



Board Meeting April 17, 2025

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, April 17, 2025, at 10:30am, 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 10:31am

NIMPA Members present at the meeting:

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
Dominick Lanzito, Brentwood Consulting
Trevor Smith, Avant Energy
Chad Kustermann, Avant Energy
Chris Lindner, Forvis Mazars
Elizabeth Zrelak, Administrative Support

2. Approval of Regular Session NIMPA Meeting Minutes from March 20, 2025, and Special NIMPA Meeting Minutes from March 26, 2025

MOTION: To approve the general session NIMPA meeting minutes from March 20, 2025, and the special NIMPA meeting minutes from March 26, 2025

MAKER: Rahat Bari

SECOND: Jeff Fiegenschuh

AYES: 3 (Bari, Fiegenschuh, Holton)

NAYS: 0

The motion passed

3. Presentation of NIMPA FY 2024 Audit Report By Forvis Mazars

Mr. Niles reviewed the history of financial statement auditors. Forvis has been conducting NIMPA's audit for the past six years. Forvis is also responsible for Prairie State's audit and financials, and a new contract was just signed through 2027. Mr. Trevor Smith, Avant's controller, is point of contact for NIMPA and is responsible for NIMPA's financial accounting on behalf of Avant.

Mr. Lindner, managing partner with the Lincoln, NE office of Forvis Mazars, presented the audit report. Mr. Lindner indicated that the common knowledge of both NIMPA and Prairie State and working alongside the Avant team ensured good coordinating and efficiencies. The Forvis team was onsite in late October/early November 2024 for the planning interim phase of the audit, and again in March 2025 for the audit fieldwork and testing. The Forvis team worked with the Avant team in

preparation for the audit and presentation. Mr. Lindner indicated that all audits go through high QA internally to ensure audit accounting standards are followed.

Mr. Lindner outlined and reviewed the [Forvis Communication Letter](#), which covered auditors' responsibilities in reviewing financial statements of government entities such as NIMPA.

Mr. Lindner explained regulatory accounting specific to utilities, which is beneficial to NIMPA, and items from a deferral standpoint with both costs and revenues that NIMPA can recover in future years in a smooth rate structure. Mr. Lindner furthered that depreciation is a significant estimate around utility plant capital assets.

Two disclosures were noted:

- a. Long term bonds/debt and any refunds that may take place over time were reviewed.
- b. Commitments and contingencies. Disclosures in reference to environmental matters, following Prairie State's audit footnotes.

No adjustments or corrections were made to the financial statements. The absence of any identified internal control findings or deficiencies by Forvis is noteworthy, as such matters would be explicitly listed if present.

Mr. Lindner reviewed the FY 2024 NIMPA Audit Report and stated that audit reports have been relatively consistent year over year. Mr. Lindner pointed out that Forvis' opinion is clean or unmodified, the highest level of assurance. Management's discussion and analysis (MD&A) is narrative to provide additional context to the financials. Please see the [NIMPA FY 2024 Audit Report](#) for full details.

4. Acceptance of the FY 2024 NIMPA Audit Report presented by Forvis Mazars

MOTION: To accept and file the FY 2024 NIMPA Audit Report

MAKER: Jeff Fiegenschuh

SECOND: Rahat Bari

AYES: 3 (Fiegenschuh, Bari, Holton)

NAYS: 0

The motion passed

Mr. Lindner exits the meeting

Mr. Bari questioned an operational expense line item on the FY 2024 NIMPA Audit Report that was not present on the FY 2023 NIMPA Audit Report.

Mr. Niles responded that NIMPA records its purchases from the Independent System Operators (ISOs), MISO, and PJM, on a net basis, and in 2023, due to strong capacity revenue, NIMPA was a net receiver of money from the ISOs, so this expense item was not present in FY 2023. Mr. Smith confirmed.

5. Brentwood Consulting, LLC Update

Attorney Lanzito indicated there is an omnibus utility bill #2497 in the Senate, and the Transparency Act moving through the General Assembly. On April 2, 2025, Attorney Lanzito attended Lobby Days, which was only attended by the Senate, and held multiple meetings with leadership and the Senate Energy & Public Utility Committee. Attorney Lanzito continues to have meaningful dialogue with Senators Cunningham and Kahler, who are well informed, receptive to NIMPA concerns, and

proceeding with all due caution. There are multiple moving parts and working committees. The deadline for Senate Bill #2497 is May 9, 2025, with expectations for a third reading and floor consideration by that date. Attorney Lanzito will propose amendments, such as the removal of exceptions or an attempt to expand the coverage of the Open Meetings Act. The IRP requirement appears inevitable, but the frequency at three years is an inefficient allocation of resources, and seven years may be more realistic, based on historical precedent. There is no structure or foundation in place to support a consultant currently. Attorney Lanzito will continue to present common sense approaches to avert potential operational impact.

Mr. Holton requested that Attorney Lanzito share proposed amendments.

Mr. Bari discussed House Bill 3779, highlighting a provision related to Illinois data centers that requires potential owners to own their renewable power generation. He noted that the City of Batavia has been in discussions with a prospective data center developer and emphasized that this provision could have significant implications. Mr. Lanzito expressed significant concerns regarding the impact of electrification and data center growth on system capacity.

**Attorney Lanzito exits the meeting
Mr. Fiegenschuh transitioned the call to his mobile device**

6. Financial Report – Review of February 2025 Financials

- a. Mr. Niles indicated that NIMPA's rate to members was \$2.78/MWh higher than budget for February. This variance was the result of higher than budgeted purchase power and fuel costs, partially offset by lower than budget production and maintenance costs.
- b. At the end of February, NIMPA had a \$15M credit facility with PNC Bank, a \$2.5M letter of credit with PJM, and \$12.5M of the credit facility, which remains unused.
- c. The ECA payable to members decreased by \$186,000 in February due to a combination of a budgeted ECA increase of \$39,000, offset by higher costs than budget of \$224,000. At the end of February, the ECA balance was \$8.6M.
- d. Capital Adder Fund:
NIMPA's Capital Adder Fund had a balance of approximately \$10.9M at the end of February. 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 \$75.1M of cash and investments, of which \$38.6M is related to debt service reserves and debt service. NIMPA's operating account balance was \$12.4M at the end of February.

Mr. Holton questioned the requirements or goals of the Capital Adder Fund.

Mr. Niles explained that the Capital Adder Fund has been stable for approximately five or six years. Typically, NIMPA generates net income of approximately \$2.1M, excluding 2023, due to plant closure costs. NIMPA's share of Prairie State's annual capital spending is approximately \$2.1M- \$2.4M. There is not a specific policy for use, per Avant, and more of a backstop for unforeseen expenses.

MOTION: To approve NIMPA monthly financials from February 2025
MAKER: Rahat Bari
SECOND: Aaron Holton
AYES: 3 (Bari, Holton, Fiegenschuh)

NAYS: 0
The motion passed

7. Management and Operations Report: February 2025

Mr. Hansen reviewed the February 2025 operations results:

NIMPA's share of Prairie State generated 76,700 MWh for the month for approximately \$2.9M in revenue in PJM. Prairie State also generated 164 MWh to cover station service in MISO. Prairie State Unit 2 had two forced outages during the month of February with a boiler tube leak and another small, reported outage for startup delays coming off of the tube leak outage due to water chemistry issues. Overall, the unit was on outage for 2.7 days in February. The capacity factor for the month was approximately 92.2%. According to Prairie State, NIMPA's EFOR for February was just under 5%, a strong generation month.

Total generation for the month, including PJM and MISO at Prairie State, was greater than, or favorable to budget, by approximately 2,300 MWh or 3% greater than budget on a volume basis. In February, NIMPA's delivery costs to members was approximately \$3M.

NIMPA's FTRs had a loss of \$110,000 for the month of February. Prairie State prices were slightly higher than the member city delivery points, resulting in FTR costs along that delivery path to members.

The average Prairie State price was \$38.07/MWh of generation compared to \$37.30/MWh for the member deliveries. The FTRs functioned as designed, and NIMPA earned higher revenues on generation and subsequently returned a portion of the generation revenue to member deliveries via FTRs.

ISO miscellaneous charges for the month of February at PJM were \$32,000.

RPM Auction revenues were \$96,000.

Overall, NIMPA had a PJM ISO cost of \$136,000 for the month of February, which is \$109,000 unfavorable compared to budget, which assumed a PJM ISO cost of \$26,000. This unfavorable variance to budget is due to overall higher than budgeted energy costs. Since NIMPA, on a portfolio perspective delivers more MW to its members than Prairie State generates, overall higher LMPs creates an unfavorable variance for NIMPA.

MISO congestion costs were a cost of \$132,000 for NIMPA in February, which is \$111,000 unfavorable compared to budget.

Loss costs were at cost to NIMPA of \$80,500, which is \$41,000 unfavorable compared to budget. The unfavorable variances and MISO congestion loss costs are due to higher than projected costs on a \$/MWh basis, which were applied to a greater amount of generation volume.

ARRs – Revenue for the month of February was \$49,000.

ISO miscellaneous charges for February were approximately \$21,600.

MISO – NIMPA had ISO cost for the month of February of \$188,000 in MISO, an unfavorable variance to budget of approximately \$151,000 in total for the month of February, due to the higher congestion and loss costs.

PJM and MISO - NIMPA had a total ISO cost for the month of February of \$324,000, unfavorable variance to budget of \$260,000, which had a budgeted net cost of \$64,000. The unfavorable variance for the month of February is primarily attributable to higher MISO congestion and loss costs and higher member delivery prices that were not entirely offset through FTRs.

Mr. Holton questioned if the Increased congestion costs in MISO carried over into March.

Mr. Hansen affirmed that congestion costs rolled into March and April and are anticipated to end in the middle of May. The primary driver of the congestion and loss costs were 345 kV lines near Prairie State. Mr. Hansen continued that it is outage season and some lines near Prairie State have significant outages; however, they do have end dates that are approaching.

YTD: For the first two months of 2025, NIMPA has an overall unfavorable variance to budget of \$85,000. NIMPA has 10,500 MWh less than budget in generation volume on the PJM side, and approximately 700 MWh greater on the MISO side, for a total generation volume of approximately 10,000 MWh less than budget, due to the number of outages that occurred in January, approximately 6.3% less volume than budget for the first two months of 2025.

The EFOR is approximately 9.1% through February 2025. NIMPA has a favorable variance in generation resource revenues of \$288,000, as LMPs have come in greater than budget for the first two months of the year. Overall, YTD prices have averaged \$45.46/MWh of generation compared to the budget of \$40.56/MWh for generation.

Although delivery costs are higher at Prairie State, delivery costs to members are coming in favorable to budget by \$102,000, due to lower LMPs/MWh of delivered energy YTD. Overall, FTRs have been unfavorable to budget by \$880,000, but have performed as designed. RPM auction prices are coming in as budgeted. Overall, PJM ISO activities have had an overall unfavorable variance to budget of \$473,000, primarily attributable to the lower generation volumes. MISO congestion costs are coming in under budget YTD by approximately \$335,000. Loss costs are coming in under budget and have a favorable variance of \$29,000. Overall, MISO activities have a favorable variance to budget of approximately \$387,000. Combining these variances yields a net unfavorable variance of \$85,000 for NIMPA during the initial two months of 2025.

8. General Counsel Update

Attorney Heinemann indicated that he had no updates for open session.

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 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 @ 11:17am

MAKER: Rahat Bari

SECOND: Jeff Fiegenschuh

ROLL CALL: AYES: 3 (Bari, Fiegenschuh, Holton)
NAYS: 0

The motion passed

Return to Regular Session at 11:50am

- 10. Action Items from Executive Session:** Authorize President Holton to execute a Consent Resolution for a small property transfer, as discussed in Executive Session.

MOTION: Authorize President Holton to execute a Consent Resolution for a small property transfer, as discussed in Executive Session.
MAKER: Rahat Bari
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Bari, Fiegenschuh, Holton)
NAYS: 0
The motion passed

11. New Business:

a. Potential ECA Refund to Members

Mr. Niles stated that at the end of February 2025, NIMPA's payable balance was \$8.6M. An analysis presented to the board several years ago suggested NIMPA maintain an ECA balance of approximately \$3M, informed by a weighted risk assessment of events necessitating a substantial draw of NIMPA's cash, including:

- i. PJM Capacity Performance Penalty
- ii. A large Prairie State loss not covered by insurance or in excess of insurance coverage
- iii. An urgent large scale capital project at Prairie State
- iv. Significant market default by a PJM market participant that would result in uplift charges to NIMPA, as a market participant

The balance of NIMPA's Capital Adder Fund, which generally ranges between \$10M - \$11M, is also a backstop that could potentially be utilized if one of the four above events were to occur, stated Mr. Niles. Based on the analysis of potential loss magnitude and weighted expected value across these scenarios, the board established a \$3M ECA target for NIMPA.

NIMPA's current ECA balance exceeds the \$3M target by approximately \$5M, and Avant suggests NIMPA consider a \$5M return to members from May – December 2025.

Mr. Holton agreed with return to members.

Mr. Fiegenschuh confirmed that a return to members would appear as a credit on the municipalities' bill from NIMPA and inquired about the specific credit amount for each community. Mr. Niles stated that the credit is based on each member's shares. \$1.25M to Rochelle.

Mr. Bari inquired if the ECA balance is expected to increase throughout the year. Mr. Niles responded that it is included in the budget and typically increases throughout most months. He further explained that during outages, particularly the longer planned maintenance outage of the Prairie State units in the fall, NIMPA still purchases power to deliver to members but does not have the offsetting revenue from selling energy from the Prairie State units into the PJM market, resulting in a decrease in the ECA balance during that time of year. The annual budget is set at zero base, there is no expected increase or decrease over the year.

Mr. Bari agreed with return to members.

Mr. Hansen confirmed that if a market action does occur between now and the end of the year, NIMPA can pause the credit refund.

Mr. Fiegenschuh requested a short presentation to share with elected officials.

Mr. Niles confirmed the scope of this project and agreed to create a PowerPoint for municipalities to share with city councils.

Formal action will be taken at NIMPA's May Board Meeting.

b. Potential Tour Dates

Mr. Holton requested that members review calendars to discuss tour dates at the May board meeting

c. Batavia Future Energy & Capacity Prices

Mr. Holton spoke with Mr. Holm, who shared that the City of Batavia is undergoing an IRP, and as part of that process, Batavia is requesting that NIMPA provide numbers of future energy and capacity prices for Batavia.

Mr. Holton conferred with Avant regarding fees to create an IRP for all members, which ranges from \$25,000 - \$50,000. Formal action to proceed, if determined warranted, would be taken at the May 2025 NIMPA Board Meeting. Mr. Bari requested that Avant prepare a formal written proposal for next month's meeting.

12. Comments: None

13. Motion to adjourn:

MOTION: To adjourn the NIMPA April 2025 Board Meeting @ 12:01pm
MAKER: Jeff Fiegenschuh
SECOND: Aaron Holton
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak