

# City of Naperville

*400 S. Eagle Street  
Naperville, IL 60540  
<http://www.naperville.il.us/>*



## Naperville

### Meeting Minutes - Draft

**Tuesday, April 8, 2025**

**5:00 PM**

**Special Meeting**

**Council Chambers**

**Public Utilities Advisory Board**

**A. CALL TO ORDER:**

Chairman Louis Halkias called the Public Utility Advisory Board meeting to order at 5:03 p.m.

**B. ROLL CALL:**

**Present** 7 - Michelle Ackmann, Abbas Bhikapurawala, Louis Halkias, Brandon Hoeft, Russell Paluch, Philip Schrieber, and James Fillar  
**Absent** 1 - Nate Wilson

**C. PUBLIC FORUM:**

**GREG HUBERT**

Good evening, PUAB.

Greg Hubert

[greg@cleanenergynaperville.org](mailto:greg@cleanenergynaperville.org)

Advocate for transparency and clean energy.

I am here to refute the myth of PJM accredited capacity requirements of the utility. It's a myth we've heard repeatedly voiced by IMEA, and now the myth has apparently been repeated during PUAB Q&A discussion with CES at the March PUAB meeting. Along with insinuations of over half a billion dollars in additional solar capacity costs. Our citizens' research finds no such evidence of PJM requirements for IMEA or for any utility to have a credited capacity. PJM simply requires that a utility known as a load serving entity in PJM terminology pay its share of PJM reliability charges which PJM uses to pay power generators for their accredited capacity. PJM procures this capacity through its capacity auctions in order to insure PJM system reliability. And IMEA as a generator, supplies accredited capacity in the auction so that IMEA as the load serving utility can use that auction revenue to offset its share of the reliability charges imposed by PJM.

Stated another way, IMEA's net reliability cost equal reliability charges minus auction revenue credits. It's time to put this IMEA myth of PJM capacity accreditation requirements to bed. It's PJM that procures the capacity to ensure system reliability. And the load serving entities pay their share of the cost through reliability charges. Accredited capacity can serve as an optional offset to reliability charges. It's a business decision, not a PJM requirement how to utilize offsets.

We think myths can get in the way of the public power need for transparency. And this myth of PJM accredited capacity requirements, has led to an absurd position that twenty-four additional Bee Hollow solar projects with over a half billion-dollar price tag would be necessary due to PJM accredited capacity requirements. Our evidence and our calculations supporting these public comments are in our handout which I believe you have and publicly posted on our website at [cleanenergynaperville.org/myths](http://cleanenergynaperville.org/myths).

Thank you.

**MARILYN SCHWEITZER**

Good afternoon, Marilyn Schweitzer, thirty-eight-year resident of Naperville. For

years this board and Naperville's electric utility has known about the rapidly changing energy market, changing energy legislations, stresses due to climate change, and segments of Naperville's community who want the city to thoroughly explore options other than IMEA.

Four years ago, I requested this board have a plan to evaluate our opportunities that would allow engagement and reassurance to the public that our electric service and cost is being adequately considered and addressed. Yet here we are, four years later with no documented planning process.

For some reason, there has been a tremendous push for the PUAB to make a recommendation before the next City Council is seated. This will be the third lengthy meeting, and the second special meeting called this spring. There has been scan opportunities for public comment, partially because of short notice and because this board does not accept written public comments.

I don't understand the rush, expect that IMEA has been pushing hard to have the city except their April thirtieth contract extension. IMEA has even been targeting Naperville residents with advertisements and social media now.

Yet the City Council has made it clear, they want a workshop after the new City Council is seated and no decision will be made before then. I don't think the purpose of that workshop is in essence to mans plain a single option the PUAB recommends. My understanding the purpose of this workshop is to explore all options including financial aspects, manpower needed, and critical dates for decisions. Yet no such detail plan has come before this board. All I read from the CS report is generalities, the only recommended change of course is for the city to leverage the MDR clause, which I'm surprised the city has not leveraged already.

In the 1850's Naperville chose not to invest to have a railroad come through the city. Instead, they continue to back a local businessman who created a plank road and were profiting from the tolls. The road rotted, the railroad went through Wheaton thrived, and by 1867 Naperville lost the county seat to Wheaton.

You have a choice tonight. You can recommend a council to accept the CES recommendation. You can recommend a council one of the other options. You can table any making decision, or you can recommend that the city pursue a rigorous evaluation process with set dates to ensure feasibility.

Please choose the latter, because from what I've heard so far, Naperville in essence may be opting for another rotting plank road.

Thank you very much.

#### FERRIS ARAGEEN

Good evening. My name is Ferris Arageen and I'm a student going to North Central College. For the past three years of my life, I have had the privilege of calling Naperville my home. It is my sincerest desire to see Naperville thrive, not just while I'm here, but for generations to come.

I'm speaking with you today, because right now you all face a critical decision

that will undeniability impact all the lives that live here. All the people you see here sitting in the audience and thousands more that you do not see. If you decide to sign this contract, Napervilleans will be negatively impacted by the economic and environmental consequences of sourcing our energy from coal. Not just until 2055, but for decades forward as well.

This contract is dire. We would be putting thirty years of our future into the hands of a company that's been found to be operating under illegally suspicious conditions. With coal plants that lack the necessary legal requirements and permits. And I'm sure you're already familiar with the greenhouse gas emissions and particulate matter that is released into the air when we combust coal for energy.

Coal destroys, and its impacts are disastrous, but we can stop this now. Consider this, Illinois is a state, sources fifty-five percent of its energy from nuclear, thirteen percent from renewable's and only thirty-three percent from fossil fuels. As you can see, Illinois has been on its way to seeking its energy from alternative sources that aren't as detrimentally impactful as coal or methane. Renewable technologies are not as unrealistic as they seem.

According to the SEJA, in 2024, the U.S. installed more solar capacity to the energy grid than any other energy technology in the past twenty years. Meanwhile, wind capacity accounted for eleven percent of the total new capacity in 2024. Technological advances are moving us towards renewable's that will be both cheaper and eco friendly in the long run. Cleaner energy resources are not an unrealistic solution or an uncertain future. They are our hopeful present.

Countries like New Zealand are striving to reach one hundred percent renewable energy by as early as 2040. But if we renew our contract with the IMEA we would be tied to utilizing outdated energy sources causing the state and nation to lag behind for decades.

As a young person, I am deeply aware of the consequences of my generation and I will inevitably have to bear due to climate change. The truth is that I am scared, but I am choosing to take action by standing here before you asking you to consider this. In the time when our leadership of the nation is failing the common collective during an environmental crisis. Let us inspire hope. Starting right here in Naperville, by showing them, that Illinois is willing to be a leader for future generations and our beautiful earth. It's undeniable that there are better sources of energy that we can supply our people with.

The facts have spoken, and the citizens have as well. Let us move forward with a brave leadership, refusing to sign this contract and switching to something new. Not because it is easy, but because it is necessary.

Thank you.

**STEVE WEBER**

Hi, my name is Steve and I'm a thirty-year Naperville resident. Thank you for the opportunity to voice my concerns over the Prairie State coal plant.

My perspective comes from working in the manufacturing sector for thirty years, twenty-five years at Navistar and five years at Ryerson Steel. The topic I want to

bring up are the risks involved in planned operations in the sunset industry.

Risk number one is the escalating costs due to declining economy of scale. In its heyday, the mining industry had many customers that spread out overhead costs. As plants and mines continue to close, those same overhead costs are covered by less customers thus escalating cost per plant.

Risk number two is the life of machinery. The machinery in any plant requires maintenance and repair. While current suppliers remain in business to supply aftermarket parts and expertise, if so, are the replacement parts readily available or do they have to be manufactured from scratch. If the company no longer exists, then we have to fabricate the parts which is very expensive and long lead times. Any type of like boiler parts could be a real problem and cause outages.

Risk number three is the employee capability. As people retire or leave the industry a lot of knowledge walks out the door. How capable will the replacements be? How many young Engineers want to go into the coal industry when newer fields are available to them? How expensive are consulting services to maintain and repair the existing machinery that is there, the techs.

Number four, is any new regulations. So as technology improves over time, new regulations to reduce greenhouse gases are going to come about. When they do, what is going to be the cost of implementing that new hardware. As an example, the carbon capture and sequestration has not gone well.

So, finally, as an analogy, consider the cost of a car. So, in the beginning, the cost of a car is very cheap. Over time it requires more maintenance, more repair to the point, eventually you get rid of it. With a plant, you cannot do that. The plant is similar to a new car, however, as the repair costs go up, you are just going to have to maintain paying those costs, and you are not going to be able to get rid of it just like you would a car.

Thank you so much.

**GRAHAM MORIN**

Hello, Graham Morin, resident since 2009 and an energy consultant since 2011.

I've been following the situation with our city's electrical contract for quite a few years now. But I was struck by the lack of analysis on the economics of the overall structure.

So first, let's talk about the cost. I did not see in either of the IMEA presentations nor the CES analysis any kind of bench marking versus other current market alternatives to see how we are doing. I suspect what we'd see if we did that analysis is that Naperville has been paying approximately three hundred twenty-million-dollar premiums to IMEA over the last ten years, since 2014, when IMEA last provided their data out to. That represents about a forty-two percent premium over what we could have bought from ComEd for energy capacity transmission on just the open market, and we are also seeing that over that time where IMEA says they provided stable reliable rates. We're seeing that their transmission costs are escalating at a rate that are much higher than ComEd.

For example, since 2014, again where the benchmark started. IMEA has raised their transmission rates by over twelve percent year on average versus a benchmark on ComEd, where ComEd has moved by approximately two point six percent per year. That's four times the rate of what ComEd is moving for.

Next, let's talk about cost savings strategy. Haven't seen anything really about cost saving. IMEA talked about in their presentation that they offer value added demand response services to its members, but I don't see a whole lot of added expense to that effect. Yeah, there may be some small projects going on in town or other members of IMEA. But when we talk about it, how do we really lean into that? There's a lot of restrictions IMEA puts into that so we could not on our own implement a very aggressive and thorough demand response strategy. Just at another example, just analyzing the numbers. If we were to be able to implement kind of a comprehensive demand response strategy, there's a possibility to save up to three hundred million dollars in energy costs over the next ten years. Very significant potential savings that we're just really not even scratching the surface of today.

Concern number three is that the CES benchmarking of residential retail rates against ComEd is a red heron. IMEA does not control how Naperville sets its retail rates. A comprehensive analysis should be carried out on wholesale rates, not retail. The wholesale cost of electricity is an important input into this overall retail cost structure. So, when we analyze any kind of retail rates, it should include the effects of getting wholesale costs in line with the market as I talked about. Getting cost savings implemented like demand response and performing this type of analysis. You know what we would see? We would see about a thirty percent reduction in rates on the retail side.

So, for all these reasons, the current supply structure from IMEA is not favorable. Our city has a fiduciary obligation to ensure we get the best solution before we chart a path forward. We should demand comprehensive analysis to supply costs and future cost mitigation strategies. Additionally, Naperville should explore alternative supply agreements structures, possibly with IMEA, but not exclusively.

Thank you.

#### **RICHARD STARK**

My name is Richard Stark, and I have been a resident of Naperville for about six years. Prior to retiring, I held a range of jobs requiring high analytical skills, starting as a Telemetry Analyst in the Army Security Agency and ultimately as Vice President of Corporate Development for a technology company that provided energy management systems and services for large buildings. Currently, I now refer to myself as a SAUPO (self-appointed unpaid observer). To be honest, I'm not strongly attached to the "unpaid" part of this role.

I have closely followed the process of evaluating our electricity sourcing options and have several observations and recommendations to share. For the sake of time, I will focus my comments now only on the cost aspects of the equation.

My first observation coming from the CES presentation previously, was the graph that they showed, where they show the projective costs for IMEA up through 2050, and it shows it going up gradually and steeper and then steeper. And it ended up to be almost three times the current cost by 2050. In my observation from what they presented was, the primary driver for that was the effective load carrying

capabilities (ELCC), that's required by PJM. That's important to know that it's not the price increase of solar and wind and so on. It's the quantity of electricity required to be purchased in order to meet those requirements.

Observation two. Key information needed to support the CES recommendation to renew the contract is missing. There are no equivalent projections for alternatives like the long-term projection shown for IMEA.

I propose the following:

1. Assess the costs of Naperville purchasing electricity from Constellation and prepare a graph of the long-term cost trends that can be compared with the one shown for IMEA. I chose Constellation because they have a much smaller gap to fill to meet the CEJA requirements for Illinois.

2. Following that I would propose modifying that graph to include the combined efforts of that plus peak shaving that would be available in order to reduce Naperville's demand.

3. Prepare a similar graph for ComEd, so we have enough to benchmark the differences.

This additional information would be invaluable in determining whether staying with IMEA is indeed the most cost-effective option or perhaps it might prove more expensive in the long run.

Thank you for your time and attention, and if you are interested, I can share my other observations when you wish.

Thank you.

**Present** 7 - Michelle Ackmann, Abbas Bhikapurawala, Louis Halkias, Brandon Hoeft, Russell Paluch, Philip Schrieber, and James Fillar

**Absent** 1 - Nate Wilson

## D. OLD BUSINESS:

Approve the Public Utilities Advisory Board meeting minutes of February 27, 2025, and the Special Meeting minutes of March 6, 2025.

Motion to approve minutes: Phil Schrieber

Second: Abbas Bhikapurawala

This has passed.

Approve the Public Utilities Advisory Board meeting minutes of Feb. 27, 2025, and the special meeting minutes of March 6, 2025

Attachments: [2-27-25 Minutes](#)

[3-6-2025 Minutes](#)

## E. NEW BUSINESS:

Prior to the new business that we are going to have and that has been out to the

public regarding the presentation from Chris Townsend, Energy Law Partners at CJT Energy Law, LLC and Mark Pruitt, Principal at The Power Bureau.

Are there any speakers prior to the next presentation, a three-minute limit applies. No speakers prior to that, then we will go ahead with that presentation please.

Receive the presentation from Chris Townsend, Energy Law Partner at CJT Energy Law, LLC, and Mark Pruitt, Principal at The Power Bureau

**Attachments:** [25.04.08 City of Naperville Energy Law & Market Risk Presentation](#)

Questions regarding presentation by CJT Energy Law, LLC and The Power Bureau from Public Utility Advisory Board:

**JAMES FILLAR**

Thank you very much. That was very revealing, very sobering discussion and about what is coming down the road and I'm sorry, this gentlemen with his hand up back there, would like to ask a question.

**CHAIRMAN LOUIS HALKIAS**

No, this is the PUAB. If I open this up to everybody, we would be here, everyone would be asking a question. Hopefully, I think we've done a very good job of that. Is that we would have asked a question that you want answered.

**JAMES FILLAR**

My focus is generally cost, what is this going to cost everybody down the road? I think there is very little analysis of that's been done. There are a lot of opinions thrown around, but very little cost. Mark, I am going to ask you something. You have touched on it very briefly, it's about batteries. Legislation to look at installing batteries in Illinois. You're familiar with the report entitled, Cost and Benefit Analysis of Energy Storage Resource Deployment in Illinois, you're familiar with that report (speaker Mark Pruitt, Principal at The Power Bureau wrote the article).

On page twenty-three, I'm sure you've got it memorized. I want to focus on cost. We can talk about benefits later. I just want to focus on costs. On page twenty-three, it literally says, scaling the energy storage program to fifteen thousand megawatts would carry a projected total cost of fifty billion dollars for the period between twenty thirty and twenty forty-nine. Excuse me, forty-six billion dollars.

Now this was written in 2024. Prices have gone up. There are new tariffs that are going to drive the prices up. This is an incredibly low number I would imagine if it was to be re-done today, correct?

**MARK PRUITT (PRINCIPAL at THE POWER BUREAU)**

It would be different, I don't know if it would be radically different. There are offsetting benefits in terms of facilitation of interconnection agreements. The existence of a number a projects that are already in the queue, they've already absorbed their costs etcetera. It likely could be higher.

**JAMES FILLAR**

We'll use forty-six billion. I don't know how to do this but, I went on a.i. and asked how many rate payers are there in Illinois. It said five million, I don't know



if that's right or if that is wrong.

**MARK PRUITT (PRINCIPAL at THE POWER BUREAU)**

Sounds about right. About three and a half in ComEd, another one and a half in Ameren and Mid-American.

**JAMES FILLAR**

So, when I divide forty-six billion by five million, I get roughly, I am just going to round it off to ten-thousand dollars per rate payer or per account over twenty years. But these are going to be built sooner rather later. So, we're talking roughly about ten thousand dollars per rate payer, per account, however you want to look at it, to build these batteries.

Now, people are probably not aware that these are coming down the road. But this is a cost that is going to overlay everything else we have been talking about so far as in the transition of renewable's. This is additive. So, when we talk about the price of renewable's, whether high or low, this is coming down the road if it is made law.

Now the reason the state of Illinois is looking at adding all these batteries is because of renewable's, correct?

**MARK PRUITT (PRINCIPAL at THE POWER BUREAU)**

It's supportive of renewable's. But I think it is more a response to the reliability concerns and the lack of success at the wholesale level of connecting new capacity at a rate that will ensure reliability in northern Illinois served by PJM and central southern Illinois served by MISO.

**JAMES FILLAR**

You need batteries to operate at night because the sun is not shining. This is why we put the batteries in for when the clouds go overhead, solar don't produce. One of the reasons we have to have batteries is because we are retiring natural gas fired peaker plants, correct?

**MARK PRUITT (PRINCIPAL at THE POWER BUREAU)**

That would be part of it.

**JAMES FILLAR**

So, CEJA requires a certain number of natural gas fired peaker plants to be shut down by 2030, 2035 etcetera. Some of these batteries have to be replacing those natural gas fired peaker plants. I think it's fair to say that. Are you familiar with this, this was an ICC filing entitled, Chris I know you are familiar with this, Verified Initial Comments of LS Power regarding the second draft Renewable Energy Access Plan. This is a report that was issued by an owner of some of those peaker plants, these natural gas peaker plants. Just for everyone's benefit, these run when the RTO calls for power because there's been a shortage, demand, a need. They ramp up immediately, they go down, they come up, they go down, they fill the gap between supply and demand.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

That is correct. On the hottest days, they're asked to run, but they also serve an important purpose to help serve, balance the grid. When there is an unexpected outage of a plant for example.

**JAMES FILLAR**

And there is also a frequency issue, maintaining frequency, which is way to technical here. In this report, it says that in ComEd alone this phase out schedule implies approximately eighteen point five gigawatts of thermal retirements through twenty forty-five, twelve gigawatts which is by twenty thirty. That's what the report says.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

And again, if you remember that flow chart that I had up there that PJM put together. Essentially that report crunched the numbers for the peaker plants and said what does that mean in terms of which plants are going to have to be retiring by twenty thirty, twenty thirty-five, twenty forty.

**JAMES FILLAR**

Okay, I'm just reading what it says. So to put it into perspective. This report says that twelve gigawatts are retiring by twenty thirty. The entire capacity of the Illinois nuclear fleet, is about twelve gigawatts, correct?

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

Yes, that is about right.

**JAMES FILLAR**

So just that everyone understands, what we are shutting down here in the natural gas peaker plants is a name plate capacity is equal to all of Illinois nuclear power plants, this is a big deal.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

It's massive.

**JAMES FILLAR**

And you used the word blackout earlier, and I'm glad you did that. Because I think people need to understand that we're in the throes of a slow-motion train wreck here that could cause that, for a lot of reasons. And one of the reasons we're here is to explore whether Naperville should renew its contract with IMEA or not.

If Naperville chooses not to renew its contract with IMEA, presumably it's going to have to go out and buy power out in the future sometime, through some process, or we can build our own power generation sources. But more than likely, Naperville is going to go out and buy power, from whomever, do some PPA's, get some wholesale energy from suppliers, etcetera. I would imagine it would start to get serious about that and say the year twenty thirty. I am just making up numbers here, I don't know. Because the IMEA supply contract ends in twenty thirty-five.

I would assume Mr. Groth would start working early on that and trying to figure out where our power is going to come from. What's your opinion of Naperville going out, trying to buy power, in twenty thirty and these natural gas fire power plants are going to be shut down due to CEJA. You've mentioned the word blackouts. We have reliability concerns because of all the wind and solar that is being absorbed into the system. What's your opinion about going out into the market, pick a year, twenty thirty, twenty thirty-one, twenty thirty-two and try to secure power. Can you give an opinion on that?

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

I appreciate the underlying of all those concerns, and they're real concerns. The role we are trying to play today is essentially as reporters, not as recommenders. We are providing you with the history of what we've seen historically, the impact of what those laws are going to be going forward. Essentially what people are saying out in the marketplace as to what they anticipate. Again, our role today is not to be a recommender for you, but rather to be a resource to provide that history and background.

**JAMES FILLAR**

That's a good Lawyer(ly) answer.

**CHAIRMAN LOUIS HALKIAS**

If I could just interrupt for just a second. As it relates to, you're right, we're not asking for a recommendation, I think Jim was asking for is an opinion, not a recommendation. An opinion more likely what the environment more than likely would be in that time frame

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

Again, I feel Mark has provided some insight into the way the market is being viewed. The opinion as to what the market is going to look like, all we can say and all we are doing today is what we believe the trend line is currently. And underneath the current structure, this is what we would anticipate would be the environment would be like at the time, and I think we have given you those facts. It is up to you to use your opinions to try to persuade others based on those facts as to what the next appropriate steps would be.

**RUSSELL PALUCH**

I just have a comment. Being in this business for thirty years. My rule of thumb is to try and be a buyer when no one else is and try to be a seller when no one else is. Thinking about the future, five years, ten years, twenty years from now, the volatility, the demand. Instinctually in my experiences in the marketplace, I expect high levels of volatility due to uncertainty. The risk tolerance of market participants is going to change, we already felt that today. Looking at Ford Curves five years, ten years from today. Good luck getting a price offer from a supplier first and foremost. So, my comment is really for the board. Just to talk about price volatility, the level of unknowns that we are facing as a industry is more than likely going to drive up costs. So, when we talk about cost and look for low-cost options as a group and for our citizens and our rate payers. I don't really want to be out there guessing on one hundred percent what our requirements are going to be five, ten fifteen years from now.

**CHAIRMAN LOUIS HALKIAS**

Well, I think that's what we were looking for, at least an educated opinion of where we are going. I think Mark, both of you really have said with your diagrams that's what's happening, where we're going.

**MARK PRUITT, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

I would say in terms, I would advise you the same as I advise large institutional entities that I work with. Bare two things in mind, one that today is not forever. Things can settle down, things can shoot up, it's hard to know and because of that is point two. The goal should not be to be one hundred percent right. You can never be one hundred percent right. The market is always going to change. You take a position today; you could be completely off base tomorrow. The goal

is not to be one hundred percent right, its not to be one hundred percent wrong. Which is an old-fashioned hedgers way of saying, you need to really dig into what all of your options are. And then to have a plan to say if this than that, because it is going to change. I was able to pull prices for four years. Getting fifteen-year prizes, that would be a really, really tough job.

I think that the advice is, try to diversify to the extent possible. But you have to be realistic in terms of what options are available within the market. That goes back to our thesis, which is state policy is impacting on what options are available in the market.

**CHAIRMAN LOUIS HALKIAS**

So, when you have state policy, the wild card that keeps on adding to the complexity of the situation, and it's a complex situation for sure. To say for the city, that things could be better, could be worse, or that we could be missing something if we were obligated one way or another. If you are thinking about yourself, do you want to leave yourself out that way and say I just hope things will catch up. Versus, this is what the numbers are showing right now. Right?

**MARK PRUITT, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

I agree with that. I would just say that hope is not a good business plan. I think your sentiment is directionally correct. You have to understand the constraints of what we know and what we think we know.

Going to PJM, they've operated since the 1920's , and yet over the last two years they've had to correct their forward demand projections based on unforeseen growth in demand. They were caught flat-footed, they admit it, it's not a criticism, it's just an observation. If they can miss it, all the rest of us can miss it as well.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

Again, one of the underlining points is, expect the unexpected. There are many known unknowns, but there are also many unknown known's. Having a plan, needs to take that into consideration as well.

**PHIL SCHRIEBER**

Thank you, guys, for the presentation. It's very insightful. I'm wondering if in your professional experiences if you ever consulted with any similar type users who have been in a similar situation where they are potentially signing a contract to start ten years out into the future and if so, what did that look like.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

I don't know that I've ever had a client that was looking to enter into a contract that would begin flowing ten years into the future. I have advised clients with regard to energy procurements that would have locked them in for a certain strategy for decades going forward. But never a situation where the actual contract delivery would be that far into the future. I have never done that.

**MARK PRUITT, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

Nor have I.

**BRANDON HOEFT**

Could you just share with us what is the longest period of time that one of the clients has ever entertained.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

There's a concept of chilled water agreements that have the longest lifespan that I've seen. That requires buildings to be signed up, at the time they were talking about fifty-year agreements. Again, I don't know if I've ever had a client that signed a fifty-year agreement, but I know that it's been discussed for that type of district cooling chilled water agreement type of structure.

**BRANDON HOEFT**

I'm sorry, I may not have asked the question correctly, we're looking at a contract that would begin in ten years. So how far have you advised a client to begin a contract.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

It's usually within the year.

**RUSSELL PALUCH**

What about with virtual PPA's or those types of deals that are more structured. Those are at least five years before you see traction or implementation.

**MARK PRUITT, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

I was going to comment that I've worked on a number of EPPA's, PPA's, similar traction status and our transactions tend to be five, six or seven years out in the future. But that's not the ten years that were mentioned.

**RUSSELL PALUCH**

And I kind of view this a little bit like, for the board again. The IMEA you kind of have to look at this as though you are entering into a virtual PPA type of structure. Because they are putting together plans for incremental large scale solar arrays that will benefit the city. So, for me, I think about the timing of this, is not that far out of the realm of reality based upon the amount of structure that has to go into place before actually buying batteries, buying solar, buying land. Doing the things that it takes to get these projects actually built and operational. Not to mention we talked about the inner connection issues with PJM and trying get those things through and the backlog there. So, there are timing issues, in my opinion I think support the time frame IMEA has presented to us.

**CHRIS TOWNSEND, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

Again, large state real estate development, I have dealt with those type of delays for that as well. I just don't know whether I have actually suggested in that situation that they be signing an agreement at that time.

**MICHELLE ACKMANN**

I guess just kind of a comment back, that I totally appreciate the need for planning out ahead. I think the difference between ten years in advance versus maybe nine gives us a bit of time to do some more due diligence. That's my thought at this point.

**JAMES FILLAR**

That's a good point. And I'm going to point the spotlight to Director Groth over there. Because we are kind of between a rock and a hard place here. We got this deadline from IMEA, which says make a decision now. But if we wait too long, that decision point may go away. I just want to clarify some facts with Director Groth over there.

There was an article in one of the local newspapers, where a Naperville VIP, I'll just leave it at that, said the following. Naperville is required to notify IMEA by 2030 whether we renew our contract or not. That's what was said. Brian, if you can say some facts and tell me if this is right or not. This existing contract runs through 2035.

DIRECTOR BRIAN GROTH  
Correct.

JAMES FILLAR

In order to terminate the existing contract operating right now, in order to terminate the contract, either party must give five-years notice. Correct?

DIRECTOR BRIAN GROTH  
That's correct.

JAMES FILLAR

So, five years notice from 2035 is 2030. Otherwise, it goes to evergreen. That's the existing contract.

Now, let's talk about the proposed contract. The proposal that's on the table from IMEA. That has a twenty-year term, starting in 2035. Correct?

DIRECTOR BRIAN GROTH  
That's correct.

JAMES FILLAR

Naperville has a right to buy ten percent of its power from whoever it wants, as long as the source is low C02 emissions.

DIRECTOR BRIAN GROTH  
Correct

JAMES FILLAR

Does the year 2030 enter into the discussion at all for the renewal?

DIRECTOR BRIAN GROTH  
No

JAMES FILLAR

So, there's no mention of 2030 in the renewal.

DIRECTOR BRIAN GROTH  
No

JAMES FILLAR

IMEA has asked all of its members to accept the contract proposal no later than April 30, 2025.

DIRECTOR BRIAN GROTH  
That's correct.

JAMES FILLAR

How long has that offer been on the table?

**DIRECTOR BRIAN GROTH**  
About a year and a half.

**JAMES FILLAR**  
Does Naperville have a contractual right to accept IMEA's proposal after April 30, 2025?

**DIRECTOR BRIAN GROTH**  
No

**JAMES FILLAR**  
So, after April 30, 2025, IMEA can retract its offer, and Naperville will have no recourse. Is that correct?

**DIRECTOR BRIAN GROTH**  
That is correct.

**JAMES FILLAR**  
Now, I understand that out of the goodness of their heart they could give us some more time if they want. But technically what is written in black and white in that proposal is an April 30th deadline. If we pass it up, they could say, so long Naperville. They could do that if they wanted to, correct?

**DIRECTOR BRIAN GROTH**  
The Board of Directors could, yes.

**JAMES FILLAR**  
If Naperville were to put this out to bid, write up an RFP and all those things with all the things we like to see from a bid. How long would it take Naperville to pull that together and get it out the door?

**DIRECTOR BRIAN GROTH**  
About six months is what our Procurement folks request for an RFP.

**JAMES FILLAR**  
Six months?

**DIRECTOR BRIAN GROTH**  
Yes

**JAMES FILLAR**  
So, this is the rock and a hard place. We've got this April 30th deadline which this is an option, so to speak.  
For those that trade stocks, an option it's in the money. It has an expiration date, and we either exercise it or not. It seems like if we go out for a bid, we go out to do an RFP. It takes six months to get it out, three to four months for companies to respond to it. We could be a year from today before we get the results from a bid, and I would think more than likely IMEA would reject us by then.

That's just my opinion, looking at these dates and facts. I'm not asking you to agree to that or anything, but I think that is the risk we have on the table right now. As we went through the last meeting with PUAB, IMEA in 2035 is going to offer us a very, very low for the power they generate. Thirty dollars a megawatt

hour they disclosed to us is their production cost at Prairie State.

Through IMEA, we are a partial owner of Prairie State. We see their books, we know what their production costs are. They own the coal in the ground. The only price increase now and then is CPI. There are no market risks whatsoever. So, what we are facing is a thirty-dollar megawatt hour price for power starting in 2035 versus who knows what it will be in the market in 2035.

I think those are the facts we are facing right now, and our new city council leaders will have to make a decision whether that's an option they want to pass up on or not.

**MICHELLE ACKMANN**

Brian, do you have a sense of, I mean if we go back to IMEA and ask, hey, can we have another year to make a decision, could you extend this offer another year to give us some more time?

**DIRECTOR BRIAN GROTH**

I would not want to speak for the entire board of directors of IMEA. I will say that twenty-five to twenty-six members have already signed the contract extension.

**MICHELLE ACKMANN**

Out of how many.

**DIRECTOR BRIAN GROTH**

Out of thirty-two.

**CHAIRMAN LOUIS HALKIAS**

If going out to kind of follow what you thought is to get a request from someone to give us a price that far out. How likely is that? Russ you're in that business, what would you say?

**RUSSELL PALUCH**

The pool of bidders is going to be small. I don't think we are going to have a whole lot coming back to us. We've had conversations. Personally, I've spoken with BP, I've spoken with Constellation, and I've asked them the question about pricing ten years from today. They're like, we'll give you a price today for the next ten years but I'm not going to give you anything that starts ten years from now.

So, liquidity in the marketplace is an important factor. There is no liquidity ten years from now in the marketplace. So, you're at one hundred percent risk as what the marketplace will provide.

**CHAIRMAN LOUIS HALKIAS**

So that doesn't sound like a very good option. I mean, you are not going to get anyone to respond to you that wants to obligate themselves to provide power to us ten years from now.

**RUSSELL PALUCH**



Certainly, when you look at the graphs that Mark and Chris put up about future demand. Especially if gas peakers go away. If I'm a generator, and I can look down on the curve and say oh my goodness, look at all the demand coming my way or the lack of capacity coming my way. I'm going to hold onto that as long as I possibly can to get a price on that.

I think that is an important factor in how these markets behave. When you are an asset owner or a supplier in this business. They work on very thin margins ninety-five to ninety-nine percent of the time. They are looking and waiting for that one percent of the time to capitalize. When the markets get tight and volatile these participants get rewarded.

I don't want to be on the wrong side of that.

**CHAIRMAN LOUIS HALKIAS**

Any comments on that, what we've just discussed in front of you.

**MARK PRUITT, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

I have no comments on your calendar dates. In terms of Russ and Russ' mention in terms of the market dynamic requesting prices. That's consistent with my experience as well.

**BRANDON HOEFT**

Brian, I was just curious. Is there a place where the members have voted to be in that contract is made public?

**DIRECTOR BRIAN GROTH**

Yes. It has been made public in the board meetings. The contract extension has been made to vote on by the board of directors.

**BRANDON HOEFT**

Is that something we can get from IMEA.

**DIRECTOR BRIAN GROTH**

Yes. It is also in the board minutes. It's been reported through managers' memorandums. It's also the IMEA board minutes on their website. I can certainly provide you with the list of members that have resigned.

**BRANDON HOEFT**

Okay, thank you.

**CHAIRMAN LOUIS HALKIAS**

Isn't that something we get, review in your minutes with our meetings.

**DIRECTOR BRIAN GROTH**

That is correct.

**CHAIRMAN LOUIS HALKIAS**

I mean, we already have this in the PUAB packets.

**PHILIP SCHRIEBER**

Brian, what is the estimate renewal that IMEA has proposed ?

**DIRECTOR BRIAN GROTH**

We spend about a hundred million dollars a year on current with IMEA. Some years its up to one hundred and twenty and some years closer to one hundred. So, over a twenty-year period.

**JAMES FILLAR**

But that includes the bond payments that will expire in 2035.

**DIRECTOR BRIAN GROTH**

That's correct. The bond payments expire in 2035. We explored with IMEA when they were here the bond payments are about twenty-five dollars of that eighty-dollar megawatt hour price that's current from IMEA.

**JAMES FILLAR**

One way I have looked at this is Naperville has suffered paying bond payments or will have suffered paying bond payments for twenty years of the existing contract. The moment the bond payments go away, we are considering walking away from the contract.

To me, it's like paying a mortgage on your house and paying it for twenty or thirty years and when that mortgage is paid off you just abandoned your house. I'm not sure why we would want to do that. That is going to be a very valuable economic benefit for Napervilleans when 2035 rolls around that we are considering walking away from. On top of a very low price.

**PHILIP SCHRIEBER**

I was going to ask for further clarification, does the city have the ability to procure a hundred million dollars plus contract without doing an RFP? Or what are the requirements that will allow them to consider sole sourcing or not. Can you help us to understand that.

**DIRECTOR BRIAN GROTH**

I would refer to our procurement folks and our legal counsel. We have reviewed the contract with legal as well as procurement and they don't see any issues from a technical perspective with us contracting.

**CHAIRMAN LOUIS HALKIAS**

Would it be the same when you have a contractor that you have been working with for a while versus putting it out not knowing what the market is. But also knowing what the market is. You have someone you are working with, and you know what the market is.

**DIRECTOR BRIAN GROTH**

I'll just reiterate my statement. Procurement and Legal have looked over this contract and have no technical issues with the contract and present it to the council, or that you're having that conversation here. They've had no issues there.

**CHAIRMAN LOUIS HALKIAS**

Any other questions? Gentlemen, thank you very much, it was very enlightening. We really appreciate it. Thank you for your help.

**CHRIS TOWNSEND AND MARK PRUITT, ENERGY LAW PARTNER at CJT ENERGY LAW, LLC.**

Thank you for the opportunity.

Receive the presentation from the Naperville Environment and Sustainability Task Force (NEST)

Attachments: [NEST PUAB Presentation V3](#)

**CHAIRMAN LOUIS HALKIAS**

Our next business will be receiving the presentation from Naperville Environment Sustainability Task Force (NEST)

**SPEAKERS:**

Catherine Clarkin, resident of Naperville since 2009 and co-leader of NEST  
Dr. Paul Bloom (Professor of Physics at North Central College ) and Naperville resident since 2006

Paul Deffenbaugh, resident of Naperville since 2006 and a NEST volunteer

Fernando Arriola, resident of Naperville since 2007 and a NEST volunteer

Joseph Hus, resident of Naperville for over 25 years

Theresa Hus, resident of Naperville for over 25 years

**CHAIRMAN LOUIS HALKIS**

Thank you. Does that include your presentation? I would like to thank all of you for your enthusiasm and your position was very, very nice. I would like to open this up to questions by the PUAB. I would like to begin with our ten-minute recess that we just had, I would like to make a motion with one of our members who had to leave for a family situation and he is available on the phone. So, I would like to make a motion to allow him to continue with his participation and I have looked this up and it is allowed within the rules within Naperville.

Motion made by James Fillar

Second by Phillip Schrieber

All Ayes.

**CHAIRMAN LOUIS HALKIAS**

We will continue with the questions by the PUAB to NEST from their presentation. Questions answered by the NEST group.

## **F. REPORTS:**

Receive the report and recommendation from Customized Energy Solutions (CES) regarding an energy procurement and ancillary services strategy for Naperville's Electric Utility beyond 2035 & provide a board recommendation to utility staff and the City Council

Attachments: [Naperville Energy Procurement Options CES Executive Summary](#)

**REPORTS:**

Receive the report any recommendation from Customized Energy Solutions regarding an energy procurement and ancillary services strategy for Naperville's Electric Utility beyond 2035 and provide board recommendations to utility staff and the City Council.

**CHAIRMAN LOUIS HALKIAS**

This is a public report sent out by Customized Energy Solutions, and I am going to read just the conclusion instead of the whole report and read within their conclusion. CES (Customized Energy Solutions) recommends that Naperville

continues to procure energy and capacity through IMEA while leveraging the MDR clause in its contract to explore renewable energy procurement via PPA's.

As Chairman of the PUAB, I believe we have sufficiently and appropriately reviewed the issue of the contract with the Illinois Municipal Electric Agency (IMEA ). Now there are several members here who are contrary to that and don't believe that we have done that. I do believe we do. I think we are stuck now at this point of saying whose expert is more expert than my expert and what is the actual cost.

The actual cost that I am looking at is what I am seeing from the electric company saying these are the best prices for the people in this area and that Naperville benefits from that. So as a result of that, I am asking the question before I would like to read the Public Utilities Advisory Board's mission statement. Because there has been confusion here as to what our mission is.

The Public Utilities Advisory Board serves in an advisory capacity to the City Council on rates, budgets and Capital improvements for the electric, water and wastewater systems. The board also reviews plans for facilities, expansion and system improvements. The role of the board also includes hearing complaints from City of Naperville utility customers regarding claims of violations of their right to privacy and addressing such complaints as appropriate.

Now that is what our mission is, not the environment. Yes, we have strong feelings one way or the other. We all want to transition. What is possible to transition right now, I don't believe it is going to happen that fast, so I think we have to give ourselves and the city a chance. I also believe we have to give the city an opportunity to look at the best we can in the future because of the information that's been given to us. What is that information, power is going to go up. It is going to be more difficult for someone to go out and buy power, ten years from now in particular.

**JAMES FILLAR**

Mr. Chairman, I would like to make a motion that we recommend to Naperville City Council that they accept the recommendation of Customized Energy Solutions. That the City of Naperville continues to procure energy, capacity and ancillary services through IMEA. By entering into a new contract with IMEA which will allow the city to procure a member directed resource. Additionally, we recommend that the member-directed resource provision of the new contract be explored immediately, and that City Council pursue the highest load factor zero carbon resources available.

Second: Russell Paluch

**CHAIRMAN LOUIS HALKIAS**

Is there a discussion as to what has already been said? I think there is a point that people would definitely want more. I'm saying more is not going to produce any additional information. I think we have the cheapest form of energy arriving. If no one else is going to bring up the discussion, I am going to make some points to be put into the record.

As I did with all the presentations, I had access to it because it was put on publicly, at the same time as the week of our meetings. I looked at it, saw there

was information, it's too bad the people left. The information talked about the fly ash and the picture that was describing if someone wants to look at, and I would not want to live next to that type of smokestack either. That is not the smokestack down there at Prairie State.

I have a document here that they put out, that USEPA and Illinois EPA has an environmental record with them which is within compliance. This document here shows the things they do that will not produce that kind of plume, nitrogen oxide eighty-five percent removal, sulfur dioxide ninety-eight percent removal, particulate material ninety-nine percent removal, mercury 90 percent removal. We asked about the ninety percent versus ninety-nine percent, and it depends on the coal and the process you use. So, I would like to put this on record.

Letters from David A. Meyer, Chairman of the Board of Washington County Illinois for over thirty years

Letter from Joseph Wheeler, Marissa Alternative School: Project UP Coordinator/Teacher and how they benefit from Prairie State.

Letter from John Ogburn Jr., Trimble County Judge Executive regarding clean environment.

Letter from Jonathan A. Lesser, PHD, President, Continental Economics, Inc., Senior Fellow, National Center for Energy Analytics

Is there any other discussion at this point?

**PHILIP SCHRIEBER**

Chairman, I just want to clarify a question. Based on your motion and the two seconds, does that mean that this board is going to recommend to City Council that they move forward with the recommendation to renew the contract?

**CHAIRMAN LOUIS HALKIAS**

If we have enough votes, yes. I have said basically, this is not going to change anyone's mind to continue doing this. With the facts that we have. What raised this whole price cost issue is distrust that IMEA is lying to us, and we are a part of IMEA.

**PHILIP SCHRIEBER**

I am just trying to get clarification on the process of what happens next in the decision process and that is not clear to me.

**CHAIRMAN LOUIS HALKIAS**

So, there is a motion standing and seconded, we had a discussion about it. After I had not heard any more discussion about it, I am going to call the question and say those in favor, raise their hand, those opposed, raise their hand. And that will be whether or not we make a recommendation to the City Council.

Now, the City Council can do anything they want. I will be able to at least say for us, we stayed within the timeline, we reviewed it, we had three meetings dedicated specifically to this and as long as a meeting as Naperville has ever had in any of their programs. Some of us have traveled, we've gone down there to see where IMEA is in Springfield and asked them tough questions too. I understand not everyone can do that. I felt my responsibility was to get as much

information as I possibly can, and I want to stay within the timeline that gives Naperville all of its options because I think it is inappropriate to give Naperville. If we want to delay, because it takes out, I believe potentially an option.

**MICHELLE ACKMANN**

Can we confirm that. Can we ask IMEA for an additional one year to make a decision.

**CHAIRMAN LOUIS HALKIAS**

Well, we have to vote on our motion right now. We have a motion right now.

**PHILIP SCHRIEBER**

And that motion does not include that recommendation.

**CHAIRMAN LOUIS HALKIAS**

No, it does not. If it did, it would eliminate one of our options is what I believe.

**MICHELLE ACKMANN**

But we don't know for certain.

**JAMES FILLAR**

Nothing stops us from asking IMEA to do anything.

**CHAIRMAN LOUIS HALKIAS**

They can still be asked to do that after the motion. It's obvious Naperville's City Council is not going to make the deadline. It's not on us, it's what they decide to do now. And so, we can ask, what's the options and all that, but that is not part of this motion. It's whether or not we are going to recommend them or not, because I think that is where we are.

**JAMES FILLAR**

I would hope that the City Council would ask us to work with them on this issue from this point forward because I don't think it is going to end right here. But this board is done with what it is basically going to do. We've had these three long meetings, there are no others planned. I'm not seeing any new information coming to the table. I would suggest we vote on this and get this over with and do whatever we have to do at this point to go forward.

**CHAIRMAN LOUIS HALKIAS**

One of the reasons why I wanted to include NEST was when I called Ted. I surprised him, I surprised everyone, I think. They haven't given them an opportunity to make their point known. So we did that, including the experts we had legally and that other cities have used, and I think it would be the appropriate thing to do and vote for it. We meet our requirements for whatever is best for Naperville at this point.

**PHILIP SCHRIEBER**

Chairman, the talk around asking, going back to IMEA to ask about the option to have an extension. Do we have to motion to make that request of Brian or can that be made.

**CHAIRMAN LOUIS HALKIAS**

No, we can just ask him to do that.

Is there any further discussion on this?

**MICHELLE ACKMANN**

I guess I would like to formerly ask Brian could you please ask IMEA if we can have an extension to make this decision whether it's six months, twelve months.

**CHAIRMAN LOUIS HALKIAS**

That's not a motion. During the discussion you can formerly ask him is that possible for us to ask that.

At this point, I will ask for those in favor of the motion to go forward with IMEA so signify to Maher to raise your hand.

**ROLL CALLI:**

Abbas, yes

Brandon, no

James, yes

Louis, yes

Michelle, no

Philip, no

Russ, yes

**CHAIRMAN LOUIS HALKIAS**

The motion has passed. Is there any other discussion or anything else people want to say

**JAMES FILLAR**

I'd like to make a recommendation, that we keep working on this, the utility board. It's pretty important. I think that future utility board meetings should discuss this more. Not only this but other options ahead of Naperville utility supply short term and long term. I hope this is not the end of this discussion.

**PHILIP SCHRIEBER**

It might be. If this moves forward, there won't be anything else to discuss. Time will tell.

**CHAIRMAN LOUIS HALKIAS**

I think we'll see how fast City Council wants to go forward on this. That's another time frame thing. I think it is important, if we're serious about transitioning. I think we have to talk about things this board can have a positive impact for the city of Naperville transition and the options of that. If you think the transitioning is that fast.

**JAMES FILLAR**

What's in our control Phil is that we are members of IMEA.

IMEA has to make the decision of fill the gaps when Prairie State is required to drop the load by forty percent three years after the contract starts and then they shut down only seven years after that along with Trimble County number one. So, IMEA has a lot of choices where they are going to fill those gaps from when CEJA requires those shutdowns. I would think that as a board member with thirty percent of IMEA's load coming, we will have a lot to say on how that renewable energy fills those gaps when coal plants start shutting down.

Remember Prairie State has to reduce the rate by fifty percent only three years after this contract would start. So, there are a lot of decisions to be made about that long before it happens. It took nine years to develop Bee Hollow. Hopefully we will be more engaged with IMEA if we continue with them what they will do when the coal plants start shuttering.

## **G. ADJOURNMENT:**

**CHAIRMAN LOUIS HALKIAS**

I need a second for the motion to adjourn

**RUSSELL PALUCH**

Second

**CHAIRMAN LOUIS HALKIAS**

All in favor.

Unanimous

Adjourned