

MINUTES OF THE JUNE 7, 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 June 7, 2010 originating from the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

Members participating:

1. Dr. Roger D. Herrin, Chair
2. Michael W. Goetz

Members Via Phone:

3. Jack Durburg
4. Roger Poole
5. Bradley Zeller

Members absent:

1. Ronald Denard
2. Jim Fuentes

Visitors:

Dave Streicker, Holland & Knight

Staff Members Present:

Chris Meister, Executive Director
Pam Lenane, VP and Acting General Counsel
Marnin Lebovits, Senior Funding Manager
Steve Trout, VP and Senior Funding Manager

1) Call to Order

Committee Chair Dr. Herrin called the meeting to order at 1:36 p.m. and the roll call was taken by Secretary Beverly Womack-Holloway with the above members and guests present.

2) Review and Approval of Minutes

The minutes from the Energy Committee meetings held on May 3, 2010 were reviewed. Mr. Zeller motioned for approval of the May 3, 2010 Energy Committee minutes and Secretary Beverly Womack-Holloway was asked to take a roll call vote by Director Meister. The minutes of the May 3, 2010 Energy Committee meetings were unanimously approved by the Committee.

3) Committee Action Required

a) Illinois River Energy (IRE)

Mr. Trout presented the project in accordance with the Committee Report. A brief discussion followed but no substantive concerns were raised.

Dr. Herrin took the opportunity to explain that the Committee must balance the creation of jobs against the financial risk incurred by the State for any project. He stated that the Committee Members weighed these very seriously for each project before making any determinations. A roll call vote for approval was requested by Director Meister and Secretary Beverly Womack-Holloway asked for the roll-call vote. All Committee members were in favor of approval to recommend this project to the Board.

b) Museum of Science and Industry – Request for \$1.94 Million in State Moral Obligation

Director Meister asked for a verbal overview by Dr. Herrin to which Dr. Herrin stated in accordance with the Committee Report. A brief discussion followed and it was decided by the

Committee that there would be no approval of this project until IFA received additional answers from the bank. Dr. Herrin stated that this was to be noted.

c) REG Danville - Request for Consent to a Fourth Amendment of the Loan Agreement

Director Meister let the Committee know that this project was on the agenda for discussion purposes only and would not be approved at this meeting. Director Meister then asked Marnin Lebovits to present the project in accordance with the Committee Report. A brief discussion followed and all concerns were noted.

4) Program Updates

(a): Energy Efficiency Program

Director Meister presented the project in accordance with the Committee Report. A brief discussion followed but no substantive concerns were raised.

(b): IPA Power Procurement Process

Director Meister presented the project in accordance with the Committee Report. A brief discussion followed but no substantive concerns were raised.

(c): Renewable Energy Program Fees

Mr. Lebovits presented the project in accordance with the Committee Report. A brief discussion followed but no substantive concerns were raised.

5) Project Status Update

(a): Wind: White Oak in progress; re-debt should be coming.

(b): Coal/Clean Coal: Nothing to report

(c): Hydroelectric: Nothing to report

(d): Biofuels: State moral obligation as a \$142M project. It came back with \$78MM. Wanting lesser amount and putting IFA in 2nd position. Dr. Herrin wants to mitigate the IFA position of being 2nd. Striecker let us know that William Blair is on this project. Mr. Herrin let it be known he wants IFA in 1st position.

(e): Methane Gas: Nothing happening at this time

(f): Solar: Waiting for information

(g): Energy Efficiency: Movie theatre has gone silent. Pere Marquette wants to talk in July. Harper's Court is waiting to hear something.

6) *Conferences*

Director Meister and Mr. Lebovits attended the AWEA Conference in Dallas. Mr. Lebovits met with approximately 20 wind developers and added new projects to the IFA pipeline.

7) *Other Business*

None

8) *Closing Remarks and Adjournment*

Mr. Zeller made a motion to adjourn. Mr. Poole seconded that motion. The motion carried unanimously. The meeting was adjourned at 2:40 p.m.

The Committee was told that the August 10th Board Day would be held in Springfield.