects a reduction of 5% from the original price of \$89,100 per MW.

(e) Performance. Upon no less than 2 hour notice from PECO, CSP agrees to provide 30.67 MW's of firm electrical load reduction(s) within PECO service territory during the 2012 summer performance period (June 1, 2012 through September 30, 2012). CSP must deliver the contracted load reduction MW's for every hour that curtailment events, are called up to a maximum of 125 hours. Performance will be assessed on an on an event-by-event basis and measured utilizing PJM DR settlement protocols in effect for the 2012/13 delivery year (June 1, 2012 – May 31, 2013),

(f) Payments and Credits. CSP total contract awarded for 30.67 MW's of firm electric load reduction is \$2,596,062. PECO paid CSP an initial payment of \$1,113,750 on February 15, 2012. Provided CSP is not in default under the DRAA, as amended hereby, the contract balance will be paid in 4 equal monthly installments of \$370,578 in August 2012, September 2012, October 2012, and December 2012, as adjusted for performance per the Agreement.

Payments will be paid in accordance with sections 5.3 and 5.4 of Exelon Service and Materials Agreement.

(g) Underperformance Penalties. CSP must deliver its contracted firm electric load reduction for up to 125 hours under this contract.

In the event CSP fails to meet its electrical load reduction obligations under this Agreement, an underperformance penalty will be assessed. CSP average electrical load reduction across all curtailment events must meet its contracted load reduction.

If the average electric load reduction delivered across all curtailment events is equal to its contracted firm electric load reduction then CSP will not be assessed underperformance penalties.

Underperformance penalties will be calculated using the following formula across all events:

$$\sum_{i=1}^n \left[\frac{DR_Adjusted_i - DR_Contracted}{DR_Contracted} \right] \times 120\% \times \frac{Contract_Amount\ Dollars}{n}$$

Provided that:

A penalty may be assessed only if $\sum_{i=1}^n \left[\frac{DR_Adjusted_i - DR_Contracted}{DR_Contracted} \right] < 0$

Where n is the total number of events called during the curtailment season (June 1 – September 30, 2012)

And

Where *DR_Actual* is the CSP actual firm electric load reduction in MW's during curtailment event

And

Where *DR_Adjusted* is calculated as follows:

If $DR_Actual < 27.6$, then $DR_Adjusted = DR_Actual$

If $27.6 \leq DR_Actual \leq 30.67$, then $DR_Adjusted = 30.67$

If $30.67 < DR_Actual \leq 33.7$, then $DR_Adjusted = DR_Actual$

If $33.7 < DR_Actual$, then $DR_Adjusted = 33.7$

And

Where *DR_Contracted* is the CSP contracted firm electric load reduction of 30.67 MW's

And

Where *Contract_AmountDollars* is the CSP total DR Aggregator contract compensation in the amount of \$2,596,062.

Underperformance penalties will not be applied until after the conclusion of summer 2012 curtailment season (June 1st – Sept. 30th). Underperformance penalties will be assessed no later than November 30, 2012, and will be deducted from the October and December payment instalments as necessary. If penalties exceed those payment instalments, CSP will be billed by PECO for the remaining penalty amount. CSP must pay remaining penalty amount within 60 days. CSP shall issue a revised guarantee naming PECO the beneficiary effective on the date of this Amendment, to secure payment of any Underperformance penalties.

- (h) Pay-for-Performance. PECO agrees to compensate CSP for additional MW electric load reduction in excess of the 30.67 MW firm load reduction when PECO has called upon the CSP to provide additional MW (a "PFP Event");
- (i) CSP shall be compensated by the Average Day-ahead Locational Marginal Price ("Day-ahead LMP");
 - (ii) Pay-for-Performance hourly compensation = (Sum of day-ahead hourly LMPs) / (number of hours in the Event). The hourly compensation will be multiplied by the weighted average MW performance then by the number of hours of the Event;
 - (iii) Settlements will be made within 60 days of an Event.
 - (iv) PECO may cap the additional MW called for any Event.
 - (v) PFP compensation will only apply to verified MW > contract

(vi) PECO shall calculate the average Day-ahead LMP for each PFP event called for the day, and that the price paid (based on average Day-ahead LMP) for each PFP event called shall be the same for all participating CSP's

Section 3. **Continuity.** Except as expressly modified hereby, the terms and provisions of the DRAA and all instruments, agreements or other documents executed and delivered in connection therewith, shall continue in full force and effect. Whenever the "Agreement" is referenced in the DRAA or any of the instruments, agreements or other documents executed and delivered in connection therewith, such references shall be deemed to mean the DRAA as modified hereby.

Section 4. **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of the Parties, and to the extent permitted by the DRAA, their successors, legal representatives and assigns.

Section 5. **Severability.** If any provision of this Amendment is held invalid, illegal or unenforceable in any jurisdiction, the remainder of this Amendment, or application of that provision to any Persons or circumstances, or in any jurisdiction, other than those as to which it is held unenforceable, will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by Law.

Section 6. **Counterparts.** The Parties may sign this Amendment in several counterparts, each of which will be deemed an original but all of which together will constitute one instrument. The Parties agree that delivery of this Amendment may be affected by means of an exchange of facsimile or other electronic copies.

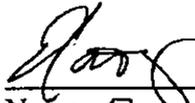
Section 7. **Governing Law.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

Section 8. **PUC Approval.** This amendment shall be valid only upon approval hereof by the PUC.

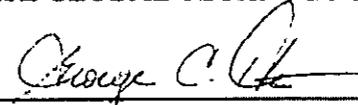
(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

PECO ENERGY COMPANY

By: 
Name: Elizabeth Murphy
Title: VP, Governmental & External Affairs

ENERWISE GLOBAL TECHNOLOGIES, INC.

By: 
Name: GEORGE C. HUNT
Title: SVP, SALES

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Amendment 3

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PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AMENDMENT NO. 1
TO
DISTRIBUTED ENERGY RESOURCE AGREEMENT

This AMENDMENT NO. 1 TO DISTRIBUTED ENERGY RESOURCE AGREEMENT (this "Amendment"), dated as of May 31, 2012, is made and entered into by and between PECO Energy Company ("PECO"), and Enerwise Global Technologies, Inc., curtailment service provider ("CSP"). PECO and CSP are referred to herein, collectively, as the "Parties" and each, individually, as a "Party."

WITNESSETH

WHEREAS, pursuant to that certain Distributed Energy Resource Agreement (the "DERA"), dated as of December 2, 2011, between PECO and CSP, PECO agreed to purchase, and CSP agreed to provide 16.5 MWs of electric load reduction within the PECO service territory ("Specified MW"); and

WHEREAS, the Parties desire to hereby amend the DERA to reflect the parties' agreement as to certain matters set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Amendment and the DERA, the Parties do hereby agree as follows:

Section 1. Definitions. Capitalized terms used and not defined in this Amendment have the meanings ascribed to such terms in the DERA.

Section 2. Amendments.

(a) Representation and Warranty CSP hereby represents and warrants to PECO as of the date hereof that CSP is not an affiliate of a Pennsylvania electric distribution company.

(b) Registration. CSP agrees to maintain a registration with the Pennsylvania Public Utility Commission ("PUC") during the term of the DERA.

(c) Covenants. CSP will not merge with a Pennsylvania electric distribution company during the term of the DERA. Should CSP merge with a Pennsylvania electric distribution company during the term of the DERA, the DERA will automatically terminate and CSP shall be liable for all actual damages incurred by PECO for any resulting shortfall in its required electric load reduction.

(d) Pay-for-Performance. PECO agrees to compensate CSP for additional MW electric load reduction in excess of the Specified MW reduction when PECO has called upon the CSP to provide additional MW (an "PFPEvent");

(i) CSP shall be compensated by the Average Day-ahead Locational Marginal Price ("Day-ahead LMP");

(ii) Pay-for-Performance hourly compensation = (Sum of day-ahead hourly LMPs)/ (number of hours in the Event). The hourly compensation will be multiplied by the weighted average MW performance then by the number of hours of the Event;

- (iii) Settlements will be made within 60 days of an Event.
- (iv) PECO may cap the additional MW called for any Event.
- (v) PFP compensation will only apply to verified MW in excess of Specified MW

(e) Underperformance Penalties. CSP must deliver its contracted firm electric load reduction for up to 125 hours under this contract.

In the event CSP fails to meet its electrical load reduction obligations under this Agreement, an underperformance penalty will be assessed. CSP average electrical load reduction across all curtailment events must meet its contracted load reduction.

If the average electric load reduction delivered across all curtailment events is equal to its contracted firm electric load reduction then CSP will not be assessed underperformance penalties.

Underperformance penalties will be calculated using the following formula across all events:

$$\sum_{i=1}^n \left[\frac{DR_Adjusted_i - DR_Contracted}{DR_Contracted} \right] \times 120\% \times \frac{Contract_Amount\ Dollars}{n}$$

Provided that:

A penalty may be assessed only if $\sum_{i=1}^n \left[\frac{DR_Adjusted_i - DR_Contracted}{DR_Contracted} \right] < 0$

Where n is the total number of events called during the curtailment season (June 1 – September 30, 2012)

And

Where DR_Actual is the CSP actual firm electric load reduction in MW's during curtailment event

And

Where $DR_Adjusted$ is calculated as follows:

If $DR_Actual < 14.85$, then $DR_Adjusted = DR_Actual$

If $14.85 \leq DR_Actual \leq 16.5$, then $DR_Adjusted = 16.5$

If $16.5 < DR_Actual \leq 18.1$, then $DR_Adjusted = DR_Actual$

If $18.1 < DR_Actual$, then $DR_Adjusted = 18.1$

And

Where *DR_Contracted* is the CSP contracted firm electric load reduction of 16.5 MW's

And

Where *Contract_AmountDollars* is the CSP total Distributed Energy Resource contract compensation in the amount of \$1,650,000.

- (a) Underperformance penalties will not be applied until after the conclusion of summer 2012 curtailment season (June 1st – Sept. 30th). Underperformance penalties will be assessed no later than November 31st and will be deducted from the December payment instalment. If penalties exceed December payment instalment CSP will be billed by PECO for the remaining penalty amount. CSP must pay remaining penalty amount within 60 days.

Section 3. Continuity. Except as expressly modified hereby, the terms and provisions of the DERA and all instruments, agreements or other documents executed and delivered in connection therewith, shall continue in full force and effect. Whenever the "Agreement" is referenced in the DERA or any of the instruments, agreements or other documents executed and delivered in connection therewith, such references shall be deemed to mean the DERA as modified hereby.

Section 4. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties, and to the extent permitted by the DERA, their successors, legal representatives and assigns.

Section 5. Severability. If any provision of this Amendment is held invalid, illegal or unenforceable in any jurisdiction, the remainder of this Amendment, or application of that provision to any Persons or circumstances, or in any jurisdiction, other than those as to which it is held unenforceable, will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by Law.

Section 6. Counterparts. The Parties may sign this Amendment in several counterparts, each of which will be deemed an original but all of which together will constitute one instrument. The Parties agree that delivery of this Amendment may be effected by means of an exchange of facsimile or other electronic copies.

Section 7. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

Section 8. PUC Approval. This amendment shall be valid only upon approval hereof by the PUC.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

PECO ENERGY COMPANY

By: 
Name: Elizabeth Murphy
Title: VP Governmental & External Affairs

ENERWISE GLOBAL TECHNOLOGIES

By: 
Name: GEORGE C. HUNT
Title: SVP, SALES

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P4 PUBLIC UTILITY COMMISSION
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Amendment 4

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AMENDMENT NO. 1
TO
DEMAND RESPONSE AGGREGATOR AGREEMENT

This AMENDMENT NO. 1 TO DEMAND RESPONSE AGGREGATOR AGREEMENT (this "Amendment"), dated as of May 22, 2012, is made and entered into by and between PECO Energy Company ("PECO"), and EnerNOC, Inc., curtailment service provider ("CSP"). This Amendment amends that certain Demand Response Aggregator Agreement (the "DRAA"), dated as of January 24, 2012, between PECO and CSP. PECO and CSP are referred to herein, collectively, as the "Parties" and each, individually, as a "Party." Capitalized terms used and not defined in this Amendment have the meanings ascribed to such terms in the DRAA.

WITNESSETH

WHEREAS, pursuant to the DRAA, PECO agreed to purchase, and CSP agreed to provide 40 MW of firm electrical load reduction within the PECO service territory ("Specified MW"); and

WHEREAS, the CSP may have the ability to provide additional MW electric load reduction within the PECO service territory during the term of the DRAA; and

WHEREAS, PECO is willing to purchase such additional MW electric load reduction from CSP; and

WHEREAS, the Parties desire to hereby amend the DRAA to reflect the parties' agreement as to certain matters set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Amendment and the DRAA, the Parties do hereby agree as follows:

1. Definitions. Capitalized terms used and not defined in this Amendment have the meanings ascribed to such terms in the DRAA.

(a) Day-ahead Locational Marginal Price is defined as PJM's day ahead marginal price for energy for the PECO zone

2. The DRAA is hereby amended by adding the following Section 17:

"17. Miscellaneous.

(a) Representation and Warranty CSP hereby represents and warrants to PECO as of the date hereof that CSP is not an affiliate of a Pennsylvania electric distribution company.

(b) Registration. CSP agrees to maintain a registration with the Pennsylvania Public Utility Commission ("PUC") during the term of the DRAA.

(c) Covenants. CSP will not merge with a Pennsylvania electric distribution company during the term of the DRAA. Should CSP merge with a Pennsylvania electric distribution company during the term of the DRAA, the DRAA will automatically terminate and CSP shall be liable for all actual damages incurred by PECO for any resulting shortfall in its required electric load reduction."

3. Section 2 of the DRAA is hereby amended by adding the following subsection:

“2(A). Pay-for-Performance. PECO agrees to compensate CSP for additional MW electric load reduction in excess of the Specified MW when PECO has called upon the CSP to provide additional MW (a “PFP Event”).”

4. Section 5 of the DRAA is hereby amended by adding the following subsection:

“5(A). PFP Payments and Credits.

In connection with CSP performance during PFP Events, CSP shall be compensated by the Average Day-ahead Locational Marginal Price (“Day-ahead LMP”), defined as PJM’s day ahead marginal price for energy for the PECO zone, as follows:

(i) Total additional compensation for a PFP event will be calculated as the hourly compensation (“Pay-for-Performance hourly compensation”) multiplied by the average MW performance in excess of the Specified MW multiplied by the number of hours in the Event. Pay-for-Performance hourly compensation will be calculated as the (Sum of day-ahead hourly LMPs)/ (number of hours in the Event). Total additional compensation for a PFP event is not subject to adjustment or refund based on CSP delivery or performance during other Events.

(ii) Settlements will be made within 60 days of an Event by PECO

(iii) PECO may cap the additional MW called for any Event, however, such cap must be communicated when a PFP Event is called.

(iv) PFP compensation will only apply to verified MW in excess of the Specified MW.”

5. Continuity. Except as expressly modified hereby, the terms and provisions of the DRAA and all instruments, agreements or other documents executed and delivered in connection therewith, shall continue in full force and effect. Whenever the “Agreement” is referenced in the DRAA or any of the instruments, agreements or other documents executed and delivered in connection therewith, such references shall be deemed to mean the DRAA as modified hereby.

6. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties, and to the extent permitted by the DRAA, their successors, legal representatives and assigns.

7. Severability. If any provision of this Amendment is held invalid, illegal or unenforceable in any jurisdiction, the remainder of this Amendment, or application of that provision to any Persons or circumstances, or in any jurisdiction, other than those as to which it is held unenforceable, will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by Law.

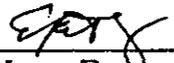
8. Counterparts. The Parties may sign this Amendment in several counterparts, each of which will be deemed an original but all of which together will constitute one instrument. The Parties agree that delivery of this Amendment may be effected by means of an exchange of facsimile or other electronic copies.

9. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

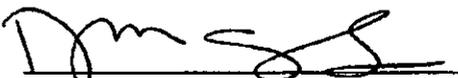
10. PUC Approval. This amendment shall be valid only upon approval hereof by the PUC.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

PECO ENERGY COMPANY

By: 
Name: Elizabeth Murphy
Title: VP, Governmental & External Affairs

ENERNOC, INC.

By: 
Name: David Samuels
Title: Executive Vice President

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AUG 24 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Amendment 5

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AUG 24 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Amendment No. 001 to Blanket Contract No. 01076685 is hereby issued to incorporate changes to the small commercial portion of the PECO smart A/C Saver Program.

1. Section 2.0 of Appendix C shall be deleted in its entirety and replaced with the following:

2.0 Equipment: Model #IT900-111, 93371-00-04-JB, 93372-03-04-JB, 93371-01-04-JB

2. Section 2.2.1 of Appendix C shall be deleted in its entirety and replaced with the following:

2.2.1 PCT Requirements:

Temperature setback control (available in future firmware release)
Remotely configurable
Data Logging
Several temperature set points
Multiple address layering (i.e. Communication to the device by Utility/Region/Substation/ Feeder)
Adaptive Algorithm capability
Designed with a SuperCap for 48 hour clock retention during power outage (no batteries)
PCT shall be self contained (receive operating power from the existing thermostat circuit)
7-day and 5-2 programmable
Conventional or Heat-pump support
Two-stage Heat / Two-stage cool
Non-Volatile Memory
Energy management recovery feature
Keypad lockout (available on future firmware release)
Intuitive alerts and messaging
Web-Programmable (optional)

3. The following changes shall be made to the Equipment Pricing Table in Appendix E:

Change PCT (VHF only) price per unit from \$100.00 to \$134.75 and total price (PY09-PY12) from \$1,250,000 to \$1,684,375.

4. The Section entitled "Volume Changes Impact on Equipment Pricing" in Appendix E shall be deleted in its entirety and replaced with the following:

DCU (Dual Mode)

| | | | | |
|-------------|---------|--------------|--------------|-----------|
| Switch Vol. | >149k | 149 – 102.5k | <102.5 – 90k | <90 – 50k |
| Price | \$60.06 | \$62.00 | \$74.81 | \$80.29 |

Note:

- The above pricing table is in response to PECO's request for information pertaining to equipment volume and the associated pricing. This table is intended to provide PECO with additional flexibility in the mix of HVAC vs. EWH and as it pertains to the total program size.
- DCU Dual Mode, pricing applies to either HVAC or EWH control.

PECO shall be billed \$62.00 per DCU during the term of the contract. At the end of the installations and equipment order placement under the Agreement, the parties shall determine the number of devices ordered by PECO, determine the final price/units, and calculate the payment/refund due from/to PECO which shall be paid within 30 days. PECO reserves the right to order additional equipment as reserves and not for installation to reach the thresholds, if the failure to install 102,500 DCUs is the result of any direct action by PECO to minimize the targeted installations. If the failure to install 102,500 DCUs is not the result of any direct action by PECO to minimize the targeted installations, then PECO shall be billed at \$62.00 per DCU even if the above noted thresholds are not met.

5. Replacement of White Rodgers 1F88 thermostats:

Both Parties acknowledge that in 2010, Comverge had installed and PECO paid for 168 White Rodgers 1F88 thermostats at 99 separate customer locations prior to the decision to stop deployment of this particular model thermostat. With this Amendment, both Parties agree that Comverge will replace the 168 White Rodgers 1F88 thermostats deployed in 2010 with the newer model, Comverge IntelliTEMP 900 thermostats at no additional cost to PECO or its customers for the installation or equipment.

01076685

PECO 5/29/2012

AMENDMENT NO. 2
TO SERVICES AND MATERIALS AGREEMENT

This Amendment No. 2 ("Amendment") to the March 19, 2010 Services and Materials Agreement, as previously amended (collectively the "Agreement") is entered into and effective as of May 30, 2012 between PECO Energy Company, acting by and through its agent, Exelon Business Services Company, LLC ("PECO") and Comverge, Inc. a Delaware corporation ("Comverge"). Comverge and PECO are collectively referred to as Parties and individually as Party.

RECITALS

WHEREAS, PECO and Comverge entered into the Services and Materials Agreement on March 19, 2010; and

WHEREAS, PECO and Comverge executed Amendment No. 1 to the Agreement to address certain amendments to be incorporated into the Services and Materials Agreement:

WHEREAS, Comverge has notified PECO that Comverge will not achieve the Milestone Schedule described in the Agreement; and

WHEREAS, this Amendment modifies, alters or changes specific terms and conditions of the Agreement.

NOW THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Marketing Plan.** The Parties shall implement marketing campaign(s) supplemental to the plan initially planned under the Agreement, to be funded within the existing program budget of unspent funds. PECO shall pre-approve any unexecuted marketing campaign(s) to be implemented by May 31, 2012. Marketing expenses incurred since December 1, 2011 and up to May 31, 2012 outside of the original program authorization budget of \$4,831,250 shall have a cost not to exceed \$1,500,000 for the residential program and \$170,000 for the small commercial program. In addition, PECO will continue the implementation of a mass market advertising campaign for the program that includes television and radio commercials for both the residential and commercial program.

Parties agree that Comverge invoices of \$835,096 and \$80,000 have been submitted to PECO for payment. PECO shall pay those invoices within ten (10) business days after execution of this Amendment. Remaining marketing invoices for work performed will be invoiced by Comverge within 45 days from execution of this Amendment.

2. Equipment Installation. The new equipment installation schedule is as follows:

| | Actual Installations* as of 3/31/12 | Required Installations* 4/1/12 - 6/15/12 | Total Installations** |
|-----------------------------|--|---|-----------------------|
| Residential (DCUs) | 89,900 | 7,100 | 97,000* |
| Commercial (PCTs) | 3,730 | 1,270 | 5,000 |
| Total Installations: | 93,630 | 8,370 | 102,000 |

Table 1

In accordance with Table 1 in this document, failure to meet the total new equipment installation targets will result in liquidated damages as detailed below:

*For the avoidance of doubt, the definition of Installation shall remain consistent with the procedure used to date, meaning an Installation is equal to a controlled end-point. For example, a dual relay DCU can control 2 end-points and in such a case will count as 2 installations.

**Total Installations in excess of 97,000 for Residential (DCU's) may require additional monetary AMEX commitments to the consumer and the parties agree that they shall meet and discuss funds for such additional monetary commitments if and when required.

| % of Remaining Installation | Remaining Installations Achieved | Liquidated Damages | Amount |
|-----------------------------|----------------------------------|--------------------------------------|-----------|
| 95-99.9% | Residential: 6,745 - 7,099 | 10% of supplemental marketing budget | \$150,000 |
| 90-94.9% | Residential: 6,390 - 6,744 | 20% of supplemental marketing budget | \$300,000 |
| < 90% | Residential: < 6,389 | 30% of supplemental marketing budget | \$450,000 |

| % of Remaining Installation | Remaining Installations Achieved | Liquidated Damages | Amount |
|-----------------------------|----------------------------------|--------------------------------------|----------|
| 95-99.9% | Commercial: 1,206 - 1,269 | 10% of supplemental marketing budget | \$17,000 |
| 90-94.9% | Commercial: 1,143 - 1,205 | 20% of supplemental marketing budget | \$34,000 |
| < 90% | Commercial: < 1,142 | 30% of supplemental marketing budget | \$51,000 |

3. **Rate Table.** The Rate Table for Equipment and Installations set forth below is for completed and future equipment installations and services, including services not originally contemplated in the March 19, 2010 Services and Materials Agreement. In consideration for the shifting of marketing dollars, Comverge agrees that the pricing for DCU's shall be fixed at \$62.00 regardless of the final number of installations and activities.

| Equipment | Unit Cost |
|--|------------|
| Switch CAC | \$ 62.00 |
| Switch WH | \$ 62.00 |
| PCT (VHF only) | \$ 134.75 |
| Optional Items: | |
| Additional 5 Amp Relay (Dual Relay) | \$ 2.25 |
| Wall Plates (Installed) | \$ 3.25 |
| Add-A-Wire (Installed) | \$ 20.00 |
| Installation | |
| Switch CAC | \$ 68.00 |
| Switch WH | \$ 51.50 |
| PCT | \$ 75.00 |
| Primary PCT Install | \$ 98.75 |
| Secondary PCT Install | \$ 51.25 |
| Installation/Service/Maintenance (\$/Truck roll): | |
| RESIDENTIAL | DCU |
| Turndowns | \$ 109.50 |
| No Shows/Cancellations | \$ 69.50 |
| Removal/Reinstall | \$ 109.50 |
| Service Calls (Non-Emergency) | \$ 109.50 |
| Service Calls (Emergency) | \$ 169.50 |
| COMMERCIAL | PCT |
| Turndowns | \$ 129.50 |
| No Shows/Cancellations | \$ 79.50 |
| Removal/Reinstall | \$ 129.50 |
| Service Calls (Non-Emergency) | \$ 129.50 |
| Service Calls (Emergency) | \$ 169.50 |

4. **Service and Maintenance.** Comverge shall continue to provide service and maintenance functions through May 31, 2012 at the above rate schedule. Service and maintenance costs beyond June 1, 2012 shall include all required response to participant service calls, associated repair/replacement work, and requested removals of direct load control switches and thermostats. Installation services and equipment purchased after June 1, 2012 will continue to be invoiced at the above rate schedule. From June 1, 2012 through May 31, 2013, the amounts shall be invoiced as incurred according to the above rate schedule. In the event it appears the service and maintenance functions costs will reach

\$200,000 (as to the residential program) and \$85,000 (as to the commercial program), then prior to such time the Parties shall meet and agree as follows: (1) that additional costs for the service and maintenance function for the commercial and residential program over and above \$200,000 (as to the residential program) and \$85,000 (as to the commercial program) are approved by PECO with an agreed upon "not to exceed" dollar amount; or (2) that no additional costs for the residential or commercial program may be incurred over and above \$200,000 (as to the residential program) and \$85,000 (as to the commercial program) and Comverge has no further obligation to provide service and maintenance functions once total invoiced costs for the residential program reach \$200,000 and total invoiced costs for the commercial program exceed \$85,000.

5. Pennsylvania Public Utility Commission Approval. Nothing herein may be construed to bind PECO until this contract is executed and effective, and unless and until the Pennsylvania Public Utility Commission has approved this contract.

(Signature page Follows)

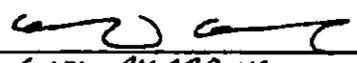
PECO 5/29/2012

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first stated above.

PECO ENERGY COMPANY,
by **Exelon Business Services Company,**
LLC, its agent

By: 
Name: MATTHEW J. GORMAN
Title: SR. CAT MGR

COMVERGE, INC

By: 
Name: GREG ALLARD
Title: SVP, OPERATIONS

From: (215) 841-5353
Anita Zaketa

Origin ID: REDA



2301 Market Street
Philadelphia, PA 19103

J12201207180325

Ship Date: 24AUG12
ActWgt: 1.0 LB
CAD: 102138557/NET3300

Delivery Address Bar Code



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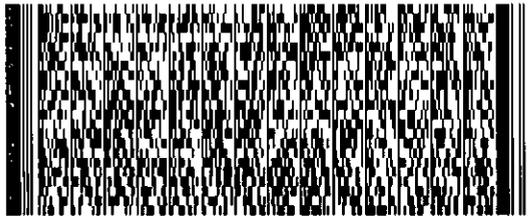
Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 NORTH ST
FL 2
HARRISBURG, PA 17120

Ref #
Invoice #
PO #
Dept #

MON - 27 AUG A1
STANDARD OVERNIGHT

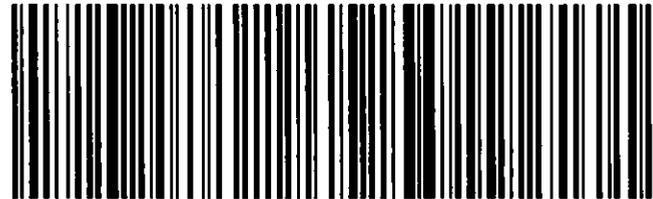
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