Derivatives Dashboard

08/31/2025

Policy Counterparty (CP) Requirements

Reporting Requirements Met	Yes [1] [2]
CP Rating Qualification Met	Yes [2] [3] [4]
Within CP NTE Limits	Yes [3] [6]
Under CP Concentration Limits	Yes

Hedging Position Summary (In Millions)

	Notional	NTE*
Futures Contracts, Financial	$ 8.87	2.88
Forward Purchase, Physical [5]	17.42	1.78
Solar PPAs [2] [4]	13.85	(14.67)
Total	**$ 40.14**	**$ (10.01)**

Collateral Summary

Collateral Held by PEI on behalf of Counterparties:	
Rail Splitter Wind (HSBC Bank LOC)	$ 2,500,000
TransAlta (Bank of Nova Scotia LOC)	$ 25,000
Northern Cardinal (Common Wealth Bank Australia LOC)	$ 1,000,000
NRG (Natixis Bank NY LOC)	$ 200,000
Mansfield Power (JPMorgan Chase Bank LOC)	$ 100,000
Collateral Held by Counterparty on behalf of PEI:	
Margin Exposure on Futures	$ 707,857

Material Events Since Last Report

None reported.

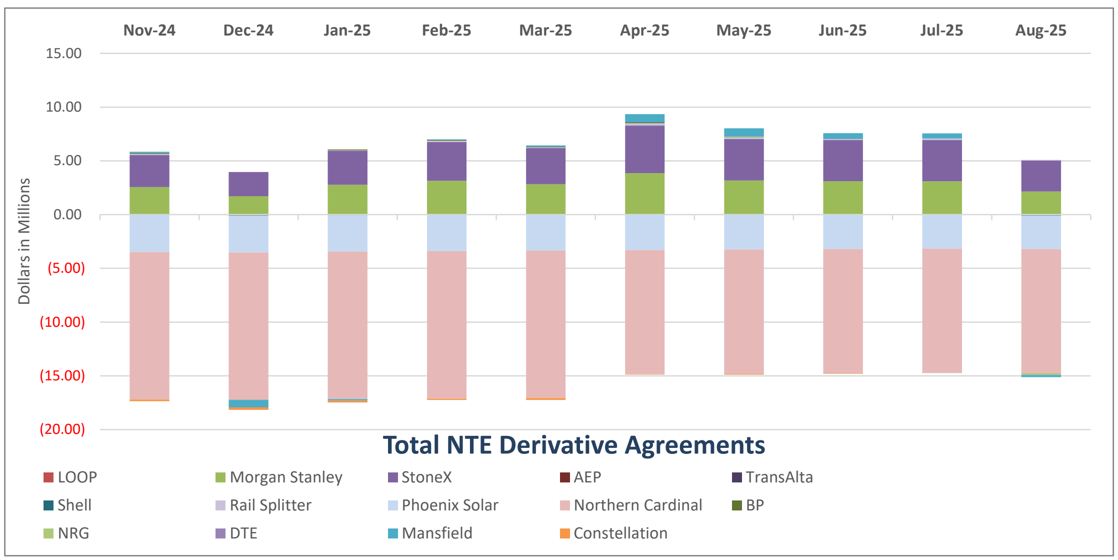
Counterparty (CP) Qualification Risk Management [3] [4]

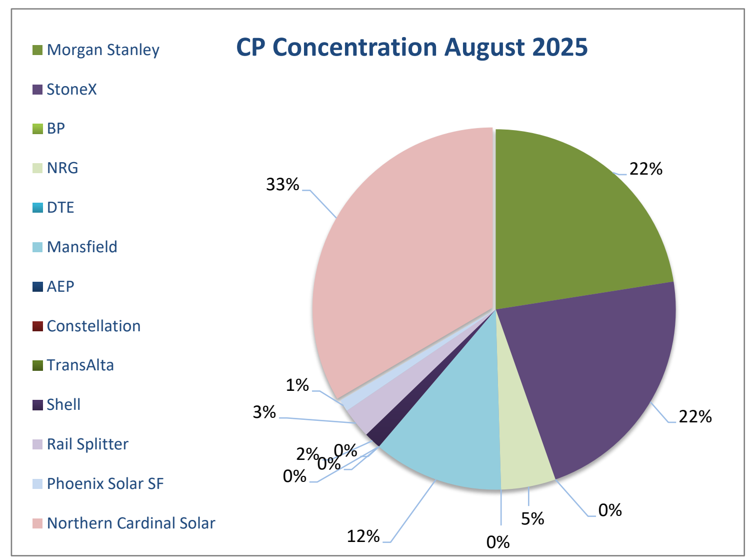
The energy industry necessitated action by the PEI Board of Directors to approve a policy accepting a lower credit rating than the System policy to qualify CPs for physical hedges (forward purchases). This exception has been approved by the U of I System CFO in accordance with the University Policy.[3] Neither Rail Splitter nor Mansfield is rated but has provided a $2.5 million LOC from HSBC Bank and $0.10 million LOC from JPMorgan respectively. TransAlta's rating declined below acceptable limits, so they have provided a $25,000 LOC from the Bank of Nova Scotia to meet policy qualifications. NRG provided LOC from Natixis Bank NY for $0.2 million. Northern Cardinal is not rated but has PCG, LOC, and approved qualification exception.[4] System and PEI policies require regular due diligence reviews of the financial strength of CPs by the hedging transaction originator ensuring compliance.

Counterparty (CP) NTE Risk Management [3] [6]

Exposure to a CP is determined by NTE value net of collateral and is limited based on CP credit rating. The PEI policy accepts a higher exposure limit on the BBB/Baa category than the university Policy; an approved policy exception.[3] [6]

BP, DTE, Constellation, and AEP provide recourse through Credit or Adequate Assurances provisions if reasonable grounds exist regarding unsatisfactory creditworthiness or performance. Others provided an LOC as collateral, noted in above Collateral Summary. It is incumbent upon PEI to monitor and request Performance Assurance if a rating change triggers the policy collateral requirements.





Derivatives Dashboard

08/31/2025

Responsible Unit/Dept.	Counterparty (CP)	CSP Rated Entity/ Exchange	Bond Rating S&P / Moody's	Expires FY Range	Underlying Asset / Liability	Orig Contract	Current Notional / Contract In Millions	Market Value In Millions Net of Payable	*MTM or NTE (5)(6) In Millions	System Guarantee (Credit Limit) In Millions	PCG - LOC (Credit Limit) In Millions	CP Threshold (Collateral Requirements)
Financial Hedges			**Qualifying Rating A- / A3**									
PEI Energy Futures Contracts												
SO Utilities Admin	StoneX Financial Inc.	InterContinental Exchange (ICE)	A- / A3	2025-2028	Natural Gas	**14.53**	8.87	11.75	2.88			None Exchange Traded
					SUBTOTAL	**14.53**	**8.87**		**2.88**			
Physical Hedges		**Qualifying Rating (3)**	**BBB-/Baa3 or BB+/Ba1ith LOC or PCG**									
PEI Energy Forward Purchases												
SO Utilities Admin	BP Energy Company	BP Corporation North America, Inc. (PCG)	A- / A2		Natural Gas	**-**	0.00	0.00	0.00	**10.00**	**1.00**	Adequate Assurance
SO Utilities Admin	NRG Business Marketing	Natixis Bank, NY Branch (LOC)	A +/ A1	2026	Natural Gas	**2.47**	1.97	1.81	(0.16)	**2.50**	**0.20**	LOC
SO Utilities Admin	DTE Energy Trading, Inc.	DTE Energy Company (PCG)	BBB+/Baa2		Natural Gas	**-**	0.00	0.00	0.00	**5.00**	**5.00**	Adequate Assurance
SO Utilities Admin	Mansfield Powers & Gas, LLC	JPMorgan Chase Bank, NA (LOC)	AA- / Aa2	2026	Natural Gas	**11.64**	4.70	4.51	(0.19)	**5.00**	**0.10**	LOC
SO Utilities Admin	Morgan Stanley Capital Group, Inc.	Morgan Stanley (PCG)	A- / A1	2026-2029	Natural Gas	**13.90**	9.04	11.18	2.14	**5.00**	**Unlimited**	Rating Triggers
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A / A2		Natural Gas	**-**	0.00	0.00	0.00	**5.00**		Rating Triggers
SO Utilities Admin	AEP Energy Partners Inc.	American Electric Power Co, Inc.	BBB+ / Baa2		Electricity	**-**	0.00	0.00	0.00	**0.50**	**0.10**	Credit Assurance
SO Utilities Admin	Constellation Energy Generation, LLC	Constellation Energy Generation, LLC	BBB+/Baa1		Electricity	**-**	0.00	0.00	0.00	**5.00**	**Unlimited**	Credit Assurance
SO Utilities Admin	Morgan Stanley Capital Group, Inc.	Morgan Stanley (PCG)	A- / A1		Electricity	**-**	0.00	0.00	0.00	**5.00**	**Unlimited**	Rating Triggers
SO Utilities Admin	TransAlta Energy Marketing (US) Inc.	The Bank of Nova Scotia (LOC)	A+ / Aa2		Electricity	**-**	0.00	0.00	0.00	**2.50**	**0.03**	LOC
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A / A2	2026	Electricity	**1.61**	0.62	0.53	(0.09)	**5.00**		Rating Triggers
SO Utilities Admin	Rail Splitter Wind Farm LLC	HSBC Bank USA, (LOC)	A+ / Aa3	2026-2027	Electricity Renewable	**2.12**	1.09	1.17	0.08	**2.50**	**2.50**	LOC
					SUBTOTAL	**31.74**	**17.42**	**19.20**	**1.78**			
Solar PPAs												
UIUC Energy Services - SF1	Phoenix Solar South Farms(2)			12/20/2025	Electricity Renewable	13.76	0.43		(3.11)			
SO Utilities Admin - SF2	Northern Cardinal Solar SCS IL 1, LLC (4)	Commonwealth Bank of Australia, NY Br. (LOC) Arevon Energy InvestCo VII, LLC (PCG)	AA- / Aa1 NR NR	2/2021 - 2/2041	Electricity Renewable	**14.07**	13.42		(11.56)	**11.60**	**4.00**	LOC, $1M
					SUBTOTAL	**27.83**	**13.85**		**(14.67)**			
Grand Total					**GRAND TOTAL $**	**74.10**	**40.14**		**(10.01)**			

***Negative termination value, the System or PEI is obligated to the counterparty. (transaction is "underwater"). Due to amounts payable to the counterparty for current energy transactions, the net termination settlement amount will differ from the net termination exposure amount.**

CP - Counterparty
CSP - Credit Support Provider
DUP - Derivatives Use Policy
LOC - Letter of Credit

NTE - Net Termination Exposure
PCG - Parental Company Guarantee
PEI - Prairieland Energy Inc.

PPA - Power Purchase Agreement
SO - System Offices
WR - Withdrawn Rating

Footnotes:

(1) Policy exceptions approved by the CFO for Agriculture Property Services (APS) forward grain sales include release from counterparty credit rating, contract form, and monthly reporting requirements. APS reported $11,430 in outstanding forward sales contracts as of 8/31/2025.

(2) In Dec 2015, UIUC issued a Power Purchase Agreement (PPA) in conjunction with their Solar Farm I. ERM learned of the PPA in July 2019 and began reporting the derivative Oct 2019. Since there is no CP risk, a policy exception was approved by the CFO for (a) minimum counterparty credit rating requirement, (b) required parental guarantee or LOC, and (c) minimum market capitalization requirement.

(3) Policy exceptions approved by the CFO for PEI include less restrictive CP credit rating for forward purchases and corresponding collateral requirements. For physical transactions, allows for unrated CP to qualify with LOC.

(4) On 10/3/19, a CP Exception for Urbana Solar Farm 2.0 was approved by the PEI Treasurer qualifying Northern Cardinal Solar SCSI IL 1, LLC (NCS) as a counterparty to be assigned the Power Purchase Agreement (PPA) for Solar Farm 2.0 from Sol Systems, LLC. This exception also qualified Capital Dynamics Clean Energy and Infrastructure VII JV, LLC as the guarantor for NCS. This exception also approved the PPA requirement for any unrated successor guarantor to qualify with $100 million in tangible net worth. Contract term to 2/2/2041. "CD Clean Energy and Infrastructure VII JV (InvestCo), LLC" changed their name to “Arevon Energy InvestCo VII, LLC” and, notwithstanding such name change, all obligations of Guarantor under the Guaranty remain unchanged and in full force and effect.

(5) Contracted hedge prices on gas and electricity remain favorable to market prices overall. According to EIA estimates, the natural gas storage balance was 3,217 Bcf as of Friday, August 22, 2025. Stocks were 112 Bcf lower than last year at this time and 154 Bcf above the 5-year average of 3,063 BCF. Although these has been some price correction, natural gas prices remain elevated due to global impacts, demand and imposed tariffs. Due to the correlation of electricity prices to natural gas prices, electricity prices have increased in the near term; however, have decreased in the outer years showing signs of market stabilization even though electric demand is forecasted to increase.

(6) Exposure to a CP is determined by the NTE value net of collateral and limited based on CP credit rating. The PEI policy accepts $10M exposure on BBB/Baa category versus the University policy limit of $0 on the same rating category. The PEI exposure limit difference to the university policy is an approved policy exception. DTE, AEP and Constellation, all in the BBB/Baa category, currently have no active forward purchase contracts with the University.