

ECONOMIC DEVELOPMENT INCENTIVE RIDER

The Economic Development Incentive Rider (EDIR) is designed to attract new businesses, and to support existing business expansion. This Rider is available on HBPW rates containing a capacity charge component. This Rider is intended to encourage companies for whom electric service is material in their site selection decision to locate or expand in its service territory, as determined by the HBPW, and take electric service from the HBPW.

The EDIR is available to all customers who meet the Minimum Requirements and submit a complete Application and Worksheet. The company shall receive the discount as calculated on the Worksheet, subject to the Terms and Conditions. The discount is applied to the capacity charge only, and is applied after any other discounts. Customers receiving the EDIR agree to adhere to all Terms and Conditions. The HBPW agrees to extend the EDIR for a maximum period of three (3) consecutive years. The Company shall have no more than one active discount at any given time.

TERMS AND CONDITIONS

Minimum Requirements:

This program was designed as a Rider to rates F and M. The customer must meet all the minimum requirements listed below:

- New or existing businesses must be on one of the following Electric Rates: FC, FI, MC or MI.
- Minimum new load, or increased load of 50 kW or more per month for at least 6 months of each year in which the EDIR is in effect.
- Load factor must not fall below 30 percent for three consecutive months within the full term of the agreement.
- A minimum of five (5) points must be earned on the Worksheet to qualify for the EDIR.

Start Date of EDIR:

Qualified customer's start date must be within one year of signed application. Customers must indicate their desired start date on their Application. Under no circumstances will the discount be applied retroactively if the customer does not apply within the first year in which they are eligible.

Discount Calculation:

Determination of the total discount percentage is calculated by the accumulated attainable points in each of the following categories:

Utility Criteria

- **Load Factor** – The average Load Factor for the year will determine the points allowed. $[(\text{Total kWh})/(\text{\#Days in Bill Cycle} \times 24 \text{ hrs/day})]/[\text{Peak kW Demand}] = \text{Load Factor}$.
- **New Capacity** – Determined by the customer's monthly peak kW demand.

- **Increased Capacity** – Determined by the increase in the customer’s monthly peak kW demand above the historical high demand within the past 24 months from application date. Historical Monthly High kW Demand – Customer’s Monthly kW Peak = Increased Capacity.
- **Business Diversity** – New NAICS code with the HBPW service territory.

Non-Utility Criteria

- **Number of Full-Time Equivalent (FTE) Jobs** – FTE jobs must meet all criteria as defined by the U.S. Federal Government. The company shall agree to submit a report regarding the status of employment every 12 months, beginning one year from the “selected start date” on its Application and ending three years from the “selected start date”. This report will indicate the number of new FTE jobs created by the Company in the HBPW service territory as of that date. If a company has multiple facilities with the HBPW service territory, the number of jobs shall be provided for each facility under which the EDIR applies. If the stated employment, as set forth in the Application has not met or exceeded the number stated in the Application, an explanation for this variance shall be included by the Company.
- **Energy Efficiency** – Determined based on LEED certification level. The Company shall agree to submit a copy of the LEED certification provided to it by the United States Green Building Council stating the type of LEED Rating System (e.g. New Construction, Existing Buildings, etc.), and level of certification (e.g. Gold, Silver, etc.). The HBPW may request such necessary documentation to establish the validity and receipt of such certification.
- **Location** – Located within the City of Holland and/or “Brownfield Redevelopment Site” as defined by the Environmental Protection Agency.

Discount Application:

The discount will be applied to the new or increased load, as defined under *Utility Criteria*, after any other discounts. The calculation formula is:

$$[(\text{New/Increased kW}) \times (\text{Capacity Rate } \$/\text{kW})] \times \% \text{ EDIR} = \text{Total Credit } \$$$

Reconciliation:

Each account taking advantage of the EDIR will be reviewed every 12 months from their selected start date. If the account reconciliation finds that the discount being applied is not accurate, the discount will be removed or applied retroactively, as applicable. If the customer fails to meet all the minimum requirements stated above during the full length of the term agreement, the discount credit is forfeited and/or subject to full refund of all discounts taken, and the customer will be removed from the EDIR.

Should the Company vacate any facility for which the EDIR has been granted and/or move the operation to a location outside the HBPW Service Territory within five (5) years of the selected start date, the Company shall be required to refund the HBPW the full amount of the discount awarded plus applicable taxes. The HBPW may forgive any refund and allow the Company to relocate without any further obligation to the HBPW, if the HBPW determines it is in the best interest to do so in its sole and complete discretion.

Availability of the EDIR:

This Rider will be self-renewing and available until the maximum system peak is within 15% of the HBPW's total generating resources. The HBPW will calculate the availability by comparing the Projected Maximum System Demand to the highest Average Seasonal Output. Whenever the Projected Maximum System Demand is lower than the highest Average Seasonal Output, the EDIR option will be available. The System Requirement Analysis will be available by December 15 each year for the following year. Customers utilizing the EDIR will not be affected.

Participation by the customer is voluntary and available at the sole discretion of the HBPW.

RULES AND REGULATIONS:

The Economic Development incentive Rider is subject to the Holland Board of Public Works Rules and Regulations. HBPW reserves the right to amend the agreement upon notice to its customers.

The HBPW agrees, that prior to making any such decisions regarding the reduction in term, revocation of an EDIR, or the repayment of the discount, it will consider any and all reasons submitted by the Company as to why such action should not occur.

The Company will be required to remain current in payment of all HBPW utility bills. If the account under which the EDIR Rider becomes delinquent, the HBPW may, at its option, remove the customer from the EDIR Rider, in which the case all future discounts will be forfeited.

In the event that the HBPW requires repayment of the discount pursuant to the Terms and Conditions, the HBPW may take such action, at law or equity, as it deems appropriate including recording a lien on any property owned by the Company pursuant to the applicable law. The amount of the discount to be repaid shall be a lien under Michigan Law and the HBPW shall have the right to enforce the lien. The HBPW shall be awarded its reasonable costs and attorney fees in enforcing the Terms and Conditions.

In the event any term or condition is deemed unlawful or unenforceable, such term or condition shall be deemed severable and the remaining terms and conditions shall be given full force and effect.