

**ILLINOIS PUBLIC ENERGY AGENCY  
BOARD OF DIRECTORS MEETING  
February 14, 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 February 14, 2024. Chairman Bob Coble called the meeting to order at 12:00 p.m. Roll call was taken which showed a quorum was present.

Shannon Risley made a motion to approve the minutes of December 6, 2023, seconded by Jake McCoy. The roll call vote showed all in favor.

Opportunity for Public Comment: Chairman Coble stated that pursuant to the Open Meetings Act, any one 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 Treasurer's Report for December 2023 was presented by Tia Horn. She reported that the cash balance was \$652,708 compared to \$644,133 last December. She also stated that gas revenue for December had decreased by 42% from the previous year, the price per Dth average had decreased by \$.89 from the previous year and Dth sales had decreased by 33% from the previous year. Horn also discussed the draft 2024/2025 budgets that had been included in the Board packet and these budgets will be subject to approval by the IPEA Board in April. 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 welcomed new Roodhouse Board Member, Terry Ross, the City's Utility Superintendent, replacing Mayor Tom Martin who passed away in September of last year. He thanked Mayor Gary Moore for his service and the City of Fairfield for their many years of participation in IPEA. Gaden welcomed Jonathon Wygant as the new Energy Services Representative. He reported that Jonathon began his employment at IMEA on February 1, 2024. Jonathon served in the U.S. Navy for 11 years and was employed as a Policy & Budget Analyst for the Illinois Senate for the past eight years. Gaden explained that Jonathon will work with Sean McCarthy and Mike Genin as Sean transitions to Operations in late Spring 2024. Gaden then reviewed the IPEA goals for FY 2024/25.

CEO Gaden stated that a recent Ninth Circuit Federal Court ruling that the Berkley, California local ordinance that banned new natural gas installations was not allowed under federal law. The Court ruled that the local City Council did not have the authority to choose the fuel sources that customers use. He also reported that Chicago's City Council had begun discussions to determine the means to effectively ban natural gas installations in new buildings in the city of Chicago. Regarding a national update, Gaden noted that FERC is down to 3 Commissioners instead of 5. President Biden never renominated when Commissioner Glick left in December 2022 and there has been no nomination for Commissioner Danly whose term ended at the conclusion of the 2023 session in January 2024. Gaden reported that Commissioner Clements term is up on June 30, 2024, although due to the necessity of having 3 Commissioners for a quorum, she can remain in the seat until replaced. He stated that Willie Phillips had been officially named Chairman of FERC.

Lastly, CEO Gaden reported that IMEA will co-sponsor an APPA Legislative Resolution to ensure that Congress recognizes the importance of keeping natural gas supplies affordable and reliable.

Market Update – Brandon Fong from Constellation reported that due to the warm weather in February, prices went below \$2/Dkth and at one point was \$1.61/Dkth. He stated that strong production, solid inventories and a well-supplied global picture created ideal buying opportunities. Regarding weather this winter, Fong stated that December had been the second warmest nationally with January temperatures being the 18<sup>th</sup> warmest. He explained that forecasts are predicting that February is expected to be 12% warmer than the 10-year average and March is expected to be 5% warmer than the 10-year norm. Fong reported that Freeport LNG’s Train 3 outage from Winter Storm Heather had provided the market with unexpected extra natural gas for domestic use. He stated that the storage withdrawals in the coming weeks will be below average. The market will look to rebuild storage surplus which should provide some upward price resistance. He presented a yearly comparison of NYMEX natural gas prices from 2016 to current and discussed the best time to buy natural gas on an annual basis. Fong reported that LNG projects are in limbo due to President Biden halting export approvals while the Department of Energy reviews the economic and environmental impacts. This will not impact facilities currently under construction with all the necessary approvals. This “pause” puts almost 90 million metric tons per year of non-FTA capacity at risk. He then presented graphs of the Henry Hub and Chicago Citygate historic calendar strips reflecting natural gas term pricing.

Legislative & Regulatory Update – Staci Wilson stated that the Illinois Spring Session began with a high volume of legislation being filed, however, not much activity ongoing with committees. The deadline for filing legislation is Friday, February 16<sup>th</sup>. She discussed SB 3637 and HB 5021 which applies only to electric utilities, not municipal gas systems. This bill would implement transparency requirements that would require electric municipal systems, coops, or members of a power agency to file an integrated resource plan and adhere to a renewable portfolio standard. This bill also changes net metering requirements to match the investor-owned utilities.

She reported that the Illinois Commerce Commission is expected to announce a formal “Future of Gas” proceeding. This meeting is intended to produce a detailed action plan for investor-owned utilities’ future infrastructure investments to evaluate the impacts of Illinois’ decarbonization electrification goals on natural gas systems. Staff will keep the Board informed going forward.

Wilson explained that this ruling also established a new low-income discount rate for eligible customers whose incomes are up to 300% of the Federal poverty level. This will become effective for investor-owned gas utilities on October 1<sup>st</sup> and investor-owned electric utilities approximately a year from now. She presented a chart identifying percentage discounts by tiers for Ameren, Nicor, North Shore and Peoples for the Federal Poverty Level (FPL). She explained that the determination of eligibility for the discount rate for households at 200% FPL and below comes from the verified LIHEAP household income. Wilson reported that Tiers 1-4 are the households that must qualify for LIHEAP. Households above 200% FPL will self-certify directly with the utility. Discussions will be forthcoming regarding the restructuring of LIHEAP to accommodate these new discount rates.

On a Federal level, Wilson reported that during the APGA Legislative Rally, IPEA Staff met with Congressional members and Senate members’ staffs. Those meetings focused on educating them on municipal gas systems and IPEA, the importance of affordable and dependable natural gas service and reforming Section 5 of the Natural Gas Act. Wilson stated that APGA had sued the Department of Energy (DOE) over its final Furnace Rule. She explained that the Furnace Rule proposes setting minimum efficiency standards at a condensing-only level for appliances. APGA believes requirements to swap

out an existing non-condensing furnace and venting incompatibilities will make for costly retrofits to replace older gas furnaces and this will be especially difficult in multi-housing units with limited fresh air intakes. Wilson also stated that APGA was appealing the provisions in the 2024 International Energy Conservation Code (IECC).

Recent Cold Weather Event – Mike Genin discussed the recent weather event over the Martin Luther King holiday which caused price hikes due to sustained cold weather. He explained that Constellation has to lock in volumes and pricing on a Friday to cover usage through a holiday weekend which means even amounts for those days. He discussed the pricing per Dkth paid for various pipelines that serve the Midwest. Genin explained that during the Operational Flow Orders (OFO), the penalties for under scheduling or exceeding the Maximum Daily Quantities(MDQ) are severe. He discussed the option of increased winter volume hedging to cover the risk from “price spike events” by taking into consideration the current pricing and weather forecast for that month. After consideration of this option, the concern was that nominating increased volumes at the beginning of the month may lead to selling it back through most of the month which might increase the exposure risk.

Member Competitive Position – Genin reported that five IPEA members are hedged into 2026 and 2027 and seven IPEA members are hedged into 2025 with one member on a Discount to Index program. IPEA/Constellation will be sending updates regularly with price quotes.

There being no further business, the meeting was adjourned at approximately 1:03 p.m. by a motion from Shannon Risley. Jake McCoy seconded the motion and it was carried unanimously by voice vote.

Respectfully submitted,

  
Secretary/Treasurer

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BOARD OF DIRECTOR'S MEETING  
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**MEMBERS PRESENT**

Bethany	Shannon Risley
Bushnell	Joe Fosdyck
Flora	Bob Coble
Martinsville	Todd Shaffner
Rantoul	Jake McCoy
Sullivan	Mike Kirk

**MEMBERS ABSENT**

Casey	Shelby Biggs
Edinburg	Mike Lebshier
Fairfield	Mayor Gary Moore
Greenup	Mike Ryder
Marshall	Cory Sheehy (via webinar)
Roodhouse	Terry Ross

**OTHERS PRESENT**

Constellation	John Jambois (via webinar)
Constellation	Brandon Fong (via webinar)
IPEA	Kevin Gaden
IPEA	Troy Fodor
IPEA	Mike Genin
IPEA	Staci Wilson
IPEA	Tia Horn
IPEA	Chris Wise
IPEA	Jonathon Wygant
IPEA	Rodd Whelpley
IPEA	Sean McCarthy
IPEA	Katherine Nelson
IPEA	Danny Chung
IPEA	Tammy Hall