



Board Meeting December 4, 2025

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, December 4, 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
Steve Allen, City of Batavia
Blake Toliver, City of Rochelle

Present via teleconference:

Richard Heinemann, General Counsel
David Niles, Avant Energy
Noah Hansen, Avant Energy
Joe Fulliero, Avant Energy
Chad Kustermann, Avant Energy
Andrea Podraza, City of Batavia
Elizabeth Zrelak, Administrative Support

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

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

MAKER: Steve Allen

SECOND: Blake Toliver

AYES: 3 (Allen, Toliver, Holton)

NAYS: 0

The motion passed

3. Brentwood Consulting, LLC Update

Attorney Heinemann updated the board on behalf of Attorney Lanzito. NIMPA is exempt from the IRP requirements; however, the members are individually subject to the IRP. After conversations with legislators, Attorney Lanzito anticipates further communication in the coming months, which may bring additional changes, but indicates this will not be a major overhaul to energy legislation.

Batavia is currently working through their draft IRP with their first public meeting December 9, 2025.

President Holton indicated that a FOIA request was submitted in regard to NIMPA's change from VanBuren Consulting to Brentwood Consulting, and documentation is being compiled for transmittal to the requestor.

4. Financial Report – Review of September & October Financials 2025:

- a. Mr. Niles indicated that NIMPA’s rate to members for September 2025 was \$6.53/MWh, lower than budget. This variance is partially due to lower than budgeted transmission and maintenance costs, offset partially by higher than budgeted fuel cost. In October, NIMPA’s rate to members was \$3.64/MWh, lower than budgeted for the month. This variance was the result of lower than budgeted maintenance and purchase power expenses and higher than budgeted interest income, partially offset by higher than budgeted purchase power and fuel expenses.
- b. At the end of October, 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 available and unused.
- c. The ECA payable to members decreased by \$2.5M in September due to a combination of a budgeted ECA decrease of \$2.5M, lower cost than budget of \$564,000, and the return of \$612,000 of ECA funds to members. At the end of September, the ECA balance was \$6M. In October, the ECA payable to members decreased by \$795,000. This decrease was due to a combination of a budgeted ECA decrease of \$487,000, lower cost than budget of \$325,000, and the return of \$633,000 of ECA funds to members. At the end of October, the ECA balance was \$5.2M. As a reminder, the ECA balance is expected to decrease annually each fall due to Prairie State’s planned outages.
- d. Capital Adder Fund:
NIMPA’s Capital Adder Fund had a balance of approximately \$11.2M at the end of October. 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 \$85.3M of cash and investments of which \$52.9M is related to debt service reserves and debt service. NIMPA’s operating account balance was \$7.7M at the end of October.

MOTION: To approve the monthly financials from
September & October 2025
MAKER: Blake Toliver
SECOND: Aaron Holton
AYES: 3 (Toliver, Holton, Allen)
NAYS: 0
The motion passed

5. 2026 ECA Refund Discussion

Mr. Niles indicated that the ECA balance at the end of October was \$5.2M. The budget reflects that for November and December, the projected ECA increase is \$1M, with a projected year-end balance of approximately \$6.2M.

Avant’s analysis suggests maintaining an ECA balance of approximately \$3M to provide an appropriate buffer that could require a large amount of cash, including: performance assessments from PJM due to non-plant performance, a large plant loss that is not covered by Prairie State’s insurance, unexpected large capital expenditures, or a PJM market participant default.

Based on the above projections, Avant suggests that the board approve a \$3M ECA refund to members in 2026, leaving approximately \$3M in reserve. The NIMPA board will discuss and vote at the January 2026 meeting. Mr. Niles furthered that the Board retains the authority to amend the approved ECA refund during 2026 if financial circumstances warrant a change.

Mr. Allen questioned the past funding alternatives on whether to refund the ECA surplus to members or apply it toward shoring up the designated retirement account. President Holton

responded that the retirement fund had been initially seeded with ECA funds several years prior and now receives routine contributions.

Following discussion, the board expressed support for continuing the approach of refunding the surplus back to members, targeting the proposed \$3M refund over 12 months.

6. Potential Change to Credit Facility for PJM FTR Activity

Mr. Niles reviewed that NIMPA purchases transmission rights, FTRs, to manage the risk that energy prices at the Prairie State Generation site differ from prices at the location where NIMPA delivers its energy to its members. When NIMPA acquires FTRs, it pays or receives money dependent on the auction results. The final cost or revenue depends on the price differences during settlement. Participating in the FTR markets, or holding FTRs, requires NIMPA to post collateral with PJM, as required by PJM's risk management rules. Currently, NIMPA supports this with a \$2.5M letter of credit and additional cash collateral.

NIMPA's collateral cash requirement was increased in both October and November due to price changes at PJM. The requirement rose from \$3.6M in October to approximately \$4.2M in November.

With prior cash collateral already held at PJM, NIMPA transferred additional cash to meet the margin call, totaling cash collateral of approximately \$1.8M at PJM. These forms of collateral, letter of credit and cash, incur costs to NIMPA. With cash collateral, NIMPA loses anticipated interest earnings on the O&M account, currently 2.41%. The letter of credit incurs a commitment cost, currently 0.4%.

With current rates, Avant's analysis states it is more cost effective for NIMPA to utilize the credit facility from PNC for PJM collateral, representing a departure from historical practice. Avant proposes that NIMPA increase the standby letter of credit with PJM from \$2.5M to \$4.5M, allowing for additional amendment in the future, noting that that \$10.5M credit facility will remain intact. A letter of credit fee from PNC 0.875%, would apply to the incremental \$2M. Approximately half of this fee, or 0.4%, was already being paid to PNC as a commitment fee under the credit agreement, so the incremental cost to NIMPA is only 0.475%.

A discussion ensued, and it was determined to amend the letter of credit with PJM from \$2.5M to \$4.5M, allowing for future amendment, leaving \$10.5M of credit facility in reserve.

MOTION: To remove NIMPA's cash collateral from PJM and substitute with an increased letter of credit for \$4.5M from PNC to cover FTR positions
MAKER: Steve Allen
SECOND: Blake Toliver
AYES: 3 (Allen, Toliver, Holton)
NAYS: 0
The motion passed

7. Potential 2026 Refinancing of Series 2016A Bonds

Mr. Niles provided an update on NIMPA's Series 2016 Bonds, which are callable on December 1, 2026. Due to the Tax Cuts and Jobs Act of 2017, the earliest date for closing the refunding is 90 days prior to the redemption date, early September 2026.

Whether a refinancing transaction makes sense is based on two factors, stated Mr. Niles: The coupon rate of the bonds being called and the interest rate of the new bonds that NIMPA would issue to refund the old bonds.

The first step in proceeding with new bond issue for NIMPA would be to select an underwriter. Key criteria for selection include: cost, experience of the team with public power bonds, experience of the team with Prairie State Bonds specifically, and client references.

Avant believes that the overall objective for the financing would likely include maximizing present value savings from the refunding, selling the bonds at the best possible yield, and maintaining NIMPA's bond rating from both Moody's & Fitch.

Avant regularly receives inquiries and solicitations from potential underwriters and suggests beginning an underwriter RFP process in early 2026 to support a potential September 2026 close. Some of these inquiries include a run of numbers, and if interest rates are similar in September 2026 to current rates, the present value savings to NIMPA would be approximately \$11M - \$12M.

A discussion ensued amongst members, and it was determined that Avant would begin an underwriter RFP process in early 2026, allowing time for members to discuss with their community leadership. Avant will coordinate with each of the member communities to obtain information to begin the process, including demographic, tax information, etc.

8. Management and Operations Reports for September & October 2025

Mr. Hansen reviewed the September and October operations reports.

For September, NIMPA's share of Prairie State generated 49,250 MWh for the month for approximately \$1.8M in revenue in PJM. Prairie State also generated 900 MWh in MISO to cover station service for a revenue of \$35,000. Prairie State unit 1 started its fall planned outage on September 5, 2025, and it remained out of service the entire month. This outage is planned every other year. Outside of the planned outage, there were minimal other operational issues at the facility in September. Overall capacity factor for the plant for the month of September was approximately 56%. According to PSGC, NIMPA's EFOR for September was .56%, which excludes planned outages. Total generation for the month of September, including PJM and MISO at Prairie State, was greater than, or favorable to budget, by approximately 4,200 MWh, or 9.1 % greater than budget on a volume basis.

In September, NIMPA's delivery costs to members was just under \$3.1M.

NIMPA's FTRs had a margin of \$13,300 for the month of September.

ISO miscellaneous charges of \$5,500.

RPM Auction revenues, with the 2025/2026 high capacity prices, were large at approximately \$774,000 for September.

Overall, NIMPA had a PJM ISO cost of \$499,000 for the month of September, \$189,000 favorable compared to budget, which assumed a PJM ISO cost of \$688,000. This favorable variance to budget is due to greater than budgeted generation volumes at Prairie State and higher Prairie State LMP's, as compared to budget.

Minutes of NIMPA Board Meeting
December 4, 2025

MISO congestion costs were a revenue of \$170,000 in September for NIMPA and had a favorable variance to budget by nearly the same amount.

Loss costs were at cost to NIMPA of \$21,000, which is \$43,800 favorable compared to budget.
ARRs – Revenue of \$45,000.

ISO miscellaneous costs of \$10,500.

MISO - NIMPA had an overall revenue for September of \$219,000, which is \$315,000 favorable compared to budget, to the budgeted cost of \$97,000 in MISO.

PJM and MISO – NIMPA had ISO cost of \$280,000, compared to the budgeted net cost of \$785,000 in total for the month of September, a favorable variance to budget of \$505,000, primarily attributable to stronger Prairie State volumes, even though the unit 1 was on outage, unit 2 still overgenerated, higher LMPs, and lower MISO congestion and loss costs relative to budget.

For October, NIMPA's share of Prairie State generated approximately 61,500 MWh for the month for \$2.75M in revenue in PJM. A very small generation in MISO to cover station services. Prairie State completed its fall outage and returned to service on October 3, 2025. There were a couple of short duration forced outages after its return to service. Prairie State unit 2 started its planned 10-day fall outage shortly after unit 1 returned. This is typical annual, planned fall outage cadence for Prairie State units. Unit 2 had a multiday forced outage for a tube leak, once the unit returned from planned fall outage. Overall, PSGC had a unit on outage for approximately 18 equivalent days in the month of October.

Overall capacity factor for the plant for the month of October was approximately 67%. According to Prairie State, NIMPA's EFOR for October was 11.16%, excluding both units planned outages. Total generation for the month of October, including PJM and MISO at Prairie State, was less than, or unfavorable to budget, by 3,054 MWh, or 4.7% less than budget. Despite less than the budgeted generation, NIMPA's Prairie State generation revenues were substantially higher than budget, a favorable margin of \$815,000 on the PJM side, due to much higher than projected Prairie State LMPs, which ties out to the % EFOR assumption.

In October, NIMPA's delivery costs to members was just over \$2.8M.

NIMPA's FTRs had a loss of \$745,000 for the month of October. Prairie State prices were substantially higher than the member city delivery points, resulting in the FTR daily costs for the delivery path for member cities. The average Prairie State price was \$44.75/MWh of generation, compared to generation weighted member delivery cost of \$31.60/MWh.

ISO miscellaneous charges were \$7,800 for October.

RPM Auction revenues were \$800,00 for October.

Overall, NIMPA had a PJM ISO cost of \$25,500 for the month of October, \$107,000 unfavorable compared to budget, which assumed a PJM ISO revenue of \$82,000. This unfavorable variance to budget is due to lower than budgeted generation resource volumes and higher member delivery costs, offset partially by higher Prairie State generation revenues from the higher Prairie State LMPs.

MISO congestion costs were a revenue of \$126,000 in October, a favorable variance to budget of approximately the same amount.

Loss costs were a cost to NIMPA of \$79,000, which is \$28,000 favorable compared to budget.

ARRs – \$45,000.

ISO miscellaneous costs were \$14,000.

MISO - NIMPA had an overall revenue for October of \$83,000, compared to a budgeted net cost of \$122,000, a \$205,000 favorable variance on the MISO side, as compared to budget.

PJM and MISO – NIMPA had ISO revenue of \$57,000, compared to the budgeted net cost of \$122,000 in total for the month of October, a favorable variance to budget of \$97,600, primarily attributable to generation revenues, FTRs, and member delivery costs. The favorable variance is primarily due to lower MISO congestion and loss costs, relative to budget.

YTD: Mr. Hansen highlighted the first ten months for 2025 YTD. YTD NIMPA has an overall favorable variance to budget of just over \$1M. NIMPA has 16,400 MWh less than budget in generation volume on the PJM side and 6,600 MWh greater than projected on the MISO side for what was directed for station service, for a total generation volume of approximately 9,750 MWh less than budget for the first ten months, which is approximately 1.2% less volume than budget YTD.

NIMPA has a favorable variance in generation resource revenues of \$1.45M, as LMPs have come in greater than budget on average for the first ten months. Overall 2025 YTD prices at Prairie State are averaging \$37.51/MWh of generation compared to the budgeted revenue of \$34.70/MWh. Delivery costs to members are unfavorable to budget by \$439,000 due to slightly higher than budgeted LMPs on the member delivery points. Overall, FTRs have been unfavorable to budget by \$1.33M but have performed as designed and aligned Prairie State generation revenues with the member delivery costs. RPM auction revenues are in or near budget. Overall, PJM activities are aligning closely with budget for the first ten months, as expected, as NIMPA is fully hedged with the FTRs, with an unfavorable variance to budget of \$37,000 through October 2025. MISO congestion costs are coming in favorable to budget YTD by \$350,000. Loss costs are coming in under budget and have a favorable variance of \$350,000. Overall, MISO activities have a favorable variance to budget of \$1.05M, resulting in a total favorable variance to budget of just over \$1M YTD through October 2025.

9. NIMPA Transmission Service Reservation (Batavia Request)

Attorney Heinemann reviewed that discussions are ongoing with respect to a potential large load acquisition in Batavia, which prompted review of NIMPA members' transmission agreements. It was discovered that the existing Network Integrated Transmission Service Agreements (NITSAs) from 2003 for Rochelle, Batavia, and Geneva could be updated to accurately reflect current network load and potentially designate the Prairie State Generation Company as a network resource. Rochelle is the only member PJM has formally requested updating its transmission agreement. After ongoing discussion with PJM counsel, it is advised all members update their agreements. Attorney Heinemann will continue working with PJM's outside counsel to finalize the Rochelle NITSA and proceed with the other members as necessary.

Separately, Attorney Heinemann examined the option of utilizing a PJM tariff self-supply strategy to potentially reduce local capacity reliability costs and discussed this option with PJM outside counsel

and engineering staff; however, analysis confirmed that no material benefit or cost reduction would be realized by switching from the current optimized strategy, as Avant is optimizing the use of FTRs, bidding strategies, and the deliverability of Prairie State Power.

The determination that self-supply provides no material value is based on NIMPA's existing optimized capacity auction strategy, which already ensures the capacity auction revenues offset the capacity costs paid by members. The ability to utilize Prairie State as a PJM resource is also ensured by a firm point-to-point agreement with MISO that lasts for the life of the plant, allowing the power to be designated in the ComEd zone via a pseudo-tie. It was confirmed there are no additional costs to deliver power to the city gate, and therefore, the current optimized strategy requires no change.

Mr. Allen acknowledged the review and expressed confidence in the current management strategy being executed by Avant Energy.

10. General Counsel Update

Attorney Heinemann updated the board regarding a CCP Handling & Purchase Agreement. The agreement involves a vendor to purchase a certain amount of fly ash. NIMPA was not formally required to weigh in on the agreement, but Prairie State is moving forward, and in conversation with PSGC General Counsel, Helen Gallagher, key points were shared:

- a. Private Use Concerns: The most material legal question regarding the transaction related to potential private use concerns – none have been raised by any of the owners.
- b. Transaction Details: The transaction requires a purchase and sale agreement for a small amount of land with a right to repurchase if the vendor fails to meet requirements. The land will also be subject to restrictive covenants limiting activity solely to the handling of the fly ash.
- c. Benefit: The transaction is viewed as a positive development that will generate additional revenues in an environmentally responsible manner.

11. Executive Session

MOTION: To move into Executive Session for the purpose of Discussion of Litigation related to the Prairie State Generating Company @ 11:28am
MAKER: Steve Allen
SECOND: Blake Toliver
ROLL CALL: AYES: 3 Rochelle, Batavia, Geneva
NAYS: 0
The motion passed

Return to Regular Session at 11:36am

12. Action Items from Executive Session: None

13. Old Business: None

14. New Business: None

15. Comments: Mr. Allen thanked Attorney Heinemann and the Avant team for their continued good work.

16. Motion to adjourn:

MOTION: To adjourn the NIMPA October 2025 Board Meeting @ 11:37am
MAKER: Steve Allen
SECOND: Blake Toliver
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak