

# ILLINOIS MUNICIPAL ELECTRIC AGENCY

## REPORT OF BOARD OF DIRECTORS MEETING

THURSDAY, FEBRUARY 25, 2021

A regularly scheduled meeting of the Board of Directors of the Illinois Municipal Electric Agency was held pursuant to proper notice by webinar broadcast from the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on February 25, 2021.

CEO Kevin Gaden announced the names of guests that were participating in the webinar and acknowledged the IMEA staff that was physically present in the Boardroom or on the webinar broadcast.

Chairman Dale Detmer 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 via webinar as allowed for during the COVID-19 pandemic under Public Act 101-0640. Shane Hill, seconded by Dick Simon, moved for approval of the minutes of December 3, 2020. The motion carried by unanimous roll call vote.

Opportunity for Public Comment - Chairman Dale Detmer stated that pursuant to the Open Meetings Act, any person attending this webinar 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. At that time, Howard Salk from Naperville thanked the staff at IMEA for all their efforts during the recent weather event and specifically thanked the senior staff members for their time and expertise during the past year answering his questions. He expressed how the IMEA staff have educated him and that he now has a much greater appreciation and a better understanding of all the hard work that IMEA performs to navigate the complexities of the grid in order to deliver electricity reliability with a focus on cost. He stated that the IMEA staff is skilled and dedicated. Hearing no other requests for public comment, Chairman Detmer proceeded with the meeting.

Treasurer's Report – CFO Chris Wise gave a Member sales update for the month of January stating that the average cost for the month was 8.9% above budget; energy was 7.7% short and demand was 13.7% short of budget. Wise stated that the February invoices would be sent out on March 10<sup>th</sup> and due on March 22<sup>nd</sup>. The projected average cost for the month of February is 4.2% above budget. Energy is projected to be 1.2% over budget and demand is projected to be 1.2% short of budget. The reduced load in January pushed costs into February and extremely cold weather through February countered the effects of COVID-19 related shutdowns. He also reported that the PJM reactive revenue at Green River had been settled by FERC and that amount would be used to offset costs in March or April. He gave a Ratings Agency update and reported that Moody's periodic review had been completed on February 8, 2021 and Moody's release had been sent to Board members. IMEA is

currently an A1 rating with a stable outlook with Moody's. Rick Abell moved to approve the Treasurer's Report, seconded by Tim Birk. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden reported that the FERC Commission is now at five Commissioners and Richard Glick has been named as the FERC Chair in mid-January. The APPA Legislative Rally is virtual this year and he encouraged Members' participation. He stated that APPA's Climate Change Task Force are beginning to review possible Federal legislative proposals and that this month's events in the electric and natural gas markets could impact those discussions. Regarding State issues, CEO Gaden emphasized that staff along with Members will need to redouble efforts on the value of local ownership and local control. He reported that IMEA had four positive COVID cases that are all recovered and about half of the staff had worked from home for various contact tracing needs. Staff remains on the "staggered" office/work from home plan with all Senior Management on site each day. The Operations Center is healthy and there is still very limited access to the Control Room. Staff travel is limited, but upon a Board Member's request, IMEA staff will be available with masks on. Staff is not planning to have any in-person Board or Committee meetings until after the first quarter of 2021 or later. The April 2021 Board meetings will be held remotely and will utilize the remote voting system in place today. He explained that the Annual Meeting from May 20-21, 2021 will be held virtually due to the Governor's proclamation that requires no more than 50 people in the same room. IMEA staff is coordinating an all Members' event to coincide with the August Board meetings if the Governor's Orders at that time will allow it.

CEO Gaden then gave an overview of the gas market issues nationwide and in Illinois. He stated that the gas spot market hit record highs from February 12-18, 2021 with some retail home gas bills averaging 5-10 times what they normally are. The IPEA has helped Members gain loans and will continue to work for more relief from other avenues. The IPEA staff took part in a press conference on Tuesday of this week with the Governor to announce loans for the hardest hit Members. The mid-Plains had rolling blackouts for the first time ever and this event was a life and death situation in some areas. He reported that ERCOT had traded at \$9,000/MWH for several days with residential customers who had full power receiving enormous bills for one month. CEO Gaden presented a map of the United States indicating wellhead pricing in various territories along with MISO and PJM pie charts reflecting the Illinois power supply mix on February 15, 2021 showing the utilization of coal, natural gas, nuclear and wind/solar renewables.

Staci Wilson encouraged participation in the APPA Legislative Rally which will be held virtually next week and requested members to please contact Dee Dee Bunch for more information. She reported that the Illinois House of Representatives had begun conducting remote hearings this week. Both the House and Senate will proceed with legislative committees five days a week. Wilson stated that bill introductions will conclude this week and noted that Ameren, Vistra and wind/solar generators had introduced bills. The Governor expressed in his budget and State of the State address the need to pass an energy bill that protects nuclear fleet, builds up wind and solar industries, protects the environment, puts consumers first and supports jobs. Wilson discussed the new Clean Energy Jobs Act (CEJA) that has been introduced which would impact municipal utilities. This bill would increase the Renewable Portfolio Standard (RPS) to 100% by 2050, which would be accomplished by increasing 4% each year after 2025 to reach 45% by 2030. After that time, it would go up 3% each year until 2045 and finishing in 2050 by going up 2% per year those remaining five years. It would require municipals and cooperatives to develop and file a plan with the ICC equivalent to the State of Illinois' RPS and carbon resource goals. The bill would fully decarbonize Illinois' electric generating industry by 2030, which would be accomplished by an Illinois EPA rulemaking that would require annual declining

greenhouse gas pollution caps and caps on co-pollutants. Year 2030 is of concern to IMEA due to cost implications from the need to continue paying debt on assets while also paying for replacement power at the same time. The bill would also impose a community reinvestment fee. The cost would be structured as a max 1¢/kw hour produced and would go through 2030. That fee would be imposed on all fossil fuel generating plant owners in the State and would be used to fund a majority of the programs provided for in the Clean Energy Jobs Act. The bill would also create a new section of the Public Utility Act called *The Right to Self-Generate* which would apply to municipalities and cooperatives as well as all investor-owned utilities. It would provide for the rights of customers who produce and store their own energy without discriminatory repercussions. It would provide for fair credit for energy exported to the grid and has a complaint process for a customer to be able to appeal to the ICC. IMEA staff is reviewing this bill closely and will report to the IMEA Board what the implications will be and how they will be affected.

## **OLD BUSINESS**

Executive (Closed) Session Minutes: General Counsel Troy Fodor recommended that the Executive (Closed) Session minutes of November 6-7, 2019 not be released as public records at this time. Fodor explained that this meeting had been closed to the public for discussion of the purchase, sale or delivery of electricity and that the minutes reflect pre-decisional matters that are still being planned and negotiated and for which the need for confidentiality still exists. Pat Barry moved that the Board make the determination that the need for confidentiality still exists with respect to the November 6 & 7, 2019 minutes and that IMEA continue to restrict public access to such minutes. Shane Hill seconded the motion and the motion carried by unanimous roll call vote.

Operations – Alice Schum gave an update on the generation output during the polar vortex and thanked all those that participated for their hard work. She noted that 41% of IMEA behind the meter generating capacity was unavailable at some point during that period for many different reasons including lack of manpower, failed equipment, fuel gelling, low fuel, voltage, permitting and water towers freezing. She also discussed the Locational Marginal Pricing (LMP) in MISO stating that the highest 5-minute price was \$1,654 per MWh during the weather event. Schum presented two graphs indicating the average daily day-ahead LMP during January and February 2021 for a 24-hour period for both MISO and PJM.

Schum gave an update on the PJM Regional Transmission Organization (RTO) reporting that the Base Residual Auction (BRA) for 2022/2023 Delivery Year will be held May 19-25, 2021. She stated that the PJM 3<sup>rd</sup> Incremental Auction was being conducted this week and explained that IMEA purchases for capacity shortages due to forced outages and sells any excess capacity into the auction. The Planning Year starts on June 1, 2021 and the 1<sup>st</sup> and 2<sup>nd</sup> Incremental Auctions have already been held.

Regarding the MISO Regional Transmission Organization (RTO), Schum reported that the Planning Resource Auction (PRA) will be held the last three business days of March 2021 with the Planning Year beginning on June 1, 2021. IMEA purchases limited amounts of capacity to meet load obligations and sells owned and contracted resources for capacity payments to offset loads. The auction for Planning Year 2022/2023 will be held the last three business days in March 2022. Schum reported that IMEA procured carbon free capacity to fulfill some necessary capacity obligations for future MISO planning years. IMEA purchased UCAP, which is usable capacity, from Prairie Wolf Solar and Exelon Generation Company. She discussed ongoing accreditation values assigned to renewables; Wind is 16.3% of installed capacity value and Solar is 50% of installed capacity. She also

explained that UCAP posting for generation was on February 1<sup>st</sup> which is equal to the amount of capacity IMEA gets credit for.

Regarding Operations, Schum reported that the dispatch and curtailment disputes of the Lee DeKalb Wind Farm had evolved into a favorable 1<sup>st</sup> Amendment to the Power Purchase Agreement. She explained that contract scheduling issues arise when wind units are available, but the RTO restricts output due to transmission limits or regional power prices. The contract calls for IMEA's partial payment of Deemed Energy. The Deemed Energy charges to IMEA for curtailments during past periods were waived and IMEA will receive an annual credit against future Deemed Energy charges starting at \$75,000 per Planning Year with an annual 2% escalation. IMEA will also receive credit from Lee DeKalb for deviation charges due to changed schedules. The Operations staff has set up mechanisms to monitor curtailments and Deemed Energy to assure credits to IMEA are managed and tracked properly.

Regarding the Geronimo/Green River project, Schum reported that staff is working through curtailment data from ComEd along with ComEd metering true-ups (still awaiting invoice). The ComEd meter equipment has not been correct since the startup of the project in November 2019, although IMEA and Geronimo continue to manage this issue together. Regarding Behind The Meter Generation, she stated that given the recent events, this reinforces the need to host a Member Generator Workshop (either live or virtual) in the spring to prepare for summer operators.

Trimble County: Kevin Wagner reported the following:

- The plant is continuing its good safety performance with no employee injuries since last October and currently, no plant employees are quarantined for COVID. Most of the plant employees are currently eligible for vaccination, however, supplies are still very limited. Despite the pandemic, the Trimble County steam plant had an outstanding year with regard to its operational performance. The plant's Equivalent Availability Factor for 2020 was 87% which is the highest annual plant EAF since the second steam unit went online 10 years ago. Since the first of the year, Unit 1 has experienced several maintenance outage days attributed to boiler and condenser tube leaks. Unit 2 was out of service for about 6 days to inspect and repair a leak that developed in the high pressure piping. Both units performed well during the recent cold weather event. The spring planned outage for Unit 1 will begin this weekend and run through mid-March. The plant added a third week to the outage schedule to allow additional time for inspection and possible repairs for the Superheat Platen tubing to assure reliable boiler operation this summer. Once Unit 1 returns to service, the spring planned outage for Unit 2 will begin in late March and last 5 weeks instead of the 4 weeks originally scheduled. The additional week was moved from next fall's Unit 2 outage to this spring to allow more time for turbine valve repairs and high pressure piping inspection prior to summer operation. This schedule adjustment will shift additional costs to the current IMEA fiscal year budget. With regard to the Coal Combustion Residue Treatment facilities, the State has approved the plant's proposed bottom ash pond dewatering and closure plan. To date, about 1/3 of the water has been removed from the pond. Landfill work has slowed down with the winter weather, but remains on track for operation by early fall. The plant is also working through the process of evaluating and awarding bids for the facilities and services required to comply with the Effluent Limitation Guidelines (ELG).

Prairie State: Kevin Wagner reported the following activities:

- The plant completed 2020 (as well as the past month) with zero recordable safety incidents and announced it had officially received the OSHA Voluntary Protection Program (VPP) certification that recognizes the exemplary work place safety and health practices of the plant employees. IMEA staff congratulates the Prairie State plant staff on this outstanding accomplishment. On the mine side, 2020 has been a challenging year from the perspective of health and safety. A total of 18 recordables were experienced, although, the mine remained accident free for the month of December. The campus reports 68 COVID cases to date. The situation has improved in recent weeks allowing most plant and mine employees (except Corporate) to resume work on site. A number of the plant employees are currently eligible for vaccination, but distribution has been slow in Washington County. The plant's Equivalent Availability Factor (EAF) for 2020 was 81.6% which is the 3<sup>rd</sup> highest in the eight years since both units have been in service. The plant EAF average for the past two months has been a remarkable 98%. The plant attributes this improvement to the efforts made during the fall maintenance outage to better address the root causes of the tube failures. Operationally, Unit 1 experienced a 3-day outage in early February due to an economizer tube leak. Unit 2 experienced a short outage earlier this month due to a slag fall that occurred when plant operators adjusted oxygen levels in the furnace to test the carbon monoxide monitoring equipment. Unit 2 reported no significant issues during the recent cold weather event. Unit 1 will start its 35-day planned maintenance outage this weekend. That outage was moved from next fall to this spring to allow replacement of the remaining nose tube panels before summer operation. As with the Trimble County spring outage, this schedule adjustment will impact our current fiscal year budget. Once this outage is complete, the plant has no planned outages scheduled before fall 2022 as it works toward implementing the 2-year outage schedule.

Local Transmission and Generation - Kevin Wagner reported on the following:

- Highland - ATXI Transmission Project - Ameren transmission affiliate ATXI has finished its due diligence review of the City's 138 kV line and will be contacting Highland by the end of the month regarding the next steps to be taken in the acquisition of the line. The City's 138 kV transmission line is being offered as part of the proposed transmission loop Ameren is planning between the Collinsville and Aviston areas.
- Fairfield – 69 kV Emergency Backup Agreement - Staff recently met with Ameren and made some progress addressing remaining issues in the draft emergency service agreement. We are now waiting on Ameren to review the updated draft. Once finalized, the proposed agreement will utilize the City's normally open 69 kV interconnection with Wayne White Cooperative located on the north side of town in the event the 69 kV feed to the downtown distribution substation is out of service. Staff is currently working with Fairfield to review a draft service agreement with Wayne White Electric Cooperative to maintain and operate the City's distribution system. The service agreement also contemplates the City transferring ownership of its 69 kV and 138 kV facilities to Hoosier Energy.
- Oglesby/Peru – Joint Study for 34.5 kV Delivery Point Request – Staff has been assisting Ameren in acquiring line data associated with the Peru 34.5 kV system that will be utilized in the feasibility and cost study of the two new delivery points sought by Oglesby and Peru. One of the new interconnections will be a 34.5 kV delivery point at Oglesby's Mallick Road Substation and the other will tap the Ameren 34.5 kV lines running parallel to the Illinois River



to serve Peru's proposed Center Street Substation that will replace the flood-prone Water Street Sub. Staff is also working with the cities to initiate a study of a 138 kV interconnection out of the Ameren Corbin Station to support long-term municipal growth.

- Mascoutah - Staff has been working with Ameren, at Mascoutah's request, to allow the city's "normally open" backup 34.5 kV delivery point to be operated "normally closed" to support new customer load growth on the north side of town. The City has since withdrawn that request due to the inadequate continuous capacity that Ameren says is available on its 34.5 kV system. The City has been able to work out an acceptable interim arrangement with its new customer by providing the required feeder redundancy through modifications to Mascoutah's 138/13.8 kV Union Substation. That configuration is expected to satisfy the customer's load requirements until the City can complete its 138 kV tie lines to the Ameren Hilgard Switching Station.
- IMEA Flora - The NESHAP pressure/temperature monitoring system for the diesel oxidation catalysts on the IMEA Flora gensets was disrupted for a brief period last week while the plant was dispatched. Staff believes this was likely due to the severely cold conditions experienced at the time since the City of Flora reported a similar problem with its monitoring system. Staff has been reviewing its air permit and consulting its environmental counsel to determine possible IEPA reporting requirements associated with the incident. No increase in emissions is believed to have occurred while the monitor was unavailable.

Update on Solar Projects: Chris Jewell reported the following:

- Naperville – The date of Mechanical Completion was February 19 with an expected Commercial Operation date by the end of this week. A dedication of the facility will occur in spring of 2021.
- Rantoul Phase 2 – Work continues on the racking and panel installation and staff is currently awaiting the delivery of switchgear.

Illinois Power Agency (IPA) Update - Jewell reported that the IPA announced on December 3<sup>rd</sup> and December 15<sup>th</sup> that Group A (Ameren) and Group B (ComEd) Adjustable Blocks were now closed. On December 28<sup>th</sup>, the IPA released its annual funding and budget update. The IPA notes that significant unforeseen project delays with both utility scale and large distributed generation systems caused few projects to come online in 2020. Jewell explained that due to the structure of the program, there is now a funding gap with current and future projects which will cause a budget shortfall starting in 2022/2023 if there is not a legislative fix. According to the IPA report, they will complete 2020/2021 Delivery Year with 3,352,949 RECs, well short of the Renewable Portfolio Standard (RPS) target of 21,149,182 RECs. Jewell stated that without a mandate, IMEA has generated roughly 360,000 RECs for the year from its resources which is 10.7% of the IPA RECs even though IMEA is only 3% of the overall State load. On a percentage basis, he reported that the IPA has RECs to cover 2.8% of the state's expected 2020/2021 load, compared to the current RPS target of 17.5%. He reported that IMEA currently generates about 10% of its energy with renewable resources and creates RECs for each one of those.

Legal Matters – General Counsel Troy Fodor reported the following:

- Mascoutah ICC Case – The City of Mascoutah has filed its appeal for the right to condemn property for its interconnection tie-line with the Ameren Hilgard switching station in the 5<sup>th</sup>

District Appellate Court. IMEA staff does not anticipate any immediate action on this item while the Court selects the dates for the appeal.

- Wholesale Connection Agreement (WCA)/Umbrella Construction Agreement (UCA) – Staff recently participated in a call with Ameren and were informed that they would only accept 2-party agreements between Ameren and the Member unless IMEA signs as an agent for the Member. Staff is reviewing options and waiting on drafts from Ameren. Staff is still planning a workshop to review the technical requirements of these agreements with those Members affected along with electric and management staff of the members and legal counsel, if they choose. The workshop would be called as a Special Meeting of the IMEA Board of Directors.
- Ameren Wholesale Distribution Service (WDS) Future Formula Rate – Negotiations on Ameren’s proposed formula rate for WDS are ongoing, although there has been no activity since prior to the report in December.
- Build America Bonds (BABs) Sequestration – Three of the Prairie State partners (Missouri, Indiana & Northern Illinois) filed their Complaint with the Federal Court of Claims on December 30, 2020 seeking to recover the sequestered portion of their BABs payments. IMEA, AMP and KMPA joined in the case at the end of January.
- Incremental Capacity Transfer Rights (ICTRs) – Changes in the PJM planning parameters, including COVID-19 related load reduction in ComEd, and auction activities look to potentially reduce the value of IMEA’s ICTRs for next year. The attempts to resolve this issue through talks with PJM have not resulted in relief for IMEA. IMEA intends to file a Complaint at FERC to protect its interests, although staff is waiting on final numbers from PJM as a result of the upcoming 3<sup>rd</sup> Incremental Auction. IMEA lead FERC attorney, Josh Adrian, notified staff that he will be moving to the Thompson Coburn law firm. Since that time, staff has been working with other principals of the current law firm, Duncan, Weinberg, Genzer & Pembroke, including Michael Postar and Jeff Genzer.

FERC Matters – General Counsel Troy Fodor reported the following:

- PJM Minimum Offer Price Rule (MOPR) – There has been no substantive activity by FERC since the last report. The appeal in the Chicago Federal Court of Appeals is still pending, although IMEA is not part of that case directly. The IMEA Operations staff is working with PJM on all necessary implementation issues, including making sure IMEA received the benefit of the MOPR self-supply exemptions for Load Serving Entities with existing resources. The status of the MOPR ruling may change again with a new FERC Chairman, Richard Glick. He had voted “No” in all prior MOPR issues and now sets the FERC agenda.
- ICTRs of Other Entities (Radford Run) – On December 2, 2020, FERC entered an Order setting aside its prior Order requiring PJM to pay Radford Run for ICTRs for the 2019/2020 Delivery Year. After questions were posed to PJM, they responded that Radford Run was not entitled to ICTRs in the 2019/2020 Delivery Year and that FERC should revoke their earlier instruction for PJM to pay Radford Run and rebill any affected entities. A possible effect on IMEA would be a small refund if FERC reverses its prior Order with respect to Delivery Year 2019/2020.

Green Power Choices – Renewable Energy Credit (REC) Program – Sean McCarthy reported that Naperville was the first participant in the municipal REC Program. They supplemented the renewable energy that is already part of IMEA’s portfolio with an additional 105,000 RECs for the period of December 1, 2020 to May 31, 2021. The municipal program will renew on June 1 for REC Year 2021-

2022 and any Member interested in this program should contact Sean McCarthy at IMEA. The Retail Customer program begins soon for the REC year that begins June 1, 2021. This program allows Members to administer their own REC offering to those retail customers who are interested in matching their electric usage with additional RECs. This program will be administered by the Member, although the RECs are purchased by IMEA and the Member will decide how and to which customer categories the program will be offered. The Member will market the program to its customers, solicit all REC orders from those customers and enter an order for RECs with IMEA to meet this demand. IMEA will procure the RECs on behalf of the Member and bill pass-through costs to the Member utility. IMEA is developing informational marketing materials for the Members to use to market this program to its customers and those packets will be distributed via email in March along with current cost projections for the REC offerings.

Demand Response Offers in PJM & MISO – Sean McCarthy reported that the IMEA Board had approved a pilot Load Management Initiative in the PJM area under the Demand Response (DR) Program for Delivery Year 2020/21. One large Commercial Technology firm in Naperville participated in the program with 500 kW. This customer successfully completed 9 DR events called by IMEA Operations during the period that the customer was eligible for the program. He stated that Naperville has expressed an interest in adding a number of other customers to the program for Delivery Year 2021/22 and participating in the IMEA load management initiative for a small portion of the load at its wastewater treatment plant. IMEA staff is working to expand the program, however, it will only be offered in PJM. Based on how MISO administers its market and tariff and due to a currently low capacity market, the cost savings do not justify offers in MISO.

McCarthy stated that the Board had previously approved a new Demand Response Program beginning in 2019 which provided the opportunity for commercial, industrial or governmental end-use customers of Members to participate (through IMEA) in PJM or MISO capacity markets. He reviewed the default compensation rates that the Board approved which are incorporated each year unless the Board approves different rates. In the alternative, for any auction, if an end-use customer wants to share the capacity pricing and the policy risk, the IMEA DR Program allows for a percentage share of the revenue received from the RTO to be split, up to 75% to the Member/Customer with the remainder to IMEA to operate the program. Regarding the Capacity Auctions, McCarthy explained that the PJM Base Residual Auctions (BRA) had been delayed due to FERC proceedings on the Minimum Offer Pricing Rule (MOPR) and some PJM Incremental Auctions had been eliminated due to MOPR delays. The MISO 2021/2022 Planning Year auction will occur in March 2021.

McCarthy stated that IMEA staff is proposing the following compensation under the DR Program including Load Management Initiative pricing: Fixed price offers up to \$4.25 kW-month for Load Management Initiative for PJM 2021/2022 Planning Year and no offers in the MISO 2021/2022 Planning Year. He reported that due to too much price uncertainty in the market for IMEA staff to recommend a definitive offer, staff is recommending no fixed price offers for DR bid into PJM BRA or PJM Incremental Auctions for Delivery Years 2022/23 and 2023/24. Staff is recommending a revenue split of up to 75%/25% between the Member/Customer which is subject to the DR resource actually clearing the auction at or above the MOPR floor price, with the Member/Customer receiving up to 75% and IMEA retaining the remaining percentage and the DR customer taking all the penalty risk for these Delivery Years.

Regarding the MISO 2021/2022 Planning Reserve Auction, staff is recommending a fixed price offer of \$0.60/kW-month or, in the alternative, a revenue share offer up to 75%/25% split received from



MISO with the Member/Customer receiving up to 75% and IMEA retaining the remaining percentage and the DR customer taking all the penalty risk. This offer price was based on the last IPA auction results/bilateral offers and the total amount of offers should not exceed 10 MW. Peter Suhr moved to approve fixed price and revenue share offers for the Load Management Initiative and Demand Response Program based on IMEA staff's recommendations, seconded by Rick Abell. The weighted roll call vote showed unanimous approval except for Farmer City and Highland abstaining.

## NEW BUSINESS

Ordinance #21-02-857 – Adopting Revised Operating & Capital Budget and Appropriations Therefore for the Fiscal Year Ending April 30, 2021 for the IMEA - CFO Chris Wise reviewed the revised budget pointing out that the MWh sales are projected to be 6.1% lower than the original budget and the average cost to Participating Members is projected to be the 3.1% higher than the original budget. Wise further reviewed the operating revenues & expenses as well as the capital budget. Brian Keys moved for approval of this Ordinance, seconded by Mayor Dominic Rivara. The weighted roll call vote showed unanimous approval except for Farmer City abstaining.

Resolution #21-02-858 – Approving Regulatory Asset – CEO Gaden reminded the Board that IMEA had incurred excess capacity costs in recent years due to PJM changing its rules in 2018 to cause a price separation between what the Members pay for capacity in ComEd and what the generators get paid in PJM “rest of system.” IMEA obtained 1,097 MW of Incremental Capacity Transfer Rights (ICTRs) from PJM in exchange for agreeing to fund a transmission upgrade on the ComEd system. The IMEA Board approved a Resolution in October of 2018 to create a regulatory asset. Under the Regulatory Asset, IMEA used the line of credit to pay the excess capacity costs over the last two years and had planned to repay it with revenues from PJM related to the ICTRs in 2021. Due to circumstances beyond IMEA's control, it appears that PJM will underfund IMEA's ICTRs for the 2021/2022 Delivery Year. CEO Gaden reviewed options to deal with this revenue shortfall to include recovering all the deferred costs in 2021/2022 using the Demand Cost Adjustment clause of the Rate Schedule B or extending the repayment plan beyond the originally planned 12-month repayment period to up to 36 months total. IMEA staff recommends that the Board extend the repayment of the costs booked to the regulatory asset for up to an additional two years by approving Resolution #21-02-858. The deferred costs would be amortized as an expense at a rate of 1/36<sup>th</sup> per month during the 36-month period from June 1, 2021 through May 31, 2024. A shorter period would commence if net revenues from IMEA's ICTRs are received that allows for a lump sum amortization, a faster monthly amortization or any combination of the two. He explained that any action to fund more quickly would be in concurrence with the IMEA officers and reported to the IMEA Board. Shane Hill moved for approval of this Resolution, seconded by Pat Barry. The weighted roll call vote showed unanimous approval except for Farmer City abstaining.

Ordinance #21-02-859 – Adopting Operating & Capital Budget and Appropriations Therefore for the Fiscal Year Ending April 30, 2022 for the IMEA - CFO Chris Wise presented two graphs comparing the demand and energy projections between the original and amended FY2021 budget and the original FY2022 budget. He then gave an overview of the upcoming FY2021-22 budget to include total MWh sales projected to be 4.1% higher than the amended FY2020/21 budget. The average cost to participating members is projected to be approximately 3.2% lower than the FY2020/21 amended budget. Wise further explained the budget assumptions, operating revenues & expenses along with the capital budget. Cory Sheehy moved for approval of this Ordinance, seconded by Larry Taylor. The weighted roll call vote showed unanimous approval except for Farmer City and Oglesby abstaining.

CFO Chris Wise presented a chart outlining the Updated Financial Projections for FY2019-FY2025. He also presented a graph showing the effect that transmission costs have had on member average cost specifically the actual cost from years 2014-2020 and the projected cost from years 2021-2025.

Election of Executive Board for FY2021-22 – Chairman Pat Barry of the Nominations & Awards Committee gave a brief summary of the Nominations and Awards Committee’s meeting held on February 3 and presented the recommendations from that meeting. He explained that the current Executive Board members which are eligible for re-election and are willing to serve an additional one-year term are Dale Detmer, Cory Sheehy, Bob Coble, Larry Taylor and Shane Hill. Due to Greg Hazel’s retirement, Rick Abell would become the Past Chairman if Dale Detmer remains as Chair. The Committee recommended the following slate of officers for the 2020/21 fiscal year:

Dale Detmer, Breese as Chairman  
Cory Sheehy, Marshall as Vice Chairman  
Bob Coble, Flora as Secretary/Treasurer  
Rick Abell will become Past Chairman  
Troy Fodor as Assistant Secretary/Treasurer

Pat Barry identified the following Members as having expressed interest in participating as At-Large Members of the Executive Board:

Larry Taylor, Altamont  
Shane Hill, Chatham  
John Tolan, Freeburg  
Brian Groth, Naperville  
Tim Birk, Waterloo  
Brian Keys, Winnetka

CEO Gaden asked if there were any nominations from the floor for each officer’s positions on the Executive Board one at a time beginning with the Chairman position. There being no such nominations from the floor, John Hodapp moved to approve the recommended slate of officers, including Troy Fodor as the Assistant Secretary/Treasurer, seconded by Pat Barry. The motion passed by unanimous roll call vote with Farmer City and Oglesby abstaining.

CEO Gaden asked if there were any nominations from the floor for the members-at-large on the Executive Board. There being no such nominations, CEO Gaden instructed the Members to vote for 5 of the named candidates and explained the process of the electronic voting system. The votes were registered and tallied through the voting system. Each Members’ specific vote was verbally read by Tammy Hall as well as being visible on the webinar screen. The following slate will serve as Members-at-Large on the IMEA Executive Board for the 2021/22 fiscal year:

Larry Taylor, Altamont  
Shane Hill, Chatham  
John Tolan, Freeburg  
Tim Birk, Waterloo  
Brian Keys, Winnetka

CEO Gaden thanked David Coston, Greg Hazel and Lucy Podlesny for their service on the Executive Board and congratulated the new slate of Executive Board members for FY21/22. He also stated that all IMEA Board members are always invited to attend and speak at any Executive Board meeting.

Lastly, CEO Gaden reported that very recently Exelon Corporation had approved splitting its largest utility segments into two separate publically traded companies, *Exelon Utilities* and *Exelon Generation*. He reported that it was his understanding that these changes will not directly affect any of IMEA's agreements with them. He also stated that, as of this morning, the Senate had confirmed the appointment of Former Michigan Governor, Jennifer Granholm, as the new Energy Secretary for the U.S. Department of Energy under the Biden administration.

Chairman Dale Detmer asked for a motion to adjourn the meeting. The motion was made by Cory Sheehy, seconded by Dick Simon and carried unanimously by voice vote. The meeting was adjourned at 12:25 p.m.

Respectfully submitted,



Assistant Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
BOARD OF DIRECTORS MEETING  
THURSDAY, FEBRUARY 25, 2021**

**MEMBERS PRESENT VIA WEBINAR**

Altamont	Larry Taylor
Bethany	Shannon Risley
Breese	Dale Detmer
Carlyle	John Hodapp
Carmi	David Coston
Chatham	Shane Hill
Farmer City	Sue McLaughlin
Flora	Bob Coble
Freeburg	John Tolan
Highland	Dan Cook
Ladd	Pat Barry
Marshall	Cory Sheehy
Metropolis	Rick Abell
Naperville	Brian Groth
Oglesby	Mayor Dominic Rivara
Peru	Jim Lukosus
Princeton	Jeff Mangrich
Rantoul	Greg Hazel
Red Bud	Josh Eckart
Riverton	Jim Mileham
Rock Falls	Dick Simon
Roodhouse	Mayor Tom Martin
St. Charles	Peter Suhr
Sullivan	Mayor Richard Glazebrook
Waterloo	Tim Birk
Winnetka	Brian Keys

**MEMBERS ABSENT**

Bushnell	Vacant
Cairo	Vacant
Casey	Shelby Biggs
Fairfield	Tyler Lampley
Greenup	Mike Ryder
Mascoutah	Jesse Carlton

**OTHERS PRESENT (EITHER IN PERSON OR VIA WEBINAR)**

Highland	Jeannie Korte
Naperville	Greg Hubert & Howard Salk
Rantoul	Jake McCoy
Rock Falls	Robbin Blackert
Sullivan	Blake Eggleston
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Kevin Wagner
IMEA	Cindy Evans
IMEA	Chris Jewell
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Sean McCarthy
IMEA	Rodd Whelpley
IMEA	Shadi Ahanchi
IMEA	Amanda Ripperda
IMEA	Tammy Hall