



Board Meeting February 20, 2025

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, February 20, 2025, at 10:30am, at the at the City Hall Conference Center, 420 North 6th Street in Rochelle, IL.

1. Call to Order and Roll Call:

President Holton called the meeting to order at 10:30am

NIMPA Members present at the meeting:

Aaron Holton, City of Geneva
Rahat Bari, City of Batavia
Blake Toliver, City of Rochelle
Steve Allen, City of Batavia

Present via teleconference:

Richard Heinemann, General Counsel
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
Gary Holm, City of Batavia
Public participant

2. Approval of Regular Session NIMPA Meeting Minutes from January 16, 2025

MOTION: To approve the general session NIMPA meeting minutes from January 16, 2025

MAKER: Rahat Bari

SECOND: Blake Toliver

AYES: 3 (Bari, Toliver, Holton)

NAYS: 0

The motion passed

3. Financial Report – Review of December 2024 Financials

- a. Mr. Niles indicated that NIMPA's rate to members was \$15.36/MWh, higher than budget for December. This variance was primarily the result of the extended forced outage on unit 2, and as a result, maintenance and purchase power expenses were significantly higher than budget, offset somewhat by lower than budgeted fuel and production expenses.
- b. At the end of December, 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 \$1.7M in December due to a combination of a budgeted ECA increase of \$200,000, higher cost than budget, which has a factor of reducing the ECA, of \$1.4M, and the return of \$500,000 of ECA funds to members. At the end of December, the ECA balance was \$8.4 million.

d. Capital Adder Fund:

NIMPA's Capital Adder Fund had a balance of approximately \$11.5M at the end of December. 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 \$82.5M of cash and investments of which \$45.2M is related to debt service reserves and debt service. To note, this is the low point of the year in terms of NIMPA's cash balance due to the payout of NIMPA's series of three bond interest and principal to bond holders, payable on December 1, 2024, and January 1, 2025. NIMPA's operating account balance was \$12.7M at the end of December.

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

Mr. Lanzito joins the meeting.

4. Van Buren Consulting Update

Attorney Lanzito indicated that a number of bills will impact all municipal entities, and that Van Buren is working with legislatures. These bills include an omnibus bill by Senator Cunningham and House Bill 3222 by Representative Diedrich, which mirror the Transparency Act and are assigned to First Reading and Rules currently but not assigned to a committee yet. Van Buren's goal will be to attempt to ensure that there is no adverse impact to NIMPA rate payors and strive to meet the environmental needs and concerns for all. Mr. Lanzito further indicated that there are a lot of moving parts with this legislation, and that these bills will move forward, but that Senator Cunningham, who attended Van Buren's online seminar in December, is very aware of the positives and the challenges for municipally owned utilities. Mr. Lanzito will double check on the current status and will continue to monitor these bills and update when necessary.

Mr. Lanzito exits the meeting.

5. Management and Operations Report: December 2024 & YE

Mr. Hansen reviewed the December & YE operations results:

NIMPA's share of Prairie State generated 22,800 MWh for the month for approximately \$672,000 in revenue in PJM. Prairie State did not generate any MWh in MISO for the month of December and was a net station consumer for the month given the outages, which will result in a small amount of transmission costs coming through. Prairie State unit 2 was on forced outage for the entire month due to generator failure that occurred shortly after returning to service from the fall outage in November. Unit 2 returned to service on January 6, 2025. Unit 1 also had a 10.5 day planned maintenance outage during the month of December, which Prairie State elected to go forward with. This 10.5 day outage had no generation revenues to offset its member deliveries. Unit 1 also had a couple of small, additional outages in the month for a furnace draft trip and a boiler tube leak. NIMPA had a unit on outage for 45.5 equivalent days in the month of December when combining both unit's outages. The capacity factor for the month was approximately 24.7% give the outages.

Total generation for the month at Prairie State was less than, or unfavorable to budget, by approximately 58,750 MWh on a volume basis.

In December, NIMPA's delivery costs to members was approximately \$2.1M.

NIMPA's FTRs had a loss of \$493,000 for the month of December. Prairie State prices were higher than the member city delivery points, on average. The average Prairie State price was \$29.45 MWh of generation compared to \$23.90 for the member deliveries. The FTRs functioned as designed and aligned with Prairie State generation with agencies deliveries to members; however, from the portfolio perspective, NIMPA did not realize those higher generation values, or LMPs, given the unit outages.

RPM Auction revenues were \$105,000 for December.

Overall, NIMPA had a PJM ISO cost of \$1.8M for the month of December, which is \$1.56M unfavorable compared to budget, which assumed a PJM ISO cost of \$275,000. This unfavorable variance to budget is due to the Prairie State production being much less due to the change in outage timing on unit 1 and the forced outage of unit 2.

Given the unit outages, NIMPA had \$17,000 of station service consumption in December. MISO congestion costs in December were a cost of \$3,000, which is \$67,000 favorable to budget. Loss costs were a cost to NIMPA of \$8,000, which is \$103,000 favorable compared to budget. The favorable variances in congestion loss costs are due to lower than projected costs on a \$/MWh basis and that the charges are applied on a much lower volume basis, as these are only charged on the MWh that actually flow on the pseudo-tie.

ARRs – Revenue of \$49,000.

ISO miscellaneous costs were \$5,000 in MISO.

MISO - NIMPA had an overall revenue for December of approximately \$16,000, which is approximately \$204,000 favorable to budget, primarily due to the lower congestion and loss costs and great ARR revenues than what were budgeted.

PJM and MISO – NIMPA had ISO cost for the month of December of \$1.825M, an unfavorable variance to budget of approximately \$1.36M for the month of December, compared to the budgeted net cost of \$462,000. The unfavorable variance due to the lower Prairie State generation, as compared to budget, as offset partially by lower associated MISO congestion and loss costs.

2024 YTD: NIMPA has an overall favorable variance to budget of approximately \$2.6M. NIMPA has approximately 54,500 MWh less than budget in generation volume on the PJM side, and approximately 4,700 MWh greater on the MISO side, for a total generation volume of approximately 49,800 MWh less than budget, which is approximately 5.5% less volume than budget for 2024.

The EFOR is approximately 14.02% for calendar year 2024, compared to the budget assumption of 8.5%. NIMPA has an unfavorable variance in generation resource revenues of \$9.1M due to LMPs less than budgeted, given the mild El Nino last winter, lower natural gas for most of the calendar year, and overall lower generation volume. 2024 prices averaged \$27.03/MWh of generation compared to a budget of \$35.50/MWh for Prairie State generation. Due to these lower costs, delivery costs to members are coming in favorable to budget by \$11.4M. FTRs have been unfavorable to budget for the year by \$1.3M but have performed as designed and the basis is aligned with Prairie State and member delivery prices. NIMPA realized higher generation resource revenues on a \$/MWh basis but gave some of those back through FTRs and the deliveries to members. RPM auction revenues are \$61,000 less than budget due to the performance assessment true ups throughout 2024. PJM ISO activities have had an overall favorable variance to budget of

\$900,000. This favorable variance to budget is attributed to lower LMPs on a delivered volume that is greater than the production volume, offset by the lower impacts from the volume of generation. MISO congestion costs came in under budget for 2024 by \$632,000, a portion of this is due to lower generation volumes and the loss costs coming in under budget and have a favorable variance, a revenue for the year. Loss costs came in under budget of \$664,000 YTD. ARRs have a favorable variance to budget of \$243,000. MISO activities have a favorable variance to budget of \$1.7M. For all ISO activities NIMPA has a total favorable variance of just over \$2.6M for 2024.

6. General Counsel Update

Attorney Heinemann indicated that he had no updates.

7. 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 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 @ 10:49am

MAKER: Blake Toliver

SECOND: Rahat Bari

ROLL CALL: AYES: 3 (Bari, Toliver, Holton)
NAYS: 0
The motion passed

Return to Regular Session at 11:43am

8. Action Items from Executive Session: None

9. Old Business: None

10. New Business: None

11. Comments:

Public participant: Is NIMPA a member of the America Public Power Association?

Attorney Heinemann's response: As far as he knows, the agency is not a member. Mr. Holm indicated that Batavia is a member.

Public participant: Is Batavia participating in Lobby Days in DC in February?

Mr. Holm's response: Batavia is not participating, but he indicated that the Illinois Municipal Utilities Association (IMUA) is participating.

Attorney Heinemann shared that nearly every state sends a contingent of representatives to Washington for the Legislative Rally.

Public participant: Is IMUA including representatives from Rochelle, Batavia, or Geneva?

President Holton's response: No.

The public participant requested a copy of the recording of Van Buren's online seminar presentation with legislators. Attorney Heinemann will reach out to Attorney Lanzito for details.

12. Motion to adjourn:

MOTION: To adjourn the NIMPA January 2025 Board Meeting @ 11:46am
MAKER: Rahat Bari
SECOND: Aaron Holton
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak