Committee Members Present:

<table>
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<th>Committee Members Present:</th>
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<tr>
<td>Rachael Bisnett</td>
<td>Libby Hill</td>
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<td>Thomas Carey</td>
<td>Victoria Hutchen</td>
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<td>Tom Cushing</td>
<td>X Joe Jaskulski</td>
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<td>Jack Darin</td>
<td>X Nathan Kipnis</td>
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<td>Deanna Dworak</td>
<td>X Diego Klabjan</td>
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<td>Joel Freeman</td>
<td>X Kristin Landry</td>
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<td>Kevin Glynn</td>
<td>Richard Lanyon</td>
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* Committee Co-Chair

Staff Present:
Catherine Hurley, Sustainable Programs Coordinator

1. CALL TO ORDER / DECLARATION OF QUORUM
A quorum being present, Sustainable Programs Coordinator Catherine Hurley called the meeting to order at 6:35 pm.

2. APPROVAL OF MEETING MINUTES
Minutes from the meeting on March 24th were approved by the members present.

3. COMMITTEE REPORTS
Co-Chair Nicolai Schousboe welcomed the group and stated that the first order of business would be for each of the working groups to present their draft findings from the review of the Request for Information (RFI) from each of the two respondents which were Mercury Wind (Mercury) and Off Grid Technologies (Off Grid). The intent is that the working group reports will be finalized by May 8th and this meeting is an opportunity to provide feedback to each of the groups on their initial findings.

A. Project Siting and Size of Facility
Tom Cushing, Tom Carey, Nate Kipnis, Nicolai Schousboe and Bill Wagner made up the working group responsible for focusing on the Project Siting and size of facility. Present members provided a summary of their review of the two respondents to the RFI. In general, the working group stated that the two responses varied in detail and content; in most cases the Mercury response was more detailed and in some cases Off Grid did not respond to components of the RFI. In some instances the respondents made incorrect or unsupported assumptions, or failed to address certain questions altogether. In others, information outside the scope of the RFI was presented.

Both responses propose wind turbines located within the bounds of the site specified in the RFI. Mercury Wind’s response suggests a project with a capacity of between 100 and 250 megawatts using traditional vertical wind turbines. Mercury Wind’s response also concludes that a minimum capacity of 100 MW is necessary in order to achieve economies of scale for the project to be profitable. Mercury Wind’s response proposes a location seven to nine miles from shore.
Off Grid’s proposes the use of extremely large, horizontal turbines (at 10 MW per turbine) that represent a novel or emerging technology. Off Grid proposes an initial development of twenty such turbines that would fill 140 acres of the “796 acre offshore site” located seven miles from shore, with an initial capacity of 200 megawatts. Off Grid also estimates that the total 796 acre project area could ultimately accommodate one hundred 10 MW horizontal wind turbines, for a total potential capacity of 1,000 megawatts.

On the subjects of permitting and environmental assessments, both responses indicated that permits and site assessments will be required from various agencies, but neglected to identify them with specificity. There were also some instances where the respondents stated that no impacts would result from the project, such as impacts on boating, but no factual data was presented to support the statement.

The working group acknowledged that a deep water port would need to be utilized during the construction of this type of project and that the Evanston dock is not a deep water facility. In addition, the group stated that utilizing Evanston, Wilmette or Winnetka lakefront for industrial/construction purposes would dramatically alter the character of these locations. Waukegan, Port of Chicago, Gary and possibly sites in Michigan could be plausible port locations.

B. Technology and Equipment Sourcing

Deanna Dworak, Kevin Glynn, Kristin Landry and Tim Patton made up the working group responsible for reviewing the two RFI responses and considering those responses related to Technology and Equipment Sourcing. Present members of the committee summarized the findings of the working group. Both respondents had optimistic timelines for the project including a very short time frame provided for permitting.

Mercury recommenced using a very traditional wind turbine technology and Off Grid suggested using new technology. A question was raised as to whether there is even a prototype built for the wind turbine proposed by Off Grid. The working group reported that the information presented in the RFI response from Off Grid appeared to be computer generated graphics and did not include pictures of turbines that had been installed at any existing project locations. It was mentioned that the maglev technology is currently being considered for projects in China but there was also concern in the group that the turbine proposed by Off Grid was using rare earth metals.

In terms of equipment sourcing, a project would likely have the equipment parts transported via water and might not touch land until the point where they were being assembled.

C. Ownership of Facility and Operations & Maintenance

Rachel Bisnett, Joel Freeman, Diego Klabjan, Tim Schwartz and Fred Wittenberg made up the working group responsible for focusing on the evaluation of the RFI responses based on ownership of facility and operations and maintenance issues. Present members of the committee summarized the findings of the working group.
The first item mentioned by the working group is that the State of Illinois does not have a protocol set up to allow the leasing of the lake bed for development of offshore wind projects. Representative Gable has introduced a bill which is moving through the State Legislature. One question that was posed by the group is how does the City of Evanston currently have rights to the water intake structure and associated intake pipe?

Another ownership point discussed by the working group is that ComEd owns the interconnection point to the electrical grid. There is a formal process to request an interconnection with ComEd and several layers of studies are needed to complete this process. Neither of the two respondents to the RFI made mention of this process. It was mentioned that the ComEd Substation closest to the lakefront is not large enough to handle the power from the currently envisioned project (approximately 100 MW in size).

The question of required oversight was brought up and what required oversight would be needed. The Federal Energy Regulatory Commission was mentioned as a resource/potential player in the area of oversight.

The entity that purchases the power in the form of a Power Purchase Agreement (PPA) will be important to secure financing for a project of this size and the PPA will also determine where the reduction in carbon emissions can be calculated. Technically anyone connected to the electrical grid would buy the power generated from the wind farm but the energy would cost more the farther the energy would have to travel.

D. Role of the City of Evanston and Politics

Jack Darin, Victoria Hutchen, Richard Lanyon, Joe Jaskulski, Nicolai Schousboe, and Jeff Smith made up the working group responsible for focusing on the evaluation of the RFI responses based on the Role of the city of Evanston and political issues. Present members of the committee summarized the findings of the working group.

The working group concluded that both responses to the RFI addressed public affairs questions in the RFI incompletely, although the RFI itself could have been clearer and more comprehensive in some of its requests. The following words and phrases do not appear in the RFI: law, legal, regulation, lawsuit, litigation, politics, political, public opinion. Federal regulatory and intergovernmental aspects, though details are still in process, are fairly straightforward, and while time-consuming, should not pose an obstacle; indeed, the federal government may prove an important project resource.

The current lack of a state regulatory framework, and City lack of site control, is a barrier to moving forward and disincentive for serious project interest. City role in public affairs would have more dimensions than outlined by the two responding developers. Governmental leadership is key to progress on offshore wind, and, absent more persuasive explanation by respondents of their project economics, the information gleaned from the RFI responses suggests that governmental partnership of some form is probably required.

One area where the working group stated that the City could have the most influence is related to the interconnection point. If a substation was needed on land at the beach, this could be an opportunity for the City to help facilitate the identification of a location and access to the developer for the site.
Stakeholder outreach was mentioned as a very important step to determining the public support or lack thereof for this project. It was suggested that the City could help facilitate a public education and outreach effort to gauge the public interest and determine whether additional City resources should be spent to promote the project.

Because federal and state subsidies and funding opportunities typically require partners and/or municipal involvement, the City and/or governmental entity would likely need to be a partner in the development process. It was discussed by the working group that this type of project typically needs subsidies and/or incentives to make it financially viable.

Joe Jaskulski supplemented the group’s report with some additional feedback he received after making inquiries with his professional contacts at FPL (NextEra), Iberdrola, and Mainstream Renewable Power. A brief summary of the feedback he received from each contact is provided below:

- Contact at FPL (NextEra), which is considered the largest wind developer in North America, said that off shore wind does not make economic sense and that is why they were not interested in doing it. The project does not hold muster or meet the smell test for our capital and G&A. Contact said that he did not know of the RFI but would have ignored it because we do not see offshore wind as a near or medium term vehicle for investment that makes sense. The contact stated that much of the press that gives off shore wind projects attention in the mid-Atlantic and East Coast areas is driven by politics, media and smaller developers who mistake getting ink in the press for having a good business idea/plan. Short answer: off shore wind is a 18-24 cent/kwhr product. Higher if a smaller project (i.e. 25-50 MW). Large financial decisions and large dollar deposits are needed too early in the process to make it viable too. Many of the proponents of it are “two guys and an Avis car” developers. (or perhaps, “two guys and a dingy”)

  Why would one spend millions, i.e. $5,000/kw when onshore is $1500-2000/kw (our former colleague Jim Gordon has now spent $45 million dollars just getting his permit on Cape Wind according to press reports for one 200-400 MW project). The wind is roughly the same (i.e. we have plenty of land based sites in the 35-50% NCF [Net Capacity Factor] range in the US. Offshore is 40-50% NCF too.

Cape Wind is still not credit worthy after all of these years, and to move forward and is in the market (again) looking for equity and financing. We will pass on it for many of the reasons above and several others. I respect his dedication to the effort, but from a customer point of view it is flawed fundamentally. No political entity is going to raise rates that much (and live with it for 20+years) just to do a project that costs this much at the end of the day.

Onshore wind can be done in the windier parts of the Midwest for 2 to 5 cents per kwhr, and delivered to Illinois entities for 4 to 5 cents these days, if built in Illinois. Why would one ever want to buy it in Lake Michigan for 4 or 5 times the cost, just so it is in or within the political boundaries of the buying entity (and can be seen in their locale?)?

- Contact at Iberdrola, considered largest wind developer in the world, said that he did read about but did not respond for the following reasons:
1) Too expensive (fixed cost to bring in equipment would be out-of-sight)
2) Too much personal capital involved (better return on people’s time for larger project)
3) Public exposure (no need to put Iberdrola’s name out there and take all the abuse for a small project)

- Contact at Mainstream Renewable Power, considered Europe’s largest off shore wind developer, said that they were aware of the City’s RFI but did not respond because they field the project was uneconomical. The contact did indicate that Illinois land-based wind energy could be purchased for around $0.05/kWh.

4. STAFF REPORTS

Catherine Hurley stated that the Wind Farm Committee was scheduled to present their findings to the City Council at a special meeting on June 20th. The summary document would need to be submitted to City Council the week prior to the meeting for their review.

5. UNFINISHED BUSINESS

None

6. NEW BUSINESS

A. Working Group Summary Document

Co-Chair Nicolai Schousboe asked that the working group chairs take the input and comments from the meeting and finalize their working group reports by May 8th. These reports should be sent to Catherine Hurley. The next step will be to create a summary document that highlights the key outcomes from the Committee’s work and reference the working group reports. A draft of this document will be distributed among the committee for comment and approval and finally presented to City Council.

B. Indiana Wind Farm Site Visit

Co-Chair Bill Siegfriedt informed the committee that he has planned out a trip for the committee to travel to Indiana to visit the Meadow Lake and Benton County Wind Farms. The idea would be to view the wind farms at several distances out including 7 miles and 5 miles. All members of the committee and interested citizens would be invited to attend with the cost covered by the City for committee members who would attend. The group would leave the Civic Center at approximately 3pm and return around 11:30 pm. After viewing the first project location in the afternoon the group would stop for dinner and then visit the second location after the sun goes down. Catherine Hurley will send out information on potential dates via e-mail and committee members are asked to promptly respond. The announcement will be made for the public to participate for those interested.
7. PUBLIC COMMENT

Public comments were provided by the following individuals:

Barbara Janes – 802 Colfax
Ms. Janes asked if the committee was suggesting to City Council that they should move forward with the project? She also inquired if it was in the committee's purview to recommend that City Council appoint a diverse committee to look at the question of whether or not the project should be pursued.

Carl Bova – 1322 Rosalie Street
Mr. Bova stated that he believed it was key for City Council and the community to be well informed. He suggests that reasonable questions should be developed and posed to City Council for their consideration.

Jeanne Lindwall – 625 Library Place
Ms. Lindwall stated that the discussion about the pricing implications was good and an important part of the discussion. She also stated that the other two important issues are how the power will get onto the grid and connected to the appropriate substation (Skokie) and what is the mechanism to protect the quality of Lake Michigan for example in the event of an oil spill?

Joan Rothenberg – 1575 Ashland
Ms. Rothenberg stated her concern about the environmental impacts of this project. Have the impacts been studied sufficiently and understood?

Andrew McGonigle – 2526 Princeton
Mr. McGonigle stated that he would like to see the financial, regulator and ownership issues as a preface for the City Council document and not stuck back in an appendix. He recommends that the committee provide City council with an informed set of ideas on the merit of what was received in the responses to the RFI. Mr. McGonigle stated that there is a fundamental issue that the top 3 developers due to cost. He further identifies the following questions that need to be answered related to the proposed off shore wind project: Who owns the electricity generated from the project? Who would be the purchaser of the energy? How would it benefit the residents of the City of Evanston? If the turbine parts are procured from another country, what would be the impacts on the carbon reduction of the project?

8. ADJOURNMENT
The meeting was adjourned at 8:45 pm.