

Illinois Municipal Electric Agency (IMEA) Power Sales Contract – Alternative Options



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Electric Power Supply Categories for Illinois Municipalities

A. Joint Action Agency (JAA) – “Serving Municipal Owned Utility”

Non-profit agency owned by multiple municipalities who pool their buying power to provide wholesale power supply & related service from power generators through long-term contracts.

B. Power Marketer – “Serving Retail Choice Customers”

For-profit company (often a trading company) buying and selling electricity in wholesale markets.

C. Municipal Utility – “Individual Utility Supplying Own Needs”

Non-profit entity owned by single municipality; Generation, Transmission & Distribution. “Going it alone”



A. Joint Action Agency – “Serving Municipal Owned Utilities”

Non-profit entity owned by multiple municipalities who pool their buying power to provide wholesale power supply & related service from power generators through long-term contracts.

- **Options:** IMEA, NIMPA, New JAA
- **Focus:** Long-term Stability – Affordable, Reliable and Sustainable Electricity Supply.
- **Features:**
 - Economies of scale: Lower negotiated rates due to large, combined demand.
 - Shared expertise and resources: Access to experienced personnel and risk management strategies.
 - Transparency and local control: Municipalities have voting rights and oversight over decision-making.
 - Measured decision-making: Consensus needed among member municipalities.



B. Power Marketer – “Serving Retail Choice Customers”

For-profit company (often a trading company) buying and selling electricity in wholesale markets.

- **Options:** Com-Ed “Customer”, Competitive Procurement/ Municipal Electric Aggregation
- **Focus:** Market-based rates on short-term basis using “market mix” power supply.
- **Features:**
 - Market Risk: Potential for price volatility
 - Typically only offer short-term power supply contracts (3 Years)
 - Variety of Options: Broader range of energy sources and contract terms to choose from
 - Less Control: Limited influence over sourcing decisions and market fluctuations
 - Profit Motive
 - Supplier Risk: Exposed to potential supplier reliability issues

B. Power Marketer – “Illinois Power Agency” - ComEd

- ComEd is a “wires only” company and does not have generation or supply electricity to any customer in Illinois.
- *Where do ComEd customers get their power supply?*

Illinois Power Agency (IPA)

- ComEd (north), Ameren (mid-state & south), MidAmerican Energy (west/ Quad Cities)
- ComEd customers do not decide where their power comes from, IPA has control
- IPA was a result of Deregulation changes in Illinois from 1997 - 2007
- Each year, the IPA develops an Electricity Procurement Plan to procure electricity for eligible retail customers
- Short-term contracts are procured through IPA (3 years – 33% each year)
- **Power Supply Portfolio**



B. Power Marketer – “Illinois Power Agency” - ComEd

ipa.illinois.gov

- IPA Portfolio is between 7% - 11% renewable energy
- Procurements are layered in one-year strips and completed twice per year (spring and fall), dates may be excluded if they are determined to significantly impact the cost of the energy to be procured
- IPA energy is mixed with other market energy and the PJM mix is delivered to all customers at the time it is needed.
- All PJM customers (including St. Charles) receive the PJM mix at the time energy is needed.
- To meet the State of Illinois mandated Renewable Portfolio Standard, the IPA currently procures RECs to become 11% renewable.



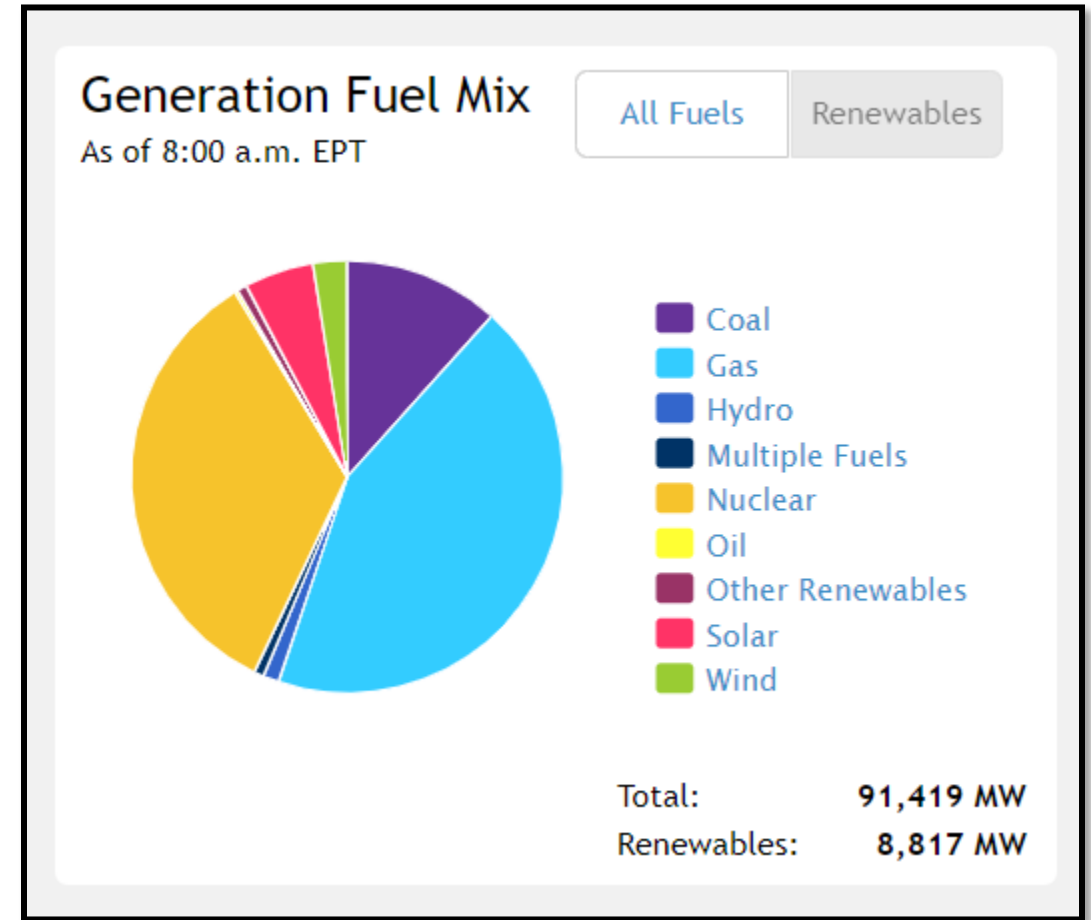
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B. Power Marketer – “Illinois Power Agency” - ComEd

Illinois Power Agency 2024 Bids

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C. Municipal Utility – “Individual Utility Serving Own Needs”

Non-Profit entity owned by single municipality; Generation, Transmission & Distribution

- **Options:** Springfield CWLP Model, Power Purchase Agreements/ Electric Utility
- **Focus:** Long-term Stability – Affordable, Reliable and Sustainable Electricity Supply.
- **Features:**
 - Complete Control: Unlimited influence over sourcing decisions and market fluctuations
 - Variety of Options: Broader range of energy sources and contract terms to choose from
 - Combination of short-term and long-term power supply contracts
 - Opportunity for self-generation
 - Many new resources needed including substantial amounts of new staff

Alternative Sourcing Options for Power Supply

1. Join Another Joint Action Agency (JAA)

- Northern Illinois Municipal Power Agency (NIMPA) – Batavia, Geneva, Rochelle
 - Established in 2004 w/ Peak Loads of 230 MW (900 MW-1,000 MW for IMEA)
 - No Full Time Employees & No Member Services – Management Services from Avant Energy (MN)
 - Prairie State Coal is Only Generation (7.6% ownership) – Contract directly with City
- American Public Power Association (APPA) – Over 2,000 town/ cities nationwide

2. Form a New Joint Action Agency (JAA)

- 32 of 42 JAA Municipal Electric Utilities in Illinois are IMEA members – Economies of Scale & Member Services Advantages
- Most of the other 10 JAA's are IMUA Members
- Additional Resources would be Needed for St. Charles

Alternative Sourcing Options for Power Supply

3. Competitive Procurement (Retail Electric Suppliers – R.E.S.)

- Municipalities conduct own competitive bidding process to solicit proposals from various suppliers/ “trading companies” (Similar to Illinois Power Agency for ComEd Customers)
- Typically Short-term agreements with exposure to market volatility & price stability
- Additional Resources would be Needed for St. Charles
- No Member Services like IMEA

○ Municipal Electric Aggregation

- South Elgin, Aurora, Carol Stream
- Example: South Elgin
- Short-Term “Retail Choice” Programs – Can select from a few different Plans
- Market Rates can be very volatile
- Not an option for St. Charles – We own our own Utility

Alternative Sourcing Options for Power Supply

4. Power Purchase Agreements (PPAs)

- Municipalities can enter into long-term agreements directly with energy generators, just like IMEA does.
- St. Charles would have complete control over energy portfolio and costs
- Many Additional Resources would be Needed for St. Charles (IMEA for St. Charles Only)
- Member Services would be St. Charles Responsibility:
 - State & Federal Compliance – CEJA Law
 - Legal Requirements – ie. Transmission & Sub-transmission Contracts
 - Power Supply Scheduling
 - 24/7 Operating Center
 - Energy Audits
 - Renewable Energy Expertise
- Springfield Example - City Water, Light & Power (CWLP) Model



Alternative Sourcing Options for Power Supply - Summary

A. Joint Action Agency (JAA) – “Serving Municipal Owned Utilities”

1. Join another JAA
2. Form a New JAA

B. Power Marketer – “Serving Retail Choice Customers”

3. Competitive Procurement (Retail Electric Supplier – RES)

- ✗ ComEd Customer
- ✗ Municipal Electric Aggregation

C. Municipal Utility – “Individual Utility Serving Own Needs”

4. Power Purchase Agreements (PPA's)

- ✗ Springfield CWLP Model



Why Maintain Status Quo – Renew Contract with IMEA

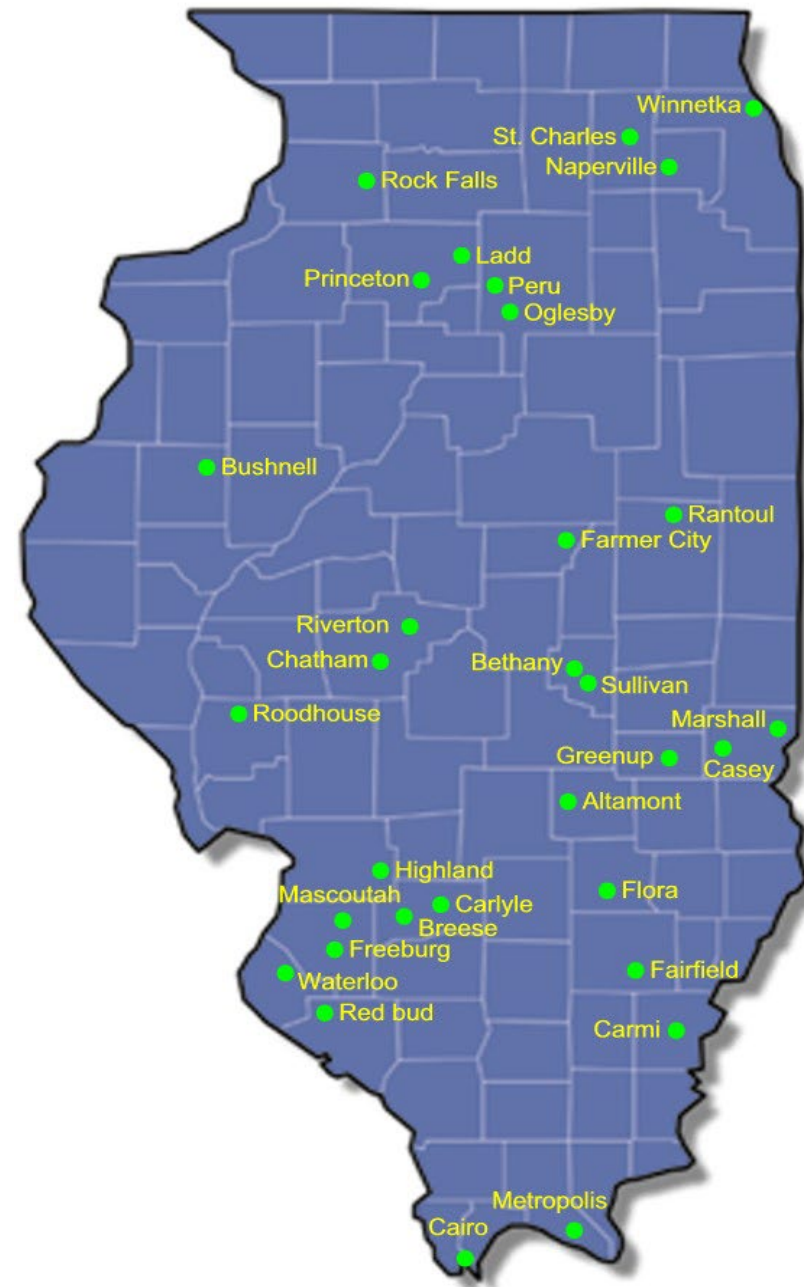
✓ **IMEA - Reliable, Affordable and Sustainable Past & Projected Future**

- No viable reason to Join an Existing Joint Action Agency (JAA)
- No viable reason to Form a New Joint Action Agency (JAA)
- No viable reason for Short-term agreements with openness to market volatility & price stability
- No viable reason to increase staff and resources “to do it ourselves”

Why Maintain Status Quo & Renew Contract with IMEA.....



Illinois Municipal Electric Agency (IMEA)



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IMEA & St. Charles Electric Utility



Affordability.
Reliability.
Sustainability.



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Illinois Municipal Electric Agency (IMEA)

- Founded in 1984 by Municipal Utilities to serve the needs of Communities
- Capacity & Energy is purchased in a Reliable, Predictable and Competitive manner. IMEA secures long-term Capacity & Energy to supply members power needs & spot buying on the open energy market as needed
- IMEA combines the power needs of 32 Municipal Electric Utilities and works for the greater good of all Member Communities as a Nonprofit Joint Action Agency
- Formed & Run by its Members (Local Control)
- IMEA is a 24/7 operation located in Springfield, IL with 32 employees, three separate entities and \$1.3 billion in assets

Illinois Municipal Electric Agency (IMEA)

Your IMEA contract provides many services, at no additional cost, as part of your agreement. We are committed to not only providing reliable and affordable electricity for our members, but also many rate-savings items and value-added services. These are services you won't receive with other providers which would cost your community more money down the road.

SAVINGS & SERVICES	STANDARD IMEA	STANDARD PRODUCT POWER MARKETER
Energy efficiency funding to lower member bills	✓	✗
Identified renewable energy options as part of the power supply	✓	✗
Electric vehicle charging infrastructure funding	✓	✗
Affordable and stable pricing for over 10 years	✓	✗
Economic development incentive rates to create jobs	✓	✗
Ability to purchase REC's to meet environmental goals	✓	✗
Legal / regulatory assistance from industry experts	✓	✗
24-hour member systems support for outages and emergencies	✓	✗
Economic development assistance to benefit local economy	✓	✗
Customer retail rate comparisons to prove competitive position	✓	✗
Business customer walk-through energy audits to lower bills	✓	✗
Local representation on the IMEA board of directors	✓	✗
Monitor and advocate before state / federal regulatory agencies	✓	✗
Negotiate and provide due diligence to lower transmission costs	✓	✗



Illinois Municipal Electric Agency Services



NERC cyber compliance



Power Supply Scheduling



Economic Development Support



Electric Efficiency Incentives



Negotiate Transmission and Sub-transmission contracts



Representation in Regional Transmission Organizations



Electric Vehicle and Infrastructure Incentives



State and Federal Legislative Advocacy



Energy Audits



Grid Management services – Demand Response



Key Accounts



Legal & Regulatory Defense of Assets

October 2023



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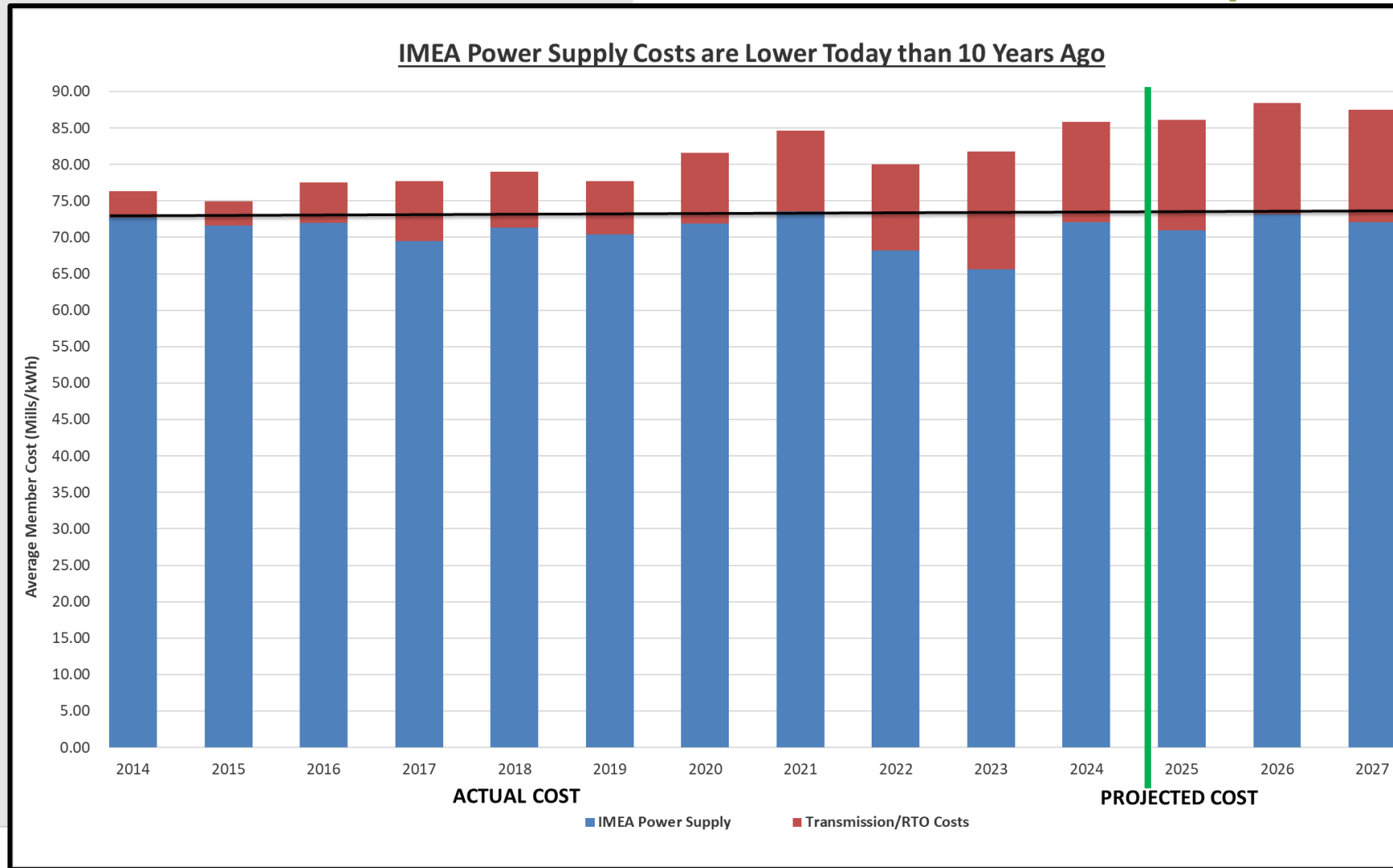
Illinois Municipal Electric Agency Services

- Daily forecasting of energy demand for all members
- Daily forecasting of renewable resource output (wind/solar generation)
- Scheduling of day-ahead power purchases for all members
- Scheduling of day-ahead power sales of generation resources to market
- Real-time monitoring of power market conditions
- Real-time updating of resource dispatch schedules to reduce member average cost of energy
- Real-time communications with MISO/PJM for responding to emergency procedures
- Daily reconciliation of scheduled market participation with actual purchases/dispatch
- Real-time monitoring of energy deliveries to every member delivery point
- Communication with member at the first sign of service interruption
- Communication with transmission entities to ensure service interruptions are as short as possible
- Coordination of behind-the-meter generation with member communities
- Coordination of backup power sources to mitigate interruptions for members with multiple feeds
- Coordination of generation maintenance outages with members
- Communication/Coordination of NERC/MISO/PJM Compliance Issues

24x7 Operation



IMEA & St. Charles Electric Utility - Affordability



IMEA rates to St. Charles remain flat over the previous 10-year period, and are projected to continue to remain flat, thanks to agency-owned resources and long-term contracts



2050 NET-ZERO VISION



Tentative Schedule

Continued Discussions @ Government Service Committee Meetings (GSC)

- ✓ April 01 GSC – Introduction
- ✓ April 22 GSC – IMEA Sustainability Plan
- ✓ May 28 GSC – Other Options for St. Charles
- June 24 GSC – IMEA Presentation &
Power Sales Contract Discussion
- July 22 GSC (& Beyond) – Additional
Information/ Discussion as
Needed

April 30, 2025 – IMEA Deadline



Questions.....Comments ????????

