



**Board Meeting
May 21, 2026**

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, May 21, 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
Rich Babica, City of Geneva
Steve Allen, City of Batavia
Blake Toliver, City of Rochelle

Present via teleconference:

Attorney Richard Heinemann, General Counsel
David Niles, Avant Energy
Noah Hansen, Avant Energy
Eric Smith, Avant Energy
Joe Fulliero, Avant Energy
Kevin Carpenter, Avant Energy
Elizabeth Zrelak, Administrative Support

2. Approval of April 16, 2026, NIMPA Meeting Minutes

The minutes of the April 16, 2026, meeting were presented for review.

Approval of Regular Session NIMPA Meeting Minutes from April 16, 2026

MOTION: To approve the general session NIMPA meeting minutes
from April 16, 2026

MAKER: Blake Toliver

SECOND: Steve Allen

AYES: 3 (Toliver, Allen, Holton)

NAYS: 0

The motion passed

3. Financial Report – Review of March 2026 Financials

- a. Mr. Niles indicated that NIMPA's rate to members was \$2.54/MWh lower than budget for March. This variance was the result of lower than budgeted production, fuel, and transmission costs.
- b. At the end of March, 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 decreased by \$49,000 in March due to a combination of a budgeted ECA increase of \$31,000, lower cost than budget of \$226,000, and the return of \$306,000 of ECA funds to members. At the end of March, the ECA balance was \$6.6M.
- d. Capital Adder Fund:
NIMPA's Capital Adder Fund had a balance of approximately \$11.5M at the end of March. 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 \$77.1M of cash and investments, of which \$42.8M is related to debt service reserves and debt service. NIMPA's operating account balance was \$8.9M at the end of March.

MOTION: To approve NIMPA monthly financials from March 2026
MAKER: Steve Allen
SECOND: Aaron Holton
AYES: 3 (Allen, Holton, Toliver)
NAYS: 0
The motion passed

Matt Hoffman, City of Rochelle, joins the meeting
Chad Kustermann, Avant Energy, joins the meeting

4. Refunding of Series 2016A Bonds

Mr. Niles indicated that two senior manager candidates for a potential NIMPA 2026 bond issue were interviewed on April 30, 2026, by NIMPA's President, Aaron Holton, NIMPA's General Counsel, Attorney Richard Heinemann, and the Avant team, David Niles and Kevin Carpenter. After evaluation and discussion, the committee's recommendation for senior manager is Bank of America (BoFA).

According to Mr. Niles, it is common to have one or more co-managers for a bond issue of this size on the transaction to ensure the broadest possible distribution of the bonds to achieve a low yield. Based on their proposal response and interview performance, the committee recommends RBC Capital Markets as co-manager.

These two firms were selected based on the responsiveness of their proposals to NIMPA's RFP selection criteria: financing, distribution and underwriting capabilities, experience with public power and Prairie State transactions, proposed personnel, and fees and costs.

While BOA's proposed takedown pricing of \$2.75 per bond is higher than RBC's \$1.25 per bond, the committee believes BOA made a stronger case for managing the issuance. Bank of America has senior managed every Prairie State-related bond issue in the last few years. BOA's management of the bond issue may result in lower borrowing costs and a better approach to rating agencies, offsetting the higher takedown cost, and ultimately yielding a lower total cost to NIMPA.

President Holton and Attorney Heinemann indicated their approval of the BoFA team, their nimbleness, and ability to 'go with the flow'. The entire committee concurred that BoFA was a good choice to manage this transaction due to their overall approach.

Mr. Allen inquired what the estimated cost savings to NIMPA may be, and Mr. Niles responded that geopolitical events are currently impactful and the 30-year treasury hit its highest rate just days ago, but pricing is a few months out, so it is premature to speculate. Assuming that rates do not continue to climb, there is the potential for significant savings for NIMPA based on this transaction.

MOTION: To select BoFA as senior manager and RBC as co-manager for the NIMPA 2016A Bond Series refunding transaction.
MAKER: Steve Allen
SECOND: Blake Toliver
AYES: 3 (Batavia, Rochelle, Geneva)
NAYS: 0
The motion passed

5. Management/Operations Report: March 2026

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Mr. Hansen reviewed the March operations results:

NIMPA's share of Prairie State generated 77,750 MWh for the month for approximately \$2.85M in revenue in PJM. NIMPA also generated 367 MWh in MISO for the month of March to cover station service for a minimal margin. NIMPA actively ramped down in the month of March based on real time LMPs. NIMPA ramped down 1,200 MWh, yielding approximately \$10,000 for additional benefit, as compared to if NIMPA only generated at base load. The overall capacity factor for the month at Prairie State was 85%. Unit 1 and Unit 2 each had a boiler tube leak, and Unit 1 had a main steam control valve issue. Overall, Prairie State had one unit out of service for approximately seven days during the month of March.

According to Prairie State, NIMPA's EFOR for March was 8.37%. Total generation for the month, including PJM and MISO was less than, or unfavorable to budget, by approximately 2,100 MWh, or 2.6% less than budget on a volume basis, which assumed 8% EFOR. Despite the lower than budgeted volumes, NIMPA's Prairie State generation revenues were greater than budgeted margin by \$230,000, due to higher than budgeted Prairie State LMPs continuing the trend for the first few months of 2026. Prairie State's average LMP/MWh of generation was \$36.71 compared to a budget of \$32.63. These are much lower than we saw in January and February, which included Winter Storm Fern and higher commodity costs. We are witnessing a downward trend on LMPs in general but still higher than budget.

NIMPA's delivery costs to members in March, however, came in lower than budget because of lower LMPs. For March, NIMPA's delivery costs to members was just under \$2.4M, a \$440,000 favorable variance to budget, as member delivery LMPs came in at \$26.72 compared to a budget of \$31.70. On the generation side, Prairie State prices are coming in high on the budget on the member delivery side based on some congestion, the member deliveries are coming in under budget. As a result, NIMPA's FTRs had a loss in the month of March of \$834,000. Prairie State prices were higher than the member city delivery points, resulting in FTR daily costs for the delivery path to member cities. The average Prairie State price was \$36.71/MWh of generation, compared to \$26.72/MWh for volume weighted member deliveries.

RPM auction revenues in PJM were \$800,000 for March.

Overall, NIMPA had a PJM ISO revenue of \$607,000 for the month of March, which is \$146,000 unfavorable compared to budget, which assumed a PJM ISO revenue of \$752,000. The unfavorable variance is due to lower than budgeted generation volumes at higher than budgeted LMPs. By having lower production volume and higher LMPs, generation revenue is not captured to its full extent that is being offset by the FTRs.

MISO congestion costs in March were a cost of \$31,000 for NIMPA, which is approximately \$157,000 favorable compared to budget. Loss costs were at cost to NIMPA of \$113,000, which is \$6,000 unfavorable compared to budget.

ARRs – Revenue of \$37,000.

ISO miscellaneous costs in MISO were \$12,000.

MISO - NIMPA had an overall cost for March of \$111,000, compared to the budgeted net cost of \$282,000, resulting in a \$171,000 favorable variance compared to budget on the MISO side.

PJM and MISO – NIMPA had a total ISO revenue for the month of March of \$496,000, compared to the budgeted net revenue of \$471,000, closely aligned with budget, a favorable variance to budget of

\$25,000. Performance was in line with budget and the unfavorable variance is due to lower than budgeted generation volumes and a higher LMP market, offset by a favorable variance in MISO congestion costs.

2026 YTD: For Q1 2026, NIMPA had an overall favorable variance to budget of just over \$347,000. Overall generation volumes for NIMPA are just under budget on a total volume basis, approximately 0.4% less than budget, aligned with budget, considering MW that are resulting in the slate under budget due to active ramping that capture benefit on real time LMPs being lower than the production costs. Generation volumes are aligned with budget. The EFOR, according to Prairie State, is 8.4% YTD, compared to the budgeted EFOR of 8.0%. NIMPA has a favorable variance in generation resource revenues of approximately \$4.5M, as LMPs have come in substantially higher than budget. For Q1 2026, LMPs averaged \$63.23/MWh compared to \$43.61/MWh. Delivery costs to members are unfavorable to budget by approximately \$1M due to higher than budgeted LMPs/MWh of delivered energy, heavily weighted by January and February. For Q1, NIMPA member deliveries had a weighted average delivery cost of \$45.74, compared to a budget of \$41.85. Due to pricing at both Prairie State and on member deliveries, FTRs have been unfavorable to budget by \$3.5M, but FTRs have performed as designed and aligned the basis. Prairie State LMPs are a premium relative to the member delivery nodes.

Overall, PJM ISO activities have had an unfavorable variance to budget of \$26,400. On the MISO side, congestion costs are favorable to budget by \$400,000, and loss costs are unfavorable to budget by \$84,000. MISO activities have had a favorable variance to budget of \$374,000, which results in a total favorable variance for NIMPA of \$347,000 for Q1.

Attorney Lanzito joins the meeting

6. Brentwood Consulting, LLC Update

Attorney Lanzito provided an update on pending legislation, which he has been closely monitoring. He is currently waiting on a response from Senator Bryant's office regarding a piece of pending legislation regarding utility fee disclosure. Two amendments were proposed in the past two days that will not impact NIMPA and have to do with battery storage, but he is actively attempting to reach Senator Bryant to ensure there are no amendments with unintended impacts to NIMPA.

Due to scheduling difficulties with hosting another in person event, Attorney Lanzito is planning a two part, educational webinar for legislators in August once school resumes. In preparation, Attorney Lanzito requested that the member municipalities provide their cost of doing business and each individual municipalities IRP before the veto session and regular session begins. NIMPA Members will gain visibility and name recognition and will have an opportunity to discuss with politicians what regulations are working and what regulations are not working for consumers and affordability. Lawmakers from both parties remain receptive and interested in maintaining open communication with municipalities due to their vital role in local economics.

Attorney Lanzito noted he is continuing to monitor the two Stadelman bills; one was referred back to committee, but the battery storage bill has traction. Again, the bills themselves are not impactful to NIMPA, but text amendments are going back and forth and amendments may be added.

A discussion ensued regarding a recent scuttlebutt around small modular reactors and potential hydrogen retrofits for existing coal plants in the future. Attorney Lanzito will continue to track these developments and keep NIMPA Members informed.

Attorney Lanzito exits the meeting

7. Operations Updates:

Mr. Hansen provided operational updates:

a. 2027/2028 FTR Annual Auction: Completed; 100% hedged along the path from Prairie State to the member city delivery points.

b. Fuel Cost Policy Extension: As a PJM market participant, NIMPA is required to submit a bi-annual fuel cost policy to PJM. The policy establishes the methodology utilized to determine and verify fuel costs for generating resources, including procedures for how NIMPA updates and validates inputs into cost. Avant submitted an updated fuel cost policy on behalf of NIMPA, which was reviewed, approved, and extended by PJM until November 2029.

c. FERC Limited Extension of Capacity Price Collar: FERC approved PJM's proposal to extend the existing capacity market price collar for the 2028/2029 and 2029/2030 planning year Base Residual Auctions (BRAs), maintaining an approximate price floor of \$175/MW-day and price cap of \$325/MW-day. The extension is intended to reduce the near term auction price volatility amid the continuing tightening supply and demand conditions at PJM, including load growth and generation retirements. FERC stated the temporary extension supports continued market stability while PJM evaluates longer term market reforms and resource adequacy solutions, including PJM's potential backstop procurement mechanisms, where they put new loads and new generation sellers into their own capacity auction, which is intended to address future resource adequacy concerns.

d. PJM Update: PJM issued a discussion paper, titled "Powering Reliability Through Market Design" The paper outlines concerns that current electricity market structures may not adequately support future reliability needs amid the rapid load growth, increasing generation development costs and heightened market volatility. No specific market design proposal from PJM was included, but PJM indicated that stakeholder discussion is underway.

Mr. Hansen noted that a PJM update will remain a standing item on NIMPA's monthly meeting agendas to keep members and municipalities informed. Mr. Hansen will distribute the referenced discussion paper and an accompanying article via email, welcoming any questions or feedback.

8. General Counsel Update:

Attorney Heinemann indicated that he had no updates for open session.

Matt Hoffman, City of Rochelle, exits the meeting

9. 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) @ 11:16am

MAKER: Steve Allen

SECOND: Aaron Holton

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

The motion passed

Return to Regular Session at 11:44am

10. Action Items from Executive Session: None

- 11. Old Business:** Mr. Niles reported that renewal efforts for the credit facility, which is set to expire November 2026, will begin in early summer. He emphasized that because rating agencies evaluate the facility when assessing NIMPA's liquidity, its structure and timing will directly influence the success of the upcoming bond rating.

Mr. Niles requests Board approval for Avant to sign the PNC term sheet to extend the credit facility, and to review a price proposal from Ice Miller, NIMPA's Bond Counsel, for the credit facility renewal and the 2016A Bond refunding transaction.

After discussion, President Holton authorized Avant to move forward.

- 12. New Business:** None

- 13. Comments:** President Holton thanked the Avant team for their continued good work.

- 14. Motion to adjourn:**

MOTION: To adjourn the NIMPA May 2026 Board Meeting @ 11:48am
MAKER: Aaron Holton
SECOND: Blake Toliver
VOICE VOTE: All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak