

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

Facilities & Services

Physical Plant Service Building
1501 South Oak Street
Champaign, IL 61820



Ben McCall, Chair
iCAP Working Group
1101 West Peabody

September 12, 2014

RE: EG001

Ben,

This letter is in response to the Illinois Climate Action Plan (iCAP) Working Group (iWG) recommendation #EG001, which Facilities & Services (F&S) received on August 28. F&S agrees that the campus should investigate the feasibility of entering into a Wind Power Purchase Agreement (PPA) to increase the use of renewable energy for campus.

Regarding the EG001 general statements about campus energy use, data points, and assessments of anticipated financial impacts, F&S will need more time to compile a useful response. Regarding the three specific EG001 recommendations, I have consulted with Al Stratman, Kent Reifsteck, and Mike Larson to provide the responses below.

1. Recommendation: *"The campus should undertake a Power Purchase Agreement for wind energy. Based on currently available information, we recommend that the amount be at least 119 million kWh per year (25% of our total electrical usage), but we should aim to purchase as much as we possibly can, given any technical, financial, and contractual constraints."*

From this recommendation, we understand that the iWG recommends entering into a Wind PPA for at least 25% of the FY15 electrical demand. However, the campus cannot make an informed decision about whether or not to undertake a PPA until the financial impact is fully understood. A key component of the financial impact is the fully burdened cost of the purchased wind power, which will not be known until after the successful completion of the Request for Proposal (RFP) process. Therefore, F&S does support pursuing a PPA so the feasibility can be evaluated, but we do not support making a final decision to undertake a PPA until completely evaluating the financial implications.

2. Recommendation: *"The effort to secure a PPA should be pursued as quickly as possible. The campus should inform PEI that this is a top priority, and that the review of RFI submittals and the issuance of the RFP should be expedited by all necessary means."*

During this summer, F&S worked with PEI to define a schedule for issuing a Request for Information (RFI) and a subsequent Request for Proposals (RFP). This schedule shows a completion date of April 2015, so that the PPA could commence with delivery of power on July 1, 2015, at the start of FY16. We have informed PEI that this is a top priority, along with safety and reliability of the overall campus energy system.

3. Recommendation: *"The iCAP Working Group should be kept informed and advised during the process of pursuing the RFI, RFP, and PPA, and given the opportunity to provide recommendations before key decisions are made about the PPA, to ensure that technical and financial considerations are appropriately balanced with our campus sustainability objectives."*

F&S values the advice and input from sustainability advocates on campus. Therefore, we suggest developing a set of interim checkpoints for keeping the iWG informed as the process unfolds.

To meet our Climate Commitment and achieve carbon neutrality, there is a lot of work that needs to be done. I look forward to working with the iWG and the SWATeams as this recommendation is pursued.

Sincerely,

Morgan B. Johnston

Morgan B. Johnston
Associate Director of Sustainability, F&S

Cc: Al Stratman
Kent Reifsteck
Mike Larson
iCAP Working Group