

**ILLINOIS PUBLIC ENERGY AGENCY
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 28, 2024**

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 28, 2024. Vice Chairman Shannon Risley called the meeting to order at 12:00 p.m. Roll call was taken which showed a quorum was present.

Cory Sheehy made a motion to approve the minutes of April 24, 2024, seconded by Joe Fosdyck. The roll call vote showed all in favor.

Opportunity for Public Comment: Vice Chairman Risley stated that pursuant to the Open Meetings Act, anyone in attendance in person shall be permitted an opportunity to comment. He then asked if anyone would like to make a comment and hearing none, the meeting continued.

Treasurer's Report - The financials for April 2024 (last month of the IPEA fiscal year) were presented by Katherine Nelson. She reported that the cash balance was \$584,808 compared to \$560,442 last April. She also stated that gas revenue for April had decreased by 9% from the previous year, the price per Dth average had decreased by \$0.28 from the previous year and Dth sales had decreased by 1% from the previous year. Nelson then reported on the June 2024 balance sheet stating that the cash balance was \$602,523 compared to \$573,679 last June. She also stated that gas revenue for June had decreased by 5% from the previous year, the price per Dth average had decreased by \$0.50 from the previous year and Dth sales had increased by 7% from the previous year.

Nelson stated that Baker Tilly had completed the audit of the financial statements for the year ending April 30, 2024. They issued their report on July 29, 2024 and the result was a clean audit, meaning an unmodified report with no adjustments. Nelson explained that Jodi Dobson, a partner at Baker Tilly out of the Madison, Wisconsin office, will report her findings regarding the audit later in the meeting. With there being no questions, Joe Fosdyck made a motion to approve the Treasurer's Report, seconded by Jake McCoy. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden stated that it was 20 years ago this month that IPEA began its formational meeting which led to the State recognizing IPEA's organizational status as an Illinois entity on December 28, 2004. He congratulated the members on 20 years of partnership.

CEO Gaden gave an update on staffing transitions which included the hiring of a Communications & Legislative Specialist who will start on September 16, 2024. He explained that Mike Genin will retire in early 2025 and Staci Wilson will take over leadership in the Member Services Department. IMEA Staff will consider the next steps for IMEA's Operations Department (position was approved in FY24/25 budget) as well as assessing needs in the Member Services area over the next 6-9 months.

CEO Gaden reported that some states/communities are finding innovative ways to regulate the direct use of natural gas such as Berkeley, California considering a "carbon fuel usage tax" due to new gas installs being stopped by a California court. He stated that the recent adoption of the ICC study of "Future of Natural Gas" will likely have significant impacts on members' systems and encouraged members to be prepared to address customers' and legislators' questions. He also explained that succession planning,

compliance planning and positive affirmation on the benefits of a local system should be part of every municipal utility operations.

Regarding a national update, CEO Gaden stated that the Supreme Court's recent ruling on the Chevron Doctrine could have significant long-term effects on the regulatory actions directed by federal agencies. He explained that the Supreme Court ruled that Courts can no longer defer to administrative agencies' interpretation on ambiguous statutory language, meaning the Courts will decide whether administrative policies align with what Congress intended in a law. Gaden also explained that an example of this could be the "Social Cost of Carbon" used by federal agencies to determine the long-term least cost of serving an energy supply infrastructure project needs such as a pipeline project, oil refinery, etc.

Audit Report: Jodi Dobson of Baker Tilly presented the IPEA Audit Report via webinar broadcast for fiscal year ending April 30, 2024, complete with all necessary disclosures. 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, Jake McCoy moved to approve the Audit Report, seconded by Joe Fosdyck. The roll call vote showed unanimous approval.

Market Update – Bill Sticka from Constellation gave an overview of the energy market reporting that natural gas prices were over \$3.00/MMBtu in mid-June, however, they are currently \$1.92/MMBtu due to an over-supply of natural gas. He stated that natural gas production had dropped 4% from the all-time high reached in February and storage levels are at a surplus, but continue to contract due to high loads this summer. Sticka explained that the US had exported more Liquid Natural Gas (LNG) than any other country in the world in 2023 and discussed the possibility of LNG capacity doubling by the end of the decade. He also forecasted that data center growth associated with AI build-out could increase the overall US demand for natural gas by more than 10 Bcf/day and could account for up to 10% of total demand by 2030 – up from 2-4% today.

Legislative & Regulatory Update – Staci Wilson reported that SB 3597 pertains to the Climate Bank Loan Financing Act and allows governmental units to borrow from the Illinois Finance Authority (IFA) for purposes of clean energy infrastructure projects utilizing new and "one-time" only funds to leverage traditional private capital. She noted that the IFA envisions lending federal funds to governmental units for clean infrastructure projects at attractive rates and conditions and would be structured similar to the IPEA State Water Revolving Fund. IPEA is supportive of this legislation.

Wilson discussed SB 1289 Carbon Capture & Sequestration (CCS) bill which pertains to the process and regulations of capturing facility permitting & criteria pollutants. This bill sets the same standards for all projects regardless of what type of emission source. IPEA did not have a position on this legislation.

Wilson reported on HB 4118 which protects households from utility disconnection for 30 days while waiting for their LIHEAP application to be processed. This only applies to utilities with 500K or more customers.

Wilson noted that the Fall Veto Session dates are November 12-14 and November 19-21 and a lame duck session is likely to be held on January 2-7, 2025. The inauguration of the new General Assembly will be held on January 8. She stated that there is a possibility of omnibus energy legislation which would include electric transmission construction right of first refusal, battery storage incentives and net metering.

Wilson then discussed low income discounts for gas customers which begin in October 2024 for investor-owned natural gas utilities and presented the DCEO Facts brochure. She explained that customers with household incomes up to 300% of the federal poverty rate will receive discounted gas service from investor owned, ICC regulated utilities.

Regarding Federal issues, Wilson reported on the Energy Permitting Reform bill. This bill passed out of Committee, but is unlikely to be called for a floor vote prior to the election. This bill shortens judicial review timelines on authorizations of energy and mineral projects, accelerates leasing and permitting decisions for all types of energy projects on federal lands, reforms existing backstop siting authority for interstate electric transmission lines and requires interregional transmission planning. This bill also requires FERC and NERC to assess future federal regulations significantly impacting power plants and offer formal comments to federal agencies about any effects on electric reliability along with setting a 90-day deadline for the Secretary of Energy to grant or deny LNG export applications following environmental reviews, with applications deemed approved if the Secretary fails to meet the deadline.

Jonathon Wygant gave an update on the ICC “Future of Natural Gas” hearings stating that the ICC had directed its staff to develop a plan for a “Future of Gas” proceeding including a timeline for workshops and a formal proceeding. He reported that on March 7, 2024, the ICC adopted an Initiating Order to convene a “Future of Gas” proceeding including specific timeframes for two series of workshops. The ICC directed that a “Future of Gas” proceeding should fully explore issues arising from decarbonization in the gas distribution system, develop recommendations for future Commission policies and action and develop recommendations for any necessary legislative changes which CEO Gaden referred to in his President & CEO Report. Wygant stated that the Phase 1 Workshop series identified issues on all relevant topics related to the future of natural gas distribution and decarbonization goals. The facilitator drafted an initial report with opportunity for comments. During the hearing process, IPEA jointly with IMUA submitted comments; a final draft report was released on July 29, 2024. He stated that the ICC had accepted IPEA and IMUA’s comments and recommendations for their report.

Staci Wilson then reported on the key items regarding Phase 2 which she attended via webinar the morning of this IPEA Board meeting. She stated that the ICC had originally intended to conclude this phase by July 1, 2025. However, the recommendation, if approved by the ICC, is to extend that deadline to July 1, 2026, which would be the day a report would be issued. Wilson explained that the ICC plans to develop 5 pathways which include electrification, energy efficiency, geothermal, alternative gases and innovative decarbonization technologies. She also stated that the ICC has created a detailed website pertaining to this topic which includes the presentations, any comments submitted and studies provided. IPEA Staff will continue to update the Board going forward as these meetings progress.

Member Competitive Position – Jonathon Wygant reported that two IPEA members are hedged into 2029, one member hedged into 2028, four members hedged through 2027, one member hedged into 2026 and four members are hedged into 2025 with one member on a Discount to Index program. IPEA/Constellation will be sending updates regularly with price quotes.

Panhandle Eastern Pipeline Refunds – Wygant reported that Panhandle Eastern Pipeline (PEPL) filed for a rate increase in the summer of 2019 which was resolved in 2023. This 300-400% increase impacted Bushnell, Edinburg and Roodhouse. He stated that FERC ruled for a 4% increase and refunds were issued to all three municipalities totaling \$2,253,385.

Wygant also discussed Operational Flow Orders (OFO) from the Midwestern Gas Transmission (MGT) pipeline the last two consecutive months. He explained that Casey, Marshall and Martinsville were the municipalities affected, but they all had firm transport service. As a result, there were no limitations on their deliveries. Wygant encouraged members to review their transport rights as more gas is used to generate power nationwide, more constraints will happen on summer/winter peaks and during maintenance schedules.

There being no further business, the meeting was adjourned at approximately 12:56 p.m. by a motion from Mike Ryder. Joe Fosdyck seconded the motion and it was unanimously approved by voice vote.

Respectfully submitted,



Secretary/Treasurer

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MEMBERS PRESENT

Bethany	Shannon Risley
Bushnell	Joe Fosdyck
Greenup	Mike Ryder
Marshall	Cory Sheehy
Martinsville	Todd Shaffner
Rantoul	Jake McCoy
Roodhouse	Terry Ross
Sullivan	Mike Kirk

MEMBERS ABSENT

Casey	Shelby Biggs
Edinburg	Mike Lebshier
Flora	Bob Coble (webinar)

OTHERS PRESENT

Baker Tilly	Jodi Dobson (via webinar)
Virchow Krause, LLP	
Constellation	John Jambois (via webinar)
Constellation	Bill Sticka (via webinar)
IPEA	Kevin Gaden
IPEA	Troy Fodor
IPEA	Mike Genin
IPEA	Staci Wilson
IPEA	Chris Wise
IPEA	Jonathon Wygant
IPEA	Rodd Whelpley
IPEA	Katherine Nelson
IPEA	Tia Horn
IPEA	Danny Chung
IPEA	Ed Cobau
IPEA	Tammy Hall