Board Meeting
August 20, 2026

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, August 20, 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 10:37am

   NIMPA Members present at the meeting:
   Aaron Holton, City of Geneva
   Rich Babica, City of Geneva
   Steve Allen, City of Batavia

   Present via teleconference:
   Attorney Richard Heinemann, General Counsel
   Blake Toliver, City of Rochelle
   Andrea Podraza, City of Batavia
   David Niles, Avant Energy
   Noah Hansen, Avant Energy
   Joe Fulliero, Avant Energy
   Kevin Carpenter, Avant Energy
   Chad Kustermann, Avant Energy
   Dominick Lanzito, Brentwood Consulting, LLC
   Elizabeth Zrelak, Administrative Support

2. **Approval of July 16, 2026, NIMPA Meeting Minutes**
   The minutes of the July 16, 2026, NIMPA Board Meeting were presented for approval.

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

   MOTION: To approve the general session NIMPA meeting minutes from July 16, 2026.
   MAKER: Steve Allen
   SECOND: Blake Toliver
   AYES: 3 (Allen, Toliver, Holton)
   NAYS: 0
   The motion passed

3. **Brentwood Consulting, LLC Update**
   Attorney Lanzito updated the legislative timeline noting recent changes, including the passing of House Bill 1700 (addressing wind and solar zoning) and Senator Bryant's Transparency Act regarding billing: Veto session dates are scheduled for November 17–19 and December 1–3 (requiring a supermajority), with a lame duck session occurring before January 13, 2027 (requiring a simple majority). Last minute or late night legislation is anticipated. The major energy legislation for the State of IL is expected to focus on data centers. Broader policy continues to push toward renewables, battery storage, and away from fossil fuels with Vistra closing three coal fired power plants before 2028, further reducing baseload capacity and impacting future purchase power agreements.

Meetings with legislative leadership and energy/public utility committee members are also scheduled in the coming months. Presentation slides are being updated to include IRP (Integrated Resource Plan) data, including Rochelle's, customer/rate figures, and residential account cost breakdowns to highlight the impact of regulations. A draft slide presentation will be circulated to the NIMPA Board prior to hosting a webinar ahead of the veto session.

President Holton asked Attorney Lanzito to clarify his remarks regarding residential Integrated Resource Plan (IRP) costs. Mr. Lanzito explained that he was referring to the direct compliance and administrative costs of preparing the IRP itself, not internal resource costs, and how that expense translates to a per-account monthly impact for residential consumers. Demonstrating these incremental costs (even $1 to $3 per month) helps convey to legislators the cumulative financial burden of administrative mandates on local ratepayers alongside broader rate and capacity increases. Attorney Heinemann then inquired whether formal data center legislation had been drafted. Mr. Lanzito noted that while some local bans and earlier spring proposals emerged, ongoing discussions focus on potential state restrictions and the broader impact data center power demands will have across the PJM grid. He emphasized that if restrictive legislation forces data centers to build outside Illinois while remaining on the PJM grid, local ratepayers will still absorb the resulting regional capacity and grid costs without securing local economic development.

4. **Financial Report – Review of June 2026 Financials**
   - **a.** Mr. Carpenter indicated that NIMPA's rate to members was $4.04/MWh lower than budget for June. This variance was the result of lower than budget transmission and fuel costs, partially offset by higher than budget purchase power and maintenance costs.
   - **b.** At the end of June, NIMPA had a $15M credit facility with PNC Bank. Of that, $4.5M was deployed to PJM via a letter of credit, leaving $10.5M of the credit facility unused. Of note, since the last board meeting, NIMPA successfully closed on the amendment and extension of this credit facility, which is now in place until July of 2031.
   - **c.** The ECA payable to members increased by $694,000 in June due to a combination of a budgeted ECA increase of $641,000, lower cost than budget of $349,000, and the return to members of $296,000. At the end of June, the ECA balance was $7.5M.
   - **d.** Capital Adder Fund:
     NIMPA's Capital Adder Fund had a balance of approximately $11.6M at the end of June. This represents more than four years of NIMPA's share of proposed capital costs based on Prairie State's projected capital expenditures over the next five years.
   - **e.** Cash Investment Report:
     NIMPA has a total of $82.9M of cash and investments of which $47M is related to debt service reserves and debt service. NIMPA's operating account balance was $10.3M at the end of June.

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

5. Approval of 2026 Bond Issue

Mr. Carpenter presented an update on the proposed Series 2026A Power Project Revenue Refunding Bonds, seeking Board approval for an ordinance authorizing the refinancing of outstanding Series 2009C, 2010A, and 2016A debt to capture interest rate savings. Bond pricing is scheduled for early September 2026, with an anticipated closing on October 1, 2026. Under recent market conditions, an issuance of approximately $135 million at a yield under 3.75% would yield roughly $550,000 in annual debt service savings through 2041, totaling $6 million in net present value savings and $8 million in cumulative reductions. Following early August 2026 meetings with rating agencies, attended by NIMPA and Avant representatives, NIMPA's current A2/A- credit ratings from Moody's and Fitch will be reaffirmed.

The authorizing ordinance establishes financing parameters, including a maximum principal amount not to exceed $325 million to provide administrative flexibility to refinance more bonds if market conditions generate additional savings on the pricing date, a 30-year maximum maturity, and an arbitrage yield cap of 5.0%. In addition to approving core transaction agreements, such as the Supplemental Indenture, Preliminary Official Statement, Escrow Deposit Agreement, and Bond Purchase Agreement, Mr. Carpenter recommended authorizing General Counsel and Avant representatives to eliminate the Good Faith Deposit provision from the Bond Purchase Agreement, per underwriter guidance, to streamline execution. The Escrow Deposit Agreement is established to manage proceeds until outstanding bonds are called and retired on December 1, 2026.

A discussion ensued: President Holton inquired whether the proposed transaction could refinance all outstanding debt. Mr. Carpenter clarified that while the ordinance provides maximum flexibility, market conditions will dictate which series are economical to refinance. In response to a further question regarding NIMPA's total debt burden, Mr. Niles noted that total outstanding bond debt is approximately $350 million. President Holton requested a written update regarding NIMPA's total debt burden. Avant will update totals and distribute to members. General Counsel Heinemann confirmed that while the ordinance grants execution authority, the formal motion should explicitly authorize each transaction document.

MOTION: To approve Ordinance 2026-2, the draft Preliminary Official Statement, the Supplemental Indenture No. 12, the draft Bond Purchase Agreement, the 2026 Escrow Agreement , and the Notice of Potential Refunding.
MAKER: Steve Allen
SECOND: Aaron Holton

Following discussion, Attorney Heinemann and Mr. Carpenter recommended the motion be amended to include the Continuing Disclosure Undertaking and to make the Bond Purchase Agreement subject to review and approval by Avant, Bond Counsel, and General Counsel, specifically regarding the Section 2 Good Faith Deposit provision.

MOTION AS AMENDED: To approve Ordinance 2026-2, the draft Preliminary Official Statement, the Supplemental Indenture No. 12, the draft Bond Purchase Agreement, the Escrow Agreement, the Notice of Potential Refunding, and the Continuing Disclosure Undertaking, subject to review and approval by Avant, Bond Counsel, and General Counsel specifically regarding Section 2 of the Bond Purchase Agreement.
MAKER: Steve Allen
SECOND: Blake Toliver

AYES: 3 (Batavia, Rochelle, Geneva)
NAYS: 0
The motion passed, as amended

Board members shared their thanks with Avant and General Counsel.

6. Audit RFP

Mr. Carpenter reminded members that the audit RFP was issued to 11 accounting firms in late July to expand participation. All 11 firms responded with 9 indicating their intent to submit proposals. Avant consolidated all questions and distributed responses to inquiries regarding NIMPA's audit schedule, financial reporting, accounting systems, capital assets, debt activity, Prairie State, and additional related matters to ensure consistent information sharing. Proposals are due August 24, 2026, and will be evaluated on qualifications, audit approach, government and public power experience, team credentials, references, reporting responsibilities, and proposed fees. Results and an Avant recommended audit firm will be shared at the September NIMPA Board meeting.

7. Management/Operations Report: June 2026

Mr. Hansen noted an administrative error on page 4 of the printed monthly management report, clarifying that the line stating there are no supplementary notes should be disregarded.

He further indicated that Prairie State experienced several outage events. Unit 1 was on outage for a boiler tube leak and experienced two shorter duration outages during its return to service immediately after within the next 12 hours. Unit 2 was on outage for a boiler tube leak later in the month. Total outage duration was approximately six days.

Financial Operating Results:

PJM Market Activities: NIMPA's share of Prairie State generated approximately 77,800 MWh for the month of June, resulting in approximately $2.93M of generation revenue in PJM.

Member delivery costs were approximately $2.87M.

FTR settlements were a net revenue of approximately $127,000.

RPM auction revenues were approximately $924,000.

On the MISO side, pseudo-tie congestion and loss charges resulted in a net revenue of approximately $60,000.

Overall, combining PJM & MISO activities, NIMPA recorded an overall net ISO revenue of approximately $1.19M.

Summary of ISO market congestion:

In PJM, the congestion, including FTR settlements and FTR auction revenue, was approximately $418,000 in net revenue. In MISO, congestion net of ARR revenues resulted in approximately $134,000 in net revenue.

YTD Dashboard Review through June 2026

1. **Prairie State Plant Output**: Essentially in line with budget of 471,000 MWh
2. **Prairie State Revenues**: Performing significantly above budget with a favorable variance of $4.6M

3. **NIMPA's Load Cost**: Favorable to budget by $471,000
4. **FTR and Other Costs**: FTRs and other costs are unfavorable to budget by $4.4M.
5. **Net PJM Impact**: When netting the three numbers together, as a portfolio, NIMPA has a favorable variance to budget for PJM activities of $600,000 YTD.
6. **MISO Operations**: MISO operation items are limited and are aggregated together on the dashboard. MISO net costs are coming in under budget and have a favorable variance of approximately $123,000 through June 2026.
7. **Net Basis for PJM and MISO Activities**: NIMPA is approximately $721,000 favorable to budget through the month of June.

8. **Operations Update**

Mr. Hansen provided two PJM operational updates:

- PJM recently filed its proposed reliability backstop procurement with FERC following a 6,800 MW capacity shortfall in the 28–29 Base Residual Auction (BRA). This proposed backstop is intended to serve as the resource adequacy backstop by securing additional new capacity, providing selected new capacity resources with longer term revenue commitments through a one-time procurement this fall if approved.

- Mr. Hansen also noted PJM's related proposal addressing how large new loads, including data centers, would be integrated into the system during periods when PJM does not have sufficient capacity to meet its reliability requirement. The proposal would establish a large load registry for certain new large loads—noted as a 50 megawatt threshold—that do not bring capacity with them, providing a mechanism to allow those loads to be reduced during specified reliability shortage conditions to allow continued large load development while limiting reliability impacts on the broader PJM system.

  Avant will continue to monitor the FERC proceeding and any potential implications for the PJM capacity market.

9. **General Counsel Update:** Attorney Heinemann shared that he had no updates.

10. **Open Meetings & Compliance Policy**

President Holton presented an updated draft of the NIMPA Open Meetings Act (OMA) Compliance Policy to guide current and future Board members. Board members agreed that the policy, as presented, was a good foundation. General Counsel recommended adding a policy footer to track the date and version 1.0. Attorney Heinemann noted the policy will remain an evolving document as NIMPA gains experience under the OMA and Section 2(c)(23) exception in particular.

MOTION:	To adopt the NIMPA draft OMA Compliance Policy, as presented
MAKER:	Aaron Holton
SECOND:	Steve Allen
	AYES: 3 (Holton, Allen, Toliver)
	NAYS: 0
	The motion passed

11. **Old Business:** None

12. **New Business:** None

13. **Comments:**

- President Holton noted that Prairie State's E&O Committee and Finance Committee have published a new schedule and are now holding online meetings regularly. Three of the four

quarterly meetings will be held virtually, and the August meeting will be held on campus with a facility tour to follow. He added that if online meetings make it more feasible for Board members to serve on one of these committees, to contact him directly. These committees and the External Affairs Committee are offered to municipality staff as well as Board members, in a non-voting capacity.

- Mr. Allen reported that the External Affairs Committee is also conducting meetings online but is holding an onsite meeting at the end of September.

- **Public Comments**: Ms. Susan Russo, an online meeting participant:
  Thanked the Board and Attorney Heinemann for their efforts in developing the OMA compliance policy.

  Ms. Russo inquired whether the bond resolutions approved earlier in the meeting are strictly for refunding current debt or include new debt issuance. President Holton confirmed the documents apply to current bond refinancing only.

  Ms. Russo inquired whether the approved ordinance permits extending bond repayment maturities beyond the existing 2041 deadline. Mr. Carpenter clarified that while the ordinance contains broad parameters, tax regulations prevent an extension, and the refinancing plan maintains current maturity dates without extending past 2041.

  Ms. Russo further questioned whether future bond refundings under the ordinance require subsequent Board approval or if full authority is delegated to the President and Secretary. Attorney Heinemann confirmed that the ordinance authorizes the President and Secretary to execute refundings that meet all specified ordinance parameters, returning to the Board for approval if limitations are exceeded.

14. Motion to Adjourn:

MOTION:	To adjourn the NIMPA August 2026 Board Meeting @ 11:25am
MAKER:	Blake Toliver
SECOND:	Steve Allen
VOICE VOTE:	All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak