

**ILLINOIS PUBLIC ENERGY AGENCY  
BOARD OF DIRECTORS MEETING  
AUGUST 23, 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 August 23, 2023. Chairman Bob Coble called the meeting to order at 12:00 p.m. Roll call was taken which showed a quorum was present.

Mike Ryder made a motion to approve the minutes of June 28, 2023, 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 one in attendance in person 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 June 2023 was presented by Tia King. She reported that the cash balance was \$573,679 compared to \$540,265 last June. She also stated that gas revenue for June had decreased by 37% from the previous year, the price per Dth average had decreased by \$2.34 from the previous year and Dth sales had decreased by 4% from the previous year. King reported that Baker Tilly had completed the audit of the financial statements for the year ended April 30, 2023. They issued their report on July 25, 2023 and the result was a clean audit, meaning an unmodified report with no adjustments. King explained that Jodi Dobson, a partner at Baker Tilly out of the Madison, Wisconsin office, will report her findings regarding the audit later in the meeting. With there being no questions, Joe Fosdyck made a motion to approve the Treasurer's Report, seconded by Todd Shaffner. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden reported that the North American Energy Standards Board (NAESB) recently held a forum looking into ways to integrate the electric and gas business. He explained that as energy policy looks to shutter most coal generation units, natural gas is the bridge fuel needed to operate generation as gas currently produces about 40% of electric nationwide. Gaden reported that Storm Uri (2021) had cost 240 lives and \$130 billion in economic damages and during Storm Elliott (2022), gas not being delivered accounted for 72% of outages. Gaden explained that the recommendations discussed in the NAESB forum such as aligning schedule times, adopting multi-day unit commitments, encouraging Demand Response Programs and promoting voluntary public service announcements gained support from both industries. However, other recommendations such as requiring gas real-time website reporting, expanding national lab assistance to improve communications, requiring 24x7 operations in stressed events, requiring real-time posting of operational data and developing system weatherization were supported by the electric industry, but got very little support from the gas industry.

CEO Gaden presented a list of dates and locations of the regional meetings to be hosted by IMUA in November and December of this year. These workshops will give an update on industry issues, discuss the benefits of public power and public gas and look at future municipal plans for supply and delivery. He also announced that all of the anticipated Gas Supply Agreements had been finalized and thanked the Board Members for their long-term partnership.

Audit Report: Jodi Dobson of Baker Tilly presented the IPEA Audit Report via webinar broadcast for fiscal year ending April 30, 2023, complete with all necessary disclosures. Dobson reported it was a clean Audit and the financial statements received an Unmodified Opinion. Dobson thanked the Accounting staff for their preparation regarding the audit. There being no questions, Joe Fosdyck moved to approve the audit report, seconded by Shannon Risley. The roll call vote showed unanimous approval.

Market Update – Brandon Fong from Constellation reported that steady production and strong storage capability had kept both natural gas and power prices down, but news of a potential Australian LNG worker strike had made those prices surge briefly, both domestically and internationally. He stated that negotiations continue between Australian LNG export labor unions and three of the country’s largest exporters. A shutdown is not imminent, but still possible and would potentially shut off 10% of global LNG supply. He indicated that Asian buyers would be most impacted, although the entire global market would be affected. Fong discussed underground storage inventories as being 7% over the 5-year average and reported that even with rig counts dropping, production remains steady on the supply side. Regarding a weather update, Fong reported that much of the heat this summer had been concentrated in Texas (3<sup>rd</sup> hottest summer on record), although natural gas burn for power generation remains elevated and is pushing storage injections. He stated that weather forecasts for September indicate normal temperatures and a cooler October is expected with a moderate to strong El Nino winter prediction. Fong reported that three hurricanes had been named in the Atlantic recently (Emily, Franklin and Gert) and that Hurricane3 Hilary had been downgraded to a tropical storm in Southern California.

Legislative & Regulatory Update – Staci Wilson reported that the outcome of this Spring session had produced the Energy Omnibus bill which includes a Right of First Refusal (ROFR). This would allow incumbent electric transmission owners to have the first right to build, maintain and own certain transmission lines (over 100 kilovolts) unless they forfeit that right. This applies only to MISO transmission plans adopted between January 1, 2022 through December 31, 2024 and does not apply to PJM (ComEd). She explained that this ROFR has language to protect the rights of municipal electric utilities to ensure the opportunity for joint ownership of transmission. Wilson stated that the Governor had vetoed the ROFR portion of the bill by an amendatory veto. Wilson explained that there are other items included in the Energy Omnibus bill and outlined the various options the House and Senate could take with the legislation during the Fall Veto Session.

Regarding a Federal update, Wilson reported that APGA had signed a letter to advocate for fully funded LIHEAP. APGA also encourages early preparation for the Pipeline & Hazardous Materials Safety Administration (PHMSA) voluntary survey concerning Pipeline Safety Management Systems (PSMS). She stated that in the coming weeks, PHMSA will request that all natural gas distribution operators complete a voluntary survey concerning PSMS. Wilson explained that this survey enables PHMSA to effectively prepare a response to a Congressional mandate from the PIPES Act of 2020 to supply a study describing the number of natural gas systems that have voluntarily implemented PSMS and the progress made by those systems. PHMSA has posted questions and instruction for operators to begin reviewing/preparing answers and will launch an online portal application for submissions.

Interstate Transmission Pipeline Delivery Charges – Mike Genin reminded the Board 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, specifically, for 3 IPEA Member communities. Panhandle filed a rehearing request in January and a compliance filing was made on February 14. Genin stated that attorneys expect an Order will be confirmed on request for rehearing by FERC by the end of the year. New rates will likely be in effect at the end of the year, but PEPL will likely not have to make any refunds until the first quarter of 2024.

Regarding other FERC matters, Genin discussed gas transportation capacity bidding practices. He stated that the current practices allow pipelines to get higher revenues by bundling “non-desirable sections” with “more desirable sections.” He explained that this concept makes it harder for municipalities to compete if they have to buy “unneeded sections” to serve their customers.

Member Competitive Position – Genin stated that Ameren had filed a \$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.

There being no further business, the meeting was adjourned at approximately 12:58 p.m. by a motion from Cory Sheehy. Mike Ryder seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted,



.Asst.

Secretary/Treasurer

**ILLINOIS PUBLIC ENERGY AGENCY  
BOARD OF DIRECTOR'S MEETING  
August 23, 2023**

**MEMBERS PRESENT**

Bethany	Shannon Risley
Bushnell	Joe Fosdyck
Flora	Bob Coble
Greenup	Mike Ryder
Marshall	Cory Sheehy
Martinsville	Todd Shaffner
Rantoul	Jake McCoy
Sullivan	Mike Kirk

**MEMBERS ABSENT**

Casey	Shelby Biggs
Edinburg	Mike Lebshier
Fairfield	Mayor Gary Moore
Roodhouse	Mayor Tom Martin

**OTHERS PRESENT**

Baker Tilly	Jodi Dobson (via webinar)
Constellation	John Jambois & Brandon Fong (via webinar)
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	Ed Cobau
IPEA	Adam Baker