

# ILLINOIS MUNICIPAL ELECTRIC AGENCY

## REPORT OF BOARD OF DIRECTORS MEETING

**THURSDAY, OCTOBER 22, 2020**

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 October 22, 2020. 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. John Hodapp, seconded by Cory Sheehy, moved for the approval of the minutes of August 27, 2020. The motion carried by unanimous roll call vote.

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

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 commented on IMEA's recent annual report and thanked IMEA for the carbon free purchases moving up to 10% of IMEA's energy supply. He commended IMEA staff for creating a reliable and strategic portfolio for energy supply, however, he questioned if it is the best cost benefit balance relating to the environment and the public's health. He requested staff to accelerate IMEA's transition to renewable energy in a timely manner and to work to support certain pending legislation. Hearing no other requests for public comment, Chairman Detmer proceeded with the meeting.

Treasurer's Report – CFO Chris Wise reviewed the financial report for August and stated that MWh sales to Members was 5.8% below budget and that the actual Member power costs are 1.6% over budget year to date. Wise gave a Member sales update for the month of September along with information regarding projected average cost, energy and demand for the month of October.

CFO Wise then gave a Rating Agency update indicating the uncertainty of forecasting the short and long-term impacts of the COVID issue. He reviewed current ratings to include Moody's "A1" rating and Fitch's "A+" rating. A full review with Fitch is in process. The Fitch Committee will meet this month to consider IMEA's rating. He reported that Standard & Poor's (S&P) full review was completed on June 1, 2020 with an "A" rating with a stable outlook. Rick Abell moved to approve the Treasurer's Report, seconded by Mayor Dominic Rivara. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden reported that no IMEA employee had tested positive for COVID although 13 employees have had contact with either the actual illness, a potential contact tracing event or travel via plane and still very few arrangements have been needed for childcare needs. Roger Poole continues to provide the 5<sup>th</sup> PSC in a 5-person rotation and staff has decided to defer

consideration of hiring that 5<sup>th</sup> PSC replacement until after the first of the year. The contingency plans for a COVID positive employee is all employees work from home for 7 days while the building is sanitized and staff has a sequestration plan in place for the IMEA Operations Center if necessary. All IMEA staff have completed State-mandated Sexual Harassment Prevention training and the supervisors have been provided additional training to comply. IMUA will be hosting two webinars on Sexual Harassment Prevention, November 17<sup>th</sup> and December 9<sup>th</sup>, should anyone require training. Gaden also reminded IMUA members that the Statewide Association will be conducting an OSHA Preparedness Visit webinar on Tuesday, October 27<sup>th</sup> and to contact Dee Dee Bunch for more information.

Regarding Federal issues, CEO Gaden reported that the nominated FERC Commissioners, Allison Clements from Ohio and Mark Christie from Virginia, had Senate Committee hearings in September, although final confirmation may be considered in December before the Senate adjourns for the year. This could depend on election results and if not confirmed by the January inauguration, the process would start over. Gaden stated that all training and conferences conducted by APPA will remain virtual into at least early 2021. He explained that it is very likely the 2021 Legislative Rally in late February 2021 will be held via a virtual format and staff will be notified soon.

CEO Gaden gave a State and regional update reporting that in early October, Gridliance announced that it had been acquired by NextEra Transmission for \$660 million. NextEra had previously offered to purchase 20 miles of 138kV lines from the City of Rochelle in 2019, but withdrew that offer and allowed ComEd to purchase the lines from Rochelle in mid-2020. Gridliance Transmission had purchased transmission lines that connect Joppa, Illinois power plant to Kentucky and the MISO/Ameren Illinois grid. Gaden also reported that IMEA and other MISO customers are disputing the “Uplift Cost Recovery” in recent Hurricane Laura settlements. Other revenues provided to generators for curtailed Hurricane Laura stricken loads from Day Ahead to Real Time totaled ≈\$87 million and IMEA has been required to pay a portion of those costs.

CEO Gaden discussed why transmission costs continue to rise causing IMEA Members’ rates to rise. He explained that Ameren looks to be adding ≈\$868 million of assets over a 2-year period for huge infrastructure improvements. Others are entering the arena as transmission owners (Gridliance/NextEra) and existing ones (electric coops) are expanding their facilities. He presented the exact verbiage discussed 4 years ago that included ways of managing the changing transmission costs to IMEA and its Members. These included fighting the cost adjustments, challenges to overcome, paying the rate from the incumbent providers or investigate becoming a minority, absentee owner of transmission improvements. Gaden also discussed how low interest rates and increased return percentages along with lower income taxes for transmission owners, changes in RTO incentives, formula rate-making and increased RTO administrative fees affect transmission costs. Finally, he explained that there have been a number of events for the RTOs, like the 2020 MISO Hurricane Laura uplift cost and the PJM Greenhat FTR default that have to be collected by IMEA via rates. He stated that if not for all of these transmission increases, IMEA’s power supply cost would be flat. Gaden then presented a bar chart showing the effect of transmission on Member average cost over the past six years demonstrating that IMEA’s power supply rate has remained consistent in the face of rising transmission costs.

## OLD BUSINESS

Operations – Regarding the MISO Regional Transmission Organization, Schum reported that IMEA had submitted the annual forecast for Member loads before the November 1 deadline. She explained

that the next Planning Resource Auction will be held in the Spring of 2021, although clearing prices are unknown. Zone 4 (IMEA's load) has had plant closure announcements from Vistra, SIPC, CWLP and Exelon and IMEA has locked in mid-term capacity resources to bridge those planned unit closures. She also presented a chart showing MISO's capacity mix for a representative hour in September 2020 with regard to coal, natural gas, nuclear, wind, solar and other sources such as hydro, demand response and storage.

Alice Schum gave an update on the PJM Regional Transmission Organization regarding the Peak Shaving Program stating that PJM and ComEd's final peak dates and final MW won't be posted until December 1. Staff conducted 13 generation runs this past summer and Schum thanked Winnetka and Rock Falls for their efforts. Naperville has a Demand Response customer this year and the initial analysis shows compliance and a good program result for the year. Schum discussed the potential for behind the meter generation testing changes. These will include the length of PJM URGE tests moving from 1 hour to 2 hours which will take effect during the 21/22 Planning Year. PJM will assign the date and time of the test, IMEA or the Member will have no say in when the test occurs. She also explained that the 2022/2023 Capacity Auction date has still not been determined, but that the required pre-auction activity is underway. The last PJM auction was held in May 2018.

Regarding Operations, Schum reported that all URGE tests have been completed and all units have returned to service. She requested Members send their final URGE test report back to IMEA soon noting that the results must be registered in MISO by the October 31<sup>st</sup> deadline. She stated that a MISO Capacity Verification test will be held next summer. This test requires all units run simultaneously for a four-hour run time due to MISO requirements and will be conducted in late July or early August. She also added that the new solar farms in Altamont and Rock Falls are being added into the daily scheduling program.

Trimble County: Kevin Wagner reported the following:

- The plant reports two recent employee injuries – one involving a thumb laceration and the other that required shoulder surgery bringing it to three recordable injuries so far this year. Four employees tested positive for COVID last month and one this month, but they have reported minor symptoms. As of September 30<sup>th</sup>, the plant's YTD Equivalent Availability Factor was 92% and the Equivalent Forced Outage Rate remained less than 2%. Operationally, TC1 experienced a 3 ½ day unit outage in late August to repair a boiler feed pump valve, but has had no forced outages since then. TC2 experienced a 2 ½ day unit outage in early September when a boiler water wall leak was discovered. Up to that point, the unit had run continuously since February 1<sup>st</sup> for a total of 213 days. TC2's five-week scheduled maintenance outage began September 19<sup>th</sup>. The work included inspection and measurement of the low pressure main turbine outer blades that will likely require replacement by the next scheduled outage in 2022. The plant has completed improvements over the past several years to comply with more stringent state and federal environmental requirements for the handling and disposing of combustion waste products (referred to as Coal Combustion Residue or CCR). In 2019, the plant completed construction of the dry management CCR treatment facilities and a water processing system to treat water associated with the CCR production and handling. These projects are designed to meet State water quality standards and the USEPA's CCR Rule that was originally promulgated to regulate disposal of coal ash in landfills and surface impoundments and reduce the risk of groundwater contamination. Trimble County is nearing completion of the landfill facility that will open next year and will be fully compliant with the Rule. The Rule's deadline for closing the Trimble County ash pond was recently extended to

next April. That time is being utilized to finalize the State's permitting process for the ash pond closure. With regard to Trimble County's compliance with the EPA's Effluent Limitation Guidelines (ELG) intended to better manage plant wastewater, the contractor bid evaluations are currently underway. Site work is expected to begin next June and will take a little over a year to complete.

Prairie State: Kevin Wagner reported the following activities:

- The plant continues to avoid recordable injuries with an accident free safety record that now exceeds 530 days. The mine experienced two recordables last month. As of September 30<sup>th</sup>, the plant's YTD Equivalent Availability Factor stood at 82.4%. Unit 1 experienced two forced outages in September both related to tube leaks in the upper nose area of the boiler. Unit 2 began its 35-day scheduled maintenance outage on September 11<sup>th</sup>. The scope of the work included inspections of boiler tubes for signs of erosion, and replacement of the balance of the boiler nose tube panels. With over 600 contractors working on site during the outage, the plant reported that strict COVID management procedures appear to have successfully limited the number of new positive cases reported among the crews to just one so far. The Unit returned to service earlier this week. A 10-day maintenance outage will begin this weekend for Unit 1 to allow more thorough inspection of the boiler area where frequent leaks have been occurring. Crews will be able to use this outage to expedite replacement of the balance of the nose tube panels. A recent newspaper article referencing the Prairie State plant was brought to staff's attention that appeared to imply that the plant was one of several major coal-fired generators in the Midwest that were taking advantage of the current Administration's extension of the deadline for compliance with the CCR Rule. The Prairie State generating facility is and always has been in compliance with the federal Coal Combustion Residue Rule. Prairie State's Near Field landfill is a zero discharge facility constructed with a composite liner and leachate collection system. Groundwater monitoring wells are maintained around Near Field to assure compliance with stringent water quality standards. The recent changes in the CCR Rule to extend compliance deadlines do not impact the operation of Prairie State since the plant is already in compliance with all requirements of the Rule.

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

- Highland ATXI Transmission Project - Discussions between Ameren transmission affiliate ATXI, the City of Highland, and IMEA have paused pending Ameren's due diligence review of the City's 138 kV transmission line that is being offered as part of the proposed transmission loop between the Collinsville and Aviston areas. Assuming acceptable study results, Ameren anticipates resuming work with the City to execute the project memorandum of understanding by the end of the year.
- Fairfield - Proposed System Improvements - Ameren, IMEA, and Wayne White Coop's transmission owner Hoosier Energy continue efforts to draft a limited capacity emergency backup agreement, as requested by the City of Fairfield, that would utilize the normally open 69 kV interconnection with Wayne White located on the north side of town. Ameren has expressed a desire to get this agreement filed with FERC by next month.
- Oglesby - 2<sup>nd</sup> Delivery Point Request - Staff met recently with Ameren to discuss the City of Oglesby's request for a 2<sup>nd</sup> 34.5 kV Delivery Point that would connect the Ameren line between the Ameren Oglesby Substation and the Ameren LaSalle Substation. Ameren sent a draft of the Feasibility Study Agreement which IMEA staff is now reviewing. The study will also include review of the City of Peru's plans to relocate the Water Street Substation 34.5 kV

Delivery Point to a location less vulnerable to Illinois River flooding. IMEA staff is working with the parties to coordinate these Member system improvements with Ameren's concurrent plans for upgrading its LaSalle network.

- Riverton – Commercial/Industrial Growth - Staff continues to stay in touch with the Village of Riverton and Ameren to monitor anticipated commercial/industrial growth that is pushing the capacity limits of the Ameren distribution system serving the Village and in the next few years will likely trigger a substation expansion and a 2<sup>nd</sup> feeder for the Village.
- Power Factor Review - Staff continues to monitor Member power factors, particularly during the peak summer months to make sure the delivery points are within the parameters required by our transmission providers to adequately support voltage levels under normal and contingency conditions. Staff will be reaching out to those members to discuss concerns. Wagner presented slides summarizing the average power factor for the MISO area members during the past 4 month period ending in September as well as the number of hours during that period when power factor fell below 95%. Overall, an improvement has been made when compared with performance two years ago. Staff commends the efforts that have been made by the Members to adjust, repair or expand capacitor bank installations to improve power factor performance. Staff recognizes the recent efforts by Riverton and Cairo that have taken them from operating almost entirely *below* 95% power factor during the summer hours two years ago to operating nearly all hours *above* 95% power factor this past summer. He reminded the Members that continued attention to good power factor performance will help avoid potential penalties from transmission providers and result in greater efficiencies and cost savings in the operation of the distribution systems.

Update on Solar Projects: Chris Jewell reported the following:

- Altamont – Commercial Operation was achieved on August 26<sup>th</sup> and the ribbon cutting was held on September 25<sup>th</sup>.
- Rock Falls – Commercial Operation was achieved on September 18<sup>th</sup> and the ribbon cutting was held on October 8<sup>th</sup>.
- Naperville – Sol Systems is still waiting for the storm water permit from IEPA, however, site mobilization is expected the week of October 26<sup>th</sup>.

Legal Matters – General Counsel Troy Fodor reported the following:

- Mascoutah ICC case – On September 23<sup>rd</sup>, the Illinois Commerce Commission (ICC) entered an Order denying the City of Mascoutah the power of eminent domain for the project to connect its system to the new Ameren substation/ring bus. It is likely Mascoutah will appeal this decision. The ICC's preferred alternate route involves rebuilding a high voltage line owned by Ameren to allow for pole sharing which would significantly increase the cost to Mascoutah.
- Ameren Wholesale Distribution Service (WDS) Future Formula Rate – Negotiations on Ameren's proposed formula rate for WDS have re-started and discussions are scheduled every 2 weeks.
- Wholesale Connection Agreement (WCA) – Negotiations have stalled while Ameren generates 3-party agreements with each Member due to Ameren's insistence that individual IMEA Members connected to Ameren's system must be signatory parties to the agreements. Staff is 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 Board of Directors and will most likely be held in January, 2021 via webinar.

FERC Matters – General Counsel Troy Fodor reported the following:

- Minimum Offer Price Rule (MOPR) – On October 15<sup>th</sup>, FERC entered an Order on the compliance filings made by PJM. The Capacity Auction Schedule has not yet been determined due to another matter pending at FERC which affects one of the elements required for the capacity market floor prices. The schedule will not be set until that Order comes out. The current schedule is for the PJM 2022/23 Delivery Year Auction to be held 6 ½ months after that Order is issued. The new Order continues to verify that IMEA’s existing resources are still exempt from MOPR under the self-supply exemption, although it clarifies that existing resources only include new amounts that have cleared in an auction before the MOPR charges. IMEA will not have an exemption for any new resources or contracts. The new Order appears to prevent IMEA from meeting any short-term replacement needs bilaterally and since IMEA is deemed to be State Subsidized, IMEA will only be able to avoid MOPR by buying from the PJM Incremental Auctions. The new Order accepts PJM’s short term bilateral (one year or less) language, but it is not clear that this will allow IMEA to avoid penalties in a situation where partial year replacement capacity might be required outside of the Incremental Auctions. Further review and analysis will be done and staff will work with PJM on upcoming implementation. The new PJM rules will adversely affect resource planning going forward including any bilateral contracts and replacement capacity transactions.
- Lee DeKalb Wind Farm Reactive Filing – FERC approved the Settlement Agreement and the final reactive revenue that IMEA will be getting from the contracts with these projects is set. Money is still in the escrow account because IMEA has not received the charges from PJM, but will refund PJM the difference between the amounts received and the settlement amounts with interest.
- Green River Wind Farm Reactive Filing – FERC approved the Settlement Agreement and the final reactive revenue that IMEA will be getting from the contracts with these projects is set. Money is still in the escrow account because IMEA has not received the charges from PJM, but will refund PJM the difference between the amounts received and the settlement amounts with interest.
- Incremental Capacity Transfer Rights (ICTR’s) – Changes in the PJM planning parameters, including COVID-19 related load reduction in ComEd, and auction activities looked to potentially reduce the value of IMEA’s ICTRs for the first year of them being effective (next year). Staff along with consultant, Customized Energy Solutions has been meeting with PJM on the interpretation and application of its auction rules, although the discussions have not yet resulted in relief for IMEA. Troy Fodor stated that IMEA may need to file a Complaint at FERC to protect its interests.
- Additional FERC Matters by Public Power – This matter has been coordinated by APPA/TAPS without any direct intervention by IMEA. FERC Order 841 allowed direct participation by batteries and other storage devices in the RTO markets without local utility consent. In September, FERC entered Order 2222 regarding aggregation of Distributed Energy Resources (DER) which generally requires distribution utilities to allow aggregators of DER to have direct access to the RTO markets without the consent of the utility or State/local authority. However, this Order allows State/local authority to control DER as it relates to interconnection, system planning, operations and local reliability, but only allows utilities and State/local authorities to block access to RTO markets if the DER is participating in a program operated by a State or utility. Order 2222 includes an opt-in requirement for small utilities which means that

aggregators of DER cannot participate directly in RTO markets with DER that is on the system of a small utility unless the small utility specifically authorized direct participation in the real time markets. All IMEA Members qualify as small utilities. The RTO's are required to revise their tariffs to implement the Order and issues will be worked out in the stakeholder process. An aggregator of batteries cannot use a battery on a system in the RTO markets without consent, although a stand-alone battery might be able to take part in the RTO market itself without consent.

Economic Development Rate Schedules – Mike Genin stated that staff had reviewed the economic development incentive rates for the coming year and explained that the Trimble County debt service for the 1991 bonds will expire after January 2021. After a financial analysis was conducted, the recommendations are as follows: (1) Offer rates on a dollars per kW/month discount off the normal demand rate, (2) change the B2 rate to 200 kW minimum requirement (currently 150 kW), (3) retail customers must maintain usage requirements each month to remain on the rate, not just one month in that year, 4) monthly load factor requirement for the B2 and B6 rate of 50% which would be suspended if the load factor is not maintained, (5) a power factor requirement of .95 and (6) clarification of process for CEO final approval of all offers under Schedules B-2, B-6 and B-7. The IMEA Executive Board approves offers under Schedule B-4.

Chris Jewell explained that an economic analysis was conducted to ensure that the discounts provided for new load did not cause additional incremental charges to other Member bills. He has created a template to model various customer monthly load patterns and then calculated the expected new energy and demand sales created by adding new customer load. Using current IMEA base energy and demand charges, Jewell determined the wholesale charges that would be recovered from new customer load and calculated the incremental cost of capacity in the market, energy, transmission and distribution (WDS) charges associated with serving additional customer load. Staff wants to set a level that ensures no cost shift to other Members. The results determined the rate structure that would be offered and the requirements of customer based on minimum size and load factor. Mike Genin reported that the Board will have the opportunity to vote on the new rates at the December IMEA Board meeting and any approved rates would be effective starting with March 2021 usage (60-day review required by IMEA contract). He stated that all rates will be reviewed annually. Genin reported on “Green Thumb Industries” which is a national chain of recreational and medical marijuana grow facilities doing business in Oglesby. They have been offered a B7 incentive rate and may utilize 24-hour electric usage. This new load will assist the City of Oglesby in improving their electric system as well as reduce rates.

## NEW BUSINESS

Energy Efficiency and Conservation Program – Rodd Whelpley reported that the Electric Efficiency and Conservation Committee (E2C2) met on October 1 to review the current year's program performance and to make recommendations for FY2021-22. He stated that the current Commercial/Industrial (C/I) measures are lighting, compressors, refrigeration, variable speed drives for HVAC pumps and motors, custom projects and power factor correction and the current residential measures are the light bulb give away, advanced thermostats as well as AC and air source heat pump rebates. He explained that the usage for FY2020/21 is below normal possibly COVID related, but this is not a “use it or lose it year,” so funds will carry over into next year. All incentives are now being paid by direct deposit with Automatic Clearing House (ACH) payment authorizations. Staff will make arrangements with applicants who are uncomfortable with this method of payment.

Whelpley reported that the recommendations for the E2C2 Program are as follows: To keep the C/I and the Residential Programs operating as they currently are; minor changes to comply with Version 9 of the Technical Reference Manual; add more bulb options to the LED Light Bulb Give Away Program; budget \$1 million for E2C2 incentives (same as last year) and lastly, a not-to-exceed \$12,000 consulting contract with CLEAResult to assist in proper energy savings calculated.

Regarding the EV charging station initiative, Whelpley stated that cities may use these funds to establish locally managed programs. Incentives are \$200 for residential EV charging stations or \$500 for EV charging stations available for public use. Two member cities established programs in FY2019-20 and two member cities have established programs in FY2020-21. The recommendations for the EV charging station initiative was to keep operating as it currently is, but should the State's Electric Policy necessitate a change, staff would have to implement a new operational plan and funding terms for the program. The budget will be \$30,000 for FY2021/22 and there is no carryover to the next year. Each city is allocated \$200 and the remaining \$23,600 is divided on a load-share ratio basis.

Resolution #20-10-852 - Approving Baker Tilly Virchow Krause, LLC to Perform Audit of Fiscal Year Ending April 30, 2021 – Chris Wise stated that Baker Tilly's engagement letter shows a 3.0% increase over last year's audit fee and stated this amount continues to be very low compared to other joint action agency fees. Baker Tilly will also perform IPEA's audit (subject to IPEA's approval) at the same time as IMEA's audit. Justin Griffith moved to approve this resolution, seconded by Tim Birk. The resolution was approved by unanimous roll call vote.

Resolution #20-10-853 – Approval of Phase 2 BTM Solar Generation Project in Rantoul – Chris Jewell stated that in April, the Board authorized staff to solicit interest from member cities with an RFP. Staff sent out the RFP for member site selection on May 19<sup>th</sup> and received responses from Naperville and Rantoul. Staff found that site control and flood plain issues prevented a second project in Naperville and site control issues in Rantoul required that staff work with the existing vendor (Altorfer) in order to have enough land for the project. On August 27<sup>th</sup>, the Board authorized negotiations with Altorfer for site expansion in Rantoul. Staff has had weekly calls with Altorfer and worked through all the terms associated with the Power Purchase Agreement (PPA). Staff recommends authorizing the President & CEO to finalize and execute a 20-year Power Purchase Agreement with Altorfer for an approximate 1000kW photovoltaic expansion and to negotiate and enter into a Site Agreement with Rantoul to accommodate the solar project. IMEA staff recommends Board approval of the Resolution at this time. Lucy Podlesny moved to approve this resolution, seconded by Pat Barry. The roll call vote passed unanimously with the exception of Greg Hazel from Rantoul abstaining.

Regional Transmission Rate Changes and Rate Schedule B Transmission Charges – General Counsel Troy Fodor reported that Ameren had posted the results of its inputs to the formula rate for 2021 and held its annual formula rate update meeting last week. He stated that Ameren is increasing their rate to IMEA for transmission service alone \$0.73/kW-month which is a 23.8% increase. The Net Plant for Ameren is projected to increase \$591.5 million in 2021 which is actually \$610.7 Million in new investment before credits are applied decreasing that figure. Ameren's Rate Base is increasing \$504.1 million, and its Revenue Requirement is increasing by \$60 million to \$314.3 million (~24%) for 2021. This is after a \$20.2 million reduction to the Revenue Requirement for over-collection in 2019, but that amount will be added to the rates next year. This increase is due to new investments such as replacing aging facilities. The increased investment causes large increases in certain expense items like depreciation (20%) and income taxes (36%).



Fodor reported that ComEd's Revenue Requirement increased in June 2020 by \$13.4 million. This would have been almost doubled the increase if not for a number of one-time adjustments to the 2020 Revenue Requirement. Staff previously advised that these one-time reductions to Revenue Requirement would be added back for 2021. Fodor stated that ComEd changes its rate twice per year; the first is the new Revenue Requirement in June and the second is a change to the peak demand in January. Staff expects an increase from ComEd in January due to peak loads being down mainly caused by COVID-19 and mild weather. Staff has projected a 7-15% increase in January.

Fodor also reported on increasing administrative fees in MISO and PJM to cover their increasing budget costs which are passed through to IMEA proportionately based on load. The RTOs also pass along other costs such as the 2020 MISO Hurricane Laura uplift cost and the PJM Greenhat FTR default. He explained that ARR/FTR revenues offset transmission costs so they are a reduction to the transmission costs. The congestion has been managed better due to the money being invested in the system which means the revenue credits that IMEA is getting back to offset those costs are going down.

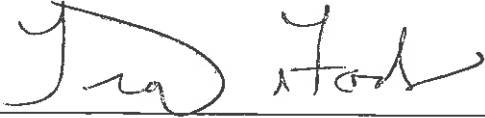
Fodor explained that the last adjustment IMEA made to the Delivery Service Charge (DSC) under Rate Schedule B was in 2016 and was mostly due to a 32% increase in 2015 by ComEd. Since that time, Ameren's transmission rate has increased 70.5% and if ATXI and other transmission owners are included, the increase to the combined AMIL Pricing Zone since 2016 is 87%. ComEd's transmission rate has increased 42% in the last 8 years, including the 32% from 2015. MISO/PJM's transmission-related costs have increased 68.5% since 2016 and the ARR/FTR revenues to offset transmission costs have declined. He stated that the DSC in Rate Schedule B should be increased to recover the transmission rate increases by Ameren and ComEd for 2021 and it is appropriate to reset the base DSC to recover the costs rather than continue to recover those costs through the Cost Adjustment.

CFO Chris Wise discussed the proposed DSC changes for delivery at 100kV and above and delivery at less than 100kV with no current change to WDS. He then summarized a breakdown of how specific monetary values would be applied to the increases previously described. These include resetting the Base Rate for the under recovery of transmission costs through the current DSC rate that IMEA has been recovering through the Cost Adjustment in Rate Schedule B and the Ameren and ComEd increases. If Ameren and ComEd's increases go up, this monthly figure will likely be adjusted. Beginning the summer of 2019, the DSC has been under-collecting for transmission costs and this amount has risen dramatically. He explained that credits for PJM Auction Revenue Rights (ARR's), Transmission Enhancement fees and revenues collected under the DSC have all declined. Transmission costs have increased \$7.8 million from FY2019 to FY2020 and the DSC has not been adjusted to allow for collection of these increased costs. Wise presented a chart showing the trend in IMEA's transmission costs for the last six years in total dollars and a list of the average cost proposed increase by Member which varies by load factor.

Troy Fodor reported that the overall rate will be going down due to the debt service on Trimble County Unit 1 being paid off in January. He discussed specific administrative changes which will be made to the Rate Schedule B and those will be included in the December Board packet. Fodor stated that there is no official action sought today and staff will be seeking approval to the changes in the Rate Schedule B at the December Board meetings. Upon IMEA Board approval of a new Rate Schedule B for transmission, an official notice of this rate change will be mailed out in December and the proposed changes would be effective March 1, 2021 if approved.

Chairman Dale Detmer asked for a motion to adjourn the meeting. The motion was made by Brian Keys, seconded by Larry Taylor and the motion carried unanimously by voice vote. The meeting adjourned at 11:50 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Keys", written over a horizontal line.

Assistant Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
BOARD OF DIRECTORS MEETING  
THURSDAY, OCTOBER 22, 2020**

**MEMBERS PRESENT VIA WEBINAR**

Altamont	Larry Taylor
Bethany	Shannon Risley
Breese	Dale Detmer
Bushnell	Justin Griffith
Cairo	Todd Ely
Carlyle	John Hodapp
Carmi	David Coston
Casey	Shelby Biggs
Chatham	Shane Hill
Fairfield	Tyler Lampley
Farmer City	Sue McLaughlin
Flora	Bob Coble
Highland	Dan Cook
Ladd	Pat Barry
Marshall	Cory Sheehy
Metropolis	Rick Abell
Naperville	Lucy Podlesny
Oglesby	Mayor Dominic Rivara
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**

Freeburg	John Tolan
Greenup	Mike Ryder
Mascoutah	Jesse Carlton
Peru	Jim Lukosus

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

Highland	Jeannie Korte
Naperville	Greg Hubert & Howard Salk
Rantoul	Jake McCoy
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	Sarah Cody
IMEA	Tammy Hall