A regularly scheduled meeting of the Board of Directors of the Illinois Municipal Electric Agency was held pursuant to proper notice by webinar broadcast from the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on April 30, 2020. Chairman Dale Detmer called the meeting to order at 10:03 a.m. Roll call was taken which showed a quorum was present via webinar as allowed for under the Governor’s Executive Order during the COVID-19 pandemic. Dick Simon, seconded by Larry Taylor, moved for the approval of the minutes of February 20, 2020. The motion was carried by unanimous voice vote.

CEO Kevin Gaden announced the names of attendees that were participating in the webinar and acknowledged the staff that was either physically present in the Boardroom or on the webinar broadcast.

Opportunity for Public Comment: Chairman Dale Detmer stated that pursuant to the Open Meetings Act, any person attending this webinar shall be permitted an opportunity to comment. Questions during the rest of the meeting are reserved for Board members. If questions arise during the meeting, they can be raised with an appropriate staff member after the meeting by calling IMEA’s main number at 217-789-4632 and being directed by the operator at that time. He then asked if anyone from the public would like to make a comment. At that time, Howard Salk from Naperville thanked IMEA for allowing him to attend the Board meeting as well as IMEA’s work on renewable energy. He also requested that IMEA’s resource portfolio include 50% renewables by 2025 and 100% renewables by 2030. Hearing no other requests for public comment, Chair Detmer proceeded with the meeting.

Treasurer’s Report – CFO Chris Wise reviewed the financial report for February and stated that MWh sales to Members was 0.1% above budget and that the actual Member power costs are 0.3% under budget year to date. Wise gave a Member sales update for the months of March and April with regard to average cost, energy and demand. He also provided a projection of average cost for FY2020. He then reported on FY2021 COVID-19 adjusted Member sales and projected average cost for FY2021.

CFO Wise then gave a Rating Agency update indicating the uncertainty of forecasting the short and long terms impacts of the COVID-19 issue. He reviewed current outlooks from these rating agencies to include Moody’s “A1” rating, Fitch “A+” rating and Standard & Poor’s “A” rating. Mayor Brent Maguire moved to approve the Treasurer’s Report, seconded by Mayor Dominic Rivara. The voice vote showed all in favor.

President & CEO Report – CEO Gaden reported that from an operational standpoint, staff is still utilizing the emergency staffing plan. At this time, most employees are working remotely from home and the Operations staff is still working 24/7. All travel has been suspended and Member visits will be conducted later in the summer when the economy reopens. Staff is drafting a plan for the majority of the staff to return to work in the IMEA building. Gaden gave a staffing update reporting that Sean McCarthy would begin his duties as Energy Services Representative on May 11 and that Roger Poole
(currently Supervisor of Power Services) would temporarily transition into the 5th Power Service Coordinator position through the summer season. He also reported that Kevin Wagner’s plan to retire from his VP of Engineering position had been postponed until at least the end of 2021.

Regarding upcoming Board meetings, CEO Gaden reported that the full Boards of the IMEA and IMUA would be conducted either in person or remotely on June 18th. He thanked the outgoing Executive Board members for their service which included Tom Bruhl, Tim Birk, Dan Cook, Dick Simon and John Hodapp. He also reviewed the topics that were discussed at the APPA Legislative Rally in February 2020 which included municipal financing, climate change issues and continued pole attachment issues all at the Federal level.

**Legislative Update** – At the federal level, Staci Wilson reported that there was a limited COVID-19 bill that passed recently. That bill provided additional funding for the Small Business Paycheck Protection Program that provides financial aid to businesses to pay their employees and a portion of that could be used to pay their utility bills. It does not include any additional monies for state or local government, although staff will continue to work towards that goal along with additional LIHEAP funding. She stated that there is a possibility for an upcoming expansive COVID-19 relief package from Congress.

At the state level, Wilson reported that the Governor’s legislative energy policy meetings have temporarily paused, however, both the House and Senate have created remote working group committees. On the Senate side, she stated that there has been an active working group discussing options with Exelon trying to allow the use of Fixed Resource Requirement (FRR) through the Illinois Power Agency, rather than going through the traditional PJM capacity auction. This proposal is to ensure that Exelon will receive economic benefits and keep their nuclear plants open. Wilson has notified legislators that municipal electric utilities are not disconnecting customers at this time during the COVID-19 pandemic. She has also notified the Senate Energy working group of the partial payment deferral program currently being offered by IMEA. The Governor’s “no utility shutoff mandate” that the Illinois Commerce Commission (ICC) has implemented is connected to the state disaster proclamation and will extend each time the Governor extends his proclamation, currently through the month of May. Staff is working with a regional group of utility associations to obtain 1,000 KN95 protective masks and those will be distributed to Members proportionally using a similar formula that is used for the Energy Efficiency Program. Wilson reported that she is on a LIHEAP Public Advocacy Committee. She explained that LIHEAP funding from the Federal government flows through the state and then the local LIHEAP advocacy action centers. At those local centers, the public is able to apply for and receive LIHEAP funding and that agency pays the utility directly. There are certain thresholds of poverty and parameters that have to be met for customers to receive that benefit. LIHEAP funding will be extended during the time of the pandemic and may help in “no payment” situations.

**OLD BUSINESS**

**Operations**—Alice Schum stated that MISO held their 2020/21 Planning Resource Auction and the auction cleared at $5.00 per MW-day in the Illinois Zone 4 of MISO. She presented a chart displaying annual capacity load price comparisons between MISO and PJM from 2015/16 to 2020/21 planning years. Regarding IMEA behind the meter generation, Schum reported that the “on-peak” season starts on May 15 and presented several scenarios. If a utility has an unscheduled unit maintenance outage during the on-peak season and it is not back to service, it will have one day before the production component is retained by the Agency; if a utility has an unscheduled maintenance outage unit that goes
10 days beyond that, the base component will also be retained by the Agency. If a utility has a scheduled 45-day maintenance outage unit during the off-peak season, that unit can go 30 days into the on-peak period before the production component is retained and can remain out of service for 60 days before the base component is retained.

Schum stated that staff will schedule a meeting with the power plant operators in 2020 although the date is yet to be determined. This meeting will include updates on RTO rules and a review of the IMEA Generation Policy. Staff does not plan on performing a Member generation “MISO peak day test” this summer, but perhaps next year. URGE tests are already scheduled for all Members during “on-peak” periods which have a higher energy usage level and projected market energy rates.

**Trimble County**: Kevin Wagner reported the following:

- The plant reports no injuries since the lost time incident in February. As of March 31st, the plant’s YTD Equivalent Availability Factor was 95.8% and the Equivalent Forced Outage Rate remained below 1%. TC1 and TC2 have remained on line since February 1st. Due to concerns for the health of plant staff and contractor availability, the 5-week TC2 spring maintenance outage was delayed until this fall. However, TC1 will move forward with a 2-week outage beginning May 9th to take care of critical turbine valve maintenance prior to summer operation. The plant has been conducting temperature checks on all employees and contractors at the plant gate. Thus far, no workers at the plant have tested positive for COVID-19 and crews have been rescheduled to minimize close personal contact. Daily cleaning and disinfecting is occurring between shifts in the control room. On at least a weekly basis, deep disinfection/sanitizing of all shops, breakrooms, etc. is occurring and so far, no supply chain issues have been reported for the plant.

**Prairie State**: Kevin Wagner reported the following activities:

- The plant continues to maintain a “zero recordables” safety record. As of March 31st, the plant’s YTD Equivalent Availability Factor was 83.3%. Both units’ experienced forced outages in March and in early April due to tube leaks, although plant staff continues to work on ways to mitigate these tube outages. The plant continues to follow its pandemic response plan to maintain a healthy work force and reliable operations. To date, no employees or contractors at the plant have tested positive for COVID-19. Similar safety measures as those reported for Trimble County are being employed by PSGC. To reduce infection risk, the Unit 2 spring maintenance outage was cancelled once it was determined that the SCR catalyst would perform satisfactorily until the next maintenance outage this fall.

**Local Transmission and Generation** - Kevin Wagner reported the following:

- **Ameren Aviston 138 kV Project/Highland** - At the City’s request, IMEA recently provided technical and legal assistance with the City’s response to Ameren’s proposed transmission project. Primarily at issue is the determination of appropriate compensation to Highland for ATXI’s acquisition of approximately 12 miles of City-owned 138 kV line that would be utilized in the proposed transmission loop between the Collinsville and Aviston areas.

- **Fairfield - Proposed System Improvements** - The City recently directed consulting engineer BHMG to evaluate the condition of Fairfield’s distribution system and provide recommendations on needed repairs and improvements. The study recommended greater utilization of the normally open 69 kV interconnection with Wayne White Counties Electric
Cooperative (WWC) for emergency backup. The study also proposed cost savings from
decommissioning Fairfield’s aging diesel power plant that sits adjacent to the City’s
distribution substation. At Fairfield’s request, IMEA staff is working with Ameren and
WWC’s transmission owner Hoosier to develop an emergency backup agreement for the City.
On behalf of Fairfield, IMEA is seeking an estimate from the parties to determine the Ameren
and Hoosier/WWC 69 kV system upgrade costs to provide full backup capability to the City
any time of year. IMEA staff recently received the City’s formal request to retire its power
plant and terminate its Capacity Purchase Agreement. Once the appropriate paperwork is
completed, IMEA staff will be seeking Board approval.

**Update on Solar Projects:** Kevin Wagner reported the following:

- **Altamont/Rock Falls/Naperville BTM Solar Projects** - Site work at Altamont commenced the
  week of April 13th with grading and erection of the facility fence. Materials, including panels
  and support structures, have been delivered and the installation of the racking is underway. Sol
  Systems anticipates completing the mechanical installation of the racking and the panels in
  about 2 weeks. A similar scope of site work is scheduled to begin at Rock Falls the week of
  May 4th with panels and support structures arriving the second week of May. The building
  permit is being finalized. The 34.5 kV step up transformer, metering cabinet and the
  switchgear have a longer lead time and aren’t expected to arrive until July.

An Easement Agreement between IMEA and Naperville was approved and recorded in Will
County. The title has now been updated to include the easement and issuance of the draft
memo of the license is expected soon. COVID-19-related delays have necessitated pushing
back the PPA Condition Satisfaction Date and Anticipated and Outside Commercial Operation
Dates for Naperville by several more weeks. This delay does not affect the Altamont or Rock
Falls project schedules as previously discussed. Sol Systems is optimistic that financial closing
for the Naperville project can still occur early in May with a mid-summer start to construction.
Staff continues to work through interconnection and metering details with Sol Systems
preparatory to finalizing design drawings and switchgear procurement.

**FERC Matters** – General Counsel Troy Fodor reported the following:

- **Minimum Offer Price Rule (MOPR)** – PJM made its required compliance filing with FERC on
  March 18, 2020. IMEA staff intends to file a protest of the PJM compliance filing on or before
  IMEA is considering whether (or not) to file an appeal of that Order limited to the definition of
  “State Subsidy” and the impact of the new MOPR requirements on resource planning going
  forward. IMEA’s existing resources are exempt from this MOPR under the self-supply
  exemption, however, IMEA will not have an exemption for any new resources or contracts.
  The new PJM rules will adversely affect resource planning going forward, likely including any
  bilateral contracts longer than one year.

- **Pseudo-Tie Double Congestion** – On April 20, 2020, the Settlement Judge certified the case to
  FERC, so the settlement agreement should be approved within the next month or two. IMEA
  should receive its refunds within an approximate 4 month time period (allowing for FERC
  approval, RTO collection of funds and distribution).

- **Lee DeKalb Wind Farm** – Settlement Agreement was filed with FERC yesterday. The
  settlement reduces the reactive revenue for Lee DeKalb below the rate that was filed, so there
will be a requirement to make refunds back to PJM. IMEA has been receiving its portion of the reactive revenue monthly from PJM and will have to make partial refunds.

- **Green River Wind Farm Reactive Filing** – The as-filed rate for reactive revenue was allowed by FERC to go into effect. This filing will go through the same process as Lee DeKalb and will likely receive a similar reduction to its reactive revenues in the settlement process and the need to make refunds.

- **NERC Standards** – FERC entered an Order to defer upcoming implementation deadlines for PRC-027-1 for six months, which will allow more time to coordinate with CWLP and Chatham on this issue.

- **PJM Pseudo-Tie Rules** – Back in 2017, PJM filed and FERC approved revised rules imposing restrictions on new and existing pseudo-tied generators and set strict deliverability requirements. A Request for Rehearing has been pending with FERC since January 2018, but on March 20, 2020, FERC denied IMEA's Request for Rehearing. IMEA staff decided not to pursue an appeal since most of the risk to IMEA under the final rules has been mitigated by eliminating the pseudo-ties of portions of the Vistras units.

- **MISO Ameren Attachment O Transmission Rate Formula Filing** – On February 26, 2020, MISO made a filing with FERC to revise its formula rate template to address the recovery of certain Materials and Supplies (M&S) inventory costs which Ameren has been charging even though they were not previously in its existing formula rate. IMEA protested the filing on March 18, 2020, on the grounds that Ameren has collected improper M&S charges for many years in violation of FERC's filed rate doctrine and requested that FERC order Ameren to give refunds. Ameren is disputing this issue and staff is waiting on a ruling from FERC.

**Legal Matters** – General Counsel Troy Fodor reported the following:

- **Wholesale Connection Agreement (WCA)** – IMEA staff continues to work on the draft document under negotiation and is now waiting on Ameren’s response to IMEA’s proposed changes.

- **Ameren Wholesale Distribution Service (WDS) Future Formula Rate** – The rate development group has not met recently, however, staff has reached out to the new person due to Karen Althoff retiring as of today. The performance metrics group has continued to meet although Ameren has not agreed to the latest proposal.

- **Mascoutah Transmission Update** – The City of Mascoutah is trying to get authority to condemn a portion of land to build a tie-line to connect their system to a new Ameren substation. The hearing examiner at the Illinois Commerce Commission had proposed denying their request for that authority. IMEA Legal staff has spoken with outside counsel for Mascoutah to discuss available options and contingency planning, including the possibility of appeal if the final ruling by the ICC is negative. At this time, the landowner is refusing to negotiate on any terms. Oral arguments were previously scheduled for March 18, 2020 before the full Commission, however, that was postponed due to the COVID-19 pandemic.

**NEW BUSINESS**

**REC Offset Program** – Staci Wilson reported that IMEA had established options for a Renewable Energy Certificates (RECs) Program titled Green Power Choices. She explained that this would be a voluntary program managed by IMEA and described the options available. Option #1 is a municipal-wide program wherein Members can purchase RECs to cover a certain volume/percentage of their load and IMEA would retire those RECs annually on the Member's behalf. Option #2 is a retail customer program in which Members procure RECs on behalf of their retail customers. IMEA would develop
marketing materials, procure RECs to meet the Member’s customers’ needs and retire RECs annually on the customers’ behalf. Wilson stated that this program would be implemented in two phases. Phase 1 runs from December 1, 2020 through May 31, 2021. This phase covers a partial REC year and is applicable to Option #1 only. Phase 2 runs from June 1, 2021 through May 31, 2022. This phase covers a traditional REC year and can be utilized by Members for both Options. Wilson reviewed three different tiers of RECs that would be offered indicating that prices will vary between each tier. There is no action required at this time, although staff plans to ask for final approval of this REC Program at the IMEA June Board meeting. Lucy Podlesny from Naperville thanked staff for their diligent work on this project.

**Member BTM Solar Installation Program** – Chris Jewell explained that staff is planning for the next round of Member behind the meter solar installations. In an effort to optimize the construction season as well as to allow time to complete contracts and financial acceptance by all the parties involved, Request for Proposals (RFP’s) for site selection will be sent out next month. Staff will again aggregate multiple projects into a joint RFP for presentation to vendors to provide the lowest cost to Members. Under this round, staff is looking for potential sites with an aggregate available capacity not to exceed 5 MW. In order to facilitate this process due to lessons learned, changes have been made to the RFP process to include zoning, land control and permitting issues. Staff will provide a template for both Siting and Interconnection Agreements which will be required as part of the submittal of the Member site request. With the changing financial structure of the way these projects are handled, more stringent provisions will be required with regard to investor tax credit and financial markets. Jewell discussed the timeline for these solar project developments which will begin in May with site selection RFP’s being distributed to Members and due back to IMEA by the middle of July. That will give staff time to review and present selections for approval at the IMEA August Board meeting. RFP’s would be distributed to vendors in mid-September for a recommendation to the IMEA Board for approval of a developer proposal at the December Board meeting. This timeline allows for construction of these projects to begin the summer of 2021 with a goal for commercial operation of projects to be completed in December 2021. Staff revised the site proposal process to aid in the timely execution of documents and allow Member communities to avoid unnecessary delays.

**New Utility Scale Solar Projects** – Chris Jewell reported on discussions and proposals which staff has received on utility scale solar projects. The number of interested developers have significantly increased due to previous legislation in the State which has caused an influx of solar projects. Many of those developers have contacted IMEA staff with unsolicited offers for different projects. Staff continues to remain engaged in those conversations and has a few confidentiality agreements in place. These projects are mainly in the MISO region with only a few in the PJM area. Staff continues to evaluate these projects based on pricing, energy or capacity criteria, availability of RECs and location of RTO interconnection in the queue which has a significant impact on the timing of commercially operable projects. The COVID-19 pandemic has delayed many projects from a contract standpoint along with supply chain issues. Staff will continue to monitor. Jewell stated that preliminary discussions are also ongoing with regional counterparties with regard to a possible joint RFP or partnership approach to obtain the best proposals.

**Resolution #20-04-847 – Establishing the Schedule of Meetings for the 2020-2021 Fiscal Year** – CEO Kevin Gaden reviewed the IMEA Executive Board/Board of Director’s meeting schedule for the upcoming year. He also noted that if the pandemic issue continues through June, the IMEA Executive Board meeting would be cancelled and all information would be consolidated at the June 18 IMEA Board meeting. A special meeting of the IMEA Board of Directors will be held on May 15 to consider applications for the Partial Payment Deferral Plan. Gaden also reported that next year’s annual
conference would likely be held on May 20-21, 2021. Brian Keys moved to approve this Resolution, seconded by Lucy Podlesny. The voice vote showed unanimous approval.

Demand Response Offers in PJM — General Counsel Troy Fodor reported on a Demand Response opportunity that arose in PJM since the last Board meeting. He recounted the Board action that was taken at the February meeting including that no Demand Response offers be made in the PJM area for the 2022/2023 Delivery Year or any prior year. That action was based on limited information on the impact of MOPR rules at that time and also that staff had not seen any opportunities in PJM. Since that time, an opportunity has developed with Nokia, Naperville’s largest customer. Staff has developed a pilot load management initiative under the Demand Response Program and has presented it to Naperville and Nokia. This pilot would begin June 1, 2020. IMEA would call on the Demand Response resource to reduce load at IMEA high usage times to reduce future capacity costs to IMEA which is very similar to the Winnetka and Rock Falls’ peak shaving program. Staff proposed setting the offer price for participation in the load management initiative for PJM Delivery Year 2020/2021 at 75% of the capacity savings. Naperville may be interested in participating in this pilot at its waste water treatment plant. Staff also proposed increasing Rock Falls’ share of the savings under the letter agreement committing its non-dedicated generating resources to the peak shaving program so that the payments would be consistent with the new offers under the program.

Lucy Podlesny thanked the IMEA staff for their efforts in putting together this pilot initiative on short notice. Pat Barry made a motion to set the following compensation rates under the Demand Response Program:

1. Offers for PJM 2022/2023 or 2023/2024 Base Residual Auctions based on up to a 75%/25% split of revenues from PJM, subject to the Demand Response resource clearing the auction at or above the MOPR floor price for Demand Response resources, with the Member/Customer receiving up to 75% and IMEA retaining the remaining percentage;

2. No offers other than revenue share for PJM 2020/2021 or 2021/2022 Incremental Auctions;

3. IMEA pilot load management initiative based on up to a 75%/25% split of the capacity savings, with the Member/Customer receiving up to 75% and IMEA retaining the remaining percentage;

4. $1.20/kW-month for the MISO 2020/21 Planning year auction or alternate revenue share up to 75%/25% split if requested by a Member or Member’s customer; and

5. Amend the agreement with Rock Falls on the same terms and conditions as the existing agreement we have to place their non-dedicated generation into the PJM Demand Response market, but with compensation to Rock Falls moving to up to 75% of the capacity savings for its participation in the PJM capacity market or the IMEA peak shaving program with its non-dedicated generators.

The motion was seconded by Shane Hill. The weighted roll call vote was unanimous, except that the representative from Rock Falls abstained, the representative from Altamont was unavailable during the vote and the response from the representative from Sullivan was inaudible although confirmed after the fact that he intended to vote “Yes”.

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Committee Appointments – CEO Gaden presented the committee appointments for the next fiscal year based upon the recommendations from Chairman Detmer for the Board’s review and approval. David Coston moved to approve the committee appointments for upcoming FY 2020-21, seconded by Mayor Brent Maguire. Voice vote showed unanimous approval.

With no other business to be discussed, Lucy Podlesny moved to adjourn the meeting at approximately 11:38 p.m. Shane Hill seconded the motion, which was unanimously approved by voice vote.

Respectfully submitted,

[Signature]

Assistant Secretary/Treasurer
MEMBERS PRESENT VIA WEBINAR

Altamont  Larry Taylor
Bethany   Shanton Risley
Breese    Dale Detmer
Bushnell  Justin Griffith
Cairo     Todd Ely
Carlisle  John Hodapp
Carmi     David Coston
Casey     Shelby Biggs
Chatham    Shane Hill
Fairfield  Mayor Brent Maguire
Flora      Bob Coble
Freeburg  John Tolan
Ladd      Pat Barry
Marshall  Cory Sheehy
Mascoutah Jesse Carlton
Metropolis Rick Abell
Naperville Lucy Podlesny
Oglesby    Mayor Dominic Rivara
Peru      Jim Lukosus
Princeton  Jeff Mangrich
Rantoul   Greg Hazel
Red Bud   Josh Eckart
Riverton  Jim Mileham
Rock Falls Dick Simon
Roodhouse  Mayor Tom Martin
St. Charles Peter Suhr
Sullivan  Mayor Richard Glazebrook
Waterloo  Tim Birk
Winnetka  Brian Keys

MEMBERS ABSENT

Farmer City  Sue McLaughlin
Greenup      Mike Ryder
Highland     Dan Cook

OTHERS PRESENT

Highland    Jeannie Korte
Naperville  Brian Groth, Howard Salik
IMEA        Kevin Gaden
IMEA        Troy Fodor
IMEA        Chris Wise
IMEA        Alice Schum
IMEA        Staci Wilson
IMEA        Mike Genin
IMEA        Kevin Wagner
IMEA        Cindy Evans
IMEA        Chris Jewell
IMEA        Rakesh Kothakapu
IMEA        Sean McCarthy
IMEA        Glenn Cunningham
IMEA        Adam Baker
IMEA        Ed Cobau
IMEA        Tammy Halil

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