



Board Meeting February 19, 2026

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, February 19, 2026, at 10:30am, at the City of Geneva Public Works facility, 1800 South Street, Geneva, IL.

1. Call to Order and Roll Call:

President Aaron Holton called the meeting to order at 10:30am

NIMPA Members present at the meeting:

Aaron Holton, City of Geneva
Blake Toliver, City of Rochelle
Steve Allen, 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, LLC
Andrea Podraza, City of Batavia
Kevin Carpenter, Avant Energy
Eric Smith, Avant Energy

2. Approval of Regular Session NIMPA Meeting Minutes from January 15, 2026

MOTION: To approve the general session NIMPA meeting minutes
From January 15, 2026
MAKER: Steve Allen
SECOND: Blake Toliver
AYES: 3 (Allen, Toliver, Holton)
NAYS: 0
The motion passed

3. Brentwood Consulting, LLC Update

Attorney Lanzito reported on the ambitious, rapid pace of legislation currently being proposed, noting that the majority of bills are heading to the Rules Committee ahead of the March 17, 2026, primaries. Senator Cunningham, a proponent of reasonable measures dealing with energy and renewables, has proposed rolling back certain requirements if the state fails to meet a 10% storage threshold. Additionally, there is a potential rollback of emission standards for members utilizing diesel for peak shaving.

While there is currently no impact on Prairie State, the push toward renewables is bringing up secondary issues, such as land restoration, drainage, and plug in solar. Attorney Lanzito noted that cleanup of the previous omnibus bills may provide opportunities for negotiation, as this will affect the municipalities, which will ultimately impact NIMPA.

In response to President Holton’s inquiry regarding the legislative calendar, Attorney Lanzito noted that there will be no hiatus in legislative activity, as monitoring will continue through the upcoming trailer, veto, and lame duck sessions.

Attorney Lanzito will keep the NIMPA Board updated on negotiations and next steps.

Attorney Lanzito exits the meeting

4. Financial Report – Review of December 2025 Financials

- a. Mr. Niles indicated that NIMPA’s rate to members was \$5.48/MWh lower than budget for December. This variance was the result of lower than budgeted purchase power, production and transmission expenses, higher than budgeted interest income, partially offset by higher than budgeted fuel, maintenance, and other operating expenses.
- b. At the end of December, NIMPA had a \$15M credit facility with PNC Bank, a \$4.5M letter of credit with PJM, leaving \$10.5M of the credit facility unused.
- c. The ECA payable to members increased by \$422,000 in December due to a combination of a budgeted ECA increase of \$565,000, lower cost than budget of \$490,000, and the return of \$633,000 of ECA funds to members. At the end of December, and as of year end, the ECA balance was \$6.4M.
- d. Capital Adder Fund:
NIMPA’s Capital Adder Fund had a balance of approximately \$11.6M at the end of December. 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 and Investment Report:
NIMPA has a total of \$79.9M of cash and investments of which \$46.4M is related to debt service reserves and debt service. NIMPA’s operating account balance was \$8.2M at the end of December.

The operating account balance is lower because NIMPA has not received the Build America Bond subsidy payment that was filed for in early October 2025. Due to the government shutdown, the IRS did not mark as received until November 17, 2025, and the forms were not posted to NIMPA’s IRS account until December 15, 2025. Mr. Niles participated in a call with the IRS on January 22, 2026, which led to a referral for each of NIMPA’s Build America Bond payments to inquire as to the status of the payments.

President Holton shared that a notice from the IRS was received recently, and he will forward on to Avant.

Mr. Niles furthered that the total amount of the delayed Build America Bond subsidy is approximately \$1.85M. NIMPA is still responsible for payments to bond holders and remains obligated to provide sufficient cash to the bond trustee to fund all principal and interest payments, which were due on January 1, 2026. Once the subsidy is received, NIMPA will be reimbursed for the funds fronted.

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

5. Refunding of Series 2016A Bonds

NIMPA issued three series of bonds to fund the construction of the Prairie State Plant. The first bonds were issued in 2007, as traditional tax-exempt bonds, and the second and third series were issued in 2009 and 2010, respectively, as Build America bonds, during the financial crisis. In 2016, NIMPA refunded the original 2007 bonds. The 2016 bonds are once again refundable in late 2026.

Mr. Niles noted that current interest rates suggest that a bond refunding could provide approximately \$10M in present value savings and approximately \$13M in cash flow savings to NIMPA. The 2009 and 2010 Build America bonds contain provisions that make them uneconomical to refinance for the foreseeable future, as discussed in the past.

Avant recommends initiating a new RFP process to select a new underwriting team, consisting of one senior manager and two co-managers for NIMPA's upcoming bond financing. The RFP would be issued to approximately seven or eight firms in the public power banking space, allowing respondents to apply for either senior or co-manager roles. Senior manager candidates will be evaluated on bond structuring ideas, fees, experience with Prairie State bonds, and underwriting history with public power agencies. Firms seeking the senior manager role would complete the entire RFP, co-managers would only complete designated sections. All applicants will be required to provide information on distribution capabilities, specifically retail distribution in Illinois, and customer references.

If supported by the Board, Avant will plan to present the RFP for approval in March 2026 and would seek approval to launch the RFP process with plans to conduct interviews in late April, likely to include a NIMPA Board member and General Counsel. The proposed timeline includes bringing final recommended selections to the Board in May, with a tentative bond sale in August and a September closing, pending favorable bond market conditions.

After member discussion, President Holton directed Avant to begin drafting the RFP, which will be reviewed at next month's meeting.

6. NIMPA's Credit Facility Renewal

Mr. Niles reported that NIMPA's \$15 million credit facility with PNC Bank is up for renewal. The credit facility has been in place since 2012, with the most recent renewal in 2021. The current five year term expires in November 2026.

In the early years of Prairie State operations, NIMPA utilized the cash advance for working capital, however, no cash advances have occurred in over a decade. The facility is primarily used for standby letters of credit to support PJM financial transmission right (FTR) activity. It also supports NIMPA's bond rating, as rating agencies factor the credit facility into liquidity calculations when evaluating NIMPA's credit. Although the facility does not expire until November 2026, PNC reached out to NIMPA to discuss renewing earlier to align the facility renewal with the annual renewal of NIMPA's current standby letter of credit with PJM, which will expire in June.

Avant met with PNC bankers on February 2, 2026, and NIMPA received a draft term sheet on February 10, 2026. PNC proposed a five-year extension, until 2031. The functional terms of the renewal, including the commitment fee, unused capacity charge, and rates for borrowings and letters of credit, remain consistent with the current facility and industry standards.

A notable change in the proposal is the transition of the reference rate from the discontinued Bloomberg Short Term Bank Yield (BSBY) index to the Secured Overnight Financing Rate (SOFR), which is current industry standard.

Mr. Niles noted that the draft term sheet also included an unexpected request from PNC to close the facility in March, which differs from the previous discussion on February 2, 2026, regarding a summer closing. Avant responded to PNC on February 16, 2026, to reiterate the preference for a summer closing date and to question the proposed borrowing rates. Although NIMPA does not anticipate a need to borrow cash under the facility, Avant intends to negotiate for improved rates and is awaiting further discussion with the bank.

Avant will share an update at next month's meeting.

7. Management and Operations Report: December 2025 & Fiscal Year End

Mr. Hansen reviewed the December operations results:

NIMPA's share of Prairie State generated 90,300 MWh for the month for approximately \$4.2M in revenue in PJM. Prairie State also generated 700 MWh in MISO for the month of December to cover station service for a revenue of \$33,000. A strong generation month with only unit 2 having a short eight-hour outage for a relief valve issue. The overall capacity factor for the month was 99%.

According to Prairie State, NIMPA's EFOR for December was .64%.

Total generation for the month, including PJM and MISO was greater than, or favorable to budget, by 7,500 MWh or approximately 9% greater than budget, as there were minimal interruptions. As a result of the higher than budgeted volumes and higher than budgeted Prairie State LMPs, NIMPA's Prairie State generation revenues were substantially higher than budget with a favorable margin of \$1.1M.

In December, NIMPA's delivery cost to members was just over \$3.2M, just a \$100,000 unfavorable variance, as LMPs came in just slightly above budget on load. Member delivery prices averaged \$36.18/MWh compared to a budget of \$34.97/MWh. A substantial spread between Prairie State received a premium due to December weather compared to member deliveries. As a result of this price premium, the FTRs NIMPA has in place had a loss of \$730,000 for the month of December, as Prairie State prices were substantially higher than the member delivery prices, the FTRs resulted in daily costs for the delivery path. The average Prairie State price was \$46.95/MWh of generation, compared to \$36.18/MWh for the volume weighted member deliveries.

ISO miscellaneous costs in PJM were at cost of \$6,000.

RPM Auction revenues were \$799,000 for December.

Overall, NIMPA had a PJM ISO revenue of \$1,074,000 for the month of December, which is approximately \$300,000 favorable compared to budget, which assumed a PJM ISO revenue of \$772,000. The favorable variance was due to greater than budgeted generation resource volumes at higher than budgeted LMPs, offset by slightly higher than budgeted member delivery costs and FTR costs.

MISO congestion costs in December were a revenue of \$18,000, which is \$215,000 favorable to budget. Loss costs were at cost to NIMPA of \$132,000, which is \$19,000 unfavorable compared to budget. Loss costs came in higher on the MWh, primarily attributable to the larger volumes, as the congestion and loss costs are charged on the volume generated brought from MISO to PJM.

ARRs – Revenue of \$42,000.

ISO miscellaneous costs in MISO were \$19,000.

MISO - NIMPA had an overall cost for December of \$58,000, compared to the budgeted net cost of \$312,000, a \$254,000 favorable variance compared to budget.

PJM and MISO – NIMPA had a total ISO revenue for the month of December of \$1,016,000, compared to the budgeted net revenue of \$460,000, a favorable variance to budget of \$555,000, primarily attributable to the greater than budgeted generation volumes at favorable pricing conditions in PJM with the generated price being significantly higher, with FTRs offsetting to a lesser extent, and because of lower MISO congestion costs relative to budget.

2025: Concluding the fiscal year, NIMPA has an overall favorable variance to budget of approximately \$2.3M. Overall generation volumes for NIMPA are well aligned with budget, after a strong December on a total volume basis. Total volume was approximately .2% greater than budget when comparing MISO and PJM volumes. NIMPA is 7,000 MWh less than budget in generation volume on the PJM side, and approximately 8,000 MWh greater on the MISO side. The favorable results delivered by the team was managed by shifting additional megawatts to MISO to cover station service and likely favorable pricing at that time. Overall net generation aligned well with total generation of 1,500 MWh more than budget when you compare both ISOs. According to Prairie State, the EFOR is also well aligned with budget at 7.5% for 2025.

On review of revenue, NIMPA has a favorable variance in generation resource revenues for 2025 of \$3.5M, as LMPs have come in greater than budget, on average, for 2025 for Prairie State generation. 2025 generation-weighted LMPs averaged \$38.78/MWh of generation, compared to a budget of \$34.71/MWh for Prairie State generation. Delivery costs to members were unfavorable to budget by approximately \$749,000, because of slightly higher than budgeted LMPs, which differs over the years and is a fixed obligation. Overall FTRs have been unfavorable to budget by \$2.4M for 2025 but have performed as designed and aligned that basis. In 2025, Prairie State was a premium compared to member deliveries, particularly as some areas saw 'negative pricing' during December weather and 'lower prices' than what was modeled. While this allowed for recognizing additional generation revenues due to LMPs, it also meant the FTRs had costs throughout the year. Ultimately, the net portfolio performed as intended, and the FTRs hedged that basis. Additionally, RPM auction revenues were aligned with budget. PJM ISO activities have a favorable variance to budget of \$632,000. MISO congestion costs came in favorable YTD by \$872,000. Loss costs are under budget by \$351,000. Overall, for FY2025, MISO activities have a favorable variance to budget of approximately \$1.7M. PJM and MISO revenue and costs equal a total favorable variance for NIMPA \$2.3M for 2025.

President Holton and Mr. Hansen went on to discuss that finished the year 1,500 MWh over net target, a total volume variance of 0.2%, marking one of the closest alignments to budget in recent memory.

8. PJM Board Letter Re: Large Load Additions

Mr. Hansen reviewed with the meeting members that an e-mail was sent by Avant on January 29, 2026, in response to a decisional letter received from the PJM Board. The letter was issued on January 16, 2026, and addresses the Critical Issue Fast Path Process of rapid large growth, primarily data centers. This letter follows the first capacity auction shortfall in PJM's history; hence, the PJM board has directed reforms for forecasting, the integration of large loads, the potential reliability of backstop procurement, and a broader market design review.

Mr. Hansen reiterates that this discussion on the decision letter from PJM may be more pertinent to the members than to NIMPA, as an agency, but has potential to impact both, as load serving entities.

The Critical Issue Fast Path Process decision letter acknowledged that the current one-year capacity commitment procured three years forward may not match the current investment climate that may be required to incentivize new generation, so PJM has been directed to follow these action items:

- a. The letter defined large load additions, as 50 MW or greater at a single interconnection point.
- b. Tighten load forecasting, including elements of State review, removal of duplicative, speculative requests, and stronger financial commitment requirements for entering. The goal of the effort is to avoid overstating projected demand growth in these forecasts.
- c. Integrate large loads while protecting reliability through offering of voluntary 'bring your own generation.' Large load centers would bring their own generation when they interconnected. Expedited interconnection pathways were reviewed in the letter, which also discussed a 'connect and manage framework', where large loads that do not bring their own supply, may face curtailment priority during emergency conditions, such that native loads and non-large load additions, typical loads, would receive priority for the generation that existed on the system.

President Holton, Attorney Heinemann, and Mr. Hansen discussed 'connecting behind the meter' and the transmission impacts to NIMPA and the members.

Attorney Heinemann indicated that this is a NIMPA issue, noting that NIMPA can leverage its joint action status to address these challenges, as seen with the known data center situation in Batavia. Attorney Heinemann observed that the recommendations seem reasonable, but there is also a transmission component, both from accommodating the large load, as well as the generation resources that would be utilized to serve the large load, which does not seem to be a focus of the PJM Board's decisional letter. He questioned why there is not any mention of an expedited transmission study timeline for these load integrations. The letter addresses backstop procurement, but based on Attorney Heinemann's assessment of the market in Wisconsin, the new tariff structures that are being developed to service these very large loads require a commitment to not only bring their own generation but also to pay for the substantial costs associated with the interconnection to the transmission system at the site, where the data center will be loaded, and backstopping, providing guarantees, given the large ramp up times. Attorney Heinemann states that these issues are not addressed, and the letter focuses primarily on generation.

Mr. Hansen agreed and noted that the PJM decision letter does not specify these concerns, but furthered that it is also an issue that is discussed at the transmission owner level. He indicated that the next couple of auctions may not be impacted by transmission, as the current shortfall is driven by raw generation capacity. He agreed that as more loads and generation are added to the system, there naturally has to be more transmission, which will need to be discussed in tandem.

Mr. Toliver cautioned that resource adequacy is already a critical issue and pointed to PJM's projections of 70 gigawatts of load growth over the next 10 years, with only half that amount in planned generation to follow and stated that the system will not be able to supply firm power to data centers that require it. Furthermore, while the concept of "bring your own generation" sounds good in theory, Mr. Toliver expressed concern that this could tie up the channels for utilities that need to build their own new generation, as data centers effectively consume the available supply and development resources.

Mr. Hansen suggested that if data centers provide their own power sources, these facilities would likely be designed in close proximity to the load. This local approach could potentially reduce that transmission burden on the existing grid, as the power would not have to travel far to reach the data center.

Mr. Fulliero shared historical context regarding Avant’s involvement in generation behind the meter, noting that it was understood that generation would offset load, but past FERC rulings stated otherwise. He cautioned that if a facility is connected to the transmission system, the entity may still be responsible for transmission billing on the total load, regardless of onsite generation. Mr. Fulliero advised members that if a 100 MW load center enters their community with 50 MW of its own generation, they should not assume they will only be billed for the net 50 MW.

Mr. Hansen detailed the remaining portion of the decision letter and PJM Board's directive, including soliciting feedback from stakeholders, and noting that PJM will conduct a holistic evaluation of market investment incentives throughout 2026. He discussed a potential backstop procurement to secure new supply, with the understanding that the incremental capacity costs would likely be allocated to the Load Serving Entities (LSEs) responsible for the shortfall due to large load additions, rather than all LSEs generally.

Mr. Hansen reported that on February 12, 2026, the PJM Board declared they will seek a FERC extension of the current price collar for the 2028/2029 and 2029/2030 capacity auctions. With the auction approaching in June 2026, PJM is initiating the consultation process in accordance with their governing documents, which they are reviewing today with the impending filing at the Members Committee Meeting and at the Transmission Owner’s Agreement Administrative Committee tomorrow, where PJM will be pursuing the extension of the price collar for the next two planning years.

Mr. Hansen encouraged members to utilize CES materials and attend monthly PPC meetings to stay informed on how these directives specifically impact their municipalities.

A discussion ensued. Mr. Hansen reiterated that capacity prices are currently clearing at the upper end of the collar due to the supply shortfall. He indicated that while the collar currently controls costs for LSEs, it also limits the potential for higher capacity prices to beneficially impact NIMPA’s rates, which has been previously noted in an Avant Rate Study Report.

9. General Counsel Update

Attorney Heinemann referenced a previously forwarded email that summarized the three public hearings in regard to the IEPA’s issuance of its Title V draft permit for public notice for the Prairie State facility. The three hearings were well attended with good discussion and no surprises. NGOs were represented, including counsel for Sierra Club.

President Holton indicated there was a good mix of for and against comments.

10. Executive Session (Litigation related to the Prairie State Generating Company; Discussion of contracts relating to the purchase, sale, or delivery of electricity from the Prairie State Project).

MOTION: To move into Executive Session (Litigation related to the Prairie State Generating Company; Discussion of contracts relating to the purchase, sale, or delivery of electricity from the Prairie State Project) @ 11:26am

MAKER: Blake Toliver

SECOND: Aaron Holton

ROLL CALL: AYES: 3 (Batavia, Rochelle, Geneva)
NAYS: 0

The motion passed

Return to Regular Session at 11:49am

11. Action Items from Executive Session: None

12. Old Business: None

13. New Business: None

14. Comments:

- a. President Holton requested that Avant update the website to include the yearly budget on its own separate tab.
- b. The Batavia City Council has approved Mr. Steve Allen as the primary director for the NIMPA Board and Andrea Podraza as the Alternate.

15. Motion to adjourn:

MOTION: To adjourn the NIMPA February 2026 Board Meeting
@ 11:51am
MAKER: Steve Allen
SECOND: Blake Toliver
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak