

**INTERMOUNTAIN POWER AGENCY  
ANNUAL MEETING OF IPA MEMBER REPRESENTATIVES  
DECEMBER 3, 2024**

**MINUTES**

The Intermountain Power Agency (IPA) Annual Meeting of IPA member representatives was held on December 3, 2024, at The Little America, 500 South Main Street, Salt Lake City, Utah, as well as via virtual meeting. The following participated:

<b><u>NAME</u></b>	<b><u>ORGANIZATION</u></b>
Jason Brown	Beaver
David Martin	Beaver
Allen Johnson	Bountiful
Paul Summers	Bountiful
Cecilee Price-Huish	Bountiful
Isaac Jones	Enterprise
Cory Daniels	Ephraim
Eric Larsen	Fillmore, Holden, Kanosh, Meadow
Jason Norlen	Heber
Bart Miller	Heber Light & Power
Scott Hughes	Hurricane
Larry Coleman	Hyrum
Bruce Rigby	Kaysville
Joel Eves	Lehi
Mark Montgomery	Logan
Clark Crook	Morgan
Wanda Adams	Morgan
Doug Hill	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
Rosalea Dominguez	Murray City
Dwight Day	Oak City
David Steele	Oak City
Nick Tatton	Price
Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA

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Jessica DeAlba	IPA
Brian Freeman	IPA
Lisa Harris	IPA
Caitlyn Cottrell	IPA
Saif Mogri	IPA Consultant – Virtual
Craig Broussard	ACES Delta
Perna Jain	ACES Delta
Brad Walker	Bank of America
Casey Saxton	Congressman Owens
Jason Barth	Deloitte & Touche LLP
Steve Watson	Deloitte & Touche LLP
Brad Patterson	Gilmore Bell
Braxton Halford	Goldman Sachs
Kate Bradshaw	Holland & Hart
Eric Bawden	Holland & Hart
Liam Thraillkill	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
Liz Christensen	IPSC
Mark Shipley	IPSC
Linda Shipley	IPSC
Mike Utley	IPSC
Zane Draper	IPSC
Melissa Draper	IPSC
Mike Nuttall	IPSC
John Ward	John Ward Inc.
Lori Morrish	LADWP
Greg Huynh	LADWP
Kevin Peng	LADWP
Jesse Ibarra	LADWP
Melia Asucan	LADWP
Dwight Day	Oak City
Neil Wolk	Orrick
Rob Hughes	Parsons Behle & Latimer
Michael Brown	Parsons Behle & Latimer
Tim Williams	RBC Capital Markets

Ben Palmer  
Jarrett Ingram  
Cameron Parks  
Ariel Defay  
Clark Layton  
2 additional attendees - virtual

Representative Blake Moore  
Standpoint Co.  
Truist  
Utah State House of Representatives  
Salt Lake Police Department

## **IPA BUSINESS MEETING FOR THE IPA REPRESENTATIVES**

### **INTRODUCTION OF IPA REPRESENTATIVES**

The 2024 Annual Meeting of the Intermountain Power Agency commenced at 9:30 a.m. conducted by IPA Board Secretary, Eric Larsen.

Mr. Larsen welcome everyone to the Annual Meeting of Intermountain Power Agency. Mr. Larsen said he serves on the IPA Board of Directors as Secretary and Assistant Treasurer.

Mr. Larsen said pursuant to the agenda, we are holding our business meeting of the members' representatives first which will include committee reports. After the conclusion of the business meeting, we will open the general meeting where we will hear from the IPA Board Chair, Nick Tatton and hear other updates and reports on the Intermountain Power Project owned by IPA.

Mr. Larsen said IPA is a political subdivision of the State of Utah formed under Utah's Interlocal Cooperation Act by IPA's members which now consists of 22 Utah municipalities and one interlocal entity which in turn serves three municipalities for a total of 25 Utah municipalities that participate in IPA and IPP. Each IPA member has designated a Representative, and in some cases, the same individual is the designee for more than one IPA member. IPA's seven-member Board of Directors is elected from and by the Representatives pursuant to the IPA Organization Agreement. The regular election of the Board of Directors by IPA's member Representatives has been an essential part of IPA's 47-year existence. The IPA Organization Agreement has governed the relationship among IPA's members, including the constitution and election of the Board of Directors since 1977. The process for election of the Board of Directors that the IPA Organization Agreement provides makes the IPA Board of Directors accountable to its members, the parties entitled and obligated by agreement, statute and the Utah Constitution to govern IPA and dispose of its assets, subject to IPA's contracts, for the benefit of its members' ratepayers. Nobody other than one elected by representatives of IPA's members could be expected to have the appropriate alignment of interests in exercising those entitlements and discharging those obligations.

Mr. Larsen said Members of the IPA Board of Directors, like elected officials of municipalities, serve four-year terms. These terms have been staggered for convenience and to provide continuity. This year, the terms of two Board seats will expire.

Mr. Larsen said for today's business, certain IPA members may have designated a new Representative or an alternate to its designated Representative. IPA has verified that all designations of representatives and alternates, and any changes thereto, have been made in accordance with the IPA By-Laws.

Mr. Larsen introduced the Representatives of IPA's members. These are the individuals charged with exercising the voting rights under IPA's Organization Agreement. Please stand when your name is called. We recognize that there may be some Representatives who are watching online, and their attendance will be noted.

<u>Representative</u>	<u>City</u>
Jason Brown	Beaver
Allen Johnson	Bountiful
Isaac Jones	Enterprise
Cory Daniels	Ephraim
Eric Larsen	Fillmore, Holden, Kanosh, Meadow
Jason Norlen	Heber
Scott Hughes	Hurricane
Larry Coleman	Hyrum
Bruce Rigby	Kaysville
Joel Eves	Lehi
Greg Bellon	Murray
Dwight Day	Oak City
Nick Tatton	Price

The Representatives from the cities of Fairview, Logan, Monroe, Morgan, Mt Pleasant, Parowan 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 2023 IPA ANNUAL MEETING MINUTES**

Mr. Larsen asked for a motion to approve the 2023 IPA Annual Meeting Minutes.

**Mr. Johnson made a motion to approve the 2023 IPA Annual Meeting Minutes. Mr. Rigby 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 16 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, 2025, to December 31, 2028. 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. Rigby 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. Eric Larsen. Mr. Bawden asked for a second. Mr. Norlen seconded the nomination. Mr. Bawden asked for other nominations. There were none. Mr. Norlen 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. 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.

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

**Mr. Johnson 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. Norlen nominated Mr. Allen Johnson. Mr. Bawden asked for a second. Mr. Rigby seconded the nomination. Mr. Bawden asked for other nominations. There**

**were none. Mr. Norlen moved to close nominations and proceed to vote. Mr. Jones 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. Johnson 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. Johnson for receiving the majority of the votes.

## **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 IPA, as owner of the Intermountain Power Project, has the responsibility and obligation to bondholders, participants, and other stakeholders to ensure that the Project is financed, constructed and operated in an efficient manner. IPA has the ultimate responsibility to monitor and enforce the performance of the Operating Agent, Project Manager, and others who have contracted to perform specific duties on behalf of IPA. IPA fulfills this contractual and fiduciary responsibility through independent audits that are performed or administered by its Internal Audit Department.

Enacted by resolution, "The Internal Audit Department is responsible for providing the Agency's management and Board of Directors with information and recommendations regarding the adequacy and effectiveness of internal controls and the efficiency of operating performance when compared with established policies and standards. To accomplish this responsibility, the Internal Audit Department [has] full and unrestricted access to all Agency and Project activities, records, property, and personnel. In addition, the Internal Audit Department administer[s] and/or coordinate[s] all examinations performed by external auditors."

Mr. Johnson said the IPA Audit Committee as well as other IPP governing bodies have received regular updates on audit work performed by the Internal Audit Department as well as joint audit work by auditors from some of the project participating cities. This audit work includes regular periodic audits, risk-based audits to review segregation of duties and internal controls of IPA, as well as the Project operator, and the Operating Agent, compliance audits to confirm adherence to

policies, and ensure compliance with contracts as well as its covenants under the IPA Bond Resolution.

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](http://ipautah.com). The Annual Report includes IPA's audited financial statements. These financial statements are as of and for the years ended June 30, 2024, and 2023 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, 2024, will be shown.

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

Mr. Johnson said 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 and 2023, IPA issued just over \$1.6 billion in Bonds to provide for a portion of the cost of acquisition and construction of the gas repowering.

In November of 2024, IPA issued another \$175 million in Bonds. IPA's bond issuance again received positive press coverage and wide market acceptance, and the bond sale resulted in over \$1 billion in orders and a low True Interest Cost of 4.12%.

It is expected that this third tranche of Bonds has completed the financing for the construction of 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 GOVERNANCE 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 with IPA's Ethical Business Conduct Policy. This policy, among other things, incorporates the applicable provisions of Utah law and requires that IPA Employees and the IPA Board of Directors be responsible to uphold IPA's core values as set out in the policies. The policy includes the names and contact information of members of IPA's Ethics Resource Group to allow for reporting of violations of the policy (including reporting on an anonymous basis). 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 on Utah's Capitol Hill in recent years. 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 of 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.

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 sources 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 subsequently dissolving the PEOC and creating a Decommissioned Asset Disposition Authority charged with addressing permitting and market barriers to continuing operations of the coal units, 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 made limited findings on which IPA could act. IPA is working to address those findings.

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. A one-page summary of this report's conclusion is included in your meeting packet today.

Both reports ended with conclusions calling for greater direct state oversight of IPA, which led to discussions in the 2024 legislative session regarding a draft bill was proposed to remake IPA's Board structure entirely. That bill, which was not adopted, would have allowed only two seats

for representatives of those with an actual economic interest in the project and would have given control of IPA and its assets to state legislators.

While the 2024 Utah legislative session ultimately did not move to seize control of IPA's governance, legislators did create the aforementioned Decommissioned Asset Disposition Authority charged with addressing permitting and market barriers to continuing operations of the coal units. The DADA Authority has retained Jackson Walker – the same entity that completed the 2023 coal units' study – to assist in fulfilling its mission. In his remarks to follow shortly, IPA Chairman Nick Tatton will provide more background on the DADA process. Be assured that IPA has cooperated fully with the new Authority, supplying thousands of pages of information and analysis in response to questions from Authority members and their contractor. The contractor has committed to producing a final report before the end of the year and DADA members are working to formulate a list of options for the state prior to the start of the next General Session of the Legislature in January.

But legislators continue to propose additional measures targeting IPA. At interim legislative committee meetings in November, a draft bill was proposed that would prevent the disconnection of the coal units from IPP's switchyard at the start-up of IPP Renewed in mid-2025. As with most Utah legislative bills targeting IPP, IPA was not consulted on the bill prior to its introduction. Nick will go into more detail regarding the serious problems this action would create for IPP Renewed and how we believe the state's objectives can still be met through other means. But the emergence of this bill illustrates that IPA remains in the Utah Legislature's crosshairs and that additional legislative proposals may continue to emerge at any time and without warning.

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**

Ms. Morrish, Project Manager and chair of the Generation and Transmission Subcommittee gave an update on the IPP Renewed Construction.

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.

The IPP Renewed Project has continued to make strides towards the more than \$4 billion of new investment in the State of Utah. As the anchor tenant for the energy storage projects at ACES, IPP Renewed has employed more than 1,200 construction workers at peak and the two have created more than 200 permanent high-paying positions, promoting job preservation for central Utah.

Ms. Morrish said the 2024 calendar year has represented another year of tremendous progress in the construction of the projects that comprise IPP Renewed.

Ms. Morrish reviewed the IPP Renewed Status & Schedule for the Conceptual Design, Permitting, Detailed Design, Construction, and Testing & Commissioning for the following: Generation, Converter Stations, Switchyards, and Synchronous Condensers.

This high-level schedule is an overview of the major areas of scope for IPP Renewed. It is amazing to realize that we are about to reach the end of some of the major construction for items that started much earlier than this schedule represents with the permitting starting eight years ago. In the following slides, you will see a status update of the schedule and significant milestones for these major scope areas for IPP Renewed.

Ms. Morrish said the generation portion of the project includes the installation of two natural gas combined cycle units and associated facilities. Construction started in October 2021 with site preparation, and the project is currently scheduled to be in service in July 2025. In the aerial view of the site, you see Unit 3 to the south and Unit 4 to the north.

Ms. Morrish reviewed with the Representatives the IPP Renewal Project scope including: the Generation Project Major Milestones of Unit 3 Backfeed was achieved on June 30, 2024; the Unit 4 Backfeed was achieved on September 1, 2024; and the Natural Gas Pipeline was pressurized in October 2024.

The major milestones achieved this year for the generation project include: achieving backfeed, or electrically connecting the units to the newly expanded switchyard and feeding power to the auxiliary systems of the units. Another major achievement was the completion of the final installation of the fuel gas yard piping, culminating in the natural gas pipeline being pressurized to the plant in October 2024.

Ms. Morrish reviewed with the Representatives the Hydrogen Energy Storage Update including the Advanced Clean Energy Storage (ACES) Project Progress to date. The Project is 91% complete as of September 2024. Notable highlights this year include the Cavern Well 2 net volume surpassed 3MMbbls and Cavern Well 23 reached 1.8 MMbbls. The completion of the hydrogen pipeline to IPP on November 19, 2024. Finally, the electrolyzer train pre-commissioning was started.

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Ms. Morrish reviewed with the Representatives the following: the STS Renewal Project Major Milestones of the Siemens Transformers were received in July 2024; the Synchronous Condensers were received in August and September 2024; and the IPP Switchyard Expansion Substantial Completion in Nover 2024. The Converter Station construction hasn't commenced yet. However, the contractor will mobilize on site this month and construction will start soon thereafter.

Ms. Morrish reviewed the Renewal Project next steps including: the Generation Station in-service in Q2 2025; the Synchronous Condenser in-service in Q3 2025; and the Hydrogen Production and Storage in CW 2 in Q4 2025. The First Fire for each unit is scheduled during Q1 2025 followed by a few months of final commissioning activities.

Ms. Morrish thanked specific individuals whose involvement in this project has been invaluable. Their dedication and expertise have fostered an environment conducive to making this project a success. The IPA Staff for their continued support and trust in our due diligence efforts with this project. Mr. Kevin Peng, the IPP Renewed Program Manager, and the Project Managers under his direction. Mr. Jon Christensen, the IPP Renewed Site Field Manager and Chief Engineer. The IPSC staff, including the existing management and those newly selected. The staff at Parsons Behle and Latimer. The staff at our Owners Engineer, Black & Veatch; and their subcontractors.

Ms. Morrish would also like to thank the Contract Partners including:

- MJ Electric, for the Intermountain Switchyard Expansion Project
- Mitsubishi, who provided the generation power train equipment
- The Industrial Company, who has installed that power train equipment as well as the balance of plant and remaining generation facilities
- LADWP engineering and construction forces, who are constructing the Adelanto Switchyard Expansion Project
- Siemens Energy, who is constructing the synchronous condensers
- The consortium consists of Hitachi Energy and the Phoenix Group, for the converter stations and associated HVDC equipment.

Mr. Larsen thanked all those who participated in the business meeting. Mr. Larsen said the IPA Board of Directors appreciates working with all of you who represent the members of IPA and, along with our staff and consultants; we look forward to the continued success of our project over the years and decades to come. The general meeting will convene beginning at 10:45 am.

## **OTHER BUSINESS**

There was none.

Mr. Larsen asked for a motion to adjourn.

**Mr. Norlen made a motion to adjourn. Mr. Rigby seconded the motion. A vote by all IPA Representatives participating in the meeting was taken and the vote was unanimous in the affirmative. The meeting adjourned at 10:30 a.m.**

Minutes taken by Michelle Miller

## **IPA GENERAL MEETING**

### **WELCOME AND REPORTS ON FINANCIAL AND OPERATING RESULTS**

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, Chair of the IPA Board of Directors and IPA representative from Price City.

Welcome to the 2024 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 Kevin Peng, IPA Operating Agent, Lori Morrish, Project Manager for the IPP Renewed Project and Greg Huynh, LADWP representative. From Intermountain Power Service Corporation, we recognize Jon Finlinson, President, and Jon Christensen, Mike Nuttal, Kevin Miller, Mark Shipley, and Jim Hill, Zane Draper and Mike Utley. Also a welcome to Neil Wolk from Orrick. 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. Re-elected to seats on the Board today were Allen Johnson, representative of City of Bountiful and IPA Treasurer; and Eric Larsen, representative of Fillmore City and the Towns of Holden, Kanosh and Meadow and IPA Secretary. The remaining board members in addition to myself are: Joel Eves, representative of Lehi City; Mark Montgomery, representative of Logan City; Bruce Rigby, representative of Kaysville City; and Jason Norlen, representative of Heber Light and Power Company. 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, previously, 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 also 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 - 2024 Financial Highlights

Let me turn now to updates on the current operations at IPA and the Intermountain Power Project. The fiscal year that ended June 30, 2024, was the 37th full year of operations at IPP. With project debt from IPP's original construction now fully retired, financial activities at IPA for the past few years have been heavily focused on raising funds for construction of the IPP Renewed transition.

IPA has now completed issuance of municipal bonds totaling approximately 1.8 billion dollars. Fixed rate bonds outstanding at the end of the fiscal year totaled just over 1.6 billion dollars. After the close of the fiscal year in November of 2024, IPA issued another 175 million dollars in bonds. It is expected that this third tranche of bonds has completed the financing for construction of the generation component of IPP Renewed.

IPP Renewed-related upgrades to IPP's Southern Transmission System are expected to be financed by the Southern California Public Power Authority. Consistent with past practices,

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 for by the Southern California purchasers who utilize the STS.

IPA's debt continues to be well regarded in municipal bond markets. The most recent sale of 175 million dollars in bonds attracted more than 1 billion dollars in orders and yielded a favorable total interest cost of 4.12 percent. Underlying ratings for IPA bonds remain strong and stable, with a Moody's rating of Aa3 and a Fitch rating of AA-.

IPA also continues to be a responsible steward of its financial assets. At the close of the fiscal year, IPA had average invested assets of over 1.2 billion dollars, generating a rate of return during the fiscal year of 5.02 percent.

#### SLIDE 4 – Annual Report

Details of IPA's financial performance can be found in the Agency's Annual Report, which 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.

#### SLIDE 5 – IGF Generation & Coal Usage Trends

While IPP Renewed is under construction, we continue to operate the existing coal-fueled generating units for the benefit of all of our purchasers. Utilization of the coal fueled units continued a multi-year downward trend in the last fiscal year, however. Fiscal years 2022 and 2023 were marked by shortages of Utah coal available to IPP, causing operations at the plant to be restricted for months at a time in order to conserve fuel for peak seasons. In fiscal year 2024, the project obtained additional coal supplies from the Powder River and Illinois Basins, but accessing these resources increased costs and lowered overall fuel quality. The actual cost of coal purchases increased from approximately 137 million dollars in fiscal 2023 to approximately 165 million dollars in fiscal 2024, despite lower total coal utilization.

#### SLIDE 6 – Production Report

In fact, fiscal 2024 marked the lowest utilization of IPP's coal units in Project history. In several key categories, coal unit utilization ranked 37th out of the Project's 37 years, including:

- Lowest net generation at 4,133 gigawatt-hours
- Lowest coal usage at just over 2 million tons
- Highest net facility heat rate (where lower numbers are desirable) at 10,657 BTUs per kilowatt-hour
- And the lowest net capacity factor and net output factor in project history

Before we leave this chart, however, please note that the Project achieved best or near-best performance last year in several measurements, including outage rates and availability.

#### SLIDE 7 – IGF Availability Trends

The Intermountain Generating Station has always been one of the best performing coal-fueled power plants in the nation for maintaining high levels of availability – and that trend continues to this day.

#### SLIDE 8 – IGF Reliability Trends

Additionally, unplanned and forced outage rates at Intermountain Generating Station in the last fiscal year reached record or near-record lows. This conclusively demonstrates that the coal units are being responsibly maintained. More about that in just a bit.

#### SLIDE 9 – Safety Statistics

All of these operational achievements have been accomplished within a culture that puts safety first, as evidenced by these enviable safety statistics.

And before we move on, I would like to take a few minutes to pay tribute to one of the key architects of the Intermountain Generating Station's operational excellence. Many of you probably already know that Jon Finlinson, President of Intermountain Power Service Corporation, will be retiring soon. At the risk of embarrassing Jon, I'd like to pause now for a tribute to his decades of service to the Intermountain Power Project.

#### JON FINLINSON TRIBUTE VIDEO

Thank you, Jon, for all of your contributions to IPP over the years. Please join me now in a round of applause honoring Jon.

In the near future, Jon will be succeeded by a new IPSC President – Dahl Dalton. Dahl and his senior management team were selected several months ago and have been working alongside Jon to prepare for the transition. We look forward to many more decades of operational excellence as IPP becomes IPP Renewed next year.

#### SLIDE 10 – IPP Renewed

In our Business Meeting earlier this morning, we heard a detailed report on the status of the IPP Renewed project. IPP Renewed has attracted worldwide attention for its planned innovative use

of hydrogen for dispatchable renewable energy storage. But let's take just a couple of minutes for one more video that addresses what IPP Renewed means right here at home.

#### IPP RENEWED VIDEO

IPP Renewed is now in the home stretch after many years of planning and negotiating with IPP participants. I would like to express my heartfelt thanks to the IPP Renewed project team for their tireless work that has us on track to start operations on time in mid-2025.

This achievement has been in the works for a very long time. The work of obtaining permits from federal and state regulators and requesting key legislative amendments from the Utah Legislature began over a decade ago with the 2012 Utah 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.

#### SLIDE 11 – Recent Legislative Actions

As you are well aware, some in the Utah Legislature have made it a priority to try to preserve IPP's coal units. During the 2023 and 2024 sessions, HB425 and SB161, respectively, were passed by the Utah State Legislature and subsequently signed into law. HB425 requires IPA to provide at least 180 days' advance notice to the Legislative Management Committee of decommissioning or disposal of the IPP coal units or facilities essential to the generation of electricity by the IPP coal units. HB425 also prohibits IPA from intentionally preventing the functionality of the coal units except as necessary to transition to IPP Renewed.

SB161 established the Decommissioned Asset Disposition Authority – affectionately called DADA –to study the feasibility of the operation of one of the IPP coal units after mid-2025. To facilitate the future operation of that coal unit, SB161 also requires IPA to provide the State of Utah the option to purchase that coal unit and related assets for fair market value, with the option remaining open for at least two years, beginning July 2, 2025.

DADA is now undertaking the tasks of determining whether environmental permits can be secured for continuing coal unit operations and whether qualified buyers for the coal units can be found. I want to assure you that IPA has been completely cooperative with the DADA process – supplying thousands of pages of data and offering IPA's insights on issues we have studied in detail for more than a decade and a half.

Our only ask of the Legislature has been this: Please allow us to complete the IPP Renewed construction and operate it as planned. Included in your meeting packet are a number of recent documents that have been shared with DADA and the Legislature related to that ask. Please permit me to walk through them quickly now.

#### SLIDE 12 – Decommissioned Asset Disposition Amendments

Another legislative bill targeting IPP was introduced at an interim committee meeting just two weeks ago. The bill would prevent IPA from disconnecting the coal units from the IPP switchyard when IPP Renewed starts up next year. That would also prevent the connection of synchronous condensers that are a critical component of the IPP Renewed project, likely forcing a significant de-rate of the Southern Transmission System and the inability to run the new natural gas-fueled generators in the manner for which they were designed. IPA was not consulted prior to the bill being drafted and we believe there are ways for the Legislature's concerns to be addressed without interfering with IPP Renewed's design and imminent operation. This will be a major topic of discussion as we head into the General Legislative Session that commences in January. The Fact Sheet at the front of your packet provides more information about this issue.

#### SLIDE 13 – Coal Unit Continuation Costs

Other items in your packet relate to the information IPA has been sharing with the DADA and legislators. This infographic summarizes the conclusions of the state's contractor who authored a study last year outlining the significant investments that would be required to continue coal unit operations. Even though IPA believes that the contractor's report understates known costs and fails to list unknown costs that are potentially significant, the costs that are identified show that the coal units are not "move-in" ready for any new operator.

#### SLIDE 14 – Coal Unit Impediments

DADA also asked IPA to respond to three key questions, including a request to identify what we see as impediments to continued coal unit operations. This Fact Sheet summarizes those impediments.

#### SLIDE 15 – Questions 1&2 Response

Here is the complete response to DADA's first two questions for IPA.

#### SLIDE 16 – Question 3 Response

And here is the complete response to the impediments question.

#### SLIDE 17 – Coal Units Maintenance

Finally, IPA was asked by some legislators to clarify whether the coal units were being maintained and operated in a manner to keep them available and reliable for normal use. This letter is the response to that request. And to reiterate a point mentioned previously during the

operating report: Intermountain Generating Station last year achieved best or near-best performance in the Project's history for outage rates and availability.

IPA intends to remain in full compliance with the Legislature's instructions in HB425 and SB161. We are currently developing a lay-up plan for the coal units that would keep them in a condition that would allow them to re-enter service if the state is able to find solutions to the myriad contractual, regulatory, and operational barriers described in the packet in your hands now. And it is true that the national political landscape, at least, has changed as a result of last month's elections. Our next speaker will provide some insights on that recent development.

SLIDE 18 – Member engagement needed

We hope you find these background materials informative, because in the upcoming general session of the Utah Legislature, we will once again 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 area to tell them:

1. The Intermountain Power Project and IPP Renewed are an important part of your resource planning, and
2. Any legislative measures that affect the start-up and operations of IPP Renewed create risk for significant financial exposure 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 19 – Save the Date!

And let's look forward to a celebration of our success. It's time to mark your calendars for a ribbon cutting event to take place next fall after IPP Renewed is up and running. Stay tuned for more details and please plan to join us at the generating station on September 18 next year.

SLIDE 20 – 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.

Now I would like to introduce our next speaker. Most of you know John Ward as IPA's longtime communications director. What you may not know is that he serves in several other positions giving him a front row seat to national energy and environmental policy. He is the longtime Government Relations Committee chairman of the American Coal Ash Association. He serves as

Executive Director of the National Coal Transportation Association. He's a past president of the American Coal Council and was the last Vice Chairman of the National Coal Council, as appointed by the U.S. Secretary of Energy. Today he will be sharing with us some analysis of November's elections and what the results may mean for energy and environmental policy moving forward.

Following John's remarks, we will adjourn the meeting and I invite you to join us for lunch down the hall. During lunch, we will be favored to hear some remarks from Jarrett Ingram, a noted leadership consultant who has some insights we may find helpful during these times of dynamic change.

Thank you again for attending today.

### **2024 FEDERAL ELECTIONS RECAP**

Mr. John Ward, IPA's Communications Director, gave an update on the 2024 U.S. Elections Recap as of December 3, 2024.

Mr. Ward discussed in detail the following including: Election Spending, The New Information Ecosystem, The Failure of Traditional Campaigning, The Tight Race Predictions, The Final Tally, The Voter Turnout, The Trump Shift, Democrats and the Working Class, What Voters Care About, The Cost of Living, Identity Politics, The Economy, The Next Two Years, The GOP Control of Both Chambers of Congress, The Situation in the Senate, The Situation in the House, and The Energy and Environmental Policy.

Mr. Ward said that 11,000 Political Groups spent \$14.7 billion to influence the 2024 Election. Of the \$14.7 billion, Kamala Harris spent \$1.5 billion in 15 weeks.

Mr. Ward said the new information ecosystem included the Joe Rogan podcast with 11 million listeners per episode. The traditional campaigning methods failed such as more paid staff, more field offices, more voters contacted, more money raised, more TV Ads run, better analytics, more debate prep, and more popular surrogates such as celebrities.

Mr. Ward said President-elect Donald Trump comfortably won both the Electoral College and the popular vote. He won all of the battleground states. He became the first Republican presidential candidate to win the popular vote in 20 years. He made gains in every region of the country. He made gains with nearly every demographic group. The Republican Party took control of the U.S. Senate. They defeated three incumbent Democratic Senators. They also maintained control of the U.S. House. The Final Tally was Kamala Harris at 226 and Donald Trump at 312. Mr. Trump won the popular vote by about 5 million votes. The Senate is now 53 Republicans and 47 Democrats. The House is now 220 Republicans and 215 Democrats. The Governors are now 27 Republicans and 23 Democrats.

Mr. Ward said 2024 was likely the 2<sup>nd</sup> highest turnout of voters, 63.7 %, since 1908, including above the JFK election in the 1960's.

The “Trump Shift” occurred in unexpected places including New York City, Miami, and California. Mr. Trump gained voters in both high income and urban areas. Mr. Trump gained new voters across all income areas, but the wealthiest areas gave him the largest boost. There were also gains across all demographics and rural areas including Latino, Black, Female and 18–29-year-old voters.

Mr. Ward said the real debate is have the Democrats lost the working class.

The number one concern for the voters was the strength of the economy and the high cost of living. This proved to be true in that the Cost of Living and the Economy were the major drivers of the 2024 Election.

Mr. Ward said although Mr. Trump was not a perfect candidate, the exit polls showed that Mr. Trump scored higher in his ability to lead, could bring needed change, and cares about the common people.

Mr. Ward said the party leading the Gallup's poll most important issue always wins. The issue is usually the economy.

Mr. Ward said there were eight critical ways the Democrats helped Trump win including: ignoring warnings from liberal economists that their massive spending would increase inflation; the border disaster; their catastrophic withdrawal from Afghanistan; not uniting the country; covering up Biden's cognitive decline; not giving voters a benign alternative; they offered Americans continuity when they wanted change; and their campaign of lawfare locked in Trump's nomination.

Mr. Ward said the next two years are critical for the Republicans. With the control of both Chamber of Congress, the Republicans will be more productive. No partisan alignment has lasted more than two years. Every election is a change election now. Many people believe Trump's election is a mandate for change.

The 2024 election results present a likely near-total reset of federal energy and environmental policy. Unlike Trump's first term, initiatives and personnel are in place to hit the ground running. The Republicans control of both Chambers of Congress, combined with Trump's consolidation of mainstream party support, proved a clear playing field. Early Cabinet appointments of Trump loyalists demonstrate a commitment to disruptive policy objectives. The pending DOE and EPA departmental appointments from Project 2025 and related transition planning initiatives may provide agency contacts familiar with coal issues.

Mr. Ward said Mr. Trump is announcing Cabinet nominees at a record pace. Former U.S. Representative, Lee Zeldin, will be the Environmental Protection Agency Administrator. Liberty Energy CEO, Chris Wright, will be the Department of Energy Secretary. North Dakota Governor, Doug Burgum, is the Department of Interior Secretary as well as the chair of a newly formed National Energy Council.

Mr. Ward said things to watch for in Energy and Environmental Policy include: Executive Orders in the first days of the Trump Administration; unspent Inflation Reduction Act funds at risk, but some program elements popular in red states may remain; carbon capture incentives likely to get a boost; EPA rules targeting coal will get a re-look; well-funded ENGOs to increase litigation if EPA enforcement wanes; potential for another pendulum swing in 2028; re-shrinking of the EPA workforce; more attempts to move federal agencies out of Washington; and the return of the National Coal Council.

Mr. Tatton thanked Mr. Ward for his report.

### **ADJOURN**

Mr. Tatton invited the IPA representatives, staff and guests to proceed to the luncheon.. 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 2024 Annual Meeting is now adjourned at 11:55 a.m.



# Intermountain Power Agency

Annual General Meeting  
December 3, 2024

## Business Meeting Recap

- Approval of minutes of 2023 IPA Annual Meeting
- Reports by:
  - IPA Audit Committee
  - IPA Governance Committee
  - Generation & Transmission Subcommittee of the IPP Coordinating Committee
- IPA Board of Directors Election

## 2024 Financial Highlights

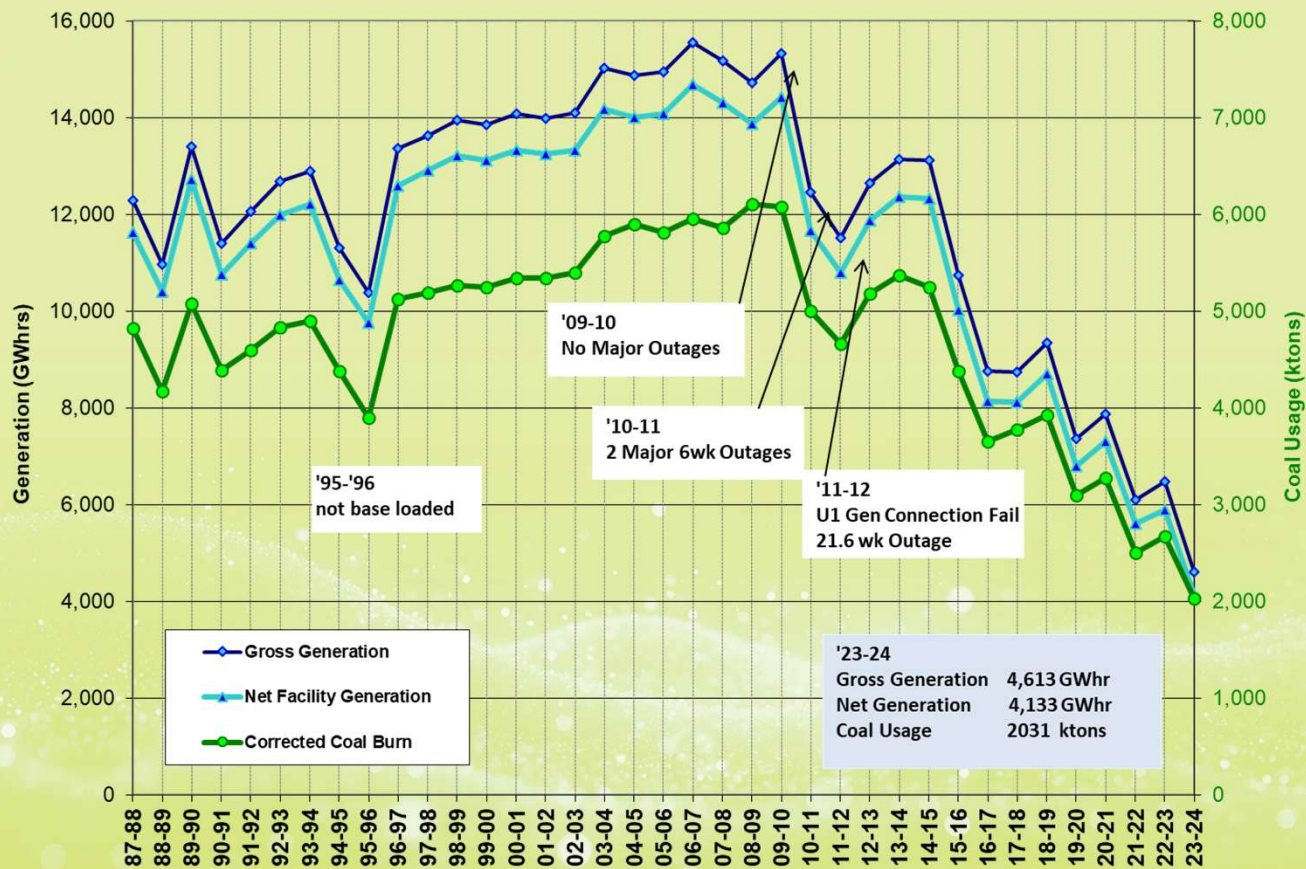
- Debt Outstanding (as of July 1, 2024)
  - \$1,632,650,000
- New Bonds Issued (November 2024)
  - \$175,000,000
  - >\$1 billion in orders; 4.12% interest cost
- Underlying Bond Ratings
  - Moody's - Aa3
  - Fitch rating - AA-
- Investment Performance
  - Average invested assets - \$1,232,787,278
  - Rate of return – 5.02%

# Annual Report

- Annual Report and other financial information available on IPA's website
- **[www.ipaUtah.com](http://www.ipaUtah.com)**



## IGF Generation & Coal Usage Trends



Historic comparison of July thru June (Fiscal Year End), since commercial operation

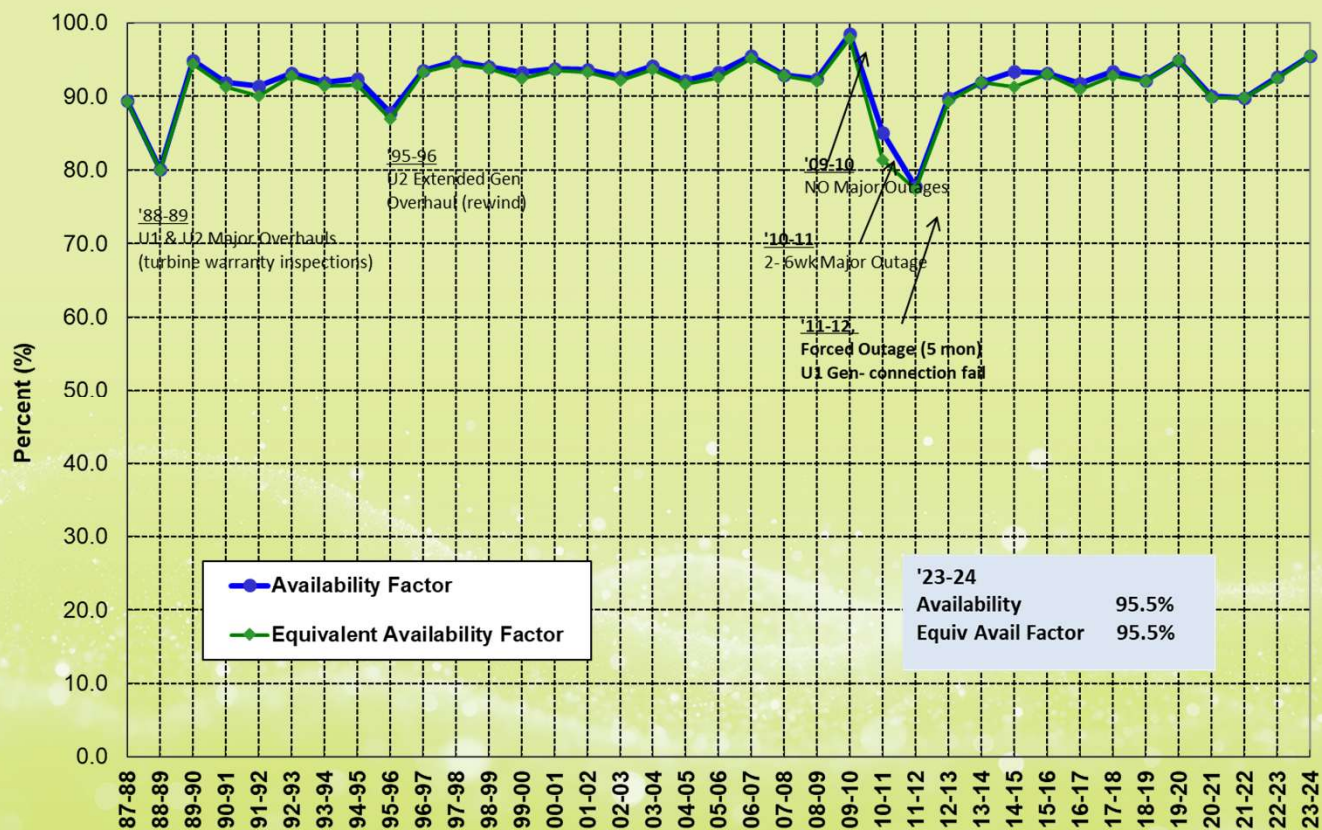
# Production Report

## IGF production levels for fiscal year 2023-24 (as compared to previous IGF production levels)

• Net Generation	4,133	GWhr	37th out of 37yrs
• Coal Usage	2,031	ktons	37 <sup>th</sup>
• Coal Quality	10,848	btu/#	35 <sup>th</sup>
• Net Facility Heat Rate	10,657	B/Kwh	37 <sup>th</sup>
• Unit Shutdowns	7	#	3 <sup>rd</sup> (tied)
• Equiv Avail Factor	95.5	%	2 <sup>nd</sup>
• Forced Outage Rate	0.08	%	3 <sup>rd</sup>
• Equiv Forced Outage Rate	0.11	%	1 <sup>st</sup>
• Net Capacity Factor	26.2	%	37 <sup>th</sup>
• Net Output Factor	39.6	%	37 <sup>th</sup>

Note- Ranking excludes first partial year 1986-87

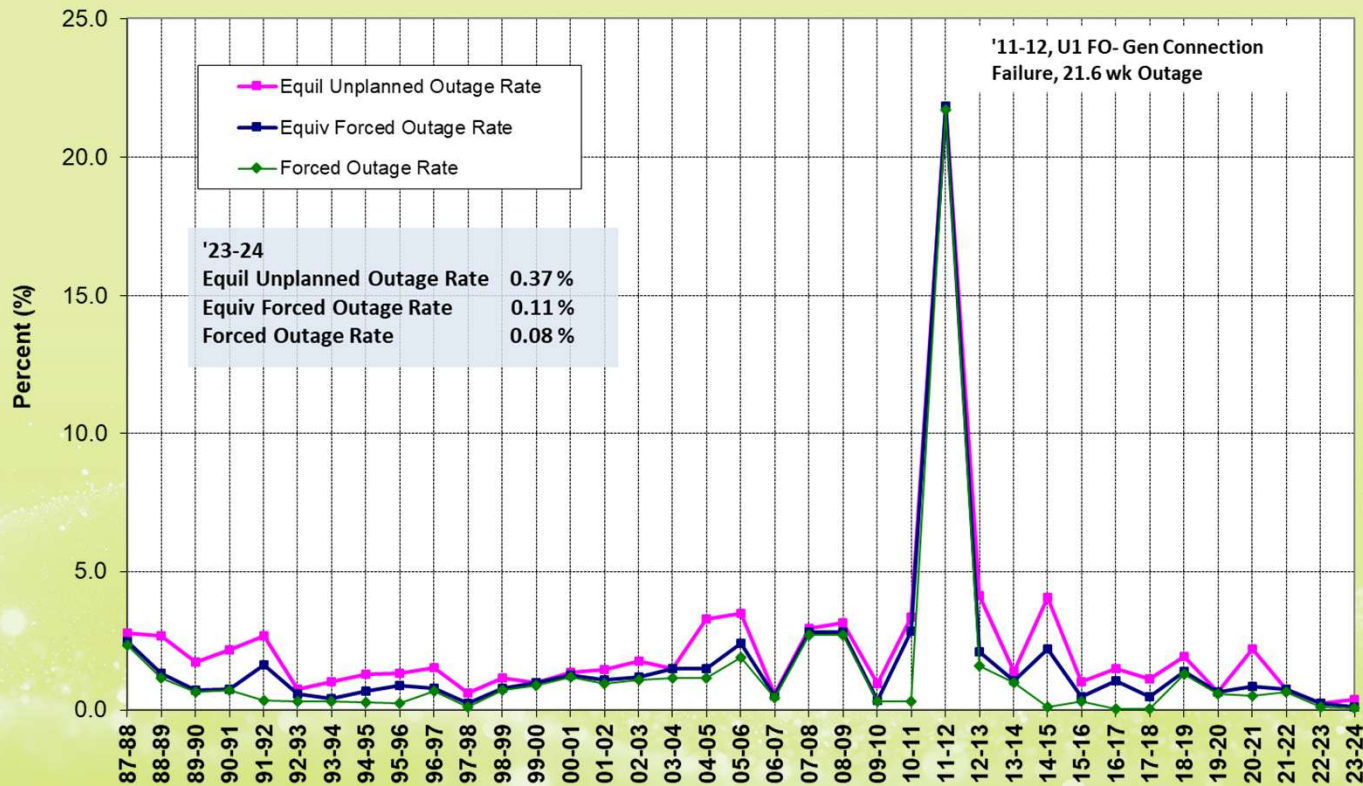
## IGF Availability Trends Availability & Equiv Availability Factors



Historic comparison of July thru June (Fiscal Year End), since commercial operation

## IGF Reliability Trends

### Equil Unplanned, Equil Forced & Forced Outage Rates



Historic comparison of July thru June (Fiscal Year End), since commercial operation

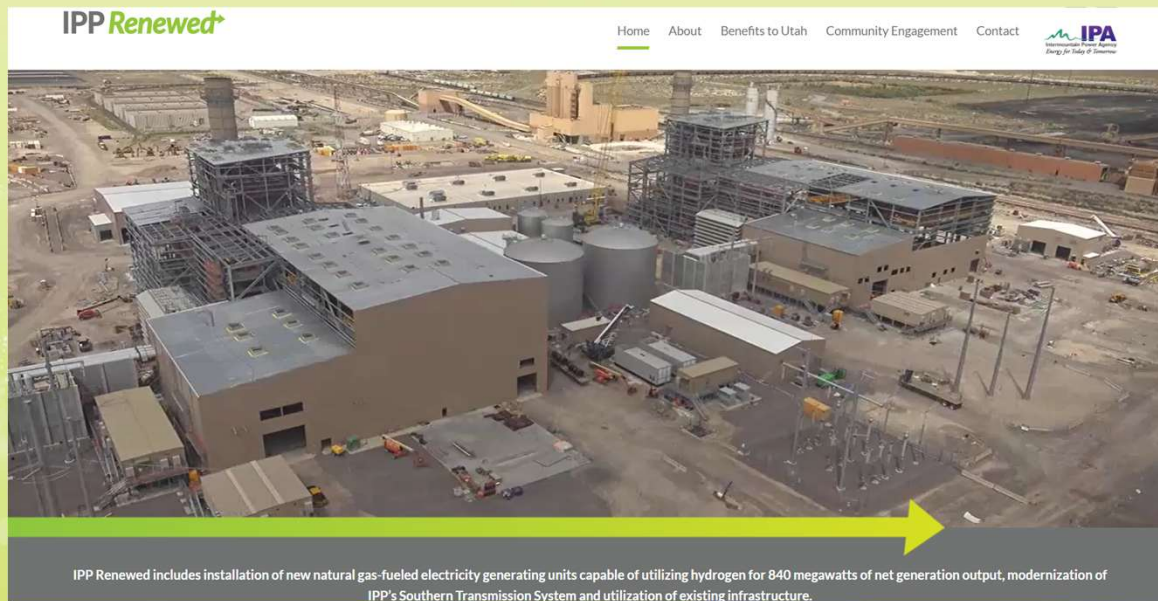
NOTES: Equivalent Unplanned Outage Rate includes forced outages, maintenance outages, plus all derates, but excludes annual pre-planned unit overhauls. Equivalent Forced Outage Rate is the total time charged to forced outages and unit derates. Forced Outage Rate is the time charged just to forced outages (unit trips).

## Safety Statistics FYE ('23-24)

- **OSHA Recordable Incident Rate = 1.28**  
(cases per 200,000 hrs worked)
- **OSHA Lost Time Incident Rate= 0.00**  
(cases with days missed per 200,000 hrs worked)
- **Severity Index = 12.12 days off**  
(per 200,000 hrs worked)
- **Continuous Days Worked 440**  
Since Last Lost Time Incident/Accident Date

# IPP Renewed

- Construction nearing completion – on schedule for 2025 start-up
- **[www.ipprenewed.com](http://www.ipprenewed.com)**



## Recent Legislative Actions

- HB425
  - Prevents IPA from intentionally preventing the functionality of the coal units except as necessary for IPP Renewed.
- SB161
  - Establishes the Decommissioned Asset Disposition Authority and provides for study and hypothetical air permit application by DADA to keep at least one coal unit operating.

# Decommissioned Asset Disposition Amendments

## FACT SHEET – IPP Transmission Operations

*The Utah Legislature's Public Utilities, Energy and Technology Interim Committee is considering "Decommissioned Asset Disposition Amendments" that would prevent the Intermountain Power Project from connecting key elements of its IPP Renewed project to the transmission grid – exposing 23 Utah municipalities to potentially catastrophic financial risks.*

### IPP Renewed Project Design

In planning and construction for well over a decade, the IPP Renewed conversion of the Intermountain Power Project from coal to natural gas fueled electricity generation, including dispatchable renewable energy storage using hydrogen, is nearly complete. A key component of IPP Renewed's design is the use of synchronous condensers to maintain stability on IPP's direct current Southern Transmission System, which is used to deliver electricity to project participants in Southern California. This is a key component of the total project that enables the new plant to operate as a "peaker plant." Without this component, the plant would not be able to operate in any way resembling the design for the plant in which IPA has invested nearly \$2 billion.

IPP Renewed invested more than \$100 million to build grid connections for the new natural gas fueled generators. Plans developed and approved years ago call for the synchronous condensers to be connected to the grid using facilities previously used by IPP's coal units. IPA will implement a layup plan for IPP's coal units and avoid intentionally preventing the

functionality of the coal units except as necessary to transition to IPP Renewed in full compliance with prior Utah legislation.

### Impact of Proposed Bill

The bill now under consideration would prevent IPP from connecting the synchronous condensers to the grid, stranding more than \$250 million of investment in the synchronous condensers alone, forcing a reduction in the Southern Transmission System's capacity by up to 50%, risking a potential derating of the transmission line, and forcing the new natural gas units to operate in a very narrow band that is inconsistent with the project's design. It would also interfere with the operation of the adjacent ACES Delta hydrogen production and storage project at the levels for which it was designed.

### Risk to Utah Cities

This bill would increase the risk that the Utah municipalities would be directly liable for approximately 14% of nearly \$2 billion of municipal bond debt incurred to finance IPP Renewed. The Utah municipalities may lose the option to lay off power to California participants in IPP.

*Approval of this bill would violate prior assurances by legislators that they would not interfere with the completion and operation of IPP Renewed as they worked to preserve IPP's coal units. Development of new transmission capacity, including connections to the grid, is just one of the challenges to continuing coal unit operations that have been known and understood by the state and its consultants for at least two legislative sessions.*

# Coal Unit Continuation Costs

NOTE: IPA believes this analysis fails to account for numerous additional costs related to grid scale coal plant operations.

## JACKSON WALKER REPORT COSTS SYNOPSIS OF INTERMOUNTAIN POWER COAL UNITS

CONTINUED OPERATION OF COAL UNITS		\$ COST
Selective Catalytic Reduction (SCR Scrubber) ..... <small>Page 19</small>		\$475,000,000
Boiler Tubes ..... <small>Page 18</small>		\$300,000,000
CCR Mechanical Drag System ..... <small>Page 21</small>		\$60,000,000
Intermediate Pressure Turbine Rotor ..... <small>Page 18</small>		\$20,000,000
Coal Conveyor Belts ..... <small>Page 18</small>		\$5,000,000
COAL UNITS MAINTENANCE		\$ COST
Unit 1 is 38 Years Old ..... <small>Page 17</small>	Unit 2 is 37 Years Old ..... <small>Page 17</small>	\$37,116,000
+ ADDITIONAL OPTIONS		\$ COST
Coal to Graphite Conversation Option ..... <small>Page 23</small>		\$1 Billion
Carbon Capture Option ..... <small>Page 26</small>		\$1.5 Billion
Syngas Option ..... <small>Unknown as not Proven at Commercially Viable Scale Page 29</small>		\$TBD
Transmission Line ..... <small>345 kV for one unit to Mona Substation Page 37</small>		\$100,000,000



### UNKNOWN COSTS ASSOCIATED WITH CONTINUED COAL UNIT OPERATION

- No Air Permit
- Need Water Rights
- EPA Carbon Rule - TBD
- EPA Ozone Transport Rule
- Utah Transmission Rights Laws
- Rocky Mountain Power Utility Region
- 90+% Contracted Customer Loss after 2027

“Continued operations of the two existing IPP coal units will require significant financial investments to comply with existing state and federal environmental regulations. First, advanced emission control equipment (pre-, during, or post-combustion) is needed to reduce the NOx emissions from the existing coal units significantly. Installing state-of-the-art SCR equipment will likely equate to the greatest financial investment needed to continue operating the two coal units. Additional financial investment is needed to comply with EPA's Coal Combustion Residuals Rule or face imminent shutdown no later than October 2028.”

(Page 32)

All information taken from Jackson Walker's "Final Report for Feasibility of Intermountain Power Plant" – November 15, 2023

# Coal Unit Impediments

## FACT SHEET – IPP Coal Units Operations Impediments

*Intermountain Power Agency has cooperated fully with the Utah Decommissioned Asset Disposition Authority – supplying almost 20,000 pages of information and responding to all questions posed by the Authority’s study contractor. The Authority also requested a description of “any impediments to current or future operations” of the Intermountain Power Project coal units.*

### Contractual Impediments

The Intermountain Power Project is a complex electricity generation and transmission enterprise involving 35 diverse not-for-profit utilities serving portions of six states. Project finance, governance, and operations of the transition from coal to natural gas are defined by contracts executed nearly a decade ago. Although IPA is complying with Utah’s House Bill 425 (2023), there is a direct conflict between that compliance and contractual obligations to decommission the coal units.

### Regulatory Impediments

Multiple environmental regulatory requirements contributed to the decision to cease operations of IPP’s coal units permanently. Since that decision was taken, continued operation of the coal units past 2021 has been based on IPA’s commitment to shut down the coal units permanently in 2025. Permitting of IPP Renewed and the State of Utah’s implementation plan for federal regulatory compliance have been based on emissions associated with the coal units being reduced permanently. Failure to meet IPA’s commitments in the areas of coal ash disposal, state air quality permitting, and federal Clean Air Act compliance would create serious regulatory issues for both IPP and other major emitters in the state.

### Operational Impediments

IPP Renewed was conceived and is being constructed on the premise that IPP’s coal units will cease operation permanently. Continuing coal operations poses obstacles related to use of shared facilities and physical limitations of the project site. Additionally, the coal units contain equipment and parts that are at or near the end of their 30- to 40-year design lives. Any third-party buyer of the coal units would need sufficient capital to finance those improvements, as well as potentially hundreds of millions of dollars for increased environmental compliance. Finally, the Intermountain Power Project was purpose built to deliver most of its output to California where coal-fueled electricity is no longer marketable. Even if power purchasers could be found elsewhere on the Western grid, additional substantial investment and construction of new transmission resources would be necessary.

*Impediments include not only challenges a third party would face in owning and operating one or both of IPP’s coal units, but also challenges current IPP participants would face because of coal unit operations concurrent with operation of the multi-billion dollar IPP Renewed project.*

*IPA’s detailed 36-page response to the Authority’s request is available upon request.*

# Questions 1&2 Response

October 18, 2024

Cody Stewart  
Board Chair  
Decommissioned Asset Disposition Authority  
288 North 1460 West, Suite 400  
Salt Lake City, Utah 84116

Re: Intermountain Power Project Coal Units

Chair Stewart:

I received your letter dated September 23, 2024. I appreciate the opportunity for Intermountain Power Agency ("IPA") to address concerns expressed with respect to the operation and maintenance of the Intermountain Power Project ("IPP") coal units. Please see the responses below to Questions 1 and 2 presented in your letter.

We are continuing to prepare a response to Question 3. We will provide that response as soon as we can.

- 1) **What actions is IPA currently undertaking to preserve the two existing coal units and facilitate ongoing operations?**

**IPA Response:**

IPA, as the owner of the coal units, has contracted since the early 1980s for Intermountain Power Service Corporation ("IPSC"), to operate and maintain the coal units, as well as the other facilities that constitute IPP. IPSC has maintained and operated the coal units in a manner to keep them available and reliable for normal use, consistent with prudent utility practice, through at least the required shutdown in 2025. IPSC's maintenance and operation includes inspection, calibration and repair of equipment, including in connection with scheduled regulatory work such as elevator inspections, pressure vessel testing and environmental testing.

For the period following the required shutdown, IPSC has researched what operation and maintenance activities might be required for the layup of the coal units (i.e., taking actions to extend the life of and prevent corrosion of the coal units' components). IPSC has reviewed Unit 1 and the coal yard with respect to the following activities that would be expected for layup of the coal units: inspections, rotating shafts, periodically running equipment, and maintaining heating and cooling systems. IPSC's preliminary research and review indicate that layup of the coal units in the manner described above would cost approximately \$1.4 million per year and an implementation plan is being prepared.

# Question 3 Response

November 11, 2024

Cody Stewart  
Board Chair  
Decommissioned Asset Disposition Authority  
288 North 1460 West, Suite 400  
Salt Lake City, Utah 84116

Re: Intermountain Power Project Coal Units

Chair Stewart:

Further to your letter dated September 23, 2024, that you sent as Chair of the Decommissioned Asset Disposition Authority ("DADA"), please see the response below to the following request set forth in your letter (the "Request Letter"):

Please describe any impediments to current or future operations of the IPP coal units of which IPA is aware. Include actions that require cessation of operations, limit operations, cease contractual or other obligations, or are otherwise likely to limit the ability to fully utilize the coal units in the future. Note that this item is not limited to actions taken by IPA.

I appreciate the opportunity for Intermountain Power Agency ("IPA") to outline our current understanding of impediments as requested.

IPA acknowledges that there are several factors that limit IPA's ability to identify all impediments at this time, including unforeseen factors, potential changes in circumstances, and a lack of data and analysis to address even known issues. Even as this response is being prepared, IPA understands that DADA's consultants are preparing a report to be delivered to a committee of the Utah Legislature by November 30, 2024, evaluating, among other things, certain known issues specified in Utah Code Sections 19-2-109.4 and 79-6-405, as enacted in Senate Bill 161 ("S.B. 161") by the Utah Legislature in 2024, as modified by House Bill 3004 ("H.B. 3004") enacted by the Utah Legislature in a subsequent special session.

IPA has substantial experience in addressing such issues at the Intermountain Power Project ("IPP") based on permitting the gas units being constructed at IPP as part of the transition to a new electric generation facility powered initially by a combination of natural gas and hydrogen with the objective of the facility being powered exclusively by hydrogen (the transition to such facility being commonly known as "IPP Renewed"). IPA and its contractors also explored the possible operation of the Coal Units following commercial operation of the IPP Renewed gas units. Based on that experience, IPA understands that the adequate evaluation of even the known issues requires at least hundreds of hours of modeling and additional analysis.

# Coal Units Maintenance

October 25, 2024

**VIA US MAIL AND  
EMAIL**

Honorable Representative Carl R. Albrecht  
350 North State, Suite 350  
Salt Lake City, UT 84114  
carlalbrecht@le.utah.gov

Honorable Senator Derrin R. Owens  
P.O. Box 127  
Fountain Green, UT 84632  
derrinowens@le.utah.gov

Re: Intermountain Power Project Coal Units

Dear Representative Albrecht and Senator Owens:

Thank you for the opportunity to meet with you to discuss your concerns regarding the Intermountain Power Project coal units. I understand from our meeting that you would like statements from Intermountain Power Agency regarding the operation and maintenance of the coal units and communications with the U.S. Environmental Protection Agency.

Through its contractors, IPA has maintained and operated, and continues to maintain and operate, the coal units in a manner to keep them available and reliable for normal use, consistent with prudent utility practice, through at least the shutdown of the coal units required to occur in July 2025. IPA is preparing an implementation plan for the layup of the coal units for the period following that shutdown as part of its ongoing compliance with Utah HB425 (2023). Other than ceasing operation of the coal units in 2025 and disconnecting the coal units from the IPP switchyard at that time, all pursuant to plans for IPP Renewed that have been in place for several years, IPA will not intentionally take any action to prevent the functionality of the coal units. Neither IPA nor its representatives have communicated with EPA about the coal units since the conclusion of the special legislative session in June, other than to provide written comments opposing EPA's proposed disapproval of the State's regional haze state implementation plan. IPA will not communicate with EPA until the current process being undertaken by the Decommissioned Asset Disposition Authority is complete except for communications required (a) for ongoing operation and maintenance of the coal units, (b) for construction, commissioning, operation or maintenance of IPP Renewed, (c) in relation to compliance with legal requirements, or (d) to respond to communications initiated by EPA.

## IPA Member Engagement Needed

- More Utah Legislature action may be coming
- Communicate to the Governor's office and state legislators:
  - The Intermountain Power Project and IPP Renewed are an **important part of your resource planning**
  - Any legislative measures that affect the start-up and operations of IPP Renewed **pose significant risks for your municipalities**

# Save the Date!

## IPP *Renewed*➔

### Ribbon Cutting Event – September 18, 2025

# Thank You for Your Engagement!