April 11, 2019

The Honorable Eric J. Holcomb
Governor of the State of Indiana
State House
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on April 12, 2019 the Purdue University Board of Trustees is expected to approve the lease of approximately one acre of land immediately west of the Wade Utility Plant on the West Lafayette campus to Duke Energy Indiana, LLC for a term of 35 years.

This is one portion of a larger project in which Duke Energy Indiana, LLC and Purdue University are partnering. Duke Energy will build, own and operate a new, 16 MW combined heat and power (CHP) plant that will produce both steam and electricity. Purdue will lease approximately one acre of land to Duke Energy for a 35 year term (the portion of the project captured in this request), purchase 100% of the steam produced by the new Duke Energy CHP Plant for 35 years (mentioned for awareness but does not require approval) and construct the needed infrastructure to connect the existing Wade Utility Plant to the new Duke Energy CHP Plant (sent in as a separate project submission).

Subject to final approval by the Purdue University Board of Trustees, review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this lease. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

[Signature]

William E. Sullivan
Treasurer and Chief Financial Officer

Attachments

c: Alecia Nafziger, Associate Commissioner and Chief Financial Officer, Indiana Commission for Higher Education
   Jason Dudich, Director, Indiana State Budget Agency
   Kathleen Thomason, Comptroller, Purdue University
   Anthony Hahn, Director, State Relations & Policy Analysis, Purdue University
LEASE TERM SHEET

Ground Lease to Duke Energy Indiana, LLC

Purdue University- West Lafayette Campus

Budget Agency Project Number: B-1-19-5-14

Project Summary and Description:

Purdue University proposes to lease one acre of land immediately west of the Wade Utility Plant to Duke Energy Indiana, LLC to build, own and operate a new, 16 MW combined heat and power (CHP) plant. The new Duke Energy CHP Plant will produce both steam and electricity. The steam will be purchased by the University and the electricity will go to the grid for Duke Energy customers.

Lease Parties:

Purdue University (Landlord)
Duke Energy Indiana, LLC (Tenant)

Lease Term:

From no later than the commencement of construction, for 35 years of operation of the CHP Plant, or earlier if the Steam Purchase and Sale Agreement is terminated prior to the end of the 35-year period

Space: Approximately 1 acre

Total Rent: $100 for the entire term