

PATH TO MORE ENERGY INDEPENDENCE

IMPA's operating philosophy has always been to provide low-cost, reliable, environmentally-responsible electricity to the members the Agency serves. As IMPA continues to pursue this philosophy, the expansion of IMPA's ownership of generation will provide the Agency with more energy independence and a strong foundation for future growth.

Low Cost: Power Supply

While the United States was in the midst of an economic downturn, IMPA maintained its focus on a low cost power supply for its members. IMPA is well positioned to deliver competitive electric rates to the communities it serves. The Agency's diverse portfolio of owned and purchased power resources includes coal, natural gas, nuclear and renewable energy. Such a diverse array of resources provides IMPA with the flexibility to use the most economical mix of resources to meet the Agency's load. In addition, IMPA's ability to issue tax-exempt debt to finance major projects provides a lower cost of capital than alternative means of financing. This financing advantage helps to make ownership an attractive alternative to purchased power. As a not-for-profit wholesale power provider, IMPA is focused on providing the lowest cost power supply to its members instead of a high return on investment to shareholders. And as a joint action agency, IMPA is governed by the very people it serves. IMPA's Board of Commissioners is comprised of one representative from each of its member communities. This diverse group of individuals brings a melting pot of ideas and needs to the table and provides strategic policy guidance to the Agency. Although IMPA cannot guarantee that its wholesale rates will be the lowest Indiana rates every year, it is well positioned to deliver low rates over the long-term.

Reliable: Generating Resources

At the core of IMPA's operating philosophy is reliability: a power supply that is readily available when and where it is needed. With additional generating resources coming online in 2010, 2011 and 2012, the Agency prepared to add to its already diverse portfolio of resources in 2009. The Trimble County Unit 2 and the Prairie State Energy Campus projects will be low-cost, environmentally-responsible resources that will allow the Agency to be more self-reliant and reduce the need to purchase power. In addition, IMPA continues to investigate opportunities to expand its renewable energy resources.





Scottsburg's Path

Energy Efficient Lighting

Scottsburg, Indiana

The City of Scottsburg is always at the forefront of technology. After paving the way for municipal broadband service in the county a few years ago, the City is now making a name for itself in energy efficient lighting. Scottsburg was awarded a Demonstration of Energy-Efficient Developments (DEED) grant from the American Public Power Association to design, build and install new high-efficiency plasma lighting in its street lamps. It recruited a growing, local company to design lights that will utilize this leading-edge, energy efficient technology. Thanks to the grant and Stray Light Optical Technologies, Scottsburg will be the first city in the state to benefit from the new technology. **Pictured: Stray Light Optical Technologies Owner Gerald Rea; Scottsburg Mayor William Graham**

Washington's Path

Commercial Energy Audits

Washington, Indiana

The City of Washington and Washington Light and Power have made energy efficiency a priority. In addition to power monitoring services, CFL distribution programs, and recycling efforts, the utility expanded its services in 2009 to include energy audits for commercial customers. Lineman Dustin Smith attended several training seminars to learn ways to identify potential energy savers for residential and commercial customers. He has since become the utility's resident Energy Efficiency Specialist. One of the utility's largest customers, Daviess Community Hospital, has already benefited from Smith's energy audit and learned how to cut costs by using more efficient fluorescent lights throughout the building. **Pictured: Daviess Community Hospital Maintenance Worker Kenny Sanders; Washington Light and Power Lineman Dustin Smith**



Trimble County Unit 2

Substantial progress was made toward the completion of the Trimble County Unit 2 (TC2) project, one of IMPA's generation units currently under construction. In cooperation with E.ON U.S. subsidiaries Louisville Gas and Electric and Kentucky Utilities, along with the Illinois Municipal Electric Agency, IMPA is working to construct the 750 megawatt (MW) coal-fired unit in northern Kentucky. The project received all necessary permits and construction began in 2006.

Bechtel Power Corporation, the engineering, procurement and construction contractor for the project, completed the boiler fabrication and hydrostatically tested the boiler at TC2 in 2009. The steam turbine generator was installed, and at the end of the year, the turbine was almost ready to be placed on the turning gear. On the backside of the boiler, the gas path was nearly complete as the final touches were being put on its components and on the air quality control system. The Ohio River transmission line crossing was also substantially complete. With 92 percent of the project complete by year's end, TC2 will be in the start-up and commissioning phase during the first half of 2010.

With its state-of-the art pollution control technologies and highly efficient supercritical boiler, Trimble County Unit 2 will add approximately 100 MW of clean coal capacity to IMPA's generating resources. Once online in mid-2010, the project will help the Agency fulfill its strategic plan by increasing IMPA's self-sufficiency and reducing the amount of power purchased from others.

Prairie State Energy Campus

The Prairie State Energy Campus (PSEC) will be a 1,580 MW supercritical coal-fired generation plant comprised of two, 790 MW generating units as well as on-site coal reserves and coal mine. The facility obtained all necessary permits in 2007 and began construction that same year.

Many paths came together at Prairie State during 2009. At year-end, construction on PSEC was substantially on schedule with approximately 38 percent of the project complete. Turbine generator foundations and structures were completed for both units of the plant, and the boiler structures were also erected. The rail line to the site and the raw water supply line were completed. Two of the three 345 kilovolt (kV) transmission lines were placed in service by year's end and the natural gas startup fuel pipeline was completed. In addition, the Lively Grove Mine slope was completed in 2009 and coal was "hit" at the end of August. The mine was nearly 50 percent complete at year's end.



Unit 1 is expected to be in service in 2011 and Unit 2 is expected to be operational in 2012. Once complete, the units will reliably provide 200 MW of clean coal power to serve IMPA member customers, further reducing IMPA's dependence on purchased power.

Environmentally-Responsible: **Strategic Plan**

Providing members with environmentally-responsible power has always been part of IMPA's operating philosophy. In 2009, the Board of Commissioners approved the Agency's plans for an even greener path. IMPA's updated strategic plan calls for a 10 percent reduction in load from the current 10 year forecast from conservation, energy efficiency and demand response programs by 2020. In addition, the plan calls for the Agency to increase the percentage of low- or no-carbon sources in its power supply portfolio to 30 percent, including an increase from 3 to 20 percent of supply from renewable resources, by 2020. This innovative and proactive plan will build upon the Agency's already diverse portfolio of energy resources that are currently in service or under construction.

Dublin's Path

Owner-Occupied Rehabilitation Grants

Dublin, Indiana

Weatherization is one of the most important steps to ensure an energy efficient home. In Dublin, some residents have not only benefited from energy efficient practices, but have also gained some additional support from the town. Each year, the town applies for Owner-Occupied Rehabilitation grants from the state to ensure low-to-moderate income residents receive help improving their homes' energy efficiency. Home-owner Doug Oakes was one of several who benefited from the award. With the grant money, he received new energy efficient windows and siding, without compromising his home's historical value. **Pictured: Dublin resident and grant recipient Doug Oakes**

