



City of Rochelle

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September 10, 2015

Gary Lazarski
Carbon Green, LLC
190 S. LaSalle Street, Suite 1110
Chicago, IL 60603

Dear Mr. Lazarski:

I am writing to confirm our proposal to you during our telephone conversation of October 15th with regards to the proposed hydroponic vegetable greenhouse project you are considering developing in Rochelle. If we are in agreement, I intend to submit this proposal to our City Council for final approval.

The City is proposing to establish a new electric rate customer class covering large greenhouse operations. Based on the load/demand considerations of this class, we would normally require qualifying customers to consume a minimum of 5 MW of demand. However, Phase I of your project is expected to consume only 3.8 MW of demand according to the data your company has submitted to the City. Notwithstanding, the City is willing to extend to Phase I, by lowering the minimum demand threshold, the rate structure established under Rate 167 for a period of up to three years. As an additional inducement to develop your project in Rochelle, the City is also willing to extend a discount of ten percent for three years. This ten percent discount will apply for future phases for three year consecutive periods, provided that each new phase is constructed within three years of a prior phase and that each new phase consumes a minimum of 3.8 MW of demand. I have attached the proposed Rate 167 as Exhibit A.

All rates are subject to cost of service related changes in the same fashion as all RMU rates. Also note, we have previously provided you with riders that will be associated with your rate. I intend to present Rate 167 and the ten percent economic development incentive to the City Council for ratification, likely November 10th.

If you have any questions concerning this proposal, please do not hesitate to call.

Yours in Public Service,

David S. Plyman
City Manager