

INTERMOUNTAIN POWER AGENCY
ANNUAL MEETING OF IPA MEMBER REPRESENTATIVES
DECEMBER 6, 2022

MINUTES

The Intermountain Power Agency (IPA) Annual Meeting of IPA member representatives was held on December 6, 2022, at The Little America, 500 South Main Street, Salt Lake City, Utah, as well as via virtual meeting. The following participated:

<u>NAME</u>	<u>ORGANIZATION</u>
Jason Brown	Beaver
Dave Martin	Beaver
Allen Johnson	Bountiful
Paul Summers	Bountiful
Richard Higginson	Bountiful
Kendalyn Harris	Bountiful - Virtual
Lee Bracken	Enterprise
Shaun Kjar	Ephraim
Eric Larsen	Fillmore, Holden, Kanosh, Meadow
Jason Norlen	Heber
Bart Miller	Heber
Scott Hughes	Hurricane
Martin Felix	Hyrum
Elaine Felix	Hyrum
Bruce Rigby	Kaysville
Joel Eves	Lehi
Mark Montgomery	Logan
Alaina Montgomery	Logan
Josey Parsons	Monroe
Ty Bailey	Morgan
Wanda Adams	Morgan
Shane Ward	Mt. Pleasant
Blaine Haacke	Murray City
Mark Richardson	Murray City
Brett Hales	Murray City
Jennifer Kennedy	Murray City
Pam Cotter	Murray City
Doug Hill	Murray City
Greg Bellon	Murray City
Diane Turner	Murray City
Matt Youngs	Murray City
Dwight Day	Oak City
David Steele	Oak City
Jeremy Franklin	Parowan

IPA Board of Directors
Annual Meeting Minutes
December 6, 2022
Page 2 of 15

Dan Jessen	Parowan
Nick Tatton	Price
Danelle Tatton	Price
Kent Kummer	Spring City – Virtual
Chris Anderson	Spring City
Linford Jensen	IPA
Cameron Cowan	IPA
Michelle Miller	IPA
Vance Huntley	IPA
Cody Combe	IPA
Ryleigh Hair	IPA
Marlene Conrad	IPA
Lisa Harris	IPA
Saif Mogri	IPA Consultant
Jason Barth	Deloitte & Touche LLP
Peter Mann	Deloitte & Touche LLP
Kate Bradshaw	Holland & Hart
Eric Bawden	Holland & Hart
Mark Buchi	Holland & Hart - Virtual
Jon Finlinson	IPSC
Rita Finlinson	IPSC
Kevin Miller	IPSC
Luanne Miller	IPSC
Mike Nuttall	IPSC
Sue Nuttall	IPSC
Jim Hill	IPSC
Mark Shipley	IPSC
Linda Shipley	IPSC
John Ward	John Ward Inc.
Bob Checketts	Kern River Gas Transmission
Paul Schultz	LADWP
Lori Morrish	LADWP
Craig Broussard	Magnum
Rob Webster	Magnum
Kevin Robison	Mt. Wheeler - Virtual
Neil Wolk	Orrick - Virtual
Rob Hughes	Parsons Behle & Latimer
Christine Pihl	RBC Capital Markets
Laurent Mastey	RBC Capital Markets
John Crandall	Stifel
Shawn Teigen	Utah Foundation
Bob Kinney	Wells Fargo
Trevor Hansen	Salt Lake Police Department

6 Individuals Remotely Attending

IPA BUSINESS MEETING FOR THE IPA REPRESENTATIVES

INTRODUCTION OF IPA REPRESENTATIVES

The 2022 Annual Meeting of the Intermountain Power Agency commenced at 9:30 a.m. conducted by IPA Board Secretary, Eric Larsen. Mr. Larsen welcomed everyone to the meeting and explained that IPA is a Political Subdivision of the State of Utah formed by 23 municipalities under Utah's Interlocal Cooperation Act. Each member municipality has designated a representative, and in some cases, the same individual is the designee for more than one municipality. IPA's seven-member Board of Director's is elected from these representatives and by these representatives. Board members serve staggered four-year terms. Mr. Larsen called the roll of the representatives.

<u>Representative</u>	<u>City</u>
Jason Brown	Beaver
Allen Johnson	Bountiful
Lee Bracken	Enterprise
Shaun Kjar	Ephraim
Eric Larsen	Fillmore, Holden, Kanosh, Meadow
Jason Norlen	Heber
Scott Hughes	Hurricane
Martin Felix	Hyrum
Bruce Rigby	Kaysville
Joel Eves	Lehi
Mark Montgomery	Logan
Josey Parsons	Monroe
Ty Bailey	Morgan
Shane Ward	Mt Pleasant
Blaine Haacke	Murray
Dwight Day	Oak City
Jeremy Franklin	Parowan
Nick Tatton	Price
Kent Kummer	Spring City - Virtual

The Representative from the City of Fairview was not present.

Mr. Larsen stated that a quorum for the conduct of business exists.

Mr. Larsen thanked the representatives for attending.

APPROVAL OF THE 2021 IPA ANNUAL MEETING MINUTES

Mr. Larsen asked for a motion to approve the 2021 IPA Annual Meeting Minutes.

Mr. Brown made a motion to approve the 2021 IPA Annual Meeting Minutes. Mr. Johnson seconded the motion. A vote by all representatives participating in the meeting was taken and the vote was unanimous in the affirmative.

IPA BOARD ELECTION

Mr. Larsen turned the time over to Eric Bawden of Holland & Hart, IPA's outside general counsel, to conduct the elections to fill upcoming vacancies in the IPA Board of Directors. Mr. Bawden noted that 21 representatives were present, which constituted a quorum to conduct the necessary business. Mr. Bawden said that pursuant to the IPA Bylaws, there is one IPA Board of Director's position to be filled by a vote of the representatives for a term of January 1, 2023, to December 31, 2026. Mr. Bawden read the eligibility requirements to serve on the IPA Board and explained the nomination and voting process. He asked if there were any questions. There were none.

Mr. Bawden asked for a motion to open nominations to elect a Board member for a full four-year term.

Mr. Montgomery made a motion to open nominations. Mr. Johnson seconded the motion. A vote was taken by all representatives participating in the meeting and the vote was unanimous in the affirmative.

Mr. Bawden asked for nominations to the Board.

Mr. Tatton nominated Mr. Bruce Rigby. Mr. Bawden asked for a second. Mr. Eves seconded the nomination. Mr. Bawden asked for other nominations. There were none. Mr. Norlan moved to close nominations and proceed to vote. Mr. Bracken seconded the motion. A vote was taken by all representatives participating in the meeting and the vote was unanimous in the affirmative to close nominations.
Nominations closed.

Mr. Rigby addressed the representatives regarding his qualifications and desire to serve. Mr. Bawden asked the representatives to vote using the electronic ballots distributed to them. Mr. Bawden asked Mr. Combe to collect the electronic ballots from the representatives. The votes were tallied and Mr. Bawden congratulated Mr. Rigby for receiving the majority of the votes. Mr. Rigby thanked the Representatives for their support.

Mr. Bawden said the election portion of the business meeting was concluded.

COMMITTEE REPORTS

IPA AUDIT COMMITTEE

Mr. Larsen asked Mr. Johnson to give the report. Mr. Johnson, IPA Board member, said he is the Chair of the IPA Audit Committee. The primary responsibility of the IPA Audit Committee is to assist the IPA Board in carrying out its responsibilities as they relate to IPA's accounting policies, internal control, and financial reporting. This is accomplished through oversight of and direction to IPA's internal audit function and acting as liaison and receiving direct reports from external auditors.

Mr. Johnson said under provisions of the Power Sales Contracts, IPA is required to keep accurate records and accounts of each of the facilities comprising the Project, as well as of the operations of IPA which shall be audited annually by an independent firm of certified public accountants experienced in electric utility accounting to be completed within 90 days after the close of each fiscal year. Since inception, IPA has faithfully complied with this requirement and this year is no exception.

Mr. Johnson said IPA's Annual Report can be found on the IPA Website at IPAUtah.com. The Annual Report includes IPA's audited financial statements. These financial statements are as of and for the years ended June 30, 2022, and 2021 and are accompanied by the Independent Auditors' Report by Deloitte & Touche LLP. The Auditors have expressed an unqualified or clean opinion that the financial statements are fairly presented. As part of their audit, Deloitte also reviewed IPA's internal controls over financial reporting. In accordance with auditing standards generally accepted in the United States of America, Deloitte has the obligation to report to IPA any material weaknesses in internal controls over financial reporting it discovers. No material weaknesses have ever been identified by Deloitte. The audit report has been received and reviewed in detail by the Audit Committee and accepted by the IPA Board.

During the general meeting a brief video that summarizes the financial results from the fiscal year ended June 30, 2022, will be shown.

Mr. Johnson said in addition to the annual audit performed by Deloitte, IPA's internal auditors and auditors from some of the project's participating cities perform frequent comprehensive audits to review internal controls, confirm adherence to policies, and ensure compliance with its several contracts as well as its covenants under IPA's bond resolution. The results of these audits are reported regularly to the IPA Audit Committee and other IPP governing bodies.

Last year, IPA reached a very significant milestone when all its outstanding publicly held debt was retired. With the retirement of all publicly held debt, until IPA issued additional bonds in April 2022, the only remaining debt left on IPA's books was \$77 million of prepayment notes held by LADWP and Pasadena and \$100 million issued under the 2019 Drawdown Bonds to

finance preliminary repowering and transmission renewal costs. These prepayment notes will be paid completely over the next few months with a final amortization date in July 2023.

Mr. Johnson said IPA did issue additional bonds in April 2022 to finance the Gas Repowering of IPP or the IPP Renewed Project. As a reminder, three years ago the IPA Board and IPP Coordinating Committee approved the Plan of Finance for the renewal project. This plan summarizes key provisions of the Power Sales Contracts that specify how the renewal construction is to be financed and provides a framework for how financing will be carried out. An objective of the Plan of Finance is to optimize the economy of the renewal construction financing costs considering market conditions, financial requirements of the project and recommendations of IPA's financial advisor and the IPA Finance Committee.

Under the plan, interest on indebtedness will be capitalized during the construction period – meaning interest will be paid from the proceeds of the borrowings. Debt service will be included in power billings after the renewal project commences commercial operations.

Mr. Johnson said the IPA Renewed Project received its inaugural credit ratings from Moody's and Fitch which resulted in a rating upgrade. The bond ratings represent an important achievement and milestone as the project's components, documentation, and participants have changed. Subsequent to obtaining the rating upgrade, IPA issued nearly \$800 million in Bonds to provide for a portion of the cost of acquisition and construction of the gas repowering. \$100 million of that was used to refund the outstanding 2019 Drawdown Bonds used for bridge financing. IPA's bond issuance received positive press coverage and wide market acceptance and the bond sale resulted in over \$3.0 billion in orders. IPA decided to take advantage of the strong market and attractive interest rates and sized up the initial financing from \$500 million to \$800 million at a low cost of capital of 3.79%.

Unfortunately, it should be noted however, that because of legislative activities and the uncertainty it presented to IPA, the bond sale that was originally scheduled for February, was delayed until April. That two-month delay and the accompanying rise of interest rates, added \$93 million in interest costs to the renewal project.

Mr. Johnson said the proceeds from the 2022 Bonds are currently being used for construction activities. With cash requirements for the project accelerating as those activities proceed, IPA expects to issue its second series of Bonds in the second quarter of 2023. It is expected that one more tranche of Bonds will be issued in 2024 to complete financing for the generation component of the renewal project.

Mr. Johnson continues, the Southern Transmission System (STS) will also be upgraded as part of the renewal project. Consistent with past practices, The Southern California Public Power Authority (SCPPA) is expected to issue bonds for those costs and provide those funds to IPA as payments in aid of construction. That component of debt service will be paid by the Southern California purchasers who utilize the STS.

Mr. Johnson said this concludes the audit committee report. Nick Tatton will now give the report of the governance committee.

IPA GOVERNANCE COMMITTEE

Mr. Nick Tatton, IPA Representative from Price City, has served on the IPA Board of Directors since 2016 and currently serves as the Vice Chair of the IPA Board and Chair of the Governance Committee.

Mr. Tatton said the Governance Committee develops and recommends governance principles, monitors changing conditions and suggests appropriate policy revisions. The committee advises on management succession, amendments to bylaws and governance documents, and director training and orientation. In addition, the committee helps define and communicate to the IPA members characteristics and skills that are beneficial for the member's appointed representatives to possess since future board members will be elected from their ranks.

Mr. Tatton continues, the Governance Committee also oversees compliance with IPA's Policy on Ethical Business Conduct and Supplemental Policy on Conflicts of Interest for Directors and Officer. These policies, among other things, incorporate the applicable provisions of Utah law and require that IPA Employees and the IPA Board of Directors be responsible to uphold IPA's core values as set out in the policies. The Governance Committee ensures that these policies are reviewed in annual board training sessions.

Mr. Tatton said recent events suggest that IPA's structure and governance are not well understood by those outside the organization. For example, some at the State Capitol have asserted that the California Purchasers are in direct control of IPA's business decisions and direction. Those who are unaware of or that choose to be uninformed about the important governance role of the IPA Board of Directors have ignored or devalued the Board as ineffective. As a result, the State legislature has layered on additional State oversight and some at the legislature seek to layer on even more.

Mr. Tatton said the Interlocal Cooperation Act, as enacted by the Utah Legislature decades ago to facilitate the creation of IPA, expressly authorizes IPA's business structure. The Act permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on the basis of mutual advantage and thereby to provide services and facilities in a manner and under forms of governmental organization that will accord best with geographic, economic population and other factors influencing the needs and development of local communities and to provide the benefit of economy of scale, economic development and utilization of natural resources and the overall promotion of the general welfare of the state.

Mr. Tatton continues, first, the legislature provides for a variety of organizational structures in the state, including interlocal entities, special service districts, corporations, limited liability

partnerships and others each with defining characteristics, but it does not grant State authority or jurisdiction over the management of the organization. Second, the power vested in IPA is not conveyed by the State but by the municipalities that formed IPA. Municipal powers are derived from the State constitution and not by the whim of the one branch of government the State legislature represents. If there is a need for oversight it should come from the IPA members. Second, IPA was created to take advantage of economies of scale and has provided significant economic development, opportunity and benefit to local communities and the state.

Mr. Tatton also said, under the provisions of the Act, IPA is one of two or three “Taxed Interlocal Entities” in this state. That means that IPA is a taxpayer, unlike the vast majority of other interlocal entities, and other than payment for the actual cost of services IPA provides and fair value for property IPA conveys, IPA does not receive payment of funds from any federal or state agency or office, , any other political subdivision, or any other public agency or office and does not receive, expend, or have the authority to compel payment from tax revenue. Put simply, IPA does not receive or expend any taxpayer or public funds. IPA has no authority to levy any tax. It should also be noted that IPA also receives no profit from its operations. Past state leaders and legislatures recognized that IPA’s funds are not public, and, therefore, granted via state statute certain exceptions from state oversight laws to IPA, as a Taxed Interlocal Entity. From this perspective, it would seem difficult to justify a need for any additional or further state oversight as IPA does not receive or spend the public’s funds.

Nevertheless, new layers of state oversight were imposed during the legislative sessions in late 2021 and earlier this year. IPA is now subject to Open & Public Meeting requirements, the state procurement code, the Utah Money Management Act, and a newly established oversight committee. While IPA may disagree with the necessity of this additional oversight, we are actively complying with all these new requirements.

Mr. Tatton said under its organization agreement, IPA’s 23 municipal members have delegated their powers to IPA to pursue the following purposes: to undertake, own, acquire, construct, finance, operate, maintain, repair, administer, manage, and control a facility to generate electricity to be known as the Intermountain Power Project or IPP. Pursuant thereto, IPA owns all the assets as well as the associated liabilities of IPP. IPA’s assets are not owned or controlled by the State nor by IPA’s 23-member municipal entities (IPA’s members consist of 22 municipalities and one interlocal entity whose board consists of elected officials from each of its municipal members).

Mr. Tatton said IPA’s 23-member municipal entities have also provided for the governance of IPA. Each of IPA’s 23-member municipal entities is entitled to a representative that serves at the pleasure of the appointing party. The meeting presently convened has a quorum of the IPA member representatives in attendance. It should be noted that the representatives are appointed by elected officials of the respective member municipal entities and are responsible to and can be removed by them. To assert that IPA is not represented by elected officials is simply untrue.

Mr. Tatton said the organization agreement provides for a seven-member Board of Directors elected by the representatives. Attendees have just witnessed the election of one director from the representatives as required by the agreement. Further, the agreement requires the business and affairs of IPA to be governed, controlled, directed, managed, administered, and regulated by the Board of Directors. The agreement also authorizes the Board of Directors to have such duties and powers, and take any action, as may be necessary or desirable to accomplish IPA's purposes, except as may be contrary to the laws of the State of Utah or the agreement.

Mr. Tatton continues, the Board of Directors has the benefit of independent competent legal counsel, advisors and consultants that provide timely support for the Board's deliberations. The Board also regularly studies and implements best practices. As a member of the IPA Board of Directors, and on behalf of the other directors, we do not take our duties and responsibilities as outlined above frivolously or without required diligence. Nor do we relinquish these responsibilities to others. No significant actions related to IPA or IPP are advanced without the approval of the IPA Board of Directors. Although, as it affects the interests of IPP, these same actions must also be approved by a committee composed of IPA's 23-member municipal entities, six California municipalities and six Rural Electric Association's that have contracted with IPA for all the capacity of IPP.

Mr. Tatton said we are aware that some disagree with decisions made by the IPA Board of Directors. The decision to cease coal operations at the completion of the construction of IPA's replacement generation facilities continues to be second guessed. This decision was not taken lightly. Options to continue coal operations in whole or in part, were diligently explored but were prevented by a host of factors.

Faced with the uncertainty of successful economic operation of the coal units and the potential shift of remediation and other environmental requirements and obligations to the IPA member municipal entities if such operations were unsuccessful, the Board determined that working toward a renewal of the Power Sales Contracts, even though it would require cessation of coal operations, would produce an outcome congruent with IPA's mission and purpose and provide a greater likelihood of sustainable benefits to all stakeholders.

And more recently, the Board determined that an unsolicited bid to purchase the coal units, install carbon capture equipment, and provide the energy to data centers, presented substantial risk to IPA's ability to operate the coal units in the short term and complete the renewal project without serious disruption, if it could be completed at all. As a result, that bid was rejected to, again, provide a greater likelihood of sustainable benefits to all stakeholders.

Mr. Tatton said this was a brief summary of a complex project that has been operating for decades. IPA has a strong history of sound governance, accountability to its members and other stakeholders and successful stewardship.

REPORT FROM THE GENERATION & TRANSMISSION SUBCOMMITTEE OF THE INTERMOUNTAIN POWER PROJECT COORDINATING COMMITTEE

Mr. Larsen asked Ms. Morrish, Project Manager, to give the report of the Generation and Transmission Subcommittee. Ms. Morrish reviewed with the Representatives the Renewal Project Mission Statement which is to build an economical green energy hub for our stakeholders with reliable, operable, and maintainable generation and transmission, embracing the safety of the people, the environment, and the communities as our highest value.

Ms. Morrish reviewed with the Representatives the IPP Renewal Project scope including the Generation Project Major Milestones of the awarded Generation RFP in March 2022; secured long term financing in May 2022; completed Site Preparation in July 2022; and started EPC Construction in October 2022.

Ms. Morrish reviewed in detail the Generation Project Status and Schedule including the OEM Bid and Award; the Permitting Process; the EPC Spec Development and Award; the Power Block Engineering; and the Power Block Construction and Testing.

Ms. Morrish reviewed with the Representatives the STS Renewal Project scope including the Transmission Project Major Milestones of the started construction for the IPP Switchyard in July 2022; the started negotiations for the HVDC Contract; and the Awarded Synchronous Condenser Contract in November 2022.

Ms. Morrish reviewed in detail the Transmission Project Status and Schedule including the AC Switchyard Expansions at Intermountain and Adelanto; the new Converter Stations at Intermountain and Adelanto; and the Reactive Power Equipment, Synchronous Condensers, at Intermountain.

Ms. Morrish reviewed the High-Level Schedule for Contract Descriptions and Award Year, Construction Start and In-Service Dates for the following including the OEM Equipment Procurement, the Generation EPC, the IPP Site Preparation, the Gas Transporter, the Gas Supplier, the Long-Term Service Agreement, the Adelanto Site Preparation, the Intermountain Switchyard, the Adelanto Switchyard, the Intermountain Converter Station, the Adelanto Converter Station, and the Synchronous Condenser.

Ms. Morrish reviewed the Renewal Project next steps including to sign the HVDC Contract; and to start construction for Converter Stations and Synchronous Condensers.

REPORT FROM THE SITE DEVELOPMENT POLICY COMMITTEE OF THE INTERMOUNTAIN POWER PROJECT COORDINATING COMMITTEE

Mr. Larsen asked Ms. Morrish to give Mr. Huynh's Operating Agent, report on the Site Development Policy Subcommittee due to Mr. Huynh not attending the meeting. The Site

Development Policy Subcommittee is a working group the purpose of which is to review, discuss, and recommend potential new projects at the IPP site.

Ms. Morrish reviewed the Green Hydrogen update at IPP including in March 2022, IPA entered an agreement with the Advanced Clean Energy Storage (ACES) Project for green hydrogen supply and storage; the ACES Project provides a large portion of the initial green hydrogen fuel supply need by 2025; and the construction of first cavern and brine pond began in the Summer of 2022.

The Scope of the ACES Project includes a 220 MW electrolyzer facility; 11,000 metric tons of storage in two underground salt caverns; and the substantial completion of electrolyzer facility in November 2024.

Ms. Morrish gave the Representatives the Green Hydrogen Progress to Date Report including that through October 2022, the project is 18% complete; completed drilling of the first cavern well; preparing for solution mining activities; pond liner installation has begun; and the excavation for the electrolyzer facility has begun.

The Operating Agent and Project Manager will be issuing a request for proposals (RFP) for additional green hydrogen fuel supply and storage in 2023.

Ms. Morrish reviewed with the Representatives the current Coal Supply Challenges including IPP's current fuel supply has been hampered by persistent labor shortage in both mining and transportation; the lack of normal domestic market and high international demand for US coal has caused prices to reach an all-time high; and most companies under contract have failed to fulfill their existing commitments which resulted in reduced overall generation from IPP. IPP responded to this challenge by implementing a fuel rationing procedure with the goal of maintaining reliability for the peak summer season; participants were able to reach 60% capacity factor during the critical summer season (July-October); and the Operating Agent continues to monitor the market to find opportunities to bolster IPP's fuel supply for the upcoming year.

Mr. Larsen thanked everyone for their reports.

OTHER BUSINESS

Mr. Larsen asked for other business. There was none.

Mr. Larsen thanked everyone for coming.

Mr. Larsen asked for a motion to adjourn the IPA Business meeting.

Mr. Rigby made a motion to adjourn. Mr. Johnson seconded the motion. A vote by all representatives participating in the meeting was taken and the vote was unanimous in the affirmative. The IPA Business meeting adjourned at 10:25 a.m.

Minutes taken by Michelle Miller

IPA GENERAL MEETING

WELCOME

Mr. Haacke welcomed everyone to the 2022 annual general meeting of the Intermountain Power Agency. He acknowledged the presence of the IPA representatives in this meeting and extended a warm welcome to civic leaders including Mayors, members of municipal Councils and power boards, as well as officials from many of the 35 municipalities and utilities that comprise the IPA purchasers.

He also welcomed the legal, financial, engineering, and public relations consultants who are in attendance today. In addition to the IPA staff, he recognized Cameron Cowan, the IPA General Manager who also serves as chair of the IPP Coordinating Committee and as Chair of the Renewal Contract Coordinating Committee; and representing the Los Angeles Department of Water and Power are Paul Schultz, Director External Energy Resources Division, and Lori Morrish, Project Manager for the IPP Renewed Project. From the Intermountain Power Service Corporation, he recognized Jon Finlinson, President, Jon Christensen, Mike Nuttall, Kevin Miller, Mark Shipley, and Jim Hill.

Mr. Haacke gave the Business Meeting Recap including the approval of the 2021 IPA Annual Meeting Minutes; Reports Given by the IPA Audit Committee, the IPA Governance Committee, the Generation & Transmission Subcommittee of the IPP Coordinating Committee, and the Site Development Policy Subcommittee of the IPP Coordinating Committee; the IPA Board of Directors Election; and the current IPA Board of Directors – 2022.

REPORTS

2022 FINANCIAL AND OPERATING REPORT

Mr. Haacke gave the 2022 Financial and Operating Reports and discussed in detail the following including the \$800 million IPP Renewed Bond Financing being complete; the IPP Renewed construction has commenced; and the Coal-fueled power generation challenged by rail service issues.

Mr. Haacke reviewed in detail the 2022 Annual Report, which is available on the IPA website www.ipaUtah.com. The Annual Report includes a copy of IPA's audited financial statements. These financial statements are accompanied by the Independent Auditor's Report expressing an

unqualified or clean opinion that the financial statements are fairly presented. The audit report has been reviewed in detail by the Audit Committee and will be reviewed by the IPA Board.

IPP RENEWED

Mr. Haacke reviewed in detail the IPP Renewed Project including the construction that has begun on our IPP Renewed Project. The Project remains on schedule, and construction employment is expected to peak at around 1,000 workers as the Project moves toward a mid-2025 start-up. This is a massive undertaking, and IPA is grateful for the professional and dedicated efforts that are underway by our Project Manager. IPA also thanks the team at Intermountain Power Service Corporation, who are providing invaluable assistance in supporting the project and wrangling the fleets of contractors who are descending on the site.

Mr. Haacke said the transformative IPP Renewed project is attracting international attention for its use of existing infrastructure and green hydrogen. Mr. Haacke said a short video to update everyone on the project and its progress will now be shown.

Mr. Haacke reviewed the IPP Renewed – Key Facts including the Project has been in development for more than a decade; IPA is striving to fulfill the best interests of all IPP stakeholders; and the significant benefits for IPA members.

First, IPP Renewed didn't come about overnight. Discussions about this project began well over a decade ago and required planning and decision making by all 35 of IPP's very diverse participants.

Second, these discussions were undertaken with the best interests of IPP's stakeholders, including Millard County and the State of Utah, in mind. You can look just 200 miles south of IPP for an example of what very easily could have happened at IPP. The Navajo Generating Station near Page, Arizona, was of a similar age, size, and customer base as IPP. Today, Navajo Generating Station is already a flat spot in the desert – demolished with no significant plans for continuing activity at the site. IPP Renewed was a conscious effort to avoid this fate and continue economic contributions to Millard County and the State of Utah. Between IPP Renewed and the ACES hydrogen project it catalyzed, more than \$4 billion in new investment is now pouring into Central Utah and all IPP's participants will benefit from development of a future-focused resource that includes long term energy storage.

Third, in addition to benefiting Millard County and the state, IPP Renewed creates significant benefits for IPA's Utah participants.

Mr. Haacke said an immediate benefit of IPP Renewed is that it provides a vehicle for paying for the eventual decommissioning and demolition of the coal-fueled generating units. Because Project costs are borne only by the participants taking power, IPP Renewed provides for recovering those costs from future power billings. Without IPP Renewed, those significant

decommissioning costs may need to be borne by all Project participants according to their respective generation entitlement shares.

By participating in IPP Renewed, Utah cities and cooperatives are entitled to a share of an energy resource with economies of scale that far surpass what they would be able to accomplish on their own. Either immediately or at some point in the future, access to the natural gas and green hydrogen energy from IPP Renewed may become an invaluable portion of IPA member resource portfolios.

Finally, IPP Renewed also continues one of the most valuable features of the original project: The ability of Utah participants to “lay off” their generation entitlements to California participants. Because all IPP costs are recovered through power billings, this means Utah participants only incur costs from the Project if they are receiving energy from it. This advantage of having access to a large-scale resource without an obligation to pay for it unless it is used may be unprecedented in the energy world. Since IPA’s inception this ‘Layoff’ opportunity has been exercised to the benefit of the Utah participants. The ‘layoff’ agreement will continue for decades to come, albeit in a modified format. IPA will become an important slice in many of the participant’s resource pies for years.

The value of the Excess Power Sales Agreements cannot be overstated. In many of IPP’s 35 years of operations, IPA members have had access to lower cost energy elsewhere. They laid off their generation entitlements in those years and IPP cost them nothing. Last summer, on the other hand, IPA’s members called back their shares of IPP energy and saved an estimated \$6 million over what they would have paid if IPP was not available to them. With IPP Renewed, IPA’s members will enjoy this same flexibility.

REMARKS

Mr. Haacke, IPA Board Chair, said the benefits your cities gain from IPP participation need to be communicated to state policymakers. As you will recall, the 2022 Utah Legislature session – and a previous special session in Fall of 2021 – resulted in several legislative actions specifically targeting IPP. IPA has ample reason to believe that more attacks at the Legislature may be coming.

For example, many of you participated in a recent series of briefings on an unsolicited proposal IPA received to continue operations of the coal units past their 2025 retirement date. That unsolicited proposal was taken to the Utah Legislature before any contact was made with IPA. It is reasonable to assume that coal supporters in the Legislature will not take kindly to the IPA Board’s decision to reject the proposal. But facts are facts: For a long list of reasons, the proposal endangered the ability to continue moving forward on IPP Renewed and endangered our ability to continue operating the coal units until 2025 – which as last summer showed, is becoming increasingly valuable for IPA member cities. Mr. Haacke thanked those that took the time to listen to these briefings.

Mr. Haacke said IPA needs your help to ensure that your power boards, mayors, and city council members are aware of the benefits provided by IPP. And IPA needs those local leaders to contact the governor's office and the Utah legislators representing your areas to tell them:

1. The Intermountain Power Project and IPP Renewed are an important part of your city's resource planning, and
2. Legislative interference in IPP's operations poses significant risks for your cities.

To help you carry this message, we stand ready to provide IPA personnel to assist in briefings for your city leaders whenever you may be able to organize them. In the past two months, many of your city councils have received an IPP Renewed update briefing by Cameron Cowan or John Ward. For those of you who haven't yet, Cameron and John will be reaching out to schedule some time with your elected officials soon. Our goal is to touch base or have an audience with each of our participants' governing boards. We need our voice to be heard and it will take a grassroots effort by big and small cities and towns to tell our story. Thank you in advance.

Mr. Haacke said communication tools are available to use including the reference cards found in the packets today and the IPA Website.

Mr. Haacke thanked everyone in attendance and said he looks forward to working with everyone over the coming months to spread the word about IPP and the plans for continuing the Project's benefits for our cities and the state of Utah well into the future.

ADJOURN

Mr. Haacke thanked the IPA staff and IPA consultants for their work on the meetings, and adjourned the IPA Annual Meeting at 11:20 a.m.