

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, JUNE 19, 2019

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 June 19, 2019.

Chairman Dale Detmer called the meeting to order at 2:00 p.m. Roll call was taken which showed a quorum was present. The Report of April 24, 2019 was moved for approval by Dan Cook and seconded by John Hodapp. The motion carried by unanimous voice vote.

Opportunity for Public Comment: Chairman Dale Detmer stated that pursuant to the Open Meetings Act, any person in attendance at a meeting should be permitted an opportunity to comment. He then asked if anyone would like to make a comment and hearing none, the meeting continued.

CEO Kevin Gaden welcomed Brian Groth as the new Deputy Director of the Electric Utility from Naperville and congratulated Lucy Podlesny on her new position as the Electric Utility Director for Naperville.

OLD BUSINESS

Executive Session Minutes: General Counsel Troy Fodor recommended approving the January 23, 2019 Executive Session minutes and to release them as public records. John Hodapp moved to approve and release the above- referenced Executive Session minutes. Bob Coble seconded the motion which carried by unanimous voice vote.

Carmi Unit 11 Repair/Replacement - Kevin Wagner reported that Baker Hughes General Electric (BHGE), the contractor hired to perform the tear down and failure analysis on Carmi's Unit 11 diesel generator, was on site in late April to proceed with that task. The consultant representing the insurer was also on site to witness the tear down and reported that the damage apparently resulted from the failed air start valve and the City should likely be eligible for payment of its insurance claim for the engine. BHGE's final report of its findings and the cost estimate for repair were delayed due to the difficulty of locating the necessary repair parts. As of yesterday, BHGE had found a source for the parts and had prepared a "not to exceed" estimate for rebuilding the damaged right half of the V-12 engine. That estimate is now under review by the insurer. Once the insurer confirms coverage of the repair costs, the City is prepared to authorize BHGE to proceed with the repair work on Unit 11.

At the April Board meeting, the Board recommended that Carmi retain the IMEA Board's waiver that allowed an additional 12 months to repair Unit 11 without otherwise risking permanent loss of the Unit's capacity payment. This waiver extended the allowed repair time from August of 2018 to July of this year. The Board also recommended a reassessment of Carmi's progress at this Board meeting (June) and consider appropriate action if it appeared the City would not have the Unit ready to return to service by July. The delayed response from BHGE on the Failure Analysis Report, the subsequent logistics of securing engine parts and scheduling a repair crew means the City will not be able to have Unit 11 in service by next month's waiver deadline. Since at least some of these were factors beyond the City's control, staff recommends consideration and approval by the Board of a motion allowing the City of

Carmi six additional months to confirm insurance coverage, secure the parts and perform the needed repairs to get Unit 11 back in service. Staff recommends the waiver be extended through January 2020. The Unit was officially placed out of service July 20, 2017 when the engine sustained damage from the failed air start valve. In light of the recently revised Generation Policy that allows up to 24 months of unit repair time (assuming the member has been active in addressing the breakdown within the first 6 months), staff feels that 30 months is the maximum total outage time it can recommend to the Board for the situation with Carmi 11. If the Unit is not back in service by the end of next January, staff recommends not approving any further extension of the waiver.

Dave Coston gave a status update of the circumstances leading up to this point regarding Unit 11 and acknowledged the understanding of the Board during these events. John Hodapp moved to approve the six-month extension until January 31, 2020, but not to extend any further beyond that time. Tim Birk seconded the motion and the voice vote passed unanimously.

Kevin Wagner reported on the following:

- Ameren Hilgard/Mascoutah Line – Ameren completed the interconnection of its 138 kV transmission line serving the Mascoutah area to its new Hilgard Switching Station. Hilgard was energized the week of May 20th. Although the City of Mascoutah’s primary delivery point remains tapped to the Ameren line about ½ mile west of Hilgard, Mascoutah is now enjoying improved reliability as a result of less line outage exposure on the Ameren system. The City continues to be delayed in its efforts to secure the easements needed to extend its 138 kV tie line to a dedicated terminal in Hilgard. Efforts continue at the Illinois Commerce Commission (ICC) to obtain eminent domain rights. The City’s consulting engineer recently filed rebuttal testimony addressing the infeasibility of sharing the Ameren transmission poles as a way to avoid the needed easements as advocated by the ICC staff and landowner. The City also refuted the ICC staff and landowner complaints about the City’s appraisal and easement negotiation process. The parties are filing and replying to briefs this month. The attorneys anticipate a ruling on this matter in late fall.
- Relocation of Delivery Point for Highland – Ameren recently completed the interconnection of Highland’s 138 kV line to its new Jarvis Substation. The City began taking service from Jarvis as of May 14th. The purchase agreement between Ameren and the City was executed prior to the switch over. Upon closing, the Lochman Road Switching Station and the western 3 miles of Highland’s 138 kV line will be transferred from the City to Ameren. That section of line will then be upgraded and utilized by Ameren to reinforce the transmission serving the Collinsville area. The closing date is anticipated to occur this week, pending finalization of the easement legal description and the sales document. Ameren will continue its work at Jarvis this summer and fall to install the 345 kV transformer and tie in the additional 345 kV and 138 kV circuits at the station. With regard to the discussions between Ameren, IMEA and Highland about development of a second 138 kV source for the City, the next project meeting initially identifying the responsibilities of the parties for such an undertaking is planned for June 25th.
- Ameren NOC Meeting - IMEA staff met with Ameren engineering and operations personnel on May 3rd for our annual Network Operating Committee Meeting. Some of the highlights of that discussion included review of a new outage report format by Ameren that identifies the non-momentary outages on the 12 kV to 69 kV distribution feeders serving our member delivery points. The report also identifies recent improvement activities on these feeders. When reviewed in conjunction with our own Operations logs, we believe this will be a useful tool in quantifying

our reliability concerns with Ameren and tracking the progress in correcting those issues. Also discussed were recent Ameren planning studies that identified potential low voltage situations this summer at Altamont and the Bethany/Sullivan delivery points during certain system contingencies. Ameren says its budgeting capacitor bank installations as the fix. In addition to the new 138 kV ring bus station at Hilgard, Ameren has, or is, installing new ring busses at N LaSalle (that should improve reliability for Peru) and at a location in Bureau County (that should improve reliability for Princeton). Also of interest are the 69 kV line improvements to be completed this year on the Marshall-Hutsonville line that still feeds the north side of the City of Marshall and has been a chronic source of line failures. To the relief of Breese and Carlyle, Ameren will be replacing the 69 kV poles that have been flagged for several years as “non-climbable” on the line between Aviston and Sandoval. Other projects of interest include the recent implementation of SCADA data sharing between Ameren and IMEA that should facilitate outage switching and restoration. Also, Ameren has identified a number of member delivery points that will have its metering upgraded for integration into the Ameren AMI (Advanced Meter Infrastructure) network in advance of the retirement of the 1G/2G cellular networks.

- ComEd Transmission Coordination Meeting – IMEA staff met in Naperville on May 14th with ComEd engineering and operations personnel along with personnel from Naperville and Winnetka for the annual coordination meeting. This occasion provides an opportunity to exchange data and review a variety of NERC Compliance issues related to 138 kV delivery points. Other operational issues, such as high bus voltages that had been observed at Naperville were also reviewed. A good deal of the meeting focused on metering and billing discrepancies based on a read of the ComEd metering through our SCADA and the way ComEd appears to be internally processing those numbers. Staff is seeking a breakout of costs by individual delivery point to more easily flag the sources of concern. Staff discussed the status of several upcoming member delivery point and generation projects. Consideration was also given to developing a formal Network Operating Agreement with ComEd that builds on the PJM standards for service expected at all Points of Delivery.
- Solar Projects - The Siting Agreements for Naperville, Altamont and Rock Falls have all been signed and the easements for Altamont and Rock Falls are in the process of getting recorded. Naperville is completing the annexation of the eastern portion of its solar site and consolidating the parcels being used for the project before finalizing the easements for the site and the access route through the city’s water reclamation facility property. Staff and Sol Systems visited the project site at each of the host cities last month and reviewed zoning, permitting and interconnection issues with local utility personnel. Next steps include completion of the utility interconnection agreement with each city. In addition to its preliminary design work, Sol is also in the process of having its engineering consultant Tetra Tech perform wetland and Phase I environmental site assessments. Pending completion of the interconnection, zoning and permitting activities (anticipated by the end of summer), Sol will be securing project financing and preparing to commence construction.

Solar Output from Ranger Power, Inc. – General Counsel Troy Fodor reported that staff had exchanged final responses with Ranger Power earlier this week and hoped to finalize the contract next week. Matters still pending include estoppel issues, curtailment, a specific performance clause and collateral.

10kW Solar Project at IMEA Headquarters – Glenn Cunningham reported on the status of the IMEA new solar project. He reminded the Board that the purpose of installing a solar system at IMEA is to help the members understand how a typical residential/commercial solar system works. IL-Solar was chosen as the provider because they are local, they had the lowest cost out of all the bidders and they are capable of both small and intermediate, up to 1MW size, installations. Staff is waiting on a response from IL-Solar's lawyers to finalize the contract and is hopeful that this project will be completed in the third quarter of this year.

Ameren Wholesale Connection Agreement/Umbrella Construction Agreement – General Counsel Troy Fodor reported that staff met with Ameren on May 23 and 29 to discuss requested edits. Staff is waiting on Ameren's responses and the next meeting will be held on July 12. These include provisions that would require installation of protective equipment and switches on existing delivery points that are not scheduled for an upgrade. This provision would govern the interconnection of members' systems with Ameren.

Pseudo-Tie Congestion Complaint Case – Troy Fodor stated that FERC had entered Orders on May 15, 2019 finding that MISO and PJM did not violate their tariffs although may have charged unjust and unreasonable overlapping and duplicative congestion charges. The first settlement conference with FERC for potential refunds is set for June 26, 2019. The Orders appear to limit refunds to entities that filed complaints and although IMEA did not file a complaint, IMEA did intervene. IMEA filed a formal request for clarification with FERC that all affected customers are entitled to refunds.

ComEd Transmission Rate – Fodor stated that there was an increase of approximately \$5M to ComEd's Revenue Requirement. The main reason for this increase was due to plant additions. He explained that due to increased billing determinants, IMEA's transmission rate will actually decrease by 4% and the new rates will become effective starting June 1, 2019 through May 31, 2020. Fodor presented a chart representing ComEd's transmission formula rate reconciliation. This chart showed the increases and decreases of the components of the net zonal revenue requirements comparing 2018 to 2019.

NERC Compliance – Mary Ann Todd reported that since IMEA is no longer required to be registered with Reliability First, SERC is the lead entity and will perform all future NERC audits. An Entity Assist Visit with SERC has been tentatively planned for mid-August of this year. This visit is free and will allow SERC to review IMEA Operations and Planning/Critical Infrastructure Protections and offer assistance in evaluating the compliance process. This visit will be one day on-site at IMEA and include substation inspections in Chatham. SERC will provide a written summary of their overall advisements and likely schedule the Inherent Risk Assessment and audit for 2020.

NEW BUSINESS

EV Charging Station at IMEA Headquarters – Glenn Cunningham stated that the reason IMEA is installing an EV charging station was to help member communities understand how charging networks operate. He stated that ChargePoint was the largest EV charging network in America, highly configurable and described their reporting and analytics. He stated that the proposed unit for IMEA is a single ballard with two chargers and explained the difference between the two options regarding cost: buy outright or as a service contract (5-year contract, installation included). The funds for this project were approved in the fiscal 2019/20 budget. Bob Coble moved to approve the recommendation to allow the President & CEO to enter into a service contract with ChargePoint and take all steps necessary to implement the EV charging station at IMEA headquarters. Greg Hazel seconded the motion and the voice vote was unanimously approved.

Green River Wind Project – Staci Wilson gave a status report on the wind project. She reported that 10 MW of capacity had been sold into the PJM capacity market which gains 20% capacity credit for 50 MW of wind energy for the 21/22 Planning Year. She also stated that IMEA will be the market participant for the IMEA output of the project. Staff will optimize the daily energy position and coordinate outages exactly how Lee-Dekalb is managed. This project increases IMEA’s non-carbon footprint by 4% for a total of 10% non-carbon generation resources. The operational target date is in late October 2019.

Wilson reported that a press release was issued last week officially announcing the contract between IMEA and Geronimo to local and national sources including renewable trade publications. She stated that Geronimo is hosting a blade signing on July 17 and have invited project partners, power purchasers and local landowners as well as federal and state legislators along with the Governor. She encouraged the members to attend. Wilson also noted that Geronimo would issue press releases and promote the signing on social networks and IMEA will distribute another announcement when the project goes online in October.

Other New Business - CEO Kevin Gaden updated the Board on recent headlines concerning the EPA’s Affordable Clean Energy (ACE) Rule. He stated that APPA had forwarded a note indicating that EPA’s Administrator Andrew Wheeler had signed the final ACE Rule. The rule package included three main elements: the repeal of the Clean Power Plan, the publication of the final ACE rule and the revised implementing regulations. There are three steps in the rule: (1) includes EPA determination of the heat rate improvements representing the best systems reductions verifying that in each state they have required each of their carbon emitting generators to have the most BSER (Best System Emissions Reduction), (2) each state will then have 3 years from today to submit a plan about how they’re going to comply with that in their state and (3) the Federal government has one more year to approve or require amendments to that. Litigation is very probable regarding this rule.

Chairman Dale Detmer asked for a motion to adjourn the meeting. The motion was made by Greg Hazel, seconded by Tim Birk and the voice vote carried unanimously. The meeting was adjourned at 3:35 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
JUNE 19, 2019**

MEMBERS PRESENT

Breese	Dale Detmer
Carlyle	John Hodapp
Carmi	David Coston
Flora	Bob Coble
Highland	Dan Cook
Rantoul	Greg Hazel
Rock Falls	Dick Simon
Waterloo	Tim Birk

MEMBERS ABSENT

St. Charles	Tom Bruhl
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OTHERS PRESENT (or listened via teleconference)

Chatham	Shane Hill
Marshall	Cory Sheehy
Metropolis	Rick Abell (listened via teleconference)
Naperville	Lucy Podlesny and Brian Groth
Princeton	Jeff Mangrich (listened via teleconference)
Red Bud	Josh Eckart (listened via teleconference)
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Mike Genin
IMEA	Kevin Wagner
IMEA	Shadi Ahanchi
IMEA	Cindy Evans
IMEA	Chris Jewell
IMEA	Staci Wilson
IMEA	Mary Ann Todd
IMEA	Rodd Whelpley
IMEA	Ed Cobau
IMEA	Glenn Cunningham
IMEA	Tammy Hall