

DRAFT INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING
NOVEMBER 5, 2024

MINUTES

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on November 5, 2024, at the Los Angeles Marriott Burbank Airport Hotel, located at 2500 N Hollywood Way, Burbank, CA 91505, as well as via Zoom virtual meeting. The following participated:

BOARD MEMBERS PRESENT

Nick Tatton
Eric Larsen
Allen Johnson - Virtual
Mark Montgomery
Bruce Rigby
Joel Eves
Jason Norlen

BOARD MEMBERS NOT PRESENT

Bruce Rigby

OTHERS IN ATTENDANCE

Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA - Virtual
Caitlyn Cottrell	IPA
Brian Freeman	IPA – Virtual
Saif Mogri	IPA Consultant
Mike Utley	IPSC
Zane Draper	IPSC
Jon Christensen	IPSC
Dahl Dalton	IPSC - Virtual
Eric Bawden	Holland & Hart
Larry Coleman	Hyrum - Virtual
John Ward	John Ward Inc - Virtual
Lori Morrish	LADWP
Kevin Peng	LADWP
Rob Hughes	Parsons, Behle & Latimer

47
48 **INTRODUCTIONS AND ANNOUNCEMENTS**
49

50 The meeting commenced at 12:30 p.m. conducted by Chair, Nick Tatton. Mr. Tatton
51 welcomed everyone to the meeting and introduced all who were attending and declared a
52 quorum was present.
53

54 **IPA BOARD CHAIR ITEMS**
55

56 Mr. Tatton said all items are covered in the agenda today, but asked Mr. Huntley to give
57 an overview of the financing.
58

59 Mr. Huntly said the IPA 3rd Tranche of financing for \$175 million was very well
60 received. There was a strong desire in the market for IPA Bonds. The financing was
61 completed at a true interest cost of 4.12 %, 3 basis points higher than IPA's previous
62 financing. This financing should cover all construction costs until the end of the Project.
63

64 **IPA BOARD COMMITTEE BUSINESS REPORTS**
65

66 Mr. Eves said there is no report from the Governance Committee.
67

68 Mr. Johnson said there is no report from the Audit Committee.
69

70 Mr. Larsen said the Compensation Committee has met and the Committee is waiting for
71 additional information. Once the information is received, the Compensation Committee
72 will finalize their recommendation and be ready to present at the December Board
73 meeting.
74

75 Mr. Larsen said the items discussed in the IPSC Board meeting were discussed earlier in
76 the CC meeting.
77

78 **OPERATING AGENT AND PROJECT MANAGER REPORT AND Q&A**
79

80 Mr. Tatton asked Mr. Peng, Operating Agent, and Ms. Morrish, Project Manager, if they
81 had any additional information or comments for the Board.
82

83 Ms. Morrish said there was no additional information or comments from the Project
84 Manager.
85

86 Mr. Peng said there have been good discussions over the past two days on the coal unit
87 operations. The good news is the Project has enough coal for operations in the June and
88 July 2025 timeframe. As testing for the new Project begins, the coal units will be utilized

as much as possible. The ultimate goal is to have minimal coal on the ground at the end of 2025.

Mr. Tatton asked Mr. Peng for an update on the issues the contractor TIC was having on the new Project. Mr. Peng said TIC has really turned things around and is improving their quality of construction and fixing the items that need to be fixed. They have also brought in additional resources to complete these tasks.

Mr. Haacke asked Mr. Peng to give an update on the IPP tour on November 4, 2024. Mr. Peng said Ms. Janisse Quinones, CEO of LADWP, and Council Member, Traci Park, toured IPP. The tour was to educate them on what is happening at IPP, and the potential long-term opportunities there at the site. The goal is to gain additional California support for the Project. Additional site visits in the future will be scheduled.

Mr. Tatton thanked Ms. Morrish and Mr. Huynh for their comments.

**RESOLUTION IPA-2024-021 CONSIDERATION OF APPROVAL OF
ADOPTION OF AMENDMENTS TO THE STS DECOMMISSIONING FUNDING
PLAN**

Mr. Tatton said Resolution IPA-2024-021 will be deferred to a later date.

Mr. Tatton asked for a motion to strike Resolution IPA-2024-021 from the agenda.

Mr. Montgomery made a motion to strike Resolution IPA-2024-021 from the agenda. Mr. Larsen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

**RESOLUTION IPA-2024-024 CONSIDERATION OF APPROVAL OF
ADOPTION OF GAS OPERATING PROCEDURES**

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2024-024. Mr. Peng provided the description of the Gas Operating Procedures and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-024.

Mr. Norlen made a motion to approve Resolution IPA-2024-024. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

**RESOLUTION IPA-2024-025 CONSIDERATION OF APPROVAL OF
AUTHORIZATION TO EXECUTE PURCHASE ORDER R24-005 (GAS UNIT
SPARE PARTS)**

Mr. Tatton asked Ms. Morrish to provide a description of Resolution IPA-2024-025. Ms. Morrish provided the description of Purchase Order R24-005 (Gas Unit Spare Parts) and asked if there were any questions.

Mr. Eves asked Ms. Morrish if a thorough evaluation of what is being purchased was done. Ms. Morrish and Mr. Peng said yes.

Mr. Tatton asked for a motion to approve Resolution IPA-2024-025.

Mr. Larsen made a motion to approve Resolution IPA-2024-025. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

**RESOLUTION IPA-2024-026 CONSIDERATION OF APPROVAL OF
AUTHORIZATION TO EXECUTE AGREEMENT NO. IPA24-008 (HVDC
UPGRADES)**

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2024-026. Mr. Peng provided the description of Agreement No. IPA24-008 (HVDC Upgrades) and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-026.

Mr. Norlen made a motion to approve Resolution IPA-2024-026. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

**RESOLUTION IPA-2024-027 CONSIDERATION OF APPROVAL OF
AUTHORIZATION TO EXECUTE A SECOND AMENDMENT TO
GROUNDWATER LEASE AGREEMENT NO. 665A (ACES)**

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2024-027. Mr. Peng provided the description of the Second Amendment to Groundwater Lease Agreement No. 665A (ACES) and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-027.

Mr. Larsen made a motion to approve Resolution IPA-2024-027. Mr. Montgomery seconded the motion. A vote by all Board members

participating in the meeting was taken and the vote was unanimous in the affirmative.

**RESOLUTION IPA-2024-028 CONSIDERATION OF APPROVAL OF
AUTHORIZATION TO EXECUTE TRACK LICENSE AGREEMENT
(SAWTOOTH) AND AMENDMENT TO TRACK LICENSE AGREEMENT
(MAGNUM)**

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2024-028. Mr. Peng provided the description of the Track License Agreement (Sawtooth) and Track License Agreement (Magnum) and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-028.

Mr. Norlen made a motion to approve Resolution IPA-2024-028. Mr. Eves seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

**RESOLUTION IPA-2024-029 CONSIDERATION OF APPROVAL OF
AUTHORIZATION TO EXECUTE CONSENT AGREEMENT (ROW
CROSSING)**

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2024-029. Mr. Peng provided the description of the Consent Agreement and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-029.

Mr. Larsen made a motion to approve Resolution IPA-2024-029. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

ENGINEERING REPORT

Mr. Mogri, IPA's Engineering Consultant, provided a detailed report on the B&V Electric Report as of November 5, 2024, including the Challenging Issues, the Generation Mix, the Grid Modernization, the Data Centers, and the Energy Transition.

Mr. Mogri also reviewed the Challenging Issues facing the Electric Utility Industry including renewable integration, environmental regulations, aging workforce, lack of skilled workforce, planning, forecasting uncertainty, and economic uncertainty rates.

Mr. Mogri said the Generation Mix capacity investments in the next five years include energy storage, roof and ground solar, microgrids and DER's, onshore wind, hydrogen, offshore wind, gas fired, and nuclear.

Mr. Mogri said the drivers of the Grid Modernization include renewable energy penetration, low probability and high impact events, technology advancements, increased DER penetration, and transportation and building electrification.

Mr. Mogri said the challenging information from Data Centers includes accurate load ramps, accurate interconnection dates, point of interconnection, interconnect agreement terms, clear engineering plans, interconnect agreement rates, and items not known.

Mr. Mogri said the Energy Transition investment priority to reduce greenhouse gases include solar, energy storage systems, energy efficiency, wind renewable natural gas, carbon capture and storage, and hydrogen.

Mr. Mogri asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Mogri for the report.

Report attached below.

OTHER BUSINESS

Mr. Tatton reminded the Board members about the IPA Annual Meeting on December 3, 2024.

ADJOURN

Mr. Tatton thanked everyone for their comments.

Mr. Tatton asked for a motion to adjourn.

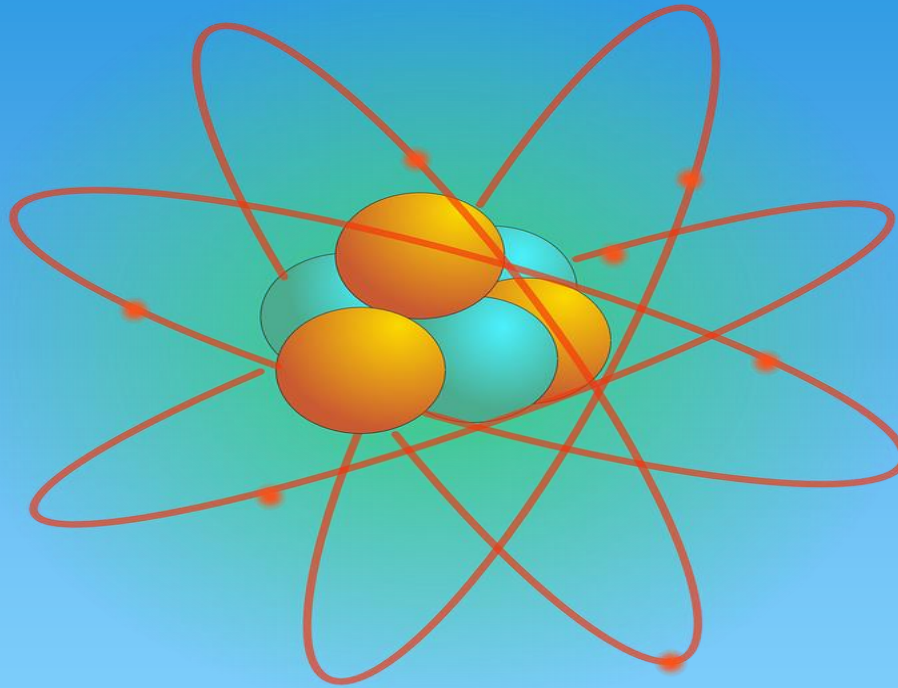
Mr. Montgomery made a motion to adjourn. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative. The meeting was adjourned at 1:08 p.m.

TIME AND PLACE OF NEXT SCHEDULED MEETING

Tuesday, December 3, 2024, 1:00 p.m., (MST) at the Little America Hotel located at 500 S. Main Street, Salt Lake City, Utah 84101.

Minutes taken by Michelle Miller.

B&V Electric Report



**IPA Board Meeting
November 5, 2024
Burbank, California**

TOPICS OF DISCUSSION

- * **CHALLENGING ISSUES**
- * **GENERATION MIX**
- * **GRID MODERNIZATION**
- * **DATA CENTRES**
- * **ENERGY TRANSITION**



CHALLENGING ISSUES

Top Three Challenging Issues Facing the Electric Utility Industry

- * Renewable Integration**
- * Aging Infrastructure**
- * Environmental Regulations**
- * Aging Workforce**
- * Lack of Skilled Workforce**
- * Planning/Forecasting Uncertainty**
- * Economic Uncertainty/Rates**

Challenging Issues

	2024	2023
Renewable Integration	25%	33%
Aging Infrastructure	25%	27%
Environmental Regulations	23%	23%
Lack of Skilled Workforce	22%	24%
Aging Workforce	12%	17%
Planning/Forecasting Uncertainty	22%	23%
Economic Regulation/Uncertainty	17%	14%



GENERATION MIX

Generation Mix Capacity Investments in the Next Five Years

- * Energy Storage**
- * Roof/Ground Solar**
- * Microgrids or DER's**
- * Onshore Wind**
- * Hydrogen**
- * Offshore Wind**
- * Gas Fired/LNG**
- * Nuclear**

Generation Capacity in the Next Five Years

	Much More Than Today	Somewhat More Than Today	About the Same as Today
Energy Storage	51%	32%	9%
Solar	34%	37%	20%
Microgrids	29%	39%	17%
Gas Fire	18%	28%	24%
Nuclear	13%	27%	33%
Hydrogen	17%	36%	20%
Wind	15%	32%	32%
Geothermal	8%	19%	37%
Coal	1%	3%	9%



GRID MODERNIZATION

Drivers of Grid Modernization

DRIVERS	Now	< 3 Years	3-5 Years	> 5 Years
Renewable Energy Penetration	57%	14%	11%	8%
Low Probability, High Impact Events	43%	19%	16%	6%
Technology Advancements	41%	25%	14%	8%
Increased DER Penetration	35%	21%	10%	11%
Transportation and Building Electrification	29%	25%	18%	14%

Concerns Regarding Grid Development

- * **Generation Mix, Fewer Base Load Units**
- * **Supply Chain Issues for Equipment/Pricing**
- * **Lack of Qualified Workers**
- * **Regulatory Lag to System Changes**
- * **Increases in Distributed Side Resources**

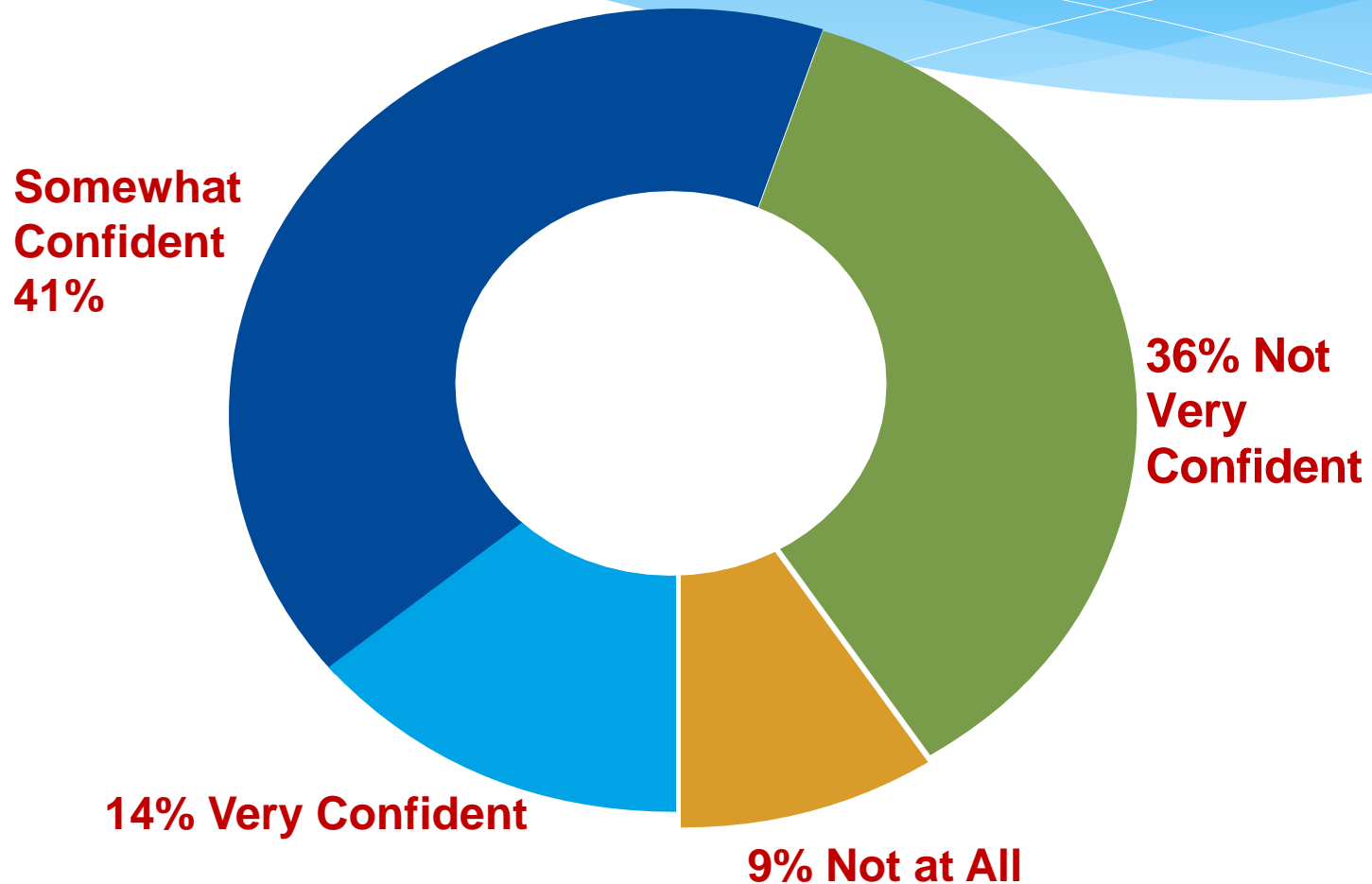
Grid Development Concerns

Generation Mix Fewer Base Load Units	46%
Supply Chain Issues	36%
Regulatory Lag	32%
Lack of Qualified Workers	28%
Lack of Sufficient Transmission/Control Assets	25%
Invest in Grid Hardening	24%
Load Forecasting	17%



DATA CENTERS

Confidence in Forecasting for Data Center Load



Challenging Information from Data Centers

Challenging Information	
Accurate Load Ramps	30%
Accurate Interconnection Dates	18%
Point of Interconnection	15%
Interconnect Agreement Terms	15%
Clear Engineering Plans	22%
Interconnect Agreement Rates	11%
Do Not Know	40%

Utility Challenges Getting Data Centers Operational

Available Power	39%
Don't Know	34%
Substation Upgrades	30%
Transmission Capacity	27%
Equipment Availability	24%
Labor - Engineering	11%
Labor - Construction	8%



ENERGY TRANSITION

Investment Priority to Reduce Greenhouse Gases

	2024	2023
Solar	54%	48%
Energy Storage Systems	41%	43%
Energy Efficiency	40%	50%
Wind	23%	29%
Renewable Natural Gas	19%	20%
Carbon Capture and Storage	16%	20%
Hydrogen	11%	17%

Medium or Long Duration Storage

	2024	2023	2022
YES BUT NO MORE THAN 8 HOURS	14%	16%	12%
YES BUT NO MORE THAN 12 HOURS	16%	10%	14%
YES BUT NO MORE THAN ONE DAY	19%	12%	22%
YES BUT NO MORE THAN A WEEK	16%	24%	24%
YES FOR LONGER THAN ONE WEEK	6%	13%	17%
NOT SURE	24%	20%	9%

