Ohio | Public Utilities Commission

Application to Commit Energy Efficiency/Peak Demand Reduction Programs (Mercantile Customers Only)

Case No.: 17-0453-**EL-EEC**

Mercantile Customer:	Marion Ethanol, LLC DBA POET Biorefining Marion
Electric Utility:	Ohio Edison Company
Program Title or Description:	Fermentation Improvement

Rule 4901:1-39-05(F), Ohio Administrative Code (O.A.C.), permits a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's existing demand reduction, demand response, and energy efficiency programs for integration with the electric utility's programs. The following application form is to be used by mercantile customers, either individually or jointly with their electric utility, to apply for commitment of such programs in accordance with the Commission's pilot program established in Case No. 10-834-EL-POR

Completed applications requesting the cash rebate reasonable arrangement option in lieu of an exemption from the electric utility's energy efficiency and demand reduction (EEDR) rider will be automatically approved on the sixty-first calendar day after filing, unless the Commission, or an attorney examiner, suspends or denies the application prior to that time. Completed applications requesting the exemption from the EEDR rider for a period of up to 12 months will also qualify for the 60-day automatic approval. However, all applications requesting an exemption from the EEDR rider for longer than 12 months must provide additional information, as described within the Historical Mercantile Annual Report Template, that demonstrates additional energy savings and the continuance of the Customer's energy efficiency program. This information must be provided to the Commission at least 61 days prior to the termination of the initial 12 month exemption period to prevent interruptions in the exemption period.

Complete a separate application for each customer program. Projects undertaken by a customer as a single program at a single location or at various locations within the same service territory should be submitted together as a single program filing, when possible.

Check all boxes that are applicable to your program. For each box checked, be sure to complete all subparts of the question, and provide all requested additional information. Submittal of altered or incomplete applications may result in a suspension of the automatic approval process or denial of the application.

Any confidential or trade secret information may be submitted to Staff on disc or via email at ee-pdr@puc.state.oh.us.

Section 1: Mercantile Customer Information

Name: Marion Ethanol, LLC DBA POET Biorefining Marion

Principal address: 1660 Hillman Ford Road, Marion, OH 43302

Address of facility for which this energy efficiency program applies: Same

Name and telephone number for responses to questions: Rick Fox, (740) 383-9761

Electricity use by the customer (check the box(es) that apply):

- ☒ The customer uses more than seven hundred thousand kilowatt hours per year at the above facility. (Please attach documentation.)
- ☐ The customer is part of a national account involving multiple facilities in one or more states. (Please attach documentation.)

Section 2: Application Information

A) The customer is filing this application (choose which applies):

- ☐ Individually, without electric utility participation.
- ☒ Jointly with the electric utility.

B) The electric utility is: Ohio Edison Company

C) The customer is offering to commit (check any that apply):

- ☐ Energy savings from the customer's energy efficiency program. (Complete Sections 3, 5, 6, and 7.)
- ☐ Capacity savings from the customer's demand response/demand reduction program. (Complete Sections 4, 5, 6, and 7.)
- ☒ Both the energy savings and the capacity savings from the customer's energy efficiency program. (Complete all sections of the Application.)

Section 3: Energy Efficiency Programs

A) The customer's energy efficiency program involves (check those that apply):

☐ Early replacement of fully functioning equipment with new equipment. (Provide the date on which the customer replaced fully functioning equipment, and the date on which the customer would have replaced such equipment if it had not been replaced early. Please include a brief explanation for how the customer determined this future replacement date (or, if not known, please explain why this is not known)). **If Checked, Please see Exhibit 1 and Exhibit 2**

☐ Installation of new equipment to replace failed equipment which has no useful life remaining. The customer installed new equipment on the following date(s): _____.

☒ Installation of new equipment for new construction or facility expansion. The customer installed new equipment on the following date(s):

5/3/2016

☐ Behavioral or operational improvement.

B) Energy savings achieved/to be achieved by the energy efficiency program:

1) If you checked the box indicating that the project involves the early replacement of fully functioning equipment replaced with new equipment, then calculate the annual savings [(kWh used by the original equipment) - (kWh used by new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: _____ kWh

2) If you checked the box indicating that the customer installed new equipment to replace failed equipment which had no useful life remaining, then calculate the annual savings [(kWh used by new standard equipment) - (kWh used by the optional higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: _____ kWh

Please describe any less efficient new equipment that was rejected in favor of the more efficient new equipment. **Please see Exhibit 1 if applicable**

3) If you checked the box indicating that the project involves equipment for new construction or facility expansion, then calculate the annual savings [(kWh used by standard new equipment) - (kWh used by optional higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: 6,189,232 kWh

See attached file: 17-0453_OE_MarionEthanol_EngrgCalcs.pdf

Please describe the less efficient new equipment that was rejected in favor of the more efficient new equipment. **Please see Exhibit 1 if applicable**

4) If you checked the box indicating that the project involves behavioral or operational improvements, provide a description of how the annual savings were determined.

Annual savings: _____ kWh

Section 4: Demand Reduction/Demand Response Programs

A) The customer's program involves (check the one that applies):

- ☐ This project does not include peak demand reduction savings.
- ☒ Coincident peak-demand savings from the customer's energy efficiency program.
- ☐ Actual peak-demand reduction. (Attach a description and documentation of the peak-demand reduction.)
- ☐ Potential peak-demand reduction (check the one that applies):
  - ☐ The customer's peak-demand reduction program meets the requirements to be counted as a capacity resource under a tariff of a regional transmission organization (RTO) approved by the Federal Energy Regulatory Commission.
  - ☐ The customer's peak-demand reduction program meets the requirements to be counted as a capacity resource under a program that is equivalent to an RTO program, which has been approved by the Public Utilities Commission of Ohio.

B) On what date did the customer initiate its demand reduction program?

5/3/2016

C) What is the peak demand reduction achieved or capable of being achieved (show calculations through which this was determined):

914 kW

See attached file: 17-0453_OE_MarionEthanol_EngrgCalcs.pdf

Section 5: Request for Cash Rebate Reasonable Arrangement, Exemption from Rider, or Commitment Payment

Under this section, check all boxes that apply and fill in all corresponding blanks.

A) The customer is applying for:

☒ A cash rebate reasonable arrangement.

☐ An exemption from the energy efficiency cost recovery mechanism implemented by the electric utility.

☐ Commitment payment

B) The value of the option that the customer is seeking is:

A cash rebate reasonable arrangement.

☒ A cash rebate of $232,097. (Rebate shall not exceed 50% project cost. Attach documentation showing the methodology used to determine the cash rebate value and calculations showing how this payment amount was determined.)

An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider.

☐ An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for _____ months (not to exceed 24 months). (Attach calculations showing how this time period was determined.)

☐ Ongoing exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for an initial period of 24 months because this program is part of the customer's ongoing efficiency program. (Attach documentation that establishes the ongoing nature of the program.) In order to continue the exemption beyond the initial 12 month period, the customer will need to complete, and file within this application, the Historical Mercantile Annual Report

Template to verify the projects energy savings are persistent.

☐ A commitment payment valued at no more than $_____. (Attach documentation and calculations showing how this payment amount was determined.)

Section 6: Cost Effectiveness

The program is cost effective because it has a benefit/cost ratio greater than 1 using the (choose which applies):

☐ Total Resource Cost (TRC) Test. The calculated TRC value is: _____(Continue to Subsection 1, then skip Subsection 2)

☒ Utility Cost Test (UCT) . The calculated UCT value is: **See Exhibit 3** (Skip to Subsection 2.)

Subsection 1: TRC Test Used (please fill in all blanks).

The TRC value of the program is calculated by dividing the value of our avoided supply costs (generation capacity, energy, and any transmission or distribution) by the sum of our program overhead and installation costs and any incremental measure costs paid by either the customer or the electric utility.

The electric utility's avoided supply costs were _____.

Our program costs were _____.

The incremental measure costs were _____.

Subsection 2: UCT Used (please fill in all blanks).

We calculated the UCT value of our program by dividing the value of our avoided supply costs (capacity and energy) by the costs to our electric utility (including administrative costs and incentives paid or rider exemption costs) to obtain our commitment.

Our avoided supply costs were **See Exhibit 3**

The utility's program costs were **See Exhibit 3**

The utility's incentive costs/rebate costs were **See Exhibit 3**

Section 7: Additional Information

Please attach the following supporting documentation to this application:

- Narrative description of the program including, but not limited to, make, model, and year of any installed and replaced equipment.
- A copy of the formal declaration or agreement that commits the program or measure to the electric utility, including:
  1) any confidentiality requirements associated with the agreement;
  2) a description of any consequences of noncompliance with the terms of the commitment;
  3) a description of coordination requirements between the customer and the electric utility with regard to peak demand reduction;
  4) permission by the customer to the electric utility and Commission staff and consultants to measure and verify energy savings and/or peak-demand reductions resulting from your program; and,
  5) a commitment by the customer to provide an annual report on your energy savings and electric utility peak-demand reductions achieved.
- A description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results. Additionally, identify and explain all deviations from any program measurement and verification guidelines that may be published by the Commission.

Ohio | Public Utilities Commission

Application to Commit Energy Efficiency/Peak Demand Reduction Programs (Mercantile Customers Only)

Case No.: 17 - 0453 **-EL-EEC**

State of Ohio :

Gary Swanson, Affiant, being duly sworn according to law, deposes and says that:

1. I am the duly authorized representative of:

   Marion Ethanol, LLC DBA POET Biorefining Marion
   [insert customer or EDU company name and any applicable name(s) doing business as]

2. I have personally examined all the information contained in the foregoing application, including any exhibits and attachments. Based upon my examination and inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete.

(Agent for POET)
Signature of Affiant & Title

Sworn and subscribed before me this 28th day of April, 2017 Month/Year

Signature of official administering oath

Kelly Rogers, Notary
Print Name and Title

My commission expires on Jan 31, 2019

KELLY E. ROGERS
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2019

Exhibit 1

Customer Legal Entity Name: Marion Ethanol, LLC DBA POET Biorefining Marion

Site Address: Marion Ethanol, LLC
Principal Address: 1660 Hillman Ford Rd

Project No.	Project Name	Narrative description of your program including, but not limited to, make, model, and year of any installed and replaced equipment:	Description of methodologies, protocols and practices used in measuring and verifying project results	What date would you have replaced your equipment if you had not replaced it early? Also, please explain briefly how you determined this future replacement date.	Please describe the less efficient new equipment that you rejected in favor of the more efficient new equipment.
1	Fermentation Process Plant Improvements	The fermentation upgrade in comprised of six (6) energy efficiency initiatives. 1) The initial fermentation period of the plant was approximately 60-70 hours. By installing a 6th fermenter, the plant was able to increase the retention time by approximately 15-16 hours during the fermentation stage of the process. Thus, POET can hold product for 75-85 hours while maintaining consistent flow downstream of the fermentation step. The result is that every gallon pumped from the fermentation stage, through distillation, will contain a higher percentage of ethanol, meaning the plant can produce the same amount of product using less energy. 2) A 250HP motor with drive were added to the plant in order to help move product in and out of the fermenter tank. A variable frequency drive allows the pump to operate at its peak efficiency and only requiring enough energy that is required. 3) An upgraded membrane designed to lower the pressure on the system and thus, reduce the power required to operate the RO system. 4) The plant replaced an existing rotary screw air compressor with a new unit with a new part-load, energy efficiency technology that allows the unit to save energy when running at lower air demand levels. The plant spends most of the time at a low air demand, relative to the size of the compressor capacity, so this part-load technology is very advantageous. 5) Four 200HP evaporator pump motors that aid in the distillation system were upgraded by adding VFD's which allow the motors to run much more efficiently. The VFD's allow the power of the motor to vary depending on the pressures and flows required by the system in real-time. This allows the motor to be operating at its peak efficiency throughout the process. 6) Poet upgraded some of its exisitng fluorescent T8 lighting with LED T8 lamps. There were (25) 4-lamp fixtures that were upgraded from 32W fluorescents to 15W (17.5W w/ ballast) LED T8 plug and play tubes.	Trend data from the project has been used to calculate energy usage before and after the project.	N/A	N/A

Docket No. 17-0453
Site: 1660 Hillman Ford Rd

Exhibit 2

Customer Legal Entity Name: Marion Ethanol, LLC DBA POET Biorefining Marion
Site Address: Marion Ethanol, LLC
Principal Address: 1660 Hillman Ford Rd

	Unadjusted Usage, kwh (A)	Weather Adjusted Usage, kwh (B)	Weather Adjusted Usage with Energy Efficiency Addbacks, kwh (c) *Note 1*
2016	67,356,908	67,356,908	71,466,152
2015	69,349,846	69,349,846	69,349,846
2014	68,568,278	68,568,278	68,568,278
Average	**68,425,011**	**68,425,011**	**69,794,759**

Project Number	Project Name	In-Service Date	Project Cost $	50% of Project Cost $	KWh Saved/Year (D) counting towards utility compliance	KWh Saved/Year (E) eligible for incentive	Utility Peak Demand Reduction Contribution, KW (F)	Prescriptive Rebate Amount (G) $	Eligible Rebate Amount (H) $ *Note 2*	Commitment Payment $
1	Fermentation Process Plant Improvements	05/03/2016	$2,475,914	$1,237,957	6,189,232	6,189,232	914	$309,462	$232,097	
					-	-	-			
					-	-	-			
					-	-	-			
					-	-	-			
					-	-	-			
					-	-	-			
		Total	**$2,475,914**		**6,189,232**	**6,189,232**	**914**	**$309,462**	**$232,097**	**$0**

Docket No. 17-0453
Site: 1660 Hillman Ford Rd

Notes
(1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.

(2) The eligible rebate amount is based upon 75% of the rebates offered by the FirstEnergy Commercial and Industrial Energy Efficiency programs, not to exceed the lesser of 50% of the project cost or $250,000 per project.

Exhibit 3

UCT = Utility Avoided Costs / Utility Costs

Project	Utility Avoided Cost $ (A)	Utility Cost $ (B)	Cash Rebate $ (C)	Administrator Variable Fee $ (D)	Total Utility Cost $ (E)	UCT (F)
1	$ 3,071,406	$ 4,050	$ 232,097	$30,473	$ 266,620	**11.5**
Total	**3,071,406**	**4,050**	**232,097**	**$30,473**	**266,620**	**11.5**

Notes

(A) Represents NPV of avoided energy and capacaity costs over a 10 year life multiplied by the annual project savings.

(B) Represents the utility's costs incurred for self-directed mercantile applications for applications filed and applications in progress. Includes incremental costs of legal fees, fixed administrative expenses, etc.

(C) This is the amount of the Rebate Payment paid to the customer for this

(D) Based on approximate Administrator's variable compensation for purposes of calculating the UCT, actual compensation may be less.

(E) = (B) + (C) + (D)

(F) =(A) / (E)

Marion Ethanol, LLC DBA POET Biorefining Marion ~ Marion Ethanol, LLC
Docket No. 17-0453
Site: 1660 Hillman Ford Rd

Date	Undenatured Ethanol Produced Gallons	kWh
11/16/2016	233,540	
11/17/2016	231,760	
11/18/2016	211,350	
11/19/2016	216,500	
11/20/2016	226,750	
11/21/2016	227,360	
11/22/2016	128,500	
11/23/2016	211,560	
11/24/2016	230,710	
11/25/2016	231,530	
11/26/2016	234,970	
11/27/2016	230,600	
11/28/2016	233,790	
11/29/2016	230,790	
11/30/2016	226,190	
12/1/2016	233,200	
12/2/2016	226,250	
12/3/2016	118,710	
12/4/2016	209,620	
12/5/2016	236,650	
12/6/2016	239,680	
12/7/2016	237,290	
12/8/2016	232,970	
12/9/2016	236,240	
12/10/2016	239,530	
12/11/2016	221,730	
12/12/2016	229,180	
12/13/2016	234,340	
12/14/2016	237,670	
12/15/2016	232,670	5,879,650
12/16/2016	211,840	
12/17/2016	163,500	
12/18/2016	184,960	
12/19/2016	136,020	
12/20/2016	199,310	
12/21/2016	239,430	
12/22/2016	215,260	
12/23/2016	155,110	
12/24/2016	203,100	
12/25/2016	227,020	
12/26/2016	236,940	
12/27/2016	235,220	
12/28/2016	237,300	

MARION ETHANOL DETERMINATION OF kWh SAVINGS AND kW REDUCTION

Avg Daily Production Rate 2016	216,572	**Avg Daily kWh Rate 2016**	187,933.01
Avg Daily 2015 Production Rate	199,413	**Avg Daily 2015 kWh Rate**	190,000
% Improvement	8.92%		
kWh Savings	6,189,231.50	(Avg 2015 Daily kWh Rate x 365) - ((Avg Daily 2015 Production Rate x 365)/Avg Dailey Production Rate x Avg Daily kWh Rate)	
		69,350,000 - (72785745/216,572 x 187933) =**6,189,231.50 kWh**	
kW Savings	914	(Avg 2015 annual kW usage)-(Avg 2015 annual kW usage) x (100 - %improvement)/100	
		10243.27-(10243.27 x (100-8.92)/100) = **914 kW**	

2015 Production Data

MONTH	kW	kWh	GALLONS
January-15	10,012.50	5,495,522	6,231,519
February-15	9,137.70	5,406,502	5,232,643
March-15	9,640.40	5,118,689	6,227,438
April-15	9,751.60	5,434,884	5,932,627
May-15	9,662.00	4,888,354	6,467,654
June-15	10,364.60	6,237,072	5,967,128
July-15	10,442.80	5,937,919	6,091,717
August-15	11,015.60	5,994,540	6,172,308
September-15	11,014.90	6,500,506	5,925,169
October-15	10,939.50	6,177,384	6,323,408
November-15	10,851.98	6,132,787	6,199,856
December-15	10,085.60	6,025,687	6,014,138
Annual Avg .	10,243.27	5,779,154	6,065,467

Annual gallons/365 = Avg Dailey 2015 Production Rate
72785605/365=**199,413 Avg Gal Ethanol per day for 2015**

12/29/2016	235,360	
12/30/2016	232,390	
12/31/2016	230,600	
1/1/2017	228,720	
1/2/2017	234,120	
1/3/2017	105,000	
1/4/2017	213,840	
1/5/2017	194,820	
1/6/2017	232,270	
1/7/2017	227,570	
1/8/2017	225,750	
1/9/2017	214,780	
1/10/2017	173,670	
1/11/2017	231,950	
1/12/2017	234,660	
1/13/2017	208,240	
1/14/2017	231,050	
1/15/2017	227,700	
1/16/2017	231,390	
1/17/2017	233,850	5,964,422
1/18/2017	204,700	
1/19/2017	198,370	
1/20/2017	232,760	
1/21/2017	236,270	
1/22/2017	231,100	
1/23/2017	208,890	
1/24/2017	218,390	
1/25/2017	230,820	
1/26/2017	232,500	
1/27/2017	234,350	
1/28/2017	234,430	
1/29/2017	215,830	
1/30/2017	173,970	
1/31/2017	38,752	
2/1/2017	227,710	
2/2/2017	223,080	
2/3/2017	153,300	
2/4/2017	195,450	
2/5/2017	230,320	
2/6/2017	230,910	
2/7/2017	232,330	
2/8/2017	237,940	
2/9/2017	237,900	
2/10/2017	216,320	
2/11/2017	231,190	
2/12/2017	239,920	
2/13/2017	225,650	

2/14/2017	234,670	
2/15/2017	233,380	
2/16/2017	235,620	5,633,698
2/17/2017	241,740	
2/18/2017	235,780	
2/19/2017	239,850	
2/20/2017	241,060	
2/21/2017	241,500	
2/22/2017	199,070	
2/23/2017	226,680	
2/24/2017	241,050	
2/25/2017	242,330	
2/26/2017	242,350	
2/27/2017	240,180	
2/28/2017	240,830	
3/1/2017	227,970	
3/2/2017	24,493	
3/3/2017	210,680	
3/4/2017	249,250	
3/5/2017	247,790	
3/6/2017	247,880	
3/7/2017	249,760	
3/8/2017	233,800	
3/9/2017	251,640	
3/10/2017	252,380	
3/11/2017	247,400	
3/12/2017	227,490	
3/13/2017	234,650	
3/14/2017	204,210	
3/15/2017	216,000	
3/16/2017	250,170	
3/17/2017	243,940	
3/18/2017	245,250	
3/19/2017	245,370	
3/20/2017	244,180	
3/21/2017	245,230	
3/22/2017	224,030	

Mercantile Customer Project Commitment Agreement
Cash Rebate Option

THIS MERCANTILE CUSTOMER PROJECT COMMITMENT AGREEMENT ("Agreement") is made and entered into by and between Ohio Edison Company, its successors and assigns (hereinafter called the "Company") and Marion Ethanol, LLC DBA POET Biorefining Marion, Taxpayer ID No. 20-8120912 its permitted successors and assigns (hereinafter called the "Customer") (collectively the "Parties" or individually the "Party") and is effective on the date last executed by the Parties as indicated below.

WITNESSETH

WHEREAS, the Company is an electric distribution utility and electric light company, as both of these terms are defined in R.C. § 4928.01(A); and

WHEREAS, Customer is a mercantile customer, as that term is defined in R.C. § 4928.01(A)(19), doing business within the Company's certified service territory; and

WHEREAS, R.C. § 4928.66 (the "Statute") requires the Company to meet certain energy efficiency and peak demand reduction ("EE&PDR") benchmarks; and

WHEREAS, when complying with certain EE&PDR benchmarks the Company may include the effects of mercantile customer-sited EE&PDR projects; and

WHEREAS, Customer has certain customer-sited demand reduction, demand response, or energy efficiency project(s) as set forth in attached Exhibit 1 (the "Customer Energy Project(s)") that it desires to commit to the Company for integration into the Company's Energy Efficiency & Peak Demand Reduction Program Portfolio Plan ("Company Plan") that the Company will implement in order to comply with the Statute; and

WHEREAS, the Customer, pursuant to the Public Utilities Commission of Ohio's ("Commission") September 15, 2010 Order in Case No. 10-834-EL-EEC, desires to pursue a cash rebate of some of the costs pertaining to its Customer Energy Project(s) ("Cash Rebate") and is committing the Customer Energy Project(s) as a result of such incentive.

WHEREAS, Customer's decision to commit its Customer Energy Project(s) to the Company for inclusion in the Company Plan has been reasonably encouraged by the possibility of a Cash Rebate.

WHEREAS, in consideration of, and upon receipt of, said cash rebate, Customer will commit the Customer Energy Project(s) to the Company and will comply with all other terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. **Customer Energy Projects**. Customer hereby commits to the Company and Company accepts for integration into the Company Plan the Customer Energy Project(s) set forth on attached Exhibit 1. Said commitment shall be for the life of the Customer Energy Project(s). Company will incorporate said project(s) into the Company Plan to the extent that such projects qualify. In so committing, and as evidenced by the affidavit attached hereto as Exhibit A, Customer acknowledges that the information provided to the Company about the Customer Energy Project(s) is true and accurate to the best of its knowledge.

a. By committing the Customer Energy Project(s) to the Company, Customer acknowledges and agrees that the Company shall control the use of the kWh and kW reductions resulting from said projects for purposes of complying with the Statute. By committing the Customer Energy Project(s), Customer has the ability to either:

   i. Take ownership of the Energy Efficiency resource credits resulting from their Customer Energy Project(s) and may be able to bid - or sell - the Energy Efficiency resource credits into the market operated by the grid operator, PJM Interconnection, Inc. (PJM), provided several prerequisites are met; or

   ii. Allow the Company to take ownership of the Energy Efficiency resource credits associated with their Customer Energy Project(s). The Company shall, at its sole discretion, aggregate said capacity into the PJM market through an auction. Any proceeds from any such bids accepted by PJM will be used to offset the costs charged to the Customer and other of the Company's customers for compliance with state mandated energy efficiency and/or peak demand requirements.

   Please indicate your preference as to the treatment of your Energy Efficiency resource credits:

   ☒ Customer would like to retain ownership of its Energy Efficiency resource credits.

   ☐ Customer assigns ownership of its Energy Efficiency resource credits to Company for purposes of bidding these credits into PJM.

b. The Company acknowledges that some of Customer's Energy Projects contemplated in this paragraph may have been performed under certain other federal and/or state programs in which certain parameters are required to be maintained in order to retain preferential financing or other government benefits (individually and collectively, as appropriate, "Benefits"). In the event that the use of any such project by the Company in any way affects such Benefits, and upon written request from the Customer, Company will release said Customer's Energy Project(s) to the extent necessary for Customer to meet the prerequisites for such Benefits. Customer acknowledges that such release (i) may affect Customer's cash rebate discussed in Article 3 below; and (ii) will not affect any of Customer's other requirements or obligations.

c. Any future Customer Energy Project(s) committed by Customer shall be subject to a separate application and, upon approval by the Commission, said projects shall become part of this Agreement.

d. Customer will provide Company or Company's agent(s) with reasonable assistance in the preparation of the Commission's standard joint application for approval of this Agreement ("Joint Application") that will be filed with the Commission, with such Joint Application being consistent with then current Commission requirements.

e. Upon written request and reasonable advance notice, Customer will grant employees or authorized agents of either the Company or the Commission reasonable, pre-arranged access to the Customer Energy Project(s) for purposes of measuring and verifying energy savings and/or peak demand reductions resulting from the Customer Energy Project(s). It is expressly agreed that consultants of either the Company or the Commission are their respective authorized agents.

2. **Joint Application to the Commission.** The Parties will submit the Joint Application using the Commission's standard "Application to Commit Energy Efficiency/Peak Demand Reduction Programs" ("Joint Application") in which they will seek the Commission's approval of (i) this

Agreement: (ii) the commitment of the Customer Energy Project(s) for inclusion in the Company Plan; and (iii) the Customer's Cash Rebate.

The Joint Application shall include all information as set forth in the Commission's standard form which, includes without limitation:

i. A narrative description of the Customer Energy Project(s), including but not limited to, make, model and year of any installed and/or replaced equipment;
ii. A copy of this Agreement; and
iii. A description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results.

3. **Customer Cash Rebate.** Upon Commission approval of the Joint Application, Customer shall provide Company with a W-9 tax form, which shall at a minimum include Customer's tax identification number. Within the greater of 90 days of the Commission's approval of the Joint Application or the completion of the Customer Energy Project, the Company will issue to the Customer the Cash Rebate in the amount set forth in the Commission's Finding and Order approving the Joint Application.

   a. Customer acknowledges: i) that the Company will cap the Cash Rebate at the lesser of 50% of Customer Energy Project(s) costs or $250,000; ii) if the Customer Energy Project qualifies for a rebate program approved by the Commission and offered by the Company, Customer may still elect to file such project under the Company's mercantile customer self direct program, however the Cash Rebate that will be paid shall be discounted by 25%; and

   b. Customer acknowledges that breaches of this Agreement, include, but are not limited to:

      i. Customer's failure to comply with the terms and conditions set forth in the Agreement, or its equivalent, within a reasonable period of time after receipt of written notice of such non-compliance;

      ii. Customer knowingly falsifying any documents provided to the Company or the Commission in connection with this Agreement or the Joint Application.

   c. In the event of a breach of this Agreement by the Customer, Customer agrees and acknowledges that it will repay to the Company, within 90 days of receipt of written notice of said breach, the full amount of the Cash Rebate paid under this Agreement. This remedy is in addition to any and all other remedies available to the Company by law or equity.

4. **Termination of Agreement**. This Agreement shall automatically terminate:

   a. If the Commission fails to approve the Joint Agreement;

   b. Upon order of the Commission; or

   c. At the end of the life of the last Customer Energy Project subject to this Agreement.

Customer shall also have an option to terminate this Agreement should the Commission not approve the Customer's Cash Rebate, provided that Customer provides the Company with written notice of such termination within ten days of either the Commission issuing a final appealable order or the Ohio Supreme Court issuing its opinion should the matter be appealed.

5. **Confidentiality**. Each Party shall hold in confidence and not release or disclose to any person any document or information furnished by the other Party in connection with this Agreement that is designated as confidential and proprietary ("Confidential Information"), unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; or (iii) such document or information was available to the receiving Party on a non-confidential basis at the time of disclosure.

    a. Notwithstanding the above, a Party may disclose to its employees, directors, attorneys, consultants and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, directors, attorneys, consultants and agents have been advised of the confidential nature of this information and through such disclosure are deemed to be bound by the terms set forth herein.

    b. A Party receiving such Confidential Information shall protect it with the same standard of care as its own confidential or proprietary information.

    c. A Party receiving notice or otherwise concluding that Confidential Information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall endeavor to: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such Confidential Information, including without limitation, the filing of such information under a valid protective order.

    d. By executing this Agreement, Customer hereby acknowledges and agrees that Company may disclose to the Commission or its Staff any and all Customer information, including Confidential Information, related to a Customer Energy Project, provided that Company uses reasonable efforts to seek confidential treatment of the same.

6. **Taxes.** Customer shall be responsible for all tax consequences (if any) arising from the payment of the Cash Rebate.

7. **Notices**. Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement must be in writing and must be delivered or sent by overnight express mail, courier service, electronic mail or facsimile transmission addressed as follows:

If to the Company:

FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
Attn: Mercantile Energy Efficiency Program A-GO-8
Telephone: 330 384 4504
Fax: 330 777 6051
Email: mercantile@firstenergycorp.com

If to the Customer:

Marion Ethanol, LLC DBA POET Biorefining Marion
1660 Hillman Ford Rd
Marion, OH 43302
Attn: Rick Fox
Telephone: (740) 383-9761
Fax: (740) 383-4700
Email: rick.fox@poet.com

or to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the business day will be deemed received on the next business day; provided that notice by facsimile transmission will be deemed to have been received by the recipient if the recipient confirms receipt telephonically or in writing.

8. **Authority to Act**. The Parties represent and warrant that they are represented by counsel in connection with this Agreement, have been fully advised in connection with the execution thereof, have taken all legal and corporate steps necessary to enter into this Agreement, and that the undersigned has the authority to enter into this Agreement, to bind the Parties to all provisions herein and to take the actions required to be performed in fulfillment of the undertakings contained herein.

9. **Non-Waiver**. The delay or failure of either party to assert or enforce in any instance strict performance of any of the terms of this Agreement or to exercise any rights hereunder conferred, shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights at any later time or on any future occasion.

10. **Entire Agreement**. This Agreement, along with related exhibits, and the Company's Rider DSE, or its equivalent, as amended from time to time by the Commission, contains the Parties' entire understanding with respect to the matters addressed herein and there are no verbal or collateral representations, undertakings, or agreements not expressly set forth herein. No change in, addition to, or waiver of the terms of this Agreement shall be binding upon any of the Parties unless the same is set forth in writing and signed by an authorized representative of each of the Parties. In the event of any conflict between Rider DSE or its equivalent and this document, the latter shall prevail.

11. **Assignment**. Customer may not assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the Company, which consent will not be unreasonably withheld. No assignment of this Agreement will relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained.

12. **Severability**. If any portion of this Agreement is held invalid, the Parties agree that such invalidity shall not affect the validity of the remaining portions of this Agreement, and the Parties further agree to substitute for the invalid portion a valid provision that most closely approximates the economic effect and intent of the invalid provision.

13. **Governing Law**. This Agreement shall be governed by the laws and regulations of the State of Ohio, without regard to its conflict of law provisions.

14. **Execution and Counterparts.** This Agreement may be executed in multiple counterparts, which taken together shall constitute an original without the necessity of all parties signing the same page or the same documents, and may be executed by signatures to electronically or telephonically transmitted counterparts in lieu of original printed or photocopied documents. Signatures transmitted by facsimile shall be considered original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year set forth below.

Ohio Edison Company
(Company)

By: _____

Title: **V.P. Of Energy Efficiency**

Date: 6-8-17

Marion Ethanol, LLC DBA POET Biorefining Marion
(Customer)

By: _____

Title: Agent of POET

Date: 4/28/17

Affidavit of Marion Ethanol, LLC DBA POET Biorefining Marion – Exhibit _A _

STATE OF OHIO)
) SS:
COUNTY OF Marion)

I, Gary Swanson ,being first duly sworn in accordance with law, deposes and states as follows:

1. I am an Agent of Marion Ethanol, LLC DBA POET Biorefining Marion ("Customer") As part of my duties, I oversee energy related matters for the Customer.
2. The Customer has agreed to commit certain energy efficiency projects to Ohio Edison Company ("Company"), which are the subject of the agreement to which this affidavit is attached ("Project(s)").
3. In exchange for making such a commitment, the Company has agreed to provide Customer with Cash ("Incentive"). This Incentive was a critical factor in the Customer's decision to go forward with the Project(s) and to commit the Project(s) to the Company.
4. All information related to said Project(s) that has been submitted to the Company is true and accurate to the best of my knowledge.

FURTHER AFFIANT SAYETH NAUGHT.

Sworn to before me and subscribed in my presence this 28 day of June 2017.

Notary

KELLY E. ROGERS
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2019

Version 110.17

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

11/30/2017 3:04:52 PM

in

Case No(s). 17-0453-EL-EEC

Summary: Application to Commit Energy Efficiency/Peak Demand Reduction Programs of Ohio Edison Company and Marion Ethanol, LLC DBA POET Biorefining Marion electronically filed by Ms. Jennifer M. Sybyl on behalf of Ohio Edison Company and Marion Ethanol, LLC DBA POET Biorefining Marion