



Board Meeting January 16, 2025

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, January 16, 2025, at 8:00am, at the City of Geneva Public Works facility, 1800 South Street, Geneva, IL.

1. Call to Order and Roll Call:

President Holton called the meeting to order at 8:00am

Present at the meeting:

NIMPA Members

Aaron Holton, City of Geneva

Rahat Bari, City of Batavia

Steve Allen, City of Batavia

Gary Holm, City of Batavia

Public Participant

Present via teleconference:

Richard Heinemann, General Counsel

Jeff Fiegenschuh, City of Rochelle

Rich Babica, City of Geneva

David Niles, Avant Energy

Noah Hansen, Avant Energy

Joe Fulliero, Avant Energy

Chad Kustermann, Avant Energy

Dominick Lanzito, Van Buren Consulting

Oncu Er, Avant Energy

2. Approval of Regular Session NIMPA Meeting Minutes from December 5, 2024

MOTION: To approve the general session NIMPA meeting minutes
From December 5, 2024

MAKER: Jeff Fiegenschuh

SECOND: Rahat Bari

AYES: 3 (Fiegenschuh, Bari, Holton)

NAYS: 0

The motion passed

3. Financial Report – Review of November 2024 Financials

- a. Mr. Niles indicated that NIMPA's rate to members was \$23.02/MWh, higher than budget for November. This variance was the reverse of the positive variances that occurred in September and October due to the change in timing of the fall outage. Due to the shift in timing of the outage, maintenance and purchase power expenses were higher than budget, partially offset by lower than budgeted fuel and transmission expenses.
- b. At the end of November, NIMPA had a \$15M credit facility with PNC Bank, a \$2.5M letter of credit with PJM related to FTR and ARR activities, and \$12.5M of the credit facility, which remains unused.

- c. The ECA payable to members decreased by \$2.1M in November due to a combination of a budgeted increase of \$387,000, higher cost than budget of \$2M due to the timing of the outage, and the return of \$492,000 of ECA funds to members. At the end of November, the ECA balance was \$10.2M.
- d. Capital Adder Fund:
NIMPA's Capital Adder Fund had a balance of approximately \$11.3M at the end of November. 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 over the next five years.
- e. Cash Investment Report:
NIMPA has a total of \$95M of cash and investments of which \$53.8M is related to debt service reserves and debt service. NIMPA's operating account balance was \$17M at the end of November.

MOTION: To approve NIMPA monthly financials from November 2024
MAKER: Rahat Bari
SECOND: Jeff Fiegenschuh
AYES: 3 (Bari, Fiegenschuh, Holton)
NAYS: 0
The motion passed

Mr. Dominick Lanzito joined the meeting

4. Management and Operations Report: November 2024

Mr. Hansen reviewed the November operations results:

NIMPA's share of Prairie State generated 39,112 MW for the month for approximately \$906,000 in revenue in PJM. Prairie State also generated 481 MW in MISO for the month for NIMPA to cover station service for a small revenue in MISO, for a margin of \$8,000. Prairie State unit 2 was on fall outage for most of the month. The fall outage started on October 26, 2024, which covers a lot of the adjustments and variances that Mr. Niles spoke of. The outage was planned to end on November 21, 2024. When returning from fall outage, unit 2 had a base to ground fault in the C-phase of the generator. This caused an immediate forced outage for the generator failure. Failure diagnostics and repairs commenced, and the unit remained on outage for the remainder of the month. Unit 2 returned to service on January 6, 2025. Unit 1 also had a one day forced outage in the middle of the month for boiler skirt repairs. Overall, NIMPA had a unit on outage for over 30 days in the month of November when combining both units' outages. Overall, the capacity factor for the month was approximately 44.3%.

Total generation for the month at Prairie State was less than, or unfavorable to budget, by approximately 39,150 MWh, or 49.7% less than budget, partially due to the outages previously discussed.

In November, NIMPA's delivery costs to members was approximately \$1.86M.

NIMPA's FTRs had a revenue, or margin, of \$62,000 for the month of November

ISO Miscellaneous charges were \$38,000.

RPM Auction revenues were \$102,000 for November.

Overall, NIMPA had a PJM ISO cost of \$827,600 for the month of November, which is \$620,000 unfavorable compared to budget, which assumed a PJM ISO cost of \$205,000. This unfavorable

variance to budget is due to less than budgeted Prairie State production as a result in the change of the timing and forced outage on unit 2.

MISO congestion costs in November were \$28,000, which is \$67,000 favorable to budget. Losses cost NIMPA \$16,200, which is \$111,000 favorable compared to budget. The favorable variances in MISO congestion and losses are due to both being lower than projected costs on a \$/MWh basis for the congestion and loss components. Additionally, the charges are on a much lower volume basis, as unit 2 was on outage for most of the month. Charges are based on the MWh that actually flow over the pseudo-tie.

ARRs – Revenue of \$59,000.

ISO miscellaneous costs were \$8,300 in MISO.

MISO - NIMPA had an overall revenue for November of approximately \$70,800, which is approximately \$242,000 favorable to budget.

PJM and MISO – NIMPA had ISO costs for the month of November of \$756,000, an unfavorable variance to budget of approximately \$380,000 in total for the month of November, compared to the budgeted net cost of \$377,000. The unfavorable variance was due to the lower Prairie State generation, as compared to budget, offset by lower associated MISO congestion and loss costs.

2024 YTD: For the first 11 months, NIMPA has an overall favorable variance to budget of approximately \$3.9M. NIMPA has approximately 4,100 MWh greater than budget in generation volume on the PJM side, and approximately 4,900 MWh greater on the MISO side, for a total generation volume of approximately 10,000 MWh greater than budget for the first 11 months of 2024, which is approximately 1.2% greater than budget for 2024. However, given the extended outage duration time in December, Mr. Hansen indicated that next month, volume production will be expected to be less than budget at the end of 2024.

According to Prairie State, the EFOR is approximately 13.02% through December 2024, compared to the budget assumption of 8.5%, which again includes December. NIMPA has an unfavorable variance in generation resource revenues of \$6.6M due to LMPs being lower, less than budget, given the mild El Nino last winter and lower natural gas and energy prices overall for the year. YTD prices have been averaging \$26.97/MWh of generation compared to a budget of \$35.09 for Prairie State generation. Due to these lower costs, delivery costs to members are coming in favorable to budget by approximately \$10M. FTRs have been unfavorable to budget by \$792,000 but have performed as designed and the basis is aligned with Prairie State and member delivery prices. RPM auction revenues are \$69,000 less than budget due to the performance assessment true ups, and PJM ISO costs have had an overall favorable variance to budget of \$2.5M. MISO congestion costs are coming in under budget YTD by approximately \$565,000. Losses are coming in under budget and have a favorable variance of \$561,000 YTD. ARR's have a favorable variance to budget of \$209,000. Overall, ISO activities have a favorable variance to budget of approximately \$1.5M on the MISO side for a total favorable variance for NIMPA for all ISO activities of just under \$3.9M for the first 11 months of 2024.

Mr. Hansen provided a brief look ahead and indicated that as Prairie State unit 2 was on outage for most of the month, December numbers will be impacted.

Mr. Holton questioned if the performance bonus was complete, and Mr. Hansen replied that it was and that both units are online and in service currently.

Mr. Fulliero questioned if insurance coverage was in play on any portion of the unit 2 outage. Mr. Niles responded that the total costs were approximately \$3.2M - \$3.3M, of which the deductible is \$2.5M. Approximately \$750,000 will be submitted as an insurance claim, which is a total for the entire plant, not just NIMPA's share. Mr. Niles indicated that NIMPA's debt service insurance has a 60-day waiting period, and the outage was 40+ days long, so NIMPA does not meet the deductible.

5. Van Buren Consulting Group Update

Mr. Lanzito indicated that the recent outages will most likely give an accurate picture of 2038 and beyond. A draft proposal, part of the Transparency Act, is back in the forefront and is gaining traction. NIMPA will need to review formal legislation and decide on strategic next steps. At last month's symposium, where relevant leadership and committees from both chambers came to tour the plants, Mr. Lanzito shared that the education appeared to be well received, but it is too soon to say whether the visit translates into more favorable legislation. Mr. Lanzito indicated he thought some portion of the bill, written 'as is', will get passed and that he will report back as the session progresses.

Mr. Holton shared that a red line version of the bill was circulated for comments and questioned if this bill had been submitted. Mr. Lanzito indicated new bills must be submitted by January 23, 2025, and that this legislation will be attached to something and will likely go through Senator Cunningham's chamber. Mr. Lanzito stated that if a subject matter hearing is called, a representative of NIMPA or one of the municipal utilities will be called upon to testify. Mr. Holton agrees.

Mr. Fiegenschuh indicated that he would testify on behalf of Rochelle and would share the impact this bill would have on small utilities. Mr. Holton indicated that the Mayor of Geneva is always willing to be involved as well.

Mr. Lanzito indicated that this will be a very contentious bill due to the requirements and regulations.

6. General Counsel Update

Attorney Heinemann indicated that he had no updates.

Mr. Rich Babica from Geneva joined the meeting.

7. Executive Session (Semi-annual 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 move into Executive Session for the semi-annual approval of executive session minutes as well as for the purpose of 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 @ 8:20am

MAKER: Rahat Bari
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Bari, Fiegenschuh, Holton)
NAYS: 0
The motion passed

Return to Regular Session at 8:41am

8. Action Items from Executive Session:

MOTION: Release of Executive Session Meeting Minutes from July 18, 2024, July 28, 2022, and June 22, 2023
MAKER: Aaron Holton
SECOND: Rahat Bari
ROLL CALL: AYES: 3 (Holton, Bari, Fiegenschuh)
NAYS: 0
The motion passed

9. Old Business: None

10. New Business: Avant staffing update: Oncu introduced an additional resource to the Avant team supporting NIMPA to ensure quality services are being delivered-- Mr. Chad Kustermann, Avant's Manager of Financial Analysis, will be joining the team and NIMPA Board of Directors meetings beginning in February 2025.

11. Comments: None

12. Motion to adjourn:

MOTION: To adjourn the NIMPA January 2025 Board Meeting @ 8:46am
MAKER: Jeff Fiegenschuh
SECOND: Rahat Bari
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak