

**ILLINOIS PUBLIC ENERGY AGENCY  
BOARD OF DIRECTORS MEETING  
AUGUST 24, 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 August 24, 2022. Chairman Bob Coble 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 April 27, 2022, seconded by Joe Fosdyck. The roll call vote showed all in favor.

Treasurer's Report - The Treasurer's Report for April which was the fiscal year end was presented by Tia King. She reported that the cash balance was \$535,255 compared to \$639,553 last April. She also stated that gas revenue for April had increased by 130% from the previous year and the price per Dth average had increased by \$2.44 from the previous year. She reported that gas revenue for FY 2022 had decreased by 5% from FY 2021; gas sales had increased by 2% and the price per Dth average had decreased by \$0.35 from FY 2021. King then reviewed the Treasurer's Report for June stating that gas revenue had increased by 68%, gas sales had decreased by 2% and price per Dth average had increased by \$2.81 from the previous year. With there being no questions, Jake McCoy made a motion to approve the Treasurer's Report, seconded by Shannon Risley. The roll call vote showed all in favor.

Opportunity for Public Comment: Chairman Coble stated that pursuant to the Open Meetings Act, any person in attendance in person 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 – CEO Gaden welcomed back Tyler Lampley as the representative for Fairfield who served after Brent Maguire and prior to the late Mayor Mike Dreith. He stated that interviews for the Staff Attorney position will begin in September with placement in late 2022. Gaden also reported that roughly 25% of the staff had been out with COVID or been quarantined due to an affected family member in the past three months.

Regarding a State update, CEO Gaden reminded Members that the Illinois Commerce Commission (ICC) is continuing to review and enforce system compliance and explained that there had been a recent fine for failure of cathodic protection at an Illinois municipal system. He discussed the significant compliance violations at Sims, Illinois and that they have agreed to sell their system to Ameren Illinois to reduce costs of compliance violations.

Regarding a regional/national update, CEO Gaden reminded Members to keep hedging their gas supply and to verify storage rights and Maximum Daily Quantities (MDQ) for their systems. RTOs/regions are considering requiring some level of firm transport to get firm electric generation capacity rights, although most gas generation does not currently hold much capacity on firm transport paths. Gaden explained that pipeline supply is not growing and with no new infrastructure being built, the pipe capability is not

growing. Demand could rapidly rise over time as the coal plants retire. He also reminded Members that their efforts are making a real difference in their communities as proved by comparisons to several gas suppliers in the area which are significantly higher.

Audit Report: Jodi Dobson of Baker Tilly gave the IPEA Audit Report via teleconference for fiscal year ending April 30, 2022. Dobson reported it was a clean Audit and the financial statements received an Unmodified Opinion. Dobson thanked the Accounting staff for their preparation regarding the audit. There being no questions, Mayor Tom Martin moved to approve the audit report, seconded by Jake McCoy. The roll call vote showed unanimous approval.

Market Update - Brandon Fong from Constellation gave an update on natural gas prices explaining they are unpredictable and moving higher in sympathy with European natural gas prices and some small production disruptions. Above average heat will keep gas demand sustained for the balance of the summer, although he expects more volatility for the rest of 2022. Fong reported that inventories are lagging versus historicals which has been price supportive. Production will have to show better growth over the long term to absorb the additional demand drivers from LNG exports and dependency on the power grid. He reviewed past, present and future cooling and heating demands and their impacts as well as the areas of elevated risk of certain hubs due to hurricane season approaching. Fong also stated that recessions don't dramatically destroy energy demand and this may especially be the case due to the US having the cheapest BTUs in the world, currently.

Legislative & Regulatory Update - Staci Wilson reported that Congress had passed the Inflation Reduction Act (IRA) which is a \$740 billion climate and healthcare package. She presented a chart from Platts Megawatt Daily which reflected select climate and energy spending in the newly passed IRA. These topics included tax credits for carbon-free technologies, clean vehicles and energy efficiency. The IRA provides for a 10-year extension of the incentives for renewable generation which, in turn, provides more certainty for the industry.

Wilson stated that the Illinois Commerce Commission (ICC) has issued a draft of the Renewable Energy Access Plan (REAP). This plan creates renewable energy access plan zones throughout the State; develops a plan to achieve transmission capacity necessary to deliver electric output from renewable energy technologies into the zones and uses the State's position as a generation and power transmission hub to create new investment in the State's Renewable Energy Resources. The REAP will consider programs, policies and transmission projects to promote cost-effective delivery of power and to meet the Renewable Portfolio Standard (RPS) targets and consider proposals to improve RTOs regional and interregional system planning processes.

Regarding Federal regulations, Wilson reported on the furnace Notice of Proposed Rulemaking (NOPR) Rule stating that beginning in 2029, gas furnace replacements must have a condensing unit and require venting and potential construction changes that will likely increase costs. APGA is submitting comments to the Dept. of Energy focusing on the impact to low-income communities and customers along with other facilities such as apartments, condos and older facilities with limited spaces. She also stated that the PHMSA grant application deadline for the first round of funding is now closed for this year. This is a five-year grant program with \$1 billion available only to public and community owned utilities to repair, rehabilitate or replace natural gas distribution pipelines.

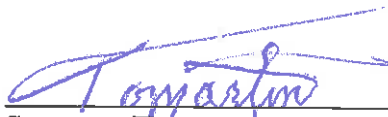
Interstate Transmission Pipeline Delivery Charges – Mike Genin reported that Panhandle Eastern Pipeline (PEPL) had filed for a 300-400% rate increase in late summer of 2019 that impacts Bushnell, Edinburg and Roodhouse. Since that time, these municipals have been paying new transportation rates, subject to refund. The proposed ruling by the Administrative Law Judge found that there should only be a 4% increase and would have given PEPL until May 2022 to file new rates or take other action. That timeline has passed and there is still no final ruling by FERC. The Natural Gas Pipeline Company of America (NGPL) negotiated settlement discussions in which Bethany and Sullivan have been engaged and concluded with them signing negotiated rate agreements to lock in savings over the standard rates into 2025. After those rates expire in 2025, they have the option to consider “reduced” standard NGPL rates which will be locked in until 2027. Genin stated that ANR Pipeline had filed for an increase which impacts Rock Energy wherein their reservation charges doubled and Northern Natural Gas (NNG) filed a 32% rate increase which impacts both Rock Energy and Jo-Carroll Energy.

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 stated that the Winter NYMEX currently is over \$9/Dkth through February of 2023 and that over 85% of IPEA members are hedged into the 2023-2027 time period. He stated that the IOU’s are still passing through the costs from the February Winter Storm Uri to customers over multiple months. Examples of these summer cost adjustments are Nicor at \$12.40/Dkth; MidAmerican IL at \$9.30-\$10.70/Dkth; AmerenIL at \$7.00-\$8.60/Dkth and Liberty Utilities at \$11.60-\$14.30/Dkth. Genin discussed that most members are hedged and that IPEA/Constellation will be sending updates regularly with price quotes.

Negotiations of IPEA Supplier Contract Extension – CEO Gaden reported that IPEA staff had solicited several potential gas suppliers based on specific criteria. Staff sought and gained the IPEA Board’s support to extend with the current supplier and contract terms are being discussed and amended as discussed with the IPEA Board at the last meeting in April. The topics being discussed are the Assignment Provision, transport restrictions, Change of Law provisions and the Financial Guarantee, as well as completing the member pricing addendums in some volatile pricing zones. Gaden reported that negotiations are close to completion and staff expects to be able to seek Board approval at the October Board meeting.

There being no further business, the meeting was adjourned at approximately 12:58 p.m. by a motion from Shannon Risley. Mayor Tom Martin seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted,

  
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Secretary/Treasurer

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BOARD OF DIRECTOR'S MEETING  
AUGUST 24, 2022**

**MEMBERS PRESENT (or listening via teleconference)**

Bethany	Shannon Risley
Bushnell	Joe Fosdyck (via teleconference)
Flora	Bob Coble
Martinsville	Todd Shaffner (via teleconference)
Rantoul	Jake McCoy (via teleconference)
Roodhouse	Mayor Tom Martin
Sullivan	Mayor Richard Glazebrook (via teleconference)

**MEMBERS ABSENT**

Casey	Shelby Biggs
Edinburg	Mike Lebshier
Fairfield	Tyler Lampley
Greenup	Mike Ryder
Marshall	Cory Sheehy

**OTHERS PRESENT (or listening via teleconference)**

Baker Tilly	Jodi Dobson (via teleconference)
Constellation	John Jambois and Brandon Fong (via teleconference)
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