

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, AUGUST 28, 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 August 28, 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 June 26, 2024 was moved for approval by Pete Suhr and seconded by John Tolan. 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

Executive (Closed) Session Minutes: General Counsel Troy Fodor recommended that the Executive (Closed) Session minutes of April 26, 2023 and January 17, 2024 be released as public records at this time as the need for confidentiality no longer exists. Dan Cook moved that the Board make the determination that the minutes of April 26, 2023 and the minutes of January 17, 2024 be approved and released. Pete Suhr seconded the motion and the motion carried by unanimous roll call vote.

Update on Solar Projects – Eric Weinant stated that all of the agreements are in place for BTM solar projects in Marshall, Princeton and Oglesby. He stated that prep work on the sites are underway and the “no mow” pollinator groundcover was planted at each site last spring. Weinant reported that panels are being installed at Marshall and Princeton and they are on track for commercial operation by the end of the year. He also reported that Oglesby is expected to be online by Spring of 2025.

Regarding utility scale solar projects, Weinant explained that IMEA Staff is still in contact with other developers just in case the current negotiations break down. He reported on alternative projects explaining that prices are either indicative-only or require adders for transmission, supply chain or tariffs with no firm commitment from developers. The continued competition from commercial customers and the developmental challenges such as interconnection costs and timing make these projects far more expensive. He stated that Commercial Operation Dates for projects that are still in the Interconnection Queue are scheduled for 2028 or beyond.

IMEA Staff is currently working on a Power Purchase Agreement with a selected vendor with more details to be discussed later in the meeting and will likely seek the Board's approval of a formal 150MW solar contract in the October Board meeting.

Baseload Plant Decommissioning Fund Considerations – CEO Gaden explained that IMEA is responsible for its share of both the Prairie State and Trimble County facilities when the projects are retired permanently. IMEA Staff believes it is prudent business practice to begin collecting funds from current beneficiaries of the output from the projects sooner rather than later with those funds being held in a restricted access account. Gaden gave estimates of what each project would cost to decommission based on a “greenfield” removal of the assets to bare ground and a breakdown of the numbers (with and without interest gained) based on the percentage of IMEA's ownership in each project. He presented a mathematical analysis of the impact on Members' rates regarding the amount that would need to be collected over a ten-year period. IMEA Staff recommends that the decommissioning funds begin to be collected starting in the May 2025 billing and end after the April 2035 billing. Gaden discussed that formal approval of this recommendation would likely be up for consideration in the October 2024 Board meeting and that IMEA management would report on the fund totals going forward during the regular Finance reports. It was the consensus of the Executive Board to move forward with this plan.

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

- Sierra Club vs. Prairie State Generating Company, LLC (filed March 22, 2023) – PSGC filed a Motion to Dismiss on May 23, 2023. The Court denied the Motion to Dismiss on August 9, 2024 and an Answer is due from PSGC by September 23, 2024. The PSGC Legal team is analyzing options and strategy for the next steps.
- New Federal EPA Final Rule on CO2 Emissions – Issued May 9, 2024, the new rules require all existing baseload coal plants to reduce carbon emissions by 90% by January 1, 2032 unless they are equipped with 40% natural gas co-firing capability by 2030, in which case they can run until 2039. Beyond 2039, all coal-fired generators and new CT generators cannot run unless they have Carbon Capture and Storage/Sequestration (CCS) installed. Legal challenges have been filed by many State Attorney Generals' offices, trade associations (including APPA), IOUs, co-ops, generator owners and labor unions. PSGC's CEO (on behalf of Prairie State) and IMEA's CEO (on behalf of LG&E) have both submitted impact Declarations. Numerous Motions to Stay the new rules were filed on or before May 24, 2024. All Motions for Stay were denied on July 19, 2024. Applications for Stay are now being considered by the US Supreme Court.
- 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. FERC entered an Order accepting MISO's filing on June 27, 2024.
- MISO Resource Accreditation Filing (Docket No., ER24-1638) – Filed on March 28, 2024, MISO proposes to change how it accredits resources due to a changing resource mix and changing load profiles in the MISO region. MISO proposed a two-step methodology to accredit resources for future MISO auctions and to determine resource adequacy for load serving entities. On April 29, 2024, IMEA filed a Limited Protest against MISO's accreditation methodology citing that gas and oil generation are not similar enough to be lumped together and requested that FERC issue a Deficiency letter. If approved, this filing will reduce how much IMEA's BTMG oil generators will be accredited and make it more difficult for IMEA to meet capacity requirements. FERC issued a

Deficiency Letter to MISO on July 25, 2024 which included questions to MISO based on IMEA's protest. MISO accepted IMEA's argument. In its answer to the Deficiency Letter, MISO states that it recognizes that oil only and gas only resources perform differently throughout the year and that MISO will modify Schedule 53A to include an additional resource class for oil-fired generators.

- Chatham SERC Registration – IMEA Staff has been working with Chatham, its consultant and Springfield CWLP on reliability compliance documentation to support Chatham's registration with SERC as a Transmission Owner. CWLP signed the operating procedures between Chatham and CWLP on August 20th and a call is scheduled for August 30th to map out final steps. After that time, Chatham will formally register as a Transmission Owner with SERC and IMEA will begin the process with SERC to deregister as a Distribution Provider for Chatham.

NEW BUSINESS

CEO Gaden announced that today was a very important day in IMEA's history reporting that 20 IMEA members had already approved all of the contract documents keeping IMEA as their wholesale power supplier until 2055 and 3 more IMEA members are seeking approval today. 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 #24-08-924 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Carlyle for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Carlyle unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their July 8, 2024 City Council meeting. Pat McCarthy moved to recommend the approval of Resolution #24-08-924 to the full Board at tomorrow's Board meeting. The motion was seconded by John Tolan and carried by unanimous roll call vote.

Resolution #24-08-925 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Red Bud for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Red Bud unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their August 5, 2024 City Council meeting. Pat McCarthy moved to recommend the approval of Resolution #24-08-925 to the full Board at tomorrow's Board meeting. The motion was seconded by David Coston and carried by unanimous roll call vote.

Resolution #24-08-926 – Accepting and Approving New Power Sales Contract for the Village of Riverton for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Riverton unanimously approved the IMEA Power Sales Contract at their August 5, 2024 Village Board meeting. Pat McCarthy moved to recommend the approval of Resolution #24-08-926 to the full Board at tomorrow's Board meeting. The motion was seconded by Dan Cook and carried by unanimous roll call vote.

Resolution #24-08-927 – Approving Solar Generation Projects in the Cities of Carmi, Highland and Metropolis – Eric Weinant reported that IMEA has been working with SolAmerica in obtaining USDA PACE loans for solar projects for Carmi, Highland and Metropolis. A fourth project location in Rantoul was determined not to be feasible. He explained that the outcome of this award is still pending, however, IMEA sent a letter to the USDA confirming support of these projects. IMEA is in the process of working through some remaining issues with SolAmerica prior to finalizing these solar

projects. These issues include confirming the final language of the Power Purchase Agreement with SolAmerica and finalizing the Interconnection Agreements between SolAmerica and the cities. Weinant reported that the anticipated Commercial Operation Date is December 31, 2025 subject to the PACE loan availability and project development timing. IMEA is to receive all energy, capacity and RECs from these projects, if built. He stated that Resolution #24-08-927 approves the three new solar projects in Carmi, Highland and Metropolis controlled by SolAmerica and authorizes the President & CEO to finalize and execute the Power Purchase Agreements, the assignment agreements with each City and all other necessary agreements. David Coston made a motion to approve the solar generation projects in the cities of Carmi, Highland and Metropolis by Resolution #24-08-927. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Approval of Appointment to Fill Vacancy on IMEA Executive Board – CEO Kevin Gaden explained that there is a vacancy on the Executive Board due to the recent resignation of Sue McLaughlin from Farmer City. He stated that there is a provision in the IMEA Bylaws that allows for the Chairman to appoint a member of the IMEA Board to fill a vacancy on the Executive Board subject to Board approval. Chairman Sheehy named Robert Coble from Flora and Mr. Coble indicated his willingness to accept the position as a Member-at-Large on the Executive Board. David Coston moved to approve Robert Coble to fill the vacancy on the IMEA Executive Board as Member-at-Large, seconded by Brian Groth. This motion was approved by unanimous roll call vote.

Resolution #24-08-928 – Approving Limited Waiver for the Village of Winnetka Regarding the IMEA Member Generation Policy – General Counsel Troy Fodor reported that Winnetka Steam Unit #4 had experienced a forced outage on July 12, 2023 due to abnormal significant vibrations in the turbine. The Village Board engaged an engineering firm for an assessment and found that the radial turbine bearings and the turbine blading needed to be replaced at an estimated cost of \$2.3 million. Fodor explained that the unit has not received capacity credits per the Member Generation Policy since the July 12, 2023 outage. He stated that IMEA had received official notice of retirement from Winnetka on February 14, 2024, but it is the intent of the Village of Winnetka to replace Unit #4. Fodor explained that the IMEA Member Generation Policy provides that Members shall be permitted to transfer the Dedicated Capacity associated with a retiring unit to replacement generation facilities. The policy provides that such replacement generation shall be built, placed in service and tested within one year of the retirement. Fodor stated that the Village of Winnetka is requesting a waiver of that one-year requirement to build, install and test the replacement generation in or before 2030. He acknowledged that one year is not a reasonably sufficient time to install the replacement generation due to permitting, supply and labor constraints not within the Village's control. David Coston made a motion to approve Resolution #24-08-928, seconded by Mike Kirk. The motion carried by unanimous roll call vote.

Update on Negotiations for Power Purchase Agreement (PPA) for 150MW Solar – CEO Gaden stated that the IMEA Board had unanimously approved Staff to proceed with negotiating the terms for a 20-year PPA with a solar vendor for a 150MW output agreement at its June 27, 2024 Board meeting. The vendor sent its draft of the PPA to IMEA Staff on July 22, 2024 and IMEA Staff has since sent a full markup back to the vendor. IMEA Staff continues to work through the terms of this long-term complex power supply offer and is making progress. IMEA Staff expects to reach an agreement on these remaining issues and intends to seek formal IMEA Board approval at the October 2024 Board meeting.

At that time, General Counsel Troy Fodor asked for a motion to go into Executive Session for discussion of the purchase, sale or delivery of electricity regarding the 150MW solar project being considered. Dan Cook moved to go into Closed Session, seconded by John Tolan. A roll call vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(23) of the Open Meetings Act, 5 ILCS 120/2(c)(23) at 3:26 p.m. The meeting returned to Open Session at 3:58 p.m. by a motion from Dan Cook, seconded by David Coston. The motion carried by unanimous roll call vote.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by John Tolan, seconded by Pete Suhr and carried unanimously by voice vote. The meeting was adjourned at 3:59 p.m.

Respectfully submitted,



Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, AUGUST 28, 2024**

MEMBERS PRESENT

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|--------------|----------------------------------|
| Carmi | David Coston |
| Chatham | Pat McCarthy |
| Freeburg | John Tolan |
| Highland | Dan Cook |
| Marshall | Cory Sheehy |
| Naperville | Brian Groth (arrived at 3:05 pm) |
| St. Charles | Peter Suhr |
| Sullivan | Mike Kirk |
| *Vacant Seat | |

MEMBERS ABSENT

OTHERS PRESENT

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| Breese | Jason Deering |
| Greenup | Mike Ryder |
| Rantoul | Jake McCoy |
| Winnetka | Brian Keys |
| IMEA | Kevin Gaden |
| IMEA | Troy Fodor |
| IMEA | Chris Wise |
| IMEA | Mandy Ripperda |
| IMEA | Staci Wilson |
| IMEA | Mike Genin |
| IMEA | Rakesh Kothakapu |
| IMEA | Glenn Cunningham |
| IMEA | Adam Baker |
| IMEA | Jaken Hicks |
| IMEA | Danny Chung |
| IMEA | Rodd Whelpley |
| IMEA | Eric Weinant |
| IMEA | Jonathon Wygant |
| IMEA | Ed Cobau |
| IMEA | Tammy Hall |
| Guest | Raheel Arshed (Naperville) (arrived at 3:05 pm) |
| Guest | Giovanni McLean (St. Charles) |

LISTEN ONLY VIA WEBINAR

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| Flora | Bob Coble |
| Naperville | Brian Groth (until 3:05 pm) |
| Red Bud | Josh Eckart |
| Guest | Greg Hubert (Naperville) |