

NEW / PRE

Account Manager: Derrick Maschoff		Date: 3/15/2016	
CUSTOMER INFORMATION			
Customer Name:	Lake County	Payment Name:	Peter E. Kolb
Contact Name:	Peter E. Kolb	Payment Address:	650 West Winchester Road
Contact Address:	650 West Winchester Road Libertyville, IL 60048	Payment Telephone:	847-377-7500
Contact Telephone:	847-377-7500	Payment Fax:	Primary Mobile
Contact Fax:	Primary Mobile		

DEMAND RESPONSE PROGRAM TRANSACTION CONFIRMATION

This Transaction Confirmation confirms the terms of the Transaction entered into between Direct Energy Business Marketing, LLC d/b/a Direct Energy Business ("Seller"), and the customer above

("Buyer" or "Customer") pursuant to the terms of the Demand Response Program Agreement ("DRA") between Buyer and Seller dated: 2/26/2016

Administrator: PJM **Customer Segment:** Transportation, Communication, Electric, or Sanitary Services

Business Rules: Applicable Business Rules can be located through the administrator website at www.pjm.com.

Program: Full Emergency Load Response: Capacity and Energy

Effective Date: 6/1/2016 **Termination Date:** 5/31/2019

The Transaction will renew automatically for the same period unless notice is given by either party 90 days prior to the Termination Date.

Acceptance must be confirmed by the Administrator in PJM's eLRS enrollment system in order for this transaction to be valid for each Delivery Year (DY).

Estimated Eligible Load Reduction Quantity (kW): 867 **Resource Type:** FSL **Firm Service Level:** 1,256 kW

Eligible Load Reduction Quantity may be adjusted based on addition/ removal of expected capabilities, application of Business Rules, including enrollment limitations based on the account's Electric Distribution Company (EDC) provided Peak Load Contribution (PLC) or engineering estimates. Eligible Load Reduction Quantity for each Delivery Year will be provided on an enrollment confirmation report.

For FSL accounts, enrollment will default to FSL provided unless Direct Energy receives written authorization stating otherwise.

Eligible Load Reduction Payment Rate (\$/MW-Day)*: As per the Resource Clearing Price listed at www.pjm.com for the applicable delivery year and LDA.

Estimated Total Annual Capacity Credit: (Eligible Load Reduction Quantity / 1000) * Payment Rate * 365

Payment to Customer will be net of any cost/ credits as indicated in Section 3 of the DRA.

Customer is electing to net electricity purchases and demand response payments.

☐ Customer is electing to participate in PLC Management.

<u>Estimated Capacity Payment</u>	<u>Product</u>	<u>Percent</u>	<u>Annual</u>	<u>Energy Payment Percent**</u>
6/1/2016 - 5/31/2017	Limited DR	85%	\$15,970	85%
6/1/2017 - 5/31/2018	Limited DR	85%	\$28,396	85%
6/1/2018 - 5/31/2019	Base Capacity	85%	\$53,854	85%

*Direct Energy Business will use commercially reasonable efforts to obtain Capacity Supply Obligation for Demand Resources on behalf of our customers. Should Direct Energy Business secure such obligations, the capacity payments for each Delivery Years will be based on the Resource Capacity Payment Rate for that Delivery Year for the Resource to which the Customer is assigned. Direct Energy may from time to time elect to over subscribe a particular Resource. In the case of oversubscription, the Customer will receive his capacity weighted pro-rata share of the revenue received for the Resource to which the Customer is assigned.

** Event payments are based on actual event length, market energy prices and sharing percentage.

Participating Facilities

Location	Utility	Utility Account Number(s)	Curtailable Load (kW)	Firm Service Level (kW)	Lead Time	Load Reduction Method
15170 W Pekara Dr, Vernon Twp, IL 60015	COMED	0111551001	551	948	Quick	Manufacturing
16750 W. Ancona Ave, Old Mill Creek, IL 60031	COMED	0123163002	130	47	Short	Generator
50 S American Way, Vernon Hills, NJ 07095	COMED	0434154006	186	261	Quick	Manufacturing

Notification

Notification will be made in advance of an ISO event. The people listed on **Attachment A: Notification Details** have been identified as the contacts at the customer's facility to be notified. A minimum of 2 notification contacts is required.

Please indicate your acceptance of the terms of this Transaction by returning to Seller an executed counterpart not later than 11:59 p.m., Eastern Standard Time, on April 15, 2016. If Seller does not receive such counterparts by such deadline, Seller's commitment and the agreements herein will expire at such time.

(Customer) **LAKE COUNTY**

By: _____
 Name: _____
 Title: _____
 Date: _____

Direct Energy Business

By: _____
 Name: _____
 Title: Manager, C&I Sales
 Date: _____

This Demand Response Program Agreement ("DRA") between Direct Energy Business Marketing, LLC d/b/a Direct Energy Business ("Seller"), a Delaware limited liability company, located at 1 Hess Plaza, Woodbridge, New Jersey 07095 and DAS("Buyer" or "Customer"), located at Sample , Sample , NJ 43210 (each a "Party" and collectively "Parties") is entered into and effective as of 11/04/2015.

1. **Transactions.** The terms of this DRA apply to Customer's participation in the applicable load management program (each a "Program") sponsored by the related Administrator (as defined below) for which Seller acts, or will act, for a Participating Facility (as defined below) as Customer's demand response or similar service provider (each a "Transaction"). The details of each Transaction will be memorialized in a writing signed by both Parties (each, together with the relevant Transaction, a "Transaction Confirmation"). Each Transaction will commence on the date specified on the relevant Transaction Confirmation (such date with respect to the relevant Transaction, the "Effective Date"), and continue through the termination date specified on the relevant Transaction Confirmation or such earlier date as (x) such Transaction Confirmation is terminated pursuant to this DRA or (y) the applicable Program is no longer in effect, whether due to termination by the related Administrator or otherwise (such date with respect to the relevant Transaction, the "Termination Date"). This DRA, related Transaction Confirmation(s) and any amendments (together, a single integrated, "Agreement") is the entire understanding between the Parties with respect to this Agreement and supersedes all other communication and prior writings with respect thereto; no oral statements are effective. For purposes of this Agreement, "Administrator" means with respect to each Program, the regional transmission organization, independent system operator, electric distribution company or other person or entity that sponsors such Program, the identity of which may be initially identified on the applicable Transaction Confirmation.
2. **Performance.** With respect to each Transaction, Customer authorizes Seller to be its agent to manage the participation of Customer's facility or facilities (each a "Participating Facility") specified on the relevant Transaction Confirmation for participation in the applicable Program specified on such Transaction Confirmation. Each Program is subject to the applicable terms and conditions posted on the Administrator's website, as may be revised from time to time at the discretion of the Administrator (with respect to each Program, the "Business Rules"), which website will be initially identified in each applicable Transaction Confirmation.
 - A. With respect to each Transaction, Seller will (upon receipt of a fully executed Transaction Confirmation for such Transaction and acceptance by the applicable Administrator of Customer into the relevant Program) perform or cause to be performed until the Termination Date for such Transaction, the following services unless not permitted under the relevant Business Rules, (i) when requested by Customer, assist Customer in estimating its curtailable load at the Participating Facility, (ii) when agreed to with the Customer, as indicated on the specific Transaction Confirmations, or required by the Business Rules, as determined by Seller, install and maintain interval metering and monitoring equipment at the Participating Facility (provided that the quantity, placement, functionality and other specifications and requirements of such equipment shall be in the sole discretion of Seller), at no out of pocket expense to the Customer; and (iii) such other services as provided in the relevant Business Rules as Seller and Customer mutually agree from time to time. Notwithstanding anything to the contrary in the Business Rules or otherwise, Seller shall be afforded a reasonable amount of time, as determined by Seller, to relay notification of any curtailment request from an Administrator to Customer, and any resulting delay in notification to Customer of such curtailment request shall not constitute a default by Seller or otherwise relieve Customer of its obligation to comply with such curtailment request. Customer's capacity, energy and ancillary services to be managed under such Program and the corresponding annualized value of the capacity as of the Effective Date for such Transaction are as specified by the relevant Administrator or on the relevant Transaction Confirmation. Seller may terminate any Transaction Confirmation or this DRA if it determines in its sole discretion that the assets and/or capacity of Customer are insufficient for participation in a Program or if the Customer violates any Business Rules.
 - B. Customer will (i) perform necessary reductions in capacity or energy delivery from the utility grid by reducing load and/or generating electricity ("Curtailment") at Seller's sole discretion for audits, Tests, and Events (as defined below); designate and provide notification to Seller of any changes in, a minimum of two (2) individuals (and applicable e-mail notification address(s)) for each Participating Facility to receive notification of Tests and Events; (iv) provide Seller and/or its subcontractors with access to each Participating Facility as may be required; and (v) cooperate and provide all required support to Seller or its representatives in connection with each Program and the related Administrator to obtain interval data from the Utility and on-site metering including upgrading installed metering and/or installing pulse outputs for Seller's use; "Event" or "Events" means the Curtailment in the amount required pursuant to the applicable curtailment notification(s) provided by Seller or the applicable Administrator by and during the relevant time period(s) specified in such Curtailment notification(s), and in any case subject to the applicable Business Rules for the Program. "Tests" means verification that Customer can provide its declared Curtailment performed in accordance of the Business Rules or at Seller's discretion (including pre-registration, any required re-test or testing as part of an aggregate of customers).
3. **Settlement and Payment.** Customer will be paid for performance only and payment to Customer of its share, as set forth in the relevant Transaction Confirmation, will be made following, and subject to, Seller's receipt of the applicable payments/credits from the respective Administrator under the Program relating to the Participating Facility. Any such payment will be net of any de-rating, penalties or costs incurred due to Program participation, in Seller's commercially reasonable discretion.
4. **Financial Responsibility.** Seller's acceptance of this DRA and any Transaction Confirmation is conditioned upon Customer's maintaining its creditworthiness during the term of this Agreement. If Seller determines in its good faith judgment that Customer's credit has been materially impaired, Seller may require additional security ("Credit Assurance"), including cash deposits, prepayments, letters of credit or other guaranty of payment or performance reasonably acceptable to Seller.
5. **Force Majeure.** A Party claiming Force Majeure will be excused from its obligations under Section 2 as long as it provides prompt notice of the Force Majeure and, to the extent practicable, uses due diligence to remove its cause and resume performance promptly. "Force Majeure" means a material, unavoidable occurrence beyond a Party's control, and does not include inability to pay, an increase or decrease in taxes, the economic hardships of a Party, or the full or partial closure of Customer's facilities, unless such closure itself is due to Force Majeure.
6. **Default.** "Default" means: (i) failure of either Party to perform its obligations under Section 2 or a breach by a Party of any material term or condition under this Agreement and such breach or failure is not cured within five (5) Business Days of receipt of written demand for cure; (iii) bankruptcy or insolvency of a Party, its guarantor, or its affiliates, however evidenced; (viii) insufficiency of the assets and/or capacity of Customer for participation in any Program relating to an outstanding Transaction, as determined by Seller under Section 2.A; (ix) failure of a Party to satisfy any representations and warranties contained in Section 8 and the failure is not cured within five (5) Business Days of receipt of written demand for cure; (x) a Participating Facility is withdrawn from, or is no longer eligible to participate under, any Program relating to an outstanding Transaction; or (xi) the failure of a Party to perform any obligation not specifically addressed above and the failure is not cured within five (5) Business Days of receipt of written demand for cure. "Business Day" means any day, other than a Saturday or Sunday, on which court is in session in the 19th Judicial Circuit Court of Lake County, Illinois.

Buyer's Initials _____

Seller's Initials _____

7. Remedies. Upon a Default, the non-defaulting Party may: (i) withhold any payments due hereunder; (ii) upon written notice, provided that no notice is required with respect to Section 6(iii),

accelerate any or all amounts owing between the Parties and terminate any or all Transactions; (iii) determine a settlement amount for each Transaction by calculating the gains, losses and costs (including reasonable attorney's fees, and any surveying and equipment costs if Customer is the defaulting Party); (iv) at its sole option and without prior notice to the defaulting Party or its affiliates, setoff any amount due to or from the defaulting Party or its affiliates, including any margin or other collateral, against any amount(s) payable to or by the non-defaulting Party or its affiliates under this Agreement or any other agreement or arrangement with the defaulting Party and/or its affiliates; and (v) calculate a net settlement amount by setting off against each other and aggregating into one amount all settlement amounts and all other amounts owing between the Parties or their affiliates. The gain or loss for each terminated Transaction maybe calculated by any commercially reasonable method chosen by the non-defaulting Party. Any net settlement amount due from the defaulting Party to the non-defaulting Party will be paid within three (3) Business Days of written notice from the non-defaulting Party. Interest on any unpaid portion of the net settlement amount shall accrue from the date due until the date of payment at 1.5% per month or, if lower, the maximum amount permitted by law.

8. Representations and Warranties. Each of the following are made by the applicable Party as of the date first above written, and are deemed to be repeated at all times while any Transaction is outstanding under this Agreement:

A. Each Party represents and warrants that: (i) it is properly formed, validly existing and in good standing in its jurisdiction of formation and is properly registered in those jurisdictions necessary to perform this Agreement; (ii) the execution and delivery of this Agreement by it is within its powers, has been duly authorized and approved and does not violate any of the terms or conditions in its governing documents, any contract or any law applicable to it; (iii) this Agreement is legal, valid and binding and is enforceable against it in accordance with its terms; and (iv) there is no bankruptcy, insolvency, reorganization, receivership or other similar proceeding pending or being contemplated by it or, to its knowledge, threatened against it.

B. Customer hereby represents and warrants the following: (i) Customer, based solely upon its own judgment, has determined its ability to participate and agrees to reduce a measurable and verifiable portion of each Participating Facility's load in the amount set forth in the applicable Transaction Confirmation; (ii) each Participating Facility is compliant with local and state permitting and registration requirements; (iii) each Participating Facility is capable of responding to curtailment requests within the time required in the applicable Business Rules; (iv) Customer (a) is not a party to any agreement with respect to any Participating Facility that would prohibit or limit participation in the relevant Program, (b) has not, directly or indirectly, appointed any person or entity other than Seller as a demand response or similar service provider for any Participating Facility, and (c) will not, directly or indirectly, enter into any agreement with, or obtain the service of, any other demand response or similar service provider for any Participating Facility while the related Transaction is outstanding; and (v) the acknowledgements in Section 9B below are true, complete and in full force and effect.

9. Acknowledgements.

A. Each Party acknowledges and agrees that: (i) this Agreement is a forward contract, the Parties are forward contract merchants and this Agreement is a master netting agreement as defined in the United States Bankruptcy Code ("Code"); (ii) Seller is not a "utility" as defined in the Code; and (iii) this Agreement shall not be construed as creating an association, trust, partnership, or joint venture in anyway between the Parties, nor as creating any relationship between the Parties other than that of independent contractors.

B. Customer acknowledges and agrees that: (i) if an electronic signature (or authorization) is utilized to execute this DRA, any Transaction Confirmation or any documents related thereto or to make changes to any electronic system, such electronic signature (and authorization) has been utilized by an authorized representative of Customer who has the power and authority to bind Customer, (ii) Seller may conclusively rely upon any instruction, request, direction or authorization (including by e-mail or other electronic communication) issued by Customer, its representative(s) or any person or entity that Seller reasonably believes to be authorized to issue such instruction, request, direction or authorization on Customer's behalf, in taking, or omitting to take, any action under or in connection with this Agreement or otherwise; and (iii) Seller may disclose information pertaining to the Customer and/or any Participating Facility to subcontractors it utilizes to perform its obligations under this Agreement and to any Administrator, local utilities, or such other persons or entities as to Seller deems necessary or appropriate for Customer's participation in the relevant Program or for Seller's performance under this Agreement.

11. Other. (a) This Agreement is governed by Illinois law, without regard to any conflict of rules doctrine (other than provisions authorizing the selection of Illinois law and venue). (b) The Parties submit to the non-exclusive jurisdiction of the 19th Judicial Circuit Court of Lake County, Illinois and the United States District Court for the Northern District of Illinois. (d) No delay or failure by a Party to exercise any right or remedy to which it may become entitled under this Agreement will constitute a waiver of that right or remedy. (g) Notwithstanding anything to the contrary in any Business Rules, all notices and waivers will be made in writing and may be delivered by hand delivery, first class mail (postage prepaid), overnight courier service or by facsimile and will be effective upon receipt; provided, however, that any termination notice may only be sent by hand or by overnight courier service, and, if sent to Seller, a copy delivered to: Direct Energy

Business, LLC, Attention Law Department; 1 Hess Plaza, Woodbridge, New Jersey 07095. (h) No amendment to this Agreement will be enforceable unless reduced to writing and executed by both Parties. (j) This Agreement (including any Transaction Confirmations hereunder) may be executed in separate counterparts by the Parties, including by facsimile, each of which when executed and delivered shall be an original, but all of which shall constitute one and the same instrument. (k) The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into

consideration in interpreting this Agreement. (l) Any originally executed copy of this Agreement and other related documents may be digitally copied, photocopied, or stored on computer tapes and disks ("Imaged Agreement"). The Imaged Agreement will be admissible in any judicial, arbitration, mediation or administrative proceedings between the Parties in accordance with the applicable rules of evidence; provided that neither Party will object to the admissibility of the Imaged Agreement on the basis that such were not originated or maintained in documentary form. (m) Where multiple parties are Party to this Agreement with Seller and are represented by the same agent, it is agreed that this Agreement will constitute a separate agreement with each such Party, as if each such Party had executed a separate Agreement. (n) This DRA can be terminated upon at least sixty (60) days prior written notice by either Party to the other Party; provided, however, that it will remain in effect with respect to the Transaction Confirmation(s) entered into prior to the date of the termination until both Parties have fulfilled all of their obligations with respect to the Transaction evidenced thereby,

Buyer's Initials _____

Seller's Initials _____

unless such Transaction Confirmation has been earlier terminated pursuant to this DRA. **(q)** Customer shall pay or reimburse Seller for any applicable taxes imposed in connection with a Program or sales of capacity. **(r)** If any provision of this Agreement is held invalid or unenforceable, this Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties will be construed and enforced accordingly.

(s) Any capitalized terms not defined in this DRA shall have the meaning defined in the respective Transaction Confirmation, or if not defined therein, in the applicable Business Rules, or if such term is not defined therein then it shall have the well-known and generally accepted technical or trade meanings customarily attributed to it in the demand response industry, as applicable. **(t)** The provisions of this Section 11, including without limitation, subsections (e), (f), (o) and (p) and Section 10, will survive the termination or expiration of this Agreement regardless of the reason for termination or expiration.

IN WITNESS WHEREOF, this DRA is entered into and effective as of the date first written above.

(Customer)

DAS

By:

Name:

Title:

Direct Energy Business

By:

Name:

Title:

Manager, C&I Sales

DAS Demand Response Program Agreement
Attachment A: Notification Details

Notification will be made in advance of an ISO event. The following people have been identified as contacts at the customer's facility to be notified. A minimum of 2 notification contacts is required.

Primary Contact:

Name: Tom Huesman
Address: Sample
City ! State ! Zip: Sample, NJ 43210
Phone#: TBD
Cell#: TBD
Email: TBD

Secondary Contact:

Name: Tom Huesman
Address: TBD
City ! State ! Zip: TBD, TBD TBD
Phone#: TBD
Cell#: TBD
Email: TBD

Additional Contact:

Name:
Address:
City! State! Zip:
Phone#:
Cell#:
Email:

Additional Contact:

Name:
Address:
City! State! Zip:
Phone#:
Cell#:
Email:

Additional Contact:

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City! State! Zip:
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Additional Contact:

Name:
Address:
City! State! Zip:
Phone#:
Cell#:
Email:

Additional Contact:

Name:
Address:
City! State! Zip:
Phone#:
Cell#:
Email:

Date: 11/04/2015

Attn: Meter and Test Dept.

To Whom It May Concern:

To facilitate our participation in a demand response program that we have elected to participate in, we here by authorize Direct Energy Business or its agent, A2A Energy International, LLC of 410 Main Street, Buffalo, NY, to:

1. Order meter upgrades such as pulse outputs for any and all meters under the following account(s):
Utility (ies): **AEP** Account Number(s): **11111111**

and/or

2. Request and receive account and meter information for the above including access to available interval data for said account(s). If access to interval data requires a user name, password or any other such information please provide this.

Any costs associated with the services above are to be billed to A2A Energy International, LLC.

This authorization should remain in effect until: 7/30/2019

Please direct any questions you may have on this matter to me at

TBD. Thank you.

Sincerely,

Tom Huesman (DAS)

cc: Direct Energy Business
A2A Energy International, LLC

CUSTOMER USAGE INFORMATION AUTHORIZATION
(Non-Residential)

I hereby authorize my electric utility to act in my behalf for the purpose of obtaining information about my historical energy usage and billing information and consent to the release of same so that the Company named herein or their agent may evaluate my energy usage patterns and make me an offer to supply energy. The utility considers all customer usage information to be confidential. This authorization in no way binds me to the purchase of any service or product from the Company named herein and is to be used for the sole purpose of determining my offer price of electricity service or the provision of other energy-related services.

Supplier/Consultant Information (please print):

Raymond Polakowski
(Individual)

representing

Direct Energy Business
(Company)

Address **1 Hess Plaza, Woodbridge, NJ 07095**

Email Address Raymond.Polakowski@directenergy.com

Telephone Number **(732) 750 – 6618**

Type of Data Requested (select one):

☒ Sixty (60) minute interval data (if available) provided in ASCII text file

☐ Monthly billing information (will be provided if 60 minute interval data is unavailable)

NOTE: Billing information will typically cover the most recent twelve-month period.

Company Information:

My Utility: **AEP**

Company Name: **DAS**

Address: **TBD, Sample, OH 43210**

Business Contact Name: **Tom Huesman**

Telephone Number: **TBD**

Email Address: **TBD**

Fax Number: **TBD**

Party other than customer to be Billed, if allowed by your utility: Direct Energy Business

Business Representative's Signature _____ Date: _____

I wish to have this authorization valid until **7/30/2019**

Account Number (s) (As shown on Latest Bill)

111111111

Return to: Direct Energy Business (DR Ops) Fax: 732 – 750 – 6670

Each utility has specific rules for releasing information, and this service may be subject to a charge by the utility.