

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, APRIL 24, 2024

A regularly scheduled meeting of the Executive Board of the Illinois Municipal Electric Agency was held in person pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on April 24, 2024. Chairman Cory Sheehy called the meeting to order at 2:00 p.m. Roll call was taken which showed a quorum was present. Participation in this meeting was available in person only for both members and the general public, however, as an accommodation to members that could not physically attend and the general public, a webinar broadcast of the meeting was made available live in listen-only mode.

The Report of February 14, 2024 was moved for approval by Dan Cook and seconded by Larry Taylor. The motion carried by unanimous roll call vote.

Opportunity for Public Comment: Chairman Cory Sheehy stated that pursuant to the Open Meetings Act, any person attending this meeting shall be permitted an opportunity to comment. Questions during the rest of the meeting are reserved for Board members. He then asked if anyone from the public would like to make a comment. Hearing none, Chairman Sheehy proceeded with the meeting.

OLD BUSINESS

Update on Solar Projects – Eric Weinant explained that IMEA is partnering with SolAmerica to take advantage of USDA PACE forgivable loans for behind the meter solar projects in four IMEA communities; Carmi, Highland, Metropolis and Rantoul. The original solar site in Rantoul was deemed unfeasible so SolAmerica is looking at other IMEA communities for a potential solar site. He stated that SolAmerica believes that the USDA would allow SolAmerica to transfer the project funding for the Rantoul site to another IMEA member site as long as the same criteria is met, although the USDA's timeline on reviewing documents, obtaining conditional approval along with the NEPA review is unknown. Weinant reported that there are still outstanding issues with the SolAmerica proposed changes to the Power Purchase Agreement; however, IMEA Staff continues to work on getting those resolved. He stated that the next steps would include getting approval from the cities on edits to the Interconnection and Siting Agreements. At that time, SolAmerica would submit those documents for USDA review and approval and then the final agreements could be executed.

Weinant reported that the Power Purchase Agreements for the Marshall, Princeton and Oglesby projects had been executed with Altorfer and IMEA Staff held kickoff meetings in each town. The agreements for interconnection and siting as well as zoning approvals and easements/licenses are in the process of being executed. He stated that the contractor plans to apply the pollinator seed mix to the sites and has been ordering equipment. The prep work on the sites for construction is expected to start in the June/July time frame with an expected completion date by the end of the year.

Regarding utility-scale projects, Weinant reported that power purchase agreement prices continue to increase due to higher labor costs, higher insurance premiums due to storm and hail damage, the limited number of EPC contractors along with increased solar panel module costs. He explained that due to higher interest rates over the past few years, the cost of capital to vendors has increased. The interconnection costs plus the transmission owner's return on investment have become factors as well as the loss of reactive power revenue. Weinant discussed that in order to remain in compliance with the IMEA Sustainability Plan, IMEA Staff is seeking to contract for 100 MW of solar by the end of 2026. IMEA Staff is currently in talks with a qualified developer that has a project in Illinois and will continue to update the Board if these negotiations progress. If this project looks promising, IMEA Staff would request approval of a term sheet in June with a formal contract approval at the August Board meeting.

Update on Legal Matters – General Counsel Troy Fodor reported on the following matters:

- PJM Winter Storm Elliott Penalties and Settlement (Docket No. ER23-2975) – He provided the final numbers regarding the dollar amounts for the penalty, performance payment and the net amount that IMEA has received.
- PJM Filing for Waiver to Delay 2025/2026 Base Residual Auction (Docket ER24-1242) – Filed February 24, 2024, PJM sought a 35-day delay to July 17, 2024 citing time needed to implement its new marginal effective load carrying capability accreditation methodology. FERC approved this filing on February 26, 2024.
- PJM Capacity Auction - On March 12, 2024, the US Court of Appeals for the Third Circuit vacated FERC's decision to allow PJM to change its capacity market rules in the middle of its last auction. PJM is recalculating auction clearing prices for 2024/25. This did not affect IMEA's prices.
- FERC Notice of Proposed Rulemaking on Compensation for Reactive Power (Docket RM22-2-00) – Issued March 21, 2024, FERC proposes to eliminate all compensation for reactive power within the standard power factor range (plus or minus 95%). This pertains to all transmission systems under FERC jurisdiction. MISO already does not pay for reactive power.
- MISO Resource Adequacy Filing (Docket No. ER23-2977) – Filed September 29, 2023, MISO proposed changes to the Resource Adequacy construct to include a reliability-based demand curve. On April 22, 2024, FERC staff issued a second Deficiency Letter to MISO. MISO will answer the questions from FERC staff so anticipate a several month delay for any decision from FERC on the matter.
- MISO Resource Accreditation filing (Docket No., ER24-1638) – Filed on March 29, 2024, MISO wants to change how it calculates capacity credits for generators. MISO wants to award capacity based on class-average future performance of generators, but is classifying natural gas and oil generation in a single class. This could reduce how much capacity IMEA is awarded for its dual-fuel and oil-fired generators and how much IMEA is paid for running them. IMEA intends to intervene and will file a protest by the Monday, April 29 deadline.
- Ameren Illinois Depreciation Filing (Docket Nos. EL23-2445) – Filed July 20, 2023, Ameren filed to change individual line-item depreciation rates. FERC set the matter for trial, but suspended the trial phase for settlement negotiations. The settlement phase is ongoing.
- Chatham SERC Registration – IMEA Staff has been working with Chatham, its consultant and CWLP on reliability compliance documentation to support Chatham's registration with SERC as a Transmission Owner. Written comments from CWLP have been received including revised

language for operating procedures. Upon final approval of the operating procedures, Chatham will formally begin the registration process with SERC. IMEA will then make its filing to withdraw as the distribution provider for Chatham.

- Inherent Risk Assessment – IMEA received notice from SERC seeking IMEA to complete an Inherent Risk Assessment of reliability compliance in early April. The initial questionnaire responses were submitted on April 19, 2024.

NEW BUSINESS

CEO Gaden announced that today was a very important day in IMEA's history reporting that 10 IMEA members had already approved all of the contract documents keeping IMEA as their wholesale power supplier until 2055. He stated that several more members have plans to approve contracts in their May-June 2024 City Council meetings. He thanked all those members for their confidence in IMEA to provide reliable, affordable and sustainable power supply to their communities for many decades to come.

Resolution #24-04-900 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Princeton for the Period Beginning October 1, 2035 Through May 31, 2055 – CEO Gaden stated that the City of Princeton unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their March 18th City Council meeting. Dick Simon moved to recommend the approval of Resolution #24-04-900 to the full Board at tomorrow's Board meeting. The motion was seconded by Brian Keys and carried by unanimous roll call vote.

Resolution #24-04-901 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Casey for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Casey unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their March 18th City Council meeting. Pete Suhr moved to recommend the approval of Resolution #24-04-901 to the full Board at tomorrow's Board meeting. The motion was seconded by Dick Simon and carried by unanimous roll call vote.

Resolution #24-04-902 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Marshall for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Marshall unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 8th City Council meeting. Larry Taylor moved to recommend the approval of Resolution #24-04-902 to the full Board at tomorrow's Board meeting. This motion was seconded by Brian Groth and carried by unanimous roll call vote with the exception of the abstention by the City of Marshall.

Resolution #24-04-903 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Altamont for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Altamont unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 8th City Council meeting. Brian Keys moved to recommend the approval of Resolution #24-04-903 to the full Board at tomorrow's Board meeting. The motion was seconded by Pete Suhr and was carried by unanimous roll call vote with the exception of the abstention by the City of Altamont.

Resolution #24-04-904 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Bushnell for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Bushnell unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 1st City Council meeting. Brian Groth moved to recommend the approval of Resolution #24-04-904 to the full Board at tomorrow’s Board meeting. The motion was seconded by Cory Sheehy and carried by unanimous roll call vote.

Resolution #24-04-905 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Flora for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Flora unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 1st City Council meeting. Larry Taylor moved to recommend the approval of Resolution #24-04-905 to the full Board at tomorrow’s Board meeting. The motion was seconded by Brian Keys and carried by unanimous roll call vote.

Resolution #24-04-906 – Accepting and Approving New Power Sales Contract for the Village of Greenup for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Greenup unanimously approved the IMEA Power Sales Contract at their April 1st Village Board meeting. Pete Suhr moved to recommend the approval of Resolution #24-04-906 to the full Board at tomorrow’s Board meeting. The motion was seconded by Brian Keys and carried by unanimous roll call vote.

Resolution #24-04-907 – Accepting and Approving New Power Sales Contract for the City of Roodhouse for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Roodhouse unanimously approved the IMEA Power Sales Contract at their April 10th City Council meeting. Dick Simon moved to recommend the approval of Resolution #24-04-907 to the full Board at tomorrow’s Board meeting. This motion was seconded by Brian Groth and carried by unanimous roll call vote.

Resolution #24-04-908 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the Village of Rantoul for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Rantoul unanimously approved the IMEA Power Sales Contract and the Capacity Purchase Agreement at their April 9th Village Board meeting. Pete Suhr moved to recommend the approval of Resolution #24-04-908 to the full Board at tomorrow’s Board meeting. The motion was seconded by Cory Sheehy and carried by unanimous roll call vote.

Resolution #24-04-909 – Accepting and Approving New Power Sales Contract for the City of Oglesby for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Oglesby unanimously approved the IMEA Power Sales Contract at their April 15th City Council meeting. Dick Simon moved to recommend the approval of Resolution #24-04-909 to the full Board at tomorrow’s Board meeting. This motion was seconded by Larry Taylor and carried by unanimous roll call vote.

Resolution #24-04-910 – Approving Execution of Wholesale Connection Agreement and Construction Agreement with Ameren Illinois Company for the City of Oglesby – General Counsel Troy Fodor explained that Ameren is requiring a separate Wholesale Connection Agreement (WCA) with each of the IMEA members whose electric distribution system is directly connected to Ameren’s wholesale distribution system. The WCA sets forth terms and conditions (i) for the connection, operation and maintenance of the Member’s system and the Ameren system as each affects or may affect the other, (ii) for the connection, operation and maintenance of the connection facilities; and (iii) to define the

responsibilities and obligations of the parties to coordinate such connection, operation, and maintenance. Fodor stated that IMEA will be a signatory to the Wholesale Connection Agreement as the bundled power and delivery service provider for the Member. Fodor then explained that Ameren is requiring a Construction Agreement with Oglesby that contains the terms and conditions for the construction of and financial obligation associated with the interconnection and new Delivery Point. He stated that IMEA will be a signatory to the Wholesale Construction Agreement as the bundled power and delivery service provider for the Member. Fodor reported that IMEA Staff has negotiated the Wholesale Connection Agreement and the Construction Agreement with Ameren and recommends that the IMEA Board and the City Council of the City of Oglesby approve and execute said agreements. This Resolution accepts and approves the Wholesale Connection Agreement and the Construction Agreement with Ameren and authorizes the President & CEO of IMEA to execute them, subject to approval by the City of Oglesby. Dick Simon moved to recommend the approval of Resolution #24-04-910 to the full Board at tomorrow's Board meeting. The motion was seconded by Dan Cook and carried by unanimous roll call vote.

CEO Gaden discussed a member rate savings opportunity that will be available in early 2025 by refinancing the 2015A outstanding bonds. He explained that preliminary projections show significant savings to members for the last 10 years of system debt. This refinancing does not extend IMEA's debt obligation beyond 2035 and will not obligate any future debt beyond the current contract. He also reported that IMEA's current credit line expires on October 31, 2025 and that PNC has offered the same terms as the existing line of credit through October 31, 2027. This would ensure IMEA's line of credit has been extended prior to the refinancing of the bonds. He stated that authorization for this extension would be sought in the June 2024 IMEA Board meeting. IMEA Staff recommends using Public Finance Management (PFM) to assist as financial advisors with both of these endeavors.

Resolution #24-04-911 – Retaining PFM Financial Advisors LLC to Serve as Financial Advisor for IMEA – CEO Gaden reported that IMEA has used the services of PFM since 2013 and Mike Mace continues to be the primary point of contact. PFM is a nationally known advisor that serves many credit needs similar to IMEA throughout the country. He explained that PFM had a corporate structure change that is seeking to get all customer's engagement agreements updated. This Resolution approves authorizing the CEO to execute PFM Financial Advisor Professional Services Contract. Dan Cook moved to recommend the approval of Resolution #24-04-911 to the full Board at tomorrow's Board meeting. The motion was seconded by Brian Groth and carried by unanimous roll call vote.

Resolution #24-04-912 – Establishing the Schedule of Meetings for the 2024-2025 Fiscal Year - CEO Kevin Gaden reviewed the IMEA Executive Board/Board of Director's meeting schedule for the upcoming fiscal year. Larry Taylor moved to recommend the approval of this Resolution to the full Board at tomorrow's Board meeting. The motion was seconded by Cory Sheehy and the roll call vote showed unanimous approval.

Committee and OMA/FOIA Officer Appointments – CEO Gaden presented the committee appointments for the next fiscal year based upon the recommendations from Chairman Sheehy for the Board's review and approval. Gaden also recommended that Troy Fodor and Staci Wilson continue as the Freedom of Information Act (FOIA) and Open Meetings Act (OMA) officers. Dick Simon moved to recommend the approval of the committee appointments for upcoming FY 2024-25 and that Troy

Fodor and Staci Wilson remain as the OMA/FOIA officers to the full Board at tomorrow's Board meeting. The motion was seconded by Brian Keys and the roll call vote showed unanimous approval.

CEO Gaden congratulated the slate of Executive Board members for FY24/25 and thanked the current Executive Board Members for their service over the past year. He also stated that all IMEA Board members are always invited to attend and speak at any Executive Board meeting.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by Dick Simon, seconded by Larry Taylor and carried unanimously by voice vote. The meeting was adjourned at 3:14 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "J. Fodor". The signature is written in a cursive style and is positioned above a horizontal line.

Assist. Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, APRIL 24, 2024**

MEMBERS PRESENT

Altamont	Larry Taylor
Freeburg	John Tolan
Highland	Dan Cook
Marshall	Cory Sheehy
Naperville	Brian Groth
Rock Falls	Dick Simon
St. Charles	Peter Suhr
Winnetka	Brian Keys

MEMBERS ABSENT

Carmi David Coston (via webinar)

OTHERS PRESENT

Breese	Jason Deering
Chatham	Pat McCarthy
Rantoul	Jake McCoy
Sullivan	Mike Kirk
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Danny Chung
IMEA	Sean McCarthy
IMEA	Tammy Hall
IMEA	Rodd Whelpley
IMEA	Eric Weinant
IMEA	Cindy Evans
IMEA	Ed Cobau
IMEA	Tia Horn
IMEA	Mandy Ripperda
IMEA	Jonathon Wygant
Guest	Raheel Arshed (Naperville)

LISTEN ONLY VIA WEBINAR

Carmi	David Coston
Flora	Bob Coble
Princeton	Jeff Mangrich
Red Bud	Josh Eckart
Guest	Greg Hubert (Naperville)