



President's Message

There is still work to be done

—by Raj G. Rao

On May 21, 2009, the House Energy and Commerce Committee approved the American Clean Energy and Security Act 2009 (ACES), also known as the Waxman-Markey bill. While several improvements were made to the bill during the committee process, IMPA continues to have very serious concerns about the allowance allocation formula contained in this legislation.

One good thing about this bill is the free allocation of some emission allowances to load serving entities. However, Indiana utilities are being "shorted" by more than 35 percent from the beginning of the allocation process in 2012. Too many of these allowances are being provided to non-emitting resources as well as to special interest groups, such as merchant generating plants that do not directly serve any customers. The end result of this is a redistribution of wealth from the Midwest, which is heavily reliant on coal for electricity generation, to the East and West coasts, which are not. As it stands now, the bill allocates approximately 10 percent of the allowances to merchant plants and another 15 percent to utilities on the East and West coasts that are served by nuclear or hydroelectricity. Other allowances are directed to research and development.

In the process, Indiana utilities will

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IMPA partners with co-ops to campaign for fair, affordable energy policy

The Indiana Municipal Power Agency and its 52 member communities have partnered with Indiana's rural electric membership cooperatives to inform Hoosiers about proposed climate change legislation and its potential impact on Indiana's electric rates.



www.FairPowerNow.org

Congress is currently considering legislation designed to reduce greenhouse gas emissions that could increase Indiana consumers' electric bills by as much as \$50 a month. The proposal will particularly impact states that rely on coal-fired generation, especially Indiana where 94 percent of electricity comes from coal.

The Indiana Partnership for Fair & Affordable Energy supports responsible climate change legislation and public policy that achieves carbon dioxide reductions at an affordable cost for consumers and with minimal economic impact. The Partnership includes IMPA and its 52 member utilities, the Indiana Statewide Association of Rural Electric

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Matlock recognized for commitment to public power



Knightstown Works Manager Mel Matlock received the Larry Hobart Seven Hats Award from Maude Grantham-Richards, outgoing chair of the APPA Board of Directors, at APPA's National Conference in June. Photo courtesy of APPA.

Knightstown Works Manager Mel Matlock was recently awarded the Larry Hobart Seven Hats Award by the American Public Power Association (APPA). APPA is a not-for-profit organization committed to advancing the public policy interests of its member utilities and their consumers. IMPA member communities are members of APPA.

The Larry Hobart Seven Hats Award was created to recognize utility managers that serve the nation's smaller communities. Nominees must possess skills in the areas of planning and design, administra-

tion, public relations, field supervision, accounting, human resources and community leadership.

"Mel's dedication to his community is evident in the many roles he plays," commented Raj Rao, president of IMPA. "He is more than deserving of this award."

As Works Manager of a small community, Matlock wears many hats. In addition to balancing utility responsibilities, he works closely with the Planning Commission and serves as the town's Building Inspector. Matlock also sits on the IMPA Board of Commissioners where he votes on Agency issues on behalf of Knightstown.

Mel's commitment to Knightstown does not stop at the end of the work day. He is a member of the Knightstown Volunteer Fire Department and serves as Assistant Chief. Each year, Mel takes time to coach a local basketball team. He and his wife, Jane, also work together on beautification efforts in town by planting flowers in the cemetery each year. *TC*

KEEP ENERGY AFFORDABLE TAKE ACTION NOW

Congress is currently considering legislation designed to reduce greenhouse gas emissions that could increase Indiana consumers' electric bills by \$50 a month. The proposal will particularly impact states that rely on coal fired generation, especially Indiana where 94 percent of electricity comes from coal.

So, can you afford another \$50 a month? Keep energy affordable. Voice your support for fair carbon legislation.

Visit: www.FairPowerNow.org



Partners

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Cooperatives and its 39 member cooperatives, Hoosier Energy and Wabash Valley Power Association.

To educate consumers about the proposed legislation and its impact, the Partnership launched a statewide television advertising campaign and website at www.FairPowerNow.org. Hoosiers can support fair carbon legislation that balances environmental goals with consumer affordability by signing a petition, contacting elected officials, and sharing the message with others.

To learn more about carbon legislation, the impact on Hoosiers and the Partnership for Fair & Affordable Energy, go to www.FairPowerNow.org. *TC*

President's message

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get less than 65 percent of the total allowances needed to help our consumers, requiring us to purchase more than 35 percent of the allowances right from the beginning. As it stands, the ACES Act will have a devastating effect on Indiana ratepayers. Electric rates will increase by almost 23 percent in 2012, and will double by 2026. This will be a disaster for our economy, industry and fixed income residential customers.

We recommend that 95 percent of the allowances be allocated to load serving entities that receive their power from carbon-emitting generating resources, and 5 percent be allocated for research and development purposes. The emission allowance formula must call for a fair and equitable distribution of allowances.

I encourage our member communities to remain engaged with your legislators. Continue spreading the message of this bill's effect on Indiana and keep doing your part to protect Indiana's electric rates. Contact your legislator and voice your support for a fair, balanced and affordable approach to climate change legislation. *W*

Project Watch



Trimble County Unit 2 Boiler Building

Trimble County Unit 2

The Trimble County Unit 2 project is 64 percent complete. Construction is concentrated on the boiler tube weld-out, AQCS system installation, and steam turbine installation. Other areas of work include commissioning the new fly-ash facility and construction of the fuel blending system.

Prairie State Energy Campus

The Prairie State project is more than 19 percent complete. Construction on the Unit 1 boiler steel is complete and significant progress has been made on Unit 2. Installation of Unit 1 boiler tube sections has started, as well as the turbine building steel erection. The foundation was also recently poured for the Unit 2 steam turbine. Other work at the plant consisted of foundation work in the AQCS and cooling tower areas, chimney fiberglass liner installation, and Unit 2 Coal Silo installation. At the mine, work continues on the slope construction, air shaft construction, and material handling system. *W*



Prairie State Unit 1 and Unit 2

IMPA to introduce another wave of CFL coupons

The Indiana Municipal Power Agency has once again partnered with General Electric (GE) to distribute coupons for compact fluorescent light (CFLs) bulbs to its member cities and towns.

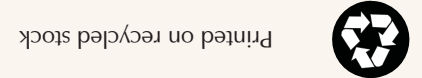


Valid for \$1 off, the coupons will be delivered to communities by the beginning of July. They can be redeemed wherever GE CFLs are sold and are good on any single or combination package of light bulbs. The coupons expire September 30, 2009.

“We are seeing a steady increase in the number of coupons that are redeemed, but we hope to see even more this fall,” said IMPA President Raj Rao. “Making small residential investments in energy savings will mean long-term cost savings for our member utilities and their customers.”

Staff Announcement

IMPA is pleased to welcome Bill Castrodale to its staff. After completing a continuing internship with IMPA throughout his college career, Bill was invited to serve as a distribution engineer for the Agency. He graduated from Purdue University with a B. S. in electrical engineering in May.



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Indiana Municipal Power Agency
Michael Martin, Chairman
Raj G. Rao, President
Send submissions and suggestions to:
Niki Dick · IMPA Wire
Indiana Municipal Power Agency
11610 N. College Ave.
Carmel, IN 46032
(317) 573-9955
niki@impa.com
www.impa.com

