



President's Message The future of our energy resources

—by Raj G. Rao

Last year, IMPA introduced its 2010 strategic plan – an aggressive forecast for the next decade. To maintain our goal of providing low-cost, reliable and environmentally-responsible power, the Agency developed long-term goals that will be met with careful resource planning and simple conservation practices.

By 2020, IMPA hopes to provide 40 percent of its total energy supply from low- or no- carbon resources, with half of that coming from renewable energy resources. The remaining portion of IMPA's energy portfolio will come from traditional energy resources, including member-owned and Agency-owned facilities such as Gibson Station, Trimble County and the Prairie State Energy Campus. The promising future of our energy resources is possible thanks to these facilities that will allow the Agency to become an even more self-serving entity. With the addition of Trimble County Unit 2 in 2010 and Units 1 and 2 of the Prairie State Energy Campus in 2011 and 2012 respectively, IMPA will be able to significantly reduce its dependence on purchased power.

Also by 2020, the Agency hopes to achieve a 10 percent load reduction through conservation and energy efficiency programs, which will constitute part of its low- or no- carbon resources. Arming consumers

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IURC approves net metering tariffs in four IMPA communities

Recently, several IMPA communities introduced net metering ordinances to their local government officials. In most IMPA member cities and towns, the ordinances serve as authority for the utilities to enter into net metering agreements with residential and commercial customers; however, IMPA communities that still remain under the Indiana Utility Regulatory Commission's (IURC) jurisdiction require additional authorization from the regulatory agency. Four members were recently granted approval from the organization and have moved forward with their plans to allow customers to install on-site generating structures.

Anderson, Lebanon, Crawfordsville and Columbia City proposed net metering tariffs to the IURC. According to the IURC, the documents are identical to other approved net metering tariffs from investor-owned utilities (IOU), with the exception of the class of customers they serve. IOU tariffs only cover residential and K-12 school systems. The municipal tariffs ask permission to serve commercial customers with on-site generation as well.

"We are very pleased the IURC sees the benefits behind net metering for these public power utilities," Indiana Municipal Power Agency President Raj Rao said. "The Commission's continued support of these four communities demonstrates the organization's commitment to providing more opportunities for an environmentally-responsible power supply in the state." *WR*

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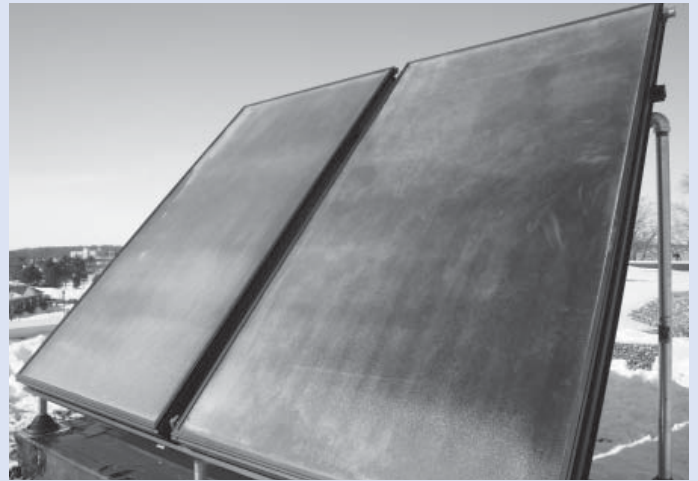
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IMPA explores DSM options with VEIC

The Indiana Municipal Power Agency is exploring options for demand side management programs. It recently signed a contract with Vermont Energy Investment Corporation (VEIC), a not-for-profit that focuses on energy conservation through programs designed for residential and commercial consumers. Per the agreement, VEIC will develop a detailed program outline for IMPA's future conservation programs and will present the proposal for Board consideration at the Agency's annual meeting this April.

"Our agreement with VEIC will help us better define our demand side management goals and provide our members with the tools they need to make them successful in their communities," IMPA President Raj Rao said.

For more information on VEIC, visit www.veic.org.



Solar panels now adorn the roof of the Indiana Municipal Power Agency. This February, the Agency installed these solar panels to provide enough energy to heat water to meet the building's hot water demands. The building will also be equipped with 28 solar panels capable of producing 6.34 kilowatts (kW) of renewable energy.

Legislative Update: The end is near

The first half of the 2010 "short" session of the Indiana General Assembly is over, and there could be just a few short weeks left until the end of the session. Of the 800 or so pieces of legislation that were introduced this year, 239 bills and three joint resolutions have survived the first part of the process. The predictably dominant issue – putting the property tax caps into the state's Constitution – was addressed early on, with both the House of Representatives and the Senate passing the necessary Joint Resolutions. House Joint Resolution 1 is ready to be sent to the Governor for his signature. Another issue that has been the focus of much discussion is lobby and government ethics reform. A couple of bills are moving and it looks like there will be new ethics guidelines approved by the end of the session.

The legislature has until March 14th to conclude its business. But there appears to be a good chance that legislators could finish their work earlier than that, perhaps even the first week of March.

For municipal electrics, it has been a relatively quiet legislative session. The usual issues of concern have not risen to the top of the chart this year. While legislation dealing with renewable portfolio standards, fining ability of the Indiana Utility Regulatory Commission, rate adjustment mechanisms (trackers), and alternative renewable energy contracts (feed-in tariffs) was introduced, no action has taken place. There has been discussion and debate on the issue of net metering. Both the House of Representatives and the Senate have passed bills out of their respective chambers addressing this issue, but municipal electric utilities are exempt from the provisions in both bills. We will be watching these bills closely as the second half of the session moves forward.

For more information or if you have any questions, please contact Carolyn Wright, Vice Presidents of Government and Member Services at 317-575-3873 or CWright@impa.com.

IURC DSM requirements earn IMPA attention

The Indiana Utility Regulatory Commission (IURC) established a mandatory statewide demand-side management (DSM) order for municipal electric and public utilities that are regulated by the IURC. Several IMPA member communities remain under IURC jurisdiction.

The DSM order calls for utilities to create and offer core programs to all classes of customers – residential, commercial, and industrial – by the end of 2010. Jurisdictional utilities are expected to achieve annual energy goals of 2 percent savings by 2020, which in the interim creates a cumulative effect of more than 10 percent savings in the next 10 years. Utilities can achieve these savings by offering core programs in residential lighting, home energy audits, low income weatherization, energy efficient schools and commercial and industrial programs. The state has established a committee to oversee the develop-

ment of the DSM program. While IMPA is not an IURC jurisdictional utility, the Agency is actively involved with the committee as it works to develop a statewide plan.

The committee established three subcommittees, which include a governance subcommittee, program implementation subcommittee and program assessment committee. IMPA has two representatives sitting on the governance and program implementation subcommittees respectively.

Concurrent with the Indiana state initiative, IMPA and its members are developing DSM programs that will achieve the Agency's energy efficiency goals. IMPA also plans to build upon and increase energy awareness in communities through enhancements to the Agency's website, bill stuffers, brochures, newsletters and other marketing programs. *W*

Project Watch

Trimble County Unit 2

The Trimble County Unit 2 project is approximately 92.5 percent complete and is in the commissioning and startup phase. The steam turbine has been put on its turning gear and the flue gas duct work is complete. The startup team is making final preparations to begin oil firing of the boiler system for steam blows which will be followed by the first firing of coal and startup of the plant.



Turbine crossover pipe installation

Prairie State Energy Campus



Prairie State Energy Campus

Prairie State Energy Campus is approximately 40 percent complete. Construction on the Unit 1 and Unit 2 boiler parts continue. Other work on the power block consists of the Unit 1 and Unit 2 cooling tower erection, Unit 1 steam turbine installation, air quality control system erection, steam turbine generator building erection, and raw water pond construction. At the Lively Grove Mine, the bottom development coal production continues with more crosscuts being made, ventilation system work, coal stacking tube construction, and erection of the warehouse and shop buildings. Other work at the mine site includes material handling equipment erection, sewer and water installation, and equipment procurement. The mine is currently 49 percent complete. *W*

Scheduling a power supply requires skill and attention to detail

The Indiana Municipal Power Agency relies on careful planning and load forecasting to ensure it provides reliable, low-cost energy to its member communities. It's not enough to simply purchase power to supplement additional needs not met by our generating facilities. Purchasing too little or too much can result in excessive expenses.

That's why IMPA's power system coordinators carefully keep track of demand trends throughout the year. Recently, the staff entered into a friendly competition to incentivize the coordinators for accurate load forecasting. Each coordinator schedules a power supply for five load areas throughout Indiana and Ohio. IMPA tracks the hourly load forecasts scheduled and compares them to the actual hourly loads. The coordinator with the least variation in load forecasts over a year will be recognized in the *IMPA Wire*.

"This competition encourages coordinators to closely examine load forecasts," Vice President of Market Operations Frank Smardo said. "In the end, more accurate load forecasts will help keep Agency costs down."

President's letter

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with the tools they need to reduce and conserve energy will be part of our mission for the upcoming years. Through a newly enacted contract with Vermont Energy Investment Corporation (see page 2), we hope to refine these tools and programs, thereby allowing consumers to play an integral role in the achievement of our long-term goals.

While we can't be sure of everything that is to come in the next decade, we can be sure that our current operating practices and ability to adapt to change will evolve to meet the challenges and demands for a bright energy future. *W*

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