

**ILLINOIS PUBLIC ENERGY AGENCY
BOARD OF DIRECTORS MEETING
FEBRUARY 20, 2019**

A regularly scheduled meeting of the Board of Directors of the IPEA was held pursuant to proper notice at the IPEA headquarters building, 3400 Conifer Drive, Springfield, Illinois, on February 20, 2019. Chairman Cory Sheehy called the meeting to order at 12:00 p.m. Roll call was taken and a quorum was physically present.

Mayor Ann Short made a motion to approve the minutes of November 28, 2018, seconded by Mayor Brent Maguire. The voice vote showed all in favor.

The Treasurer's Report for December was presented by Tia King. She reported that the cash balance as of December 31st was \$405,408 which was \$42,000 higher than the previous year. King also stated that gas revenues had increased by 17% from the previous year and the price per Dth had increased by \$1.05 from the previous year. Handouts of the draft revised 2019 budget and proposed fiscal year 2020 budget were circulated among the members for their review in preparation for approval at the April board meeting. With there being no questions, Bob Coble made a motion to approve the Treasurer's Report, seconded by Shannon Risley. The voice vote showed all in favor.

Opportunity for Public Comment: Chairman Cory Sheehy stated that pursuant to the Open Meetings Act, any person in attendance at a meeting 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's Report: CEO Gaden reported that an all-time highest gas burned in any one day happened this past month in New York Transco Zone 6, Algonquin Boston City Gate and Chicago City Gate. He listed the average percentage of energy generation sources in January 2019 which represented 3% of MISO and 7% of PJM's energy being renewables. Gaden stated how natural gas plants would have a long-term impact on annual usage with PJM adding nearly 9,340 MW of gas generation in 2018. EmberClear Corp. has proposed a 1,100 MW unit near Pawnee, IL for operations in 2023 and as regions around the central U.S. look to change their resource base from coal, impacts will be seen on regional pipelines.

CEO Gaden discussed the gas explosion near Sullivan, IL on February 1 as being a propane gas leak and emphasized the importance of carbon monoxide detection. Mayor Ann Short gave specific details regarding the incident. He also reported that Jo Carroll Energy is considering an extension of their IPEA contract. He also reviewed the IPEA goals for the upcoming year.

Market Update: Jim Germain of the Commodities Management Group from Constellation gave an update on the natural gas market stating that current production levels are at 87 Bcf/day which is 8 Bcf/day over the same time last year. He stated that storage was running behind the 5-year average and that demand in Mexico is up. Pipeline exports are up about 5 Bcf/day and as LNG continues to grow, it will raise the max current output to a high of 10 Bcf/day a few months from

now. LNG projects will account for an additional 9 to 10 Bcf/day by years 2024-25. The latest polar vortex set a new record for natural gas usage across the country and the forecast indicates colder temperatures through March. NYMEX is trading consistently in the \$2.50-\$3.00 per Dkth range and Germain explained that there was a significant upside to locking in at these current prices.

Legislative & Regulatory: Staci Wilson circulated a handout from APGA and discussed their 2018 accomplishments and 2019 goals. Regarding federal issues, Wilson reported that APGA sent a letter to the House Ways and Means Committee and Energy & Commerce Committee calling for Congress to examine how interstate pipelines are retaining the tax windfall created by lowering of the corporate tax rate. She stated that the U.S. Dept. of Energy had issued a pre-publication proposed rule to streamline and modernize the "Process Rule" which improves the agency's process for setting energy efficiency standards and test procedures for residential appliances and commercial equipment. APGA is drafting comments and testimony for a public meeting.

Regarding State issues, Wilson reported that Illinois had joined the U.S. Climate Alliance and would adhere to the 2015 Paris Climate Agreement. She discussed Governor Pritzker's most recent staffing appointments as well as open Illinois Commerce Commission appointments. She also discussed the minimum wage increase that passed and bill introduction deadlines. Wilson reported on upcoming bills that may be introduced to include legislation regarding fracking, natural gas infrastructure, permits/environmental review, studies, water and municipal issues with regard to FOIA and OMA.

2019 Annual Conference – Mike Genin stated that this year's conference will be held in Effingham on April 11th and 12th and will have the same format as in past years. Speaker topics will include an in depth market review and year end review from Constellation, how the new Congress will impact gas operations presented by Dave Schryver from APGA and Sam Barbee from the Illinois Oil and Gas Association will discuss the economic impact of oil and natural gas in the Illinois Basin.

There being no further business, the meeting was adjourned at approximately 1:05 p.m. by a motion from Shannon Risley. Mayor Ann Short seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted:


Secretary/Treasurer

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MEMBERS PRESENT

Bethany	Shannon Risley
Fairfield	Mayor Brent Maguire
Flora	Bob Coble
Marshall	Cory Sheehy
Roodhouse	Mayor Tom Martin
Sullivan	Mayor Ann Short

MEMBERS ABSENT

Bushnell	Justin Griffith
Edinburg	Mike Lebshier
Casey	Shelby Biggs
Greenup	Mike Ryder
Rantoul	Greg Hazel

OTHERS PRESENT (or listening via teleconference)

Constellation	Jim Germain (via teleconference)
Constellation	Brian Hirshberg (via teleconference)
Martinsville	Terry Gard (via teleconference)
IPEA	Kevin Gaden
IPEA	Troy Fodor
IPEA	Mike Genin
IPEA	Staci Wilson
IPEA	Tia King
IPEA	Bob Childers
IPEA	Chris Wise
IPEA	Tammy Hall
IPEA	Rodd Whelpley
IPEA	Ed Cobau