

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, AUGUST 23, 2017

A regularly scheduled meeting of the Executive Board of the Illinois Municipal Electric Agency was held at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on August 23, 2017.

Chairman Greg Hazel called the meeting to order at 2:00 p.m. Roll call was taken which showed a quorum was present.

The Report of June 14, 2017 was moved for approval by Mayor Scott Harl, seconded by Tom Bruhl. The motion was carried by unanimous voice vote.

Opportunity for Public Comment: Chairman Greg Hazel stated that pursuant to the Open Meetings Act, any person in attendance at a meeting 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 Kevin Gaden introduced Mayor Brent Maguire from Fairfield and Mike Buckman, the City Superintendent from Carmi.

OLD BUSINESS

Update on Cairo Public Utilities Company (CPUC) – CEO Gaden summarized the status of the issues in Cairo along with updating the Board on a series of articles published in the Southern Illinoisan. He stated that since CPUC had not provided the newspaper with certain information they sought, the Southern Illinoisan had filed a lawsuit on August 10th against CPUC for failure to comply with the State's FOIA laws. Gaden thanked staff for their help as well as the members for being responsive. Gaden then gave an overview of modifications to the IMEA Administrative & General Budget for FY 2017-18 to offset the impact of the recent rate action to help Cairo. These included deferring the Staff Compensation Study, deferring the purchase of CEO's vehicle, deferring Member Energy Markets sessions and the cancellation of transportation for the PSGC tour. This amount calculates to about half of the anticipated rate concessions for this year's impact.

PJM Capacity Import Issues – CEO Gaden gave background information on the capacity issues in PJM. He reported that staff had filed protests on PJM & MISO pseudo-tie filings to protect IMEA's transmission rights. Staff had met with Rep. John Shimkus resulting in his mentioning IMEA's issues in Congressional hearings. Staff is also planning to meet with FERC staff in the fall. Gaden stated that in October of 2016, staff had submitted a ComEd Zone transmission improvement project as a Merchant Network Upgrade. The project was rejected in January of 2017, but IMEA did not withdraw. In early July, a very similar project was proposed by ComEd during the initial application process at PJM for 2021/2022 Delivery Year. Staff had a meeting with PJM Senior Management a few weeks ago that seemed to be positive and consequently, IMEA is working with consultant to analyze PJM models to gain back long term transmission rights via Internal Capacity Transfer Rights (ICTR's). The deadline for the submission of this project is September 30th and staff will continue to track the PJM process for system upgrades.

General Counsel Troy Fodor reported that staff continues to work with Dynegy to finalize the terms of the Settlement Agreement. Dynegy had provided IMEA with pseudo-tie agreements through May of 2021 to allow for IMEA bidding into PJM. They are seeking more flexibility to make long-term decisions on contracted units in MISO and is considering replacing IMEA capacity with PJM capacity. Staff is considering options to mitigate cost impacts over the next 3 years and beyond and will update the Board as actions are taken.

Member Generation Policy – Troy Fodor gave an overview of background information regarding revisions to the Member Generation Policy. He summarized the proposed language drafted by staff as inserts to the Member Generation Policy based on members’ concerns. This language states that if a member refuses to perform an URGE test, the Dedicated Capacity payment would be zero. If a test was attempted, yet failed, the Dedicated Capacity payment would be one-half. This language also provides an option for members to avoid a loss of capacity credit if it reimburses IMEA for the penalty. Discussion ensued regarding clarification of how these revisions would affect different situations financially. John Hodapp described the circumstances regarding generator issues in Carlyle.

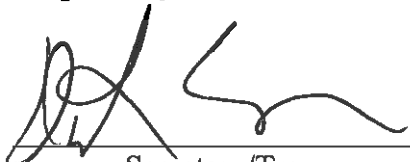
NEW BUSINESS

NAL B4 Request – Mike Genin stated that North American Lighting employs about 1,000 people and has sister plants in Salem & Paris, Illinois. This load retention rate would make their rate competitive and will be reviewed on an annual basis. Staff recommended a one-year extension of the B4 rate be extended to North American Lighting in Flora to be effective October 1, 2017. David Coston moved to approve the NAL B4 Request, seconded by Dan Cook. The roll call vote passed unanimously.

Resolution #17-08-803 – Designating Authorized Signatories on the Accounts of the IMEA – Dick Simon moved to approve the resolution authorizing Mike Genin to become a signatory on the accounts of the IMEA replacing Doc Mueller. Dan Cook seconded the motion and the resolution passed by unanimous roll call vote.

Chairman Greg Hazel asked for a motion to adjourn the meeting. The motion was made by John Hodapp, seconded by Dan Cook and carried unanimously. The meeting was adjourned at 3:35 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, AUGUST 23, 2017**

MEMBERS PRESENT

Carlyle	John Hodapp
Carmi	David Coston
Highland	Dan Cook
Metropolis	Rick Abell
Peru	Mayor Scott Harl
Rantoul	Greg Hazel
Rock Falls	Dick Simon
St. Charles	Tom Bruhl
Waterloo	Tim Birk

MEMBERS ABSENT

OTHERS PRESENT

Altamont	Larry Taylor
Breese	Dale Detmer
Bushnell	Justin Griffith
Carmi	Mike Buckman
Fairfield	Mayor Brent Maguire
Flora	Bob Coble
Freeburg	John Tolan
Marshall	Cory Sheehy
Metropolis	Rick Abell
Naperville	Mark Curran
Red Bud	Josh Eckart (via teleconference)
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Bob Childers
IMEA	Alice Schum
IMEA	Mike Genin
IMEA	Staci Wilson
IMEA	Kevin Wagner
IMEA	Shadi Ahanchi
IMEA	Rakesh Kothakapu
IMEA	Cindy Evans
IMEA	Mary Ann Todd
IMEA	Rodd Whelpley
IMEA	Ed Cobau
IMEA	Glenn Cunningham
IMEA	Chris Jewell
IMEA	Tammy Hall