

BEFORE THE
OHIO POWER SITING BOARD

In The Matter Of: The Lima Energy)	Case No. 00-513-EL-BGN
Company Project for a Certificate of)	Case No. 04-1011-EL-BGA
Environmental Compatibility and Public)	Case No. 14-1142-EL-BGA
Need to Construct the Lima Energy)	
Project)	

JOINT MOTION OF LIMA ENERGY COMPANY AND AMERICAN FUTURE FUELS
CORPORATION TO TRANSFER THE CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED FOR THE LIMA ENERGY
PROJECT IN LIMA, OHIO

Pursuant to R.C. §4906.04, Lima Energy Company, the Certificate holder for the Lima Energy Project (as defined below), the subject of Board Case Nos. 00-513-EL-BGN, 04-1011-EL-BGA and 14-1142-EL-BGA, and American Future Fuels Corporation, the new owner of substantially all of the property, assets and rights of Lima Energy Company and USA Synthetic Fuel Corporation for the development of an ultra-clean synthetic crude facility in Lima, Ohio (the “**Project**” or the “**Lima Energy Project**”), jointly request that the Board issue an Order transferring the Certificate for the Project to American Future Fuels Corporation. The companies also jointly request that the Board substitute American Future Fuels Corporation as the Applicant in the pending amendment proceeding in Case No. 14-1142-EL-BGA. American Future Fuels Corporation acquired substantially all of the assets of Lima Energy Company, and its parent, USA Synthetic Fuel Corporation, as part of the voluntary Chapter 11 Bankruptcy proceedings of both, and it is seeking to transfer the Certificate so that it can pursue the construction of the Project.

Lima Energy Company obtained a Certificate of Environmental Compatibility and Public Need (“**Certificate**”) from the Board on May 20, 2002 in Case No. 00-513-EL-BGN. The Certificate authorized the construction of the Project, which was originally designed as an integrated combine cycled gasification facility, to be located on a brownfield site in the City of Lima, Ohio. The Project, as originally proposed, was an electric generation facility that would burn a combination of coal and waste briquettes. Subsequently, the Certificate was amended by the Board on November 22, 2004 in Case No. 04-1011-EL-BGA to reflect a change in gasification technology proposed for the Project (“**First Amendment**”). Initial site preparation and construction commenced in 2004, and continued into 2007.

Due to the financial downturn in 2007 and 2008, financing additional site activities and construction was delayed. However, following the granting of an extension of the Certificate by the Board on July 30, 2012, Lima Energy Company was able to complete site acquisition and demolition of the remaining structures on the site in 2013 and 2014. Additionally, to address changing market conditions, Lima Energy Company filed an application in Case No. 14-1142-EL-BGA on July 25, 2014 for a second amendment to reconfigure the facility to an ultra-clean synthetic crude production facility (“**Second Amendment**”). The Second Amendment application is currently pending with the Board.

The Project was recently acquired by American Future Fuels Corporation out of the bankruptcy proceeding of Lima Energy Company and its parent, USA Synthetic Fuel Corporation. The acquisition of certain assets of Lima Energy Company, including the rights necessary to develop the Project, by American Future Fuels Corporation was confirmed by sale order issued by the United States Bankruptcy Court for the District of Delaware on June 1, 2015.

See, In re USA Synthetic Fuel Corporation, et al., Case No. 15-10599(MFW) (Chapter 11, jointly administered) (Sale Order, Docket Item 149, June 1, 2015).

American Future Fuels Corporation acquired the Project because the company, and its investors, are committed to the construction of this Project. The Project represents an investment that will allow American Future Fuels Corporation to take advantage of the ample supply of solid hydrocarbons and pet coke, a by-product of oil refining, to produce high value energy products with limited emissions of greenhouse gases and other pollutants. The gasification process proposed for the Project is a proven technology, and even with the recent decline in petroleum crude prices, the production of the ultra-clean synthetic crude remains an attractive investment.

Therefore, in conformity with R.C. §4906.04, American Future Fuels Corporation requests the transfer of the Certificate issued for the Project in Case No. 00-513-EL-BGN and the First Amendment of the Certificate in Case No. 04-1011-EL-BGA, and it requests that it be substituted as the Applicant in the Second Amendment proceeding in Case No. 14-1142-EL-BGA. American Future Fuels Corporation, as attested to in the attached Affidavit of its President, Mr. Claude Church, accepts all the conditions imposed by the Board on the Certificate and First Amendment. American Future Fuels Corporation will work with the Board's Staff and the Board, as necessary, to complete the review of the pending application for the Second Amendment.

For these reasons, Lima Energy Company and American Future Fuels Corporation request that the Board issue an Order confirming the transfer of the Certificate and the First Amendment, and granting the substitution of American Future Fuels Corporation as the Applicant in the pending Second Amendment proceeding.

Respectfully submitted,

s/Robert J. Schmidt

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BEFORE THE
OHIO POWER SITING BOARD

In The Matter Of: The Lima Energy)	Case No. 00513-EL-BGN
Company Project for a Certificate of)	Case No. 04-1011-BGA
Environmental Compatibility and Public)	Case No. 14-1142-EL-BGA
Need to Construct the Lima Energy)	
Project)	

MEMORANDUM IN SUPPORT OF THE
JOINT MOTION OF LIMA ENERGY COMPANY AND AMERICAN FUTURE FUELS
COMPANY TO TRANSFER THE CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED FOR THE LIMA ENERGY
PROJECT IN LIMA, OHIO

I. Introduction

The Lima Energy Project, although undergoing several design modifications over the last several years, is, at its core, a gasification-based advanced energy facility that is intended to provide superior economic, environmental and social performance as it produces high quality energy products in an environmentally sound manner. It is also a Project that represents a substantial investment in the City of Lima and the State of Ohio that will provide significant economic value and good, well paying, jobs. Unfortunately, securing financing for the construction of the Project has been challenging and recently Lima Energy Company, the Certificate holder for the Project, and its parent, USA Synthetic Fuel Corporation, filed for bankruptcy. As a testament to the underlying soundness of the Project, however, this bankruptcy did not result in the failure of the Project, but rather a new opportunity led by new investment.

American Future Fuels Corporation, a company created by investors who seek to bring the Project to fruition, has acquired certain assets of Lima Energy Company and now requests

that the Ohio Power Siting Board allow it to pursue the construction of the Project and transfer the Certificate and First Amendment to it.

The information provided below, as well as the attached affidavit from Mr. Claude Church, the President of American Future Fuels Corporation (“**Church Affidavit**”) are provided to the Board in support of this request for transfer of the Certificate pursuant to R.C. §4906.04. American Future Fuels Corporation confirms that it will accept the transfer of the Certificate with all the conditions imposed by the Board in Case Nos. 00-530-EL-BGN and 04-1011-EL-BGA. *See, Church Affidavit.* In addition, the Project continues to enjoy the support of the local community, including the City of Lima.

II. Project Background

Lima Energy Company obtained a Certificate of Environmental Compatibility and Public Need (“the Certificate”) from the Board on May 20, 2002 in Case No. 00-513-EL-BGN. The Certificate authorized the construction of the Project, which was originally designed as an integrated combine cycled gasification facility to be located on a brownfield site in the City of Lima, Ohio. The Project, as originally proposed, was an electric generation facility that would use a combination of coal and waste briquettes as its feedstock. Subsequently, the Certificate was amended by the Board on November 22, 2004 in Case No. 04-1011-EL-BGA to reflect a change in gasification technology proposed for the Project (“**First Amendment**”). Initial site preparation and construction commenced in 2004, and continued into 2007.

Due to the financial downturn in 2007 and 2008, financing additional site activities and construction was delayed. However, following the granting of an extension of the Certificate by the Board on July 30, 2012, Lima Energy Company was able to complete site acquisition and demolition of the remaining structures on the site in 2013 and 2014. Additionally, to address

changing market conditions, Lima Energy Company filed an application on July 25, 2014 for a second amendment in Case No. 14-1142-EL-BGA to reconfigure the facility to an ultra-clean synthetic crude production facility (“**Second Amendment**”). The Second Amendment application is currently pending with the Board.

Although the Project has undergone engineering and design modifications to change it to an ultra-clean synthetic crude production facility, which is the subject of the now pending Second Amendment, throughout the history of the Project, it has always been, and will remain, a model for environmentally conscious energy projects. If approved, the Second Amendment will allow the Project to convert pet coke, a by-product of oil refining, into an ultra-clean synthetic crude, which in turn, will be sold via an off-take agreement and, ultimately, refined into fuels and other products. Most of the by-products of this process, from the sulfur to the greenhouse gases, will be collected and used, eliminating the emission of most pollutants. American Future Fuels Corporation is seeking to ensure that this important Project, and all of its benefits to Lima and the State of Ohio, are completed.

Unfortunately, although some progress has been made toward the construction of the Project, due to financial constraints, the economic downturn in 2007 and subsequent slow recovery of the United States economy, and the difficulties generally of securing financing for capital intensive Projects, Lima Energy Company, and its parent, USA Synthetic Fuel Corporation exhausted their available money and voluntarily sought Chapter 11 bankruptcy protection. Recognizing the inherent value of the Project, however, American Future Fuels Corporation acquired certain of the assets of Lima Energy Company in early June 2015. American Future Fuels Corporation is now seeking to transfer the Certificate as a necessary step to constructing the Project.

III. Background on American Future Fuels Corporation

American Future Fuels Corporation is a Delaware corporation created for the purpose of acquiring certain assets of Lima Energy Company and its parent, USA Synthetic Fuel Corporation in the bankruptcy proceeding. *See, Church Affidavit.* American Future Fuels Corporation was created by investors who recognized the value of the Project and who are committing substantial resources to construct the Project. *See, Church Affidavit.* American Future Fuels Corporation has begun the process of hiring individuals with the technical and managerial expertise necessary for the construction of the Project. American Future Fuels Corporation fully intends to finance and construct the Project and will do so in accordance with the Certificate and the conditions imposed by the Board. *See, Church Affidavit.*

In addition to requesting the transfer of the Certificate, American Future Fuels Corporation requests that the Board substitute it as the Applicant in the pending application for the Second Amendment. The review of the Second Amendment application is on-going by the Board's Staff, with Lima Energy Company providing responses to data requests from the staff as well as leading a site visit on June 2, 2015. American Future Fuels Corporation has supported Lima Energy Company's efforts to secure the Second Amendment during the pendency of the bankruptcy and is prepared to be substituted as the Applicant in that proceeding. Other than the substitution of American Future Fuels Corporation as the Applicant in that proceeding, no other changes to the Second Amendment application are anticipated at this time.

IV. Conclusion

American Future Fuels Corporation is seeking the transfer of the Certificate issued to Lima Energy Company for the Project because the company is prepared to undertake the construction of the Project, subject to the conditions imposed by the Board in the original

Certificate and First Amendment. Additionally, American Future Fuels Corporation has, or will obtain, the necessary financial, engineering, construction and project management expertise to bring this Project to fruition. For these reasons, American Future Fuels Corporation believes that it has met the requirements of R.C. § 4906.04, and that as such, the Board may grant the requested transfer of the Certificate and the First Amendment. American Future Fuels Corporation also requests that it be substituted as the Applicant in the Second Amendment proceeding.

American Future Fuels Corporation looks forward to working with the Staff and the Board to ensure the successful completion of this Project and, together with Lima Energy Company, requests that the Board grant the requested transfer and substitution of Applicant.

Respectfully submitted,

s/Robert J. Schmidt
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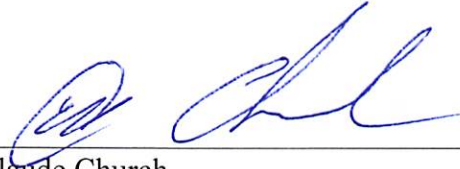
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Joint Motion* was served upon the following persons by electronic filing and by mailing a copy, postage prepaid, on June 25, 2015 addressed to:

David J. Berger, Mayor City of Lima 50 Town Square Lima, OH 45801	Allen County Board of Commissioners 301 North Main Street Lima, OH 45801
Allen County Board of Health 219 East Market Street Lima, OH 45801	Planning Commission City of Lima 50 Town Square Lima, OH 45801
Thom Mazur Lima-Allen County Regional Planning Commission 130 West Street Lima, OH 45801	Trustees Perry Township 2408 East Breese Road Lima, OH 45802
Trustees Shawnee Township 2530 Fort Amanda Road Lima, OH 45804	John G. Nixon President of Council City Of Lima 50 Town Square Lima, OH 45801
Derry Glenn Councilman, 6 th Ward City of Lima 50 Town Square Lima, OH 45801	Gary Sheely Director of Utilities City of Lima 50 Town Square Lima, OH 45801
Anthony L. Geiger Law Director City of Lima 209 N. Main Street, 6 th Floor Lima, OH 45801	Kathy Luhn Allen County Health Department 219 East Market Street Lima, OH 45801
Sally Clemans, Clerk Lima City Council 50 Town Square Lima, OH 45801	

<p>Jeff Sprague Allen Economic Development Group 147 North Main Street Lima, OH 45801</p>	<p>Jed Metzger Lima Chamber of Commerce 144 South Main Street Lima, OH 45801</p>
<p>Rev. Robert Horton 708 North Baxter Lima, OH 45801</p>	<p>Environmental Citizens Advisory Committee c/o Allen County Health Department 219 East Market Street Lima, OH 45801</p>
<p>Judith M. Cowan, President Ohio Energy & Advance Manufacturing Center P.O. Box 1131 Lima, OH 45802-1131</p>	

s/Robert J. Schmidt
Robert J. Schmidt



Claude Church
President
American Future Fuels Corporation

Province of Ontario)
County of Canada) ss:

Sworn and subscribed before me this 25 day of June, 2015.


Notary Public

HEATHER CATHERINE WHITTEN
Barrister & Solicitor
A Notary Public and Commissioner of Oaths
in and for the Province of Ontario, Canada

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Case No(s). 00-0513-EL-BGN, 04-1011-EL-BGA, 14-1142-EL-BGA

Summary: Motion to (1) Transfer Certificate from Lima Energy Company to American Future Fuels Corporation and (2) Substitute American Future Fuels Corporation as Applicant. electronically filed by Mr. Robert J Schmidt on behalf of Lima Energy Company and American Future Fuels Corporation