

Approved by the Board of Trustees  
September 27, 2018

# PEI 3

Board Meeting  
September 27, 2018

## AMEND THE ENERGY COST MANAGEMENT POLICY

**Action:** Amend the Energy Cost Management Policy

**Funding:** No New Funding Required

The Board of Trustees (“Board”) at its March 2009 meeting approved the *Energy Cost Management Policy* (“Policy”) and later approved subsequent amendments to this Policy at its September 2010, December 2011, September 2014, May 2016, and November 2017 meetings. This Policy provides a risk management strategy for minimizing the price risk associated with procuring energy commodities to facilitate reliable budget planning. It provides authority for Prairieland Energy, Inc., (“Prairieland”) an Illinois corporation authorized by the Board in September 1996 to procure natural gas and electricity on a rolling, forward-looking, 10-year basis. This is adequate for meeting operational needs, but is not a sufficient period for making investments in and sourcing of sustainable energy.

The Public University Energy Conservation Act (110 ILCS 62/) allows for investment in energy conservation measures with energy related cost savings achieved within a 20-year period. Energy savings may include energy reduction and offsetting

sources of renewable energy. To facilitate University investment in and sourcing of sustainable energy, it is recommended by the Prairieland Board of Directors that the Policy be modified to allow Prairieland to be authorized to enter into power purchase agreements for investment in and sourcing of sustainable energy with a term not to exceed 20 years.

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.

Accordingly, the Vice President/Chief Financial Officer and Comptroller recommends adoption of the proposed policy modification.

The President of the University concurs.