

Approved by the Board of Trustees
September 19, 2019

PEI 2

Board Meeting
September 19, 2019

APPROVE POWER PURCHASE AGREEMENT FOR SOLAR FARM 2.0 AT URBANA-CHAMPAIGN

Action: Approve Power Purchase Agreement for Solar Farm 2.0 at Urbana
Champaign

Funding: State and Institutional Funds

The University procures energy commodities and related energy services from market sources through Prairieland Energy, Inc. (“Prairieland”), a University-related organization. In September 1996 the Board of Trustees established Prairieland to provide low-cost energy for the benefit of the University and others. Prairieland 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. The Board of Trustees at its September 27, 2018, meeting authorized Prairieland to enter into power purchase agreements (PPAs) for investment in and sourcing of sustainable energy with a term not to exceed 20 years.

Prairieland conducted a Request for Proposal (RFP) to select a vendor to develop Solar Farm 2.0 at Urbana-Champaign. The selection committee reviewed 19 vendor proposals and based on technical criteria and total project cost selected Sol Systems, LLC. This bid will provide significant costs savings as compared to other vendor bids and as compared to purchasing energy in the market. The commodity cost of

\$45.99/Megawatt hour (MWh) is significantly less than the average Fiscal Year 2018 delivered power cost of \$62.89/MWh, and represents a savings of approximately \$200,000 per year. The total contract value of \$20,143,045 was \$5,875,823 lower than the next lowest bid.

Accordingly, the Chancellor, University of Illinois at Urbana-Champaign, and Vice President, University of Illinois recommends approval of the vendor selection and the Prairieland Board recommends that the Board of Trustees, as the Sole Member of Prairieland, approve Prairieland to contract with Sol Systems, LLC at a contract cost of \$20,143,045 for a 20-year term

The 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.

Accordingly, the Vice President/Chief Financial Officer and Comptroller concurs with this recommendation.

The President of the University recommends approval.