

**MASTER POWER PURCHASE AND SALE AGREEMENT
TRANSACTION CONFIRMATION**

This transaction confirmation (this “Confirmation”) is entered into by and between PSEG Energy Resources & Trade LLC (“PSEG ER&T” or “Seller”) and the Borough of Tarentum, PA (“Borough” or “Buyer”) (each a “Party” and collectively, the “Parties”). This Confirmation confirms the terms and conditions of this purchase and sale of Firm Load Following Energy transaction (the “Transaction”) entered into between the Parties on the Trade Date specified below. The terms of this Transaction are as follows:

GENERAL TERMS:

Trade Date:	May 22, 2020
Seller:	PSEG Energy Resources & Trade LLC
Buyer:	Borough of Tarentum, PA
Product:	<p>Firm Load Following Energy-only with load scheduling services, day-ahead forecasting, ISO demand bid entry and PJM settlement services through a PJM sub-account provided for Buyer by Seller. “PJM” means PJM Interconnection, LLC. If, at any time during the Delivery Period, the Buyer becomes a PJM Associate Member with its own PJM Account, or if the Buyer transfers to a PJM Sub-Account through another PJM Associate Member, Buyer at that time will authorize Seller to act as its agent with access to Buyer’s PJM Account or PJM Sub-Account, as the case may be. Load scheduling services, day-ahead forecasting, ISO demand bid entry and PJM settlement services will be provided, as long as Seller remains the wholesale supplier of Firm Load Following Energy to Buyer.</p> <p>The product does not include, and Seller shall not be responsible for providing (i) capacity, (ii) ancillary services, (iii) renewable or emissions products, (iv) transmission service or (v) any products other than Energy that are currently required, or required in the future, to serve the customer’s load (“Customer Load”). “Customer” is any party receiving retail electric service from the Borough, and Customer’s Load is the amount of energy, expressed in Megawatt Hours (“MWh”), that is used by the Customer.</p>
Contract Quantity:	The quantity of Product necessary to serve 100% of Buyer’s Municipal Utility Wholesale Load.
Delivery Point:	<p>The Delivery Point shall be the Pool Transmission Facilities (“PTF”) at the Tarentum Borough Residual Aggregate Node, having Pnode ID of 24668858, as defined by PJM.</p> <p>If, at any time during the Delivery Period, the Tarentum Residual Aggregate Node ceases to exist as a single trading node, then the Delivery Point shall be determined in the following manner: (i) if multiple nodes are implemented, the Delivery Point shall be the node that is substantially similar to the Borough Residual Aggregate Node; and (ii) if there is no substantially similar node, the Parties agree that for purposes of settling the Load in the PJM Market System, the Delivery Point shall be represented by the arithmetic average of the Nodal Prices for the Nodes that constituted the Borough Residual Aggregate Node as of the Trade Date.</p>
Fixed Price:	\$30.35 / MWh for energy-only supply and Product services.
Calculation Period:	Each hour during the Delivery Period.
Notional Quantity Per Calculation Period:	Seller will deliver the Notional Quantity of Product to the Delivery Point for each hour in the Delivery Period. The “Notional Quantity” for each hour shall be the Metered Load as measured at the wholesale Delivery Point for the relevant hour. “Metered Load” means the amount of energy expressed in MWh (including fractional amounts, consistent with applicable billing convention contained in the PJM Documents), required to meet the Customer’s Load obligation located within the Borough’s service territory as it exists as of the date hereof, as such load is metered for the relevant hour at the Delivery Point meter.

Delivery Period:	January 1, 2021 through December 31, 2024 from and including Hour Ending (“HE”) 0100, Eastern Prevailing Time (“EPT”) on January 1, 2021, to and including HE 2400 EPT on December 31, 2024.
Buyer/Seller Obligations:	<ul style="list-style-type: none"> • Seller shall be the Load Serving Entity for the Buyer and shall, at its sole cost and expense, be responsible for furnishing wholesale power to the Borough at the Delivery Point. Buyer shall be responsible for the cost of congestion, marginal, and physical losses after the Delivery Point. • Buyer is responsible for capacity, ancillary services, and transmission charges/credits and shall reimburse the Seller for the same as detailed on a line item basis on Seller’s monthly invoice. • Seller shall be responsible for day-ahead load forecasting and ISO demand bid entry, in accordance with PJM procedures and Rules and shall perform such services with the reasonable intent to minimize any PJM charges for which Buyer is responsible pursuant to Appendix A. • Buyer holds Seller harmless on the outcome of Auction Revenue Rights or ARRs entitlements that are allocated annually to firm transmission service customers; and, that entitle the holder to receive an allocation of the revenues from the Annual FTR Auction. • Seller expects that future delivered power associated with the Borough’s Municipal Utility load be similar to the historical hourly data provided by the Borough for January 2013 through December 2017; and, the existing hourly load that Seller is delivering to Buyer, commencing July 2018. • Buyer agrees that it will not take measures to implement retail shopping.
Scheduling:	<p>The Borough shall setup the Wholesale Load Responsibility InSchedule Contract, establishing a buyer unilateral Schedule confirmation, which Seller shall then confirm. The Borough will submit their Real-Time hourly load usage as the Notional Quantity at the Delivery Point for each hour of the previous day in the PJM InSchedule Contract. The Borough and Seller will act in accordance with PJM procedures and rules. Load discrepancy, if any, will be settled through True-Ups.</p> <p>Each Party shall be responsible for their respective PJM administrative and tariff-based fees as defined in Appendix A.</p>
Additional Generation:	<p>The Borough represents and warrants that Customer owns no behind the meter generation and agrees that no (i) generation resources, including any behind-the-meter generation, regardless of owner, or (ii) power purchase agreements shall reduce the Contract Quantity of energy Seller is obligated to deliver hereunder.</p> <p>In the event that the Borough acquires newly constructed or purchases behind the meter generation or contractual resources, whether in front of or behind the meter, all energy produced or delivered from those resources shall be discretely metered and settled by the Borough separately in the PJM Energy market unless arrangements to incorporate the resources into the terms of this Confirmation are agreed to by both Parties.</p>
Meter Data:	Buyer will arrange for Seller to have access to meter read data from the Delivery Point meters or provide such data to Seller timely. Additionally, Buyer will either arrange for Seller to have access to any subsequent adjustments to the meter read data or provide such data to Seller. If the Customer adds any behind the meter generation (regardless of whether such behind the meter generation is owned by the Customer or a third party) that is (i) discretely metered or (ii) net metered and is a net exporter of generation during some hours to the Borough’s transmission or distribution system, Buyer will either arrange for Seller to have access to such meter data or shall provide such data to Seller timely.
Credit Support:	Prior to the commencement of the Delivery Period, Buyer will post with, and transfer to, Seller a one-time Independent Amount of collateral security equal to the Independent Amount set forth in Appendix B as applicable thereunder. Such Independent Amount posted by Buyer to Seller shall be held by Seller in an interest-bearing account. If an Independent Amount in an amount equal to the Independent Amount applicable under Appendix B has been posted previously by Buyer to Seller with regard to outstanding transactions under confirmations thereto, then no additional Independent Amount will be required hereunder,

but such previously posted Independent Amount must be maintained by Buyer and Seller throughout the Delivery Period hereunder. Credit Support requirements will be re-evaluated upon Buyer becoming a PJM Associate Member with its own PJM Account, if the Buyer transfers to a PJM Sub-Account through another PJM Associate Member and/or periodically during the Delivery Period, with any change in the Independent Amount to occur as mutually agreed upon by both Parties and memorialized through an exchange of emails or other acceptable means of electronic communication and as further set forth and reflected in an invoice which delivery amount or return amount, as the case may be, shall be transferred and paid by one Party to the other by Fedwire in advance of delivery.

Monthly Fixed Price
Pre-Payment and
Payment Date:

Notwithstanding the payment provisions contained in Article Six of the Master Agreement, Buyer will make monthly fixed price pre-payments to Seller each in an amount equal to the payment amount listed in the Pre-Payment Schedule (See Appendix B) due on the last Business Day of the month prior to the month of delivery, with positive or negative true-ups to the other, if any, to be paid the following month (i.e., the month of delivery) in accordance with Seller's invoice instructions on or before the later of the twentieth (20th) day of such delivery month or the tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. The total monthly Fixed Price payment amount inclusive of the pre-payment and any true-up will equal the product of (i) the Fixed Price and (ii) the summation of the Settlement Quantities for all hours in such month. The Settlement Quantities for each hour will be the Notional Quantity for each hour of each month of the Delivery Period. The summation of the Settlement Quantities for each hour of each month of the Delivery Period will be the Notional Quantity for the Delivery Period. As soon as practicable before the end of each month, each Party will render to the other Party an invoice(s) for the pre-payment obligations and any true-up payment obligations for underpayments or overpayments incurred hereunder during the preceding month. Monthly Fixed Price Pre-Payments will be re-evaluated upon Buyer becoming a PJM Associate Member with its own PJM Account and/or periodically during the Delivery Period, with any adjustment agreed to by both Parties.

True-Ups:

Energy True-ups for Delivery Point meter corrections for each Calculation Period shall be made on the first monthly invoice following the release of the meter correction data for the relevant month with the True-up for such month being equal to the sum of the following calculation for all hours being true-up in the applicable month: Tarentum's reconciled load minus Tarentum's initial load, multiplied by the contract Fixed Price. If the hourly True-up is positive, Buyer shall be obligated to pay Seller the value of the True-up and if the hourly True-up is negative, Seller shall be obligated to pay to Buyer the absolute value of the aggregate True-up. See Appendix C.

True-ups for all non-energy PJM charges shall be passed through to Buyer as an incremental charge or credit depending on value of the true-up as reported by PJM and in accordance with the charge responsibility in Appendix A.

Load
Growth/Reduction:

Buyer shall promptly notify Seller of: (i) any new Customer after the Start Date for the Delivery Period whose load, whether comprised of a single or multiple meter points, in any single hour is 0.5 MW or greater, (ii) any load reduction after the Start Date for the Delivery Period due to the Borough no longer serving Customer's Load, or any third party being authorized to serve Customer's Load, which reduces the Notional Quantity by 0.5 MW or more in any hour, and/or (iii) any increase or decrease by more than 0.5 MWs in any hour in the Notional Quantity resulting from any divestiture, acquisition, annexation, merger, joint venture, partnership or other similar transaction that Buyer may undertake following the Start Date for the Delivery Period that increases the Notional Quantity.

In the event that, on the date of calculation, the sum of the cumulative additions and reductions to the Notional Quantity arising from the changes identified in subparts (i) through (iii) over the period from the Start Date for the Delivery Period through the date of calculation results in an increase in the Notional Quantity of 0.5 MWs or greater in any hour, or a decrease in the Notional Quantity of 0.5 MW or greater in any hour, Seller may request that the difference in volume in excess of 0.5 MWs in any hour be excluded from the Notional Quantity (if an increase) or added back to the definition of the Notional Quantity (if a

decrease) and the Fixed Price, as applicable, but only if the change(s) in Notional Quantity has a material adverse effect on Seller's financial benefit hereunder.

In the event that, on the date of calculation, the Buyer adds any new Customer with a peak load of greater than 0.5 MW or any of Buyer's existing Customers adds new load with a peak load of greater than 0.5 MW (in either case, Large New Load), Buyer may request that Large New Load be metered separately and excluded from the Notional Quantity and the Fixed Price, as applicable.

For all load excluded from the Notional Quantity, Seller will serve such load just the terms of this Confirmation at the prevailing hourly LMP charged by PJM unless agreed to otherwise by both Parties and documented in a separate Confirmation.

Responsibility for PJM Charges and Credits:

The Parties recognize the quantities and/or prices that are initially billed by PJM for a given month are subject to revision and resettlement in accordance with the PJM rules. If and to the extent that such quantities and/or prices that are initially billed by PJM for a given month are subsequently revised and resettled in accordance with the PJM rules, the Parties agree to make corresponding revisions and resettlements to the quantities and/or prices initially billed hereunder on the next monthly invoice pursuant to Appendix A. See Appendix A for ISO Charges Responsible Party.

PJM Compliance:

Each of the Parties to this Confirmation shall comply with the PJM tariff, agreements and manuals ("PJM Documents") and shall reasonably cooperate with the other Party to this Agreement in their efforts to comply with the PJM Documents. Seller shall act as the PJM load serving entity ("PJM LSE") with respect to the Borough's load and except as expressly set forth herein, shall be solely responsible for all PJM requirements associated with being the PJM LSE for the Municipality's load.

Early Termination Loss Calculation:

For the purposes of this Confirmation only, and in the event this Confirmation becomes a Terminated Transaction, the load quantities in Appendix D shall be used to calculate the Settlement Amount pursuant to the Master Agreement.

Relationship of Parties:

This Agreement is not intended to, and does not, confer upon any person or entity other than the Parties hereto, including, for avoidance of doubt, the Customers of the Borough, any rights or remedies. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties hereto.

Governing Terms:

This Confirmation supplements, forms a part of, and is subject to, the terms of the Master Power Purchase and Sale Agreement between Seller and Buyer dated as of June 27, 2018 as it may have been amended from time to time (the "Master Agreement"). Subject to Section 2.4 of the Master Agreement, any inconsistency between any terms of this Confirmation and any terms of the Master Agreement shall be resolved in favor of the terms of the Confirmation. This Confirmation shall constitute a "Confirmation" within the meaning of the Master Agreement that supplements, forms a part of and is subject to the Master Agreement. All the terms of the Master Agreement (as such terms may be amended from time to time) shall apply to this Transaction except as modified herein. In the event of any inconsistency between a provision of the Master Agreement and a provision of this Confirmation, the provision of this Confirmation shall control for purposes of this Transaction.

Agency Appointment:

With regard to the Product to be delivered hereunder, if Buyer becomes a PJM Associate Member with its own PJM Account at some point during the Delivery Period herein, then Buyer hereby authorizes Seller to act as its agent at that time to have access to Buyer's PJM Account in order that Seller can continue to provide Buyer with load scheduling services, day-ahead forecasting, ISO demand bid entry, PJM settlement services, and those other related services under Buyer's PJM Account that Seller currently provides Buyer through the PJM sub-account created by Seller for Buyer. If Buyer does not become a PJM Associate Member with its own PJM Account at some point during the Delivery Period herein as described in the preceding sentence and Seller instead continues to maintain the PJM sub-account on behalf of Buyer, then Buyer will provide an Independent Amount of collateral security to Seller in accordance with the "Credit Support" provision set forth above.

IN WITNESS WHEREOF, the Seller and Buyer have caused this Confirmation to be executed on the respective dates set forth below to take effect as of the Trade Date referenced above.

Seller: **PSEG ENERGY RESOURCES & TRADE
LLC**

Buyer: **BOROUGH OF TARENTUM, PA**

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Date:_____

Date:_____

Appendix A: ISO Charges Responsible Party (Billing Line Items)		Responsible Party
BLI	BLI Description	
1100	Network Integration Transmission Service	Tarentum
1104	Network Integration Transmission Service Offset	Tarentum
1108	Transmission Enhancement	Tarentum
1120	Other Supporting Facilities	Tarentum
1130	Firm Point-to-Point Transmission Service	Tarentum
1140	Non-Firm Point-to-Point Transmission Service	Tarentum
1200	Day-ahead Spot Market Energy	Supplier
1205	Balancing Spot Market Energy	Supplier
1210	Day-ahead Transmission Congestion	Supplier
1215	Balancing Transmission Congestion	Supplier
1220	Day-ahead Transmission Losses	Supplier
1225	Balancing Transmission Losses	Supplier
1230	Inadvertent Interchange	Tarentum
1242	Day-Ahead Load Response Charge Allocation	Tarentum
1243	Real-Time Load Response Charge Allocation	Tarentum
1250	Meter Error Correction	Tarentum
1301	PJM Scheduling System Control and Dispatch Service - Control Area Administration	Tarentum
1302	PJM Scheduling System Control and Dispatch Service - FTR Administration	Tarentum
1303	PJM Scheduling System Control and Dispatch Service - Market Support	Tarentum
1304	PJM Scheduling System Control and Dispatch Service - Regulation Market Administration	Tarentum
1305	PJM Scheduling System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.	Tarentum
1307	PJM Scheduling System Control and Dispatch Service - Market Support Offset	Tarentum
1308	PJM Scheduling System Control and Dispatch Service Refund - Control Area Administration	Tarentum
1310	PJM Scheduling System Control and Dispatch Service Refund - Market Support	Tarentum
1311	PJM Scheduling System Control and Dispatch Service Refund - Regulation Market Administration	Tarentum
1312	PJM Scheduling System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.	Tarentum
1313	PJM Settlement Inc.	Tarentum
1314	Market Monitoring Unit (MMU) Funding	Tarentum
1315	FERC Annual Recovery	Tarentum
1316	Organization of PJM States, Inc. (OPSI) Funding	Tarentum
1317	North American Electric Reliability Corporation (NERC)	Tarentum
1318	Reliability First Corporation (RFC)	Tarentum
1320	Transmission Owner Scheduling System Control and Dispatch Service	Tarentum
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Tarentum
1340	Regulation and Frequency Response Service	Tarentum
1360	Synchronized Reserve	Tarentum
1362	Non-Synchronized Reserve	Tarentum
1365	Day-ahead Scheduling Reserve	Tarentum
1370	Day-ahead Operating Reserve	Tarentum
1371	Day-ahead Operating Reserve for Load Response	Tarentum
1375	Balancing Operating Reserve	Tarentum
1376	Balancing Operating Reserve for Load Response	Tarentum
1378	Reactive Services	Tarentum
1380	Black Start Service	Tarentum
1400	Load Reconciliation for Spot Market Energy	Supplier
1410	Load Reconciliation for Transmission Congestion	Supplier

1420	Load Reconciliation for Transmission Losses	Supplier
1430	Load Reconciliation for Inadvertent Interchange	Tarentum
1440	Load Reconciliation for PJM Scheduling System Control and Dispatch Service	Tarentum
1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center	Tarentum
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding	Tarentum
1445	Load Reconciliation for FERC Annual Recovery	Tarentum
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding	Tarentum
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)	Tarentum
1448	Load Reconciliation for Reliability First Corporation (RFC)	Tarentum
1460	Load Reconciliation for Regulation and Frequency Response Service	Tarentum
1470	Load Reconciliation for Synchronized Reserve	Tarentum
1478	Load Reconciliation for Balancing Operating Reserve	Tarentum
1610	Locational Reliability	Tarentum
1611	CP Transitional Locational Reliability	Tarentum
1911	Michigan - Ontario Interface Phase Angle Regulators	Tarentum
1930	Generation Deactivation	Tarentum
1980	Miscellaneous Bilateral	Tarentum
2100	Network Integration Transmission Service	Tarentum
2130	Firm Point-to-Point Transmission Service	Tarentum
2140	Non-Firm Point-to-Point Transmission Service	Tarentum
2210	Transmission Congestion	Tarentum
2215	Balancing Transmission Congestion	Tarentum
2220	Transmission Losses	Tarentum
2320	Transmission Owner Scheduling System Control and Dispatch Service	Tarentum
2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Tarentum
2340	Regulation and Frequency Response Service	Tarentum
2360	Synchronized Reserve	Tarentum
2365	Day-ahead Scheduling Reserve	Tarentum
2370	Day-ahead Operating Reserve	Tarentum
2375	Balancing Operating Reserve	Tarentum
2380	Black Start Service	Tarentum
2390	Fuel Cost Policy Penalty	Tarentum
2415	Balancing Transmission Congestion Load Reconciliation	Tarentum
2420	Load Reconciliation for Transmission Losses	Tarentum
2510	Auction Revenue Rights	Tarentum
2640	Incremental Capacity Transfer Rights	Tarentum
2661	Capacity Resource Deficiency	Tarentum
2662	Generation Resource Rating Test Failure	Tarentum
2666	Load Management Test Failure	Tarentum

Billing Line Items are occasionally added to by PJM; Seller will pass through all BLI that are not currently explicitly defined to be the responsibility of the Seller unless it's mutually agreed to that such BLI are in fact energy related.

Appendix B: Pre-Payment Schedule & Independent Amount Requirements

The amounts listed below pertain only to the Monthly Fixed Price Pre-Payment payments.

Pre-Payment Month	Pre-Payment Amount (PSEG PJM Sub-account)	Pre-Payment Amount (Tarentum PJM Account)
January	\$200,000.00	\$125,000.00
February	\$175,000.00	\$125,000.00
March	\$175,000.00	\$125,000.00
April	\$175,000.00	\$100,000.00
May	\$175,000.00	\$100,000.00
June	\$200,000.00	\$125,000.00
July	\$225,000.00	\$150,000.00
August	\$200,000.00	\$150,000.00
September	\$175,000.00	\$125,000.00
October	\$175,000.00	\$100,000.00
November	\$175,000.00	\$100,000.00
December	\$200,000.00	\$125,000.00

The amounts listed below pertain only to the Independent Amount requirements.

Independent Amounts	
Independent Amount (PSEG PJM Sub-account)	Independent Amount (Tarentum PJM Account)
\$600,000.00	\$500,000.00

Appendix C: Load True-Up Example Calculation

- A. Borough Initial Hourly Load = 8.1 MW
LOAD TRUE UP FOR HOUR
- B. Borough Reconciled Hourly Load = 8.3 MW
- C. Load True Up = (B – A) = .2 MW
DOLLAR TRUE UP FOR HOUR
- D. Load True Up = (C) = .2 MW
- E. Fixed Price for Hour = \$50.00 / MWh
- F. Dollar True Up = D x E = \$10.00 {Positive means Buyer owes Seller; Negative means Seller owes Buyer}

Appendix D: Forward Exposure & Early Termination Quantities

The quantities listed in Appendix D pertain only to the calculation of Forward Exposure and Early Termination.

Delivery Period	On-peak Volume (MWh)	Off-peak Volume (MWh)
January 2021	1468.6	1666.1
February 2021	1428.9	1330.3
March 2021	1428.6	1269.7
April 2021	1268.1	1087.2
May 2021	1216.6	1297.6
June 2021	1594.1	1313.8
July 2021	1742.2	1679.8
August 2021	1749.1	1524.3
September 2021	1360.1	1208.9
October 2021	1181.6	1166.7
November 2021	1301.9	1252.4
December 2021	1603.4	1390.9
January 2022	1532.8	1591.7
February 2022	1416.4	1328.9
March 2022	1470.6	1268.8
April 2022	1203.8	1133.3
May 2022	1275.0	1232.5
June 2022	1587.9	1306.0
July 2022	1652.7	1744.0
August 2022	1820.1	1444.3
September 2022	1347.4	1207.7
October 2022	1178.1	1158.6
November 2022	1297.2	1244.7
December 2022	1457.1	1510.1
January 2023	1522.3	1586.8
February 2023	1408.1	1323.3
March 2023	1458.7	1266.3
April 2023	1143.0	1175.6
May 2023	1331.6	1170.7
June 2023	1581.9	1296.6
July 2023	1645.0	1734.5
August 2023	1811.4	1437.6
September 2023	1274.6	1261.0
October 2023	1229.6	1101.2
November 2023	1291.4	1238.3
December 2023	1383.6	1560.7
January 2024	1587.2	1513.6
February 2024	1470.4	1344.5
March 2024	1327.7	1369.4
April 2024	1251.1	1068.5
May 2024	1327.6	1162.5
June 2024	1428.5	1422.1

July 2024	1794.3	1580.8
August 2024	1713.6	1512.2
September 2024	1266.8	1255.0
October 2024	1281.7	1045.9
November 2024	1223.3	1286.2
December 2024	1446.1	1488.9