



Board Meeting July 18, 2024

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, July 18, 2024, at 10:30 AM, at the City of Geneva Public Works facility, 1800 South Street, Geneva, Illinois.

1. Call to Order and Roll Call:

President Holm called the meeting to order at 10:33am

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
David Niles, Avant Energy
Noah Hansen, Avant Energy
Joe Fulliero, Avant Energy
Dominick Lanzito, Van Buren Consulting
Elizabeth Zrelak, Administrative Support

2. Approval of Modified (date typo) Regular Session NIMPA Meeting Minutes from June 27, 2024

MOTION: To approve the modified general session NIMPA meeting minutes from June 2024
MAKER: Gary Holm
SECOND: Jeff Fiegenschuh
AYES: 3 (Holm, Fiegenschuh, Holton,)
NAYS: 0
The motion passed

3. NIMPA Succession Planning

Mr. Holm recapped past conversations surrounding succession and sought a Board discussion on a potential bylaw revision. Currently, NIMPA participates in annual elections and Mr. Holm requested input regarding term limits for the President, Vice President, and Secretary.

To enable board member rotation, Mr. Holm tasked Mr. Heinemann with drafting a redlined bylaw revision for the August 2024 NIMPA meeting.

Mr. Heinemann agreed.

Mr. Holm revisited the topic of representation for the Prairie State Board, as the new President of NIMPA should plan to attend the September 23 & 24, 2024, Prairie State Board Meeting. A provision allows for a written request to the Prairie State Board Chair to include additional people at the

meeting, which would allow the new primary and new alternate representatives the opportunity to get acquainted.

Mr. Holton, after consulting with Mr. Fiegenschuh, offered to take over as the primary Prairie State Board representative. Official voting will be undertaken in October 2024.

Mr. Fiegenschuh is unable to attend the September meeting.

Mr. Holm, after consulting with other board members, will remain on the board as a non-NIMPA Board Member with involvement in Government Affairs and the CC Project through the due diligence process.

Mr. Bari will attend the Government Affairs Committee Meeting on October 17 & 18, 2024 along with Mr. Holm.

4. Additional Avant Support to NIMPA

Mr. Niles suggested a formal new service schedule be executed based off the board's approval of Avant's proposal to encompass the scope of additional responsibilities.

Mr. Holm and Mr. Heinemann will coordinate with Mr. Niles regarding transition succession.

Mr. Holm, Mr. Holton, and Mr. Fiegenschuh concurred.

5. IMUA

Mr. Holm and Mr. Fiegenschuh were on the IMUA call on July 17, 2024. Mr. Holm indicated that Staci Wilson has been in touch with Representative Didech and solar lobby members throughout the summer months. Representative Didech agreed to withdrawal his legislation in the spring with a condition that conversations continue. There is some thought that if all parties can agree upon a Fair Solar Credit Rate, then the remaining terms of the legislation will likely follow easier.

Solar, energy, and/or transparency legislation could be reintroduced this fall.

6. Van Buren Consulting Group, LLC

Mr. Lanzito indicated that he does not believe that Representative Didech's bill will move forward in the fall and agreed that the Fair Solar Credit Rate discussion is a challenge. Mr. Lanzito will be meeting with sponsors of the Transparency bill, as he is confident this bill will eventually move forward in either this or the next legislative session.

Van Buren Consulting Group will be scheduling site visits of the utilities for leadership legislators and/or bill sponsors at Rochelle, Geneva and Batavia.

Mr. Holm, Mr. Holton, and Mr. Fiegenschuh agreed to onsite municipal tours with legislators. Mr. Lanzito will schedule. Mr. Fiegenschuh shared that with the increase of mandated regulation on municipal utilities, NIMPA needs to be prepared for each legislative session.

Mr. Lanzito will continue to monitor, report, and advise on any potential challenges to NIMPA.

7. Financial Report – Review of May Financials 2024:

- a. Mr. Niles indicated that NIMPA's rate to members was \$2.35/MWh, lower than budgeted for May due to lower than budgeted fuel and production expenses and partially offset by higher

than budgeted maintenance expenses. Interest income was also higher than budget. At the end of May, 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 \$228,000 in May due to a combination of a budgeted increase of \$526,000, lower cost than budget of \$210,000, and the return of \$508,000 of ECA funds to members. At the end of May, the ECA balance was \$11.4M.

b. Capital Adder Fund:

NIMPA's Capital Adder Fund had a balance of approximately \$10.8M at the end of May. The fund balance continues to represent more than four years of NIMPA's share of projected capital costs based on Prairie State's projected capital expenditures.

c. Cash Investment Report

NIMPA has a total of \$86.6M of cash and investments of which \$47.9M is related to debt service reserves and debt service. NIMPA's operating account balance was \$15.7M at the end of May.

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

8. Debt Service Insurance

Mr. Niles reviewed that for last several years NIIMPA has purchased optional debt service insurance that Prairie State has offered. This insurance covers a qualifying event at the Prairie State plant. Historically, NIMPA, a single asset agency, does not have a portfolio to backup financial performance or financial results if a catastrophic event occurred at the plant, which has driven purchase of Prairie State's optional debt service policy.

New for 2024, Prairie State is requesting that members, through a non-binding commitment, decide to continue to purchase debt service insurance prior to July 31, 2024.

NIMPA would have an opportunity to decide against the purchase of this policy at the time of renewal.

NIMPA's cost for the current debt service insurance policy (November 1, 2023 – October 31, 2024) is \$164,000, and Prairie State anticipates a 10 – 20% increase. The potential cost of debt service insurance for November 1, 2024 – October 31, 2025, is \$180,000 - \$197,000, which has been budgeted for, according to Mr. Niles.

Mr. Holton and Mr. Holm indicated that if pricing is reasonable, NIIMPA should continue with the coverage.

9. Management and Operations Reports for May 2024

Mr. Hansen reviewed the May operations reports. For May results, NIMPA's share of Prairie State generated 76,100 MWh for the month for approximately \$2.1M in revenue in PJM. Prairie State also generated 150 MWh in MISO for the month to cover station service for a revenue of approximately \$3,900. Prairie State Unit 1 had two forced outages. One due to a boiler tube leak that lasted approximately one and one half days, and the other forced outage was due to a hot reheat piping

leak, which lasted six days. Overall Unit 1 was offline for approximately seven and one half days for the month of May. The derates for the month of May were short and small in duration and were due to pulverizer availability issues.

Overall capacity factor for the plant for the month of May was 86.8%. Total generation for the month of May, including PJM and MISO at Prairie State, was less than, or unfavorable to budget by 5,500 MWh or 6.8% less than budget on a volume basis.

In May, NIMPA's delivery costs to members were approximately \$2.1M.

NIMPA's FTRs had a loss of \$165,000 for the month of May. Prairie State prices were higher than member city delivery points on average, which resulted in the FTR daily cost for the delivery path. The average Prairie State price was approximately \$27.89/MWh of generation, compared to \$23.83/MWh for the member deliveries, which resulted in the loss on the FTRs. Mr. Hansen indicated that FTR loss and this formula worked as designed, which is offset by higher generation revenues with higher LMPs at Prairie State.

ISO Miscellaneous Charges in PJM were \$15,000.

RPM Auction revenues for capacity were \$113,000 for May.

Overall, NIMPA had a PJM ISO cost of \$71,000 for the month of May, \$25,000 unfavorable compared to budget for the month of May, which had assumed a PJM ISO loss of \$46,000. This unfavorable variance to budget is due to the increased number of outages and lower Prairie State generation.

MISO congestion costs in May were a loss of \$45,000 which was approximately \$22,000 favorable compared to budget. The loss costs were at cost to NIMPA at \$70,000, which is \$24,000 favorable compared to budget.

ARRs – Revenue of \$74,000. ISO miscellaneous costs were \$17,000 and in line with budget.

MISO - NIMPA had an overall cost for May of approximately \$54,000, which is approximately \$55,000 favorable to budget.

PJM and MISO – NIMPA had ISO costs of \$125,000, favorable to budget of approximately \$29,000 in total for the month of May, primarily due to lower MISO congestion and loss costs relative to budget. As NIMPA generated less, the loss in congestion costs were less on the MISO side.

YTD: Mr. Hansen highlighted the first five months of numbers for 2024 YTD. NIMPA has an overall favorable variance to budget of approximately \$1.8M. NIMPA has 6,700 MWh greater than budget in generation volume on the PJM side and approximately 1,700 MWh greater on the MISO side. Total generation volume of approximately 84,000 MWh greater than budget. Overall, YTD, Prairie State has had strong generation, approximately 2.2% greater than the budget for the first five months of 2024. According to Prairie State, the EFOR is approximately 7.05% through May 2024, compared to the budget assumption of 8.5%. NIMPA has an overall unfavorable variance in generation resource revenues of \$2.9M, 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 \$26.70/MWh, compared to the budgeted amount of \$34.60/MWh. Due to the lower LMPs, delivery costs to members are favorable budget by \$4.8M through May, which is approximately

\$11.14/MWh less than budget for delivered energy. Overall, FTRs have been unfavorable to budget by just over \$1M in the first five months of 2024 due to Prairie State prices coming in slightly higher than member city pricing by approximately \$3.41/MWh, as compared to a budgeted basis of \$0.20/MWh, a stronger basis of generation relative to the member deliveries. Overall, PJM ISO activities have had an overall favorable variance to budget of \$755,000, attributable to strong Prairie State production volume and lower LMPs on the delivered volume that is greater than the Prairie State production volume.

MISO congestion costs are coming in under budget YTD by approximately \$860,000. Loss costs are coming in under budget and have a favorable variance of \$165,000. ARRs are in line with budget. Overall, MISO activities have a favorable variance to budget of approximately \$1M, resulting in a total favorable variance for NIMPA of approximately \$1.8M YTD through May 2024.

10. Approval of NIMPA’s ISO Risk Management Policy – 2024 Update

Mr. Hansen shared that he and Mr. Heinemann have reviewed PJM’s modified risk management policy requirements, and Avant submitted a redlined and an updated version, which Mr. Heinemann submitted to the board for review.

Mr. Hansen requested NIMPA board approval to submit this policy to PJM.

Mr. Heinemann shared that he is assisting Geneva and Rochelle in adding the two new sections, Know Your Customer and anti-money laundering, to their risk management policy. A draft policy was submitted, but Mr. Heinemann has not yet heard back from PJM.

Mr. Fiegenschuh shared that the City of Rochelle’s updated risk management policy will be presented to Rochelle City Council on Monday, July 22, 2024.

Mr. Hansen will relay any update from PJM at the NIIMPA’s August Board Meeting.

MOTION: To approve the updated ISO Risk Management Policy version 2.0.
MAKER: Gary Holm
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Holton, Fiegenschuh, Holm)
NAYS: 0
The motion passed

11. General Counsel Update

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

12. EXECUTIVE SESSION (Review of executive session minutes; Semi-annual Review & Approval of executive session minutes; 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 enter Executive Session @ 11:12am
MAKER: Gary Holm
SECOND: Aaron Holton
ROLL CALL: AYES: 3 (Holm, Holton, Fiegenschuh)
NAYS: 0
The motion passed

Return to Regular Session @ 11:53

13. Action Items from Executive Session:

To release prior NIMPA Executive Session Meeting Minutes.

MOTION: To release prior NIMPA Executive Session Meeting Minutes from: September 22, 2022, as amended; October 27, 2022, December 15, 2022, January 26, 2023, & February 23, 2023
MAKER: Gary Holm
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Holm, Fiegenschuh, Holton)
NAYS: 0
The motion passed

14. Old Business:

Prairie State Campus Tour will occur on August 21 & 22, 2024.

Mr. Holm requested RSVPs and boot & belt size from those who plan to attend.

15. New Business:

The External Affairs Committee Meeting is scheduled for October 17 & 18, 2024.

Mr. Holm requested a proposed vote at the August 2024 meeting to change the locations of NIMPA's 2024 September and October meetings:

Mr. Holm requested:

The September 19, 2024, NIMPA Board Meeting to be held in Geneva.

The October 17, 2024, NIMPA Board Meeting to be held in Rochelle.

Mr. Niles stated that he would refrain from updating NIMPA's website to amend locations until after the vote.

Mr. Niles indicated that Executive Session Meeting Minutes are not displayed on the NIMPA website.

16. Comments: None

17. Motion to adjourn:

MOTION: To adjourn the NIMPA July 2024 Board Meeting @ 11:59am
MAKER: Aaron Holton
SECOND: Gary Holm
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak