



Board Meeting September 18, 2025

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, September 18, 2025, at 10:30am, at the City of Rochelle Tech Center located at 910 Technology Parkway 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
Jeff Fiegenschuh, City of Rochelle
Blake Toliver, City of Rochelle
Steve Allen, City of Batavia
Andrea Podraza, City of Batavia

Present via teleconference:

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

2. Approval of Regular Session NIMPA Meeting Minutes from August 21, 2025

MOTION: To approve the general session NIMPA meeting minutes from August 21, 2025

MAKER: Jeff Fiegenschuh

SECOND: Steve Allen

AYES: 3 (Fiegenschuh, Allen, Holton)

NAYS: 0

The motion passed

3. Brentwood Consulting, LLC Update

Attorney Lanzito indicated that the IRP bill is working its way through both chambers, as they continue to focus on energy legislation. Legislation failed in May 2025, as it was part of a large omnibus bill that did not pass. Attorney Lanzito stated that he believes the proposed IRP definition will be helpful to the agency itself, although individual members will still have to complete their own IRPs, as with all the potential data center load, the IRP will be critical to legislators. Attorney Lanzito will meet with legislators of the working group to discuss these issues and will keep the board informed.

President Holton maintains that, as a single action agency, NIMPA should not have to complete an independent IRP in lieu of the IRPs completed by their members.

Attorney Lanzito exits the meeting

4. Financial Report – Review of July 2025 Financials

- a. Mr. Niles indicated that NIMPA’s rate to members was \$1.36/MWh lower than budget for July. This variance was the result of lower than budgeted transmission, production, and other operating costs and higher than budgeted interest income, partially offset by higher than budgeted purchased power and fuel costs.
- b. At the end of July, NIMPA had a \$15M credit facility with PNC Bank and maintains a \$2.5M letter of credit with PJM for FTR/ARR type activities, with the remaining \$12.5M of the credit facility available.
- c. The ECA payable to members increased by \$211,000 in July due to a combination of a budgeted increase of \$720,000, lower cost than budget of \$121,000, and the reduction by the return to members of \$633,000 of ECA funds. At the end of July, the ECA balance was \$8.1M.
- d. Capital Adder Fund:
Capital Adder Fund had a balance of approximately \$10.9M at the end of July. 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.
- e. Cash & Investment Report:
NIMPA has a total of \$79.9M of cash and investments, of which \$44.4M is related to debt service reserves and debt service. NIMPA’s operating account balance was \$11.1M at the end of July.

Mr. Fiegenschuh inquired as to the status of the ECA refund to members. Mr. Niles responded that the board approved a \$4M or \$5M reduction to take place from June – December 2025. This is a finite dollar amount, not a specific dollar target and is subject to amendment if circumstances dictate.

MOTION: To approve NIMPA monthly financials from July 2025
MAKER: Steve Allen
SECOND: Aaron Holton
AYES: 3 (Allen, Holton, Fiegenschuh)
NAYS: 0
The motion passed

5. Management and Operations Report: July 2025

Mr. Hansen reviewed the July 2025 operations results:
NIMPA’s share of Prairie State generated 81,100 MWh for the month for approximately \$4.1M in revenue in PJM. Prairie State generated 798 MWh in MISO to cover station service, which had a revenue of \$45,000. Overall capacity factor for the month was approximately 89.2%. Prairie State unit 1 had five – six, separate, short duration outages for a unit trip, tube leaks, a submerged flight conveyor issue, and other items. Prairie State unit 2 ran well and had no operational issues. Overall, unit 1’s availability impacts resulted in approximately four days of total outage time. Prairie State also had several small derates throughout the month on unit 1. According to Prairie State, NIMPA’s EFOR for July was 9.44%, largely related to the issues stemming from unit 1. Total generation for the month, including PJM and MISO at Prairie State for NIMPA, was less than or unfavorable to budget by 2,600 MWh, or 3.2% less than budget on a volume basis.

In July, NIMPA’s delivery costs to members were just over \$4.4M.

NIMPA’s FTRs had a cost of \$27,000 for the month of July.

ISO miscellaneous charges were \$1,600.

RPM Auction revenues were \$799,600 for July, reflecting the second month of the 2025 – 2026 planning year higher capacity prices that we see in PJM.

Overall, NIMPA had a PJM ISO revenue of \$469,000 for the month of July, which is \$135,000 unfavorable compared to budget, which assumed a PJM ISO revenue of \$605,000. This unfavorable variance is due to lower than budgeted generation volumes at Prairie State, particularly with unit 1. Generation revenues were offset partially by higher LMPs. However, when Prairie State does not perform as expected, higher LMPs lead to higher member delivery costs compared to budget. The delivered volume is greater than the amount of energy produced by Prairie State.

MISO congestion costs were a revenue of \$70,000 for NIMPA in July, which is approximately \$4,000 favorable compared to budget.

Loss costs for the month of July were a cost to NIMPA of \$53,000, which is \$72,000 favorable compared to budget.

ARR revenue for the month of July was \$39,000.

ISO miscellaneous costs for July were \$15,000.

MISO – NIMPA had an overall revenue for the month of July of \$85,700, a favorable variance to budget of \$146,000 in total for the month of July.

PJM and MISO - NIMPA had total ISO revenue for the month of July of \$555,000, a small favorable variance to budget of \$11,000, closely aligned with the budgeted net revenue. Essentially, performance was aligned with budget, and the unfavorable variance on the PJM side due to the higher LMPs and lower budget generation was offset by a favorable variance in generation revenues, due to the higher LMPs and favorable variance on MISO loss costs.

YTD: For the first seven months of 2025, NIMPA has an overall unfavorable variance to budget of \$161,000. NIMPA has 19,500 MWh less than budget in generation volume on the PJM side, and 2,900 MWh greater on the MISO side, for a generation volume of approximately 17,000 MWh less than budget for total Prairie State generation, which is approximately 3% less volume than budget for 2025.

The EFOR is approximately 9.6%, according to Prairie State through July 2025. NIMPA has a favorable variance in generation resource revenues of \$460,000, as LMPs have come in greater than budget and offset the generation shortage. Overall, 2025 prices YTD averaged \$37.09/MWh of generation compared to a budget of \$34.95/MWh of Prairie State generation. Delivery costs to members are unfavorable to budget by \$480,000 due to the higher than budgeted LMPs. Overall, FTRs have been unfavorable to budget by \$773,000 for 2025, but they have performed as designed and aligned the basis between Prairie State and member delivery nodal prices. The unfavorable variance is due to Prairie State's prices being greater than the member delivery prices on average for the first seven months of 2025. RPM auction revenues are coming in near budget for YTD. Overall, PJM activities have an unfavorable variance to budget of \$606,000. On the MISO side, congestion costs are favorable to budget YTD by \$118,000. Loss costs are coming in under budget by \$191,000. Overall, MISO activities have a favorable variance to budget of \$445,000. NIMPA has a total unfavorable variance of \$161,000, although relatively close to budget, for the first seven months of 2025.

President Holton reported that despite the issues unit 1 has had this year, NIMPA is performing close to budget. He continued with a question to the Avant team: Given the plant's performance, is the budget number coming close to target due to how NIMPA is able to purchase spot power at the time of plant outage or higher than expected revenues from the RPM auction.

Mr. Hansen replied: A combination of generation resources revenues due to higher LMPs and FTRs are operating as anticipated is keeping NIMPA on target. One of the biggest drivers is MISO congestion and loss costs coming in higher than budget, which is approximately \$325,000 of the better performance. He further stated that generation performance is not that different from budget. The basis between the higher LMPs at Prairie State has widened, and NIMPA was paid for those positions. Mr. Hansen stated that FTR performance has the potential to improve through the rest of 2025.

6. NIMPA 2026 Preliminary Budget Presentation with Supporting Schedules

Mr. Niles highlighted key changes and financial projections, focusing on the comparison of the preliminary 2026 budget with NIMPA's 2025 budget. Review the Avant presentation [here](#).

For the preliminary 2026 budget, the proposed average rate for NIMPA members is \$54.80/MWh, which represents a decrease of \$4.15/MWh, or 7%, from the 2025 budget. This overall rate reduction is a result of two offsetting factors:

- a. The demand rate is projected to decrease from \$28.446/kilowatt-month to \$24.651/kilowatt-month, a 13.3% decrease.
- b. The energy rate is projected to increase from \$19.99/MWh to \$21.03/MWh, a 5.2% increase.

The demand rate is dropping because NIMPA is seeing a significant increase in capacity revenues, which are considered a fixed, or demand, cost. At the same time, the energy rate is rising due to higher overall energy prices.

The budget also projects NIMPA's net income to be \$2.88 million, a minor decrease of approximately \$13,000 from the 2025 budget, mainly due to minor adjustments related to plant closure costs.

The NIMPA budget utilizes an EFOR of 8%. This is slightly higher than Prairie State's 7.2% EFOR for their 2026 budget, but it aligns with the 8% NIMPA used for the 2025 budget. Through August 2025, according to Prairie State, the 2025 YTD EFOR is 8.7%. The Avant team states that 8% is a reasonable and realistic projection for the coming year.

Financial Details by Schedule

Mr. Niles reviewed the following four schedules anticipated to have the largest impact on income statement line items.

- **Schedule 1 (Purchased Power):** The purchase power expense is projected to be \$4M lower than the 2025 budget. This is largely driven by a \$4.6M increase in capacity revenues from recent auctions for the 2025-2026 and 2026-2027 periods. Other changes to purchase power include a \$5M increase in member power delivery, which is almost entirely offset by a \$4.9M increase in Prairie State revenues. Mr. Niles furthered that FTR costs are projected to be \$1.2M higher than 2025 but is offset by a \$1.2M increase in FTR revenues. MISO and PJM miscellaneous and administrative costs are projected to be approximately \$600,000 less than in 2025.
- **Schedule 2 (Prairie State Costs):** Overall, Prairie State projected costs are budgeted to be \$735,000, or 2.7%, higher than in 2025. This increase is attributed to inflation affecting three main categories:
 - a. Fuel cost increase; \$311,000, a 2.8% increase from the 2025 budget.
 - b. Maintenance expense increase: \$178,000, a 2.2% increase from the 2025 budget.
 - c. Production expense increase: \$246,000, a 2.9% increase from the 2025 budget.
- **Schedule 3 (Transmission Expense):** There is a \$1.2M variance in transmission expenses, which offsets the \$1.2M FTR variance in purchase power.

- **Schedule 4 (Other Operating Expenses):** Other operating expenses are projected to be about \$61,000, 4% higher, in 2026, primarily due to a 3% inflation assumption. The 2026 budget also includes the addition of management support services and lower directors' and officers' insurance costs from NIMPA's recent renewal, as well as debt service insurance, which came in lower for the most recent renewal than budgeted for 2025.

In addition to the scheduled items, several other budget changes were highlighted. Depreciation is projected to increase slightly, as additional capital assets are put into service. Interest expense is projected to be approximately \$922,000 lower, which is a normal part of the lifecycle of NIMPA's bonds. While interest expense goes down, the principal portion of the monthly debt service payments goes up, resulting in a net cash flow change of essentially zero.

The Build America Bonds (BAB) subsidy is also projected to decrease, as it is a direct percentage of interest expense. The federal sequestration rate of 5.7% remains in effect through 2030 unless changed by the government.

Mr. Niles stated that the demand rate is coming down because capacity revenues, which are treated as a fixed cost in NIMPA's budget model, have increased. The energy rate is increasing slightly due to higher overall energy prices. The budget will be brought to the board for approval at the next meeting.

7. General Counsel Update

Attorney Heinemann briefly updated the Board on the impact to Prairie State of a number of proposed rule makings to repeal existing EPA rules including a rollback of mercury standards greenhouse emissions standards for utilities and vehicles and reconsideration of the 2009 endangerment finding. Prairie State has filed formal public comments in support of the effort to repeal the endangerment finding.

Attorney Heinemann also updated the Board on the Title V permit application. Multiple virtual conferences with PSGC and IEPA have occurred throughout the year. The permit is anticipated to be issued in January 2026.

8. Old Business:

- a. UFS plans to present the retail rate study results at next month's meeting.
- b. NIMPA is formally the secretary of the Prairie State Board. President Holton will update the group with specific details at next month's meeting.

9. New Business: None

10. Comments: None

11. Motion to adjourn:

MOTION: To adjourn the NIMPA September 2025 Board Meeting @ 11:15am
MAKER: Jeff Fiegenschuh
SECOND: Steve Allen
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak