

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, DECEMBER 11, 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 December 11, 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 October 23, 2024 was moved for approval by Brian Groth and seconded by Mike Kirk. 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 reported that the switchgear had been delivered to Marshall and Princeton and was being connected. The projects in Marshall and Princeton are on track for commercial operation by the end of 2024. He stated that installation of the racking is underway in Oglesby and the project is expected to be online by Spring of 2025. Regarding the SolAmerica projects in Metropolis, Carmi and Highland, Weinant reported that SolAmerica is still waiting on a funding commitment from the USDA.

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

- Sierra Club v. Prairie State Generating Company, LLC (filed March 22, 2023) – PSGC filed a Motion to Stay proceeding on November 20, 2024 and this case continues in the Illinois Southern District Court with discovery and other procedural matters. This case is pending until the IEPA has drafted their report in the PSGC v. IEPA case.
- Prairie State Generating Company LLC v. Illinois Environmental Protection Agency (PCB No. 25-11) – PSGC filed a Permit Appeal with the Illinois Pollution Control Board on August 30, 2024 based on the IEPA's failure to take final action on Prairie State's Clean Air Act Permit Program application. The Illinois Pollution Control Board entered an Order on December 5, 2024 compelling the IEPA to complete their review of the PSGC air permit application in one year and to either complete a draft application with intent to grant it or determine that if they are not going to grant it. The final report must be done in two years.

- North Dakota, et al. v. EPA (Case No. 24-1119) – Several States Attorney Generals’ offices along with industry groups challenged the EPA’s April 25th greenhouse gas/hazardous air pollutant emissions rules. The DC Circuit Court rejected an emergency stay for the rules and an emergency appeal was filed with the U.S. Supreme Court. The U.S. Supreme Court denied the emergency appeal on October 4, 2024. Litigation continues in the D.C. Circuit Court.
- West Virginia, et al. v. EPA (Case No. 24-1120) – A number of Attorneys Generals’ offices, several trade associations, IOUs, co-ops, generator owners and labor unions challenged the EPA’s baseload coal plant emissions rule. An emergency appeal for the initial Applications for Stay was denied by the Supreme Court on October 16, 2024. Litigation over the rule itself continues in the DC Circuit Court.
- MISO Filing to Reform Shortage Pricing and Price Formation for Value of Lost Load and Operating Reserve Demand Curves (Docket No. ER25-579) – Filed on November 26, 2024, MISO is proposing to change its shortage pricing mechanism to better align with its reliability and efficiency goals in light of a changing resource mix and more frequent extreme weather events. MISO wants to change the price that demand is willing to pay to avoid loss of service from \$3,500/MWH to \$10,000/MWH as a price cap for emergencies and load shed events and \$35,000/MWH as a placeholder in the modeling to estimate shortage pricing due to MISO-directed load curtailment if/when implemented. This will likely affect demand response pricing for IMEA resources called on during MISO emergency events. Staff will intervene and monitor the proceeding.
- Public Citizen, Inc. et al. v. Midcontinent Independent System Operator, Inc. et al. (Docket No. EL 15-70-003 et al.) – This case involves the allegations against Dynegy’s alleged market manipulation in MISO’s 2015/2016 auction results for Zone 4. FERC ordered settlement procedures which are currently ongoing. IMEA is closely monitoring the settlement negotiations.
- MISO Filing to Reform Resource Accreditation Requirements (Docket No. ER24-1638) – MISO proposed to change how it accredits resources due to a changing resource mix and changing load profiles in the MISO region. A FERC Order was issued on October 25, 2024 accepting MISO’s tariff revisions.
- MISO Filing Regarding Wholesale Connection Agreement (WCA) and Construction Agreement (CA) between Ameren Illinois Company, IMEA and the City of Oglesby (Docket No. ER24-3036) – MISO filed the WCA and CA on behalf of Ameren with FERC which establishes the terms and conditions for the wholesale interconnection between Ameren, IMEA and Oglesby. FERC accepted Ameren’s filing by Letter Order on October 31, 2024.
- Joint Consumer Advocates v. PJM Interconnection, LLC (Docket No. EL25-18) – Filed on November 18, 2024, this is a complaint against PJM by a group of PJM-area consumer advocacy agencies that PJM’s capacity market yields unjust and unreasonable rates. This is in response to PJM’s Delivery Year 2025/26 auction clearing prices which did not include the Reliability Must Run (RMR) units and did not adjust the modeling for the auctions to account for those generators that were going to be there and be paid by the transmission customers. The suit alleges that allowing the RMR unit to clear would have lowered the clearing price if handled properly. IMEA Staff is closely monitoring this case.
- Commonwealth Edison Filing Revising its Attachment H-13 (Docket No. ER24-2890) – Filed August 28, 2024, ComEd proposes to add co-located load to be designated as Network Load if it does not have a Point-to-Point Transmission Service arrangement. ComEd’s filing is identical to tariff changes proposed and filed across all of Exelon’s regulated utilities. FERC issued a Deficiency Letter on November 22, 2024 to Exelon companies, including ComEd.

- PJM Filing Regarding Energy Efficiency Participating in Capacity Market (Docket No. ER24-2995) – Filed September 6, 2024, PJM proposes to remove Energy Efficiency Resources (EERs) from its capacity market. PJM’s rationale was that EERs provide no meaningful load benefit worth being paid for by PJM customers. FERC accepted PJM’s tariff revisions on November 5, 2024.
- PJM Filing to Delay Capacity Auction (Docket No. ER25-118) – On October 15, 2024, PJM filed a request for waiver to delay its upcoming auctions which will affect the next 4 delivery years. FERC granted PJM’s request for waiver on November 8, 2024.
- Chatham SERC Registration – IMEA/Chatham has submitted all required documentation to SERC and is awaiting approval from SERC.

NEW BUSINESS

IMEA Renewable Energy Credit (REC) Program – Eric Weinant reported that during REC Planning Year 2024, IMEA produced a total of 342,348 RECs. Consistent with the policy set forth in IMEA Resolution #20-06-851 which was approved by the IMEA Board on June 18, 2020, IMEA retired 342,348 RECs – 43,151 from Illinois and 299,197 from neighboring states. He stated that Illinois RECs are limited due to corporate REC purchases and the Illinois IPA Program to meet the State’s renewable goals. He presented charts showing historical REC market conditions from August 2019 to October 2023 and a graph showing wind generation declining in 2023 for the first time since the 1990s. He explained that RECs generated in ComEd are PJM qualified and RECs generated in Ameren trade at MISO and national prices. This creates an opportunity for the members to sell the PJM qualified RECs and replace them with MISO and national RECs. This method saved the Agency \$10.47 million for Planning Year 2023/24. This opportunity may not exist in future years as state and federal policies change over time. Weinant stated that IMEA retired 1,400 RECs under the Green Power Choices program on behalf of the members and participating customers which is in addition to the RECs already held by IMEA.

Annual Demand Response and Load Management Initiative Offer Prices – Jon Wygant reported that the Board had previously approved the current Demand Response Program beginning in 2019 which provided the opportunity for commercial, industrial or governmental end-use customers of Members to participate (through IMEA) in PJM or MISO capacity markets. These programs have continued to expand throughout the RTOs as capacity becomes limited. Wygant explained that the DR Program was divided into two parts: Direct participation in the MISO/PJM Capacity Auction and the IMEA Load Management Initiative. The incentive price for direct participation in the MISO/PJM Capacity Auction is established by the auction clearing price. Members are compensated whether or not they are called upon by the RTO to reduce load, however, there are penalties from the RTO for customer non-performance. In the alternative, for any auction, if an end-use customer wants to share the capacity pricing and the policy risk, the IMEA Demand Response (DR) Program allows for a percentage share of the revenue received from the RTO to be split, up to 75% to the Member/Customer with the remainder to IMEA to operate the program.

Wygant stated that the Board had previously approved the pilot Load Management Initiative under the PJM Demand Response Program. This program allows IMEA to call on the committed resource to reduce load at high usage times to reduce future capacity costs to IMEA. The incentive price is typically based on the 75% customer/25% agency split of expected agency capacity savings in the next

RTO capacity auction. There is not a penalty from the RTO for non-performance, however there is no compensation if the customer does not perform.

Wygant stated that IMEA staff is proposing the following compensation under the DR Program including Load Management Initiative pricing and Rock Falls non-dedicated generation: Fixed price offers up to \$6.15/kW-month for PJM 2025/2026 Planning Year. He explained that the demand response would be bid directly into the PJM Base Residual Auction which has been postponed to July 2025 for Planning Year 2026/27. Planning Year 2027/28 is currently scheduled for December 2025. He reported that the 75%/25% revenue share is subject to the Demand Response clearing the auction at or above the Minimum Offer Price Rule (MOPR) floor price for its type of resource. The member/customer assumes all risk of penalty. Wygant reported that IMEA Staff is proposing the following compensation under the Demand Response Program, including Load Management Pricing for MISO. The fixed price offers for each capacity season are as follows: Summer 2025 is \$4.26/kW-month, Fall 2025 is \$1.22/kW-month, Winter 2025-2026 is \$1.22/kW-month and Spring 2026 is \$2.28/kW-month. The MISO voluntary Load Management Pilot pricing to potentially lower the IMEA coincident peaks are Summer 2025 being \$4.26/kW-month and Spring 2026 being \$2.28/kW-month.

Dan Cook moved to approve the Demand Response and Load Management Initiative Offer Prices as presented, seconded by Brian Groth. The motion carried by unanimous roll call vote.

Resolution #24-12-934 – Approving Regulatory Credit Related to Funds for Decommissioning IMEA-Owned Baseload Generation – Chris Wise stated that updates to Rate Schedule B were approved at the October 2024 Board meeting by Ordinance #24-10-931 which established the collection of a decommissioning fund in anticipation of retiring Prairie State Energy Campus and Trimble County Generating Station. At the August 2024 Board meeting, the Board had agreed to collect the majority of the funds needed by October 1, 2035 to ensure that the members that invested into and benefited from the output of the generating resources pay the associated decommissioning costs. Wise explained that collection will start on May 1, 2025 and run through April 31, 2035. He stated that these funds will be held in the Decommissioning Account and funds will not be withdrawn without authorization from the Board. Wise reported that regular updates on the balance in this account will be provided and will be presented in the monthly financial statements. John Tolan moved to approve Resolution #24-12-934 as presented, seconded by Pat McCarthy. The motion carried by unanimous roll call vote.

Resolution #24-12-935 – Designating Authorized Signatories on the Accounts of the Illinois Municipal Electric Agency – Chris Wise explained that this Resolution designates authorized signatories on the accounts of the IMEA. This Resolution removes the Chief Operating Officer and the Vice President of Member & Energy Services as signors due to retirements/departures from those positions and replaces them with Staci Wilson and Rakesh Kothakapu as Vice President, Government Affairs & Member Services and Vice President, Engineering & Energy Markets, respectively. The CEO and CFO will remain as the primary signatories and at least one of their signatures will be required on each check. Peter Suhr moved to approve Resolution #24-12-935 as presented, seconded by Brian Groth. The roll call showed all in favor.

Resolution #24-12-936 – Adopting Revised IMEA Risk Management Policy – General Counsel Troy Fodor reported that IMEA's current Risk Management Policy was approved by the Board in 2023 which implements certain risk management statements and policies to comply with the rules of PJM and MISO. He stated that earlier this year, IMEA received a Notice from PJM requesting that IMEA update its policy to include a description of IMEA's Anti-Money Laundering and Know your

Customer/Counterparty processes as well as processes applicable to IMEA's employees and investors in compliance with anti-money laundering, anti-corruption laws, sanctions, compliance with the Foreign Corrupt Practices Act, politically exposed persons issues and the Corporate Transparency Act. Fodor explained that while the federal statutes in the Notice do not apply to or otherwise exempts governmental entities, IMEA Staff prepared and PJM accepted language to address the requested matters. He also reported that the revised Risk Management Policy updates certain titles of IMEA employees who are authorized to take certain actions under the policy. David Coston made a motion to adopt the revised IMEA Risk Management Policy as presented. The motion was seconded by Pat McCarthy and carried by unanimous roll call vote.

Resolution #24-12-937 – Continuing the IMEA Energy Efficiency & Conservation Program – Rodd Whelpley stated that this Resolution continues the IMEA Energy Efficiency & Conservation Program for FY2025/26 through FY2027/28. There will be \$1 million available each year for incentives for electric efficiency projects divided among the Members on a load share ratio basis. He reported that on September 25, 2024, the Electric Efficiency and Conservation Committee (E2C2) recommended continuing the IMEA Electric Efficiency Program; all the current measures will continue for FY2025/26. Two new refrigeration measures will be added for FY2025/26: zero energy doors for refrigerated cases and door gaskets for walk-in and reach-in coolers and freezers. He stated that incentive levels for lighting and other measures are set to match the higher incentive level for the equivalent efficiency measure in the two major Illinois IOU efficiency programs. Whelpley also explained that this Resolution allows for one year's worth of a member's program funding that remains unused as of April 30, 2025 to roll over, but rolled-over funds must be used by April 30, 2026 or they will be transferred to the Rate Stabilization Fund. This Resolution also allows rollovers of unused FY2025/26 and FY2026/27 incentive funding through April 30, 2028. Any funds that remain unallocated to projects/unused by April 30, 2028 would be transferred to the Rate Stabilization Fund. Mike Kirk made a motion to approve this Resolution, seconded by Brian Groth. The motion carried by unanimous roll call vote.

Resolution #24-12-938 – Continuing the IMEA Electric Vehicle Charging Station & Electric Vehicle Program – Rodd Whelpley stated that this Resolution continues the IMEA Electric Vehicle Charging Station & Electric Vehicle Program for FY2025/26 through FY2027/28. There will be \$250,000 available each year for incentives for electric vehicle charging stations and electric vehicles divided among the Members on a load share ratio basis. He reported that on September 25, 2024, the Electric Efficiency and Conservation Committee (E2C2) recommended continuing the IMEA Electric Vehicle Charging Station & Electric Vehicle Program and all the current measures. The E2C2 also recommended that going forward members may use their program funds to cover up to 100% of the cost for the municipality to own or lease qualified EV charging stations made available for public use with no dollar cap on the incentive and up to 100% of the cost for the municipality to own or lease qualified EVs for City or Electric Department use with no dollar cap on the incentive. Whelpley explained that currently their funds can cover up to 80% of the project cost and all projects are capped at \$20,000 per project per year for both of the above-referenced measures. He reported that this Resolution allows members to roll into FY2025/26 all unused funding from the last three years, but any rolled-over funding that is not used by April 30, 2026 will be transferred to the Rate Stabilization Fund. He also reported that this Resolution allows rollovers of unused FY2025/26 and unused FY2026/27 incentive funding through April 30, 2028. Whelpley stated that any funding that remains unused after April 30, 2028 will be transferred to the IMEA Rate Stabilization Fund. David Coston

made a motion to approve Resolution #24-12-938 as presented, seconded by Pat McCarthy. The motion carried by unanimous roll call vote.

Update on IMEA Sustainability Plan – Staci Wilson stated that IMEA has committed to provide an annual end of year update of the goals of the IMEA Sustainability Plan which was approved this time last year. She explained the progression of these goals by principle which are listed below:

- 1) Provide an affordable, reliable and sustainable power supply to member communities: (a) This goal was exceeded by 25 megawatts of utility-scale solar starting in 2025 from the Big River Solar Farm; 150 megawatts of new utility-scale solar starting late 2026/early 2027 from Bee Hollow Solar Project; adding 3 new behind the meter solar projects to IMEA Municipal Solar Program in Oglesby, Princeton and Marshall expected by late 2024/early 2025 and are currently working on 3 additional behind the meter solar projects to the IMEA Municipal Solar Program in Metropolis, Carmi and Highland through a USDA loan grant process. These projects total 177 megawatts. (b) The goal to study the feasibility of installing utility-scale behind the meter battery storage on member distribution systems by 2030 and to research new technologies to reduce the current resource carbon footprint is in progress. IMEA Staff has met with over 10 battery storage developers and other utilities to gather market insight and indicative pricing. Steps are being taken to plan for an effective study by developing a list of topics to analyze and procure an outside consultant's input. The cost of this study will be included in the FY25/26 budget. The 2025 Battery Storage Study will review the types of batteries available, analyze MISO and PJM's incentives, best financing option, potential implementation timelines, grant opportunities, most effective location and the impact on the IMEA member rate.
- 2) Design and facilitate energy conservation programs in support of the concept that the most sustainable watt is the watt not generated: This goal was attained and is ongoing with the incentive funding by the IMEA Electric Efficiency and Conservation Program and the documented kilowatt/hour annual savings in the residential advanced thermostat, AC/air source heat pump and smart socket giveaway programs. The goal to regularly review technology developments to determine new energy saving measures has been attained by IMEA evaluating 10 new possible energy savings measures for consideration and adding two new refrigeration measures in FY 2025/26. The goal to explore a Conservation Voltage Reduction (CVR) Program is in progress. IMEA Staff met with engineering consultants to get a better understanding of the equipment needs, SCADA and other software needs and determining which member load profiles would be conducive to pilot a program. IMEA Staff is reviewing relevant information such as the cost vs. benefit to IMEA and/or individual member municipalities and how to fund a pilot or full program rollout.
- 3) Offer flexible programs to mitigate peak loads, increase reliability and better integrate clean energy potential: This goal was attained by offering more options to commercial/industrial customers in the MISO region. MISO capacity is seasonable with lower prices in Fall/Winter. Offering a fixed price based on summer capacity prices could encourage wider participation. This will provide additional opportunities to reduce peak loads and avoid high-cost market purchases. The goal to pursue federal grant opportunities to deploy an Optimized Charging Operations Center (OCOC) has been partially achieved by IMEA coordinating extensively with the Illinois Finance Authority to apply for a Grid Resilience & Innovation Partnership grant

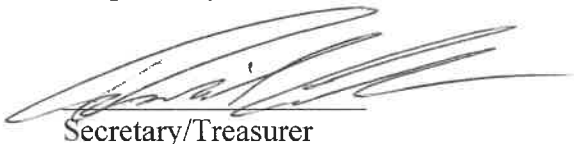
that would fund the deployment of an OCOC. Illinois did not receive this grant funding from the federal government.

- 4) Enable, accelerate and integrate electric vehicles and accompanying charging infrastructure: This goal has been attained by the results of the ongoing IMEA Electric Vehicle Charging Station and Electric Vehicle Program. These results include 454 EV chargers incentivized by this IMEA program since FY2019/20 and 5 NEVI-funded projects slated to be built at sites served by municipal electric utilities in Illinois. The goal to pursue federal grant opportunities to implement a newly developed Optimized Charging Operations Center (OCOC) to establish a member-managed electric vehicle charging program has been partially achieved by IMEA coordinating extensively with the Illinois Finance Authority to apply for a Grid Resilience & Innovation Partnership grant that would fund the deployment of an OCOC. Illinois did not receive this grant funding from the federal government.
- 5) Maintain and support a sustainable workplace: This goal was attained by replacing one of the small fleet of company cars with an electric vehicle.

Wilson reminded the Board members providing revisions is welcome and that a stakeholder process will be utilized on a three-year review cycle.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by John Tolan, seconded by Dan Cook and carried unanimously by voice vote. The meeting was adjourned at 3:35 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, DECEMBER 11, 2024**

MEMBERS PRESENT

Chatham	Pat McCarthy
Carmi	David Coston
Flora	Bob Coble
Freeburg	John Tolan
Highland	Dan Cook
Marshall	Cory Sheehy
Naperville	Brian Groth
St. Charles	Peter Suhr
Sullivan	Mike Kirk

MEMBERS ABSENT

OTHERS PRESENT

Greenup	Mike Ryder
Rantoul	Jake McCoy
Waterloo	Tim Birk
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	Tia Horn
IMEA	Rodd Whelpley
IMEA	Eric Weinant
IMEA	Jonathon Wygant
IMEA	Danny Chung
IMEA	Ellen Woehrmann
IMEA	Tammy Hall
Guest	Raheel Arshed (Naperville)
Guest	Giovanni McLean (St. Charles)
Guest	J.R. Landeck (Waterloo)

LISTEN ONLY VIA WEBINAR

Princeton	Jeff Mangrich
Red Bud	Josh Eckart
IMEA	Ed Cobau
Guest	Greg Hubert (Naperville)