

**ILLINOIS PUBLIC ENERGY AGENCY
BOARD OF DIRECTORS MEETING
DECEMBER 7, 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 December 7, 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.

Cory Sheehy made a motion to approve the minutes of October 19, 2022, seconded by Mike Ryder. The roll call vote showed all in favor.

Treasurer's Report - The Treasurer's Report for September 2022 was presented by Tia King. She reported that the cash balance was \$525,597 compared to \$502,586 last September. She also stated that gas revenue for September had increased by 48% from the previous year and the price per Dth average had increased by \$2.05 from the previous year. She reported that gas revenue for FY 2023 had increased by 55% from FY 2022; total Dth sales had decreased by 0.4% and the price per Dth average had increased by \$2.35 from FY 2022. With there being no questions, Mike Ryder 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 reported that supplier contract terms are close to completion subject to final approval today and the IPEA Members and Participants Agreement extensions will be considered next. He stated that interviews are ongoing for the Staff Attorney position with placement in the first quarter of 2023 and that staff is in the process of interviewing for a replacement Power Services Coordinator due to Roger Poole's retirement in the summer of 2023. He discussed that some countries are in a lockdown situation due to heightened COVID concerns and that early season illnesses have plagued some staff members. IMEA plans to remain open and conduct public meetings.

Regarding a Federal update, CEO Gaden reported that FERC Chair Glick has still not secured a Senate hearing date due to Senator Manchin being "uncomfortable" in hosting a hearing for Glick during this session of Congress. Glick can serve on the FERC as Chair until the end of this session of Congress in January of 2023. He also stated that Washington State had recently approved requiring most all new residential and commercial buildings to utilize "electric only" with no gas service to heat or cool. He noted that there is a growing number of states and cities looking to take such action.

Market Update - Brandon Fong from Constellation gave an update on natural gas prices explaining that prices have bounced around in the last six months due to oscillating temperature outlooks and variable forecasts. He reported that U.S. storage is starting the withdrawal season at close to historical norms, but a sustained stretch of below-normal temperatures this winter could quickly change the storage outlook. The Energy Information Administration (EIA) reported that 81 Bcf of gas was pulled from storage the week of November 25 and forecasted the withdrawal season to end on March 31, 2023. Regarding production, Fong stated that EIA estimates dry gas production will average 99.68 Bcf/d in 2023 and stated that November output was slightly higher than levels last year at this time. He reported that oil rigs rose by four this week, their highest since March of 2020, while gas rigs fell by two. He then explained that weather forecasts are predicting the outlook for December to be considerably colder than last year and January to be cold as well with an expected increase in gas prices.

Legislative & Regulatory Update – Staci Wilson reported that regarding the State elections, it was a strong night for Democrats across the ballot with no major shifts in power. She stated that during the Veto Session, there had been no substantial energy bills considered and that the Lame Duck session will be held January 4-10. Wilson stated that pursuant to the LIHEAP Policy Advisory Council, 35% more people were utilizing LIHEAP than last year at this time and it had been requested that coops and municipals consider putting a “pause” on disconnects or have a longer runway to disconnection. She concluded by discussing legislative changes, including that Senator Hastings lost his leadership position of the Senate Energy & Public Utility Committee.

Regarding a Federal update, Wilson reported on election results stating that Democrats maintain control of Senate, but lose the House of Representatives by a slim margin. She explained that Republicans are expected to make efforts rebalance the U.S. energy portfolio with attention on growing domestic oil and natural gas production. Their focus would be on speeding up energy infrastructure permitting and enabling oil and gas production on federal lands, scrutinizing FERC, EPA and DOE loan programs and major climate and energy policy programs could face more difficulty in securing appropriations. Wilson then reported that as of October 6, 2022, all pipeline operators, including natural gas distribution operators must meet the requirements of the Pipeline and Hazardous Materials Safety Administration (PHMSA) Valve and Rupture Detection Rule. She explained that most of the requirements only impact new or replaced transmission lines, however there are two aspects that impact gas distribution pipeline operators: Pipeline Emergency Procedures and Communications and Incident Investigation Requirements.

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. A final ruling by FERC was expected in October. The case was on the November FERC agenda, but was removed at the last minute for unknown reasons. 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. Settlement talks are scheduled into January of 2023.

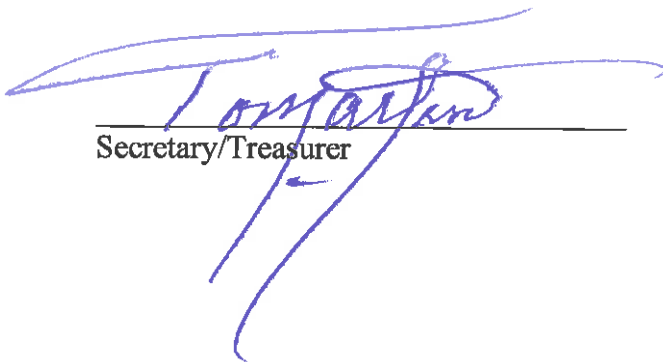
Member Competitive Position – Genin presented a chart showing Winter NYMEX natural gas prices stating that the Winter NYMEX currently is in the \$5.50/Dkth range through February of 2023 and that all IPEA members are hedged into the 2023-2027 time period. He stated that the IOU’s are still passing through the costs from the February 2021 Winter Storm Uri to customers over multiple months. Examples of these December cost adjustments are Nicor at \$8.50/Dth; MidAmerican IL at \$6.20/Dth; AmerenIL at \$7.30/Dth; Illinois Gas at \$7.00/Dth; Liberty Utilities at \$7.70/Dth and Mt. Carmel Public Utility at \$9.00/Dth. IPEA/Constellation will be sending updates regularly with price quotes.

Operational Flow Order (OFO) Notifications – Genin explained that OFO notifications are sent to the Member and IPEA identifying “unusual conditions” on the pipeline. These notices (if time permits) are alerts that the pipeline may be moving to scenarios where the Member must modify usage, i.e. Weather Alerts. He reported that later notices are orders to restrict usage which would, if possible, allow plenty of notice to react. This may include reducing loads down to Maximum Daily Quantities (MDQ) level or possibly reducing loads further during an emergency event. There is the likelihood of being penalized if no reduction is made, however, financial consequences will be identified in the OFO notice.

Resolution #22-12-185 – Authorizing Agreement with Natural Gas Supplier – CEO Gaden reported that IPEA staff had solicited several potential gas suppliers based on specific criteria in late 2021. 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 in prior meetings. The topics being discussed are the Assignment Provision, transport restrictions, Change of Law provisions and the Financial Guarantee, as well as completing the final determination of index price calculations for Member addendums. Gaden reported that negotiations are close to completion pending final Constellation Management signing off and recommended approval of Resolution #22-12-185. Mike Ryder moved to approve Resolution #22-12-185 as presented, seconded by Mayor Tom Martin. The roll call vote showed all in favor.

There being no further business, the meeting was adjourned at approximately 12:59 p.m. by a motion from Mayor Tom Martin. Cory Sheehy seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted,



Secretary/Treasurer

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BOARD OF DIRECTOR'S MEETING
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MEMBERS PRESENT (or listening via teleconference)

Bethany	Shannon Risley (via teleconference)
Bushnell	Joe Fosdyck (via teleconference)
Flora	Bob Coble
Greenup	Mike Ryder
Marshall	Cory Sheehy
Martinsville	Todd Shaffner (via teleconference)
Rantoul	Jake McCoy (via teleconference)
Roodhouse	Mayor Tom Martin

MEMBERS ABSENT

Casey	Shelby Biggs
Fairfield	Tyler Lampley
Edinburg	Mike Lebshier
Sullivan	Mayor Richard Glazebrook

OTHERS PRESENT (or listening 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