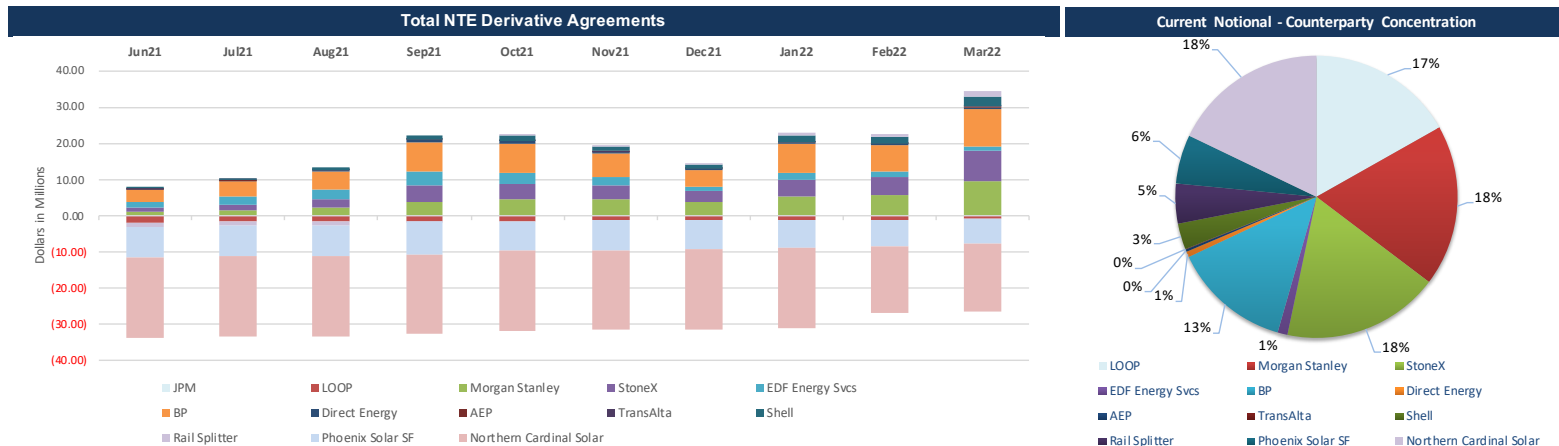


Policy Counterparty (CP) Requirements		Hedging Position Summary (In Millions)		Notional	NTE	Collateral Summary	
Reporting Requirements Met	Yes <sup>(1) (2)</sup>	Interest Rate Swaps	\$	15.73	\$ (0.81)	<b>Collateral Held by PEI on behalf of Counterparties:</b>	
CP Rating Qualification Met	Yes <sup>(2) (3) (4)</sup>	Futures Contracts, Financial		16.82	8.67	Rail Splitter Wind (HSBC Bank LOC)	\$ 2,500,000
Within CP NTE Limits	Yes <sup>(3) (6)</sup>	Forward Purchase, Physical <sup>(5)</sup>		38.97	25.64	TransAlta (Bank of Nova Scotia LOC)	\$ 25,000
Under CP Concentration Limits	Yes	Solar PPAs <sup>(2) (4)</sup>		21.96	(25.70)	Northern Cardinal (Common Wealth Bank Australia LOC)	\$ 1,000,000
						Direct Energy (Deutsche Bank NY LOC)	\$ 2,500,000
		<b>Total</b>	<b>\$</b>	<b>93.47</b>	<b>\$ 7.80</b>	<b>Collateral Held by Counterparty on behalf of PEI:</b>	
						Margin Exposure on Futures	\$ 1,289,888

Material Events Since Last Report	Counterparty (CP) Qualification Risk Management <sup>(3) (4)</sup>	Counterparty (CP) NTE Risk Management <sup>(3) (6)</sup>
<p>**PEI purchased 150,000 MMBTU's of Natural Gas Forward Contracts for UIUC from BP totaling \$656,150 for periods 4/1/22 - 6/30/23.</p> <p>**Sol Systems (Northern Cardinal Solar) increased LOC from Commonwealth Bank of Australia to \$1M from \$.5M and the PCG from CD decreased from \$4.5M to \$4M.A12</p>	<p>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. <sup>(3)</sup> Rail Splitter is not rated but has provided a \$2.5 million LOC from HSBC Bank. 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. Direct Energy provided LOC from Deutsche Bank AG for \$2.5 million. Northern Cardinal is not rated but have PCG, LOC, and approved qualification exception. <sup>(4)</sup></p> <p>The System and PEI policies require regular due diligence reviews of the financial strength of CPs. It is the responsibility of the hedging transaction originator, System department or PEI, to review the related CPs regularly in compliance with policy.</p>	<p>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. <sup>(3) (6)</sup></p> <p>BP, EDF, and AEP provide recourse through Credit or Adequate Assurances provisions if reasonable grounds exist regarding unsatisfactory creditworthiness or performance. It is incumbent upon PEI to monitor and request Performance Assurance if a rating change triggers the policy collateral requirements.</p> <p>The swap agreement was approved by the Board of Trustees and executed prior to the policy. The collateral requirements for the counterparty on the interest rate swap is more risk tolerant than the System policy, however the current NTE exposure amount is within Policy limits.</p>



-----In Millions-----												
Responsible Unit/Dept.	Counterparty	CSP Rated Entity/Exchange	Bond Rating (S&P / Moody's)	Expires FY Range	Underlying Asset / Liability	Orig Contract	Current Notional / Contract	Market Value	*MTM or NTE (5)	System Guarantee (Credit Limit)	PCG - LOC (Credit Limit)	Counterparty Threshold (Collateral Requirements)
Financial Hedges												
System Interest Rate Swaps			Qualifying Rating A- / A3									
SO Capital Financing	Loop Financial Products, I, LLC	Deutsche Bank AG (CSP)	A- / A2	10/1/26	HSFS 2008	\$ 40.88	15.73		(0.81)			Rating Triggers Predate Policy
PEI Energy Futures Contracts			SUBTOTAL SWAPS \$ 40.88 15.73 (0.81)									
SO Utilities Admin	StoneX Financial Inc.	InterContinental Exchange (ICE)	A- / A3	2022-2028	Natural Gas	\$ 18.96	16.82	25.49	8.67			None Exchange Traded
			SUBTOTAL FINANCIAL \$ 59.84 32.55 7.86									
Physical Hedges			Qualifying Rating BBB-/Baa3 or BB+/Ba1 with LOC or PCG									
PEI Energy Forward Purchases												
SO Utilities Admin	BP Canada Energy Marketing Corp. (8)	BP Corporation North America, Inc. (PCG)	A- / A3	2022-2025	Natural Gas	\$ 17.17	12.67	23.03	10.36	10.00	1.00	Adequate Assurance

SO Utilities Admin	Direct Energy Business Marketing	Deutsche Bank AG, NY Branch (LOC)	A- / A2	2022-2024	Natural Gas	\$	1.11	0.60	1.09	0.49	2.50	2.50	LOC
SO Utilities Admin	EDF Energy Services, LLC	EDF Trading Limited (PCG)	NR / Baa3	2022	Natural Gas	\$	5.26	1.06	2.17	1.11	3.00	3.00	Adequate Assurance
SO Utilities Admin	Morgan Stanley Capital Group, Inc.	Morgan Stanley (PCG)	BBB+ / A1	2023-2027	Natural Gas	\$	17.14	17.14	26.38	9.24	5.00	Unlimited	Rating Triggers
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A / A2	2023	Natural Gas	\$	2.54	2.54	5.05	2.51	5.00		Rating Triggers
SO Utilities Admin	AEP Energy Partners Inc.	American Electric Power Co, Inc.	A- / Baa2	2023 - 2024	Electricity	\$	0.25	0.25	0.51	0.26	0.50	0.10	Credit Assurance
SO Utilities Admin	Morgan Stanley Capital Group, Inc.	Morgan Stanley (PCG)	BBB+ / A1	2022-2023	Electricity	\$	0.36	0.14	0.34	0.20	5.00	Unlimited	Rating Triggers
SO Utilities Admin	TransAlta Energy Marketing (US) Inc.	The Bank of Nova Scotia (LOC)	A+ / Aa2	2022	Electricity	\$	0.36	0.06	0.12	0.06	2.50	0.025	LOC
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A / A2	2022-2025	Electricity	\$	0.34	0.24	0.43	0.19	5.00		Rating Triggers
SO Utilities Admin	Rail Splitter Wind Farm LLC	HSBC Bank USA, (LOC)	A+ / Aa3	2022-2027	Electricity Renewable	\$	5.00	4.27	5.49	1.22	2.50	2.50	LOC
SUBTOTAL PHYSICALS						\$	49.53	38.97	64.61	25.64			
Solar PPAs													
UIUC Energy Services - SF1	Phoenix Solar South Farms <sup>(2)</sup>			12/20/25	Electricity Renewable	\$	13.76	5.25		(7.00)			
SO Utilities Admin - SF2	Northern Cardinal Solar SCS IL 1, LLC <sup>(4)</sup>	Commonwealth Bank of Australia (LOC) CD Clean Energy and Infrastructure (PCG)	AA- / Aa2 NR NR	2/2021 - 2/2041	Electricity Renewable	\$	16.84	16.71		(18.70)	22.20	4.00	LOC, \$1M
SUBTOTAL SOLAR PPAs						\$	30.60	21.96		(25.70)			
Grand Total						GRAND TOTAL	\$	139.97	93.47	7.80			

\*Negative termination value means the System or PEI is obligated to the counterparty (transaction is "underwater").

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 \$328,133.76 in outstanding forward sales contracts as of 03/31/2022.

(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 SCS 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. Received FERC Form 556 on March 29, 2022 notifying PEI of a change in holding company owners from Capital Dynamics to Arevon on November 9, 2021. Due to the late notification, PEI requested financial documents and a new Parental Guaranty from Arevon (Via Sol Systems) on April 5, 2022. PEI requested additional documentation 4/11/22 and once it has been received and reviewed, PEI will determine the correct course of action.

(5) Contracted hedge prices on gas and electricity are favorable to current market prices. Natural gas market prices are higher due to an increase in exports and domestic consumption. Electricity prices are higher due to an increase in demand, and generation costs from higher natural gas prices and other input fuel costs.

(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. Increased market prices on energy commodities have resulted in several "in the money" or positive NTE values. Those CPs in the BBB/Baa category that exceed the University policy exposure limit but are still within the PEI limit include: EDF \$1.11M, Morgan Stanley \$9.44M, and AEP \$0.26M.

check to PEI Sheet	\$	66.37	\$	55.68	\$	64.61	\$	6.94
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## Financial Hedges NTE

	Jun21	Jul21	Aug21	Sep21	Oct21	Nov21	Dec21	Jan22	Feb22	Mar22
JPM	(0.09)	(0.07)	(0.06)	(0.05)	(0.04)	(0.03)	(0.02)	0.00	0.00	0.00
Loop	(1.69)	(1.68)	(1.60)	(1.50)	(1.39)	(1.34)	(1.25)	(1.13)	(1.04)	(0.81)
Morgan Stanley	(0.09)	(0.08)	(0.07)	(0.06)	(0.04)	(0.03)	(0.02)	0.00	0.00	0.00
<b>Subtotal</b>	<b>-1.87</b>	<b>-1.83</b>	<b>-1.73</b>	<b>-1.61</b>	<b>-1.48</b>	<b>-1.40</b>	<b>-1.29</b>	<b>-1.13</b>	<b>-1.04</b>	<b>-0.81</b>

## Energy Physical and Financial Hedges NTE

	Jun21	Jul21	Aug21	Sep21	Oct21	Nov21	Dec21	Jan22	Feb22	Mar22
StoneX	1.21	1.71	2.53	4.35	4.40	4.03	3.17	4.63	5.05	8.67
EDF Energy Svcs	1.66	2.06	2.43	3.91	3.18	2.08	0.94	1.92	1.37	1.11
BP	3.15	4.15	5.05	8.24	8.00	6.68	4.71	8.05	7.29	10.36
Direct Energy	0.26	0.33	0.39	0.63	0.53	0.40	0.25	0.46	0.38	0.49
AEP	0.05	0.08	0.08	0.11	0.14	0.13	0.14	0.17	0.18	0.26
TransAlta	0.11	0.11	0.08	0.07	0.05	0.05	0.04	0.06	0.05	0.06
Shell	0.33	0.56	0.71	1.18	1.33	1.27	1.00	1.82	1.66	2.70
Morgan Stanley	1.15	1.54	2.21	3.93	4.44	4.48	3.86	5.17	5.73	9.44
Rail Splitter	(1.32)	(1.04)	(1.01)	(0.13)	0.30	0.26	0.31	0.61	0.74	1.22
Phoenix Solar SF	(8.58)	(8.49)	(8.39)	(8.92)	(8.19)	(8.10)	(8.00)	(7.67)	(7.33)	(7.00)
Northern Cardinal	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(18.70)	(18.70)
<b>Subtotal</b>	<b>-24.14</b>	<b>-21.15</b>	<b>-18.08</b>	<b>-8.79</b>	<b>-7.98</b>	<b>-10.88</b>	<b>-15.74</b>	<b>-6.94</b>	<b>-3.58</b>	<b>8.61</b>
<b>Total</b>	<b>-26.01</b>	<b>-22.97</b>	<b>-19.81</b>	<b>-10.39</b>	<b>-9.46</b>	<b>-12.28</b>	<b>-17.03</b>	<b>-8.07</b>	<b>-4.62</b>	<b>7.80</b>

## Total Hedges NTE

	Jun21	Jul21	Aug21	Sep21	Oct21	Nov21	Dec21	Jan22	Feb22	Mar22
JPM	(0.09)	(0.07)	(0.06)	(0.05)	(0.04)	(0.03)	(0.02)	0.00	0.00	0.00
LOOP	(1.69)	(1.68)	(1.60)	(1.50)	(1.39)	(1.34)	(1.25)	(1.13)	(1.04)	(0.81)
Morgan Stanley	1.06	1.46	2.14	3.87	4.40	4.45	3.84	5.17	5.73	9.44
StoneX	1.21	1.71	2.53	4.35	4.40	4.03	3.17	4.63	5.05	8.67
EDF Energy Svcs	1.66	2.06	2.43	3.91	3.18	2.08	0.94	1.92	1.37	1.11
BP	3.15	4.15	5.05	8.24	8.00	6.68	4.71	8.05	7.29	10.36
Direct Energy	0.26	0.33	0.39	0.63	0.53	0.40	0.25	0.46	0.38	0.49
AEP	0.05	0.08	0.08	0.11	0.14	0.13	0.14	0.17	0.18	0.26
TransAlta	0.11	0.11	0.08	0.07	0.05	0.05	0.04	0.06	0.05	0.06
Shell	0.33	0.56	0.71	1.18	1.33	1.27	1.00	1.82	1.66	2.70
Rail Splitter	(1.32)	(1.04)	(1.01)	(0.13)	0.30	0.26	0.31	0.61	0.74	1.22
Phoenix Solar SF	(8.58)	(8.49)	(8.39)	(8.92)	(8.19)	(8.10)	(8.00)	(7.67)	(7.33)	(7.00)
Northern Cardinal	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(22.16)	(18.70)	(18.70)
<b>Total</b>	<b>-26.01</b>	<b>-22.97</b>	<b>-19.81</b>	<b>-10.39</b>	<b>-9.46</b>	<b>-12.28</b>	<b>-17.03</b>	<b>-8.07</b>	<b>-4.62</b>	<b>7.80</b>
check	0	0	0	0	0	0	0	0	0	0

## Concentration

	Mar22
LOOP	15.73
Morgan Stanley	17.28
StoneX	16.82
EDF Energy Svcs	1.06
BP	12.67
Direct Energy	0.60
AEP	0.25
TransAlta	0.06
Shell	2.78
Rail Splitter	4.27
Phoenix Solar SF	5.25
Northern Cardinal	16.71
<b>Total</b>	<b>93.47</b>

16.8%

18.5%

18.0%

1.1%

13.6%

0.6%

0.3%

0.1%

3.0%

4.6%

5.6%

17.9%

**100%**

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