

## **Memorandum of Agreement**

It is agreed by Tenaska Taylorville, LLC (the "Company") with the Hispanic American Construction Industry Association ("HACIA") that this Memorandum of Agreement memorializes their agreement with respect to a training program that the Company is committing to as part of the attached Economic Opportunity Policy Statement, as well as a 30-year scholarship program for disadvantaged minority students. This Memorandum of Agreement memorializes the convergence of the will of the parties and their collective intent to address the job readiness and employment needs of the Hispanic community in the State of Illinois.

It is the intent of the parties and agreed to by them that they will work as a cohesive unit to rapidly address the following FINDINGS:

- A) The U.S. Equal Employment Opportunity Commission requires reports from private employers and labor organizations on the composition of their work forces by sex and race consistent with the North American Industry Classification System Manual; and
- B) The State of Illinois has a compelling interest that a highly skilled and diverse work force be employed on private work projects to ensure lower costs over the lifetime of the completed projects for building, repairs and maintenance; and
- C) The State of Illinois has a compelling interest to increase the number of Hispanic workers employed in utility and energy production jobs in Illinois by private industries with at least 100 employees in light of statistics and data from the U.S. Equal Employment Opportunity Commission indicating a dearth of such employees.

The Company agrees through its commitments below to improve the opportunities for Hispanic workers to be represented in the construction phase in the workforce. In light of the foregoing FINDINGS, the Company agrees to fund \$1 million for training of members of disadvantaged minority groups during the construction of the Taylorville Energy Center. Such training will provide an array of opportunities focusing on the construction and operational jobs of the Taylorville Energy Center and other energy facilities.

It is further agreed that the training described herein will commence prior to the commencement of construction of the Taylorville Energy Center and that if the MWDBE Advocacy Council determines that the \$1 million pledged to fund training under the Economic Opportunity Program described in the attached Economic Program is not sufficient to provide effective training, the amount will be increased from \$1 million to an amount up to \$2.5 million.

It is additionally agreed that prior to the commencement of commercial operation of the Taylorville Energy Center an immediate annuity in the amount of \$30,000,000 will be purchased by the Company for the sole benefit of a trust that will administer and award educational scholarships fixed at \$1,000,000.00 per annum for each of the 30 years beginning with commercial operation. The trust will be overseen by a board upon which members of the Hispanic community will be represented. The annuity shall be purchased from one or more

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insurance companies maintaining an AAA rating from Standard and Poor's or the equivalent rating from A.M. Best or Moody's.

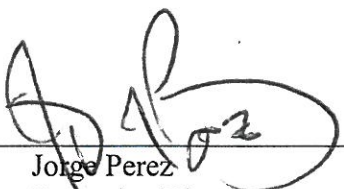
The Company and its affiliates acknowledge and embrace the importance of diversity in their workforce and management.

Finally, the Company agrees to establish and comply with the attached Policy Statement for the Taylorville Energy Center Economic Opportunity Program for Minorities, Women and Persons with Disabilities-Owned Business Enterprises, Workforce Inclusion, Training, and Educational Opportunities for Illinois Minority Students.

AGREED AND ACCEPTED:

Tenaska Taylorville, LLC  
By: Tenaska, Inc., its Manager

By:   
Barton D. Ford  
Vice President

By:   
Jorge Perez  
Executive Director  
HACIA

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September 2011

**TENASKA TAYLORVILLE, LLC**

**Taylorville Energy Center**

**Economic Opportunity Program**

**For**

**Minority, Women and Persons with Disabilities-Owned  
Business Enterprises**

**And**

**Educational Opportunities for Illinois Minority Students**

## **Policy Statement**

The Taylorville Energy Center (TEC) is committed to the goal of enhancing economic opportunities for minority-owned, women-owned and persons with disabilities-owned business enterprises (MWDBE) and assisting in providing educational opportunities for minority students.

TEC will be among the most environmentally responsible electric generating facilities in the world. It will help the United States achieve energy independence by allowing production of electricity from abundant coal reserves, while capturing and storing carbon dioxide (CO<sub>2</sub>). TEC desires to be a responsible business citizen in the State of Illinois, and as such will establish and implement a rigorous, progressive and innovative economic opportunity program.

TEC has adopted a policy of enhanced economic opportunity with respect to its own contracting and purchasing and will seek to assure that all of its contractors, subcontractors and vendors abide by the spirit and intent of this policy statement. TEC is committed to a comprehensive program of MWDBE development that will result in enhanced opportunity for such firms.

## **Economic Opportunity Program Overview**

Once the Project reaches financial close, in addition to investing \$3.5 billion in the State of Illinois and creating 2,500 construction jobs and hundreds of permanent jobs in the process, Tenaska has committed to developing and implementing the “TEC Economic Opportunity Program” (EOP) to provide economic opportunities for MWDBEs. In addition, TEC will provide opportunities for veterans. TEC equity owners are also committing \$1 million at financial closing to fund initiatives under this program. The EOP will consist of the following three components:

1. MWDBE Contracting Opportunities
2. MWDBE Capacity Building Initiatives
3. Minority and Women Workforce Development Programs

### **1. MWDBE Contracting Opportunities**

TEC will cultivate opportunities for enterprises owned by minorities, women and persons with disabilities utilizing the following strategies:

#### **A. MWDBE Contracting Goals**

Although the requirements of the Business Enterprise for Minorities, Females and Persons with Disabilities Act (30 ILCS 575) do not apply to the Taylorville Energy Center Project, TEC agrees to make a good faith effort to achieve the goal set forth in this Act of awarding not less than 15% by value of its prime contracts for construction to certified minority, female and persons with disabilities-owned business enterprises. The definition of minority, female and persons with disabilities owned businesses shall be as set forth in 30 ILCS 575, Section 2, paragraphs (3), (4) and (4.1) respectively (collectively “Minority/Women/Disabled Persons Business Enterprises (MWDBEs)).

In furtherance of this objective, TEC will include in the approximately \$1.4 billion in prime contracts for the construction of the Taylorville Energy Center provisions that obligate the general contractor to make a good faith effort to achieve a 15% (or approximately \$200 million) participation goal for MWDBEs for the scope of such contracts.

TEC will work in good faith to assure that not less than 75% of all contracts awarded to participating MWDBEs are minority-owned businesses as defined in 30 ILCS 575.

Good faith efforts will include:

- Developing and maintaining bidders’ lists of MWDBEs
- Ensuring that MWDBEs are included on bidders’ lists for every subcontract solicitation for products and services they are capable of providing;
- Ensuring that the reasons for not selecting any low bids submitted by MWDBEs are documented;

- Attending or arranging for the attendance of company representatives at Business Opportunity Workshops, Minority Business Enterprise Seminars, trade fairs, etc.
- Directly or indirectly counseling MWDBEs on subcontracting opportunities and how to prepare bids for the company;
- Maintaining adequate documentation including pre-bid quotations, pre/post award correspondence, lists of proposed contractors, executed contracts and an internal subcontracting plan that includes licensed MWDBEs in use, payments made and projected payments; and
- Ensuring prompt payments through actively monitoring progress estimate timeliness and correlating all pay applications submitted from each disadvantaged business.

TEC will work with the Illinois Black Chamber of Commerce and the Hispanic American Construction Industry Association to identify qualified minority business enterprises.

*B. MWDBE Advocacy Council*

TEC will convene an MWDBE Advocacy Council (MWDBEAC) to serve in an advisory role in the development and implementation of the EOP. The MWDBEAC will consist of representatives from Tenaska, Kiewit/Burns & McDonnell (KBMD) (the Engineering, Procurement and Construction contractor for the Project), and MWDBE advocacy organizations in Illinois. The MWDBEAC will play an important role in directing the expenditure of the \$1 million pledged to fund initiatives under the Economic Opportunity Program.

*C. MWDBE Outreach Conferences*

The EOP will host multiple MWDBE Outreach Conferences designed to introduce minority and women businesses and advocacy groups to the TEC project and the contracting opportunities for MWDBEs. The key buyers and leadership from the KBMD will also be present to discuss the project details and subcontractor requirements. The conferences will be held in Springfield and Chicago and will be open to all contractors.

## **2. MWDBE Capacity Building Initiative**

This initiative will consist of a range of services including those outlined below:

- A. Individualized One-On-One Management and Technical Assistance to MWDBEs*
- B. Assistance in the Development of Mentor/Protégé Relationships*
- C. Management Development Training in the form of Seminars/Workshops*

## **3. Minority and Women Workforce Development Program**

The EOP will include strategies to increase the number of minorities and women in the workforce. These strategies will include:

A. Internships for Technical Institutes/Trade Schools and College Students

B. Sponsorship of Labor Union Apprenticeship Outreach Programs

The initiatives discussed in numbers 2 and 3 above are not targeted to only those MWDBEs that might benefit from the Taylorville Energy Center project. Rather, they are designed to provide training and assistance that will lead to increased opportunities for minorities, women and disabled persons across the state of Illinois.

## **Financial Assistance for Minority Students Program Overview**

### **1. Funding for Scholarships for Minority Students**

During each year of the first 30 years of operation of the TEC, the equity owners of the TEC will contribute \$1 million to fund vocational and college scholarship programs for disadvantaged Illinois minority students, with the most disadvantaged groups to receive the most consideration for scholarships, and not less than 75% of the total amount of scholarships being awarded to disadvantaged African American students. The equity owners of the TEC will also contribute \$500,000 during each year of the first 30 years of operation of the TEC to fund a similar program for Hispanic students. These contributions will not be included as recoverable costs under the Sourcing Agreement and therefore will be borne by the TEC equity owners rather than the Illinois ratepayers. Prior to or at TEC's commencement of operation, TEC will purchase annuities that will provide the annual payments required for the first 30 years of operation of the TEC.