



Board Meeting August 21, 2025

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, August 21, 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
Steve Allen, City of Batavia

Present via teleconference:

Richard Heinemann, General Counsel
David Niles, Avant Energy
Noah Hansen, Avant Energy
Chad Kustermann, Avant Energy
Joe Fulliero, Avant Energy
Dominic Lanzito, Brentwood Consulting
Elizabeth Zrelak, Administrative Support

2. Approval of Regular Session NIMPA Meeting Minutes from July 17, 2025

MOTION: To approve the general session NIMPA meeting minutes
from July 17, 2025

MAKER: Steve Allen

SECOND: Aaron Holton

AYES: 2 (Allen, Holton)

NAYS: 0

The motion passed

3. Brentwood Consulting, LLC Update

Attorney Lanzito indicated that he met with Representatives Hernandez and Jones and has more meetings scheduled to discuss renewable energy and the large omnibus bill. No clear guidance as of yet that this will get through veto session, partly because the bill is massive (700+ pages) and includes many additional topics. According to Attorney Lanzito, the bill has a better chance of passing, perhaps, next year, as a standalone bill.

The representatives are willing to listen to NIMPA's concerns regarding the financial challenge of moving toward renewables for municipalities. Attorney Lanzito suggested that if municipalities are required to have a portfolio of wind/solar renewables, a low-interest loan with forgiveness, such as they do for the water, could be an option.

The legislators are also aware of concerns centering around the growth of data centers and power supply. Attorney Lanzito discussed a major concern for the future of NIMPA's baseload power. While the Prairie State plant is stable currently, NIMPA must be mindful that future administrations could take a more aggressive stance on phasing out fossil and carbon-based fuels.

Bringing new energy sources online, like small modular nuclear reactors, is an 8-10 year process, setting a timeline for NIMPA for 2035. This is a massive, costly effort that requires a sense of urgency, stated Attorney Lanzito, who will continue to emphasize this to representatives and the senators on both sides of the aisle.

Attorney Lanzito furthered that he has been invited to draft new legislation, which will be handed off to the Legislative Council, and if the group agrees, he will get started, so that it can be included into existing legislation or new legislation. Attorney Lanzito will contact the three municipalities individually to determine if there is anything collectively or individually to be included and will circulate a draft to the group. While each municipality has different loads and consumer profiles (industrial, commercial/business and/or residential), if the municipalities work together, a solution that benefits everyone at NIMPA may be attainable, stated Attorney Lanzito. He will follow up.

President Holton stated that efforts to avoid a duplicated IRP should be preserved and suggested that the agency could adopt the individual municipalities' IRPs and satisfy the requirement to its members. Attorney Heinemann agreed that, as NIMPA is a single agency, a separate IRP does not make sense.

Attorney Lanzito leaves the meeting.

4. Financial Report – Review of June 2025 Financials

- a. Mr. Niles indicated that NIMPA's rate to members was \$4.43/MWh higher than budget for June. This variance was predominantly the result of higher than budgeted purchase power costs and maintenance expenses, partially offset by lower than budgeted fuel and production costs.
- b. At the end of June, NIMPA had a \$15M credit facility with PNC and maintains a \$2.5M letter of credit with PJM, with a remaining \$12.5M of the credit facility unused.
- c. The ECA payable to members decreased by \$57,000 in June due to a combination of a budgeted increase of \$937,000, brought down by a higher cost than budget of \$382,000, and further brought down by the return to members of \$612,000 of ECA funds. At the end of June, the ECA balance was \$7.9M.
- d. Capital Adder Fund:
NIMPA's Capital Adder Fund had a balance of approximately \$11.3M at the end of June. 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 \$82.8M of cash and investments, of which approximately \$47M is related to debt service reserves and debt service. NIMPA's operating account balance was \$11.2M at the end of June.

MOTION: To approve NIMPA monthly financials from June 2025
MAKER: Aaron Holton
SECOND: Steve Allen
AYES: 2 (Holton, Allen)
NAYS: 0
The motion passed

5. Fitch Affirmation of NIMPA Bond Rating

Mr. Niles outlined that Fitch, one of two bond rating agencies, recently affirmed the agency's current bond rating for NIMPA of A-. No new information was disclosed, and this report is remarkably similar to the last report.

Typically, every 18 – 24 months, for entities like NIMPA, the agencies will review the financials and the circumstances to update, or affirm, the rating.

Fitch's rating outlined NIMPA's strengths:

- a. Strong credit quality of NIMPA's members.
- b. Strong revenue defensibility, based on the terms of the power sales agreement, which extends through the life of NIMPA's debt.
- c. Independent legal ability to raise electric rates.
- d. NIMPA's debt profile is slowly decreasing as bonds are paid off.

6. Annual Renewal of NIMPA Directors and Officers (D&O) Insurance

Mr. Niles presented options for NIMPA's D&O liability insurance after quotes were submitted by Marsh and reviewed by Attorney Heinemann. The current policy is up for renewal on September 15, 2025.

Option 1: AXA GL (Current incumbent supplier)

Policy Cost: \$31,300 for \$1M coverage with a \$250,000 deductible

Option 2: Chubb

Policy Cost: \$18,000 for a \$1M coverage with a \$10,000 deductible

Alternative Policy Option: \$33,000 for \$3M coverage with a \$25,000 deductible

Due to lower retention (deductible) and lower cost, the Avant team recommended switching to Chubb, and after discussion, the decision was made to switch to Chubb at the same coverage of \$1M.

Mr. Fulliero provided additional context and shared that the premium offered to NIMPA aligns with what he has seen for other clients. He further stated that tort cap limits could be beneficial if written into the terms of the policy for NIMPA.

Attorney Heinemann stated that the organization's risk profile has not changed and clarified that this discussion is focused on D&O liability insurance, which covers bad business decisions, not physical assets, such as the Prairie State plant. The Chubb policy includes \$25,000 coverage for reputational damage and includes potential cost of a public relations person to counter negative press, such as a disparaging article or interview. Because NIMPA is a part owner of the Prairie State plant, this might be valuable coverage at some point.

MOTION: To approve \$1M D&O liability insurance from Chubb
MAKER: Steve Allen
SECOND: Aaron Holton
AYES: 2 (Holton, Allen)
NAYS: 0
The motion passed

7. Management and Operations Report: June 2025

Mr. Hansen reviewed the June 2025 operations results:

NIMPA's share of Prairie State generated 70,100 MWh in the month for \$2.6M in revenue in PJM. Prairie State consumed 277 MWh of station service in MISO for a cost of \$24,000. Not enough power was generated for MISO station service due to outages. In terms of plant performance for the month, the overall capacity factor for the month was approximately 80%. Prairie State unit 2 had three separate outages during the month for boiler tube leaks and a feed water heater issue. Unit 1 also tripped offline and had a forced outage near the end of the month that resulted in approximately 9.8 days of total outage time for the plant on a unit basis. Prairie State also had several small derates throughout the month on both units for slagging and pulverizer issues, which are not uncommon. According to PSGC, NIMPA's EFOR for June was 19.4%, a tough generation month with outages greater than anticipated.

Total generation for the month, including PJM and MISO at Prairie State, was less than, or unfavorable to budget, by 10,100 MWh, or 12.7% less than budget on a volume basis. Total generation resource revenues were just under budget because LMPs were higher for the month.

In June, NIMPA's delivery costs to members were just over \$3.2M.

NIMPA's FTRs had a cost of \$6,500 for the month of June.

ISO miscellaneous charges were \$6,800.

RPM auction revenues were \$774,000 for June. This is the first month of the 2025/2026 planning year, reflecting a new planning year capacity price of \$269.92/MW-day, as compared to \$28.92/MW-day for the prior planning year, which just ended in May. High auction revenues will continue for the next planning year, through May 2026.

Overall, NIMPA had a PJM ISO revenue of \$112,000 for the month of June, which is approximately \$644,000 unfavorable compared to budget, which assumed a PJM ISO revenue of \$755,000. This unfavorable variance is due to lower than budgeted generation volume at Prairie State, offset partially by higher LMPs and the higher member delivery costs.

MISO congestion costs were a revenue of \$131,000 for NIMPA in June, which is \$4,000 favorable compared to budget.

Loss costs for the month of June were at cost to NIMPA of \$43,000, which is \$58,000 favorable compared to budget.

ARR revenue for the month of June was \$38,000.

ISO miscellaneous costs for June were \$10,000.

MISO – NIMPA had a total revenue for the month of June of approximately \$93,000, \$68,000 favorable compared to budget.

Aggregating PJM and MISO – Overall, NIMPA had a total ISO revenue for the month of \$205,000, an unfavorable variance to budget of \$575,000, compared to the budgeted net revenue of \$780,000. The unfavorable variance for the month of June is primarily attributable to: Lower PSGC volumes and revenues, higher member delivery costs, caused by the higher LMPs, offset, partially, by lower loss costs than budgeted.

YTD: For the first six months of 2025, NIMPA has an overall unfavorable variance to budget of \$172,000. NIMPA has 16,300 MWh less than budget in generation volume on the PJM side, and 1,900 MWh greater on the MISO side from a total generation volume standpoint. Total generation volume of 14,400 MWh less than budget, including PJM and MISO generation together, which is approximately 3% less volume compared to budget for the first six months.

The EFOR is approximately 9.71% for Prairie State through June 2025. NIMPA has a favorable variance in generation resource revenues of \$224,000, as LMPs have come in greater than budget. Overall, 2025 YTD prices averaged \$34.56/MWh of generation compared to a budget of \$32.90/MWh. Delivery costs to members are unfavorable to budget by approximately \$95,000, due to slightly higher LMPs/MWh of delivered energy. FTRs have been unfavorable to budget by \$746,000 due to the spread between Prairie State and prices being higher than average than the member delivery prices. RPM auction revenues are

coming in as budgeted. Overall, PJM activities have an unfavorable variance to budget of \$470,000. On the MISO side, congestion costs are coming in favorable to budget by \$114,000. Loss costs are under budget by \$120,000, a favorable variance. MISO activities have a favorable variance to budget of \$297,000. Aggregating PJM and MISO together, NIMPA has a total unfavorable variance of \$173,000 through June 2025.

For the 2026/2027 Planning Year, the PJM Capacity Auction cleared at the market price cap that was applicable for the auction, or \$329.17/MW-day, up from the 2025/2026 planning year auction price of \$269.92/MW-day for the RTO zone.

8. Appointment of NIMPA Representative to Prairie State External Affairs & Finance Committee

President Holton notified the members that Mr. Rahat Bari has left the City of Batavia and the NIMPA Board. Thus, the External Affairs and Finance Committee Boards require two appointed replacements for these roles. Mr. Allen will step into the lead for the External Affairs Committee; an alternate will need to be determined. The group will continue discussion to determine the Finance Committee NIMPA representative. Prairie State will be notified.

9. NIMPA Long-Term Rate Projections

Mr. Niles and Mr. Hansen reviewed a presentation by the Avant team that the NIMPA Board requested regarding long term rate projections and member planning efforts. Attorney Heinemann has reviewed.

As discussed, an IRP for NIMPA itself may have limited value because NIMPA is a single project agency and each member is responsible for its own power arrangements. This is why the agency supports the exemption NIMPA is seeking for project agencies. However, long-term rate projections from NIMPA could be an important input to each member's IRP if planning becomes mandatory.

Mr. Niles cautioned that long-term projections are challenging to create due to the complexity of the utility industry, with factors such as new regulations and shifting market constructs.

Mr. Niles stated that capacity prices have fluctuated, most notably with a dramatic increase over the last two years due to a new market construct. Rate projections discussed reflect the requirements of CEJA. To address future uncertainty, four different capacity price scenarios were evaluated for the rate study:

- \$175/MW-day: The current PJM price floor.
- \$350/MW-day: PJM's recommended Net Cost of New Energy (Net CONE).
- \$612/MW-day: 1.75 times the recommended Net CONE.
- \$1,100/MW-day: 1.75 times a projected CONE for battery storage, which is being considered as a new resource.

Mr. Niles reviewed NIMPA's key rate components, including debt service, PSGC costs, and net purchase power costs. A bond refinancing may be available in 2026 for the 2016 bonds

Mr. Hansen reviewed the four capacity price scenarios used to project NIMPA's rates and prices for new energy sources and discussed opportunities and challenges, including refinancing debt, managing market risk, future market volatility, and a potential further reduction in federal subsidies.

A discussion ensued.

Review the rate study here: [NIMPA 2025 Rate Study Letter Report – FINAL](#)

10. General Counsel Update

Attorney Heinemann indicated that information was forwarded via email to all General Counsel:

PSGC has filed formal, public comments supporting the US EPA’s repeal of the 2024 carbon rules that were adopted to impose stringent CO₂. Attorney Heinemann will forward the 30-page email communication on to NIMPA members, who are in agreement with the repeal.

11. EXECUTIVE SESSION (Review 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: 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 @ 11:57am
MAKER: Steve Allen
SECOND: Aaron Holton
ROLL CALL: AYES: (Allen, Holton)
NAYS: 0
The motion passed

Return to Open Session at 12:05pm

12. Action Items from Executive Session: None

13. Old Business:

NIMPA Retail Rate Study – A proposal from Utility Financial Solutions (UFS), a well-known retail rate vendor to NIMPA, proposed a new retail rate study be undertaken for a fee of \$7,500. This study would analyze rates at Batavia, Geneva, Rochelle, as well as St. Charles, and Naperville, and compare them all to Com Ed’s bundled and third-party customer choice rates. This study will allow member utilities to compare how rates compare to neighboring utilities.

The NIMPA Board agreed to move forward with the study.

14. New Business:

- a. FOIA request to NIMPA: A reply has been issued with no response from the requester. A similar, but different, FOIA request was received in Batavia, which was successfully resolved.
- b. President Holton advised that it is NIMPA’s turn to hold a rotating Prairie State officer seat, starting in November. This rotation happens yearly and will last for four years.
- c. Mr. Allen requested patience, as he steps into a greater role for NIMPA, and to update email lists to remove Mr. Rahat Bari from correspondence.

15. Comments: None

16. Motion to adjourn:

MOTION: To adjourn the NIMPA August 2025 Board Meeting @ 12:13pm
MAKER: Aaron Holton
SECOND: Steve Allen
VOICE VOTE: All in favor, motion carried