

This Terms of Service (“TOS”) document explains the details of your electric service from Direct Energy L.P., (“Direct Energy” or “we” or “us”), PUCT Certificate No. 10040. This TOS document, together with your enrollment documentation, your Electricity Facts Label (“EFL”), and the Your Rights as a Customer (“YRAC”) document constitute your agreement (“Agreement”) with Direct Energy. If you accept this Agreement, there’s nothing else that you need to do. To cancel this Agreement at any time without penalty, please read “Your Right to Cancel” within the Terms of Service. By accepting service from Direct Energy pursuant to your Agreement, you’re giving us the right to supply electricity to all of the electric service accounts under your name or address, which will be transferred to Direct Energy.

Customer Information

You give us the right to obtain or use any information that we think we will need or find helpful to provide the best possible electric service, which may include address, telephone number, account numbers, historical usage data, payment and credit history and other information, whether from you, your transmission distribution utility (“TDU” or “TDSP”), or current retail electric provider (“REP”).

Our Contact Information

Direct Energy Customer Service Representatives are available to help you by telephone 24 hours a day, 7 days a week. Toll-free for residential customers: 1-888-305-3828. Write to us at Direct Energy, P.O. Box 3767, Houston, TX 77253-3767. Our payment address is Direct Energy (Remittance), P.O. Box 660896, Dallas, TX 75266-0896. Fax us toll-free at 1-800-346-2233, view other products and services at www.directenergy.com, or e-mail us at gadeonlinehelptx@directenergy.com.

Term of Agreement

Unless terminated as outlined in this Agreement, your service will continue for the term specified in the EFL until the end of this term at which time you can choose another product with us or choose another electricity provider. If you fail to pay the amount due on your invoice, your service is subject to disconnection as specified in the disconnection section, below. If you fail to have your service reconnected within 5 business days of its disconnection, this Agreement will be terminated.

Pricing

The price you will pay us for electricity is as provided in the EFL. The total average price per kilowatt- hour (“kWh”) includes the costs for electricity generation, monthly kWh usage, a monthly base charge (if one is shown on your EFL), and costs of delivery of electricity to your premise, and is exclusive of state and local taxes and the state miscellaneous gross receipts tax reimbursement. To learn more about specific pricing information, see the EFL and the product specific provisions provided at the end of these TOS.

In addition, you may be required to pay nonrecurring fees and charges originated by your TDU including, but not limited to, fees and charges related to establishing, switching, disconnecting, reconnecting, or maintaining electric service or equipment. Charges for required, nonrecurring fees will be listed as a separate line item on your monthly bill. All bills for electric service will include applicable federal, state, and local taxes. Tax-exempt customers must provide us with appropriate exemption certificates before assessment and collection of taxes can be waived. For additional price information, see the EFL. Please refer to the “Billing and Payment Terms” section within these TOS, for more detailed information.

Regardless of usage, you will be assessed a base charge (if one is shown on your EFL), for each billing cycle, which is defined as a period bounded by a start date and stop date that the TDU uses to determine when a customer used electric service. A billing cycle may be less than 30 days, but the base charge will not be prorated. In no event will more than one base charge be assessed per Electric Service Identifier (“ESI-ID”) per billing cycle. This base charge will be listed as a separate line item on your bill. If more than one ESI-ID is included in your Agreement, you will be charged a separate base charge for each included ESI-ID per billing cycle.

You will also be billed the Minimum Usage Charge (if one is shown on your EFL) for any consumption less than the threshold set forth on your EFL in any given billing cycle. A billing cycle may be less than 30 days but the Minimum Usage Charge (if one is shown on your EFL) will not be prorated if assessed. All applicable governmental taxes and non-recurring TDU fees, such as, but not limited to, connection charges, move-in charges, meter installation charges and reconnection charges will also be listed separately on your bill. Please visit the Public Utility Commission of Texas (“PUCT”) website at: <https://www.puc.texas.gov/industry/electric/rates/tdr/> to view the rates for your TDSP. All applicable non-recurring fees for Direct Energy will be listed separately on your bill and are described in the “Billing and Payment Terms” section within these TOS.

If more than one meter identified by an ESI-ID is included as a part of your Agreement, you will be charged for all of the usage at all of the included ESI-IDs.

Taxes

You will be responsible and guarantee us for any and all Taxes. The term “Taxes” means all federal, state and local taxes, fees, governmental charges, and assessments presently or hereafter imposed on you as purchaser of electricity, on us as seller of electricity, or on electricity sales transactions, including, without limitation, gross receipts taxes, municipal administrative fees, and generation, utility, TDU, regulatory, or electricity taxes and assessments. If you are exempt from gross receipts tax due to living in an unincorporated area, it is your responsibility to provide us with this information, so that we can update your account accordingly. All bills for electric service will include applicable federal, state, and local taxes. Tax-exempt customers must provide us with appropriate exemption certificates before assessment and collection of taxes can be waived. For additional price information, see the EFL.

YOUR RIGHT TO CANCEL (Right of Rescission)

If you are switching to us from another REP, you can cancel this Agreement without charge or penalty, but you must do so within three (3) federal business days of receiving this Agreement. If you accept this Agreement, then no further action is necessary. You may also cancel without penalty if you move to another location and provide evidence of the move, such as a forwarding address and any other reasonable evidence that you no longer occupy the service location. To cancel, contact us via one of the options below:

- Call us 24 hours a day, 7 days a week at 1-888-305-3828 (toll-free for residential customers).
- Send a fax to 1-800-346-2233.
- E-mail us at ga-deonlinehelptx@directenergy.com.

Be sure to include your name, address, phone number, and ESI ID or account number. If you are enrolled on a Fixed or Indexed term product and you cancel for any reason other than those specifically stated to be without penalty, you will owe us an early cancellation fee in the amount provided for in the EFL. If you move without canceling this Agreement, you will remain responsible for payment of all outstanding balances and charges on your account until service is terminated.

Our Right to Cancel

By signing up with us, you are affirming to us that you have provided us with your correct and complete name, address and contact information and you do not have any outstanding balance with us or our affiliated providers. If there is any evidence that any of these statements are or become untrue or you otherwise provide fraudulent or misrepresented information, we may terminate this Agreement and your service. Cancellation of your Agreement doesn't excuse you from paying for all outstanding balances on your account.

Our Right to Refuse Service

We may refuse to give you electric service for the reasons specified in §25.477 ("Refusal of Electric Service" at <https://ftp.puc.texas.gov/public/puct-info/agency/ruleslaws/subrules/electric/25.477/25.477.pdf>) of the PUCT Substantive Rules and the Texas Utility Code §17.008 ("Protection of Residential Electric Service Applicants and Customers" at <https://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB00412F.HTM>).

Our Right to Disconnect Your Electric Service

We may disconnect your electric service if you do not pay your deposit or bill in full by the due date. We will notify you at least 10 calendar days before we disconnect your electric service. We may disconnect your electric service without prior notice immediately if: (1) there is an existence of a known dangerous condition; (2) where service is connected without authority by a person who has not made application for service; (3) where service is reconnected without authority after disconnection for nonpayment; (4) where there has been tampering with equipment; or (5) where there is evidence of theft of service.

Establishing a New Account

If you don't meet one or more of our credit requirements, we have the right to collect security deposits. Our credit requirements are: Residential Customers: 1) You submit a credit reference letter from your previous electric service provider confirming that you are not delinquent in payment and during the last 12 consecutive months you were not late paying a bill more than once; 2) You have a satisfactory credit rating; 3) You are at least 65 years of age and you do not have a delinquent balance with your current electric service provider; 4) You have not been late paying an electric bill more than once during the last year; 5) You are a victim of family violence and can send us a certification letter developed by the Texas Council on Family Violence as evidence; 6) You are considered medically indigent and can send us the proper documentation each year you are eligible; or 7) You haven't had your electric service terminated or disconnected for not paying a bill during the last year of service. For customers who enroll more than one premise/ESI-ID with us, we may require a security deposit for each premise/ESI-ID. If service to one or more of the premises/ESI-IDs is disconnected for any reason, once we are no longer your provider of record, we may apply any deposit amount you've paid, plus any accrued interest, to any outstanding balances on your account.

Security Deposits

Residential Applicants: If you don't meet the requirements listed in "Establishing a New Account," we may ask you to pay a security deposit before receiving service. For residential applicants, any required deposit won't be more than the sum of the estimated billings for the next two months' billings or one-fifth of your estimated annual billing. After 12 months of continuous service with us, you can ask us to recalculate the security deposit amount based on your actual historical usage. If we require a deposit, residential applicants may be required to provide us with one of the following forms of security for each electric service account prior to receiving service: (1) a written letter of guarantee; or (2) a cash deposit.

Residential Customers: We may ask you to pay a security deposit if one was not required when you first enrolled, if you were late paying your bill more than once during the last year of service or if you had service disconnected for non-payment during the last year of service. We may also ask you to pay an additional security deposit if your average bill over the last year is at least twice as much as the original estimated annual billing and you got a disconnection notice from us within the last year or your account has been disconnected within the previous 12 months. Also, we may send you a disconnection notice, along with the request for an additional security deposit, which you will have 10 days to pay after we issue the request.

Residential customers who are low-income customers identified by the Low-Income List Administrator (LILA) may pay a security deposit exceeding \$50 in two equal installments. Please note: the first installment is due no sooner than ten days and the second installment due no sooner than forty days from the date we give you on the written notice of your security deposit requirement.

We will refund your security deposit when you've paid your bills on time for 12 consecutive months. This refund will show as a credit on your bill. If we are no longer your provider of record for any reason, we'll apply any security deposit amount, plus interest, first to your electric account, and then to any past due amount owed by you to us. If the result is a credit balance, you'll receive a final bill showing the credit balance. Any remaining credit balance will be either refunded to you or transferred to your new energy company if agreed between us and your new energy company. We will send you a final bill if there is still an outstanding balance on your account. If you pay us a security deposit, you'll receive interest on it once a year. The interest rate is set by the PUCT in December of the preceding year. If we hold the interest for less than a year, we'll prorate the interest and pay it based on the number of months we held the security deposit. No interest will be paid on security deposits held for less than 30 days.

Billing and Payment Terms

You will receive one bill from us per billing cycle. Your payment on all bills is due within 16 days of the bill issuance date. Your bill will include the recurring charges as specified on your EFL and as outlined in this document. From time to time, your bill could include nonrecurring charges or other fees from your TDU and us. Please refer to the "Pricing" section within the Terms of Service, for more detailed information.

If you've signed up for any of our other products or services, including any non-commodity products or services, those charges will appear as separate items on your bill. We may transfer any outstanding balance from your previous accounts with us to your current account. We will identify the delinquent balance and specific account or address on the bill. If you decide to keep a single electric service account for more than one service address, you'll be responsible for full payment on the entire account within 16 days of the billing issuance date. If you want to reapply for electric service from us and you still owe us money, or have an outstanding balance from a previous account, you must pay that amount in full, plus a security deposit, before continuing service with us. We have the right to include on your monthly bills any charges or credits necessary to correct: (1) previous estimated bills; (2) billing errors; (3) meter read errors; (4) miscalculations of taxes; and (5) any other errors or omissions, to the extent permitted by PUCT rules or applicable law.

We charge a 5% penalty on each late payment, unless you're an eligible low-income customer identified by the LILA. We charge a \$30 fee on all returned checks, electronic payments or rejected credit card payments that weren't processed because of: (1) insufficient funds; (2) a lack of available credit; or (3) any other reasons for bank returns. Any check or electronic transfer returned by a bank for insufficient or unavailable funds will be treated as if we received no payment at all. If you have two or more returned payments in 12 months, you must pay us by money order or in cash. We are not responsible for notifying you of bounced checks or returned electronic payments. We may use consumer reporting agencies to report and retrieve your credit information or that of any other responsible person. We may also use debt collection agencies to collect any outstanding balances on your account. **We, or anyone acting on our behalf, reserve the right to assess and collect from you, as a current or former customer, or other responsible persons, any and all costs, fees or charges related to the collection of delinquent balances, including but not limited to commissions, costs, fees and attorney's fees incurred when recovering outstanding balances through the use of any collection agency or an attorney.**

We may charge you a Collection Recovery Fee of \$30 each time we send you a disconnection notice. A Disconnect Recovery fee of \$25 will be assessed if you fail to make a valid payment of the full, past due amount before the date your service is subject to disconnection, regardless of whether your service is actually disconnected; this charge applies even if you have entered into a payment arrangement (e.g., due date extension, deferred payment plan).

Bill Payment Options/Payment Arrangement Plans

Bill Payment Options let you pay your monthly bills through a variety of options: (1) on our website (under the "Account Manager" feature); (2) by mail; (3) set up Auto-Pay, which allows automatic payments from a credit card or bank account by creating your account on our website under the "Account Manager" feature; (4) by using a debit/credit card; (5) in person at one of our authorized pay stations, which can be found at <https://www.directenergy.com/map>; or (6) by calling us at the number in "Our Contact Information". No fees are assessed for payments made online, through our automated phone service or for payments made through Autopay. A charge may apply for payments made at an authorized pay station. If you make a payment on an outstanding balance on your account at either an authorized pay station or by using a debit/credit card, you should call a Customer Service Representative at the number in "Our Contact Information" to verify the payment. This could help you to avoid having your electricity disconnected.

Please remember that failure to make an on-time payment while participating in one of our bill payment plans could result in not only removal from the payment plan but also collection activities and possible disconnection of your electric service. For more information on any of these payment assistance programs or bill payment assistance organizations, contact us.

Special Payment Arrangement Plans may be available based on your qualifications and eligibility. Here are some examples:

Average Monthly Billing Plan: The Average Monthly Billing Plan is designed to even out the highs and lows in your electric bill and is based on your current price plan and usage history at your service location. To calculate the amount that you will pay each month, we add your current bill amount to your previous 11 bill amounts for your service address, if available. We then take the total and divide the amount by 12 or by the total months available for your service address. If you do not have previous bills in your name at the service address or if you do not have 11 monthly bills at the service address, we take the previous usage that is available for the service address and apply your current price to calculate your average monthly payment

amount. Finally, we add or subtract 1/12th of any Deferred Balance that you have accumulated. The Deferred Balance is any difference between your average monthly payment amount and your actual monthly charges. You may elect to have your account returned to regular billing; however, any variance in actual charges and average monthly payments will be immediately applied to your account and become due with your next regular bill. An account may be automatically removed from the Average Monthly Billing Plan if, within the most recent 12 months, 2 or more service disconnection notices are issued, service is disconnected for non-payment, or two or more checks or other forms of payment are returned to Direct Energy as unpaid by your financial institution. If your account is removed from the Average Monthly Billing Plan and returned to regular billing, any variance in actual charges and average monthly payments will be immediately applied to your account and become due with your next regular bill.

Deferred Payment Plan: The Deferred Payment Plan is an extended payment plan, which lets you pay an outstanding balance in installments over a period of time. Before starting a deferred payment plan, we may require a down payment (no more than 50%) of the amount due. We may also ask you to pay the balance owed on the deferred payment plan in equal amounts over at least 5 billing cycles unless you agree to fewer installments. If you establish a deferred payment plan we may put a switch-hold on your account that will be removed after your deferred balance is paid and processed. If you are disconnected for nonpayment while a switch-hold is in place a payment will be required to resume service and you may not obtain services from another provider until you pay the total deferred balance. If you establish a deferred payment plan, we'll confirm the details of the plan in writing. Applicants must meet our eligibility requirements.

Payment Extension Plan: The Payment Extension Plan gives you a short-term extension to pay the full amount of an outstanding balance on your account. Bill Payment Assistance Programs distribute money through local organization(s) that provide energy bill payment assistance to qualifying customers with financial needs. Neighbor to Neighbor, funded through our corporate and voluntary customer donations, is a bill payment assistance program that specifically serves our customers.

Termination of Agreement and Disconnection of Service

After the rescission period described above in the “Your Right to Cancel” section expires, you will be assessed a cancellation fee specified in your EFL if you cancel your service under this Agreement prior to the expiration of your initial term, or if your service is cancelled by us due to your breach of the terms of this Agreement. If you breach this Agreement for nonpayment or otherwise, we may terminate this Agreement and have your electricity disconnected. We will give you no less than 10 days written notice before terminating your Agreement and disconnecting your service in the event of non-payment. If we terminate this Agreement for any reason, you are still responsible for paying all outstanding bills. If you miss a payment or if we do not receive your payment by the bill due date, we will send you a disconnection notice no sooner than the first day after the bill was due.

After we issue a disconnection notice, you have two options available before the notice “due date”: (1) you can contact us to find out if you qualify for a payment arrangement; or (2) you can pay us the full balance due. Otherwise, your electricity may be disconnected. You would then be liable for all fees and charges associated with any disconnection and reconnection of service. Please refer to the “Pricing” and “Billing and Payment Terms” sections within the Terms of Service, for more detailed information.

Disconnection Without Notice

Direct Energy or your TDU may disconnect your service without notice if a known dangerous conditions exists for as long as the condition exists; where service is connected without authority by a person who has not made application for service; where service is reconnected without authority after disconnection for nonpayment; where there has been tampering with the meter or other service provider equipment of the transmission and distribution utility, municipally owned utility, or electric cooperative; or where there is evidence of theft of service.

Dispute or Complaints

If you have any questions, concerns, or complaints, please contact us. In the unlikely event we cannot immediately respond to your question or complaint, we will promptly investigate the matter and report our findings to you. During this time, you will not be required to pay the disputed portion of your bill. If for any reason you are not satisfied with our response, you may contact the PUCT.

Power Outages and Emergencies

Please call the telephone number listed on your bill if you have an electrical emergency or a power outage.

Discrimination

We will not deny service or require a prepayment or a security deposit for electric service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of a customer in a distressed geographic area, or qualification for low-income or energy-efficiency programs and services. For residential customers, we shall not use a credit score, a credit history, or utility payment data as the basis for determining the price for electric service for a product with a contract term of 12 months or less for an existing residential customer or in response to an applicant's request to become a residential customer.

Force Majeure

We will make commercially reasonable efforts to provide your electric service but do not guarantee a continuous supply of electricity. Certain causes and events are out of our reasonable control and may result in interruptions in service. We do not transmit or distribute electricity. We are not liable for damages caused by acts of God, changes in laws, rules, or regulations or other acts of any governmental authority (including the PUCT or

ERCOT or TRE), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the TDU or any other cause beyond our reasonable control.

Limitations of Liabilities

LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES. NEITHER OF US WILL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. WE ARE NOT LIABLE FOR INTERRUPTIONS TO OR SHORTAGES OF ELECTRICITY SUPPLY NOR ANY ASSOCIATED LOSS OR DAMAGE RESULTING THEREFROM. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. THERE ARE NO THIRD-PARTY BENEFICIARIES TO THIS AGREEMENT.

Representations and Warranties

THE ELECTRICITY SOLD UNDER THIS CONTRACT WILL BE SUPPLIED FROM A VARIETY OF GENERATING SOURCES. IF YOU ELECT TO PURCHASE A RENEWABLE ENERGY PRODUCT, WE WILL ENSURE THAT THE APPROPRIATE AMOUNT OF RENEWABLE ENERGY CREDITS (RECs) IS RETIRED TO AUTHENTICATE THE RENEWABLE ENERGY CONTAINED IN THE PRODUCT. THE TDSP OR ERCOT SYSTEM WILL NOT DELIVER ELECTRICITY FROM A SPECIFIC GENERATING SOURCE TO YOUR SERVICE ADDRESS. IF YOU PURCHASE RENEWABLE ENERGY FROM US, YOU ARE PROVIDING FINANCIAL SUPPORT FOR RENEWABLE ENERGY GENERATION SOURCES AND NOT RECEIVING THE PRECISE ENERGY GENERATED FROM THAT SOURCE. WE MAKE NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THE CONTRACT, AND WE EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY, CONFORMITY TO MODELS OR SAMPLES AND FITNESS FOR A PARTICULAR PURPOSE.

Governing Law

YOUR CONTRACT WITH DIRECT ENERGY IS GOVERNED BY THE LAWS OF THE STATE OF TEXAS. THE TEXAS UNIFORM COMMERCIAL CODE APPLIES TO THE TERMS OF SERVICE AND ELECTRICITY IS DEEMED A “GOOD”. The Uniform Commercial Code can be viewed at the following website: <https://statutes.capitol.texas.gov/?link=BC>.

Miscellaneous

This Agreement is subject to applicable laws and supersedes any previous promises, understandings and agreements. If any provision of this Agreement is deemed invalid, illegal or otherwise unenforceable, we agree that it shall be modified to the minimum extent necessary to render it valid, legal, and enforceable. If a provision cannot be modified in a manner that would make it valid, legal and enforceable, the provision shall be severed from the Agreement, and all other provisions shall remain in full force and effect. Any failure on our part to enforce any of the terms of this Agreement or to exercise any right under these terms and conditions shall not be considered a waiver of our right to enforce each and every such term or exercise such right or any other right under these terms and conditions.

Assignment

You may not assign this Agreement without our prior written consent. We may: (a) transfer or sell this Agreement or your account in connection with any financing; (b) transfer this Agreement to any of our affiliates; (c) transfer or assign this Agreement to anyone succeeding to all or substantially all of our assets or of our business segment; and (d) transfer this Agreement to another PUCT-certified REP. After assignment, we will have no further obligations under this Agreement.

PRODUCT TYPE SELECTIONS

These TOS apply to the product types set forth below. The sections below will control to the extent there are any conflicts with any other provisions in these TOS. Your EFL contains your specific product type and term information.

Fixed rate Products (Term)

Changes to Contract Provisions

We can make changes to the provisions of the contract at any time during the contract term with appropriate notice except for changes to your price other than stated in this section or the length of your contract term. We will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price during the contract term is only subject to change to reflect changes in the TDSP charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to load or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs on Direct Energy that are beyond our control.

Contract Expiration Notice

We will send you three contract expiration notices, with the final one sent at least 14 days prior to the end of your initial contract term specified in your EFL. If you do not take action to ensure the continued receipt of retail electric service upon the contract's expiration, you will continue to be

served by us automatically pursuant to a default renewal product on a monthly basis after the end of your initial contract term, until you switch to another provider, select another Direct Energy electric service plan, or we terminate or disconnect your electric service. The EFL for the default renewal product, which will contain the product's pricing terms, will be included in your final contract expiration notice from us. The default renewal product will have a variable price, which can change from month to month.

Variable Price Products (Month to Month)

Changes to Contract Provisions

We can make changes to the provisions of the contract at any time with appropriate notice except for changes to the length of your contract term. We will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price will vary as set forth in your EFL.

Product Specific Provisions for Renewable Energy Sell Back Products (Distributed Renewable Generation Sell Back Program)

Subject to these terms and conditions for customers enrolled on renewable energy Sell Back products, Direct Energy agrees to purchase, and you agree to sell, any excess energy delivered by your eligible renewable energy system to the grid. Direct Energy will credit your account for the value of any excess energy delivered by your system to the grid on a per kWh basis. The value of any excess energy over a monthly billing cycle shall appear as a credit on your account. The kWh of excess energy shall be determined solely by reference to the out-flow information reported to Direct Energy by the TDSP for your enrolled premises.

The value of any excess energy delivered by your system to the grid (and the corresponding credit amount to be applied on your bill) will be determined by using the methodology contained in your EFL for the renewable energy Sell Back product you are purchasing from Direct Energy.

Eligible renewable energy systems are any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, from wind, or from moving water or other natural movements and mechanisms of the environment. Renewable energy technologies include those that rely on energy derived directly from the sun, on wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. A system that relies on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources is not eligible.

To participate in the distributed renewable energy Sell Back component of your renewable energy Sell Back product you must (i) have an interconnection agreement in place with your TDSP to connect your renewable energy system to the power grid; (ii) have a meter installed by your TDSP that separately measures the in-flow and out-flow of electricity to and from your home (your TDSP may assess a charge for this meter, which would be passed through to you on your Direct Energy bill); and (iii) be a Direct Energy residential electricity customer enrolled on the renewable energy Sell Back product.

The renewable energy Sell Back products and these terms are subject to change and may be discontinued or modified at any time. We will provide participating customers at least 14 days advance written notice of any material change or discontinuation of the Sell Back Product; except that any changes to the renewable energy Sell Back product made by Direct Energy as a result of a change in Law or that are beneficial to you may be made without advance notice.

For customers receiving service on the renewable energy Sell Back product that choose to participate in our average monthly billing plan, the monthly payment amount may be determined based solely on your usage and charges for electricity purchased from Direct Energy, without taking into account any excess renewable generation or Sell Back credit.

Direct Energy's obligations under the renewable energy Sell Back product will terminate if (i) your agreement with Direct Energy for the electric service under the renewable energy Sell Back product is cancelled or terminated for any reason, including non-payment by you; or (ii) Direct Energy ceases to be the retail electric provider of record for your enrolled premises for any reason.

Upon termination of this Agreement, any credits on your account will first be applied to any outstanding amounts owed by you to Direct Energy, and any remaining credit amount will be refunded to you after termination.

The renewable energy Sell Back product is intended for residential customers with distributed renewable generation systems with a rated output capacity of 50 kW or less. Direct Energy reserves the right to require additional information from, deny participation to, or modify the product for, any customer with a system in excess of 50 kW. You acknowledge and agree that Direct Energy may contact and/or exchange information about your service, facilities and/or account with the TDSP and/or ERCOT.

Direct Energy's purchase of excess energy pursuant to the renewable energy Sell Back product includes the rights and interest to the Renewable Energy Credits (RECs) and other environmental attributes associated with the excess renewable energy generated and delivered to the grid by your renewable energy system. You represent that there are no other claims to the Renewable Energy Credits or other environmental attributes associated with the renewable energy generated by your system. You retain the rights and interest to Renewable Energy Credits and other environmental attributes associated with renewable energy generated that is not delivered to the grid by your system.

As a condition to your participation in the renewable energy Sell Back product, you agree to release, indemnify and hold harmless Direct Energy and its agents and employees from all liability, claims, demands, costs, or losses for personal injuries, property damage, or loss of life or property, sustained by you, your agents or family, or any third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect or failure of your renewable energy generation system or related equipment. These obligations shall survive termination of this agreement.