

# ILLINOIS MUNICIPAL ELECTRIC AGENCY

## REPORT OF BOARD OF DIRECTORS MEETING

THURSDAY, OCTOBER 21, 2021

A regularly scheduled meeting of the Board of Directors of the Illinois Municipal Electric Agency was held in person and also by webinar broadcast pursuant to proper notice from the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on October 21, 2021. 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 combining both in-person attendance and webinar participation as allowed under law during the Governor's continuing disaster declaration for the COVID-19 pandemic. Tim Birk, seconded by Brian Groth, moved for approval of the minutes of August 26, 2021. 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 IMEA 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 either in person or via webinar broadcast 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 explained his vision of how the recently passed Climate and Equitable Jobs Act could lead IMEA to decarbonize its resource mix by 2035, starting in 2030. He stated that members should inform IMEA that they would send five-year nonrenewal notices in 2030 unless IMEA decarbonizes and demonstrates to members that IMEA will be carbon free by 2035. IMEA should begin the transition to carbon-free electricity by 2030 to demonstrate they will be carbon free by 2035. Then IMEA members do not send nonrenewal notices and sign new IMEA Power Sales Contracts for carbon-free energy and IMEA completes decarbonization by 2035. 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 the actual Member power costs were 1.7% under budget to date and the MWh sales to Members was 0.3% above budget to date. Wise reviewed specifics regarding the August and September IMEA invoices and gave projections regarding the October invoices that will be sent out on November 10.

Wise then gave a Rating Agency update indicating that the periodic Moody's review had been completed on February 8, 2021 and that IMEA currently holds an A1 rating with a stable outlook. Moody's contacted IMEA management on October 12<sup>th</sup> for information on the Illinois Climate and Equitable Jobs Act concerning Prairie State. He reported that Fitch's periodic review was presented on October 12, 2021 and that IMEA currently holds an A+ rating with a positive outlook. The Standard & Poor's (S&P) full review was completed on June 1, 2020 with an A rating with a stable outlook. S&P has reached out for data as part of their on-going monitoring and IMEA staff fulfilled that request in September. Bob Coble moved to approve the Treasurer's Report, seconded by Larry Taylor. The roll call showed all in favor.

President & CEO Report – CEO Gaden introduced Gary Stephenson as the new Chief Operating Officer. He has been on staff since Monday, October 18<sup>th</sup>. He was a former VP of Generation and T&D Operations at Dayton Power & Light and the former CEO at Peak Reliability. Gaden reported that Kevin Wagner was planning to retire during the first quarter of 2022. He reported that the building basement design was near completion of the design and the architect’s cost projections, although Staff is holding off getting final cost projections until closer to the actual construction. Staff will review and consider the cost of improvements as part of the FY2022/23 budget and will plan for these improvements to be completed mid-year of 2022. He stated that no staff had been out of the office due to illness related to COVID and there have not been any recent quarantines. The IMEA office will remain open and the meetings will remain hybrid unless conditions change. Gaden explained that IMUA is hosting five informational meetings around the State during the month of November. Topics for these meetings will include the outcomes of energy policy along with an update on energy markets. Gaden stated market energy prices are going up and that natural gas prices for winter 2021/22 are trading at nearly \$5.20/Dth – last year at this time, winter gas was trading under \$3.00/Dth. He reported that IMEA is well hedged and much of the energy costs are mostly fixed and stable. The gas agency, IPEA, has most of its members very well hedged with many procuring over 60-70% of expected gas loads for winter at less than \$3.00/Dth.

Regarding the State/regional update, CEO Gaden discussed the Illinois energy legislation and that there is no clear outcome whether the State can assure long term system reliability and rate affordability. He stated that there are several State programs that will be working through the regulatory process including energy efficiency programs, ComEd investigation by the ICC and expanding renewable energy programs.

Gaden then stated that Bill Gallagher, former CEO of the Vermont Public Power System, APPA Chairman of the Board, Chair of the APPA Climate Change Task Force and TAPS lead on NERC compliance and regulatory efforts, passed away on October 15.

Regarding the Federal update, CEO Gaden stated that President Biden had nominated Willie Phillips, Jr. to replace Commissioner Chatterjee. Willie Phillips, Jr. is a 20-year regulatory attorney, Chair of the Washington DC Public Service Commission and the former Asst. General Counsel at NERC. A Senate confirmation hearing was held October 19 and Senate approval is anticipated. The FERC will soon have five commissioners.

Legislative Update – Staci Wilson reported that the Illinois legislature had passed SB 2408 and explained that this energy bill imposes emission standards across Illinois’ fossil fuel power generation sector aiming for a goal of 100% carbon free by the end of 2045. All non-public coal fueled generation plants have to be closed by 2030. Publicly-owned (municipals and coops) coal-fired generation must be closed or 100% carbon free by the end of 2045. The legislation does call for 45% emission reduction by 2035; and if that level is not met, retire a unit or make adjustments to meet those percentages by 2038. She stated that publicly-owned natural gas facilities are required to be closed by 2045. Non-public gas-fired generation, including peakers and combined cycle, are phased out between the years 2030 and 2045. There is a provision that every five years the Illinois EPA, the Illinois Power Agency and the Illinois Commerce Commission will review the reliability of systems and they have some limited authority to extend those dates on the private entities if necessary. Any smaller unit under 25MW is excluded from all these carbon requirements. Wilson stated that this bill doubles investments in renewable energy and increases Illinois renewable portfolio standard for IOUs; subsidizes Exelon’s nuclear plants (Dresden, Byron and Braidwood) for five years; establishes a goal

of 1 million electric vehicles in Illinois by year 2030; creates new requirements on municipal and cooperative solar net metering; invests in workforce development and transition programs for displaced power plant/energy industry workers and creates opportunities for environmental justice communities and people of color.

Regarding the Federal update, Wilson announced that the U.S. Senate had passed the infrastructure bill that includes provisions that make significant investments in energy infrastructure. These include investments in EV supply equipment, cybersecurity and research & development for cutting edge energy technology. She stated that the Build Back Better Act, worth \$3.5 trillion, was being considered, although no consensus yet. Subtitle D of the Build Back Better Act includes the Clean Electricity Performance Program (CEPP). The CEPP requires load-serving entities to increase their non-emitting electricity by 4% each year from 2023 through 2030. Utilities that meet the goal would be eligible for grants from the Department of Energy (DOE) to fund their clean energy transition, reduce rates for customers or retain workers. Utilities failing to meet the annual goal would have to pay DOE a fee based on a formula. Current discussion may amend or remove this provision. As of today, there are disagreements on the size and scope of the overall package. Wilson also reported that there are stopgap and temporary deals in place until early December to extend the nation's debt limit and avoid a government shutdown.

## **OLD BUSINESS**

**Operations** – Alice Schum reported that IMEA had participated in the peak shaving program located in ComEd again this year using the Winnetka and Rock Falls behind the meter generation. Estimates show IMEA hit all 5 peaks in both PJM and ComEd. IMEA tries to hit the five coincident peaks in each region to reduce transmission (ComEd side) and capacity (PJM side) costs for the following Planning Year. The estimated savings of \$2.4 million is based on current predictions of capacity and transmission costs for the next Planning Year. The actual peak megawatt values are posted by PJM on December 1<sup>st</sup> along with the Peak Load Contributions. The capacity savings aren't posted until early March of 2022 which is after the results of the 3<sup>rd</sup> Incremental Auction for 2023/2024 will be posted. Schum offered thanks to Winnetka and Rock Falls for all their hard work. Schum stated that the 2023/2024 Base Residual Auction is delayed again and won't be held until late January of 2022 with results scheduled to post on February 7<sup>th</sup>. The 3<sup>rd</sup> Incremental Auction for 22/23 is scheduled to start on February 28 of 2022 with results posted on March 11. IMEA completed the required annual resource tracking certification.

Regarding the MISO Regional Transmission Organization, Schum explained that all of the IMEA capacity units have been registered for the 2022/2023 Planning Year. The 2022/2023 MISO forced outage (EFORD) rates are scheduled to be posted on December 1, 2021. The RTOs assign probability values to what level they expect the units to be at when dispatched. This is what creates the EFORD rates assigned by MISO. IMEA noticed an increase in congestion costs when a large MISO baseload plant was down for maintenance during a week that another large baseload plant was also down for an outage. Market prices in both RTOs have been up recently due to higher natural gas prices.

Schum presented a chart which showed the MISO Emergency Events that have been called for Illinois Zone 4 in MISO since 2017. They have been increasing and could get worse as additional baseload units get shut down in Zone 4 in 2022. When dispatched, IMEA must follow dispatch or be penalized. Schum reported that IMEA had hosted an internal G & T meeting with one of its consultants to discuss RTO strategies, optimization of IMEA assets both short and long term, changing dynamics in Illinois

Zone 4 with power plants closed or closing, Incremental Capacity Transfer Rights (ICTR) and Member Services Infrared Scanning Services.

Schum explained that Hoosier Energy was scheduled to close on the purchase of the Fairfield 138kV and 69kV assets on October 29, 2021. Hoosier will work with MISO to have these assets classified as Transmission assets. Hoosier does not foresee a problem as their other 69kV assets are considered transmission by MISO and expect the study to take about six months. It is anticipated that the lines will then be included in the AMIL pricing zone. IMEA has coordinated with MISO and Hoosier on how this will be accomplished through the markets after the purchase of the assets, but before MISO accepts the assets as transmission and after the classification has been completed.

Trimble County: Kevin Wagner reported the following:

- The plant is continuing its good safety performance with no employee injuries since last October. Congratulations to the plant for one year without an employee recordable. A couple of accidents involving contractors did occur recently – one involving a boilermaker who suffered an arm laceration and the other involved a leg injury suffered by the operator of an asphalt roller working at the landfill. As of the end of September, the plant had no employees testing positive for COVID. However, several contract crews on site for the TC1 maintenance outage had to be quarantined when some of their employees tested positive. Consequently, the plant has continued to impose masking and distancing requirements in certain areas and limit visitor access. The plant's YTD Equivalent Availability Factor (as of Sept 30th) is 83%. The Equivalent Forced Outage Rate (as of Sept 30th) is 3.0%. Both of these performance numbers have shown good improvement over the critical summer months this year. TC1 has had no maintenance issues since the boiler leak and slag fall in July that tripped the unit. TC2 has remained on line all summer with only occasional derate for boiler deslagging or infrequent coal mill issues. The plant is wrapping up the six week scheduled maintenance outage of TC1 that began September 18<sup>th</sup>. Boiler inspections and repairs wrapped up last weekend and scaffolding is in the process of being dismantled. The boiler tubing chemical clean started this week and will be the last task to be completed before the unit is scheduled to return to service by month's end. Regarding the coal combustion treatment and transport project, the landfill cell liner installation is being completed; and the issuance of the operating permit is expected by mid-2022. The contractor for the Effluent Limitation Guideline compliance work has now mobilized in preparation for meeting the federal requirements for waste water discharge. IMEA staff participated in the annual owner's Joint Coordination Meeting that was held remotely on August 31<sup>st</sup>. Key service indicators show the plant's YTD net generation and equivalent availability have been above budget target. Most of the forced outages YTD have resulted from boiler or condenser tube leaks. We discussed in detail the landfill, pond closure and effluent compliance activities. We reviewed the status of coal suppliers and anticipated fuel costs for the plant. Maintenance outage activities from this year and last year were reviewed as well as maintenance initiatives that invest in better training for a younger workforce, proactively reduce downtime of high-wear equipment like the coal mills and better plan for the acquisition and storage of critical spare parts given the potential for protracted supply chain issues. The plants' budget for this year and next were reviewed with the expectation that IMEA's cost share for 2022 may be lower. Some of the drivers for the five year investment plan include upgrades for the coal handling facilities to address corrosion, boiler and scrubber component replacements to extend the life of TC1 and high pressure piping inspections/repairs as well as waterwall panel replacements in TC2.

Prairie State: Kevin Wagner reported the following activities:

- The plant is continuing to maintain zero recordable safety incidents in 2021. On the mine side, eleven recordables have occurred so far this year. The plant is seeing a much improved situation with COVID cases among its employees. Masking and/or social distancing requirements are continuing where possible throughout the campus with restrictions on outside visitors. The owner committee meetings are continuing to remain remote for now. As of September 30<sup>th</sup>, the plant's YTD Equivalent Availability Factor (EAF) was 89%. The plant's Equivalent Forced Outage Rate (EFOR) was 5.2%. EAF averaged 96% for the June through September months. Congratulations to the plant for an outstanding performance this summer. Units 1 experienced a 2 ½ day outage in early September due to a boiler leak in the nose tube area. Up until that point, the unit had been on line since May 8<sup>th</sup> making that the longest continuous run for Unit 1. Unit 2 experienced a one day outage on September 12<sup>th</sup> due to problems with its air heater. Otherwise, that unit had been on line since June. No unit outages are scheduled for this fall or for next spring. The next scheduled maintenance outages for Units 1 and 2 are set for fall 2022. Last month, the PSGC owners did approve next year's capital and operating budgets. Total operating and capital expenses next year (on a \$/MWhr basis) are expected to be consistent with the past couple years and current YTD costs (for 2021 on a \$/MWhr basis) are running lower than what was originally budgeted.

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

- Mascoutah – 138 kV Tie Lines to Ameren Hilgard Switching Station - The City is working to resolve the adverse Illinois Commerce Commission decision on the City's case to acquire the right of eminent domain for the south 138 kV tie line route. The foundations for the structures on the south tie line are expected to be poured late next month with a spring 2022 completion date still anticipated for the line. On September 27<sup>th</sup>, the City held an informational meeting for the property owners along the north 138 kV tie line route. The meeting is believed to have been generally well received by those in attendance. Hansen Engineering, the City's new right-of-way agent, will start individual discussions with the property owners next month.
- Winnetka – ComEd Rebuild of 12 kV Tie Line to Village & 2<sup>nd</sup> 138 kV Transformer and Metering Point at Northfield Sub - The Village and IMEA staff are currently waiting on ComEd to reschedule the meeting to discuss the ComEd plan to update its wholesale distribution charges to reflect the costs of recent system improvements. For the expansion project at the Northfield Substation, the Village has issued the purchase order for the 138 kV metering PT/CTs that will be used at the new 2<sup>nd</sup> metering point. IMEA will ultimately reimburse the cost for the metering portion of Member delivery points. The Village has installed the new 12 kV switchgear at Northfield and expects the 2<sup>nd</sup> 138/12 kV transformer to arrive by the end of March. The Village now anticipates the project to be in service by early May of next year.
- Highland - Ameren ATXI Transmission Project - Proposed 138 kV Loop - Ameren is finishing engineering and title due diligence on the section of City-owned 138 kV line that will be acquired once the proposed 138 kV loop to Aviston is completed, likely by the end of 2025. Staff anticipates a draft from Ameren soon of the Asset Purchase Agreement and identification of the approvals and permits required by the parties before actual construction can begin.
- Member Power Factor – Summer Performance - Good progress has been made in our Member delivery point power factors during the critical summer months (June through September). For

the entire IMEA membership, only one Member fell below the 95% average power factor threshold this year compared with three Members in 2020. When looking at the percentage of hours when power factor was less than the 95% threshold, there were only three Members with 20% or more of hours less than 95% PF this year compared with five Members last year. Focusing on just the Ameren area Member delivery points (that will soon be subject to greater penalties for poor power factor under the Ameren Wholesale Connection Agreements), staff found that the number of delivery points were falling short of 95% power factor at the time of the monthly Ameren peak this year which was roughly half the number who fell short in 2020. While there is work to do at a few locations, overall, staff is pleased with the progress made to date by our Members on improving their power factor.

Update on Solar Projects: Chris Jewell reported the following:

- Rantoul Phase 2 – The ribbon cutting for the dedication of the Rantoul Phase 2 project was held on Friday, October 1 and attendance included local elected officials and state representatives. Jewell offered thanks to Jake McCoy and the Rantoul Public Works team for their efforts to make it a successful event.
- Utility Scale – IMEA staff continues to have discussions with solar developers regarding utility scale projects, however, MISO/PJM transmission planning queue delays continue to challenge the timing of these projects and the ability of developers to provide firm pricing. Supply chain issues also continue to increase short-term pricing. Staff has received unsolicited offers regarding medium size projects (2-10MW) connected to member distribution systems. Jewell explained that developers are securing land options throughout the State and have acquired options for land close to member communities. There has been recent activity around four different member systems and he stated that there is the potential opportunity for better pricing given a larger system size but that the larger system size would require additional analysis of local distribution system impacts. Staff will continue to review options as cost-effective opportunities arise and will report the status towards potential development.
- Member BTM Solar Projects – IMEA staff provided notification to Marshall, Mascoutah, Oglesby and Princeton of the IMEA Board’s decision regarding site selection and is working to update the vendor RFP to include lessons learned from previous projects regarding financial security and contract assignment provisions. Jewell reported that additional updates are being done to the RFPs to allow for an option for build/transfer arrangement if Congress allows public entities to benefit directly from incentives for renewable projects. Survey and geotechnical work is being arranged at each of the sites and those will become exhibits in the RFPs.

Legal Matters – General Counsel Troy Fodor reported the following:

- NERC/SERC Matters – IMEA staff requested SERC consider the de-registration of the Village of Chatham as a Distribution Provider under NERC’s rules. SERC’s draft determination received last week would require Chatham and/or CWLP to register as a Transmission Owner and possibly also as a Transmission Operator for certain system components owned by Chatham that are part of the Bulk Electric System. Staff is working on a strategy to respond to SERC and reached out to coordinate with CWLP. Staff is engaging David Hilt as a consultant. IMEA has used Mr. Hilt on previous NERC/SERC issues.

- FERC Matters – On July 15, 2021, FERC issued an Advanced Notice of Proposed Rulemaking proposing reforms to its transmission policies and requesting comments. This process could result in significant changes to the transmission planning process, cost allocation and generator interconnection rules. Numerous industry entities submitted comments on or about October 12, 2021, including APPA, TAPs and NERC. FERC wants to finalize these new rules by late 2022. Regarding PJM’s new Minimum Offer Price Rules (MOPR), FERC allowed the changes to go into effect without order. These rules are applicable for Delivery Year 2023/2024 Base Residual Auction in January 2022 and reduces the impact of MOPR on many entities including IMEA.
- Incremental Capacity Transfer Rights (ICTRs) – IMEA filed its FERC Complaint against PJM on May 28, 2021 citing that PJM had reduced IMEA ICTRs from 1097 MW to 516.2 MW and claiming that PJM violated the Tariff and Upgrade Construction Service Agreement; violated the Tariff in initially calculating capacity transfer rights by not basing them on imports; and that PJM’s implementation was unjust and unreasonable and the reduction of ICTRs was unduly discriminatory and preferential. IMEA’s requested relief is for damages through refunds plus interest and that FERC require PJM to follow the tariff in the future. Staff is awaiting an Order from FERC.
- Build America Bonds Payment Sequestration Lawsuit – Prairie State public power entity owners filed a Complaint against the U.S. Government with the Federal Court of Claims. The Court ruled to dismiss the case on July 23, 2021 and the public power entities filed a Motion to Reconsider on August 20, 2021. The U.S. Government filed a Response on October 4 and a Reply was submitted on or before October 18. Staff is awaiting an order from the court.
- Ameren WCA/UCA – Ameren is insisting that individual IMEA Members connected to Ameren’s system to be signatory parties to the agreements, even though IMEA is the transmission and WDS customer. IMEA staff is in final review and will be negotiating with Ameren using the new delivery point in Oglesby as the first WCA/UCA using the yet to be approved format. IMEA staff will plan 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.
- Mascoutah – The Appellate Court Opinion was issued on August 9, 2021 stating that it had no jurisdiction for a direct appeal from the ICC on this type of case. The appeal will have to be restarted in the Circuit Court. The ICC has filed for a Rehearing with the Appellate Court.

Ameren Transmission Increase – General Counsel Troy Fodor reported that Ameren had posted the results of its inputs to the high-voltage transmission formula rate for 2022 and held its annual formula rate update meeting last week. He stated that Ameren had increased their Net Plant by \$510.5 million and their Rate Base by \$426.2 million for 2022 which is a 16% increase. The increased investment causes large increases in certain expense items, such as depreciation (13%) and income taxes (17%). The Revenue Requirement for Ameren Illinois increased by \$77.2 million to \$391.5 million (25%) for 2022. Fodor noted that \$17.8 million of this increase is a true-up from 2020 due to lower peak demands (COVID). The bottom line rate increase for Ameren is \$0.79/kW-month (20.8%) from \$3.795/kW-month to \$4.585/kW-month. Fodor explained that other transmission owners that collect their charges through the Ameren Pricing Zone have also increased their revenue requirements, driving the rate in the Ameren Pricing Zone for transmission to \$5.03/kW-month for a total increase of 25%.

These entities are ATXI, Prairie Power Inc., Hoosier and Gridliance. The increase for these entities from 2021 to 2022 is 20.3% and is on top of the increase from 2020 to 2021 of 85%.

ComEd Transmission Increase - Fodor reported that ComEd changes its high-voltage transmission rate twice per year; the first is the new formula rate inputs and revenue requirement in June each year and the second is a change to the peak demand in January of each year. As such, ComEd posted its new formula rate inputs and revenue requirements last year after IMEA adjusted its delivery service rates in December. The ComEd rates that were effective in June 1, 2021 were a 10% increase over the prior period; in setting IMEA's new delivery service rates in December last year, IMEA Staff assumed only a 7% increase. While the peak loads did recover some for 2021, based on past trends, IMEA Staff believes that ComEd will continue to make investments in its system that increase its net plant and increase its revenue requirement in the coming year. Staff believes that the ComEd rate will go up by at least an additional 7% in 2022.

Fodor also reported that MISO and PJM costs are expected to continue to increase. In MISO, the largest increases were Schedule 26 (regional multi-value projects that span zones) increased by 9%; Schedule 26A (different category of regional multi-value projects) increased by 4% and ancillary blackstart and reactive services increased by 23%. In PJM, the largest increases were transmission enhancement charges (regional multi-value projects that span zones) increased by 77% and reactive and ancillary services increased by 41%. Congestion costs went from being a net credit to a net charge this year – Staff assumed an increase of \$350,000, based on the information they had at the time.

Fodor then discussed that the delivery service charges implemented last year by IMEA have under-recovered transmission costs because a number of transmission related costs came in higher than estimates. These include the ComEd rate increase in June 2021 and the increases by the non-Ameren Illinois Transmission owners in the Ameren Pricing Zone, as well as the MISO and PJM costs. He stated that peak loads were also down last year for IMEA, primarily due to the pandemic. He explained that the delivery service rates to be addressed later in the agenda assume that these cost increases will continue and that there will likely be a return to a normal level of peak load for IMEA.

## NEW BUSINESS

Resolution #21-10-862 – Approving Baker Tilly US, LLP to Perform Audit of Fiscal Year Ending April 30, 2022 – Chris Wise stated that Baker Tilly's engagement letter shows a 2.8% 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. Mayor Dominic Rivara moved to approve this Resolution, seconded by Brian Keys. The Resolution was approved by unanimous roll call vote.

Annual Review of Revenue Requirements for IMEA Rate Schedule B – CFO Chris Wise reviewed the transmission costs and the Delivery Service Charge (DSC) in the current Rate Schedule B. He reported that the intent of review is to make sure the DSC is sufficient to recover current charges and that transmission costs stay in the DSC and do not flow through the energy cost adjustment. The review evaluates transmission increases that are not included in the current DSC along with planned increases from transmission owners. The review will result in a recommendation to the IMEA Board to make changes to the Rate Schedule B when appropriate and at this time, Staff is recommending an increase to the DSC. He gave estimates of Debt Service Coverage standing and ending days of operating cash for the current fiscal year. He stated that other charges within Rate Schedule B are sufficient to cover IMEA's Revenue Requirement. Wise stated that the DSC in Rate Schedule B



should be increased to recover the transmission rates increases by Ameren and ComEd for 2022. It is also appropriate to reset the base DSC to recover fully for all transmission costs, rather than recovering these costs through the energy cost adjustment. Since the last increase on March 1, 2021, the DSC has not been collecting sufficiently to cover transmission costs for the year. Wise presented a chart showing the trend in IMEA's transmission costs for the last seven years in total dollars. He then explained the proposed DSC changes for delivery at 100kV and above and for delivery at less than 100kV and gave a breakdown of the dollars per kW/month increase. He presented a bar chart reflecting the effect of transmission on Member average cost and noted that 2021 power cost was higher due to load loss because of COVID lockdowns. He also provided a list of the average cost proposed increase by Member which varies by load factor.

Amending Ordinance #21-10-863 - CEO Gaden explained that the Rate Schedule B attached to Ordinance #21-10-863 in the Board packet which was distributed last week had a couple of typographical errors on Page 2 referring to cross-referenced Sections within the document. Gaden explained that these changes were all editorial and none were substantive and then reported that those errors had been corrected and a clean version is now attached to Ordinance #21-10-863. General Counsel Fodor identified the corrections. Gaden stated that it would be necessary to seek a Motion to amend Ordinance #21-10-863 as described and then ask that the amended Ordinance be considered for approval. Bob Coble made a motion to amend Ordinance #21-10-863, seconded by Mayor Dominic Rivara. A unanimous roll call vote showed all in favor.

Ordinance #21-10-863 – Approval of IMEA Rate Schedule B – Chris Wise reported that the proposed Rate Schedule B, as amended, reflects an increase to the Delivery Service Charge. This will adjust the rate to account for Ameren and ComEd pricing zone increases and ensures that current transmission costs are collected through the Delivery Service Charge and not the IMEA cost adjustment mechanism. Staff recommends the approval of this Ordinance. Bob Coble made a motion to approve this Ordinance, seconded by Mayor Dominic Rivara. A unanimous roll call vote showed all in favor.

Ordinance #21-10-864 – Approval of IMEA Load Retention and Economic Development Rates – Chris Jewell stated that IMEA Staff reviews the economic development rates annually in order to make any needed adjustments. The current rate structure provides for a discount to the standard rate as opposed to a fixed rate. This structure insures that other rate increases such as transmission charge adjustments are accounted for and the analysis of rates shows that any load added will not cause rate increases for other members. Jewell reported that no customers were added to the new rate structure since the updates were made last year. Staff recommends approval of the extension of Economic Development Rate Schedules B-2, B-6 and B-7 and Load Retention Rate B-4. Larry Taylor made a motion to approve this Ordinance, seconded by Tim Birk. A unanimous roll call vote showed all in favor.

Resolution #21-10-865 - Approving New 34.5 kV Delivery Point for Oglesby – Kevin Wagner explained that the City is currently served by a single 34.5 kV radial line from Ameren that has experienced a number of extended outages during the past several years. The City is experiencing considerable commercial/industrial growth on its west side that is dependent on the City's Mallick Road Substation which is fed through a single, City-owned 34.5 kV line originating at its Phoenix Substation located at the City's existing delivery point. The City has determined that the most cost effective means to achieve more reliable service for both the growing west side developments and for the City as a whole, is to expand the Mallick Rd Sub to create a two-transformer configuration and tap an Ameren 34.5 kV line running near Mallick Road as a second 34.5 kV Point of Delivery for the City. Ameren performed an interconnection study for this new delivery point that included in the study

models other planned system improvements for the area and determined that no Ameren system upgrades would be required to accommodate the proposed Oglesby second Delivery Point. Aside from the metering costs that IMEA typically covers, the City accepts full cost responsibility for establishing and maintaining this proposed delivery point. IMEA Staff recommends that the IMEA Board approve Resolution #21-10-865 approving the second 34.5 kV delivery point for the City of Oglesby.

Brian Keys made a motion to approve this Resolution, seconded by Rick Abell. The motion carried by unanimous roll call vote.

Update on the Energy Efficiency & Conservation Program (E2C2) – Rodd Whelpley stated that the current Commercial/Industrial (C/I) measures under E2C2 are lighting, compressors, refrigeration, variable speed drives for HVAC pumps and motors, and custom projects. There is also a power factor correction measure, which is for municipals only. The current residential measures are the light bulb give away, advanced thermostats as well as AC and air source heat pump rebates. He reported that the total number of finished projects since the program began in FY2009/10 is 930, the incentives paid are approximately \$9.7 million and the total first-year savings of all measures is approximately 89,000,000 kWh. He reminded Members that this is a “use it or lose it” year and there is still plenty of funding to be allocated before April 30, 2022. Whelpley explained that there is \$30,000 available each year for incentives for the members to set up programs in their communities to incentivize Level 2 and Level 3 electric vehicle (EV) charging stations and two members have established programs in each of the last three fiscal years. There are currently 33 residential EV charging stations that have been incentivized and 3 EV charging stations that are available for public use.

Whelpley stated that the E2C2 Committee had met on October 15, 2021 and had recommended the following;

- 1) Continue the Electric Efficiency Program for another three years,
- 2) Increase the amount of incentives available for EV charging stations and municipal/utility-owned/leased EV’s from \$30,000 to \$250,000 per year,
- 3) Allow flexibility to transfer funding from the EV Program into the Electric Efficiency Program and
- 4) Roll over of “use it or lose it” amounts remaining on April 30, 2022.

Whelpley stated he would present these recommendations in more detail at the December IMEA

Chairman Dale Detmer asked for a motion to adjourn the meeting. The motion was made by Mayor Dominic Rivara, seconded by Brian Groth and carried unanimously by voice vote. The meeting was adjourned at 12:02 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
BOARD OF DIRECTORS MEETING  
THURSDAY, OCTOBER 20, 2021**

**MEMBERS PRESENT**

Altamont	Larry Taylor
Bethany	Shannon Risley (via webinar)
Breese	Dale Detmer
Bushnell	Joe Fosdyck (via webinar)
Carlyle	John Hodapp (via webinar)
Carmi	David Coston (via webinar)
Fairfield	Mayor Mike Dreith (via webinar)
Farmer City	Sue McLaughlin (via webinar)
Flora	Bob Coble
Freeburg	John Tolan (via webinar)
Ladd	Pat Barry (via webinar)
Mascoutah	Jesse Carlton (via webinar)
Metropolis	Rick Abell (via webinar)
Naperville	Brian Groth
Oglesby	Mayor Dominic Rivara
Princeton	Jeff Mangrich (via webinar)
Rantoul	Jake McCoy (via webinar)
Red Bud	Josh Eckart
Riverton	Jim Mileham
Roodhouse	Mayor Tom Martin
St. Charles	Peter Suhr (via webinar)
Waterloo	Tim Birk
Winnetka	Brian Keys (via webinar)

**MEMBERS ABSENT**

Cairo	Vacant
Casey	Shelby Biggs
Chatham	Shane Hill
Greenup	Mike Ryder
Highland	Dan Cook
Marshall	Cory Sheehy
Peru	Jim Lukosus
Rock Falls	Dick Simon
Sullivan	Mayor Richard Glazebrook

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

IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Kevin Wagner
IMEA	Cindy Evans (via webinar)
IMEA	Chris Jewell
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Sean McCarthy
IMEA	Rodd Whelpley
IMEA	Shadi Ahanchi (via webinar)
IMEA	Tammy Hall
Guest	Jean Korte (Highland) (via webinar)
Guest	Greg Hubert & Howard Salk (Naperville) (via webinar)