4 Coincident Peak Curtailment ("4CP")

Texas Coalition for Affordable Power ("TCAP") has partnered with Gexa Energy, LP ("Gexa") to design and implement a 4 Coincident Peak Curtailment ("4CP") demand response program to be offered to eligible TCAP members.

The 4CP program is aimed at enabling participating members to reduce transmission and distribution charges from their transmission and distribution service providers ("TDSP"). This is achieved by curtailing load during each of ERCOT's four 15-minute coincident peak events that occur during the summer months of June, July, August and September. Through this program the member tries to avoid using electric power during the same time the Texas market is experiencing peak demand for power. Members cannot have eligible accounts participate in this program if they are also participating in an Emergency Response Service ("ERS") program.

HOW DOES IT WORK?

Gexa, in conjunction with a third-party provider, will provide notifications to participants highlighting the probability that a given day will set the peak for the month. The first notification will be delivered the morning of the potential event in the form of an email, text message, or other agreed-upon method of communication. On days of higher probability, a second notice will be sent during the early afternoon to provide an update. That update will specify whether load should be curtailed and provide a two-hour window during which the curtailment should occur. Curtailment of load will typically be for 60 to 90 minutes.

There are two product offerings to consider – manually implemented and automated solutions. The election of a particular product will be dependent upon a number of participant account-specific details. Installation of automated response equipment may result in additional installation and monthly charges.

WHO IS ELIGIBLE TO PARTICIPATE?

Accounts eligible for consideration must have interval metering data available and currently be subject to 4CP based transmission charges by their TDSP. Eligible candidates for the program will be participant accounts with a peak load in excess of 100kW.

WHAT HAPPENS IF THE PARTICIPANT DOES NOT CURTAIL LOAD?

Participation is completely voluntary. If a participant opts not to act, they will forego the opportunity to generate savings and continue operating. Failure to respond to one month's event does not preclude a participant from achieving future savings if they respond to the other months' events.
**WHAT DOES IT COST?**

There are no upfront costs to participate in the manual curtailment program. Participants that elect to implement the reductions manually share any resulting savings with Gexa according to a prearranged agreement. Savings will be realized by the member in their statement during the year following the program. If the customer does not install automated equipment and does not realize any savings there is no payment obligation.

**HOW IT WORKS**

Savings can be realized by partial load reductions. Thus, ESIDs that can reduce load can still allow a member to achieve savings, without shutting down entirely.

One of the monthly TDSP charges passed to the customer is determined as a product of Customer’s previous year 4CP value and Transmission Cost Recovery Factor (“TCRF”).

TCRF is provided by TDSPs and may change over the course of the year. However, 4CP value is determined by Customer’s usage during ERCOT’s previous year 4CP events.

Below is the sample of potential savings that could be realized in 2015 due to a customer’s curtailment of usage during each of the 4CP events in summer of 2014.

For the purpose of simulation it is assumed that the TCRF remains constant throughout the year and arbitrary 4CP value are considered.

<table>
<thead>
<tr>
<th></th>
<th>4CP (KW)</th>
<th>2015 MONTHLY TCRF CHARGE</th>
<th>4CP DEPENDENT</th>
<th>ANNUAL SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPECTED 4CP</td>
<td>650</td>
<td>$3.77</td>
<td>$29,408.93</td>
<td>$14,704.46</td>
</tr>
<tr>
<td>4CP DUE TO CURTAILED USAGE</td>
<td>150</td>
<td>$3.77</td>
<td>$6,786.68</td>
<td></td>
</tr>
</tbody>
</table>

Participants that are successful in curtailing their load during ERCOT’s 4CP periods shall experience a reduction in their share of the charges administered by their TDSP during the following 12 month billing period.

For more information please contact **Greg Hanlon**, Vice President and General Manager of Energy Services — Gexa Energy, at (713) 401-5935 or greg.hanlon@nexteraenergyservices.com