

**MINUTES OF THE APRIL 12, 2010 MEETING OF THE ENERGY COMMITTEE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Energy Committee (the “Committee”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held its regularly scheduled meeting via teleconference at 1:30 p.m. on April 12, 2010 originating from the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

**Members participating via telephone:**

1. Dr. Roger D. Herrin, Chair
2. Michael W. Goetz
3. Bradley A. Zeller
4. Roger Poole
5. John “Jack” Durburg
6. Ronald E. DeNard

**Members absent:**

1. James J. Fuentes

**Visitors:**

Geoff Culm, Bank of America  
Ty Miller, Schneider Electric  
Katie McClain, CCI  
Jeff Johnson, Museum of Science and Industry

**Staff Members Present:**

Chris Meister, Executive Director  
Pam Lenane, Vice President and Acting General Counsel  
Kara Boulahanis, Project Coordinator & Asst. Secretary  
Steve Trout, Vice President  
Marnin Lebovits, Senior Funding Manager  
Kim Du’Prey, Senior Funding Manager

*Call to Order*

Committee Chair Dr. Herrin called the meeting to order at 1:35 p.m. with the above members and guests present.

*Approval of Minutes*

The minutes from the Energy Committee meetings held on March 8, 2010 were reviewed. Mr. Zeller motioned for approval of the March 8, 2010 Energy Committee minutes and Mr. Poole seconded that motion. The minutes of the March 8, 2010 Energy Committee meetings were unanimously approved by the Committee.

*Projects*

**Agenda Item IV (a): U.S. Department of Energy (USDOE) Financial Institution Partnership Program**

Director Meister informed the Committee that the IFA had received a favorable response from the USDOE regarding the Authority’s application under the Financial Institution Partnership Program for Development Finance Organizations. The response stated that the USDOE had determined that the IFA appeared to be qualified to submit projects and that USDOE looked forward to reviewing any project applications IFA wished to submit. Of the 27 applications USDOE received, only 5 to 6 agencies received such a letter.

**Agenda Item IV(b) USDOE Retrofit Ramp-Up Program**

Director Meister Presented in accordance with the Committee Report.

**Agenda Item IV(c): Federal Blender’s Credit for Biodiesel**

Director Meister presented in accordance with the Committee Report.

**Agenda Item IV (d): IPA Procurement Process**

Director Meister informed Committee Members of the timeline for the upcoming IPA procurement process for renewable energy sources.

**Agenda Item II (a): Energy Efficiency Program Guidelines**

Mr. Lebovits presented the Energy Efficiency Program Guidelines in accordance with the Committee Report. Director Meister asked Mr. Lebovits to present to the Committee the changes that had been made since the previous draft. Mr. Lebovits explained that the fee structure has been retooled to a straight percentage fee, based on the outstanding amount of the loan, instead of a fee based on the savings incurred due to the moral obligation wrap. He stated that information regarding required warranties and/or insurance products was added as well to help eliminate any risk the IFA may face.

Director Meister asked the Committee for a resolution to ratify the changes from the previous version and to recommend approval of the Energy Efficiency Guidelines to the Board. Mr. Goetz asked that Director Meister please include the responsible contractor requirements developed by fellow State Agencies that frequently procure contractors in the procurement bulletin for qualified energy service contractors (ESCOs). A brief discussion of the types and numbers of ESCOs ensued.

Director Meister noted that in a traditional conduit deal, IFA's borrowers assemble their own finance teams but due to the unique nature of this type of financing and the importance of utilizing a reliable ESCO, the IFA will be procuring ESCOs that borrowers may choose from.

Mr. Goetz motioned for the adoption of a resolution to ratify the changes from the previous version and to recommend approval of the Energy Efficiency Guidelines to the Board. Mr. Poole seconded that motion and it passed unanimously.

**Agenda Item IV (f) v: Museum of Science and Industry (MSI)**

Mr. Steve Trout presented in accordance with Committee Report. Mr. Trout noted that copies of both the preliminary and final energy audit conducted by Schneider Electric of the MSI would be made available to the Committee Members.

Mr. Ty Miller, of Schneider Electric, explained that the energy audit indicated between \$2.5 and \$3.8 million in energy efficiency retrofits meeting MSI's qualifications. He noted that the next phase would be an investment grade audit.

Dr. Durburg asked Mr. Miller to describe Schneider Electric's history with this sort of financing. Mr. Miller explained that Schneider Electric had completed 1000s of projects backed by their own guarantee and well over 95% of those projects met the energy savings targets predicted.

Director Meister noted that the next step will be review by the Credit Committee and then the Energy Committee and the full Board. He thanked all of the guests for attending the meeting.

**Agenda Item V (a) i: White Oak Wind, LLC**

Mr. Lebovits presented in accordance with the Committee Report

**Agenda Item V (a) ii: Big Sky Wind, LLC**

Mr. Lebovits presented in accordance with Committee Report.

**Agenda Item V (a) iii: Bishop Hill Energy, LLC**

Mr. Lebovits presented in accordance with Committee Report.

**Agenda Item V (c) i: Marseilles Land & Water**

Mr. Lebovits presented in accordance with Committee Report.

**Agenda Item V (f) iii: Cinespace**

Mr. Lebovits shared with the Committee that a major capital commitment had been secured by the project developers shortly before the meeting. He then presented in accordance with the Committee Report.

**Agenda Item V (f) iv: Harper Court**

Mr. Lebovits presented in accordance with the Committee Report

**Agenda Item V (b) i: FutureGen**

Director Meister presented in accordance with the Committee Report.

**Agenda Item V (b) ii: Southern Illinois Power Cooperative**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (b) iii: Eagle River Coal**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (d) i: Biofuels Manufacturers of Illinois**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (d) ii: Blue Northern**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (d) iii: BioPro**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (d) iv: Illinois River Energy**

Mr. Trout presented in accordance with the Committee Report.

Dr. Herrin stated that he would like to take this project under serious consideration and would like to ask them to present to the Committee as soon as they feel prepared. He shared with the Committee that this project would generate 190 jobs over an 18 to 24 month period of time and would create 18 permanent jobs.

**Agenda Item V (e) i: Biogas Energy Solution**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (f) ii: Rain CII**

Mr. Trout presented in accordance with the Committee Report.

**Agenda Item V (f) ii: EM Properties, LTD/Hotel Pere Marquette**

Dr. Herrin stated that he had received a call from Mr. Matthews before the meeting and Mr. Matthews has relayed that the City of Peoria requested an additional feasibility study for the project. Mr. Matthews stated that the very preliminary reports seemed favorable and he would forward the final version as soon as it became available.

**Agenda Item 6: Upcoming Conferences**

Director Meister shared with the Committee that the IFA may have a joint booth with DCEO at the American Wind Energy Association's Conference in Dallas, TX in late May. The IFA was awaiting a decision from DCEO. Director Meister noted for the Committee that Mr. Bob Westover has been appointed IFA's contact for wind and renewable supply chain projects to DCEO.

Director Meister added that Chairman Brandt had made suggestions regarding conferences that will have underwriters, bankers and developers the IFA could target

**Agenda Item 7: Other Business**

Dr. Herrin noted that several members of the Board have brought up the consideration of additional staff. He added that he would like to encourage Director Meister to proactively recruit talent for the energy initiative.

*Closing Remarks and Adjournment:*

Mr. Goetz made a motion to adjourn. Dr. Herrin seconded that motion. The motion carried unanimously. The meeting was adjourned at 3:37 p.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary