

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, JANUARY 22, 2025

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 January 22, 2025. Chairman Cory Sheehy called the meeting to order at 2:00 p.m. and all attendees participated in the Pledge of Allegiance. 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 December 11, 2024 was moved for approval by John Tolan and seconded by Dan Cook. 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.

President & CEO Report – CEO Gaden announced that Mark Christie had been appointed by President Trump to become the FERC Chair. He then welcomed Charlie Robling as IMEA's new Manager of Energy Markets & Settlements. Gaden stated that Charlie has a degree in Economics from the University of Illinois-Chicago and has experience in data analytics and commodities trading. He reported that Bob Kosner is assisting with some MISO behind the meter generator rules that are being debated. Gaden stated that Operations will be seeking an Electric Data Analyst to assist with RTO/NERC data analysis, energy scheduling and optimization efforts with more intermittent resources. It is anticipated this hiring will happen in the first quarter of 2025. IMEA Staff is reviewing future staffing needs in the Member Services area and will seek IMEA Board approval for any new position.

CEO Gaden discussed the scheduling of a Generation Committee meeting and a Transmission Committee meeting this spring/early summer. IMEA Staff is working with the Chairs of those committees to confirm dates to host a day-long set of meetings in Springfield. Gaden stated that the Generation Committee would review recent Board-approved changes to capacity compensation along with a draft of the IMEA Member Generation Policy Manual language for Board approval. The Committee would also discuss enhanced capacity compensation for higher than average unit runs as presented in previous Board meetings. He stated that the Transmission Committee would review logistics of IMEA becoming a MISO Transmission Owner along with the timing of the funding, and the overall administration of this project. The Committee would also review potential opportunities and logistics for additional ownership as RTO's begin to accelerate transmission buildout (MISO Tranche 2).

CEO Gaden reported that MISO had recently been awarded several projects worth \$21.9 billion through the MISO Long-Term Transmission Planning process (Tranche 2.1). He stated that a few projects in Illinois were selected and MISO will be selecting the developer through a bidding process later this year. These projects are at least 7-8 years away and would not be online until 2032-33 timeframe. Gaden reported that MISO estimates the buildout of the Tranche 2.1 will have an estimated \$5/MWh rate impact to all ratepayers. IMEA Staff is working with Ameren and other Transmission Owners for any opportunities to offset these costs. He stated that PJM is going through a similar process and IMEA Staff will continue to track these potential opportunities.

Legislative & Regulatory Update – Staci Wilson reported that the Lame Duck Session had concluded with a condensed HB 587 Energy Omnibus legislation. It requires the Illinois Commerce Commission (ICC) with the guidance of the Illinois Power Agency (IPA) to initiate a workshop for battery storage procurement and what the process would be for the State. This ICC workshop is scheduled from February 1 – April 1 upon which time the ICC will make a recommendation to the General Assembly. If the General Assembly authorizes the IPA to conduct a procurement, the IPA will have to complete the procurement by August 26, 2025. This legislation also amended the High Impact Business Act which provides for tax breaks to enable new battery storage facilities to apply for that designation. The bill also made changes regarding securing financing for renewable projects under the cost cap language in the statute to fund solar incentives that the IPA has been giving through the adjustable block program. IMEA Staff will monitor those changes. She reported that this legislation also creates an Electric Transmission Systems Construction Standard Act which was brought forward by the IBEW trying to ensure Illinois workers are utilized for the new transmission projects being built in Illinois. The IBEW has proposed requirements such as prevailing wage, OSHA certified training among others which would be overseen by the ICC. An amendment was adopted defining municipalities which will not impact employees of municipalities, but will impact contractors that are utilized.

She reported that there are ongoing stakeholder discussions on the “transparency” legislation in the Spring Session. This requires regulatory requirements for municipalities including a prescriptive Integrated Resource Planning (IRP) process.

Regarding the Grid Resilience 40101(d) Emergency Equipment Share Grant, Wilson reported that IMUA was pre-approved as an applicant by the Illinois Finance Authority and the full application is due by January 31st. She discussed the Special meeting of the IMUA Board which will be held on Friday, January 24th to receive approval to file the application and to address cost-share requirements. Upon IMUA Board approval, the application along with all required documentation will be submitted by the end of January. Wilson stated that only upon DOE approval can a project award decision be made by the IFA and then negotiations with IMUA would be forthcoming on award agreement.

Wilson discussed the APPA Legislative Rally scheduled for February 24-26. She stated that the protection of tax-exempt financing is one of the main topics to be discussed. Congress is considering the repeal of the tax-exemption for municipal bonds. She explained how critical tax-exempt financing is for infrastructure projects throughout municipalities. IMEA Staff is requesting members to respond to a request that asks for a list of all projects that tax-exempt financing was used in your municipalities that will be presented as a breakdown by Congressional district showing the savings involved. The other topic to be discussed at the Legislative Rally is protecting direct pay tax credits which allows for tax-exempt entities to claim most energy related tax credits as a refundable direct tax credit.

OLD BUSINESS

Operations – Regarding PJM, Mandy Ripperda reported that the Third Incremental Auction for the PJM 25/26 Delivery Year will open on February 26, close on March 4 and results are expected to be posted on March 11. The Base Residual Auction for the 26/27 Delivery Year will open on July 9. Ripperda explained that the PJM Board had informed stakeholders that capacity shortages may affect PJM as early as Delivery Year 26/27. These shortages are due to new data centers, retiring thermal generators, the slow pace at which replacement generation is coming online and that the characteristics of new intermittent resources are not the same as the units retiring. She noted that PJM is supportive of efforts to bring new generation online while making sure the price signals are accurate.

Regarding MISO, Ripperda reported that the Planning Resource Auction for Planning Year 25/26 will open in March and will be an annual auction held by season. She stated that reports indicate MISO could require 343,000 MW of additional installed capacity by 2043. She explained that capacity would need to be added at a rate of 17,000 MW/year for each year through 2043 to meet that requirement which is a 262% increase over the average installation rate for 2020-2022. Ripperda reported that the MISO Board had approved the largest grid expansion plan in US history. It's been named "Tranche 2.1" and includes over 488 projects covering over 5,000 miles in 15 states at a cost of \$21.9 billion. As a result, transmission rates in MISO will continue to increase.

Ripperda then discussed NERC's 2024 Long-Term Reliability Assessment which was posted in December. She stated that this report identifies reliability trends, emerging issues and potential risks to the bulk power system over a 10-year period. She reported that over half of the region is at an elevated or high risk of energy shortfall over the next 5-10 years.

Trimble County (TC): Shadi Ahanchi reported the following:

- There were no new safety incidents to report since the last Board meeting. Plant performance through December of 2024 showed the Equivalent Availability Factor (EAF) was 81.25% and the Equivalent Forced Outage rate (EFOR) was at 5.06% year to date. Unit 1 had no outages since September. The planned outage for Unit 2 is now complete, although the unit came online slightly behind schedule due to a cooling tower pump issue. TC Staff continues to work towards the power plant stack replacement. The Engineering and Design study continues and it is anticipated to be completed in the Summer of 2025. The scope of the work has been expanded slightly due to adding additional duct work and the work on cable restraint system for the existing liner is planned to start in January and be completed in the first quarter of 2025.

Prairie State (PSGC): Shadi Ahanchi reported the following:

- There were no new safety incidents to report for the plant since the last Board meeting, although the mine had one lost time accident in December. Plant Performance through December of 2024 showed the Equivalent Availability Factor (EAF) was at 82.51% and the Equivalent Forced Outage rate (EFOR) was at 13.02%, both year to date. Unit 1 completed its 12-day planned maintenance outage in December which included reheat tees and boiler inspections. Unit 1 had two short outages due to a tube leak and the excitation transformer cooling issue after coming online from the maintenance outage in December. Unit 1 also had

an outage in January due to a tube leak, however, the issue has been addressed and the unit is back online. As Unit 2 was coming back online from its planned maintenance outage on November 22, it came offline due to a generator protective relay operation. After testing by the PSGC team and external crew was conducted, there was an internal fault in the generator. After disassembling and borescope testing, it was found that there were 2 generator stator bars damaged. PSGC staff and Toshiba engineers repaired the bars. The unit has run well since the fault was corrected. Prairie State self-reported to the Illinois EPA for a technician air permit deviation on SO₂ emission which happened in November. When the unit was coming online during the start-up, it ran for 20 min in that calendar day. Before shutting down, the SO₂ emission during that 20-minute period was slightly elevated and since the unit came offline just after startup, the PSGC Staff didn't have the opportunity to lower the rate for the remainder of the hour or the calendar day. Depending on how the average of partial hours are calculated, this may be considered a deviation, therefore PSGC staff self-reported this incident out of an abundance of caution. There are no updates or further action taken on Carbon Capture and the PSGC Staff are still evaluating options. There are no commitments from PSGC or the owners.

Local Transmission and Generation – Shadi Ahanchi reported on the following:

Ameren Export Study – IMEA Staff had several meetings with Ameren in regard to allowing generating members to produce power from behind the meter generators beyond their load limits. This is due to MISO asking for unit availability during all emergency load conditions even if they do not happen during peaks. IMEA Staff is working with Ameren to create groups of generator studies for members that are in same sub-transmission network.

- Wholesale Connection Agreement (WCA) – Agreements for Members with a single delivery point should be completed soon and Ameren is in the process of issuing drafts for members with multiple delivery points.
- Mascoutah's Second Delivery Point – The switchgear has been installed and the City is working to get feeder cables installed and terminated. The city is targeting the end of January to energize its second delivery point.
- Carmi Unit #12 - Carmi retired Unit #12 in 2024 which suffered a fire incident. The City is looking into repairing the unit. IMEA staff is working with the City on the path forward of bringing the unit back to service subject to Board approval and successful repair.

Update on Solar Projects – Eric Weinant reported that the solar projects in Marshall and Princeton were energized in December and are currently in the testing phase. He stated that staff is awaiting installation of tracking software and fine tuning before COD can be declared. Regarding the Oglesby project, Weinant stated that the racking installation is complete and all panels have been delivered, although waiting on warmer weather to install. The switchgear is scheduled to arrive by the end of January and the project is expected to be online by Spring 2025.

Weinant reported that SolAmerica had received initial funding commitments for all of the projects, however, these projects are subject to final funding confirmation, contracts and other details. IMEA Staff is working with SolAmerica on timeline details and next steps which will include updates to the draft PPA's. He stated that the IMEA Board had approved the authorization of PPA's for Highland, Metropolis and Carmi in August 2024. He then reported that the Village of Chatham, an alternate to

the Rantoul site that was deemed not feasible, has signed a Lease Agreement with SolAmerica for 2.25 MW. SolAmerica is paying for an Interconnection Study to determine site feasibility and IMEA Staff will ask for authorization from the Board should the site be determined to be feasible and both Chatham and SolAmerica confirmed their desire to move forward.

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

- 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. Settlement discussions are ongoing and the next settlement conference will be held at the end of the month.
- MISO Filing to Reform Shortage Pricing and Price Formation for Value of Lost Load and Operating Reserve Demand Curves (Docket No. ER25-579) – 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. IMEA intervened on January 10, 2025.
- Commonwealth Edison Filing Revising its Attachment H-13 (Docket No. ER24-2890) – Filed August 28, 2024, ComEd proposes to designate co-located load as Network Load if it does not have a Point-to-Point Transmission Service arrangement. IMEA intervened on October 2, 2024 and FERC issued a Deficiency Letter on November 22, 2024 to Exelon companies, including ComEd. Exelon companies submitted an Answer to the Deficiency Letter on December 20, 2024.
- Joint Consumer Advocates v. PJM Interconnection, LLC (Docket No. EL25-18) – PJM-area consumer advocacy agencies filed a Section 206 Complaint against PJM for its high capacity clearing prices for the 2025/26 Delivery Year. IMEA intervened on December 5, 2024 and is monitoring the proceeding.
- Commonwealth of Pennsylvania v. PJM Interconnection, L.L.C (Docket No. EL25-46) – On December 30, 2024, the Governor and the State of Pennsylvania filed a Section 206 Complaint against PJM for its Delivery Year 2025/26 capacity clearing prices. This proceeding has very similar allegations and request for relief as the Joint Consumer Advocates Complaint. IMEA is monitoring the proceeding.
- PJM Filing to Revise its Reliability Pricing Model (Docket No. ER25-682) – Filed on December 9, 2024, PJM proposes to revise how Reliability Must-Run Resources are categorized and how combustion turbines will be used in various resource adequacy concepts. IMEA intervened on December 19, 2024.
- PJM Filing to Revise Tariff for Reliability Resource Initiative (Docket No. ER25-712) – Filed on December 13, 2024, PJM proposes to fast track up to 50 “shovel-ready” generators in its interconnection queue based on set criteria. IMEA intervened on January 8, 2025.
- PJM Filing to Revise its Surplus Interconnection Service (Docket No. ER25-778) – Filed on December 20, 2024, PJM proposes to expand surplus interconnection service availability to existing and planned generating facilities. IMEA intervened on January 10, 2025.
- PJM Filing to Revise Tariff to Expand Credit Review for Bilateral Capacity Transactions (Docket No. ER-25-783) – Filed on December 20, 2024, PJM proposes to require advance credit review for

auction-specific and locational UCAP bilateral transactions. IMEA intervened on January 10, 2025.

- PJM Filing to Revise Market Seller Offer Cap and Subject All Generation Capacity Resources to Must Offer Rule (Docket No. ER-25-785) – Filed on December 20, 2024, PJM proposes to remove must-offer exemptions traditionally held by intermittent resources, capacity storage resources and hybrid resources as well as set resource-specific Market Seller Offer Cap floors on those resources to protect against Capacity Performance risk. Demand Response resources will retain its must-offer exemption. IMEA intervened on January 10, 2025.
- Industrial Energy Consumers of America et al. v. Avista Corporation et al. (Docket No. EL25-44) Filed on December 19, 2024, various large load customers filed a Complaint alleging that their tariff provisions allowing local, “self-planned,” transmission buildouts have been expensive on ratepayers and unjust and unreasonable. PJM and all other ISOs/RTOs and FERC-jurisdictional public utilities not within an ISO/RTO footprint are named as respondents to the Complaint. IMEA is monitoring the proceeding.
- American Efficient, LLC et al. (Docket No. IN24-2-000) – FERC alleged that American Efficient manipulated PJM and MISO’s capacity markets with unauthorized Energy Efficiency resources. American Efficient bought sales data from several retailers, scraped energy efficiency product purchases by location and aggregate MWs and bid those numbers in as energy efficiency resources. On December 16, 2024, FERC ordered a Show Cause and Notice of Proposed Penalty against American Efficient amounting to about \$975 million.
- Ketchup Caddy, LLC and Philip Mango (Docket No. IN23-14-000) – FERC found that Philip Mango engaged in a fraudulent Demand Response scheme to defraud the MISO market and market participants using a front company, Ketchup Caddy. Mango and accomplices programmed a robot to “scrape and cull” Ameren customer data without customer permission and then bid in that data as unenrolled Load Modifying Resources and cleared the Planning Resource Auction between 2019-2021. On December 5, 2024, FERC ordered and assessed civil penalties and disgorgement against Ketchup Caddy and Mango amounting to about \$27 million.
- Voltus, Inc. and Gregg Dixon (Docket No. IN21-10-000) – FERC alleged that Voltus used Ameren’s retail customer meter data without the customers’ permission to register load as Load Modifying Resources. Voltus used information from Ameren’s customers bills to access Ameren load data for its Demand Response program. Voltus then developed a program that automated the data collection process from Ameren’s system without the need of utility bills. Voltus then registered uncontracted customer load reductions for both Load Modifying Resources and Emergency Demand Response Resources. On January 6, 2025, FERC approved a Stipulation and Consent Agreement that Voltus and Dixon would pay about \$19 million in penalties and disgorgement.
- Chatham SERC Registration – SERC sent additional questions and requests on January 5, 2025 which IMEA and Chatham have responded. Awaiting response from SERC.

NEW BUSINESS

Refunding Plan for IMEA 2015 Bonds – CEO Kevin Gaden reported that IMEA Staff had finalized the selection of the bond refinancing team to include Bank of America, Ramirez Securities and PNC Bank. He explained that the plan is to refinance the remaining 10 years of IMEA’s tax exempt debt from 2025-2035 and potentially the Build America Bonds (BABs), as well, but only if there are savings. Gaden reviewed the bond refinancing activities anticipated timeline. He explained that staff is already

developing the Preliminary Official Statement; will seek IMEA Board approval to refinance IMEA bonds at the February 2025 Board meeting; will make a final determination with the underwriting firms for best marketing means to seek new issue of bonds between March and April; and will complete Rating Agency updates in April so that IMEA bonds can be priced and sold as soon as May 5, 2025 or as soon as market conditions dictate.

At that time, CEO Kevin Gaden asked for a motion to go into Executive Session for the discussion of personnel matters. Dan Cook moved to go into closed session, seconded by Bob Coble. Roll call vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(1) of the Open Meetings Act for personnel matters at 11:19 a.m. The meeting was returned to Open Session at 1:23 p.m. by a motion from Brian Groth. The motion was seconded by Dan Cook and the roll call vote was unanimous.

Chairman Cory Sheehy made a motion to approve the following:

- (1) an increase to the overall employee salary pool for all employees (except CEO) of 3.0% for base adjustments to all salaries effective May 1, 2025;
- (2) additional increase to the overall employee salary pool (except CEO) of 2.5% effective May 1, 2025, to be distributed to employees based on merit and salary comparability at the CEO's discretion;
- (3) an annual pool of \$30,000 to be placed in the salary budget to provide for the Employee Incentive Plan payments that would begin on May 1, 2025 for that fiscal year (CEO is ineligible for these funds);
- (4) approve an increase to the CEO salary by 3.5% effective May 1, 2025. Dan Cook seconded the motion and the roll call vote showed all in favor.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by Dan Cook, seconded by Brian Groth and carried unanimously by voice vote. The meeting was adjourned at 1:28 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, JANUARY 22, 2025**

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

MEMBERS ABSENT

Sullivan	Mike Kirk
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OTHERS PRESENT

Altamont	Larry Taylor
Bethany	Shannon Risley
Waterloo	J.R. Landeck
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Mandy Ripperda
IMEA	Staci Wilson
IMEA	Shadi Ahanchi
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Eric Weinant
IMEA	Jonathon Wygant
IMEA	Danny Chung
IMEA	Charlie Robling
IMEA	Tammy Hall
Guest	Raheel Arshed (Naperville)

LISTEN ONLY VIA WEBINAR

Peru	Kevin Minnick
Princeton	Jeff Mangrich
Red Bud	Josh Eckart
IMEA	Rakesh Kothakapu
Guest	Greg Hubert (Naperville)
Guest	Jean Korte (Highland)
Guest	Mike Mace (PFM)
Guest	Donald Lacombe (GE Vernova)