



## March 2026 Board Highlights

**CEO Opening Comments:** Jeff Conrad opened the meeting by noting the pace of activity between board meetings and introduced a new board packet format that adds brief pre-read documents to supplement slides, with the intent of providing greater context, improving board preparation, and refining presenter messaging; board feedback was encouraged. He shared that AES is being acquired by BlackRock and EQT Infrastructure, a deal driven largely by data center growth and AES capital constraints, with limited direct impact on Wabash Valley Power Alliance due to minimal operational overlap, though recent data-center-related engagement has strengthened relationships. Jeff also highlighted heightened security concerns across the utility sector, noting recent threats affecting AES and ongoing reviews of WVPA's physical and cybersecurity practices. Updates were provided on large-load activity, including the public confirmation of Project Domino as Meta and successful groundbreaking, with WVPA intentionally maintaining a low-profile communications approach amid public sensitivity while confirming power supply arrangements are in place. Several additional large-load prospects remain active, supported by favorable permitting conditions and clear credit expectations. Jeff concluded by acknowledging emerging geopolitical tensions and their potential impacts on energy markets, inflation, and cybersecurity.

**Outside Perspective: ACES Industry Insights:** Andy Whitesitt provided an overview of current and emerging trends affecting the electric and natural gas markets, emphasizing increasing volatility driven by load growth, data centers, electrification, and geopolitical events. Electricity demand is rising for the first time in over a decade, while coal retirements and renewable integration are accelerating reliance on natural gas as the primary near-term solution for reliability. Andy reviewed the impacts of Winter Storm Fern, noting that while system performance was generally strong, the event underscored growing risks tied to natural gas deliverability, LNG exports, and price volatility. Looking ahead, ACES projects sustained natural gas demand growth, expanded LNG exports, higher and more volatile fuel and power prices, and increasing reliability concerns in regions such as MISO and PJM where demand is beginning to outpace supply. The presentation reinforced the importance of proactive risk management, hedging strategies, and planning for extreme weather and market events rather than average conditions.

**Power Supply Report:** On capacity markets and timing, Matt Moore outlined how the outlook for MISO vs. PJM capacity pricing has shifted, creating a potentially meaningful opportunity cost for moving the St. Joseph Energy Center out of PJM faster than assumed. While PJM's capped revenues provide high predictability through the early 2030s, a new forecast suggests MISO could see significantly higher capacity prices in the 2029–2030 window if the market is short, which could materially increase St. Joe's capacity value if the resource is moved sooner. Capturing that upside would require a decision by this summer to withdraw from PJM's 2029–2030 auction and rely on the



planned transmission path (targeted for completion by end-2028), with the key risk being execution timing and ensuring the resource is not inadvertently locked out of both PJM and MISO market options if circumstances change. Matt also introduced turbine procurement constraints and a potential lever to accelerate or reduce costs through “gray market” turbines (think secondary market equipment purchased and refurbished), noting quotes that could provide hundreds of millions in savings versus new builds. He described several pathways under evaluation—including leveraging a Meta large-load site where temporary generation could bridge timing, establish ideal infrastructure (pipeline + transmission), and support a future permanent resource—while flagging considerations around capital outlay, refurbishment diligence, interconnection timing, and commercial structure (including how value streams are captured).

**Generation Performance Review:** Albert Taylor provided a 2025 generation performance look-back emphasizing a “heavy maintenance year” executed to protect reliability amid tightening capacity conditions. St. Joe delivered strong utilization and reliability despite planned outages, while Holland’s major planned outage was extended by an emergent steam generator turbine rotor issue; corrective work was completed and operational adjustments were implemented to support improved performance going forward. Peaking assets performed reliably with utilization driven by market dispatch patterns, and coal units’ output reflected planned outage windows and operational constraints (including tube leaks and scrubber maintenance) while continuing to serve capacity needs. Albert also highlighted progress converting certain landfill gas units to natural gas service as a capacity strategy, with early results including successful dispatch at Twin Bridges and continued conversion work underway at other sites; landfill gas sales and attributes contributed meaningful revenue. Safety performance remained a priority across extensive outage work, with strong overall results and renewed recognition at multiple sites. Cost performance remained largely aligned with outage budgets aside from limited, explainable variances tied to equipment logistics and planned life-cycle investments.

**Renewables Report:** As part of Wabash Valley’s annual hedge plan review, Vicki Myers presented an overview of the organization’s renewable energy portfolio, which remains largely unchanged and includes landfill gas, co-op solar, wind, and utility-scale solar investments. The portfolio totals 478 MW, with renewable energy credits (RECs) available for 248 MW, while most RECs continue to be sold into higher-value markets to support financial performance. Vicki reviewed the EnviroWatts green pricing program, which had nine participating members and 812 customers in 2025. An optional renewable rider for commercial and industrial customers was highlighted as a turnkey solution for meeting renewable mandates. REC revenues totaled nearly \$13 million in 2025, with lower totals driven by reduced wind generation and slightly softer prices; sales remain within hedge plan targets. The Board expressed no objections to continuing the current REC sales strategy while retaining flexibility should future mandates require changes.



**Substation Battery Program:** Jeff Hume provided an update on the battery storage program, noting phases one and two total 58 MW, with phase three expected to add approximately 140 MW. The projects are expected to provide significant capacity value as MISO capacity prices rise, with strong protections in place through the PPA structure, including no payments until the batteries are operational, built-in capacity hedges, and limited penalty exposure for delays. Construction and site work are progressing, lessons learned from peer utilities reinforced the benefits of the PPA approach, and staff outlined adjustments to mitigate ITC timing risk and improve future project control. Overall, the battery program remains on track and is expected to strengthen Wabash Valley's resource portfolio.

**DSR Program:** Jeff Hume outlined a redesigned Demand Side Resource program structure focused on pay-for-performance, risk mitigation, and operational control. The program would provide approximately 30 MW of dependable capacity based on verified performance rather than nameplate ratings and would initially operate outside the market to avoid potential penalties, while shadowing market rules for future flexibility. Compensation would include monthly availability payments and event-based payments during emergency or price-driven peak events, strengthening protection against extreme market pricing. Enhancements to testing, seasonal focus, and switch-based control were emphasized to ensure reliability, supported by a new DERMS platform to manage communications and execution. A vote was deferred until next month to allow time to review the proposed changes to the program and tariff.

**Hendricks Power ARC Carve-Out Exception:** The Board of Directors approved a resolution to allow Hendricks Power to exceed their 5% carveout limit by 0.7% to serve a new member in their territory who manufactures server racks for data centers.

**2025 Grid Ex:** Chris Stokes-Pham provided an overview of the recent Grid X cybersecurity exercise, the largest coordinated grid security exercise in North America led by E-ISAC and NERC. This year introduced multiple participation options, including a full two-day exercise, a "Grid X in a Box," and an executive tabletop version, improving accessibility. The primary objectives were to test incident response, business continuity, crisis management, documentation workflows, and mutual assistance protocols. Sixty-five participants from seven member organizations took part, supported by additional staff remotely, with positive feedback from observers. The exercise simulated realistic cyber, physical, operational, and insider-threat scenarios based on real-world events, emphasizing cross-department coordination beyond IT. Key lessons learned included the need to better harmonize emergency plans across departments, strengthen insider-threat controls, improve recovery prioritization, formalize deep-fake response protocols, and better document institutional knowledge to improve resiliency.



The discussion then shifted to emerging cybersecurity risks tied to escalating Middle East conflicts, particularly involving Iran. Chris noted proactive actions, including tightening multi-factor authentication requirements and increasing communications with IT leadership and ISAC members. While Iran's cyber capabilities are less advanced than those of China or Russia, the potential release of cyber tools into the wild poses systemic global risk, especially if cyber warfare escalates among nation-states. Additional concerns include hacktivist activity, domestic spillover effects, and indirect impacts to U.S. energy systems through compromised international natural gas and satellite infrastructure. Leadership emphasized continued monitoring, rapid response readiness, and ongoing communication as geopolitical risks evolve.

**Financial Report:** Jackie Perius reported that the month of January ended \$0.3 million over collected resulting in a \$2.8 million unfavorable variance to budget. In January, energy sales were 2.4% above budget, capacity demand was 3.6% below budget and transmission demand was 5.4% below budget. Due to a clerical error from Hoosier Energy on an invoice related to St. Joe Energy Center, the 2025 overcollection was revised to \$4.2 million (down from \$8 million).

**Risk Oversight Committee Report:** Jackie Perius reported the Risk Oversight Committee, which met following the prior board meeting to review recent risk-related events and ongoing priorities. The committee discussed how current events, including Winter Storm Fern, activated multiple risks already captured in the organization's risk register—such as fuel and power price volatility—affirming that these scenarios are appropriately identified and monitored. The discussion focused on evaluating lessons learned and determining whether risk descriptions or mitigation strategies require updates, with reassurance that current events are well represented within the existing risk framework.

The committee also reviewed 2026 risk management priorities, including engagement with Melissa Fischer, a retired ACES executive and risk expert, to lead a comprehensive refresh of the organization's risk register and governance process. Her work includes validating risk descriptions, confirming mitigation plans, assigning accountable risk owners, tiering risks to establish regular review cadence, and developing more detailed risk profiles for major initiatives such as the battery program, transmission partnership, and emerging mega-load opportunities. In addition, the committee reviewed proposed updates to the 2026 Energy Hedge Plan, which outlines the organization's market risk mitigation strategy. Revisions include added sections addressing St. Joe, large loads, and treatment of the Citizens load as native load during the non-member agreement period, along with updates to reporting structure. The Risk Oversight Committee unanimously approved the revised plan and recommended it to the board, which subsequently approved the Energy Hedge Plan by unanimous vote.



**CEO Report:** Jeff Conrad noted there has been continued progress on the USDA loan application, which has received engineering approval and is awaiting financial approval and loan committee review, with outlook remaining positive. Jeff recognized WVPA staff for their commitment, innovation, and dedication to serving members.

New Business: Andrew Horstman raised concerns regarding recent peak demand forecasting accuracy, noting missed MISO and transmission peaks under the new rate structure. The concerns were acknowledged, noted the learning curve associated with new systems, and committed to continued refinement and responsiveness to board feedback.

The meeting ended in Executive Session.