

# ILLINOIS MUNICIPAL ELECTRIC AGENCY

## REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, SEPTEMBER 30, 2009

A regularly scheduled meeting of the Executive Board of the Illinois Municipal Electric Agency was held at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on September 30, 2009.

President Del McCord called the meeting to order at 11:00 a.m. Roll call was taken showing all Executive Board Members present.

Jerry Scott moved to approve the Report of August 26, 2009 which was seconded by Smith. The motion was approved by unanimous voice vote.

### OLD BUSINESS

Operations: Alice Schum reported the PJM summer capability tests have been completed with TC1 passing. However, AEM's Coffeen1 unit was short by 200 kW. Meetings have been held with Integrys regarding the landfill project. The Trimble County outage started last Friday and goes through November 20<sup>th</sup>. IMEA purchased replacement power with AEP for 30 MW. IMEA also purchased MISO capacity for the 2010-2011 planning period at \$.80/kW month from Constellation. The PJM 29MW study for TC2 has been approved. Meetings have been held with Exelon to discuss wind generation. September LMP averages were: MISO DA \$21.30 - RT \$20.76; PJM DA \$24.76 - RT \$24.96.

Compliance: Bob Thomas stated focus continues on audit readiness with continuing to keep the compliance database up to date. Staff has been working on completing the NERC reliability standard audit worksheets, as well as made seven compliance submittals to RFC and 12 to SERC this week. A meeting was held with Naperville's Engineering group this month to address compliance requirements that are unique to their Transmission Owner function. Earlier this month IMEA submitted demand & energy, capacity, and capacity transfer data to SERC for the 2009/2010 Winter Reliability Assessment. Another interesting FERC initiative emerged this month, it is referred to as the "Topological and Impedance Element Ranking (TIER) of the Bulk-Power System". The purpose is to identify facilities/elements that should be considered part of the Bulk-Power System (BPS). TAPS is working with members to develop comments. It has the potential to impact more IMEA Members since interconnections below 100 kV could become subject to Reliability Standards. However, it also appears to view radial connections positively.

Trimble County 2 (TC2): Kevin Wagner reported the Project to date is about 75% complete. The first boiler hydrostatic test is set for early October with completion of the gas path by late November. First fire on oil is scheduled in January and first coal burn in February. Bechtel is still working toward a June 14<sup>th</sup> commercial operation date, however there is a sense from the LG&E staff that startup testing will likely continue for a month or two beyond the June 14<sup>th</sup> date. The plant staff has seen about 24 new hires to support the start up process. Crews have made significant progress on the welding of boiler roof tubes. Welding is also taking place on the inlet and outlet nozzles of the wet ESP. Connection of piping to the turbine is progressing as is the installation of raceway and cable throughout the turbine and boiler buildings.

TC1 is currently out of service for an eight week maintenance outage that will allow the final Unit 2 tie-ins to be completed. The new Unit 1 mechanical draft cooling tower has passed the drift test that was performed recently.

With regard to environmental issues, the KY Dept of Air Quality has reviewed Trimble County's demonstration as a minor source for HAPS and it is now out for a 30 day public comment period which will close October 2<sup>nd</sup>. To date, the project has achieved over 3.6 million consecutive man-hours without a lost time accident. The number of personnel at the jobsite remains close to 2500.

Prairie State (PS): Wagner then reported the project overall is approaching 30% completion and commented on recent major construction accomplishments. Items of special concern include:

- Lack of progress on the Unit 1 boiler tube welding. Crews are only getting about 2 welds per day per man and should be at least 8 to 10 welds per day range. PSGC is working with Bechtel to improve supervision and efficiency of the support system and equipment for the welders to boost productivity. This has become the critical path for the project.
- PSGC has identified several foundation design problems affecting the feedwater heaters and the limestone ball mills. Bechtel is making modifications to correct the alignment problems.
- Sulzer identified a bolting problem in the boiler feed pumps following the factory testing. This will delay delivery of this equipment several more weeks.
- PSGC has identified internal alignment problems in Bechtel's assembly work on all 12 coal pulverizers. A substantial number of man-hours will be required to correct this.
- The resolution of the mine bottom development plan has been further delayed as a result of the recent intervention of the Secretary of Labor who oversees MSHA. Prior to this intervention, PSGC was anticipating appealing the MSHA District 8 citation and getting a final judgment on the matter by next March or April.

Bob Childers added that Ameren's natural gas pipeline was budgeted for \$9.5 million and has come in at \$5 million. Also, the transmission line costs appear it will come in under the \$120 million that was budgeted. Childers stated a Director of Finance & Administration was recently hired. Alice Schum reported the market interface proposal on how to operate in the market in MISO was presented to the E&O committee yesterday and is awaiting Board approval.

Generator emissions study: Wagner reported Phase I of the study, which focuses on the dedicated generation at the five generating member locations within the non-attainment areas of the state, was awarded to RW Beck. A request for proposals was also sent to Stanley Consultants and Burns & McDonnell, with RW Beck submitting the lowest bid at \$92,000. Staff will be working with Beck in the coming weeks to review the specifications for the emission testing of the individual diesel units within the Phase I scope and getting underway with the stack tests that will likely be performed by CEC (Civil and Environmental Consultants). Beck will be visiting with each of the non-attainment area members to evaluate their generating facilities and review O&M costs and air permits. Beck anticipates the Phase I study will be complete within 3 months of completion of the stack testing.

## **NEW BUSINESS**

Downstairs restoration: President & CEO Ron Earl updated the Board on the status of the lower level restoration. Staff has been in discussions with the City of Springfield with concern on Conifer Street flooding. The Agency has also hired an independent engineering firm to determine the cause. Sandbags have been placed in the rear drive to prevent any further water to enter into the building. The lower level will not be restored until the problem is fully resolved.

FERC Technical Conference: Earl recently attended a FERC conference relating to Eastern Interconnection Planning Collaborative (EIPC). Regional planning authorities for EIPC are formally reviewing existing expansion plans and future scenarios on an interconnection-wide basis for the eastern interconnection.

IML Conference: Earl stated he was able to visit with many Mayors, City Managers and Board Members at this conference and received positive remarks regarding IMEA. President Del McCord chaired a session on wind energy. David Stuva commented that RECC had its first small scale wind turbine installed on its line. Stuva will forward the website to the Board. Doc Mueller reminded the Board the Association developed a Net Metering Policy and urged all Members to adopt it if haven't already.

APPA CEO Climate Change Task Force: Doc Mueller reported he will be attending the upcoming Climate Change Task Force meeting and will also be meeting with Senators Burris and Durbin's office. Just today, the Senate released their draft of the Climate Change legislation, which included new entrant language.

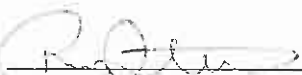
Annual Meeting: Ed Cobau updated the Board with the schedule for the IMEA 25<sup>th</sup> Year Annual Meeting scheduled for October 23-24.

Other: Earl noted that he will be filling the rest of Terry Draper's term on the APPA Board of Directors.

Lisbon: Wagner reported soil testing is being performed this morning. After water supply review is finished, the Fatal Flaw analysis will then be completed.

Mayor Taylor moved for adjournment which was seconded by Smith with unanimous voice approval.

Respectfully submitted,



Ron Dintelmann, Secretary/Treasurer

/trk

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
EXECUTIVE BOARD MEETING**

**WEDNESDAY, SEPTEMBER 30, 2009**

**MEMBERS PRESENT**

Altamont	Larry Taylor
Chatham	Del McCord
Flora	Bob Coble
Freeburg	Ron Dintelmann
Marshall	George Smith
Naperville	Allan Poole
Oglesby	Jerry Scott
Rantoul	Greg Hazel
Rock Falls	Paul Jakubczak

**OTHERS PRESENT**

Breese	Dale Detmer
Carlyle	John Hodapp
Carmi	Bob Rothermel
Greenup	Nancy Sowers
Peru	Jim Potthoff
Princeton	Jason Bird (via teleconference)
St. Charles	Glynn Amburgey (via teleconference)
Sullivan	Doug Carnes
Waterloo	Tim Birk
Winnetka	Brian Keys
RECC	David Stuva
Marshall	Cory Sheehy
IMEA	Ron Earl
IMEA	Troy Fodor
IMEA	Doc Mueller
IMEA	Mike Genin
IMEA	Bob Childers
IMEA	Kevin Wagner
IMEA	Alice Schum
IMEA	Darren Hulskotter
IMEA	Bob Thomas
IMEA	Tammy Kesterson
IMEA	Ed Cobau
IMEA	Glenn Cunningham