

TRANSMISSION SYSTEM OPERATOR SERVICES AGREEMENT
OPTIONAL SERVICES EXHIBIT #1

This First Optional Service Exhibit to the Transmission System Operator Services Agreement (the "Optional Services Exhibit #1") is made and entered into as of April __, 2016 (the "Exhibit #1 Effective Date") by and between Gridforce Energy Management, LLC, a Delaware limited liability company ("GEM") and Rochelle Municipal Utilities ("Customer"). GEM and Customer are also referred to individually as a "Party" or collectively as the "Parties".

WITNESSETH

WHEREAS, GEM and Customer previously entered into a Transmission System Operator Services Agreement dated July 1, 2015, (the "TOSA");

WHEREAS, GEM and Customer wish to establish an Optional Service as defined herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions.

- a. RMU Load Shed Plan: Shall mean the load shed plan that RMU is required to maintain as a member of PJM that may be implemented through RMU SCADA and/or manual action of RMU personnel.
- b. VPN: Virtual Private Network connection to the RMU network for implementation of the RMU Load Shed Plan.

2. Optional Services.

- a. Background - RMU has upgraded their system to enable SCADA control from their local control center. RMU has requested, and GEM has agreed, to implement breaker operations at distribution level voltages for the portions of the RMU system that are in the RMU Load Shed Plan. There will be two (2) phases for implementation of this Optional Service as described herein.
- b. Phase 1 - In Phase 1, initiated on a mutually agreed upon start date, GEM System Operators will have the ability to VPN in to an RMU workstation that is configured specifically for GEM System Operators to implement the RMU Load Shed Plan in accordance with procedures established and agreed to by the Parties.
- c. Phase 2 - In Phase 2, initiated on a mutually agreed upon start date, GEM will have a primary and backup circuit to RMU that directly connects to the GEM data centers, which will be utilized to enable implementation of the RMU Load Shed Plan directly from the GEM Energy Management System in accordance with procedures established and agreed to by the Parties.
- d. For the avoidance of doubt, (i) GEM is not responsible for the inability to remotely implement the RMU Load Shed Plan due to data connection interruptions, and (ii) in all cases RMU shall be responsible for ensuring that the design and remote implementation by GEM System Operator of the RMU Load Shed Plan does not pose a potential risk to the safety of any individual in accordance with Good Utility Practice, as defined in the TOSA.
- e. In the event that GEM is aware of a data connection interruption with the RMU system, GEM will immediately notify RMU of the condition and work with RMU and other parties as needed to remedy the interruption. GEM will provide communication as needed to RMU to allow RMU the opportunity to implement the RMU load shedding plan in accordance with Good Utility Practice, as defined in the TOSA.

3. Optional Services Exhibit #1 Fees. In accordance with the RMU Statement of Work for direct load control by GEM provided on February 5, 2016, RMU shall reimburse GEM in accordance with the below fee schedule for the Optional Services provided herein.

Optional Service Fees	Description	Fee structure
Site Visit	If determined to be required in the future and mutually agreed upon by the Parties	Vendors Hourly Rate and Expenses [Estimate TBD]
Equipment	Purchase of Equipment to Implement Phase 2, if applicable.	Cost
Circuits	Implementation charges, if applicable, ongoing monthly charges and any terminations fees if applicable upon terminating circuits.	Cost
Operating Procedure Modifications	Modifications to existing operating procedures (Estimate 20-40 hours)	Hourly Fee Structure in the existing Agreement
Training Operators	3-6 per training session at GEM offices for GEM System Operators [This will qualify as a new RRT under PER-005]	\$10,000
Modelling	GEM IT will make modifications in the Systems to permit GEM System Operators to initiate Load Shed at RMU from the system (EMS, Historian, OAG links).	Hourly Fee Structure in the existing Agreement
Monthly Service Fees	The monthly service fee will increase to account for the Direct Control Load function at the GEM control center.	\$5,000
Project Management	GEM will deploy a project manager function to ensure the project is implemented based on proposed timelines from the client.	Hourly Fee Structure in the existing Agreement

4. Other Terms of the TOSA Not Modified by this Optional Service Exhibit #1 in Full Force and Effect. Except as described herein by this Optional Service Exhibit #1, the terms and provisions of the TOSA shall continue in full force and effect. All references in the TOSA to the "Agreement" or "Transmission System Operator Services Agreement" shall be deemed to refer to the TOSA. This Optional Service Exhibit #1 shall otherwise be an integral part of the TOSA and shall be incorporated therein and made a part thereof for all purposes.

5. Counterparts. This Third Amendment may be executed in any number of counterparts and by facsimile or pdf, each of which shall be deemed to be an original, and all of which shall be construed together as one agreement.

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