

INTERGOVERNMENTAL COOPERATION AGREEMENT
BETWEEN THE CITY OF SPRINGFIELD, ILLINOIS,
AND THE STATE OF ILLINOIS

This Intergovernmental Agreement (“Agreement”) is entered into between the State of Illinois’ Department of Central Management Services (“CMS”) and the City of Springfield (“City”), pursuant to the Intergovernmental Cooperation Act (5 ILCS 220).

1. The City owns and operates an electric generation, transmission and distribution utility, and provides electric utility service.
2. The State of Illinois has joined the Chicago Climate Exchange and has committed to reduce Greenhouse Gas (“GHG”) emissions from State buildings and vehicles.
3. CMS purchases electric utility services from the City for numerous State-owned and State-leased facilities located within the City’s service area.
4. On November 10, 2006, the Council of the City of Springfield enacted “An Ordinance Directing the City of Springfield Office of Public Utilities to Promote Renewable Energy to Include Wind Power (No 721-11-06),” by purchasing at least 120 MW of wind capacity under a Power Purchase Agreement.
5. The City issued a Request for Proposals for its purchase of wind generated energy in the fall of 2006, and the City received a substantial number of competitive responses which were evaluated by the City.
6. On June 6, 2007, the City entered into a Power Purchase Agreement with FPL Energy Hancock County Wind, LLC (“Hancock County PPA”) for the purchase by the City of 20.97% of the energy associated with the total capacity of the seller’s facility (97.68 MW) commencing on July 1, 2007, for a term of ten (10) years.
7. On June 6, 2007, the City also entered into a Power Purchase Agreement with Osceola Windpower, LLC (“Osceola PPA”) for the purchase by the City of 100% of the energy associated with the total capacity of the seller’s facility (100 MW) commencing on January 1, 2009 or upon such earlier date that Osceola Windpower, LLC is able to commence deliveries as provided in said PPA, for a term of ten (10) years. On September 30, 2008, Osceola Windpower, LLC, assigned its interest in the Osceola PPA, to an affiliate, Crystal Lake Wind, LLC, which on October 24, 2008, provided notice that service would commence under the Osceola PPA on November 24, 2008, and on December 2, 2008, the City and Crystal Lake Wind, LLC, entered into a Restated and Amended Power Purchase Agreement (“Crystal Lake PPA”) to replace the Osceola PPA to reflect the new seller, for the purchase of 66.67% of the energy associated with the total capacity of the seller’s facility (150 mw), for a term of ten (10) years.

8. CMS and the City agree as follows:
- a. CMS agrees to designate all customer service locations under its administrative control, that are currently electric customers of the City and any new customer service locations, subsequent to the date hereof, that are also under the administrative control of CMS, as recipients of wind energy purchased by the City pursuant to the Hancock County PPA beginning July 1, 2008, and as recipients of wind energy purchased by the City pursuant to the Crystal Lake PPA when the City commences to take deliveries thereunder to such an extent that 100 percent of the energy delivered by the City to such customer service locations shall be deemed to be generated by wind generation sources. Attached as Exhibit A is a listing of the existing locations and accounts of the City's electric services customers that are State locations under the administrative control of CMS as of the date hereof.
 - b. As consideration for the City designating the customers described in subparagraph (a), above, as recipients of energy generated from wind resources, CMS agrees to pay in addition to the regular electric charges attributable to each of said customers a wind energy surcharge of \$0.0193 per kwh of metered electric consumption for each customer effective on July 1, 2008. This surcharge shall increase by four (4) percent beginning July 1, 2009, and by an additional four (4) percent each July 1 thereafter for the term of this Agreement, which calculations shall be rounded up or down to the nearest 1/100 of one cent (0.0001). Except for this surcharge, all accounts covered by this Agreement shall otherwise be covered by the City's applicable rate schedule and its terms and conditions as is applied by the City to each account.
 - c. CMS's participation in this Agreement will support the acquisition of energy from renewable wind sources under both the Hancock County PPA and the Crystal Lake PPA. The availability of wind energy to be delivered under these PPAs may vary from time to time and is dependent upon weather conditions, force majeure conditions, or curtailment, as a result of actions for which the City is not responsible. The energy shall be delivered to the electric transmission grid at the Delivery Point specified in each PPA, when the weather and operational conditions are favorable for the generation of wind energy. The City shall, at all times, maintain reliable service to CMS accounts. CMS recognizes that there may be periodic shortfalls of wind energy available to be designated as purchased for CMS during the term of this Agreement. At any given time, this could prevent 100 percent of the energy delivered to such customers hereunder from being designated as wind energy. However, over time, the City shall endeavor to allocate such amount of wind energy to the CMS customers for 100 percent of the energy consumed by such CMS customers during the term of this Agreement.
 - d. The City will provide CMS with an annual report, beginning on July 1, 2009 and each July 1 thereafter, which will reflect for the previous twelve months, (a) the total electrical consumption for each customer location covered by this Agreement on a

kwh basis, (b) the total amount of kwh's that such energy is attributed to be generated from a wind energy source, pursuant to either the Hancock County PPA or the Crystal Lake PPA and purchased by the City thereunder and (c) the total number of kwh's purchased by the City under the PPAs. The report shall also include an estimate of the total number of GHGs, which were not emitted and thus avoided by CMS's participation in this Agreement and the wind energy deemed to be purchased by CMS hereunder, which shall be reported in terms of carbon dioxide emissions equivalent or tons of CO². This report shall be delivered to CMS.

The City shall deliver this report within thirty (30) days after July 1 of each year or within 30 days after the termination of this Agreement, as provided in paragraph 9, below, for any partial period after which such termination occurs.

- e. If the City does not purchase wind energy equal to 100 percent of the energy consumed by CMS accounts covered by this Agreement and for which CMS has agreed to pay the surcharge described in subparagraph (b) above, the City shall issue a credit to CMS. The credit shall be determined on an annual basis covering the July 1-June 30 period for every year of this Agreement and shall equal the surcharge paid by CMS during the period for every kwh the City was unable to purchase as wind energy but was billed as wind energy to CMS accounts. The City shall annually credit such amount of surcharges, on a pro rata basis, to each individual account under CMS's administrative control after such determination is made but no later than 60 days after June 30th of every year of this Agreement.
- f. The City will deliver, assign, allocate and allow transfer to CMS the ownership rights to wind Renewable Energy Credits (RECs) equivalent to the amount of wind energy designated as provided to the CMS accounts pursuant to this Agreement and received by the City pursuant to either or both the Hancock County and Crystal Lake PPAs. CMS will receive one REC for every 1000 kwh or 1 mwh of wind designated as provided pursuant this agreement. RECs will be provided to CMS within 60 days of the annual report specified in subparagraph (d), above, which report will reflect the kwh usage for the RECs to be provided. Ownership rights include, but are not limited to, the right or authority to RECs earned by the purchase of wind energy pursuant to this Agreement for CMS to own, register, hold and manage in the name of CMS or the State of Illinois.
- g. The City further agrees that at the request of CMS, it will work cooperatively to assist CMS customer locations in identifying and evaluating energy conservation and efficiency programs sponsored by the City for the customer locations covered by this Agreement to reduce the electrical consumption utilized at such locations. Such programs currently include insulation rebates, heat pump rebates, water heater rebates, and technical assistance reviews for lighting, HVAC or weatherization, and could potentially include programs yet to be implemented by the City in the area of roofing enhancements, lighting rebates, window film applications, peak load shifting, and refrigeration equipment replacement. Additionally, the City agrees to

make available between July 1, 2008, and December 31, 2015, up to \$1.86 million through such programs. It is the intent hereof that this commitment of the City will be fulfilled in the following manner. The City agrees to reserve and make available through the above described programs for such CMS customers covered by this Agreement the amount of \$180,000 the first year of the Agreement, and then \$90,000 per year beginning in 2009 through 2010, and from 2011-2015, an amount of \$300,000 per year of the one million dollars generated by the city's Wholesale Sales Environmental Set-Aside for energy efficiency and demand side management programs, and if such total revenues are not realized for such purposes then 30 percent of the amount realized for such purposes from said Set-Aside. If the amount so reserved for any year is not utilized by CMS customers during that year, the amount of such remainder shall be rolled over by the City and added to the amount otherwise to be reserved for the next year. For purposes of this paragraph, "year" shall mean the City's fiscal year that comprises the greater portion of the comparable calendar year through 2015. For example, the contract year beginning July 1, 2008, is actually beginning in the City's fiscal year 2009.

9. Availability Of Appropriation (30 ILCS 500/20-60(b)). CMS shall use its best efforts to secure sufficient appropriations to fund this Agreement. However, CMS's obligations shall cease immediately, without penalty or further payment being required, if the Illinois General Assembly or federal funding fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason. CMS shall notify the City if sufficient appropriations are not attained to fund this Agreement.

10. Records Retention. The City shall maintain, for a minimum of three years after the completion of the Agreement or for a longer period if required by applicable laws and regulations, all records and supporting documents created pursuant to the Agreement. Those records shall be available for review and audit by CMS and the Auditor General of the State of Illinois. In the event the City is subject to specialized records retention requirements, the City shall advise CMS of such requirements in writing.

11. Laws of Illinois. This Agreement shall be governed in all respects by the laws of the State of Illinois.

12. Amendments. This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be in writing and fully executed by the parties.

13. Multiple Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered to be one of the same Agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

14. Term. The term of this Agreement shall be from July 1, 2008, and shall continue until June 30, 2018, unless otherwise terminated by CMS, pursuant to paragraph 9, above.

IN WITNESS WHEREOF, the State of Illinois and the City of Springfield caused this agreement to be executed by duly authorized representative of the respective parties on the dates shown below.

State of Illinois

By _____
Governor

Central Management Services

By _____

Its _____

Dated _____

City of Springfield

By _____

Its _____ Mayor

Dated _____