

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

**SPECIAL CONDITIONS**

**FOR**

**RESEARCH AND DEVELOPMENT CONTRACTS**

(This document supplements the Standard Terms and Conditions of Service Contracts)

October 1, 2007

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1. Contract Administration. Con Edison may designate a "Project Leader" in the Purchase Order (also called "Contract" hereunder) or another in writing who shall act as Con Edison's representative in matters relating to the management of the project for which services hereunder are being provided. However, the Project Leader is not authorized to obligate Con Edison to pay the Contractor any amount greater than the price stated in the Purchase Order or to amend this Purchase Order. The Contractor shall direct all correspondence with Con Edison relating to the services hereunder to the Project Leader, as well as copies of other related correspondence, e.g. with consultants, sub-contractors, etc. and shall arrange any meetings with Con Edison through the Project Leader.
  
2. Progress Reports. The Contractor shall submit to Con Edison a monthly report covering costs, schedule, and technical progress relating to services performed. All invoices must be accompanied by a status report. The reports shall describe all work accomplished and results achieved during the reporting period, Contract schedule-milestones reached (the first report to include such a schedule if it is not already in the Contract), problem areas and recommended resolutions, and work plans for the upcoming period. All progress reports shall conform to Con Edison's "Style Guidelines for R&D Project Proposals and Reports," a copy of which may be obtained from Con Edison on request. Unless otherwise specified, Contractor shall provide Con Edison with a copy of all slides and visual aids used in project review presentations. If the information contained in the visual aids was prepared as part of the R&D project funded by Con Edison, then Con Edison wishes to maintain the rights to their use. Should some or all of the visual aids refer to background information that the Contractor wishes to maintain confidential or is proprietary, they should be so marked and Con Edison will maintain such confidentiality. The reports shall also identify expenditures incurred (including any not yet billed) and estimate the portion of work completed against established milestones or tasks, the funds remaining to be spent under the purchase order authorization and the cost of completing the remaining work, comparing the actual and projected costs and rate of

progress. In the event that a schedule of projected contract costs versus milestones/tasks is not included in the Purchase Order, either directly or by incorporation of any in the Contractor's proposal, the first progress report shall include same, and subsequent reports shall make the above comparisons. When the Contractor becomes aware that a cost overrun is likely, the Contractor shall notify the project leader in writing. The Contractor shall not be paid more than the limit stated in the Purchase Order unless a document entitled Purchase Order Modification increasing the limit has been issued by the Con Edison Purchasing Department.

3. Final Report. Performance of services hereunder shall not be complete until the Contractor submits and Con Edison accepts, a comprehensive written final report describing the accomplishments of the project. The final report shall be submitted within 90 calendar days after completion of performance of the contract. If this is not possible, the Contractor shall notify Con Edison in writing (at the time of the proposal) when it will be submitted. The report shall contain a 100-150 word abstract highlighting the major results achieved and an executive summary describing these results and providing recommendations based upon them. The body of the report shall set forth in detail the technical approach, accomplishments, results and conclusions, including the state-of-the-art in the relevant field. The Contractor shall provide the number of copies of the final report stated in the Purchase Order; if none is specified, a minimum of five copies shall be provided. The final report shall conform to Con Edison's "Style Guidelines for R&D Project Proposal and Reports." The Contractor shall submit a draft of the final report to Con Edison for review and approval prior to its issuance. Any changes recommended by Con Edison shall be included when the report is issued in final form. If the Contractor believes them to be inconsistent with the Contractor's own findings or conclusions, the Contractor shall initiate discussions with Con Edison with a view towards reconciling differences. If not specified in the Purchase Order, 10% of the total contract cost or \$15,000, whichever is greater, shall be withheld until delivery and acceptance of the final report.
4. Publicity. Under no circumstances shall the Contractor issue, or permit to be issued, any press release, report, advertisement or literature, of any kind, or conduct or permit to be conducted any interview or news conference, referring to the work hereunder, except upon prior written approval of Con Edison. In any such press release, report, advertisement or literature or at any such interview or news conference, the Contractor shall identify Con Edison as the (a) sponsor of the work and as the (b) source of funding for the work. No information regarding scientific or technical developments made or conceived in the course of or under this Purchase Order shall be released or published without the prior written approval of Con Edison.

5. Data. The Contractor shall maintain detailed books, records, reports, research notes, charts, graphs, drawings, computations, analyses, recordings, photographs, computer programs (including documentation, descriptions and copies of source program), samples of materials and all other data generated hereunder (herein referred to as "Data") of all work done and results achieved in the performance of the Purchase Order. All Data shall become the property of Con Edison and be delivered to Con Edison, if requested, at the completion of the project. Until the Data is delivered to Con Edison, the Contractor agrees to permit Con Edison's representatives to examine and review it at reasonable times. Prior to its disclosure to the public by Con Edison, the Contractor shall not publish or disclose any Data or any information concerning Data to third parties without obtaining Con Edison's prior written approval.
  
6. Inventions and Discoveries. Whenever any invention or discovery is made or conceived by the Contractor, its agents or employees in connection with work performed hereunder, the Contractor shall promptly furnish Con Edison with a complete description thereof as well as the name of the inventor(s) or discoverer(s) and the date of the invention or discovery. Unless Con Edison decides otherwise and so notifies the Contractor in writing, Con Edison shall have title to all such inventions and discoveries and any patents resulting therefrom. At the request of Con Edison, the Contractor shall execute all documents and do all other things necessary in order to establish or protect Con Edison's rights in the invention or discovery. The Contractor shall also assist Con Edison, upon request, in obtaining patents and in enforcing the patents obtained by furnishing testimony and records of the invention or discovery. The Contractor shall not disclose or communicate to any third party any material information concerning the invention or discovery, except with the prior written consent of Con Edison, and will take all reasonable precautions to avoid or prevent such unauthorized disclosure or communication. Contractor shall cause its employees performing work hereunder (and any subcontractors and their employees) to execute for the benefit of Con Edison patent rights and nondisclosure agreements effectuating the purposes of this paragraph.

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