

# ILLINOIS MUNICIPAL ELECTRIC AGENCY

## REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, JANUARY 17, 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 January 17, 2024. Chairman Cory Sheehy called the meeting to order at 10:00 a.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 October 25, 2023 was moved for approval by Larry Taylor and seconded by Brian Keys. 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. 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. Hearing none, Chairman Sheehy proceeded with the meeting.

### OLD BUSINESS

President & CEO Report – CEO Gaden announced that Rich Wallis had been recently appointed to be the new Board Member representing Roodhouse and Rich Baldrige was appointed to be the new Board Member representing Oglesby. He reported that Jonathon Wygant has accepted the position of Energy Services Representative and will start his employment at IMEA on February 1, 2024. Jonathon served in the U.S. Navy for 11 years and has been employed as a Policy & Budget Analyst for the Illinois Senate for the past eight years. Gaden explained that Jonathon will work with Sean McCarthy and Mike Genin as Sean transitions to Operations in late Spring 2024.

CEO Gaden stated that a successful review by all three credit rating agencies had been completed in 2023 with the most recent being an affirmation of an “A1 Stable” rating from Moody’s Investors Service in mid-December. He thanked Chris Wise for all his efforts. He reported that all of the Board Members have copies of both the draft Power Sales Contract and the Capacity Purchase Agreement and he reminded members that Staff will seek to have the IMEA Board approve the form of both agreements at its February 15 Board meeting.

CEO Gaden explained that Staff had purchased a Tesla Model 3 near the end of 2023. Staff will seek IMEA Board approval for authority to sell the 2015 Subaru as surplus property at its February 15 Board meeting. Regarding the IMEA headquarters generator, Gaden explained that during a weekly load test on December 20<sup>th</sup>, the generator was taken out of service due to a loud knocking noise. Staff worked with Altorfer to install a temporary generator to ensure continuity of service. He reported that on December 21, it was determined that a camshaft sensor on the engine had failed. At that time, the

part was replaced, the temporary unit was removed and the current unit load tested and operated satisfactorily. Staff is reviewing options to ensure long-term, stable backup power supply.

Regarding a national update, Gaden reported that Staff had visited MISO in mid-December with APPA members and he reported on MISO management's concerns about the pace of resource transition among other things. He stated that FERC now has a total of 3 commissioners instead of 5. Gaden announced that Tom Heller was the new Executive Director of Transmission Access Policy Section (TAPS). He stated that Tom was formerly the CEO at Missouri River Energy Services (MRES) based in Sioux Falls, SD for over 30 years and retired in mid-2023.

Legislative & Regulatory Update – Staci Wilson reported on the Federal Grid Resilience Grant (40101(d)) explaining that IMEA had received IMUA approval to pursue a grant from the Illinois Finance Authority (IFA) for an Emergency Equipment Share Program for mutual aid. A working group was created for this program and a Request for Information is expected from the IFA at the end of this month. The working group is discussing a program that could include transformers, poles, cross arms and a backyard machine.

Wilson reported on the Grid Resilience & Innovation Partnership (GRIP) (40103(b)) grant. IMEA Staff worked with the IFA to coordinate a proposal for DER aggregation and load management. The projects funded by the grant would have established a network operating center to aggregate flexible resources and incentivize smart thermostats, EV charging infrastructure and other DR programs to reduce congestion to assist with peaks. Wilson reported that the State had not received the federal grant. She explained that the IFA is applying again for that grant exploring different options. The IFA submitted their Concept Paper this week and should that be approved, IMEA Staff will work to develop programs that could utilize that money for the benefit of municipal utility systems.

Wilson discussed the National Electric Vehicle Infrastructure (NEVI) Program. She explained that the national goal of this program is to have four electric charging stations (600 kW each) every 50 miles on the interstate with the stations located within one mile of the interstate. IDOT created a map which incorporates seven IMUA municipalities. Staff has met with IDOT, their consultant, Guidehouse Consulting, and the seven cities to work through the specifics of this NEVI Program. She explained that this is only the first level of this program. After this first phase is in operation, the State plan is to put in more charging stations, but not as restrictive to the interstate so other municipalities in the State could be impacted.

## OLD BUSINESS

Operations – Alice Schum gave an update on the PJM Regional Transmission Organization and stated that the 2024/2025 Planning Year 3<sup>rd</sup> Incremental Auction is scheduled to begin on February 27, 2024 and end on March 4, 2024. She reviewed the clearing prices from the 2024/2025 Base Residual Auction (BRA) and explained that IMEA's load obligations had decreased for the upcoming 2024/2025 Planning Year. Schum stated that the Agency will be paying a lower capacity obligation for the 2024/2025 Planning Year based on 23/24 reserves. In addition, IMEA will get an additional capacity credit for generation resource operational improvements due to improved EFORD rates on IMEA's baseload units. Schum presented an updated auction schedule.

Schum gave an update on the MISO Regional Transmission Organization stating that MISO had issued a Conservative Operations on Wednesday January 10<sup>th</sup>, 2024 where Ameren, CWLP, and SIPC Members are located due to sub-zero temperatures expected over the holiday weekend. She reviewed

the Locational Marginal Pricing (LMP) for the Day Ahead Market and Real Time markets for both regional transmission organizations over the holiday weekend. She reported that the MISO 2024/2025 Planning Year Resource Auction for all four seasons will be held March 26<sup>th</sup> through March 29<sup>th</sup>. MISO will accept or reject offers until April 26<sup>th</sup> when the results are posted. Schum discussed the need for improving seams efficiency and expressed concern that Southwest Power Pool (SPP) approves or denies market import service for imports into SPP based on available transmission calculations that are calculated between regions.

Schum reminded the Members about winter preparedness and the importance of adequate staff and fuel. She reported that IMEA Staff plans to have a Power Plant seminar in late spring along with a few site visits as time allows. Schum stated that EIA 923s will be completed soon for IMEA and offered to submit data on the Members' behalf.

Trimble County (TC): Rakesh Kothakapu reported the following:

- There have not been any new recordable injuries reported since the last Board meeting. Plant performance through December was excellent with an EAF of  $\approx 84.04\%$  and an EFOR of  $\approx 0.85\%$ , both year to date. TC1 unit was offline recently for two days due to a boiler leak. The TC Staff continues to evaluate options for the new stack liner. They are working on the preliminary design to gain construction proposals to build a new stack for both units and the outage schedules have been aligned with the construction schedule. The proposed construction for the stack is scheduled to begin late summer/early fall with an expected project completion date in 2026-2027. TC Staff is also working towards compliance with the Effluent Limitation Guidelines (ELG) rule which goes into effect on April 1, 2024. The project is currently online in the testing phase and out of an abundance of caution, TC Staff may request an extension to the project online date. The actual ELG regulatory deadline is not until 2025.

Prairie State (PSGC): Rakesh Kothakapu reported the following activities:

- There have not been any new recordable injuries reported since the last Board meeting. Regarding plant performance through December, the EAF was  $\approx 89.25\%$  and the EFOR was  $\approx 5.6\%$ , both year to date. Unit 1 ran full load with no outages in December. There was a brief outage on Unit 1 in January due to a feed pump trip. Unit 2 ran full load with no outages in December. Also in December, the DOE announced 3 projects to negotiate definitive terms for a grant for Carbon Capture projects; however, PSGC was not on the list. The PSGC Staff continues working towards development of a Memorandum of Understanding (MOU) with a prospective carbon capture development team to seek satisfactory terms for the PSGC owners. There is still no PSGC commitment to proceed with a carbon capture project.

Local Transmission and Generation – Rakesh Kothakapu reported on the following:

- Roodhouse – Ameren installed the permanent meter at the delivery point with no major outage in December and IMEA Staff put in the necessary communication equipment to monitor this delivery point. Since last spring, IMEA Staff has been monitoring the feeders in the distribution system to estimate the usage and continuity of service to Roodhouse.
- Princeton/Peru – ATXI is still working on determining the transmission project and results of the study will not be available until spring.

- Winnetka – WDC – ComEd contacted Winnetka to update the Wholesale Distribution Charges (WDC). IMEA Staff is working with both ComEd and Winnetka to resolve any issues prior to filing.
- Oglesby – IMEA Staff is working with Ameren and the City to complete the WCA for the second delivery point. Ameren agreed to a Construction Agreement without the System Expansion & Modification Guarantee (SMGA) provision for this project.
- Wholesale Connection Agreement (WCA) – Staff continues to work with Ameren and is seeking clarification on two issues: Load forecast by delivery point and adding back solar output to charge transmission.

Update on Solar Projects – Eric Weinant reported that talks are progressing with Altorfer, Tangent and Madison regarding the behind-the-meter projects at Marshall, Oglesby and Princeton. He stated that a specific site at Princeton’s Transfer Station site had been chosen. Once the PPA language is resolved, IMEA Staff will seek any necessary updated approvals. He explained that IMEA Staff will visit Oglesby in February to update the City Council on the status of their project and address any questions. Regarding utility-scale projects, Weinant explained that mineral rights and interconnection issues continue to delay promising projects. IMEA Staff continues to seek out potential projects without contingencies, however, a contract without contingencies continues to be a challenge. He reported that MISO’s next interconnection cycle will allow for a bigger set of projects to choose from next summer.

Weinant stated that SolAmerica had received confirmation of the PACE loan applications submitted for projects in Highland, Carmi, Metropolis and Rantoul. He stated that Interconnection Studies in each town had been completed and draft PPA language, Interconnection Agreements and Siting Agreements were submitted with the USDA application. He explained that open issues in these agreements were still being resolved and that the USDA would be informed of any updates. He explained that IMEA Staff is working with SolAmerica to seek alternate sites in Rantoul as the interconnection study indicated project site feasibility issues.

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

- PJM Offer of Settlement (Docket No. ER23-2975) – An Offer of Settlement was filed by PJM on September 29, 2023 to resolve the Winter Storm Elliott complaints. A protest was made by Chief Companies who intervened late and did not participate in the settlement process. There have been numerous filings back and forth between PJM, the Settling Parties and Chief Companies. On December 19, 2023, FERC entered Orders that clarified that the late intervention was not granted in the root complaint cases and approved the settlement as uncontested. The final true-up by PJM should be submitted within 60 days.
- PJM Capacity Market Filing (Docket Nos. ER24-98 & ER24-99) – Filed October 13, 2023, PJM proposes enhancements to tariff provisions governing the Capacity Market rules such as the market seller offer cap, performance payment eligibility and forward energy and ancillary service revenues. IMEA participates annually in the PJM capacity auction and will be affected by this outcome. IMEA intervened, but did not protest. There were numerous filings supporting and protesting the issue to FERC. The FERC Staff issued Deficiency Letters which PJM answered on December 8, 2023. A limited number of parties opposed the deficiency response.
- PJM ComEd Cost of New Entry Filing (Docket ER24-462) – Filed November 21, 2023, PJM proposed establishing a new Cost of New Entry area for ComEd Illinois with a proposed effective date of January 22, 2024. It will increase the Cost of New Entry (CONE) in ComEd over what it is currently and what it is for other zones because the amortization period will be shortened to



account for the fact that the Illinois CEJA law only allows new natural gas generators to run until 2045. The increase will be phased in over a number of years; 3% for 2027/28, 5% for 2028/29 and 8% for 2029/30. It could affect whether the ComEd zone and the Rest of System price separate in the auction and could cause higher clearing prices for capacity in ComEd if the prices separate in the auction. IMEA intervened, but did not protest. The Illinois AG's Office, CUB and the ICC protested and PJM has responded.

- 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. This would be a transition from a vertical demand curve to a sloping demand curve and could affect clearing prices of capacity. IMEA intervened, but did not protest. There were numerous filings both supporting and protesting the filing. FERC Staff subsequently issued a Deficiency Letter. MISO answered the Deficiency Letter on December 21, 2023 and a limited number of parties responded.
- Ameren Illinois Depreciation Filing (Docket Nos. EL23-2445) – Filed July 20, 2023, Ameren filed to change individual line-item depreciation rates. If approved, this will result in a 9.66% increase in depreciation expense over and above other increases in new transmission facilities. A small group of Illinois cooperatives protested and IMEA intervened. FERC accepted the protest and set the matter for trial, but suspended the trial phase for settlement negotiations. The settlement phase is ongoing and IMEA Staff will monitor the proceedings.
- 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. At this time, Chatham has approved the Coordination Agreement with CWLP and is awaiting CWLP's confirmation of approval. The outstanding PRC-002 Protection System issues have been resolved. Upon CWLP's approval, Chatham will formally begin the registration process with SERC.

## NEW BUSINESS

At that time, General Counsel Troy Fodor 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 Mike Kirk. 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 11:20 a.m. The meeting was returned to Open Session at 12:20 p.m. by a motion from Brian Keys. The motion was seconded by Brian Groth and the roll call vote was unanimous.

Dan Cook made a motion to approve an increase to the overall employee salary pool for all employees (except CEO) of 2.5% for base adjustments to all salaries effective May 1, 2024. The motion was seconded by Brian Keys and the roll call vote showed unanimous approval.

Larry Taylor made a motion to approve an additional increase to the overall employee salary pool (except CEO) of 2.5% effective May 1, 2024, to be distributed to employees based on merit and salary comparability at the CEO's discretion. The motion was seconded by Dick Simon and the roll call vote showed unanimous approval.

Dick Simon made a motion to approve 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, 2024 for that fiscal year (CEO is ineligible for these funds). Dan Cook seconded the motion and the roll call vote showed unanimous approval.

Brian Keys made a motion to approve an increase to the CEO salary by 5% effective May 1, 2024. Larry Taylor 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 Larry Taylor, seconded by Dick Simon and carried unanimously by voice vote. The meeting was adjourned at 12:26 p.m.

Respectfully submitted,



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Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
EXECUTIVE BOARD MEETING  
WEDNESDAY, JANUARY 17, 2024**

**MEMBERS PRESENT**

Altamont	Larry Taylor
Freeburg	John Tolan
Highland	Dan Cook
Marshall	Cory Sheehy
Naperville	Brian Groth
Rock Falls	Dick Simon
Winnetka	Brian Keys

**MEMBERS ABSENT**

Carmi	David Coston
St. Charles	Peter Suhr

**OTHERS PRESENT**

Bethany	Shannon Risley
Bushnell	Joe Fosdyck
Sullivan	Mike Kirk
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Rakesh Kothakapu
IMEA	Adam Baker
IMEA	Danny Chung
IMEA	Sean McCarthy
IMEA	Tammy Hall
IMEA	Rodd Whelpley
IMEA	Eric Weinant
IMEA	Cindy Evans
Guest	Raheel Arshed (Naperville)

**LISTEN ONLY VIA WEBINAR**

Flora	Bob Coble
Oglesby	Rich Baldrige
Princeton	Jeff Mangrich
Red Bud	Josh Eckart
Waterloo	Tim Birk
Guest	Greg Hubert (Naperville)
Guest	Jean Korte (Highland)
IMEA	Shadi Ahanchi