



Board Meeting January 15, 2026

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, January 15, 2026, at 10:30am, at the City of Batavia Government Center, 100 N. Island Avenue, Batavia, IL.

1. Call to Order and Roll Call:

Secretary Steve Allen called the meeting to order at 10:34am

NIMPA Members present at the meeting:

Steve Allen, City of Batavia
Rich Babica, City of Geneva
Andrea Podraza, City of Batavia
Blake Toliver, City of Rochelle

Present via teleconference:

Jared Smith, General Counsel
David Niles, Avant Energy
Noah Hansen, Avant Energy
Joe Fulliero, Avant Energy
Chad Kustermann, Avant Energy
Dominick Lanzito, Brentwood Consulting, LLC
Chad Kustermann, Avant Energy
Matt Hoffman, City of Rochelle

2. Approval of Regular Session NIMPA Meeting Minutes from December 4, 2025

MOTION: To approve the general session NIMPA meeting minutes
From December 4, 2025
MAKER: Rich Babica
SECOND: Blake Toliver
AYES: 3 (Babica, Toliver, Allen)
NAYS: 0
The motion passed

3. Brentwood Consulting, LLC Update

Attorney Lanzito reported that following the passage of the omnibus bill, he has spoken with Democratic legislators ahead of the return to session on January 20, 2026. While no major shifts in the bill are anticipated in the immediate future, he will closely monitor for trailer bills, used to implement or refine the primary bill, to ensure NIMPA's interests are represented. Due to the implementation of the bill, Attorney Lanzito highlighted concerns regarding the November deadline and a 'scramble' for consultants to assist with new state mandates, as the bill lacks front load funding, stating that some members of NIMPA have already begun the process. Attorney Lanzito advocates that the state create a new renewable package with low interest loans, such as those modeled for water reclamation, and be all encompassing to include solar, battery storage, and wind – noting that wind is the most efficient for this region of the country.

Attorney Lanzito exits the meeting

4. Financial Report – Review of November 2025 Financials

- a. Mr. Niles indicated that NIMPA's rate to members was \$10.08/MWh lower than budget for November. This variance was the result of lower than budgeted purchase power, transmission and production expense, partially offset by higher than budgeted fuel expense.
- b. At the end of November, NIMPA had a \$15M credit facility with PNC Bank, a \$2.5M letter of credit with PJM, leaving \$12.5M of the credit facility unused. The letter of credit was increased to \$4.5M, as approved by the Board at the December Board Meeting, and will be reflected on next month's reports. Cash collateral was also pulled back from PJM in December as well.
- c. The ECA payable to members increased by \$735,000 in November due to a combination of a budgeted ECA increase of \$475,000, lower cost than budget of \$871,000, and the return of \$612,000 of ECA funds to members. At the end of November, the ECA balance was \$6M.
- d. Capital Adder Fund:
NIMPA's Capital Adder Fund had a balance of approximately \$11.4M at the end of November. 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 \$87.9M of cash and investments of which \$55.7M is related to debt service reserves and debt service. This is the highest cash position of the year, as NIMPA pays some of its interest and principal on one of the bonds on December 1 to bond holders, and on the remaining two bonds, pays on January 1, so the cash balance will decrease, as planned. NIMPA's operating account balance was \$7.2M at the end of November. Avant reminds the board that this number should be higher in December with the return of the cash collateral from PJM.

MOTION: To approve NIMPA monthly financials from November 2025
MAKER: Steve Allen
SECOND: Rich Babica
AYES: 3 (Allen, Babica, Toliver)
NAYS: 0
The motion passed

5. PJM Unsecured Credit Allowance Change

Mr. Niles reviewed that for years NIMPA has maintained an unsecured credit allowance of \$1.5M with PJM. This allowance provides the credit for NIMPA's energy and capacity market transactions with PJM but does not apply to the financial transmission rights or the FTR Market activity, which requires secured credit or collateral in the form of cash or a bank letter of credit.

On December 23, 2025, NIMPA and PJM had a meeting where President Holton and Mr. Niles, Mr. Hansen, and Mr. Trevor Smith of Avant were in attendance. PJM informed NIMPA that, based on a review of NIMPA's 2024 audited financials, PJM intended to reduce NIMPA's unsecured credit allowance to \$0.00. This determination was driven by PJM's revised treatment of certain restricted assets, including debt service reserve, debt service funds, capital adder fund, and operating reserves.

The NIMPA team disagreed with several of these items and provided feedback. Later that same day, after reviewing additional information that NIMPA provided, PJM revised its position and agreed to establish an unsecured credit allowance of \$480,000. Following further discussions and additional feedback by NIMPA and its representatives from Avant, on December 29, 2025, PJM agreed to increase the unsecured credit allowance up to \$1,182,000. PJM offered no explanation as to whether this reduction reflects a change in their credit evaluation methodology or whether NIMPA's prior unsecured credit allowance was incorrect, as NIMPA's credit is increasing over time with bonds being paid off, NIMPA is a less leveraged organization.

Avant staff tried to inquire repeatedly about how the previous unsecured credit allowance was determined, but no response was received. While NIMPA still does not fully agree with how PJM has calculated the new credit allowance, after discussion between Avant staff and President Holton, continued pushback could risk jeopardizing the significant improvement that NIMPA achieved, relative to PJM's original determination of an unsecured credit allowance for PJM to \$0.00 versus the nearly \$1.2M, approximately 80% of past allowances. This reduction in unsecured credit is not expected to have a financial or operational impact on NIMPA for two reasons:

- a. NIMPA is a capacity seller, and capacity revenues typically result in PJM owing funds to NIMPA rather than NIMPA owing PJM. The unsecured credit allowance would come into play if NIMPA owed PJM.
- b. While NIMPA buys energy from PJM for its member delivery obligation at the three member delivery points, NIMPA also sells energy to PJM when Prairie State is operating, resulting in minimal net energy market financial exposure, except during periods when one or both of the Prairie State units are not running.

President Holton and the Avant team conferred throughout the negotiations.

Mr. Allen concurred that because PJM retains final authority and the current resolution is significantly better than the initial zero dollar proposal, it is in NIMPA's best interest to maintain the current agreement rather than risking further dispute.

6. 2026 ECA Refund

Mr. Niles reported that at the end of 2025, NIMPA's Energy Cost Adjustment (ECA) would be approximately \$6.6M. NIMPA has targeted maintaining a \$3M ECA balance, which was reviewed at prior board meetings. Also discussed last month, if financial circumstances change in the future, the NIMPA board could always increase or decrease any ECA refund partway through the year.

Mr. Allen reviewed that in December, the NIMPA Board agreed that refunds would begin in January 2026 and reiterated that the position to refund has not changed by the members.

MOTION: To approve an ECA refund to members of \$3.6M to members, to be distributed ratably on a monthly basis according to each member's membership interest over the course of 2026

MAKER: Blake Toliver

SECOND: Steve Allen

AYES: 3 (Toliver, Allen, Babica)

NAYS: 0

The motion passed

7. Management and Operations Report: November 2025

Mr. Hansen reviewed the November operations results:

NIMPA's share of Prairie State generated 82,045 MWh for the month for approximately \$3.38M in revenue in PJM. Prairie State also generated 679 MWh in MISO for the month of November to cover station service for a revenue of \$25,000. Prairie State unit 1 and unit 2 each had an approximately two day forced outage for a boiler tube leak in November. Overall, NIMPA had a unit on outage for approximately four equivalent days in November, which is near budget. The overall capacity factor for the month was 93%. According to Prairie State, NIMPA's EFOR for November was 5.91%, which is slightly better than the EFOR budget assumption.

Total generation for the month, including PJM and MISO was greater than, or favorable to budget, by 3,681 MWh or approximately 4.7% greater on a volume basis. As a result of the higher than budgeted volumes and higher than budgeted Prairie State LMPs, NIMPA's Prairie State generation

Minutes of NIMPA Board Meeting
January 15, 2026

revenues were substantially higher than budget with a favorable margin of \$940,000 between PJM and MISO.

In November, NIMPA's delivery costs to members was just over \$2.9M.

NIMPA's FTRs had a loss of \$374,000 for the month of November. Prairie State prices were substantially higher than the member cities' delivery points on average, resulting in daily FTR costs for the delivery path to the member cities. The average Prairie State price was \$41.20/MWh of generation, compared to \$33.60/MWh for the generation weighted member deliveries.

ISO costs in PJM were at cost of \$11,6000.

RPM Auction revenues were \$774,000 for November.

Overall, NIMPA had a PJM ISO revenue of \$859,000 for the month of November, which is approximately \$370,000 favorable compared to budget, which assumed a PJM ISO revenue of \$491,000. The favorable variance is due to greater than budgeted generated resource volumes at higher than budgeted LMPs, offset by the higher than budgeted member delivery costs and FTR costs.

MISO congestion costs in November were a revenue of \$257,000, which is \$307,000 favorable to budget. Loss costs were at cost to NIMPA of \$99,000, which is \$24,000 favorable compared to budget.

ARRs – Revenue of \$45,000.

ISO miscellaneous costs were \$16,000.

MISO - NIMPA had an overall revenue for November of \$212,000, compared to the budgeted net cost of \$175,000, a \$387,000 favorable variance compared to budget.

PJM and MISO – NIMPA had a total ISO revenue for the month of November of \$1.71M, compared to the budgeted net revenue of \$316,000, a favorable variance to budget of \$755,000, primarily attributable to the greater than budgeted generation volumes at favorable pricing conditions in PJM and lower MISO congestion and loss costs relative to budget.

2025 YTD: For the first 11 months, through November, NIMPA has an overall favorable variance to budget of approximately \$1.77M. NIMPA has 13,500 MWh less than budget in generation volume on the PJM side, and 7,400 hours greater on the MISO side, for a total generation volume of approximately 6,000 MWh less than budget for the first 11 months of 2025, which is approximately 0.7% less volume than budgeted for the first 11 months of 2025.

NIMPA has an favorable variance in generation resource revenues of \$2.3M, as LMPs have come in greater than budget. Overall YTD prices for the Prairie State generation, with a weighted LMP of \$37.88/MWh, compared to a budget of \$34.43/MWh. Delivery costs to members are coming in unfavorable to budget by approximately \$641,000, because of slightly higher than budgeted LMPs for delivered energy. Due to the spread between the generation LMPs and member delivery points, FTRs have been unfavorable to budget by \$1.7M for 2025 but have performed as designed and the basis is aligned with Prairie State and member delivery nodal points. RPM auction revenues are near budget. Overall PJM ISO activities have a favorable variance to budget of \$331,000 through the first 11 months. MISO congestion costs are coming in favorable YTD by \$657,000. Loss costs are coming

in under budget by \$370,000. Overall, MISO activities have a favorable variance to budget of approximately \$1.44M. PJM and MISO revenue and costs equal a total favorable variance for NIMPA \$1.77M through November 2025.

8. CES Subscription Renewal

Mr. Hansen presented the annual renewal for NIMPA’s participation in the PJM Public Power Coalition (PPC) through Customized Energy Solutions (CES). He explained that while this renewal was historically handled administratively, President Holton suggested a board review this year to address CES’s new task order system and a 3.5% increase in monthly fees for all members, which increased from \$1,377 to \$1,425 monthly.

Mr. Hansen and the Avant team support the decision to renew for the upcoming year, emphasizing that the PPC provides value and is cost effective to track PJM’s complex stakeholder processes. Mr. Hansen noted that Avant attends the monthly CES meetings and monitors the multiple PJM changes and stakeholder activities on behalf of the board to ensure NIMPA’s interests are well represented and to provide a resource for technical inquiries.

The board members concurred, noting that the partnership is essential for staying informed on evolving market rules and interconnection issues without incurring the significantly higher costs of direct research.

MOTION: To approve renewal of the CES subscription
MAKER: Rich Babica
SECOND: Blake Toliver
AYES: 3 (Babica, Toliver, Allen)
NAYS: 0
The motion passed

9. General Counsel Update

Attorney Smith indicated that the IEPA has issued its Title V draft permit for public notice for the Prairie State facility. There are three public hearings: In person on February 3, 2026, and two online on February 5, 2026. Public comments are open through March 9, 2026. PSGC is considering next steps.

10. EXECUTIVE SESSION (Semi-annual review and approval of executive session minutes [5 ILCS 120/2 (c)(21)]; Discussion of contracts relating to the purchase, sale or delivery of electricity from the Prairie State Project [5 ILCS 120/2 (c)(23)])

MOTION: To move into Executive Session (Semi-annual approval of executive session minutes; Discussion of contracts relating to the purchase, sale, or delivery of electricity from the Prairie State Project) @ 11:04am
MAKER: Blake Toliver
SECOND: Steve Allen
ROLL CALL: AYES: 3 (Toliver, Allen, Babica)
NAYS: 0
The motion passed

Return to Regular Session at 11:16am

11. Action Items from Executive Session:

Approve the release of Executive Session Meeting Minutes from: July 17, 2025, August 21, 2025, and September 28, 2023

MOTION: Approve the release of Executive Session Meeting Minutes
from: July 17, 2025, August 21, 2025, and September 28, 2023
MAKER: Blake Toliver
SECOND: Rich Babica
ROLL CALL: AYES: 3 (Toliver, Babica, Allen)
NAYS: 0
The motion passed

Secretary Allen shared that additional Executive Session Meeting Minutes will remain confidential and will be reviewed at the next semi-annual review meeting.

12. Vice President Election

Mr. Allen announced that Vice President Jeff Fiegenschuh (Rochelle) has departed from the Board. Following this announcement, Blake Toliver (Rochelle) was appointed, effective immediately.

MOTION: To elect Blake Toliver (Rochelle) as Vice President of the NIMPA
Board until the next round of elections, effective immediately
MAKER: Geneva (Rich Babica)
SECOND: Batavia (Steve Allen)
AYES: 2 (Babica, Allen)
NAYS: 0
The motion passed with Mr. Toliver abstaining

13. PSGC Executive Committee Alternate Election

Mr. Allen continued that following Jeff Fiegenschuh's departure, a vacancy exists to serve as the Alternate to the PSGC Executive Committee. Blake Toliver (Rochelle) has agreed to the role.

MOTION: To approve Blake Toliver (Rochelle) as an Alternate for the PSGC
Executive Committee for NIMPA
MAKER: Batavia (Steve Allen)
SECOND: Geneva (Rich Babica)
AYES: 2 (Allen, Babica)
NAYS: 0
The motion passed with Mr. Toliver abstaining

14. Old Business: Mr. Hansen will review PJM and Market Member Forms, including contact management forms, to update with the new appointee contact details for Mr. Blake Toliver. President Holton will be required to make updates to the PJM Membership Management Community.

15. New Business: None

16. Comments: None

17. Motion to adjourn:

MOTION: To adjourn the NIMPA January 2026 Board Meeting @ 11:22am
MAKER: Rochelle
SECOND: Geneva
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak