



Board Meeting May 16, 2024

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, May 16, 2024, at 10:30 AM, at the Batavia Government Center, 100 N. Island Avenue, First Floor, Batavia, IL.

1. Call to Order and Roll Call:

President Holm called the meeting to order at 10:31am

Present at the meeting:

Gary Holm, City of Batavia
Aaron Holton, City of Geneva
Rahat Bari, City of Batavia
Steve Allen, City of Batavia

Present via teleconference:

Richard Heinemann, General Counsel
Jeff Fiegenschuh, City of Rochelle
Rich Babica, City of Geneva
David Niles, Avant Energy
Joe Fulliero, Avant Energy
Noah Hansen, Avant Energy
Sam Meersman, Avant Energy
Eric Smith, Avant Energy
Dominick Lanzito, Van Buren Consulting
Elizabeth Zrelak, Administrative Support
Members of the Public

2. Approval of Regular Session NIMPA Meeting Minutes from April 18, 2024

MOTION: To approve the regular session NIMPA minutes from April 2024
MAKER: Jeff Fiegenschuh
SECOND: Aaron Holton
AYES: 3 (Fiegenschuh, Holton, Holm)
NAYS: 0
The motion passed

3. Financial Report – Review of March Financials 2024:

- a. Mr. Niles indicated that NIMPA's rate to members was \$12.09/MWh, lower than budgeted for March due to lower than budgeted purchase power and maintenance expenses, partially offset by higher than budgeted fuel expense. At the end of March, NIMPA had a \$15M credit facility with PNC Bank, a \$2.5M letter of credit with PJM, and \$12.5M of the credit facility remains unused.

The ECA payable to members increased by \$697,000 in March due to a combination of a budgeted ECA increase of \$126,000, lower cost than budget of \$1.1M, and the return of \$508,000 of ECA to members. At the end of March, the ECA balance was \$10.9M.

b. Capital Adder Fund:

NIMPA's Capital Adder Fund had a balance of approximately \$10.8M at the end of March. The fund balance represents more than four years of NIMPA's share of projected capital costs based on Prairie State's projected capital expenditures over the next five years.

c. Cash Investment Report

NIMPA has a total of \$80.4M of cash and investments of which \$42.2M is related to debt service reserves and debt service. NIMPA's operating account balance was \$15.2M at the end of March.

d. Plant Closure Fund

\$5.135M invested in Allspring Government Money Market Fund, currently yielding 5.2%.

MOTION: To approve the monthly financials from March 2024
MAKER: Gary Holm
SECOND: Jeff Fiegenschuh
AYES: 3 (Holton Fiegenschuh, Holm)
NAYS: 0
The motion passed

4. Management and Operations Reports for March 2024

Mr. Hansen reviewed the March operations reports. In March, Prairie State had 86,230 MWh of generation in the month for approximately \$1.7M in revenue in PJM. Prairie State also generated 81 MWh in MISO to cover station service. NIMPA actively ramped down in March based on real time LMPs due to LMPs below break even cost of Prairie State. Mr. Hansen indicated that it is sometimes more cost effective to ramp the unit down than to generate. NIMPA ramped down a total of 1350 MWh. Prairie State Unit 1 had a couple of small, short duration derates throughout March. Overall capacity factor for the plant for the month of March was 96.7%. If the ramp down did not occur, the overall capacity factor would have been 98.2%. Very strong generation month for Prairie State.

In comparison to the budget, total generation for the month, including PJM and MISO, Prairie State was greater than or favorable to budget by approximately 4,800 MWh, or 6% greater than budget, on a volume basis.

In March, NIMPA's delivery costs to members were approximately \$1.7M.

NIMPA's FTRs had a loss of \$191,000 for the month of March. Prairie State prices were higher than member city delivery points on average, which resulted in the FTR cost for the delivery to the member cities. The price at Prairie State was approximately \$19.24 on average, compared to \$15.51 for the member deliveries, which resulted in the loss on the FTRs. Mr. Hansen indicated that this formula works as designed, which is offset by higher generation revenues.

ISO Miscellaneous Charges were \$3,600.

RPM Auction revenues were \$113,000. The final closeout payment was received for Winter Storm Elliott bonus performance.

Overall, PJM had an ISO revenue of \$208,000 for the month of March. Compared to budget, this is a \$282,000 favorable variance, as compared to budget, due to overall stronger Prairie State generation, volumes coming in greater than budget, and lower energy costs. Lower LMPs benefit NIMPA, as compared to budget.

MISO Generation Revenue – \$6,500 miscellaneous charge, which has since been corrected and will be reversed and removed after market adjustments on YTD reports.

MISO congestion costs in March were a revenue of \$264,000, which is approximately \$417,000 favorable compared to budget. The loss costs were at cost to NIMPA at \$51,000, which is \$38,000 favorable compared to budget.

ARRs – Revenue of \$74,000. ISO miscellaneous costs were \$10,000.

MISO - NIMPA had an overall revenue for March of approximately \$283,000, which is approximately \$470,000 favorable to budget.

PJM and MISO – NIMPA had ISO costs for the month of March of just \$491,000, favorable to budget of approximately \$752,000 for the month of March, primarily due to MISO congestion and loss costs that are favorable to budget, strong Prairie State generation, and lower LMPs in PJM.

Mr. Holton inquired about who determines the ramping down of the units. Mr. Hansen replied, real time LMPs, received from a signal, and offer set points determine.

YTD: Mr. Hansen highlighted Q1 numbers for 2024 YTD. NIMPA has an overall favorable variance to budget of approximately \$1.45m. NIMPA has 8,000 MWh greater than budget in generation volume on the PJM side and approximately 1,000 MWh greater on the MISO side. Total generation volume of approximately 9,000 MWh greater than budget, which is approximately 3.7% greater than the budget for the first quarter of 2024. According to Prairie State, the EFOR is approximately 5.6% for the first two months of 2024 for the entire facility compared to the budget assumption of 8.5%.

NIMPA has an unfavorable variance in generation resource revenues of \$2.2M, as LMPs were less than budget, given the mild winter conditions and lower natural gas and energy prices. Overall YTD prices at Prairie State are averaging \$28.12/MWh compared to the budgeted amount of \$38.10. Delivery costs to members and are under budget by \$3.2M, which is \$12.21/MWh less than budget. Overall, FTRs have been unfavorable to budget by \$431,000, but those have performed as designed. Prairie State prices have been coming in slightly higher than member city pricing by approximately \$2.50/MWh, as compared to budget of \$0.35/MWh.

Overall, PJM ISO activities have had an overall favorable variance budget of \$490,000, attributable to strong Prairie State production volume and overall lower LMPs.

MISO congestion costs are coming in under budget for Q1 by approximately \$850,000, and loss costs are coming in under budget for Q1 and have a favorable variance of \$76,000. ARR's are in line with budget. Overall, MISO Q1 activities have a favorable variance for NIMPA of \$950,000 resulting in a total favorable variance for NIMPA of approximately \$1.5M YTD.

Mr. Holm clarified that when LMP prices are low and Prairie State generation is ramped down, MISO and PJM have given direction that the unit should be curtailed because the load is low. Historically, ramping down is rare.

Mr. Hansen agreed that the direction to ramp down is from the RTOs, and the signal is every five minutes. Processes flow through set points and communications directly from the RTO to the unit.

Mr. Hansen added that Prairie State has a lower price in general and higher cost units would be shut down first.

5. Van Buren Consulting Group, LLC

Mr. Lanzito indicated House Bill 5315 was referred to Rules on April 17 and is coming together nicely. His team is working with legislators to ensure terms and language are used appropriately to be equitable for all consumers as well as the publicly owned utilities. Mr. Lanzito shared Bill 5315 will most likely wait until fall session due to legislative focus on budget. Mr. Lanzito will continue to monitor, report, and advise on any potential impacts to NIMPA.

6. General Counsel Update

Mr. Hennemann indicated that he had no legal updates for open session.

7. Update on proposal from Avant regarding additional support to NIMPA

Mr. Niles reviewed an updated, formal proposal of a time and materials contract with 'not to exceed amounts for most services' to address NIMPA's request to provide additional services. Mr. Niles indicated that Avant is committed to NIMPA's continued success understanding NIMPA's challenges to avoid a quorum of the Board and the substantial time commitment required from the President of the Board. The proposal listed Avant's scope of services and included continued support from the qualified and skilled Avant team that has been supporting NIMPA over the last eight years.

- a. Avant proposed that carbon capture services be provided separately on a time and materials basis, as the scope and extent of such services are not known and could vary.
- b. Mr. Niles proposed an additional service schedule be included in the current Master Services Agreement between Avant and NIMPA. Avant is flexible to timing of when these services begin.

Mr. Holm requested that all participants on the call take note of one of the proposed scope items: *"Serves as main point of contact for both NIMPA Board members and the public for non-policy NIMPA questions."* Mr. Heinemann reviewed the definition of a walking quorum and indicated Open Meeting Requirements must continue to be followed and asked Mr. Niles for his input.

Mr. Niles' shared that Avant envisioned fielding general and routine public questions and supplementing the Board's agenda when needed. He shared that Avant understands the scope of Avant's responsibilities and will engage the Board as appropriate to avoid any potential open meetings conflicts. Mr. Holm reiterated that the goal is to improve and facilitate easier communications and not to work around any open meetings issues that may arise. All agreed.

Mr. Heinemann elaborated on the concept of the President serving as the 'public face' of the agency. He noted that Avant has successfully fulfilled this role for other clients, becoming a trusted resource for their member communities. He then inquired about Avant's perspective on the associated responsibilities for NIMPA. Mr. Niles responded that the NIMPA Board President remains the face of NIMPA with support from Avant.

Mr. Niles listed examples of Avant's understanding of the proposed scope of service:

- a. Lobbyists – Prepare President for legislature and committee meetings.
- b. Public Meetings – Important for the President to continue as the main point of contact and that Avant would be responsible for preparation of the presentation.

A discussion ensued regarding additional examples of public facing responsibilities and Avant's scope of service and determination as to who will be public facing and in what capacity.

Mr. Niles requested clarification between when Avant speaks with the Cities of Geneva, Batavia, and Rochelle, as a customer of NIMPA, and not as Board leadership, which Mr. Holm confirmed, as the cities themselves have separate Power Sales Agreements to discuss issues directly impacting their communities individually.

Mr. Holm further reviewed Avant's proposed scope and opened the floor for discussion on how NIMPA typically responds to new legislation in Springfield.

Historically, NIMPA has reviewed proposed legislation in detail, written a summary of the legislation, analyzed its potential impact on NIMPA, and identified resulting action items. Mr. Heinemann stated that this request for legislative summaries should remain with legal counsel and Van Buren Consulting Group and confirmed this is how the Avant proposal reads. Mr. Lanzito indicated that he will work with Mr. Heinemann to prepare condensed comprehensive written summaries of proposed new legislation for the Board's review to provide support for the NIMPA President.

No modification of Avant's proposed scope of service. Mr. Heinemann suggested that the Schedule of Service be generated, and an effective date be designated.

8. Approval of Avant's proposal to provide additional support to NIMPA

MOTION: To approve Avant's proposal
MAKER: Jeff Fiegenschuh
SECOND: Gary Holm
AYES: 3 (Fiegenschuh, Holm, Holton)
NAYS: 0
The motion passed

9. Executive Session (Discussion of contracts relating to the purchase, sale, or delivery of electricity from the Prairie State Project; Litigation related to the Prairie State Generating Company).

MOTION: To move into Executive Session @ 11:20am
MAKER: Aaron Holton
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Holton, Fiegenschuh, Holm)
NAYS: 0
The motion passed

Return to Regular Session @ 11:56

10. Action Items from Executive Session: None

11. Old Business: Save the Date discussion around potential Prairie State Tour, August 21 – 22, 2024; possible backup dates of July 24 – 25, 2024. Mr. Holm will request these dates and follow up.

12. New Business: None

13. Comments: Mr. Niles shared that he will not attend the June Board meeting because he will be on vacation. A replacement from Avant, Trevor Smith, will report on Financials.

14. Motion to adjourn:

MOTION: To adjourn the May Board Meeting @ 11:59am
MAKER: Jeff Fiegenschuh
SECOND: Gary Holm
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak