

Peak-Time Payback Tesla Battery Energy Storage System Program
Terms & Conditions for Systems Installed On or After January 1, 2025, and
Applying for Advance Payment

Effective November 1, 2025

Welcome to the Peak-Time Payback Program, offered by GVEC.

The Peak-Time Payback Program (referred to here as “Program”) is offered by GVEC, including its third-party contractors or agents such as Tesla, Inc., (any and all of those entities collectively referred to here as “GVEC”). Participation in the Program enables members to help maintain grid stability and resiliency by allowing GVEC to operate your Battery Energy Storage System (referred to as your “BESS”). Through this operation, GVEC can reduce Generation and Transmission costs via energy arbitrage and seasonal demand reduction. Additionally, your participation allows GVEC to include your BESS in ERCOT’s Aggregated Distributed Energy Resource (“ADER”) Pilot Program, providing dispatchable generation to the grid. Under the Program, GVEC may schedule and operate manual Peak-Time Payback events as determined necessary by GVEC while automated events may occur at other times in response to market conditions. During either type of event, your eligible BESS may automatically charge, discharge, standby or otherwise respond to grid conditions in accordance with Program requirements.

As a BESS owner, you are eligible to apply for enrollment in this Program if you:

- Are a valid GVEC member with an active electric service account in good standing.
- Have a valid Interconnection Agreement in place with GVEC.
- Have an eligible Tesla BESS that was installed on or after January 1, 2025. To be eligible for the rebate, each battery device must include a dedicated inverter, and the BESS must be located within GVEC’s electric service territory. Storage expansion additions without dedicated inverters are not eligible for the rebate.
- Own the property on which the eligible BESS is located.
- Have an active customer account with the manufacturer of the BESS.
- Have the BESS connected to the internet through ethernet or a strong Wi-Fi connection.
- Agree to participate in the Program for a period of not less than 5 years. Early termination from the Program is a material breach and default, and will be subject to the terms and conditions below.

Enrollment in the Program will depend on GVEC approving your request of enrollment. Your enrollment request may be declined, or your enrollment terminated, if you do not satisfy eligibility requirements, if the enrollment information is not accurate, or for any other reason.

For each participating BESS, GVEC will pay the member a one-time payment (the “Advance Payment”) of \$220 per installed kilowatt (“kW”) of manufacturer rated continuous capacity up to a maximum of 23kW participating in the Program for a term of 5 years. At the member’s expressed written request, Advance Payment may be credited to the member’s electric service account, credited as a prepayment to the member’s loan balance (if applicable), or issued as a check. This request will be processed within 6 to 8 weeks after the member’s eligibility is confirmed.

Beginning in the month following receipt of the Advance Payment, members will receive an additional payment of \$75 per installed kW of manufacturer rated continuous capacity up to a maximum of 23kW (the “Additional Payment”) for each year they are enrolled in the Program and will be processed within 6-8 weeks after continued enrollment is verified. This Additional Payment will be credited to the member’s electric service account in the form of a monthly payment equal to the total kW of manufacturer rated continuous capacity (up to a maximum of 23kW) times \$75 divided by 12. Subject to all other terms and conditions herein, GVEC shall continue paying the Additional Payment provided that GVEC’s relevant agreement with Tesla remains in place in its current form.

To earn the Advance Payment described above, your BESS must enroll in the Program within 14 days of completion of all required documents and agreement to these terms and conditions in writing, and it must continue to participate in the Program for 5 years. If your BESS does not enroll within the specified time period or ceases to participate for any reason before the end of the 5 years, the member will be in material breach and default under this agreement. Such default will result in the unearned part of the Advance Payment to be forfeited and to become due and owing to GVEC. Repayment of the Advance Payment will be calculated on a prorated basis and be required as a one-time charge to the member’s electric service account. For example, if a member ceases their participation after three years, that member would have earned 36 months’ worth of the Advance Payment and must repay the remaining 24 months’ worth of the Advance Payment, equal to 40% of the Advance Payment.

If a member’s electric service account becomes delinquent as a result of being assessed the one-time prorated charge for repayment of the Advance Payment due to early termination from the Program, GVEC may discontinue electric service in accordance with its tariff and applicable law.

If a member discontinues electric service within the 5-year period of receiving the Advance Payment and thereby cannot participate in the Program, such act will be a material breach and default under this agreement. Such default will result in repayment of the Advance Payment as described above. Repayment will be calculated on a prorated basis and be required as a one-time charge to the member’s electric service account and due in full on their final electric service invoice.

Delinquent final electric service invoices, inclusive of the repayment of the Advance Payment, will be reported by GVEC to the appropriate debt collection agencies and credit monitoring services.

To participate, all BESS installed at your GVEC service address will need to be enrolled into the Program. By enrolling in the Program, you are accepting GVEC's terms and conditions. GVEC will send operating instructions to your BESS, optimize its operations, and change its state on an event day. The BESS will not be drawn down below a 30% reserve level to allow for backup. This means the battery will not discharge below 30%. GVEC will collect data about your BESS technology, including but not limited to model and power consumption, and may use this information to enable, manage your participation in, provide support for, and improve the Program. GVEC has contracted with Tesla, Inc., to manage the Program.

Members may opt out of manual Peak-Time Payback seasonal demand reduction events at any time before or during the event, up until its conclusion. GVEC will assess all member's involvement in each event, and, at GVEC's sole discretion, reserves the right to remove any member from the Program who consistently opts-out of scheduled events. Should removal from the Program occur, a prorated portion of the Advance Payment will be collected based on the length of the member's participation in the Program.. GVEC reserves the right to enforce this provision to maintain the integrity of the Program.

The BESS owner acknowledges that:

- They cannot opt out of this Program before the end of the 5-year term without materially breaching and defaulting under this agreement. Such default results in forfeiting and repaying the Advance Payment as described above.
- Energy consumed through the meter from GVEC's distribution system will be charged at the current Delivery Charge, plus the applicable Generation and Transmission Charge under GVEC's Tariff. Conversely, energy returned through the meter to GVEC's distribution system will be credited at the same rates. This results in a net zero cost.
- GVEC's rates are in no way defined, represented, or reflected within the Tesla app's Utility Rate Plan.
- Certain BESS operational settings will be locked for the duration of Program participation, including but not limited to:
 - Enabling Exports to the Grid
 - Allowance of Grid Charging
 - Operational Mode set to Time-Based Control
- Normal Backup Reserve set at 30%They cannot be on GVEC's time-of-use rate option while participating in this Program.
- A charge command may be sent to the BESS at a specified time before an event, so the BESS is fully charged for the event.
- The BESS may be cycled, with one full cycle defined as a complete charge and discharge of the BESS, once or more per day dependent on market conditions.

- During times of inclement weather, Storm Watch mode may override called events.
- GVEC will use good faith efforts not to call events before or during major storms or severe weather events that GVEC believes are likely to result in widespread outages.

If GVEC changes its terms and conditions under the Program, you may need to accept the new terms and conditions to continue to participate.

YOU RELEASE AND HOLD HARMLESS GVEC FROM ANY LIABILITY, CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE OR EXPENSE RESULTING FROM YOUR PARTICIPATION IN THE PROGRAM. These terms and conditions become effective when you submit your enrollment request and will continue until amended by GVEC or your participation is terminated either by yourself or GVEC, whichever occurs first. Notwithstanding the foregoing, terms related to payment, repayment, and indemnification shall continue until all related duties have been fulfilled.

After the initial 5-year term, you may cancel your participation in the Peak-Time Payback Program by calling GVEC at 800.223.4832.