

Approved by the Board of Trustees
November 16, 2017

PEI 2

Board Meeting
November 16, 2017

AMEND AGREEMENT WITH PRAIRIELAND ENERGY, INC.

Action: Amend the Energy Commodity Procurement Services Agreement Between the Board of Trustees of the University of Illinois and Prairieland Energy, Inc.

Funding: No New Funding Required

The University procures energy commodity and related energy services from market sources through Prairieland Energy, Inc. (“Prairieland”), a university-related organization. Prairieland was authorized by the Board of Trustees of the University of Illinois (“Board”) in September 1996 to provide low-cost energy for the benefit of the University and others. It provides an efficient vehicle for flexible, nimble, and real-time participation in wholesale energy markets, resulting in cost savings and other benefits to the University.

At its November 2014 meeting, the Board approved a Memorandum of Understanding (“MOU”) and an Energy Commodity Procurement Services Agreement (“PSA”) which are the operating agreements between the Board and Prairieland. The MOU focuses on defining the roles and responsibilities of each party. The PSA specifies the terms and conditions related to the purchase and sale of energy commodities between the parties. The PSA has been amended to better reflect the roles and responsibilities of

each party and current operations. To avoid redundancy, necessary provisions from the MOU have been incorporated into the amended PSA. It is recommended that the amended PSA be approved to replace the existing MOU and PSA. Accordingly, the Interim Vice President/Chief Financial Officer and Comptroller recommends approval of the proposed amended PSA.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.