Board Meeting
September 17, 2026

The Northern Illinois Municipal Power Agency (NIMPA) held a Board Meeting on Thursday, September 17, 2026, 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 Aaron Holton called the meeting to order at 10:31am

   NIMPA Members present at the meeting:
   Aaron Holton, City of Geneva
   Steve Allen, City of Batavia
   Blake Toliver, City of Rochelle (Joined at 10:36am)

   Present via teleconference:
   Attorney Richard Heinemann, General Counsel (Joined at 10:33am)
   Rich Babica, City of Geneva
   Andrea Podraza, City of Batavia
   Michael Miller, City of Rochelle
   David Niles, Avant Energy
   Noah Hansen, Avant Energy
   Trevor Smith, Avant Energy
   Kevin Carpenter, Avant Energy
   Chad Kustermann, Avant Energy
   Dominick Lanzito, Brentwood Consulting, LLC
   Elizabeth Zrelak, Administrative Support

2. **Approval of August 20, 2026, NIMPA Meeting Minutes**
   The minutes of the August 20, 2026, NIMPA Board Meeting were presented for approval.

   Approval of Regular Session NIMPA Meeting Minutes from August 20, 2026

   MOTION: To approve the general session NIMPA meeting minutes from August 20, 2026.
   MAKER: Steve Allen
   SECOND: Aaron Holton
   AYES: 2 (Allen, Holton)
   NAYS: 0
   The motion passed

3. **Brentwood Consulting, LLC Update**
   Attorney Lanzito provided an update on draft legislation, which primarily focuses on data centers and large-scale power users, with session dates scheduled for November 17–19 and December 1–3 (requiring a supermajority) and a lame duck session occurring before January 13, 2027 (requiring a simple majority). He added that while individual member utilities may be impacted by large-scale user definitions, revisions to CEJA are not anticipated to impact ownership in Prairie State. Instead, changes are expected in small, minor adjustments, similar to past legislation overriding local authority on wind and solar zoning. He added that the upcoming State of Illinois Speaker election will control the agenda, the veto session, and what legislation moves forward.

To prepare for the upcoming sessions, Mr. Lanzito is scheduling October meetings with ranking members in both chambers. He will circulate an educational draft presentation for NIMPA's review and requested input on any legislative priorities members would like to explore for the next session so that early preparation and groundwork can begin.

President Holton reminded respective owners to contact Attorney Lanzito with any member updates.

Mr. Lanzito exits the meeting

4. Financial Report – Review of July 2026 Financials

a. Mr. Niles indicated that NIMPA's rate to members was $2.15/MWh higher than budget for July. This variance was the result of significantly higher than budgeted purchase power cost, partially offset by lower than budget transmission costs. At the end of July, NIMPA had a $15M credit facility with PNC Bank. NIMPA maintains a $4.5M letter of credit with PJM related to FTR activities, leaving $10.5M of the credit facility unused.

b. The ECA payable to members decreased by $14,000 in July due to a combination of a budgeted ECA increase of 484,000, higher cost than budget of 192,000 and the return to members of 306,000. At the end of July, the ECA balance was $7.5M.

c. Capital Adder Fund:
NIMPA's Capital Adder Fund had a balance of approximately $11.8M at the end of July. 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.

d. Cash Investment Report:
NIMPA has a total of $82.4M of cash and investments, of which $46.4M is related to debt service reserves and debt service. NIMPA's operating account balance was $10.2M at the end of July.

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

5. 2026 Bond Issue

Mr. Niles reported that on September 1, 2026, NIMPA successfully priced its Series 2026A bonds to refinance most of its Series 2016A bonds, which had previously refinanced the original Series 2007A bonds. The refinancing transaction provides approximately $6.8M in total savings, lowering NIMPA's debt interest payments by approximately $495,000 annually from 2027 through 2041 (with the exception of 2034). On a present value basis, the value of the refunding savings is approximately $5 million.

Mr. Niles noted that pricing was completed despite rising market interest rates driven by inflation comments from the Federal Reserve and geopolitical tensions between the U.S. and Iran. Despite overall demand exceeding supply, longer term maturities saw weaker interest, leaving $25M of the $134M issue unsold. As NIMPA's underwriter, Bank of America purchased the remaining 18% to 19% of the transaction directly.

The transaction does not extend NIMPA's final maturity date beyond December 1, 2041. Closing is set for October 1, 2026, at which time short term government securities will be purchased to mature on December 1, 2026, which is the call date when the old bonds will officially cease to exist and be replaced by the new bonds.

Mr. Carpenter noted the timing of refinancing was constrained by the availability of member financial statements and legal requirements restricting refunding bond issuance to within 90 days of the call date. Despite constraints, market timing turned favorable. He noted that had refinancing been delayed further, higher market rates would have significantly reduced NIMPA's savings.

Mr. Niles noted that NIMPA did not include the Build America Bonds (BABs) in this refunding series, leaving open the option to refinance NIMPA's debt in the future should market rates be favorable.

Avant will continue to monitor the market.

6. Audit RFP

Mr. Trevor Smith 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 evaluated the nine proposals received, utilizing a structured process and recommends the Board consider three firms move to the interview stage: Baker Tilly, Clifton Larson Allen, and Eide Bailly. These firms demonstrated the strongest overall combination of relevant industry experience, technical qualifications, proposed engagement teams, ability to meet NIMPA's reporting requirements, and overall value.

Proposed interviews and discussions will help Avant further assess each firm's proposed team understanding of NIMPA, transition approach, and overall fit. Following these interviews, Avant will bring a recommendation to the NIMPA Board at the October 15, 2026, meeting.

Mr. Niles commended Mr. Smith and his team for his outstanding efforts.

7. Preliminary 2027 Budget

Mr. Niles presented the preliminary 2027 budget, comparing projected figures against the 2026 approved budget, and noted that the 2027 budget will be approved at the NIMPA October meeting, barring any significant changes in power markets or revised information from Prairie State.

The proposed total average rate to members for 2027 is $54.12/MWh, $0.68 lower than 2026, a 1.2% decrease. The demand rate is expected to decrease from $24.65/kW-month to $23.28/kW-month, approximately a 5.5% decrease. The energy rate is projected to increase from $21.03/MWh to $22.23/MWh, a 5.7% increase. This is the second year in a row that demand rates have decreased while energy rates have increased, representing a shift in NIMPA's cost structure to lower fixed costs and higher variable costs being driven by changes in energy market pricing. NIMPA's net income is projected to be $2.93M, approximately $50,000 higher than the 2026 budget. This is the result of changes to the projected balance sheet adder necessary to achieve targeted plant closure costs. The proposed 2027 budget utilizes an EFOR of 8%, the same EFOR as the 2026 budget. Actual Prairie State YTD EFOR for 2026 is 9%.

Mr. Niles continued with the benefit of bond refinancing, which is responsible for approximately $500,000 of the $1.3M decrease in interest expense. The remaining decrease is the result of the planned NIMPA decrease on interest expense.

Mr. Niles reviewed four schedules that provide additional detail for some of the largest impact line items on the income statement:

Schedule 1 (Changes in Purchase Power Expense): Projected to be approximately $290,000 lower than the 2026 budget. This decrease is driven by an increase in capacity revenues of $772,000. An increase in

capacity revenues results in a decrease in purchase power expense, as well as lower MISO congestion and loss costs and higher ARR or auction revenue right revenue, partially offset by higher FTR or financial transmission right costs. Other changes to purchase power costs include a $561,000 increase in member power delivery due to higher market prices, which is more than offset by a $788,000 increase in projected revenues from the Prairie State Plant.

Schedule 2 (Project Prairie State Costs for 2027): Fuel costs are projected to be $737,000 higher than last year, a 6.5% increase. Maintenance expenses are projected to be $1.3 million or 16% higher than 2026, which reflects the longer and more complex outage each unit will have, one in 2027 and one in 2028. Production expenses are projected to be $73,000, less than 1% when compared to 2026. In aggregate, Prairie State costs are budgeted to be approximately $2.1M or 7.5% higher than 2026. Mr. Niles reiterated that both 2027 and 2028 costs will be higher than the historic long-term average due to the larger and more extensive expected outages.

Schedule 3 (Transmission Expense Detail): Tranmission expenses are projected to be $1.9M lower than the 2026 budget, primarily due to higher FTR revenues, offsetting the higher FTR costs.

Schedule 4 (Additional Operational Expenses): Projected to be $88,000, or 5.9%, higher in 2027 compared to 2026. These changes include lobbying expenses, which have not been a standalone line item in past years, and inflation, assumed to be 3%.

President Holton questioned whether the EFOR of 8% is realistic due to Unit 1 going down for yearly maintenance in 2027 as well as the required 12-year turbine outage. Mr. Niles acknowledged the operational risk and noted that EFOR only relates to forced outages, so planned outages do not impact EFOR.

Avant is available to answer any questions prior to voting next month on the budget.

8. Management/Operations Report: July 2026

Mr. Hansen indicated that Prairie State experienced several outage events. Unit 1 was on outage for a boiler tube leak and a check value issue and later experienced an external steam leak at the end of July that continued into August. Unit 2 also experienced an outage for a boiler tube leak in July. Total outage duration was approximately 10 days.

Financial Operating Results:

PJM Market Activities: NIMPA's share of Prairie State generated approximately 73,100 MWh for the month of July, resulting in approximately $4.97M of generation revenue in PJM.

Member delivery costs were approximately $5.68M.

FTR settlements resulted in approximately $197,000 of net revenue.

RPM auction revenues were approximately $955,000.

On the MISO side, pseudo-tie congestion, losses, and miscellaneous activity, aggregated together, resulted in approximately $42,000 net cost for NIMPA.

Overall, combining PJM & MISO activities, NIMPA recorded an overall net ISO revenue of approximately $465,000.

Summary of ISO market congestion: In PJM, congestion, including FTR settlements and FTR auction revenue, was approximately $461,000 in net revenue. In MISO, congestion net of the ARR revenues resulted in approximately $121,000 in revenue.

YTD Dashboard Review through July 2026

1. **Prairie State Plant Output**: Generation is approximately 11,000 MWh below budget YTD.
2. **Prairie State Generation Revenues**: Approximately $5.1M favorable to budget, primarily reflecting higher realized energy prices, despite lower generation volumes.
3. **NIMPA's Load Cost**: Member delivery costs are approximately $608,000 unfavorable to budget.
4. **FTR and Other Costs**: FTRs and other costs are unfavorable to budget by approximately $4.2M, largely offsetting the benefit of higher generation revenues
5. **Net PJM Impact**: Capacity auction revenues are in line with budget.
6. **MISO Operations**: MISO costs are approximately $79,000 favorable to budget.
7. **Net Basis for PJM and MISO Activities**: Total market operations is approximately $424,000 favorable to budget for July.

9. **Operations Update**

Mr. Hansen reported on the upcoming 2029/2030 PJM Base Residual Auction (BRA), which is scheduled for December 2026, with auction results expected approximately one week after the December 15 close. The auction will operate under the temporary FERC-approved price collar, limiting capacity market clearing prices to a range of approximately $175 - $325/MW-day. This will be the final auction under the temporary price collar before PJM returns to its standard three year forward auction schedule in May 2027 for the 2030/2031 planning year. Due to the competitive market, NIMPA's proposed auction schedule, participation, and bid strategy will be presented in Executive Session at the October Board Meeting.

President Holton asked to clarify that the temporary price collar will expire, pending any FERC extension. Mr. Hansen confirmed and added that the reliability backstop procurement proposal is still pending before FERC with no order issued to date. Avant will continue to monitor.

PJM continues to evaluate reliability issues associated with large loads, particularly data centers. In July, nearly 4,000 MW of data center load unexpectedly disconnected from the PJM system during a transmission disturbance, causing some frequency and voltage impacts. In response, PJM is proposing new reliability standards that require large loads to remain connected.

10. **General Counsel Update:** Attorney Heinemann reported on the recent Prairie State General Counsel quarterly meeting. Most ongoing litigation matters remain in discovery with no material changes to report. Regarding the Title V operating permit, the Illinois EPA continues to prepare its responsiveness summary, remaining within its review timeline with a draft permit expected by January 2027.

11. **Old Business:** None

12. **New Business:** NIMPA's Annual Meeting will be held in Batavia in October with election of officers and adoption of the 2027 budget on the agenda. Avant teams will attend in person. Mr. Niles confirmed that travel expenses (airfare and lodging) will be covered by Avant, and he will provide an attendee count to Mr. Allen to coordinate appropriate meeting room accommodations.

13. **Comments:**

- Mr. Allen reported that the External Affairs Committee typically conducts meetings online but is holding an onsite meeting at the plant, September 30 – October 1, which he will attend.

- **Public Comments**: Ms. Susan Russo, an online meeting participant:
  Questioned if there is a plan to address the potential shutdown of part of Prairie State to meet the CEJA 2035/2038 requirements.

  President Holton responded that member communities are currently focused on their individual IRPs, which will feed into NIMPA's IRP and will assist in formulating a long-term strategy over the coming year.

14. Motion to Adjourn:

MOTION:	To adjourn the NIMPA September 2026 Board Meeting @ 11:20am
MAKER:	Blake Toliver
SECOND:	Steve Allen
VOICE VOTE:	All in favor, motion carried

Respectfully submitted: Elizabeth Zrelak