

**ILLINOIS PUBLIC ENERGY AGENCY
BOARD OF DIRECTORS MEETING
FEBRUARY 22, 2023**

A meeting of the Board of Directors of the IPEA was held pursuant to proper notice at the IPEA headquarters building, 3400 Conifer Drive, Springfield, Illinois, on February 22, 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 December 7, 2022, seconded by Mayor Tom Martin. The roll call vote showed all in favor.

Treasurer's Report - The Treasurer's Report for December 2022 was presented by Tia King. She reported that the cash balance was \$644,133 compared to \$610,237 last December. She also stated that gas revenue for December had increased by 73% from the previous year and the price per Dth average had increased by \$1.26 from the previous year. She reported that gas revenue for FY 2023 had increased by 47% from FY 2022; total Dth sales had increased by 14% and the price per Dth average had increased by \$1.39 from FY 2022. King also mentioned that the draft 2023/2024 budgets had been included in the Board packet and these budgets will be subject to approval by the IPEA Board in April. With there being no questions, Mayor Tom Martin made a motion to approve the Treasurer's Report, seconded by Shannon Risley. 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.

President & CEO Report – CEO Gaden introduced Daniel Chung as the new Staff Attorney and noted that Mike Casper, President & CEO of Jo-Carroll Energy was attending the meeting via teleconference. He stated that the FY 2022/23 goals had been included in the Agency Accomplishment Summary which had been distributed in January and reviewed the IPEA goals for FY 2023/24. He 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. IPEA staff will attend council meetings to answer questions as desired by the Board Members in summer/fall of 2023.

CEO Gaden stated that there is significantly more media attention to the investor-owned gas companies seeking distribution increases (Ameren, Nicor and others) and that the Citizen Utility Board (CUB) has voiced concerns. He explained that the end of the distribution formula rates in Illinois will cause heightened attention to this when utilities must gain ICC regulatory approval.

Regarding a National/State update, CEO Gaden reported that FERC Chair Richard Glick had stepped down from FERC in December of 2022. In early January, President Biden named Commissioner Willie Phillips as Acting FERC Chair, although Mr. Phillips has only been on the FERC since December 2021. He stated that the IPEA will host the CEO and management team of the American Public Gas Association (APGA) on June 8th. They 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.

Market Update – John Jambois from Constellation gave an update on natural gas prices explaining that natural gas futures fell about 8%, their lowest in a year, due to a lack of winter heating demand from above-normal temps. The EIA's Short Term Energy Outlook projected the Henry Hub natural gas spot price to average \$3.40/Btu in 2023 and \$4.04 /Btu in 2024. He stated that U.S. natural gas producers continue to hold steady at around 100 Bcf/day and that U.S. oil rigs rose by 10 this week, while gas rigs fell by 8. Regarding natural gas storage, Jambois reported that January 2023 was the third warmest on record since 1950 and had resulted in near record low gas burns this heating season. He then discussed weather projections and presented computer models forecasting a cooler and wetter summer than in previous years.

Legislative & Regulatory Update – Staci Wilson reported that there had been a high volume of legislation filed in the State spring session, although not many bills have yet been through the Committee process. The main topics included in these bills are low income rates and rate design; the hydrogen tax credit; the potential to re-open the ability for new nuclear generation; carbon capture, transportation and sequestration issues and environmental justice. She specifically discussed HB 1226 and 1232 which would require a public hearing and a referendum prior to selling any municipal asset and HB 1503 and 1506 which are small wireless bills that would allow for an increase in the application fee up to full and reasonable costs to review and process.

Regarding a Federal update, Wilson reported on the APGA Legislative Rally stating that IPEA Staff met with Congressional members and Senate members' staffs educating them on municipal gas systems, the importance of affordable and dependable natural gas service and discussed reforming Section 5 of the Natural Gas Act. She noted that a discussion of banning gas ranges had begun at the federal level, but without an immediate expectation of specific legislation. Wilson stated that California Governor Newsom has requested the FERC investigate the high wholesale natural gas prices which occurred during an early cold snap asking specifically if market manipulation or anti-competitive behavior drove these elevated prices. Wilson pointed out that IPEA had asked the FERC Commissioners that exact thing in March 2021 after Storm Uri and to date, has not received any answers. She also reported that APGA staffers had met with the FERC Commissioners focusing on ongoing gas-electric harmonization discussions as well as the importance of FERC's role in mitigating excessive pipeline rates.

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 has filed a rehearing request, but also made its compliance filing. Genin stated that IPEA held a teleconference this morning with the

FERC attorneys and municipals involved in this intervention group about a small challenge to the compliance filing.

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. Genin then discussed that Operational Flow Orders (OFOs) were called during the Christmas 2022 event in which Members reduced some of their load avoiding penalties.

Supplier Contract Extensions – CEO Gaden reported that the amendment to extend the Master Agreement had been executed between IPEA and Constellation and that the Member Addendums are in process with the Members as well as with Coop participants. Gaden explained that the new Agreement with Constellation extends a mutually beneficial relationship from March 2023 through March 2028. He explained that this relationship ensures reliable supply, financial stability and performance, multiple supply hedging options, the \$2M Performance Guarantee along with market information and interactive communications. He thanked IPEA staff members, Mike, Sean, Troy and Mary Ann for all their help in finalizing this effort.

There being no further business, the meeting was adjourned at approximately 12:49 p.m. by a motion from Jake McCoy. Shannon Risley seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted,

Secretary/Treasurer

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MEMBERS PRESENT (or listening via teleconference)

Bethany	Shannon Risley
Bushnell	Joe Fosdyck (via teleconference)
Casey	Shelby Biggs
Flora	Bob Coble
Marshall	Cory Sheehy
Martinsville	Todd Shaffner (via teleconference)
Rantoul	Jake McCoy
Roodhouse	Mayor Tom Martin

MEMBERS ABSENT

Edinburg	Mike Lebshier
Fairfield	Tyler Lampley
Greenup	Mike Ryder
Sullivan	Mayor Richard Glazebrook

OTHERS PRESENT (or listening via teleconference)

Jo-Carroll Energy	Mike Casper (via teleconference)
Constellation	John Jambois (via teleconference)
IPEA	Kevin Gaden
IPEA	Troy Fodor
IPEA	Mike Genin
IPEA	Staci Wilson
IPEA	Tia King
IPEA	Chris Wise
IPEA	Tammy Hall
IPEA	Rodd Whelpley
IPEA	Sean McCarthy
IPEA	Mary Ann Todd
IPEA	Daniel Chung