

**MINUTES**  
**March 30, 2021**  
**Committee of the Whole – Hybrid Meeting**  
**City of Batavia**

Please **NOTE:** These minutes are not a word-for-word transcription of the statements made at the meeting, nor intended to be a comprehensive review of all discussions. They are intended to make an official record of the actions taken by the Committee/City Council, and to include some description of discussion points as understood by the minute-taker. They may not reference some of the individual attendee's comments, nor the complete comments if referenced.

Chair Wolff called the meeting to order at 7:00pm.

**1. Roll Call**

**Members Present:** Chair Wolff; Ald. Miller, Russotto (online), Beck (online), Baerren, Knopp (online), Chanzit (online, entered at 7:03pm), O'Brien, Callahan (online), Meitzler (online), Uher, and Cerone (online)

**Members Absent:** Ald. Malay, McFadden

**Also Present:** Mayor Schielke; Laura Newman, City Administrator; Gary Holm, Director of Public Works; Jeff Albertson, Building Commissioner (online); Anthony Isom, Assistant to the City Administrator (online); Peggy Colby, Director of Finance (online), Rahat Bari, City Engineer (online), and Jennifer Austin-Smith, Recording Secretary (online)

**2. Reminder: Please speak into the microphone for BATV recording**

**3. Items to be Removed/Added/Changed**

There were no items to be removed, added or changed.

**4. Matters From the Public (For Items NOT on the Agenda)**

There were no matters from the public at this time.

**5. Consent Agenda**

**a. Approval: COW Executive Session Minutes February 9, 2021**

**Motion:** To approve the Consent Agenda as presented

**Maker:** O'Brien

**Second:** Miller

**Roll Call Vote:** **Aye:** O'Brien, Knopp, Callahan, Meitzler, Uher, Cerone, Miller, Russotto, Beck, Baerren, Wolff

**Nay:**

11-0 Vote, 3 Absent. Motion carried.

*\*Alderman Beck exited the meeting at 7:04pm due to possible conflict of interest, as she will be applying for a liquor license*

**6. Approval: Class B1 (Package Sales) Liquor License Application for AA Suman, Inc., D/B/A R&S Liquors – 415 E. Wilson Street (DME 3/24/21)**

Chief Eul overviewed the memo with the Committee.

**Motion:** To recommend approval of Class B1 (Package Sales) Liquor License Application for AA Suman, Inc., D/B/A R&S Liquors – 415 E. Wilson Street  
**Maker:** Wolff  
**Second:** O'Brien  
**Roll Call Vote:** **Aye:** Wolff, O'Brien, Callahan, Meitzler, Uher, Cerone, Miller, Russotto, Knopp, Chanzit, Baerren  
**Nay:**  
11-0 Vote, 3 Absent. Motion carried.  
CONSENT AGENDA

**7. Resolution 21-029-R: Consideration of an Application for Grant Funds Offered through the City's Downtown Signage Assistance Program to Light & Pine Collective 222 E. Wilson Street in the amount of \$995.34 (SB 3/30/21) CD**

Callahan overviewed the memo.

**Motion:** To recommend approval of Resolution 21-029-R: Consideration of an Application for Grant Funds Offered through the City's Downtown Signage Assistance Program to Light & Pine Collective 222 E. Wilson Street in the amount of \$995.34  
**Maker:** Wolff  
**Second:** O'Brien  
**Roll Call Vote:** **Aye:** Wolff, O'Brien, Callahan, Meitzler, Uher, Cerone, Miller, Russotto, Knopp, Chanzit, Baerren  
**Nay:**  
11-0 Vote, 3 Absent. Motion carried.  
CONSENT AGENDA

**8. Discussion: CEJA Legislation**

The Committee discussed the Clean Energy Jobs Act (CEJA) Legislation. Holm stated that Council requested additional information since the last discussion at the March 23<sup>rd</sup> Committee of the Whole (COW) meeting. One request was the cost impact to the City of Batavia. The Energy Community Reinvestment Fee under CEJA is a carbon tax and is calculated based on fossil fuel generation and it is updated every three months. The fee would be a direct cost to Prairie State, which would then be a direct cost to NIMPA and subsequently to our ratepayers here in Batavia. Holm overviewed the available funding and added up items one through nine and came up with the 210 million that will be mentioned in tonight's presentation. Item number ten states another 100 million dollars should be provided in the year 2022 or staged in future years as quickly as feasible. That 100 million is not accounted for. The next section, item D, the projected revenue and spending need for this program identified for any year should be no less than 400 million per year for the calendar years 2021-2025 and 200 million per year for all calendar years starting in 2026. Prairie State generates greenhouse gas so this fee would be applicable to Prairie State. The way he reads the legislation basically states the EPA and the Department of Commerce and Economic Development have to work together and there is a minimum that states shall be no less than 400 million per year for the calendar years 2021-2025

and 200 million after that. Based on the 400 million value with Prairie State's 2019 output and 2020 output is how he got to the costs listed in the memo given to the COW. He does not believe that 210 million encompasses all that is in the legislation. Holm discussed costs: renewable standards (listed on the spreadsheet provided to the Committee), Carbon Tax, ratepayer increase, PGM Capacity market prices, direct costs to Batavia, RMI Analysis formal programs, indirect impacts to all Illinois residents, 2009 and 2010 bonds Build America Bonds (cannot be refinanced), 2016 Bonds (refinanced 2007 bonds) will be callable again in 2026, now through 2026 there is no option to refinance the bonds, and utility level of service, and ICC given regulatory decisions through CEJA (e.g. renewable energy percentages, reporting requirements, right to self-generate electricity).

Holm stated that Prairie State is one of the cleanest, super-critical coal plants. CEJA would call for Prairie State and all other fossil fuel plants in the State of Illinois to shut down. That would leave wind, solar and nuclear. There are six nuclear plants in the State of Illinois roughly all in the northern portion of the State. Those plants do not generate enough electricity to power the entire state of Illinois nor are there enough wires to carry all the necessary electrons to the entire State of Illinois. Relying on nuclear for baseload power is not realistic from an engineering standpoint. Southern Illinois has to rely on something for baseload power and if our baseload power goes away basically southern Illinois is going to be importing power from adjoining states who happen to have coal fire power plants who are dirtier than ours. We would be bringing carbon in over the wires into our state. Holm stated that he would support a diversified portfolio strategy where we keep a little bit of coal, gas, nuclear, hydro, wind, solar as opposed to the lesson Batavia learned earlier which was going with only one option.

Holm discussed the transition to electric vehicles. According to the standards set forth in CEJA, they would require a 30-50 amp outlet be provided for every new parking space in a new parking garage. For the One Washington Place development, the City would have to build a new substation just to serve that parking garage. That would hamper economic development. Holm noted that he is not opposed to electric vehicles but to require a 30-50 amp outlet per space would hamper economic development. Holm stated that we do support a lot that is in CEJA but there has to be a way to not result in a direct 15% plus increase to our ratepayers.

Bill Koehl addressed the Committee. He introduced himself and the other presenters for the CEJA presentation: Bill Scown, Kevin Brehm, Cary Shepherd and JC Kibbey. The CEJA presentation was viewed via the shared screen feature on Zoom and included the following information:

- Agenda
- THE PSEC Plant is an enormous source of CO2 and other pollutants
- CEJA – What's in the bill for Illinois
- CEJA Impact on Illinois Jobs
- CEJA – Illinois Economic Impact
- CEJA Economics \_How It's Paid For
- RMI evaluated the economics of Prairie State Energy Campus and concluded that early closure is unlikely to increase rates

- PSEC operation is barely profitable compared with the market now and is unlikely to save money compared with the market in the future
- CEJA Legislation can help Batavia ratepayers escape the long-term burden of PSEC
- Given recent and projected declines in the cost of renewable energy and battery storage, PSEC's go-forward costs will likely be significantly more expensive than alternatives prior to 2030, meaning that customers will save money when PSEC stops operations.
- The NIMPA Bonds are not a barrier
- A new deal on energy supply
- Is carbon capture an option?
- PSEC can be closed without impacting grid reliability, resiliency and stability
- Summary
- How to support CEJA

O'Brien stated it looks like (from the presentation) the cost of solar and wind would be the same as our operations and capital additions for Prairie State. He asked is this after subsidies have ended. Brehm answered unfortunately we do not know, it is 2030 and a long time off. We can look at the best models out there and the best projections. In this instance we used a couple of sources. To look at market cost we looked at Trade Futures. Another source we looked at was National Renewable Energy Projects on the cost of wind and solar over time. The third thing we did is used some of the sources when we did some internal modeling through something called a Clean Energy Portfolio. Brehm discussed the tax credits extended at the end of the Trump administration that caused the cost to go down and that by 2029 those tax credits would have gone away. Newman asked why the Power Purchase Agreement (PPA) for clean energy portfolio does not start until 2029. Brehm answered our analysis did not reflect the full intricacies of CEJA. We assumed the plant would be closed in 2029 and as he heard in this argument there is going to be an introduction of renewables prior to that. Brehm continued when we think about the economics of wind and solar, if you sign a wind and solar PPA at a good price and the right location, even if you are not using energy that could result in net profit to the utility and it could also result in net loss so there is some risk to it. We have seen many corporations that are signing Corporate PPAs to have an opportunity to sell for a higher price than what they buy it. Koehl added that the assumption we made on this model was that Batavia would not be forced to buy incremental clean energy until Prairie State is closed by the Illinois EPA regulation, which we are estimating would be close to 2030. The older and dirtier coal plants would likely be closed first before Prairie State.

Newman stated that it was discussed that CEJA possibly eliminating the requirement for municipal utilities to have to purchase power that it does not need because of existing contracts that are in place but there are some other very onerous financial burdens that are established up front in the coal severance fee and also in the energy community reinvestment fee. She asked if there might be any way to alleviate municipal utilities burdens in those costs. Shepard stated that he could certainly bring that comment back to the coalition. He does not have the authority to discuss changes or negotiate but we welcome your commentary and are happy to continue our conversation on that. There is a one-cent per kilowatt-hour energy produced cap on the cost of the fee and that would prevent it from escalating beyond the one-cent per kilowatt-hour cap. He will relay the commentary with respect to the cost of those fees. Bill Scown added that their

arithmetic looking at those combined fees (severance fees and the energy community reinvestment program) indicated that the fee would be about one half cent per kilowatt-hour or for a typical residential customer somewhere in the area of \$4.00-\$5.00 a month. He believes we have a difference of opinion with Mr. Holm over the size of the cost to Batavia customers.

The Committee discussed utility reliability, renewable energy, nuclear power plants coming to end of life between 2030-2050, reducing air pollution, securitizing bonds, items that effect municipalities and co-ops to have mitigations of those effects included in the bill, reviewed the CEJA talking points, talking to legislature about the impacts to the City of Batavia, and suggesting changes to lesson those impacts.

The general consensus of the Committee was to have Newman and Holm prepare in writing the impacts on Batavia and its residents and mitigations to address those impacts by the next COW meeting on Tuesday, April 13<sup>th</sup>. This list would be passed along to the group who presented this evening so that they could provide us any additional information. Chair Wolff asked for the statistics of Prairie State compared to other plants.

## **9. Project Status**

Newman reported on the following:

- Outdoor dining on South Water Street and North River Street will be set up.
- North River Street Meeting to speak with the Department of Transportation on why it has taken so long to process the application.
- City and Park District will have a meeting with Hitchcock Designs
- Main Street construction set to resume.
- Police Department manages onsite traffic flow of vaccination site.
- Public Safety message: motorists should be on the look out for pedestrians and bicyclists.
- Slow Down campaign will be renewed.
- No meeting next Tuesday due to election.

## **10. Other**

Callahan asked that the business owners at 907 W. Wilson be able to address the Committee about some zoning issues they are experiencing with outdoor storage. Callahan asked if this happens after he leaves the Council that another Council member continue this cause. Knopp and Wolff joined Callahan with that request.

## **11. Adjournment**

There being no other business to discuss, Chair Wolff asked for a motion to adjourn the meeting at 10:22pm; Made by O'Brien; Seconded by Wolff. Motion carried.

Minutes respectfully submitted by Jennifer Austin-Smith, Recording Secretary, on April 19, 2021.