



Illinois Municipal Electric Agency  
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January 22, 2026

The Honorable Scott Wehrli  
Mayor, City of Naperville  
400 S. Eagle Street  
Naperville, IL 60540

Dear Mayor Wehrli and City Council members:

IMEA has appreciated serving as your City's non-profit wholesale power provider for nearly 15 years. As the City nears its decision to extend its membership in our municipal joint action agency for long-term power supply and energy services beyond 2035, we are compelled to highlight some facts and emphasize a few key points prior to your vote.

As you are aware, IMEA has been diversifying our portfolio and increasing our renewable resource procurements for our portfolio. Within the last few years, it has become evident that it is necessary to offer our member municipalities a new contract extension opportunity so that we can affordably and adequately plan the future of our portfolio. While the 2035 expiration year of our contract may seem far away to some, portfolio resources require significant time to plan and implement, with renewable resources best financed through 20-year contracts. Without extensions beyond 2035 with our member cities, IMEA cannot procure new, favorable 20-year renewable energy deals. Nearly all IMEA municipalities have already extended their relationship with the Agency, which gave us enough critical mass that allowed IMEA to execute the 150MW utility scale solar contract in October 2024. While we have appreciated the conversations that have occurred thus far with Naperville through your Public Utility Advisory Board, it is our understanding from watching your recent City Council discussions that you are nearing some form of action regarding the opportunity to extend Naperville's relationship with IMEA.

IMEA has worked diligently to serve the city throughout our long-term relationship. Our mission and goals have been and remain to provide affordable, reliable and sustainable power to our Illinois municipal utility members. Together, we have achieved admirable results, and the Agency has met – or surpassed – the City's stated expectations.

**IMEA is committed to a net-zero future by 2050.** IMEA continues to adapt to a changing energy landscape and has committed to a net-zero future by 2050. We have demonstrated this commitment with continued progress in growing our renewable resource portfolio by roughly 20% of our total energy needs in recent years. This percentage is higher than the system-wide market mix and is provided to IMEA members at a much lower cost than others. Since 2009, IMEA has added or has contracted for more than 300MW of wind and solar resources sourced in Illinois out of a total portfolio of 1007 MW. As IMEA has moved forward on each renewable project, our board, including the City of Naperville, has been instrumental in supporting the

IMEA staff in its efforts to find the best wind and solar resources available at the best long-term value for our membership. Along with our members' local generation and the dispatchable baseload resources, IMEA and its members have a very robust long-term resource fleet, and we continue to plan and execute for a cleaner future. This also includes enhancing our energy efficiency programs, demand response programs, flexible load programs, as well as continuing to expand our renewable fleet to meet any state or federal mandate.

**IMEA is affordable.** IMEA has provided affordable power supply costs for more than a decade, with a solid resource plan to keep rates low for the long term. As of right now, Naperville's residential retail bill comparison cost is 20% less expensive than our investor-owned counterparts. This statement is not based on calculations of hypothetical decisions that may or may not have been made; it is based on actual current bill comparisons. This has also been stated by Naperville staff during several council discussions when asked.

With the recent national focus on energy supply and artificial intelligence (AI) data centers, even residents that have rarely considered the cost of power or impacts on the grid are starting to become concerned. For example, in the market region for ComEd, called the PJM Interconnect, the cost of one megawatt of capacity for 2022/2023 was \$29.40/megawatt per day. In the recent December 2025 market auction that sold capacity for 2027/28, it sold for \$333.40/megawatt per day or 11.25 times higher. In fact, without a PJM settlement in place to establish an artificial cap, PJM reports that these capacity costs would have been \$542.80/ megawatt per day (or 18 times higher than 2022/2023). Over time, other retail customers in the ComEd region will see these impacts affect their power bills estimated at hundreds of dollars a year; IMEA members impacts will be much less. This capacity market impact is what many of the general media outlets have the most concerns about, and rightfully so.

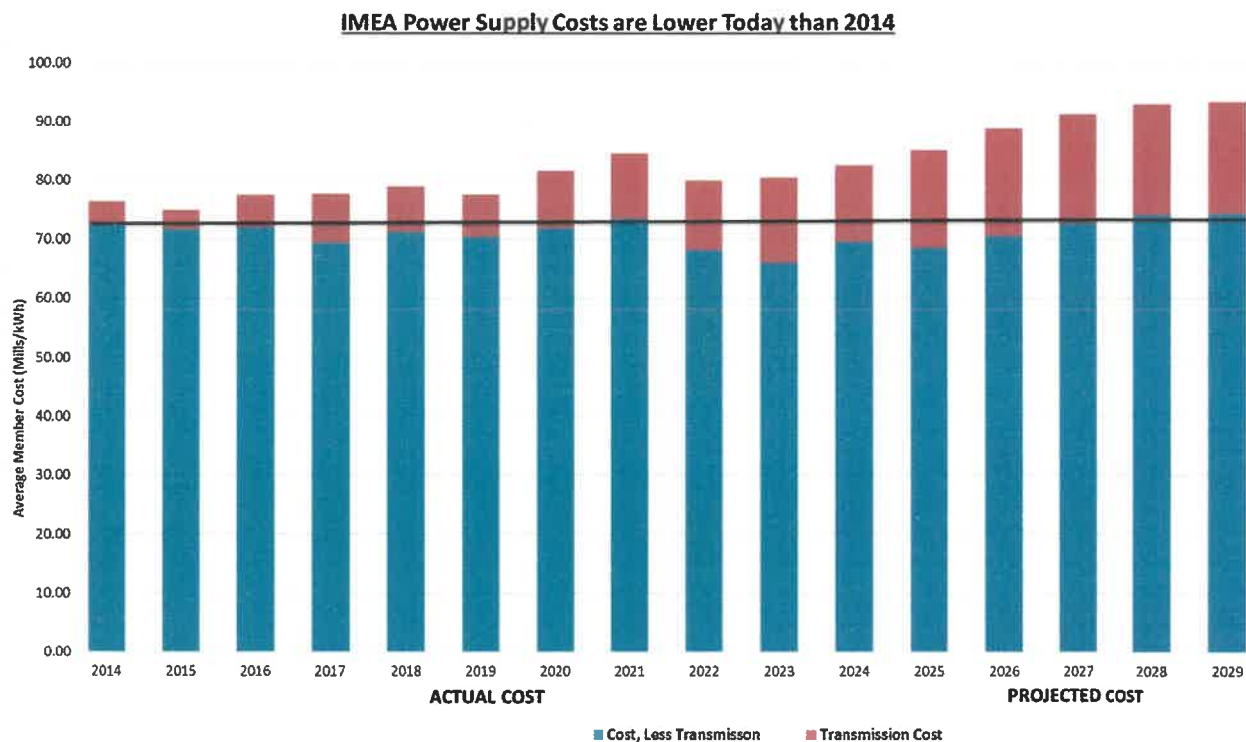
**IMEA provides stable, predictable and proven power supply results.** We simply point out that the reason that the City originally contracted with IMEA was for the stability to ensure that Naperville retail customers had a predictable, reliable and affordable power supply to meet their needs for decades to come. IMEA has carried out this goal for the City of Naperville and for the entire membership of the 32 Illinois cities that have pooled their needs to gain economies of scale that are three times larger than the City's load, with an engaged and professional staff to manage the current and future challenges in this dynamic electric supply business.

The City contracted with IMEA in 2007 for all the community's electric power supply needs from 2011 to 2035. Upon signing the contract, the largest condition before beginning the power supply service was a requirement that IMEA participate in the Prairie State Generating Company (PSGC) to finance, construct and gain commercial operation of the project. As we know, IMEA was able to meet all those conditions prior to the June 2011 start of the contract deliveries. Included is a copy of the Naperville contract amendment to show those requirements.

Over the past 15 years of operation, this power portfolio and its assets have become reliable, economical power supply resources that have reduced the city's risks, provided a financial hedge and delivered the stability that Naperville sought by joining IMEA. Membership in IMEA has financially shielded the city and all IMEA's members from sudden and dramatic market swings. In short, Naperville and all of IMEA's members made highly successful long-term resource decisions that provided them with predictable, stable, reliable, affordable and sustainable power

supply on a non-profit basis for decades. Naperville has had a direct say in these decisions through your Board membership. In fact, Naperville's IMEA Board member is the IMEA Vice Chair today. All assets of the power portfolio will remain with, and continue to operate for, IMEA and those Member cities that extend their power supply contract.

The graphic below shows the long-term stability that the City sought when you decided to join the IMEA power supply program. This chart demonstrates that IMEA's average cost to our members (less transmission costs) remains at or below the 2014 level. This shows remarkable cost stability to our members. Transmission cost escalations have been and continue to be the industry norm. These increases are part of doing business and are outside of IMEA control. IMEA staff, with the support of the IMEA Board, have taken steps to become a transmission owner to offset a portion of these transmission cost increases. Much time, energy and expertise has gone into this effort by IMEA staff.



**IMEA offers many services beyond power supply to your City and residents.** In addition to all the complex power supply and transmission issues that IMEA manages on the City's behalf, it is also noteworthy to highlight just a few of the multitude of other services that IMEA has provided the City.

- IMEA has developed and operated an Energy Efficiency incentive program that has directly paid retail customers of the City \$4,221,722 from June 2011 through December 2025. Completed electric efficiency projects have achieved a total of 35,399,392 kWh of first-year energy savings. The program and its savings remain ongoing. The city has offered \$55,806 of IMEA Electric Efficiency Program funds for incentives to projects that are

currently underway and has \$334,129 of IMEA Electric Efficiency Program funds remaining to offer as incentives for new projects through April 30, 2026.

- IMEA also operates an EV charger incentive program. Since 2023, Naperville has used \$169,900 of IMEA program funds to incentivize the installation of 383 residential level two EV chargers. The city is currently using \$85,500 of IMEA funds to incentivize 171 additional EV chargers.
- IMEA offers a number of value-added programs, such as a demand response program and a program that has allowed the City and retail customers to purchase renewable energy credits (RECs) at a very attractive rate with no markup in cost. Naperville has taken part in both of these valuable programs.
- IMEA has, and continues to provide, critical utility legal services. We provide just one example. At the request of the City, IMEA's staff led the efforts to assist Naperville to de-register from NERC as a Transmission Owner (TO). Since Naperville had no intentions of directly becoming a transmission owner and they were not seeking to allow ComEd Network Transmission flows across the City distribution system, the City sought to remove themselves from these unduly burdensome, time consuming and unnecessary regulatory requirements to NERC. This effort was successful and allowed the City to reduce its considerable compliance obligations for document and data submissions and approval by NERC and its subsidiaries each year.

In conclusion, IMEA and its members remain proud of all that we have accomplished together and will continue to deliver to the City during our contractual relationship. IMEA is here to serve all of our member communities.

We stand ready to provide any additional information that the Mayor and Council might seek, and we will continue to provide high-quality, low-cost service for our members for decades to come. To be clear, IMEA is a coalition of like-minded Illinois municipal electric utilities that share the same goals that Naperville's electric customers have. We have a portfolio of resources and services that includes a 24x7 staff dedicated solely to serving our non-profit municipal members. We certainly hope that our performance over the past 15 years has shown the City how dedicated we are to your success. We have strived to exceed your expectations in the past 15 years and look forward to continuing to serve your needs.

Best Regards,



Kevin M. Gaden  
President and CEO

Cc: Naperville City Council members (via email)  
Brian Groth (via email)  
Doug Kreiger (via email)  
Mike DiSanto (via email)