

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, JUNE 26, 2024

A regularly scheduled meeting of the Executive Board of the Illinois Municipal Electric Agency was held in person pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on June 26, 2024. Chairman Cory Sheehy called the meeting to order at 2:00 p.m. Roll call was taken which showed a quorum was present. Participation in this meeting was available in person only for both members and the general public, however, as an accommodation to members that could not physically attend and the general public, a webinar broadcast of the meeting was made available live in listen-only mode.

The Report of April 24, 2024 was moved for approval by Pat McCarthy and seconded by Pete Suhr. The motion carried by unanimous roll call vote.

Opportunity for Public Comment: Chairman Cory Sheehy stated that pursuant to the Open Meetings Act, any person attending this meeting shall be permitted an opportunity to comment. Questions during the rest of the meeting are reserved for Board members. He then asked if anyone from the public would like to make a comment. Hearing none, Chairman Sheehy proceeded with the meeting.

OLD BUSINESS

Update on Solar Projects – Eric Weinant explained that IMEA is partnering with SolAmerica to take advantage of USDA PACE partially forgivable loans for behind the meter solar projects. He reported that there are still outstanding issues with the Power Purchase Agreements for Carmi, Highland and Metropolis; however, IMEA Staff continues to work on getting those issues resolved for those projects. Weinant explained that Rantoul was not able to find another solar site for this project; however, another member has suggested City-owned land as a possible alternative site. SolAmerica and member staff are in preliminary negotiations; however, USDA would need to approve a “transfer” of the Rantoul request to a different city.

Weinant reported that the City Councils for Marshall, Princeton and Oglesby had approved the Easements, Siting and Interconnection Agreements for these behind the meter solar projects. He stated that Altorfer had received documents for Marshall and Princeton and the prep work on those sites is expected to start after July 4th with an anticipated completion date by the end of the year. Oglesby is expected to be online by Spring of 2025.

Weinant reported on the major roadblocks in obtaining large utility scale projects which included finding an appropriately sized project, the increasing costs due to tariffs, insurance, EPC & labor, land costs and interconnection costs along with the surge of interconnection queue requests which have overloaded the RTOs. Weinant discussed the demand in these projects with the surge in data centers. Weinant also discussed that in order to achieve IMEA Staff’s goals regarding the IMEA Sustainability Plan, IMEA Staff will be seeking the Board’s endorsement to finalize terms of a 150MW Power

Purchase Agreement later in the meeting and will likely seek the Board's approval of a formal contract in the August Board meeting.

Update on Legal Matters – General Counsel Troy Fodor reported on the following matters:

- New Federal EPA Final Rule on CO2 Emissions – Issued May 9, 2024, new rules require all existing baseload coal plants to reduce carbon emissions by 90% by January 1, 2032; coal plants retiring by 2039 must be equipped with 40% natural gas co-firing capability by 2030 and all coal-fired generators and new CT generators planning to run beyond 2039 must have Carbon Capture and Storage/Sequestration (CCS) installed. States must submit emissions guideline plans to the EPA within 24 months of the final rule's publication. Legal challenges have been filed by 27 State Attorney Generals' offices, trade associations (including APPA), IOUs, co-ops, generator owners and labor unions. PSGC's CEO (on behalf of Prairie State) and IMEA's CEO (on behalf of LG&E) have both submitted impact Declarations.
- Building for the Future Through Electric Regional Transmission Planning and Cost Allocation (FERC Order 1920) (Docket No. RM21-17) – Issued on May 13, 2024 and effective August 12, 2024, the final rule mandates that transmission providers must engage in 20-year long-term planning processes with assessments done on the plan every 5 years. Transmission projects will be evaluated and identified based on specific reliability factors and scenarios. To develop each scenario, transmission planners must incorporate specific categories of factors that affect long-term transmission needs, including Federal, State, Tribal and local laws; load-serving entity supply plans; trends in fuel costs; planned generation retirements; interconnection requests and withdrawals along with policy goals and corporate commitments. FERC Order 1920 also requires measuring benefits and selection of projects; cost allocation and containment; local planning, competition and implementation by June 2025. Order 1920 did not adopt a previously suggested federal right of first refusal for incumbent transmission owners.
- Applications for Permits to Site Interstate Electric Transmission Facilities (Docket No. RM22-7) - Issued May 13, 2024 and effective July 29, 2024, the final rule (FERC Order 1977) mandates new regulations for issuing backstop siting permits for transmission projects in national interest electric transmission corridors. Order 1977 addresses obstacles to developing new transmission infrastructure; aligns with Federal Infrastructure Investment and Jobs Act amendments to the Federal Power Act. These changes were implemented so projects can be approved faster and to encourage public engagement with FERC siting permit applicants. FERC can issue permits for a transmission project when it falls in an area designated by the DOE and if the permitting state does not approve the siting within one year of the developer's application to the state. FERC can also issue permits for transmission projects when the permit applicant does not serve end-use customers in the State the permit is sought. This Order sets forth a Code of Conduct for permit applicants using eminent domain and requires permit applicants to develop and file a Project Participation Plan prior to the permit application that outlines how the applicant will inform the local public.
- Remand of MISO 2015/16 Zone 4 Capacity Auction Remand (Docket Nos. EL15-70; EL15-71 & EL15-72) – Complaints were filed by Public Citizen, Inc., the State of Illinois and Southwestern Electric Cooperative, Inc. in May 2015. FERC originally entered an Order on July 19, 2019 stating that there was no market manipulation in MISO's 2015/16 Zone 4 capacity auction which the Appellate Court reversed on August 6, 2021. FERC set the matter for paper hearing and received briefs from interested parties. The FERC Office of Enforcement staff filed a Remand Report alleging that Dynegy exercised market power to manipulate the market. On June 6, 2024, FERC

set the matter for trial and suspended the trial phase for settlement negotiations. Staff will monitor the proceedings for any impact on IMEA or its Members.

- MISO Resource Adequacy Filing (Docket No. ER23-2977) – Filed September 29, 2023, MISO proposed changes to the Resource Adequacy construct to include a reliability-based demand curve. On April 23, 2024, FERC staff issued a second Deficiency Letter to MISO. MISO answered the letter on May 13, 2024. FERC has not yet ruled on the matter. Graphs were presented showing the proposed sloped demand curve by season peak load.
- MISO Resource Accreditation filing (Docket No., ER24-1638) – Filed on March 28, 2024, MISO wants to change how it accredits resources due to a changing resource mix and changing load profiles in the RTO region. A two-step methodology will be used to accredit resources for future MISO auctions and to determine resource adequacy for load serving entities. On April 29, 2024, IMEA filed a Limited Protest against MISO's accreditation methodology citing that gas and oil generation are not similar enough to be lumped together and requested that FERC issue a Deficiency letter. If approved, this filing will reduce how much IMEA's BTMG oil generators will be accredited and make it more difficult for IMEA to meet capacity requirements.
- Ameren Illinois Depreciation Filing (Docket No. EL23-2445) – Filed July 20, 2023, Ameren's transmission depreciation expenses would increase transmission costs to all ratepayers. A Settlement in Principle was reached on May 14, 2024 which included a reduction of depreciation expenses for ratemaking purposes, changes to Ameren's depreciation accounting methodology and a moratorium on depreciation rate hikes for at least 3 years. Ameren is not allowed to hike rates for at least 3 years after the settled rates are made effective. IMEA will receive refunds for rates paid as proposed and future transmission rates will increase less than proposed.
- ComEd Transmission Rate Update – Filed April 24, 2024, the Revenue Requirement increased due to 2023 plant additions, reliability and system performance projects and depreciation expenses. The Coincident Peak in ComEd system increased 1,204MW over last year's peak. The total impact on IMEA is projected to be a 4.7% decrease in ComEd transmission rates. The new revenue requirement will be effective June 1, 2024 through May 31, 2025. Rates will change again in January 2025 when peak loads are adjusted.
- Soltage Complaint against ComEd (ICC Docket No. 23-0675) – Filed September 29, 2023, this is a Complaint against ComEd's solar generation interconnection costs that substantially deviated from estimates. It is alleged that ComEd used unjust/unreasonable methods in Distributed Energy Resource impact studies leading to elevated costs and that cost prohibitive upgrades should not be imposed and it violated the Illinois Public Utilities Act. ComEd filed a Motion on March 7, 2024 requesting the Complaint be dismissed with prejudice. The ALJ denied in its entirety ComEd's Motion to Dismiss on May 10 and a hearing is scheduled for July 25, 2024.
- West Pana Solar Complaint against Ameren Illinois (ICC Docket No. 24-0379) – Filed May 24, 2024, West Pana is developing an ~5MW solar array between Taylorville and Pana in central Illinois and Ameren is requesting \$5.325 million for system upgrades. Ameren is requiring a direct connection to the Pana North substation and would need to build a 34.5 kV tie line in order to connect directly to Pana North. West Pana argues that there are commercially available control technologies that could be used instead of building a tie line. Prehearing conferences were held June 18, 2024.
- Chatham SERC Registration – IMEA Staff has been working with Chatham, its consultant and CWLP on reliability compliance documentation to support Chatham's registration with SERC as a Transmission Owner. Final edits to operating procedures between Chatham and CWLP are in progress. Upon final approval of the operating procedures, Chatham will formally register as a

Transmission Owner with SERC and IMEA will begin the process with SERC to deregister as a distribution provider for Chatham.

- Inherent Risk Assessment – IMEA received notice to complete an Inherent Risk Assessment of reliability compliance from SERC. The initial questionnaire responses were submitted on April 19, 2024 and a SERC response was received on June 16, 2024 with no adverse findings or requirements.
- Winnetka Replacement Capacity Credits Request – Winnetka's Unit #4 is no longer in service and is officially retired. The Village is requesting a waiver of the 12-month replacement policy which is required in the current Member Generation Policy. Staff is recommending granting this waiver due to supply chain and labor limitations. Staff will be setting up a Generation Committee meeting to review this request and gain a recommendation for the Board to consider at an upcoming Board meeting.
- PJM Risk Management Policy Request – PJM requested updates be made to MEA's Risk Policy so as to include "Anti-Money Laundering and "Know Your Customer" provisions. There is nothing listed in the PJM Tariff or Business Practice Manuals which makes this mandatory, so many public power PJM participants have had concerns. PJM agreed to work with IMEA to formulate appropriate language for the policy. Staff will likely be asking for approval at the August Board meeting.

NEW BUSINESS

CEO Gaden announced that today was a very important day in IMEA's history reporting that 10 IMEA members had already approved all of the contract documents keeping IMEA as their wholesale power supplier until 2055 and 10 more IMEA members are seeking approval today. He thanked all those members for their confidence in IMEA to provide reliable, affordable and sustainable power supply to their communities for many decades to come.

Resolution #24-06-913 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Breese for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Breese unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 16th City Council meeting. John Tolan moved to recommend the approval of Resolution #24-06-913 to the full Board at tomorrow's Board meeting. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Resolution #24-06-914 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Rock Falls for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Rock Falls unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 16th City Council meeting. Brian Groth moved to recommend the approval of Resolution #24-06-914 to the full Board at tomorrow's Board meeting. The motion was seconded by David Coston and carried by unanimous roll call vote.

Resolution #24-06-915 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Farmer City for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Farmer City unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 6th City Council meeting. Mike Kirk moved to recommend the

approval of Resolution #24-06-915 to the full Board at tomorrow's Board meeting. This motion was seconded by John Tolan and carried by unanimous roll call vote.

Resolution #24-06-916 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Sullivan for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Sullivan approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 2nd City Council meeting. Pat McCarthy moved to recommend the approval of Resolution #24-06-916 to the full Board at tomorrow's Board meeting. The motion was seconded by Pete Suhr and was carried by unanimous roll call vote with the exception of the abstention by the City of Sullivan.

Resolution #24-06-917 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Waterloo for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Waterloo unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 20th City Council meeting. Cory Sheehy moved to recommend the approval of Resolution #24-06-917 to the full Board at tomorrow's Board meeting. The motion was seconded by Pat McCarthy and carried by unanimous roll call vote.

Resolution #24-06-918 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Highland for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Highland unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 20th City Council meeting. Mike Kirk moved to recommend the approval of Resolution #24-06-918 to the full Board at tomorrow's Board meeting. The motion was seconded by Brian Groth and carried by unanimous roll call vote.

Resolution #24-06-919 – Accepting and Approving New Power Sales Contract for the Village of Bethany for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Bethany unanimously approved the IMEA Power Sales Contract at their June 13th Village Board meeting. John Tolan moved to recommend the approval of Resolution #24-06-919 to the full Board at tomorrow's Board meeting. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Resolution #24-06-920 – Accepting and Approving New Power Sales Contract for the Village of Chatham for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Chatham unanimously approved the IMEA Power Sales Contract at their May 28th Village Board meeting. Brian Groth moved to recommend the approval of Resolution #24-06-920 to the full Board at tomorrow's Board meeting. This motion was seconded by Mike Kirk and carried by unanimous roll call vote with the exception of the abstention by the Village of Chatham.

Resolution #24-06-921 – Accepting and Approving New Power Sales Contract for the City of Metropolis for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Metropolis unanimously approved the IMEA Power Sales Contract at their June 6th City Council meeting. David Coston moved to recommend the approval of Resolution #24-06-921 to the full Board at tomorrow's Board meeting. The motion was seconded by Pat McCarthy and carried by unanimous roll call vote.

Resolution #24-06-922 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the Village of Freeburg for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Freeburg unanimously approved the IMEA Power Sales Contract and the

Capacity Purchase Agreement at their June 17th Village Board meeting. Pete Suhr moved to recommend the approval of Resolution #24-06-922 to the full Board at tomorrow's Board meeting. This motion was seconded by David Coston and carried by unanimous roll call vote with the exception of the abstention by the Village of Freeburg.

Ordinance #24-06-923 – Approving the Amendment and Extension of Line of Credit with PNC and related Subordinated Indebtedness – Chris Wise reported that the current line of credit expires on October 31, 2025. He explained that PNC Bank has offered to extend the current line of credit with a small increase in the fee on the unused balance and the same interest rate mechanism on draws. The terms are from September 3, 2024 through October 31, 2027. He explained that this 24-month extension of the term favors IMEA to complete its anticipated 2025 Bond refinancing. Wise stated that IMEA's financial advisor (PFM) recommended the extension offered by PNC Bank. Staff recommends the approval of authorizing and providing for an amendment and extension of a line of credit agreement and related Subordinated Indebtedness as evidenced by a \$50,000,000 Taxable Subordinated Indebtedness Revenue Note for certain corporate purposes of the IMEA. Brian Groth moved to approve Ordinance #24-06-923. The motion was seconded by David Coston and carried by unanimous roll call vote.

Consideration and Approval of Amending Resolution #24-02-896 to Correct Scrivener's Error – Troy Fodor explained that the open period for new Power Sales Contracts was presented to the Board as March 1, 2024 through April 30, 2025, although the date noted in Resolution #24-02-896 was May 31, 2025 as the end date. Fodor stated that the May 31 date was in error and should be April 30, 2025. All other terms and conditions included in Resolution #24-02-896 remain the same. Staff recommends amending Resolution #24-02-896, specifically Section 3, to reflect April 30, 2025 as the final date in which the offer of the new contract is open and will not be offered beyond that date without authorization from the IMEA Board of Directors. John Tolan moved to approve amending Resolution #24-02-896. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Consideration and Approval for Authority to Proceed with Negotiations of Power Purchase Agreement for 150MW from New Solar Project – Eric Weinant explained that IMEA's load is largely served by existing assets, but IMEA has higher resource needs in the summer than in the winter. He stated that solar resources provide better coverage of IMEA's summer on-peak energy needs than other renewable options moving forward. Weinant reported that based on IMEA's Sustainability Plan and IMEA's long-term resource needs, IMEA Staff forecasted needing 130MW. He also stated that by acquiring 150MW of solar, IMEA will largely eliminate the need to procure short-term bilateral energy and capacity for several years and noted that resource decisions in 2030 when the Lee Dekalb wind contract expires can be revisited based on IMEA's load obligation beyond 2035.

CEO Kevin Gaden discussed how IMEA has sought to add large scale solar to IMEA's portfolio for a few years, but has been delayed by RTO transmission queue bottlenecks, supply chain and mineral rights issues. He reported that this project is 150MW in total size and the supplier is only willing to offer the full 150MW. Gaden explained that IMEA seeks to purchase all of the energy, capacity, ancillary services and Renewable Energy Credits (RECs) related to this project. He stated that this project is located in the Ameren Illinois service territory and already has a signed Generator Interconnection Agreement with Ameren and MISO with an expected project completion date of December 31, 2026. Gaden noted that credit support for Pre-Commercial Operation and the full term

of the transaction will be provided via cash or letter of credit and the proposed vendor is a proven national supplier of renewable energy projects. He reported that IMEA has signed a Non-Disclosure Agreement at the request of the counter-party to protect the specific terms of the proposed transaction.

At that time, CEO Gaden asked for a motion to go into Executive Session for discussion of the purchase, sale or delivery of electricity. John Tolan moved to go into Closed Session, seconded by David Coston. A roll call vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(23) of the Open Meetings Act, 5 ILCS 120/2(c)(23) at 3:54 p.m. The meeting returned to Open Session at 5:02 p.m. by a motion from Brian Groth, seconded by Pat McCarthy. The motion carried by unanimous roll call vote.

CEO Gaden summarized the reasons why IMEA Staff should continue to negotiate towards a final Power Purchase Agreement (PPA) with the proposed developer of this 150MW utility scale solar project in the Ameren IL region. These reasons included that it is a planned outcome of the IMEA 2024 Sustainability Plan to add 130MW by the end of 2026; it brings needed summer capacity to IMEA's portfolio; it brings on-peak energy resources to MISO/Ameren area needed by IMEA; and the project is ready for the construction phase soon with reasonable terms and conditions to execute a final PPA along with a financial commitment. Gaden stated that the IMEA Board would be asked to formally approve the final PPA in an upcoming Board meeting. John Tolan moved for a motion to authorize the CEO to proceed with negotiations for 150MW of solar. Brian Groth seconded the motion and it carried by unanimous roll call vote.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by Pat McCarthy, seconded by Cory Sheehy and carried unanimously by voice vote. The meeting was adjourned at 5:05 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, JUNE 26, 2024**

MEMBERS PRESENT

Carmi	David Coston
Chatham	Pat McCarthy
Freeburg	John Tolan
Marshall	Cory Sheehy
Naperville	Brian Groth
St. Charles	Peter Suhr
Sullivan	Mike Kirk

MEMBERS ABSENT

Farmer City	Sue McLaughlin
Highland	Dan Cook

OTHERS PRESENT

Altamont	Larry Taylor
Breese	Jason Deering
Cairo	Mayor Thomas Simpson
Winnetka	Brian Keys
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Mandy Ripperda
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Jaken Hicks
IMEA	Danny Chung
IMEA	Rodd Whelpley
IMEA	Eric Weinant
IMEA	Jonathon Wygant
IMEA	Tia Horn
IMEA	Tammy Hall
Guest	Raheel Arshed (Naperville)

LISTEN ONLY VIA WEBINAR

Flora	Bob Coble
Princeton	Jeff Mangrich
Red Bud	Josh Eckart
Guest	Greg Hubert (Naperville)