

**ILLINOIS PUBLIC ENERGY AGENCY  
BOARD OF DIRECTORS MEETING  
APRIL 26, 2023**

A meeting of the Board of Directors of the IPEA was held pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois, on April 26, 2023. Chairman Bob Coble called the meeting to order at 12:00 p.m. Roll call was taken which showed a quorum was present by combining both in-person attendance and teleconference participation as allowed under law during the Governor's continuing disaster declaration for the COVID-19 pandemic.

Shannon Risley made a motion to approve the minutes of February 22, 2023, seconded by Mike Ryder. The roll call vote showed all in favor.

Opportunity for Public Comment: Chairman Coble stated that pursuant to the Open Meetings Act, any person in attendance in person or via telephonic conference call shall be permitted an opportunity to comment. He then asked if anyone would like to make a comment and hearing none, the meeting continued.

Treasurer's Report - The Treasurer's Report for February 2023 was presented by Tia King. She reported that the cash balance was \$692,068 compared to \$508,252 last February. She also stated that gas revenue for February had decreased by 20% from the previous year and the price per Dth average had increased by \$0.25 from the previous year. She reported that gas revenue for FY 2023 had increased by 20% from FY 2022; total Dth sales had decreased by 2.5% and the price per Dth average had increased by \$1.12 from FY 2022. With there being no questions, Mike Ryder made a motion to approve the Treasurer's Report, seconded by Shannon Risley. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden reported that NYMEX winter 2023/24 gas prices are ~\$3.50/Dth compared to last winter at \$8-9.00/Dth. These prices are due to a very mild winter, slowing demand due to economic conditions worldwide and robust production. He explained that this could change due to an early hot summer, early cold winter, less exploration due to capital costs continuing to stay high and supply/demand issues in Europe.

CEO Gaden reported that the IPEA will host the CEO and management team of the American Public Gas Association (APGA) on June 8<sup>th</sup>. The APGA team will provide updates on public gas matters and provide insight into regional and national gas issues that APGA is monitoring along with a roundtable discussion about local concerns and challenges. Members are encouraged to attend.

CEO Gaden discussed the Member contract extensions, reporting that IPEA staff will be drafting a new 5-year Gas Supply Agreement to replace the amended Agreement from 2019. Gaden explained that IPEA staff will complete the standard form Member contracts for Board approval at the June meeting and provide Members with a written narrative to discuss with their legal counsels and governing bodies. At the Members' request, IPEA staff will attend council meetings to answer questions as desired by the Board Members in summer/fall of 2023.

Regarding IPEA meeting attendance, CEO Gaden stated that this is IPEA's last remote/hybrid meeting. The Governor's proclamation for COVID-19 ends on May 11 meaning that members must attend in person to vote beginning with the June Board meeting and beyond. He explained that a quorum is required to carry out the objectives of the Board and these meetings offer detailed forecasts and guidance along with the ability to interact with supplier contacts directly. He reminded the members that the ongoing hedging programs have saved their customers a considerable amount of money.

Regarding a National update, CEO Gaden reported that more cities and states continue to implement policies and laws that will limit natural gas usage. He explained that New York State appears to be nearing a statewide ban on gas stoves in new homes and the Washington State Building Code Council adopted codes for residential and commercial buildings making it illegal for builders to install natural gas or propane in new construction. Gaden presented a map of the U.S. taken from S & P Global showing which states have advanced or prohibited building gas bans and electrification codes. He stated that in the past week, the US Court of Appeals for the Ninth Circuit (California) ruled that the Berkley, California ban on natural gas violated the 1975 Energy Policy and Conservation Act. The California Restaurant Association vs. City of Berkley challenged the local regulation from the City stating that the 1975 law prohibits the implementation of regulations that favor one fuel over another. Gaden discussed that this Appeals Court decision may preempt many of the local and state ordinances to ban the use of gas and that this case is likely to be appealed to the US Supreme Court.

Market Update – Brandon Wong from Constellation gave an update on natural gas prices explaining that current robust underground storage inventories, steady production and normal temperatures have kept prices low, to a level not seen since 2020. Forecasted temperatures for the summer months could swing prices further lower or create a surge upward. Wong reported that Lincoln Power, LLC, the owner of two Illinois power plants, filed for bankruptcy after nearly \$39 million in penalties after Winter Storm Elliott. This Chapter 11 filing allows them to keep operating the power plants while working on a plan to repay creditors.

With regard to weather, Wong presented computer models forecasting above-average uncertainty this year mainly because of the unusual winter and the shifting into an El Nino event. The overall, national forecast from Constellation has cooler risks outweighing a warmer trend. The best chance for significant, sustained heat is in the Plains, Texas and parts of the South with tropical activity looking to be average. He reported that vendor forecasts indicate hotter than the 10-year normal temperature, but still the coolest summer since 2019, especially in the Midwest. He explained that hurricane forecasts expect an average season with risks to the East coast.

Ordinance #23-04-186 – Adopting and Approving Revised Budget for the Fiscal Year ending April 30, 2023 - Tia King presented the revised fiscal year 2022/23 budget stating that Dth sales were running 3.6% lower than the original budget projection and the Management and Administrative Services paid to IMEA decreased by \$3,000 due to lower Dth sales. She stated that net revenues at the end of the year are projected to be \$23,500. With there being no questions, Shannon Risley moved to approve this Ordinance, seconded by Mike Ryder. A roll call vote was taken showing all in favor.

Ordinance #23-04-187 - Adopting and Approving Budget for the Fiscal Year ending April 30, 2024 - Tia King reviewed the budget for fiscal year 2023-24 stating projected sales are based on the last five-year average gas volumes excluding Storm Uri in February 2021. Volumes are projected to increase by

2.2% compared to current year projections. The IMEA Management Fee increased by \$1,200 due to higher Dth sales projected for FY2023-24. With there being no questions, Mike Ryder moved to approve this Ordinance, seconded by Shannon Risley. A roll call vote was taken showing unanimous approval.

Legislative & Regulatory Update – Staci Wilson reported that an early adjournment of May 19<sup>th</sup> was scheduled for the State spring session. She discussed topics that could potentially be in an omnibus energy package to include low income rate design; a hydrogen tax credit; carbon capture, transportation and sequestration issues; permitting for environmental justice areas and a tax incentive for battery storage. She specifically discussed HB 3572 which amends the Consumer Fraud & Deceptive Business Act to require gas stoves manufactured after January 1, 2024 to have a label on the stove bearing a warning message. This bill failed on the third reading in the House and was placed on postponed consideration. She reported on HB 1541 which requires the investor-owned (gas or electric service) to lower the warm weather shutoff from 95 to 90 degrees. She also reminded the Board that during Storm URI, IPEA Staff had worked with the Illinois Finance Authority (IFA) to set up a short-term loan program for municipals who were impacted with high rates and explained that the IFA has now introduced legislation (HB 3340) that would make it easier for municipal utilities to borrow from the IFA in a future situation.

Regarding a Federal update, Wilson reported that IPEA Staff had attended the APGA Legislative Rally earlier this year. She also reported on House Republican House Resolution 1 which pertains to permitting policies related to environmental review, domestic supply chain and energy security. She stated that APGA and IPEA recently signed a letter fully supporting a LIHEAP funding effort by the National Energy & Affordability Coalition (NEUAC) which was sent to Congressional Appropriations. She then explained that APGA had also responded to a Department of Energy (DOE) Request for Information (RFI) on Home Energy Rebate Programs. This was funded through the Inflation Reduction Act (IRA) and encourages fuel neutrality in improving residential energy efficiency programs.

Gas Prepay Opportunities – CEO Gaden explained that a Prepaid Gas Purchase and Sale Agreement utilizes the interest rate difference between tax-exempt municipal bonds and standard taxable bonds to purchase fixed volumes of natural gas over a multi-decade time frame. He discussed that IPEA had been approached by Black Belt Energy, an Alabama Joint Action Agency, who has completed multiple Pre-Pays. They completed two such transactions where a 30-year gas supply was financed using bonds subject to mandatory puts in five years. These bonds would be remarketed or refunded at or prior to the mandatory put date and new interest rates established. Gaden stated that neither the member nor IPEA issues bonds, or is liable for bonds, but engaged parties do have performance obligations. The subscriber could be either the IPEA or individual members and a prepay would be allowed under the current Constellation agreement. Gaden reported that gas prepays are complex transactions that take considerable legal and financial investigation. He stated that at this time, IPEA staff feels that by members aggressively managing their hedging programs, significant savings can be gained without obligating a municipality to a 30-year contractual commitment. Staff's recommendation is to continue to monitor and evaluate opportunities as they come about.

Interstate Transmission Pipeline Delivery Charges – Mike Genin reported that Panhandle Eastern Pipeline (PEPL) had filed for a 300-400% rate increase in late summer of 2019 impacting Bushnell, Edinburg and Roodhouse. Since that time, these municipalities have been paying new transportation rates, subject to refund. FERC has issued a final order which would result in rate reductions and refunds

for affected shippers, like Bushnell, Edinburg and Roodhouse. Panhandle filed a rehearing request in January and a compliance filing was made on February 14. Genin stated there is still no final resolution to this matter. New rates were posted for March, but PEPL will not have to make any refunds until all appeals are exhausted.

Member Competitive Position – Genin stated that Ameren had filed \$6-\$7/month residential natural gas distribution rate increase and Nicor had filed a \$9/month residential natural gas distribution increase, both starting in 2024. He explained that the investor-owned utilities will begin implementing discounted rates for certain low-income LIHEAP-eligible customers and based on an ICC ruling, will raise rates to other rate classes to cover that discount. He reported that almost all IPEA members are hedged into the 2023-2027 time period with one member on a Discount to Index program. IPEA/Constellation will be sending updates regularly with price quotes.

Nominations & Awards (N&A) Committee: CEO Gaden reported on a meeting of the N&A Committee held by teleconference on April 12 with Bob Coble, Mayor Tom Martin and Jake McCoy in attendance. General discussion was held regarding the slate of Officers for fiscal year 2023-24. It was recommended by the Committee that the current officers remain as such for the upcoming year. After confirming that all of the officers had expressed a desire to continue, the committee recommended the following slate:

Bob Coble, Chairman  
Shannon Risley, Vice Chairman  
Mayor Tom Martin, Secretary/Treasurer  
Mike Lebshier, Member-at-Large  
Jake McCoy, Member-at-Large

And to reappoint Troy Fodor as Assistant Secretary/Treasurer

Election of Officers & Executive Board Members - CEO Gaden asked if there were any nominations from the floor separately for the Chairman, Vice Chairman, the Secretary/Treasurer and Member-At-Large positions. There being none, Mike Ryder moved to approve the recommended slate from the N&A Committee. Shannon Risley seconded the motion which carried by unanimous roll call vote.

Resolution #23-04-188 – Establishing the Meeting Schedule for FY 2023-24 - CEO Gaden reviewed the meeting schedule for the upcoming year and Mike Ryder moved to approve this Resolution, seconded by Shannon Risley. Roll call vote showed all in favor.

Committee Appointments: CEO Kevin Gaden reported that it was recommended at the Nominations & Awards Committee meeting on April 12 that there be no change to the current slate for the Nominations & Awards Committee which includes Bob Coble, Jake McCoy and Mayor Tom Martin. Since the Financial Oversight Committee consists of the current officers, it would include Bob Coble, Shannon Risley and Mayor Tom Martin. CEO Gaden asked if there were any nominations from the floor. Hearing none, Mike Ryder moved to approve the recommended appointments, seconded by Shannon Risley. A roll call vote was taken showing all in favor.

FOIA and OMA Appointments: During the Nominations & Awards Committee meeting on April 12, it was recommended that Troy Fodor and Staci Wilson continue as the Freedom of Information Act (FOIA) and Open Meetings Act (OMA) officers. Shannon Risley moved to approve the recommended FOIA and OMA appointments, seconded by Mike Ryder. A roll call vote was taken showing all in favor.

There being no further business, the meeting was adjourned at approximately 1:10 p.m. by a motion from Shannon Risley. Mike Ryder seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted,

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Secretary/Treasurer

**ILLINOIS PUBLIC ENERGY AGENCY  
BOARD OF DIRECTOR'S MEETING  
April 26, 2023**

**MEMBERS PRESENT (or listening via teleconference)**

|              |                                    |
|--------------|------------------------------------|
| Bethany      | Shannon Risley                     |
| Bushnell     | Joe Fosdyck (via teleconference)   |
| Fairfield    | Vacant                             |
| Flora        | Bob Coble                          |
| Greenup      | Mike Ryder                         |
| Marshall     | Cory Sheehy                        |
| Martinsville | Todd Shaffner (via teleconference) |
| Rantoul      | Jake McCoy (via teleconference)    |

**MEMBERS ABSENT**

|           |                          |
|-----------|--------------------------|
| Casey     | Shelby Biggs             |
| Edinburg  | Mike Lebshier            |
| Roodhouse | Mayor Tom Martin         |
| Sullivan  | Mayor Richard Glazebrook |

**OTHERS PRESENT (or listening via teleconference)**

|               |                                   |
|---------------|-----------------------------------|
| Constellation | Brandon Wong (via teleconference) |
| IPEA          | Kevin Gaden                       |
| IPEA          | Troy Fodor                        |
| IPEA          | Gary Stephenson                   |
| IPEA          | Mike Genin                        |
| IPEA          | Staci Wilson                      |
| IPEA          | Tia King                          |
| IPEA          | Chris Wise                        |
| IPEA          | Tammy Hall                        |
| IPEA          | Rodd Whelpley                     |
| IPEA          | Sean McCarthy                     |
| IPEA          | Daniel Chung                      |
| Guest         | Kay Hornbeck, Greenup             |