

# ILLINOIS MUNICIPAL ELECTRIC AGENCY

## REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, NOVEMBER 28, 2018

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 November 28, 2018.

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 October 17, 2018 was moved for approval by Tom Bruhl, seconded by John Hodapp. 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.

### OLD BUSINESS

2018 Pilot Demand Response Program – Mike Genin reported that even though IMEA sought to obtain two PJM and two MISO customers as pilot tests, no one participated in PJM due to PJM requirements of short call notice, unlimited calls and high penalties. James Hardie Building Products from Peru signed up for 3MW in MISO and successfully shed load in August. Genin stated that the lessons learned from this pilot test included having agreements finalized well in advance, city councils needing time to pass ordinances, communications with customers have to be very interactive, the customer needs to avoid shedding load early and to verify metering arrangements with MISO and PJM. Staff recommends maintaining current pricing from the 2018 pilot, finalizing contracts by end of February and developing a standard data template for members to send meter data to IMEA. The option for development of a separate IMEA load management initiative under this program would allow IMEA to use behind the meter resources or load reduction to reduce peaks. This option avoids RTO penalties, call notice provisions and call frequency requirements. The customer can potentially reduce costs to IMEA (capacity transmission, WDS, etc.) and IMEA can predict peaks. Genin also stated that member water and sewer pumping as well as other controllable loads are also eligible.

General Counsel Troy Fodor reported on the changes to the new Demand Response Program to include a fixed price option and a percentage revenue share option; prices fixed annually by the Board with the option to have IMEA take the penalty risk and adjusted the threshold of eligible units owned by the members. Fodor also explained that other changes in clarifications referred to language, certain limitations on availability and capacity markets.

Resolution #18-11-819 – Approving 2019 Demand Response Program – Staff recommends adopting the IMEA Demand Response Program to allow members the opportunity to offer demand response participation and related benefits through IMEA. This resolution also authorizes the President and CEO to administer the program and execute forms, documents and agreements to facilitate the program. It also authorizes the execution of contracts (customer, member and IMEA) to utilize demand response assets. Dan Cook moved to approve this resolution, seconded by Tom Bruhl. The roll call vote passed unanimously.

## NEW BUSINESS

Long Term Supply Opportunity for Solar Output – Chris Jewell, Resource Planner, reviewed the criteria, per the 2016 Strategic Planning Review, used to examine low or no carbon resources as potential opportunities. He stated that IMEA needs to replace 250 MW of Vistra resources no later than 2026. He reported that IMEA had received a proposal from Ranger Power for two projects: Big River located in White County and Dressor Plains located in Fayette County. Ranger Power, based in New York, has cleared two solar projects in the IPA's initial forward procurement auction that was held through the FEJA Program for utility scale projects and the State has purchased the RECs for these two projects for a 15-year term. Ranger Power has approximately 585MW of solar under development in Illinois. The Big River/Dressor Plains projects combined have a total project capacity of 248MW with total production of 543,000 total MWh/year amounting to a 25% capacity factor. Both projects are estimated to be commercially operable by January of 2021, although IMEA's contract would not begin until 2025 (10-year term before IMEA contracts expire in 2035).

Jewell explained that the project proposal is for 25-50MW total output. This is a zero carbon resource located in Illinois in the MISO RTO. The suggested Power Purchase Agreement (PPA) length is for 25 years (10 year initial with an extension trigger if IMEA extends a significant portion of the member contracts). The PPA cost with no rate escalator for all 25 years is confidential and proprietary and will be discussed in closed session. There would be an opportunity to purchase the RECs after the 15-year period for the last ten years of the PPA at IMEA's option. Jewell also reviewed Ranger Power's economic and market considerations and noted these projects are already in the MISO queue.

At that time, Chairman Greg Hazel asked for a motion to go into Executive Session for discussion of the purchase, sale or delivery of electricity. John Hodapp moved to go into closed session, seconded by Tim Birk. Voice vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(23) of the Open Meetings Act, 5 ILCS 120/2(c)(23) at 2:47 p.m.

The meeting was returned to Open Session at 3:17 p.m. At that time, Tom Bruhl moved to approve the efforts to finalize power supply terms and conditions from the Big River/Dressor Plains solar project and authorize the President & CEO to finalize all steps necessary to negotiate a power supply contract with the owner. Dan Cook seconded that motion and it carried unanimously by roll call vote.

B-4 Rate Incentive for Silgan Plastics – Mike Genin stated that Silgan Plastics is a manufacturing facility located in Flora, Illinois. They closed their Woodstock, Illinois facility in 2016 and opened a new facility in Hazelwood, Missouri. Genin explained that Silgan Plastics has eliminated 30 jobs in the Flora area and their electric energy consumption has dropped by about 40%. David Coston made a motion recommending this B-4 rate incentive for Silgan Plastics in Flora, seconded by Tim Birk. The roll call vote passed unanimously.

Ordinance #18-11-820 – Approval of Extension of Economic Development Rate Schedules B-2, B-6 and Load Retention Rate B-4 – Mike Genin reported that this ordinance extends the rate schedules through December 31, 2019. There are currently three customers using the B-2 rate, three customers using the B-6 rate and two customers using the B-4 rate. Schedule B-7 rate was approved on August 23, 2018. Tom Bruhl motioned to approve extending the Rate Schedules through 2019, seconded by John Hodapp. The roll call vote carried unanimously.

Resolution #18-11-821 – Approving Solar Generation Projects in the Cities of Altamont, Naperville, Oglesby and Rock Falls - Kevin Wagner reported that on September 14, staff had issued a Request for Proposals (RFP) to over a dozen qualified providers for 20-year Power Purchase Agreements (PPA) totaling 3MW of new ground-mounted photovoltaic solar capacity at Altamont, Naperville, Oglesby and Rock Falls. Staff's evaluation focused on the top 4 bidders with the most competitive pricing for individual and comprehensive site proposals and labelled them Bidder A, C, E and F. Wagner presented a series of graphs and charts described below that were used to evaluate the bids received:

\*Compared the year 1 contract prices in dollars/MWhr for all 9 proposals offered representing both the comprehensive proposals and individual proposals for the 4 sites

\*Represented the 20-year present value, energy only cost and ignores the buyout value at year 20, per dollars/MWhr of all 9 proposals

\*Compared the 20-year present value of expected payments for the full PPA term (20 years) including the quoted buyout at year 20 of the top bidders for the 4 sites

\*Compared 20-year present value of expected payments assuming the early buyout is exercised after year 6 and includes the buyout amount at the end of that time

\*Compared the 20-year present value of top 4 bidders of the summation of expected payments of the full PPA term if awarded as individual sites vs. payment for comprehensive award

\*Comparison of contract prices for years 1-20 for the comprehensive offers of the 4 bidders

\*Compared the year 1 expected invoices from the top 4 bidders and the net energy/MWhr (both comprehensive)

\*Compared comprehensive costs of installation of panel types for all 4 bidders

\*Summarized the present value comparison of the top 4 bidders based on comprehensive project bid award both full PPA term. Early buyout scenarios are considered as well the energy cost for the full term that avoids the uncertainties of the buyout amounts.

Wagner then reported that staff is recommending a comprehensive proposal for the 4 projects to a single provider to realize a lower energy cost and reduce the administrative burden. He stated that the two lowest cost bidders were C and F with bidder A slightly higher. Staff has worked successfully with bidder A in the past on similar projects. Staff also recommends further technical, financial and legal review of the proposals from bidders A, C and F to confirm the ability of each to satisfactorily construct, operate and maintain the solar facilities as specified by the RFP. Wagner then summarized the anticipated range of year 1 contract price and total invoice including the adjustment of net energy cost, capacity and transmission credit and excluding compensation from the RECs.

John Hodapp moved to authorize the President & CEO to select a PPA provider from among those who have submitted bids and negotiate the final terms for solar photovoltaic installations totaling approximately 3MW net output and execute the siting agreements with Altamont, Naperville, Oglesby and Rock Falls, seconded by Tom Bruhl.

Discussion ensued requesting final bidder information, terms of agreement and justification for that decision be presented at the February Board meeting for final approval of a vendor although price and construction dates may be affected. At that time, the motion and second was withdrawn for Resolution #18-11-821 from the floor, therefore, there was no vote.


Dan Cook moved to continue the evaluation process to finalize the preferred vendor, negotiate a contract and then present the contract to the Board for final acceptance. Tom Bruhl seconded the motion and the roll call vote showed all in favor except for Rick Abell from Metropolis who voted in the negative.

Resolution #18-11-822 – Approving Extension of Line of Credit with PNC Bank – Bob Childers reported that IMEA’s current line of credit expires on October 29, 2019. IMEA is using this line of credit to help fund capital projects at Trimble County and to fund collateral requirements at PJM and MISO as needed. PNC Bank offered to extend the current line of credit with the same commitment fee and a lower interest rate associated with draws. IMEA’s relationship with PNC has been very good and the interest rates earned on the operating accounts have been favorable. Staff recommends this resolution giving the President & CEO authority to extend the current line of credit with PNC Bank through October 31, 2022. John Hodapp moved to approve this resolution, seconded by David Coston. The roll call vote carried unanimously.

CEO Gaden then reported that Earth Justice, Prairie Rivers Network, Environmental Integrity Project and the Sierra Club had issued a 45-page report and issued a press release dated today entitled “*Cap and Run: Toxic Coal Ash Left Behind by Big Polluters Threatens Illinois Waters.*” He noted that Prairie State was mentioned in the report.

Chairman Greg Hazel asked for a motion to adjourn the meeting. The motion was made by John Hodapp, seconded by Tom Bruhl and carried unanimously. The meeting was adjourned at 4:06 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
EXECUTIVE BOARD MEETING  
WEDNESDAY, NOVEMBER 28, 2018**

**MEMBERS PRESENT**

Carlyle	John Hodapp
Carmi	David Coston
Highland	Dan Cook
Metropolis	Rick Abell
Rantoul	Greg Hazel
St. Charles	Tom Bruhl
Waterloo	Tim Birk

**MEMBERS ABSENT**

Peru	Mayor Scott Harl
Rock Falls	Dick Simon

**OTHERS PRESENT**

Altamont	Larry Taylor
Breese	Dale Detmer
Carlyle	Dave Miller
Fairfield	Mayor Brent Maguire
Flora	Bob Coble
Freeburg	John Tolan (via teleconference)
Mascoutah	Jesse Carlton
Naperville	Mark Curran & Lucy Podlesny
Princeton	Jeff Mangrich (via teleconference)
Red Bud	Josh Eckart (via teleconference)
Winnetka	Brian Keys (via teleconference)
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Bob Childers
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Mike Genin
IMEA	Kevin Wagner
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Cindy Evans
IMEA	Chris Jewell
IMEA	Staci Wilson
IMEA	Ed Cobau
IMEA	Rodd Whelpley
IMEA	Tammy Hall