

**ILLINOIS PUBLIC ENERGY AGENCY
BOARD OF DIRECTORS MEETING
APRIL 27, 2022**

A meeting of the Board of Directors of the IPEA was held pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois, on April 27, 2022. Chairman Cory Sheehy called the meeting to order at 12:00 p.m. Roll call was taken which showed a quorum was present by combining both in-person attendance and teleconference participation as allowed under law during the Governor's continuing disaster declaration for the COVID-19 pandemic.

Shannon Risley made a motion to approve the minutes of December 16, 2021, seconded by Mike Lebshier. The roll call vote showed all in favor.

The Treasurer's Report for February was presented by Tia King. She reported that the cash balance was \$508,252 compared to \$578,152 last February. King stated that gas revenue for the month had decreased by 69% from the previous year and the price per Dth average had decreased by \$8.83 from the previous year. She also stated that Dth sales for the month had decreased by 17% from the previous year. She explained that Winter Storm Uri caused all of these values to be skewed in February of 2021. With there being no questions, Shannon Risley made a motion to approve the Treasurer's Report, seconded by Mayor Tom Martin. The roll call vote showed all in favor.

Opportunity for Public Comment: Chairman Sheehy stated that pursuant to the Open Meetings Act, any person in attendance or via telephonic conference call shall be permitted an opportunity to comment. He then asked if anyone would like to make a comment and hearing none, the meeting continued.

President & CEO Report – Regarding the Federal update, CEO Gaden reported on the Social Cost of Carbon as calculated by Federal agencies to determine federal approval at FERC and other agencies. He stated that the Obama/Biden Administration had placed a Social Cost of Carbon at \$51/ton to analyze emissions costs when evaluating projects based on least cost options. The Trump Administration reduced that number to \$7/ton, although the Biden/Harris Administration moved it back to \$51/ton. A Louisiana judge ruled that the \$7/ton Social Cost of Carbon should stay in place, however, the 5th District Court of Appeals ruled recently that the \$51/ton order would stay in place. Gaden explained that new petroleum refineries and pipelines will be analyzed to determine the least cost option by the Federal government at \$51/ton and it's likely these projects will face tighter scrutiny for Federal approval through FERC, EPA and others.

CEO Gaden stated that the IPEA members' gas hedging actions have saved customers millions of dollars annually and other wholesale suppliers' customers are paying more than IPEA customers. He reported that the IPEA/Constellation Agreement allows and supports members locking in gas hedges beyond the current IPEA Supply Agreement dates. He stated that members should continue to hedge even in very volatile periods and to consider

utilizing the Discount to Index Program. Gaden welcomed new Martinsville Board Member, Todd Shaffner, the current Gas Superintendent, replacing Terry Gard who retired in February. He also thanked Cory Sheehy for all his work as Chairman of IPEA since he is not seeking re-election to the IPEA Chair. Cory is the longest serving Chair of the IPEA Board since its formation in November of 2004. Gaden noted that the City of Marshall has held the Chair seat for 15 of the 18 elected Boards since IPEA was formed.

Market Update - Brandon Fong from Constellation gave an overview of natural gas prices amid the turmoil of the Russian-Ukraine war. He stated that an interruption of energy flows into Europe poses the biggest price risk to international natural gas markets although a disruption of energy flow from Russia to Europe shouldn't impact the US natural gas balance sheet. US LNG exports continue to max out at infrastructure capacities. Fong stated that underground storage is 17% below last year due to strong winter withdrawals and cooler spring weather. He reported that Constellation's outlook is for a hot summer suggesting that cooling demand/power burn stemming from hotter temperatures will be a crucial determinant in rebuilding historically low storage inventories and could put the regional grids at higher risks. Fong stated that prices have taken off despite the limited domestic fundamental impact to natural gas from the war in Ukraine. Low gas inventories, continued uncertainty from war impacts and general commodities bullishness are the likely drivers to the upward momentum. Fong then presented charts representing the NYMEX Henry Hub natural gas forward curve.

Ordinance #22-04-181 – Adopting and Approving Revised Budget for the Fiscal Year ending April 30, 2022 - Tia King presented the revised fiscal year 21/22 budget stating that Dth sales were running 0.2% lower than the original budget projection and the Management and Administrative Services paid to IMEA decreased by \$700 due to lower Dth sales. With there being no questions, Mike Lebshier moved to approve this Ordinance, seconded by Jake McCoy. A roll call vote was taken showing all in favor.

Ordinance #22-04-182 - Adopting and Approving Budget for the Fiscal Year ending April 30, 2023 - Tia King reviewed the budget for fiscal year 2022-23 stating projected sales are based on the last five-year average gas volumes. Volumes are estimated to increase by 1.6% compared to current year projections. The IMEA Management Fee increased by \$1,900 due to higher Dth sales projected for FY2022-23. With there being no questions, Shannon Risley moved to approve this Ordinance, seconded by Jake McCoy. A roll call vote was taken showing unanimous approval.

Legislative & Regulatory Update - Staci Wilson reported that it was an abbreviated Illinois spring legislative session this year although there were a similar number of calendar days. One of the major energy pieces was the Climate and Equitable Jobs Act (CEJA) trailer bill which expanded funding sources for some transition programs. The bill also clarified that co-pollutants can be emitted outside of emission caps if generation is declared necessary for reliability purposes by a Regional Transmission Organization (RTO).

Wilson stated that the Budget Implementation Bill did expand the Energy Assistance Act. There are weatherization programs in law already, but the program was expanded to include renewable energy retrofits. She also reported on SB 1104 which would create an Illinois Regional Generation Task Force which would review resource adequacy and reliability. This task force would monitor the reliability of the power grid, consider present and future needs of Illinois consumers while simultaneously addressing any issues related to the performance and reliability of power generation and transmission. This bill passed the Senate, but ultimately did not gain any traction in the House.

Wilson reported on SB 3939 regarding cybersecurity training. This measure requires every employee of a county or municipality to annually complete a cybersecurity training program. The Department of Innovation and Technology (DOIT) will make a program available that complies with that training, although employers can use their own programs to complete the training as well. The training currently provided by IMUA meets the requirements of the statute. She explained that a municipality with a population over 35,000 must designate a local official or employee to act as a primary point of contact for local cybersecurity issues with DOIT and DOIT will also establish a liaison program to advise and assist units of local government on cybersecurity issues. SB 3939 passed both the House and Senate and is expected to be signed by the Governor.

At the Federal level, Wilson reported that the Build Back Better Act is still being discussed in various forms, but still remains very uncertain. We continue to support the accessibility to direct pay and for non-profits to be able to receive these tax credits directly even with non-taxable status. She also discussed that APGA testified before the House Committee on climate crisis. That committee hearing was called the “Cost Saving Climate Solutions: Investing in Energy Efficiency to Promote Energy Security and Cut Energy Bills.” The Chairman of the committee noted that the Biden administration is updating energy conservation appliance standards and modernizing energy codes for federal buildings. APGA President Dave Schryver’s testimony highlighted an “all of the above” energy policy pursuing solutions to invest in affordable, reliable and efficient natural gas-fired appliances and infrastructure required for industry transition.

Wilson reported that EPA has issued a draft proposal that if finalized will raise qualifying efficiency for gas-fired storage water heaters. They can only be met by heat pump technology. Therefore, there wouldn’t be an option for Energy Star designation on any type of natural gas water heaters. She stated that APGA met with the EPA and stressed the importance of the Energy Star certificate to continue for high efficient gas fired appliances. She then reported that the Biden administration budget had included \$4 billion for LIHEAP along with a LIHEAP Advantage Pilot Program. This program proposes spending \$100 million on a pilot program to retrofit low-income homes with electric appliances and systems administered through the DEO Weatherization Assistance Program.

Interstate Transmission Pipeline Delivery Charges – Mike Genin reported that Panhandle Eastern Pipeline (PEPL) had filed for a 300-400% rate increase in late summer of 2019 that had impacted Bushnell, Edinburg and Roodhouse. Since that time, these municipalities have been paying new transportation rates, subject to refund. Initially, the Administrative Law Judge on the case at FERC ruled preliminarily for about a 4% increase although FERC has not yet ruled. Genin stated that ANR Pipeline had filed for an increase which impacts Rock Energy. Northern Natural Gas (NNG) is filing a rate increase before July which will impact Rock Energy and Jo-Carroll Energy. The Natural Gas Pipeline (NGPL) informal process is proceeding with an anticipated settlement soon and both Bethany and Sullivan have signed 3-year extensions with NGPL.

Member Competitive Position – Genin presented a chart showing NYMEX natural gas price increases from 2019 to current reflective of the recent price volatility in the gas market. Genin explained that over 75% of IPEA members are hedged into the 2023-2025 time period. He stated that the IOU's are passing through the costs from the February Winter Storm Uri to customers over multiple months. Examples of these cost adjustments are Nicor at \$11.10/Dkth; MidAmerican IL at \$9.39/Dkth and AmerenIL at \$7.08/Dkth. He also noted that IPEA/Constellation will be sending updates regularly with price quotes for members to consider future gas hedging opportunities.

Authorizing CEO to Negotiate Natural Gas Supplier Contract or Extension – CEO Kevin Gaden discussed the process and results from the Board's request to solicit information from other suppliers for comparison purposes to Constellation. IPEA staff solicited four regional gas suppliers for qualifications, experience, cost/rates and financial stability. He explained that Constellation had a few items they felt would be important to amend their current agreement. After review of all the information provided from the gas suppliers and in the best interest of the IPEA members, the IPEA staff recommended authorizing IPEA staff to seek an 5 year extension from Constellation. Mike Lebshier moved to authorize the CEO to negotiate natural gas supplier contracts or extensions with Constellation, seconded by Jake McCoy. A roll call vote was taken showing unanimous approval.

Update on Natural Gas Distribution Infrastructure Safety and Modernization Grant – Rodd Whelpley explained that the Natural Gas Distribution Infrastructure Safety and Modernization Grant will only be available to publicly and community owned utilities to repair, rehabilitate or replace natural gas distribution pipelines, or portions thereof, or to acquire equipment to reduce incidents and fatalities and to avoid economic losses. He reported that \$1 billion in grant funding is set to be distributed over the next five years and will be administered by the Pipeline and Hazardous Materials Safety Administration (PHMSA). Whelpley stated that \$200 million will be distributed in the first year of the program, the Notice of Funding Opportunity (NOFO) is expected to come out on May 15 and applications for year one are due 45 days after the NOFO (June 29) with no extensions. Whelpley then explained the next steps to take include planning who will write the grant application, respond to questions that PHMSA sent on March 15, register with Grants.gov to receive the NOFO publication notice and register with SAM.gov and obtain a Unique Entity Identifier (UEI) before submitting the application. He also advised members to

attend the upcoming presentation by APGA's Stuart Saulter at the IMEA/IMUA/IPEA Annual Conference on June 2-3 for a better understanding of this process.

Nominations & Awards (N&A) Committee: CEO Gaden reported on a meeting of the N&A Committee held by teleconference on March 17 with Bob Coble, Mayor Tom Martin and Jake McCoy in attendance. General discussion was held on the slate of Officers for fiscal year 2022-23. It was recommended by the Committee that Bob Coble be appointed as the Chairman due to a vacancy by Cory Sheehy from Marshall; Mayor Tom Martin be appointed Secretary/Treasurer due to Terry Gard's retirement and appointing Jake McCoy as Member-at-Large due to Mayor Tom Martin becoming the Secretary/Treasurer. After confirming that the remainder of the officers had expressed a desire to continue, the committee recommended the following slate:

Bob Coble, Chairman
Shannon Risley, Vice Chairman
Mayor Tom Martin, Secretary/Treasurer
Mike Lebshier, Member-at-Large
Jake McCoy, Member-at-Large

And to reappoint Troy Fodor as Assistant Secretary/Treasurer

Election of Officers & Executive Board Members - CEO Gaden asked if there were any nominations from the floor separately for the Chairman, Vice Chairman, the Secretary/Treasurer and Member-At-Large positions. There being none, Jake McCoy moved to approve the recommended slate from the N&A Committee. Todd Shaffner seconded the motion which carried by unanimous roll call vote.

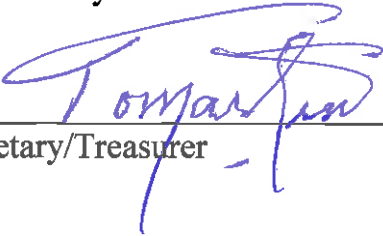
Resolution #22-04-183 – Establishing the Meeting Schedule for FY 2022-23 - CEO Gaden reviewed the meeting schedule for the upcoming year and explained that the number of meetings had increased from four to five. Mike Lebshier moved to approve this Resolution, seconded by Jake McCoy. Roll call vote showed all in favor.

Committee Appointments: CEO Kevin Gaden reported that it was recommended that there be no change to the current slate for the Nominations & Awards Committee which includes Bob Coble, Jake McCoy and Mayor Tom Martin. Since the Financial Oversight Committee consists of the officers, it would include Bob Coble, Shannon Risley and Mayor Tom Martin. Shannon Risley moved to approve the recommended appointments, seconded by Jake McCoy. A roll call vote was taken showing all in favor.

FOIA and OMA Appointments: During the Nominations & Awards Committee meeting on March 17, it was recommended that Troy Fodor and Staci Wilson continue as the Freedom of Information Act (FOIA) and Open Meetings Act (OMA) officers. Mayor Tom Martin moved to approve the recommended FOIA and OMA appointments, seconded by Jake McCoy. A roll call vote was taken showing all in favor.

There being no further business, the meeting was adjourned at approximately 1:10 p.m. by a motion from Shannon Risley. Mayor Tom Martin seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted:



Secretary/Treasurer

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MEMBERS PRESENT (or listening via teleconference)

Bethany	Shannon Risley
Edinburg	Mike Lebshier (via teleconference)
Greenup	Mike Ryder
Marshall	Cory Sheehy
Martinsville	Todd Shaffner (via teleconference)
Rantoul	Jake McCoy (via teleconference)
Roodhouse	Mayor Tom Martin

MEMBERS ABSENT

Bushnell	Joe Fosdyck
Casey	Shelby Biggs
Flora	Bob Coble
Fairfield	Mayor Mike Dreith
Sullivan	Mayor Richard Glazebrook

OTHERS PRESENT (or listening via teleconference)

Constellation	John Jambois and Brandon Fong
IPEA	Kevin Gaden
IPEA	Troy Fodor
IPEA	Gary Stephenson
IPEA	Mike Genin
IPEA	Staci Wilson
IPEA	Tia King
IPEA	Chris Wise
IPEA	Tammy Hall
IPEA	Rodd Whelpley
IPEA	Sean McCarthy
IPEA	Ed Cobau
IPEA	Maryann Todd (via teleconference)