



**WELCOME
AND
INTRODUCTIONS**



- Batavia
 - Gary Holm – Director
 - Rahat Bari – Alternate

- Geneva
 - Aaron Holton – Director
 - Rich Babica – Alternate

- Rochelle
 - Jeff Fiegenschuh – Director
 - Blake Toliver – Alternate



- Consultants and Advisors

- Richard Heinemann – Legal Counsel – Boardman & Clark
- Elizabeth Zrelak – Secretarial and Administrative Services
- Dominick Lanzito – Advocacy – Van Buren Consulting
- Avant Energy
 - David Niles – Sr. Vice President – Accounting and Finance
 - Noah Hansen – Vice President – Energy Market Operations
 - Joe Fulliero – Vice President – Power Plant Operations
 - Oncu Er – Chief Operating Officer



NIMPA 101: FACTS ABOUT THE AGENCY



HISTORY



- Electric Service Customer Choice and Rate Relief Act of 1997
 - Separation of Generation, Transmission & Distribution
 - Exelon ownership of Generation
 - ComEd ownership of Transmission/Distribution
- ComEd no longer permitted to supply municipal utilities with full-requirement energy, transmission and distribution services



- Late 1990s / Early 2000s - Batavia, Geneva and Rochelle each independently began to plan for a transition away from ComEd
- The three communities desired to pool resources to achieve greater purchasing power and lower costs
- Communities did not want to relinquish local control of resource planning, rate making authority or administrative services



- Formation of NIMPA in 2004
 - Established as a municipal electric Joint Action Agency
 - Founding members - Batavia, Geneva, Rochelle and Geneseo
- Batavia, Geneva and Rochelle desired to pursue ownership of generation resources
- Geneseo chose to withdraw from the agency in 2005 based on their individual resource planning decisions



AGENCY STRUCTURE



- Established under Illinois Joint Municipal Electric Power Act
- NIMPA's Board consists of one Director and one Alternate from each member community
- Directors and Alternates are appointed by, and are directly accountable to, their respective community's Mayor and City Council.
- Agency has no staff members



- Project-based agency established to develop and administer specific projects for its member communities
 - Project creation, planning and development occurs only at the request of member communities
 - Member communities each have individual authority to pursue new projects
 - Communities can decide to participate in projects, or not
- Member communities retain local control of resource planning, rate making authority, and administrative services



- Unlike full-requirements agencies, NIMPA does not have long-term management contracts with its member communities.
- Member communities, following policies and direction established by their respective mayors and city councils, are responsible for administration and operation of their own individual utilities



- NIMPA is a public agency subject to Open Meetings Act and FOIA compliance
 - Responsive to citizen concerns
 - Improvements to agendas and meeting minutes
- Monthly regular business meetings open to the public
 - Meeting location rotates amongst member communities to ensure better access for all citizens



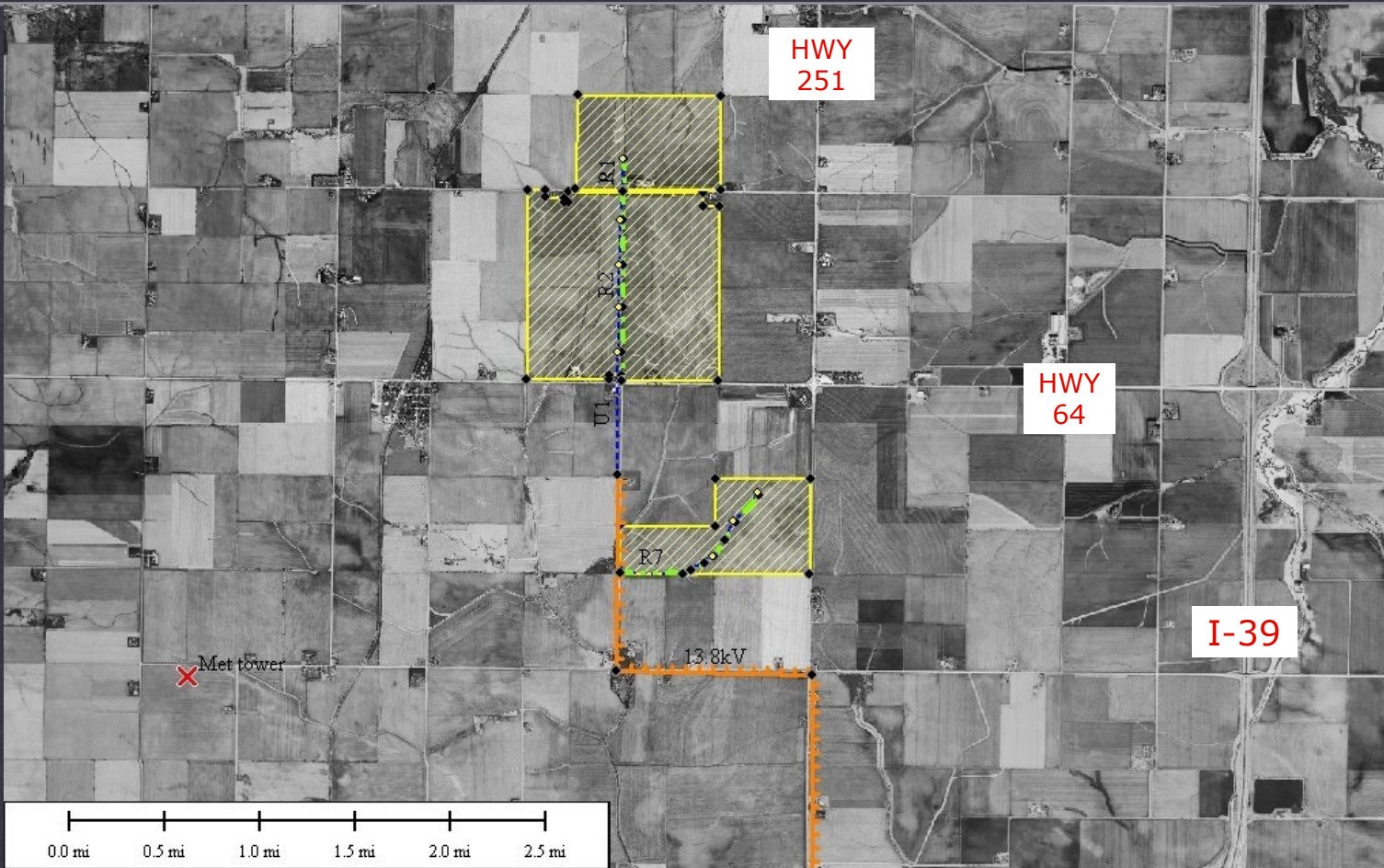
- Annual meeting held each October
 - Board officer elections – President, Vice President and Secretary
 - Annual budget approval
 - Monthly meeting calendar adoption
- NIMPA website – www.nimpaonline.org
 - Meeting calendar, agendas and meeting minutes
 - Annual audits and quarterly financials
 - Agency agreements and bylaws



PROJECTS



- 2008 – 2010: Eagle View Wind Generation
 - Batavia, Geneva and Rochelle established a project to jointly explore the feasibility of constructing wind generation in Rochelle
 - Batavia elected to withdraw its participation in late 2009
 - Geneva and Rochelle elected to terminate the project a few months later
 - Project did not progress past the initial planning stage



aerial

Drawn by Wes Slaymaker, P.E.
 WES Engineering LLC May 20, 2009



LEASED LAND

- TURBINE
- ⋯⋯⋯ ROADS
- ⋯⋯⋯ UNDERGROUND CABLE
- ◊◊◊ RMU 3 PHASE LINE



- 2009 – 2012: Energy Purchase Contract
 - Batavia and Rochelle established a project to jointly purchase energy from the market to meet their individual system needs.
 - Project concluded when energy contract expired in 2012



- 2007 – Present: Prairie State Generating Company
 - 1,600 megawatt, two-unit coal-fired power generating facility located in Marissa, IL.
 - On-site mine and coal combustion residual monofill
 - NIMPA owns a 7.6% undivided interest, or approximately 120 megawatts of output from the facility





POWER SALES AGREEMENTS



- Power Sales Agreement (PSA) executed in 2006, updated and revised in 2007, between the Agency and its three member communities
- PSA obligates the Agency to supply each member community with their respective share of output from the Prairie State project
 - Batavia = 55 megawatts
 - Geneva = 35 megawatts
 - Rochelle = 30 megawatts



- Power Sales Agreement obligates each member community to pay all expenses associated with their respective supply
 - PSGC generation and capital improvements
 - Replacement energy and capacity for when PSGC is not operating
 - Transmission and congestion
 - Legal, administrative and advisory
 - Bond obligations



- Each member's obligation to make payments is a *several* obligation of the member itself, secured by a pledge of electric system revenues, not the member's general taxing authority
- The member's payment obligations are required whether or not the project is operable or operated or otherwise suspended, interrupted, interfered with, reduced or curtailed for any reason



- The term of the PSAs is the *earlier* of:
 - 50 years **or**
 - The *later* of the date NIMPA's Prairie State bonds and related financial obligations are paid off; the project is retired; or NIMPA's ownership interest in the project is terminated under the Prairie State Participation Agreement
- Members are constrained from taking unilateral action with regards to disposition of any of the Agency's interest in the project



BONDS



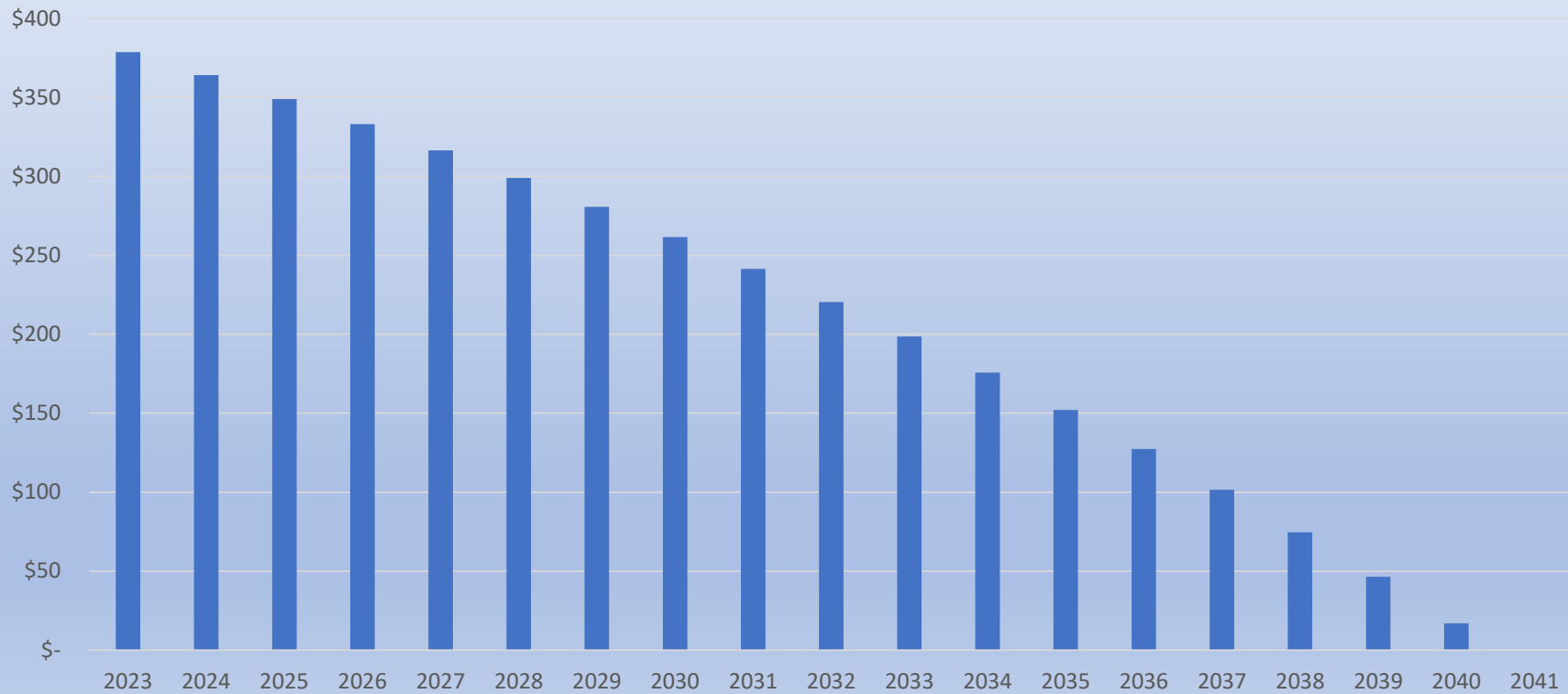
- In support of the Agency's purchase of a 7.6% undivided interest in Prairie State, bond issuances were executed in 2007, 2009 and 2010
- The 2007 issuance was for tax-exempt municipal bonds
- The 2009 and 2010 issuances were taxable "Build America Bonds"



- Approximate annual bond obligation for each member:
 - Batavia = \$15 million +/-
 - Geneva = \$9.5 million +/-
 - Rochelle = \$8 million +/-
- All bond obligations are planned to be fully satisfied in December 2041
- Agency is committed to meeting its Prairie State contractual and bond obligations



NIMPA Bonds Outstanding as of December 31, in \$ Millions





STEWARDSHIP AND ACCOUNTABILITY



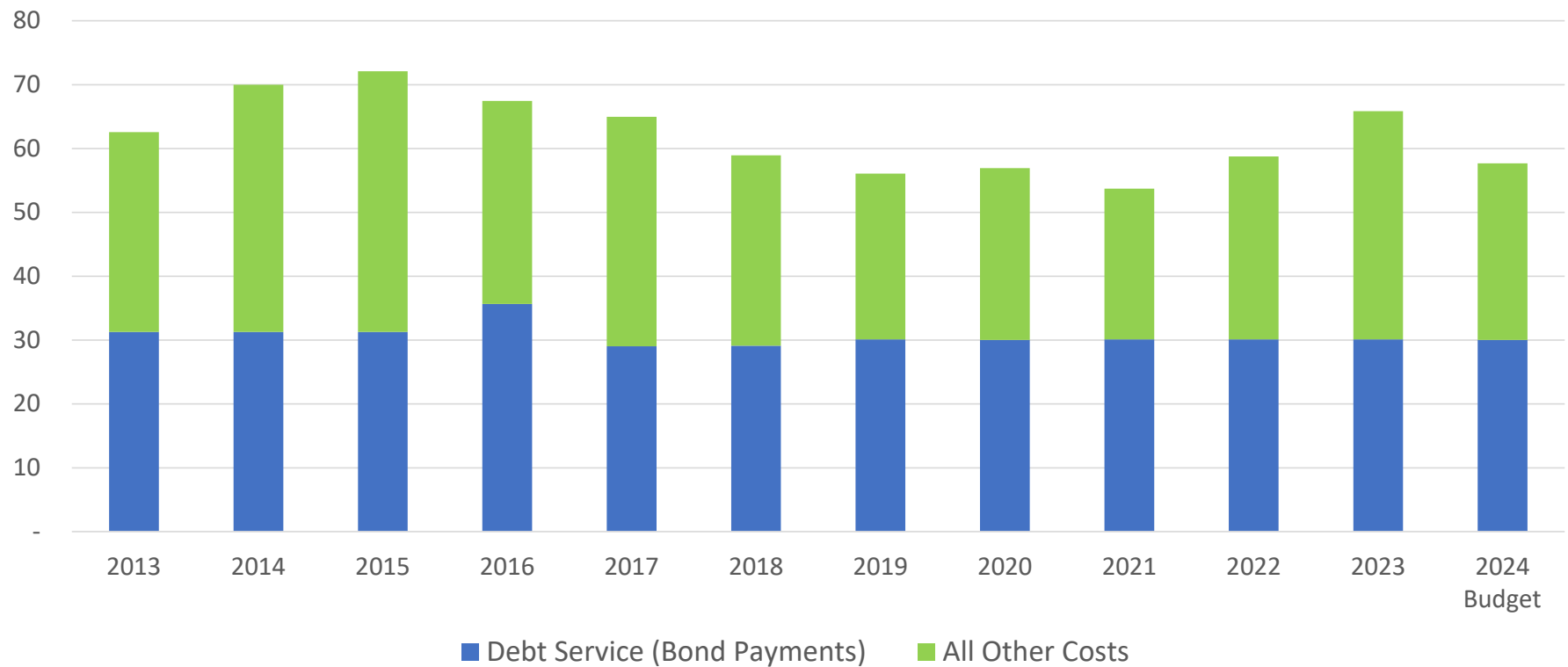
- In 2016 the Agency successfully executed an advanced refunding of its 2007 bonds which resulted in ongoing annual savings of \$3.0 million in interest expense, with total net present value (NPV) savings of \$52.2 million
- The Agency has pledged to investigate and determine if it will make financial sense to execute another refunding in 2026



- Commitment to providing member communities with long-term, stable, low-cost power
- Financials are reviewed and approved at regular monthly meetings
- Energy market transactions and power plant operations are summarized at each regular meeting
- Annual financial audit presented each April



NIMPA Rates to Members, 2013 to 2024 (\$ per MWh)





- Energy Cost Adjustment (ECA) is utilized to minimize member rate volatility
 - Each month, the difference between revenues received from member rates and the agency's actual costs (positive or negative) goes into an ECA account
 - The Board periodically reviews the ECA account balance and adjusts rates as necessary
 - If the ECA account balance is positive, then excess funds are returned to members; if the account balance is negative, then rates to members are increased



- Negative ECA balance from 2012 to 2014 assisted in shielding members from higher costs associated with Prairie State startup
- Return of excess ECA funds in years 2017 – 2022 and 2024 assisted in lowering the agency's rate to members



AGENCY FUTURE



- Agency will continue its pursuit of providing member communities with long-term, stable, low-cost power
- Agency is committed to meeting all of its legal, contractual and bond obligations
- Agency will continue to serve as a resource in support of member-initiated projects



- Agency will continue to conduct its business in an open and transparent manner in full compliance with the Open Meetings Act and FOIA
- NIMPA's member communities will continue to retain local control over their individual resource planning, rate making authority and utility administrative decisions
- Citizens will continue to have a direct voice in all utility matters through their elected Mayors and City Councils



**QUESTIONS/
COMMENTS?**

www.nimpaonline.org



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