

May 6, 2025

Via E-mail

Northern Illinois Municipal Power Agency
Board of Directors

To the NIMPA Board of Directors:

Thank you for the opportunity to propose to perform additional services for the Northern Illinois Municipal Power Agency (NIMPA). Avant is pleased to present this proposal to the NIMPA Board.

NIMPA Seeks Projected Rates to 2045

Proposed legislation in Illinois would require integrated resource plans (IRPs) from utilities and joint action agencies in the State. The unique nature of NIMPA as a partial requirements agency, with only one generating asset jointly owned with eight other entities, likely limits the usefulness of a NIMPA IRP. However, NIMPA's members may also need to prepare IRPs, for which longer-term projections of NIMPA rates to 2045 could be useful.

Complex Electric Utility Environment Makes Long-Term Projections Challenging

The electric utility environment is complex. Changes in generation technologies, market constructs, and regulations make long-term rate projections challenging. We propose to manage some of the complexity and uncertainty by using a range of values for assumptions rather than a point estimate.

Proposed Scope of Services

Avant proposes to perform the following work:

- Prepare assumptions for the NIMPA Board's consideration on key projection scenarios, including but not limited to various assumptions regarding:
 - Forward LMP prices at PSGC and member delivery nodes
 - Forward capacity prices in RTO zone
 - Annual PSGC production quantities
 - Inflation rate
- Revise assumptions and/or scenarios if requested by the NIMPA Board
- Prepare projections of NIMPA annual rates to members under each scenario approved by the NIMPA Board
- Prepare letter report summarizing NIMPA rate projections
- Present letter report and projected rates to NIMPA Board

Existing Qualified and Skilled Team would Provide Services

We propose to have the same qualified and skilled team currently serving NIMPA perform this additional scope of services. David Niles would be the project manager, supported by Chad Kustermann, Noah Hansen, and others on the Avant team.

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Propose Performing Work Under Service Schedule C

Avant proposes performing this work under the existing Service Schedule C (“Project Advisory Services”) on a time and materials basis with an estimated cost between \$25,000 and \$50,000, with fees not to exceed \$50,000. Funds for work of this nature are in NIMPA’s 2025 budget.

Thank you again for the opportunity to perform this work for NIMPA. We look forward to discussing this proposal at the May 15, 2025, Board Meeting. If you have any questions prior to the meeting, please do not hesitate to contact me at (612) 252-6531 or david.niles@avantenergy.com. We greatly appreciate the opportunity to continue providing services to NIMPA.

Very truly yours,
Avant Energy, Inc.

David W. Niles
Senior Vice President