INTERMOUNTAIN POWER AGENCY
ANNUAL MEETING OF IPA MEMBER REPRESENTATIVES
DECEMBER 5, 2023

MINUTES

The Intermountain Power Agency (IPA) Annual Meeting of IPA member representatives was held on December 5, 2023, at The Little America, 500 South Main Street, Salt Lake City, Utah, as well as via virtual meeting. The following participated:

NAME	ORGANIZATION
Jason Brown	Beaver
Allen Johnson	Bountiful
Paul Summers	Bountiful
Richard Higginson	Bountiful
Jess Pearce	Bountiful
Jesse Bell	Bountiful
Luke Veigel	Bountiful
Dave Irvine	Bountiful
Isaac Jones	Enterprise
Sean Lewis	Ephraim
Cory Daniels	Ephraim
Eric Larsen	Fillmore, Holden, Kanosh, Meadow
Jason Norlen	Heber
Adam Long	Heber Light & Power
Scott Hughes	Hurricane
Martin Felix	Hyrum - Virtual
Bruce Rigby	Kaysville
Joel Eves	Lehi
Mark Montgomery	Logan
Clark Crook	Morgan
Wanda Adams	Morgan
Shane Ward	Mt. Pleasant - Virtual
David Rogers	Murray City
Brett Hales	Murray City
Jennifer Kennedy	Murray City
Pam Cotter	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
Nick Tatton	Price
Cameron Cowan	IPA

Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Ryleigh Hair	IPA
Marlene Conrad	IPA
Lisa Harris	IPA
Caitlyn Cottrell	IPA
Saif Mogri	IPA Consultant
Cameron Parks	CitiBank
Jason Barth	Deloitte & Touche LLP
Peter Mann	Deloitte & Touche LLP
Steve Watson	Deloitte & Touche LLP
Brad Patterson	Gilmore Bell
Kate Bradshaw	Holland & Hart
Eric Bawden	Holland & Hart
Billy Hesterman	Holland & Hart
Mark Buchi	Holland & Hart - Virtual
Jon Finlinson	IPSC
Rita Finlinson	IPSC
Kevin Miller	IPSC
Luanne Miller	IPSC
Jim Hill	IPSC
Shauna Hill	IPSC
Jon Christensen	IPSC
John Ward	John Ward Inc.
Louis Ting	LADWP
Lori Morrish	LADWP
Greg Huynh	LADWP
Kevin Peng	LADWP
John Aguilar	LADWP
Melia Asucan	LADWP
Gabriela Huizar	LADWP
Steve Hiatt	Lobbyist
Jon Macaskill	Macaskill Consulting
Rob Webster	Magnum
Curtis Wilkerson	Orion
Rob Hughes	Parsons Behle & Latimer
Michael Brown	Parsons Behle & Latimer
Tim Williams	RBC Capital Markets
Daniel Garcia	Riverside

John Crandall	Stifel
Laynie Markisich	Stifel
Stan Holmes	UCARE
Greg Todd	Utah Office of Energy Development
Bridger Bolinder	Utah State House of Representatives
Cory Maloy	Utah State House of Representatives
Evan Vickers	Utah State Senate
Brandon Shearer	Salt Lake Police Department

IPA BUSINESS MEETING FOR THE IPA REPRESENTATIVES

INTRODUCTION OF IPA REPRESENTATIVES

The 2023 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.

Representative	City
Jason Brown	Beaver
Allen Johnson	Bountiful
Isaac Jones	Enterprise
Sean Lewis	Ephraim
Eric Larsen	Fillmore, Holden, Kanosh, Meadow
Jason Norlen	Heber
Scott Hughes	Hurricane
Martin Felix	Hyrum - Virtual
Bruce Rigby	Kaysville
Joel Eves	Lehi
Mark Montgomery	Logan - Virtual
Josey Parsons	Monroe
Clark Crook	Morgan
Shane Ward	Mt Pleasant - Virtual
Greg Bellon	Murray
Dwight Day	Oak City
Jeremy Franklin	Parowan
Nick Tatton	Price

The Representatives from the cities of Fairview, Monroe, and Spring City were not present.

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

Mr. Larsen thanked the representatives for attending.

APPROVAL OF THE 2022 IPA ANNUAL MEETING MINUTES

Mr. Larsen asked for a motion to approve the 2022 IPA Annual Meeting Minutes.

> **Mr. Brown made a motion to approve the 2022 IPA Annual Meeting Minutes. Mr. Norlen seconded the motion. A vote by all representatives participating in the meeting was taken and the vote was unanimous in the affirmative.**

<u>IPA BOARD ELECTION</u>

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 20 representatives were present, which constituted a quorum to conduct the necessary business. Mr. Bawden said that pursuant to the IPA Bylaws, there are two IPA Board of Director's positions to be filled by a vote of the representatives for a term of January 1, 2024, to December 31, 2027. 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. Norlen made a motion to open nominations. Mr. Jones 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. Johnson nominated Mr. Nick Tatton. Mr. Bawden asked for a second. Mr. Norlen seconded the nomination. Mr. Bawden asked for other nominations. There were none. Mr. Larsen moved to close nominations and proceed to vote. Mr. Rigby 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. Tatton 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. Tatton for receiving the majority of the votes.

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

> **Mr. Brown made a motion to open nominations. Mr. Tatton 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. Rigby nominated Mr. Jason Norlen. Mr. Bawden asked for a second. Mr. Bellon seconded the nomination. Mr. Bawden asked for other nominations. There were none. Mr. Jones moved to close nominations and proceed to vote. Mr. Johnson 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. Norlen 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. Norlen for receiving the majority of the votes. Mr. Norlen thanked the Representatives for their support.

ELECTION OF THE MUNICIPAL REPRESENTATIVE AND AN ALTERNATE, OF ALL CITIES NOT ENTITLED TO AN INDEPENDENT SEAT AS A VOTING MEMBER OF THE INTERMOUNTAIN POWER PROJECT COORDINATING COMMITTEE UNDER SECTION 6.1 OF THE POWER SALES CONTRACTS

Mr. Bawden read the eligibility requirements to serve as the municipal representative and explained the nomination and voting process and pointed out that contrary to Board elections where each city has one vote, the municipal representative voting is by entitlement share percentage. Also, if cities whose entitlements are 1.7% or above opted to exercise their right to sit on the Coordinating Committee, they are not entitled to vote for the municipal representative. He asked for questions. There were none.

Mr. Bawden asked for a motion to open nominations for the municipal representative.

Mr. Norlen made a motion to open nominations for the municipal representative. Mr. Brown seconded the motion. A vote by all representatives present was taken and the vote was unanimous in the affirmative.

Mr. Bawden asked for nominations.

Mr. Rigby nominated Mr. Eric Larsen. Mr. Bawden asked for a second. Mr. Brown seconded the nomination. Mr. Bawden asked for other nominations. There was none. Mr. Jones moved to close nominations and proceed to vote. Mr. Franklin seconded the motion. A vote was taken by all representatives present and the vote was unanimous in the affirmative. Nominations closed.

Mr. Larsen 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. Larsen for receiving the majority of the votes and his re-election to the municipal representative. Mr. Larsen thanked the representatives for their votes.

Mr. Bawden asked for a motion to open nominations for the alternate municipal representative.

Mr. Norlen made a motion to open nominations for the alternate municipal representative. Mr. Jones seconded the motion. A vote by all representatives present was taken and the vote was unanimous in the affirmative.

Mr. Bawden asked for nominations.

Mr. Rigby nominated Mr. Joel Eves. Mr. Bawden asked for a second. Mr. Crook seconded the nomination. Mr. Bawden asked for other nominations. There was none. Mr. Brown moved to close nominations and proceed to vote. Mr. Johnson seconded the motion. A vote was taken by all representatives present and the vote was unanimous in the affirmative. Nominations closed.

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. Eves for receiving the majority of the votes and his re-election to the alternate municipal representative. Mr. Eves thanked the representatives for their votes.

ELECTION OF THE MUNICIPAL REPRESENTATIVE AND AN ALTERNATE, OF ALL CITIES NOT ENTITLED TO AN INDEPENDENT SEAT AS A VOTING MEMBER OF THE INTERMOUNTAIN POWER PROJECT RENEWAL CONTRACT

<u>COORDINATING COMMITTEE UNDER SECTION 6.1 OF THE RENEWAL POWER SALES CONTRACTS</u>

Mr. Bawden read the eligibility requirements to serve as the municipal representative and explained the nomination and voting process and pointed out that contrary to Board elections where each city has one vote, the municipal representative voting is by entitlement share percentage. Also, if cities whose entitlements are 1.4% or above opted to exercise their right to sit on the Renewal Contract Coordinating Committee, they are not entitled to vote for the municipal representative. He asked for questions. There were none.

Mr. Bawden asked for a motion to open nominations for the municipal representative.

> **Mr. Jones made a motion to open nominations for the municipal representative. Mr. Norlen seconded the motion. A vote by all representatives present was taken and the vote was unanimous in the affirmative.**

Mr. Bawden asked for nominations.

> **Mr. Rigby nominated Mr. Eric Larsen. Mr. Bawden asked for a second. Mr. Brown seconded the nomination. Mr. Bawden asked for other nominations. There was none. Mr. Tatton moved to close nominations and proceed to vote. Mr. Norlen seconded the motion. A vote was taken by all representatives present and the vote was unanimous in the affirmative. Nominations closed.**

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. Larsen for receiving the majority of the votes and his re-election to the municipal representative. Mr. Larsen thanked the representatives for their votes.

Mr. Bawden asked for a motion to open nominations for the alternate municipal representative.

> **Mr. Larsen made a motion to open nominations for the alternate municipal representative. Mr. Jones seconded the motion. A vote by all representatives present was taken and the vote was unanimous in the affirmative.**

Mr. Bawden asked for nominations.

> **Mr. Rigby nominated Mr. Joel Eves. Mr. Bawden asked for a second. Mr. Brown seconded the nomination. Mr. Bawden asked for other nominations. There was none. Mr. Rigby moved to close nominations and proceed to vote. Mr. Norlen**

seconded the motion. A vote was taken by all representatives present and the vote was unanimous in the affirmative. Nominations closed.

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. Eves for receiving the majority of the votes and his re-election to the alternate municipal representative.

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 representative from the city of Bountiful, Treasurer of the IPA Board of Directors and 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, 2023, and 2022 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 presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. As part of their audit, Deloitte obtains an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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, 2023, 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 periodic audits, as well as risk-based 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.

Mr. Johnson provided a brief update related to the financing of the IPP Renewed project. As a reminder, four 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. The 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.

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

The IPA Renewal Project maintained its credit ratings from Moody's and Fitch of Aa3 and AA-, respectively. The bond ratings represent an important achievement and milestone as the project, documentation, and project participants have changed. In 2022, IPA issued nearly $800 million in Bonds to provide for a portion of the cost of acquisition and construction of the gas repowering. In August of 2023, IPA issued another $835 million in Bonds. IPA's bond issuance again received positive press coverage and wide market acceptance and the bond sale resulted in almost $3.2 billion in orders. IPA decided to take advantage of the strong market and attractive interest rates and sized up the initial financing from $564 million to $835 million and a low Total Interest Cost of 4.09%.

The proceeds from the 2023 Bonds are currently being used for construction activities. IPA expects to issue its third series of Bonds in the fourth quarter of 2024. It is expected that this third tranche of Bonds will complete the financing for the generation component of the renewal project.

Mr. Johnson said the Southern Transmission System (STS) is also being upgraded as part of the renewal project. Consistent with past practices, The Southern California Public Power Authority (SCPPA) will 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 concluded the audit committee report and said Mr. Joel Eves will now give the report of the governance committee.

IPA GOVERANCE COMMITTEE

Mr. Joel Eves, IPA Representative from Lehi City and currently serves on the IPA Board of Directors and as chair of the Board's Governance Committee.

Mr. Eves said the Governance Committee develops and recommends governance principles, monitors changing conditions and suggests appropriate policy revisions, and helps define and communicate to the IPA members beneficial director characteristics and skills. The committee advises on management succession, amendments to bylaws and governance documents, and director training and orientation.

Mr. Eves said the Governance Committee also oversees compliance to IPA's Ethical Business Conduct Policy and Conflicts of Interest for Directors and Officer Policy. 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 annually and that the IPA Board receives annual training in the policy.

IPA's governance has been the subject of much scrutiny lately on Utah's Capitol Hill. More about that in a moment, but first it may be beneficial to clarify some of the prominent misunderstandings about IPA's structure. For example, IPA is frequently confused with UAMPS. And some of IPA's critics assert that the California Purchasers are in direct control of IPA's business decisions and direction. To set the record straight, it's important to recall how the IPA governance structure was established in the first place.

Mr. Eves said four decades ago, the Utah Legislature authorized the business structure utilized by IPA pursuant to the Interlocal Cooperation Act. 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 provide services and facilities in a manner and under a form 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.

Also, under the provisions of the Act, IPA is a "Taxed Interlocal Entity." That means that unlike most other interlocal entities, IPA is a taxpayer – not a tax-taker like many other forms of interlocal entities. And no other interlocal entity is subject to the income tax equivalent that IPA pays. Other than the fair value or the cost of service provided or property conveyed to its purchasers, IPA does not receive payment of funds, from a federal agency or office, state agency or office, political subdivision, or any other public agency or office. Furthermore, IPA does not receive, expend, or have the authority to compel payment from tax revenue. In other words, 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.

Mr. Eves said under its organization agreement, IPA's 23 member municipal entities have delegated their powers to IPA 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. Therefore, IPA owns all of the assets, as well as the associated liabilities, of IPP. IPA's assets are not owned or controlled by the State, by IPA's 23 members, or by other project participants whose entitlements in the project are limited to the capacity and output sold to them under power sales contracts.

IPA's 23 member municipalities have also provided for the governance of IPA. Each of IPA's 23 member municipalities is entitled to a representative that serves at the pleasure of the appointing party. The meeting presently convened has a quorum of the IPA representatives in attendance. It should be noted that the representatives are appointed by elected officials of the respective member municipalities and are responsible to and can be removed by them. To assert that IPA does not represent the will of elected officials, who in turn are accountable to their electorate, is simply untrue.

Mr. Eves said the organization agreement provides for a seven-member Board of Directors elected by the representatives to govern, control, direct, manage, administer and regulate the business and affairs of IPA. You have just witnessed the election of two directors from the representatives as required by the agreement. We encourage those present to contact their legislators to ensure that it is not the last of such elections.

Further, IPA's Organization Agreement provides the Board of Directors has such duties and powers, and may take any action, as may be necessary or desirable to accomplish such purposes, except as may be contrary to the laws of the State of Utah or IPA's Organization Agreement. The members entered into the IPA Organization Agreement in reliance on the laws in effect at that time and that agreement has been consistent with applicable law since then.

Mr. Eves said directors have the benefit of independent competent legal counsel, advisors and consultants that provide timely support to decision 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.

In addition to oversight by the IPA Board, major actions must also be approved by a Coordinating Committee comprised of representatives of IPA's 23 member municipalities, as well as the six California municipalities and six Rural Electric Cooperatives that have contracted with IPA for all the capacity and output of IPP.

Mr. Eves summarized by saying the 35 non-profit entities that have contracted for all of the power from IPP – and accordingly pay all of the bills – are represented by the Coordinating Committee. IPA – as owner of the assets – is governed by its Board of Directors, representing the Utah municipalities that are members of IPA (akin to being shareholders in a corporation). Concurrence by both entities is required for all major decisions.

There are a few aspects of this governance structure that are worth emphasizing:
First, the governance structure of IPA is similar to that of any number of organizations that the State Legislature has authorized by statute, such as corporations and limited liability companies. Based on those statutes, persons create such organizations and enter into agreements providing for the governance of such organizations. But none of the statutes authorizing such organizations, including the Interlocal Cooperation Act, grants the State authority to take over governance of such an organization without making its owners or members whole.
Second, in reliance on the governance structure permitted under the Interlocal Cooperation Act, IPA's members have authorized IPA to acquire rights and undertake obligations totaling billions of dollars. None of those funds came from the State of Utah or other source of public funds. IPA's members, power purchasers, bondholders and vendors have reasonable expectations formed in reliance, in part, on IPA's governance continuing to be as IPA's members originally agreed in reliance on existing Utah law.

Mr. Eves said finally, as you can see, this robust governance structure provides checks and balances designed to protect the interests of all of the project's participants. California participants cannot make significant decisions regarding the project without the consent of Utah participants and vice versa. This structure has resulted in one of our nation's best examples of regional energy cooperation since the late 1970s and all of the steps are in place to continue this successful regional relationship through 2075.

Over the past couple of years, however, this successful governance structure has been criticized by some state legislators who disagree with management decisions made by it – chiefly the decision made in 2017 and widely communicated at that time to close IPP's coal units in 2025.

Beginning in late 2021, Utah legislators enacted a series of measures affecting IPA, including repealing IPA's authority to create new business segments; subjecting IPA to Open & Public Meeting requirements, the state procurement code, and the Utah Money Management Act;

removing the municipal tax exemption on out-of-state power sales, creating a Project Entity Oversight Committee with representation by the Legislature as well as state and local officials and prohibiting IPA from proceeding with its plan for retiring the coal units. While we may disagree with the necessity and prudence of this additional oversight, we are actively complying with all of these requirements.

More recently, the Legislature mandated two reports that were completed during 2023. An audit of IPA was completed by the Office of the Legislative Auditor General and a study examining prospects for preserving the coal units was completed by a contractor to the state's Office of Energy Development.

Mr. Eves said in summary, after reviewing thousands of documents related to IPA management, the legislative auditor's report faulted IPA for not sharing details of closed Board meeting sessions in which attorney-client privilege could be lost. Unlike the actual state agencies that the legislative auditors usually audit, IPA's interests are not a function of state mandate (IPA is currently in discussions with state officials regarding steps that may be taken to provide even greater transparency without jeopardizing the ability of IPA's leaders to discuss sensitive matters related to topics such as potential litigation.)

A careful reading of the coal units report validates what IPA has been saying all along: The largest customers for the output of this nearly 40-year-old coal plant can no longer purchase energy from it. The cost of environmental compliance to keep the plant running is likely well north of a billion dollars. And ideas that have been floated for using the output of the plant in the future have never succeeded commercially at IPP's scale.

But both reports ended with conclusions calling for greater direct state oversight of IPA, which sets the stage for even more draconian legislative proposals in the next legislative session.

At interim legislative committee meetings in November, a draft bill was proposed that would remake IPA's Board structure entirely – allowing only two seats for representatives of those with an actual economic interest in the project (though the bill would allow all purchasers to designate those members of the board, not just the Utah municipalities who are IPA's members) and giving control of IPA and its assets to state legislators.

Taking the legislative audit and coal units study conclusions as a cue, we also may see further legislative proposals to subject IPA to Public Service Commission jurisdiction and revoke IPP Renewed' s air permits in an attempt to save the coal units for some as-yet-undetermined and very likely economically unfeasible use.

These potential steps – if taken – move far beyond the goal of creating greater transparency for IPA's decision-making and operations (which earlier Legislatures had determined was not a matter of public interest because IPA has never received public funds). These steps represent what many consider to be an overt move to take control of the Intermountain Power Project and its assets.

Mr. Eves said he hopes his remarks today have provided a better understanding of IPA's governance, its responsibility to its members, and its accountability and stewardship over the assets of the Intermountain Power Project. And he encourages everyone in this room to prepare for the upcoming session of the Utah Legislature in which IPA governance is likely to be a critical topic of consideration.

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 said the IPP Renewal Project is making a significant investment in Utah's economy by installing new state-of-the-art generation and being the anchor tenant for hydrogen production, attracting international investment and promoting job preservation for central Utah.

Ms. Morrish said 2023 was a year of tremendous construction progress and showed the Representatives Project Aerial Views of the construction site.

Ms. Morrish reviewed the Renewal Project Contract Schedule for Contract Descriptions and Award Year, Construction Start and In-Service Dates for the following: the OEM Equipment Procurement, the Generation EPC, the IPP Site Preparation, the Intermountain Switchyard, the Adelanto Switchyard, the Intermountain Converter Station, the Adelanto Converter Station, and the Synchronous Condenser.

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 IPP Renewal Project scope including the Generation Project Major Milestones of the Heat Recovery Steam Generator being delivered in March 2023; the First Combustion Foundation was poured in May 2023 along with the Generator Equipment being received; and the Generator Step Up Transformers were received in October 2023.

Ms. Morrish reviewed with the Representatives the Green Hydrogen Update including the Advanced Clean Energy Storage (ACES) Project Progress to date. The Project is 62% complete as of October 2023.

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 with the Representatives the STS Renewal Project Major Milestones of awarding the Converter Station Contract in March 2023; started construction for the Synchronous Condenser Contract in July 2023; and started commissioning the IPP Switchyard in October 2023.

Ms. Morrish reviewed the Renewal Project next steps including to start construction for Converter Stations; Intermountain Switchyard expansion in -service; and the First Fire for the Generating Units.

OTHER BUSINESS

There was none.

Minutes taken by Michelle Miller

IPA GENERAL MEETING

WELCOME

The following is Mr. Nick Tatton's presentation from the IPA General Meeting.

SLIDE 1 – Title Slide

Good morning, ladies and gentlemen. I am Nick Tatton, Vice-Chair of the IPA Board of Directors and IPA representative from Price City.

Welcome to the 2023 annual general meeting of Intermountain Power Agency. We acknowledge the presence of the IPA representatives in this meeting and extend 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.

We also welcome our legal, financial, engineering, and public relations consultants who are with us today. In addition to the IPA staff, we recognize Cameron Cowan, the IPA General Manager who also serves as chair of the IPP Coordinating Committee and Renewal Contract Coordinating Committee; and representing the Los Angeles Department of Water and Power are Greg Huynh, IPA Operating Agent, and Lori Morrish, Project Manager for the IPP Renewed Project. From Intermountain Power Service Corporation, we recognize Jon Finlinson, President, and Jon

Christensen, Mike Nuttal, Kevin Miller, Mark Shipley, and Jim Hill. Thank you all for your attendance today and for your valuable contribution to IPA's success.

SLIDE 2 – Business Meeting Recap

Just prior to this meeting, representatives of IPA's 23 member municipal entities held a business meeting. During that meeting we heard reports from the IPA Audit and Governance Committees, as well as from the Generation and Transmission Subcommittee of the IPP Coordinating Committee.

In the previous business meeting, two of the seven board directorships were filled by votes of the representatives as required by our Organization Agreement and by-laws. IPA Board members are elected to four-year terms that are staggered so that roughly one quarter of the board seats are open for election at each annual meeting.

I'd like to recognize our Board members now. Please stand as you are introduced. I was one of the two Board members elected today. Also elected was Jason Norlen, representative of Heber Light and Power. The remaining board members are: Joel Eves, representative of Lehi City; Mark Montgomery, representative of Logan City; Allen Johnson, representative of City of Bountiful and IPA Treasurer; Eric Larsen, representative of Fillmore City and the Towns of Holden, Kanosh and Meadow and IPA Secretary; and Bruce Rigby, representative of Kaysville City. Thank you for standing to be recognized.

Serving on the IPA Board of Directors is a demanding responsibility requiring significant commitment of time and energy. Board members need to understand and comply with a host of interrelated and complex governing legal documents and may need to commit as many as 30 days or more a year of accumulated time, when meeting preparation, travel and meetings are aggregated. Our IPP Renewed project, that is now under construction, continues to require increased Director commitment. We sincerely thank each of the Board members for their service. In addition, Mr. Larsen was elected by certain of the IPA member representatives (in their capacity as representatives of certain of the Utah Municipal Purchasers) to continue in his role as the Utah Municipal Purchasers' Representative on the IPP Coordinating Committee and Renewal Contract Coordinating Committee. Mr. Eves was elected to continue in his role as the alternate to Mr. Larsen on those committees. This is one of the substantive roles to which members of the IPA Board have historically committed for the benefit of the Utah Municipal Purchasers they represent.

SLIDE 3 – In Memoriam

Before we continue, I would like to pause and recognize the passing of one of the Intermountain Power Project's longest serving and greatest advocates. Ron Rencher passed away on September 11, 2023. Ron devoted four decades of his storied legal career to IPP and served in a variety of capacities: first as legal counsel to Intermountain Power Agency before and during the initial construction of IPP, then as General Manager of IPA, and finally as legal counsel to the Los Angeles Department of Water and Power in its capacity as Operating Agent and Project Manager for IPP. Ron played an instrumental role in resolving virtually every significant challenge faced by IPA and IPP since he joined the project in the early 1980s, including the negotiation and execution of the Amendatory Power Sales Contracts when the initial four unit project was scaled back to two, the negotiation of Project Labor Stabilization Agreements to provide the workforce necessary to complete the Project, the litigation and eventual settlement of major lawsuits, the negotiation and execution of the Second Amendatory Power Sales Contracts to facilitate replacement of IPP's generating facilities, and the negotiation and execution of Renewal Power Sales Contracts that extend the life of IPP to 2077. Through all of these challenging issues, Ron performed his duties with uncommon kindness, humility, and grace, and helped to foster a culture of respect and collaboration among IPA and its participants that has been and will continue to be one of IPP’s greatest strengths. We will miss him greatly.

REPORTS

2023 FINANCIAL AND OPERATING REPORT

SLIDE 4 - 2023 Financial and Operating Highlights

Let me turn now to updates on the current operations at IPA and the Intermountain Power Project. The past year has been especially eventful. Following more than a decade of planning, problem-solving, and just plain hard work involving a large and diverse group of IPP participants, the 2022-2023 fiscal year will be remembered as the year visions began taking shape. This hard work included obtaining permits from federal and state regulators and requesting key legislative amendments from the Utah Legislature beginning with the 2012 legislative session when IPA leaders and purchaser representatives explained to state legislators and the governor the need to transition IPP from coal to natural gas.

Just prior to commencement of the fiscal year, IPA issued municipal bonds totaling nearly 800 million dollars to finance the first phases of IPP Renewed construction. And just after the close of the fiscal year, IPA issued another 835 million dollars in bonds to continue construction.

We now have more than 1,000 construction workers on-site, with most of the major components for the new power generating units received. Construction is under way on both sides of Brush Wellman Road – on IPP’s property for the new natural gas generating units and across the road at the ACES-Delta project which was contracted to provide hydrogen conversion and geologic salt dome storage services supporting IPP Renewed’s dispatchable renewable energy storage component.

Meanwhile, we continue to operate the existing coal-fueled generating units for the benefit of all of our purchasers, including our members represented here today. The operation of the coal units this year continued to be complicated by coal supply issues that have hampered our ability to obtain as much fuel as we would have liked.

To provide more detail on these events, we will now present a video that summarizes the financial and operating accomplishments during the last year.

FINANCIAL AND OPERATING REPORT VIDEO

SLIDE 5 – Annual Report

As the video noted, IPA's Annual Report is available on the IPA website. 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

SLIDE 6 – IPP Renewed Update

As mentioned earlier, construction has begun on our IPP Renewed Project. The Project remains on schedule as we move toward a mid-2025 start-up. This is a massive undertaking, and we are grateful for the professional and dedicated efforts that are underway by our Project Manager. We also thank the team at Intermountain Power Service Corporation, who are providing invaluable assistance in supporting the project and wrangling the fleets of contractors who have descended on the site.

The transformative IPP Renewed project is attracting international attention for its use of existing infrastructure and for its energy storage component utilizing hydrogen. We have prepared another short video to update you on the project and its progress. Let's show that video now.

IPP RENEWED VIDEO

We are pleased that IPP Renewed is continuing to move forward on schedule and it is exciting to see all the construction activity on-site. The transformation of the Intermountain Power Project from coal to natural gas – while also creating large-scale dispatchable renewable energy storage utilizing hydrogen – has put IPP on the international energy map. It has only been in the last year that engineers around the world have been talking about Delta, Utah by name.

REMARKS

Apologies to those of you who are not old enough to remember the Late Show with David Letterman, but we've put together our own version of a Top 10 list that shows how this project also represents an enormous benefit to the State of Utah and Millard County. You can follow along on the handout provided in your meeting packet:

SLIDE 7 – #10, uses less water

#10 It uses less water. IPP Renewed will operate its gas-fueled units *and* convert water to hydrogen for energy storage using less water than is currently consumed by IPP's coal-fueled units – and much less than those units consumed at their peak.

SLIDE 8 – #9, conserves the water

#9 It conserves the water it uses. Contrary to assertions by a handful of IPP Renewed critics, hydrogen conversion does not destroy water. Hydrogen produced through electrolysis – which is splitting water molecules using electricity – allows energy to be stored in the form of H2 molecules. When that H2 is combusted to create heat for power generation, it reforms with oxygen and creates water vapor as its primary emission.

SLIDE 9 – #8, local stewardship of water

#8 It allows continued local stewardship of water. IPP has acted as a diligent steward of its water resources, ensuring that all its available water has been beneficially used in every year of the project's history. Water not used for energy production is leased for agricultural use. And as you can see here, over the life of IPP approximately two-thirds of IPP's water has made its way to local farmers.

SLIDE 10 – #7, mature energy technologies

#7 It integrates mature energy technologies. IPP Renewed is attracting international attention, but not because it's some kind of science fair experiment. All the technologies being deployed – including electrolysis and salt cavern energy storage – have been safely utilized at commercial scale for decades. What makes IPP Renewed newsworthy is that we are integrating these mature technologies for use in the power sector at utility scale.

SLIDE 11 – #6, renewable energy dispatchable

#6 It makes renewable energy dispatchable. One of the most exciting components of IPP Renewed is the opportunity for long-term energy storage. At its core, IPP Renewed is the construction of new, state-of-the-art natural gas fueled electricity generating units. In fact, the

Utah municipal power systems participating in IPP Renewed can elect to receive their generation entitlements solely at the cost of natural gas fueled power. But those generating units will also be capable of utilizing up to 30 percent hydrogen at start-up, with a goal of achieving 100 percent hydrogen capability by 2045.

As I mentioned earlier, converting water into hydrogen through electrolysis is a mature technology. The reason it hasn't been used for utility-scale power generation in the past is because electrolysis requires a lot of energy to split water molecules. In years past, that was an expensive proposition. But now there is so much wind and solar capacity out there, there are times of the day and year when it has to be curtailed – making that power essentially free when there is no other use for it. When wind and solar energy production exceeds demand, IPP Renewed will be able to convert it to hydrogen for storage – like batteries, but in much greater volumes for much longer periods of time. In fact, when compared to battery projects, the cost of IPA's hydrogen energy storage project compares favorably.

SLIDE 12 – #5, Economic contributions

#5 It continues economic contributions to Millard County and Utah. Property tax payments on the nearly 40-year-old, depreciating coal units are projected at $5.8 million in FY23-24. With construction of IPP Renewed, the taxable value of the project will reset. We are forecasting tax payments will increase to $22 million in FY26-27 when the new gas units are fully operational. Those taxes are in addition to the millions in licensing fees that will be payable annually by IPA for storage of hydrogen in salt caverns located on school trust lands.

As a side note, I am also pleased to report that IPA and the Millard County Commission have agreed on the significant terms of the settlement of a long-running dispute over IPP's taxable value. We expect to make details of that settlement public in the coming weeks as the agreement is formalized and presented to the State Tax Commission for approval.

Additionally, IPP Renewed will employ 1,200 construction workers at peak and, when combined with the ACES-Delta project, will create more than 200 permanent high-paying positions. That compares to what would have been the complete loss of IPP employment in 2025 if IPP Renewed had not been conceived.

SLIDE 13 – #4 International employers

#4 It attracts international employers to Millard County. A core objective of IPP Renewed was to leverage IPP's existing infrastructure to create a hub for other energy development in Central Utah. That objective has already borne fruit with leading energy companies Mitsubishi and Chevron investing more than $2 billion in Utah to support IPP Renewed's energy storage component. Those international energy leaders have their own objectives for additional development of the energy hub. IPA is proud to have been the customer that provided for the launch of hydrogen development at that hub and we will be cheering them on every step of the way.

As we move to the Top 3 reasons IPP Renewed is the best option for the State of Utah and Millard County, we remind IPA member municipalities that it is also the best option for them:

SLIDE 14 – #3, decommissioning costs

#3 It alleviates coal decommissioning costs for IPA. IPP Renewed participants will fund coal decommissioning costs through future power billings. If IPP Renewed had not been conceived, IPA could have faced potential unfunded coal decommissioning obligations in the tens of millions of dollars.

SLIDE 15 – #2, insurance policy

#2 It preserves the resource "insurance policy" for Utah municipalities. Utah participants in IPP benefit from Excess Power Sales Agreements that allow them to unilaterally "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 and serves as a kind of resource insurance policy for Utah municipalities with other project participants paying the premiums.

The value of the Excess Power Sales Agreements cannot be overstated. In many of IPP's 36 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. In the summer of 2022, 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. Utah municipalities will continue to enjoy the ability to take power from the project only when they need it, costing them nothing if more cost-effective resources are available elsewhere.

SLIDE 16 – #1, what the market wants

#1 It's what the market wants. IPP Renewed did not happen overnight. The project was the result of a multi-year study, evaluation and subscription process that allowed project participants to choose the types and amounts of energy they need. At every point along the way, until it was no longer an option, IPA solicited and responded to every expression of interest in the coal units, but what the market for IPP wanted is what is being built today.

In our business meeting earlier today, Joel Eves reported on IPA governance and outlined the apparent desire by some in the Utah Legislature to take over IPA – presumably to continue searching for ways to preserve the coal units. In my personal opinion, this is a short-sighted objective that jeopardizes all of the benefits we've outlined on this list. In particular, interfering with the IPP Renewed project at this time, which even the legislative study acknowledges that continuing to operate the coal units will inevitably do, poses significant financial risk to each of IPA's purchasers, including IPA's municipal members. Not only could that interference impact the ratepayers of those municipalities, but also the ability of those municipalities to issue bonds for other purposes. But it's also a curious position for a state that likes to portray itself as business friendly and devoted to market-based solutions. Indeed, the conservative American Legislative Exchange Council think tank had this to say about government meddling in energy development:

"There is a strong correlation between big government policies and higher electricity costs. When crafting energy and environmental policies, lawmakers should avoid imposing more government control and instead allow markets to adapt, innovate, and improve. This is the more efficient, effective, and cost-saving solution to the environmental challenges we face today."

Adapting, innovating, and improving is exactly what IPP Renewed is doing. And ample opportunities for additional energy development at the IPP site exist if state policymakers can join us in treating other regions of the country as customers who are paying a premium for Utah energy, not rivals – and join us in looking to the future rather than creating barriers to more development by dwelling on the past.

SLIDE 17 – Member engagement needed

In the upcoming general session of the Utah Legislature, we will need your help to ensure that your power boards, mayors, and municipal council and governing board members are aware of the benefits provided by IPP. And we need 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 resource planning, and
2. Legislative interference in IPP's operations poses significant risks for your municipalities.

To help you carry this message, we stand ready to provide IPA personnel to assist in briefings for your municipal leaders whenever you may be able to organize them. Let's work together to ensure that Utah municipalities and cooperatives can continue to benefit from an energy resource with economies of scale that far surpass what they would be able to accomplish on their own.

SLIDE 18 – Thank you for your engagement

Thank you all for taking the time to be with us today. We look forward to working with you over the coming months to spread the word about IPP Renewed and our plans for continuing the Project’s benefits for our municipalities and the state of Utah well into the future.

At this point we will adjourn the IPA 2023 Annual Meeting. Immediately following this meeting, IPA will be hosting a social gathering for IPA, specifically its Representatives, Board Members, staff, and other invited guests, which will include lunch and a guest speaker. The luncheon will be located in the room next to us. We are privileged to have as our luncheon speaker Mr. Jon Macaskill, a U.S. Naval Academy graduate and former Navy SEAL Commander specializing in operations research and mindfulness. I think you will be both entertained and enlightened by Mr. Macaskill’s approach to “Frogman Mindfulness.”

ADJOURN

We would please ask IPA representatives, staff and invited guests to proceed to the luncheon so we can stay on schedule. We’ll now ask any member of the public that has not been invited to the luncheon to please leave. You will be welcome to join us again later this afternoon for the Board of Directors Meeting that will convene here at approximately 1:00 p.m. MST. Thank you for your attendance and participation. The IPA 2023 Annual Meeting is now adjourned at 11:30 a.m.