



President's Message

Weathering the storm of rising costs

—by Raj G. Rao

Over the past ten years, consumer costs have increased across the board, some following the escalation of inflation and others surpassing it. Information from the U. S. Bureau of Labor Statistics shows that in that time frame, the cost of gasoline increased 125 percent, medical care increased 50 percent and fruits and vegetables increased 40 percent. Electricity is no different than other commodities in that it has experienced an increase in costs, albeit a smaller increase than many others at 33 percent.

IMPA's most recent rate study echoes the trend of rising costs that is being seen throughout the consumer price index. Rising fuel costs, combined with increased construction and material costs as well as growing demand for environmentally-friendly, yet expensive, generation have all contributed significantly to a greater wholesale power cost. The utility industry as a whole is increasing rates to compensate for these escalating costs. Although wholesale electric rates will go up next year and in the Agency's future, IMPA's member communities will still receive some of the lowest-cost electricity in the state.

IMPA is always looking for ways to keep costs down. Part of the Agency's strategic plan to minimize the effect of rising

- continued on page 3

IMPA signs agreement for purchase of wind power

The Indiana Municipal Power Agency (IMPA) has executed a power purchase agreement with Crystal Lake Wind, LLC, a subsidiary of FPL Energy, LLC, for the purchase of renewable wind energy from the Crystal Lake Wind Energy Center.

IMPA's agreement with Crystal Lake Wind, LLC enables the Agency to purchase 50 megawatts (MW) of renewable energy from the initial phase of the wind farm located in Hancock County, Iowa. When completed, the complex will be comprised of 180 wind turbines with a total capacity of 350 MW.

Under the power purchase agreement, IMPA could acquire enough energy to serve 15,000 homes and reduce carbon dioxide emissions by 150,000 tons per year. IMPA could begin receiving power from the project as early as November 2008 as individual turbines are completed and placed into service.

"The Crystal Lake Wind Farm allows IMPA to expand its already diverse energy portfolio with the addition of renewable energy," commented Raj Rao, President of IMPA. "Our customers will appreciate the environmental benefits it brings, and we welcome the opportunity to participate in a project that meets our goal of a low-cost, reliable and environmentally-responsible power supply."

IMPA's diverse power supply portfolio includes generation fueled by coal, natural gas, nuclear, and now, wind. IMPA also continues to expand its current energy efficiency and conservation programs as well as investigate other energy alternatives.

Inside

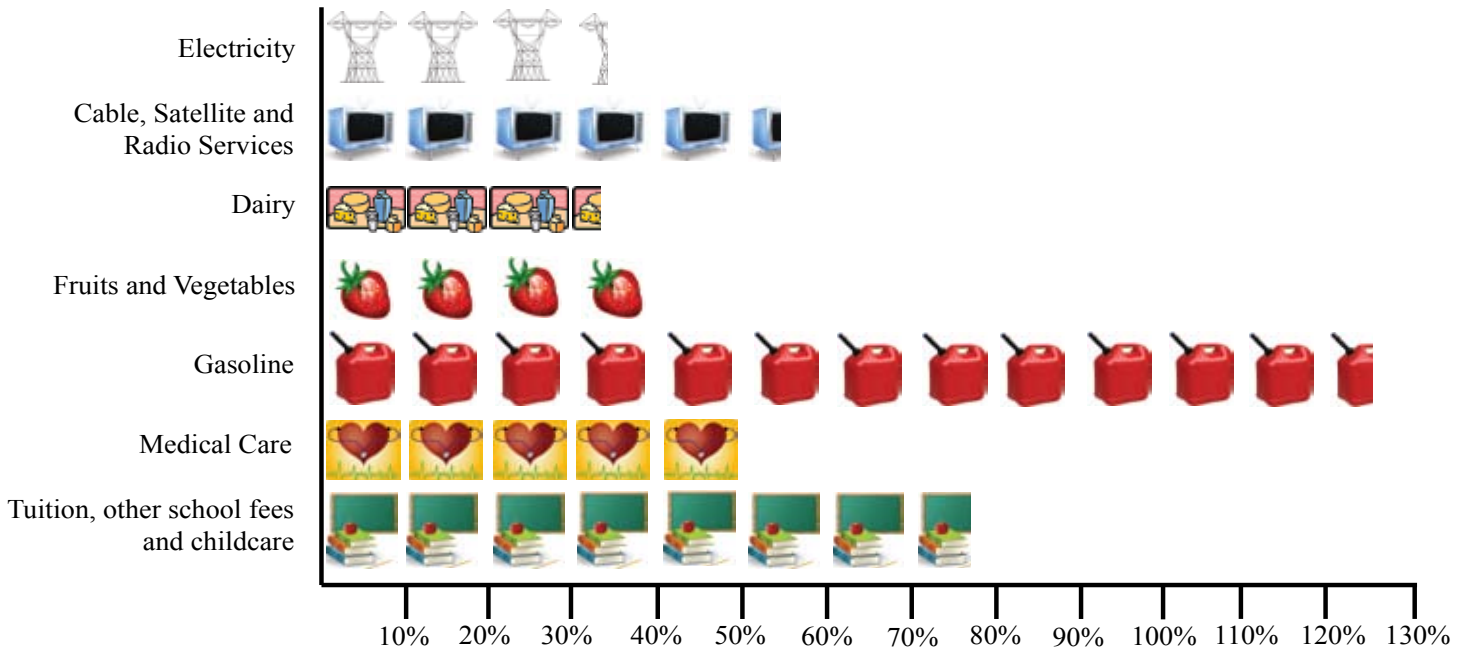
page 2 - Market Watch

page 2 - IMPA invests in energy efficient roof

page 3 - IMPA Project Watch

Market Watch

The cost of everyday commodities has increased over the past decade, and electricity is no different. The chart below details the percent of increase over the last ten years for several common expenses. In comparison, the increase in electricity is average, if not less than, several everyday necessities. *W*



Source: U.S. Bureau of Labor Statistics, 1997-2007

IMPA invests in sustainable, energy efficient roof

*W*hen the roof of IMPA's headquarters became more costly to maintain and repair than to replace, IMPA saw the opportunity to invest in a more sustainable, energy efficient alternative.

Twenty years of chemical and natural weathering took its toll on the original building's roof. Like shingles on a house, a black membrane protects the building's decking and insulation from the elements. Over time, the material developed holes that required constant attention. After many rainy seasons of patching holes and replacing water-drenched tiles in the southern part of the building, the Agency decided to replace the roof's membrane.

This fall, a local contractor is installing a reflective, durable membrane that offers a 30 year warranty and boasts an energy efficient return. Firestone UltraPly TPO is a thermoplastic single-ply roofing membrane that has been Energy Star approved and contributes to the U. S. Green Building Council's Leadership in Energy and Environmental Design (LEED) credits


- continued on page 4



C.E. Reeve, a local contractor, delivers materials for a new, energy efficient roof at IMPA's headquarters.

Webinar to focus on location consultants

IMPA is hosting a webinar by Bob Ady of Ady International designed to provide insight on reaching an important audience in economic development. Site location consultants can be elusive, but with Ady's insider knowledge, attendees will learn valuable techniques for reaching the site location audience.


The webinar is free and open to all IMPA member communities. To register, or for questions, contact Phil Lehmkuhler, Manager of Economic Development and Member Services, at (317) 575-3879 or phil@impa.com. Previous webinars are available at www.impa.com/ecodev_links.asp. 

**Marketing to Location Consultants
– Is It Really So Tough?
November 18, 2008
2 p.m. Eastern Time**

President's Message

- continued from page 1

costs on its members is its diverse energy portfolio. By continuing to investigate and invest in varied energy resources, the Agency is reducing its dependence on any one source of energy and keeping the needs of its members at heart.

IMPA has also worked to educate consumers and provide powerful tools to mitigate the effects of rising energy costs over the last few months. The Agency's consumer publication, the Municipal Power News, has published articles detailing rising costs and provided energy- and money-saving tips. Consumers also have information available at their fingertips on IMPA's website at <http://www.impa.com/consumer-corner.asp>. Member communities were equipped with coupons providing savings on compact fluorescent light bulbs and informational brochures and displays detailing the benefits of switching to energy efficient lighting. While all of these efforts will not cause a decrease in future energy costs, they certainly help to lessen the impact of electricity cost increases. 

Project Watch

Prairie State Energy Campus


Progress continues to be made by Bechtel Power Corp. (Bechtel), the engineering, procurement, and construction contractor for both the Prairie State Energy Campus



Prairie State STG Pedestal and Unit 1 Boiler Structural Steel - October 2008


and Trimble County Unit 2. Bechtel and their subcontractors have completed many of the major foundations at Prairie State and now are erecting the Unit 1 boiler structural steel, the chimney, and the Unit 1 steam turbine generator pedestal. Work continues on the Unit 2 boiler foundation, underground utilities, cooling towers, raw water line, and rail line. At the mine site, earthwork activities are still in progress along with the start of the slope construction and purchase of mining equipment.

Trimble County Unit 2

Bechtel continues to work on construction activities at the Trimble County project site. Efforts on the boiler have centered around hanging tubing panels and starting work on the boiler's pressure parts. The main and reserve auxiliary transformers have been filled with oil and "dressed out" in preparation for energizing in early 2009. There is also still a significant amount of construction going on in the air quality control system area and the steam turbine generator area. Major deliveries beginning in September include the steam turbine generator pieces. Bechtel is working to complete the siding to the turbine building prior to winter. 



Overhead view of Trimble County Unit 2 construction

Major deliveries beginning in September include the steam turbine generator pieces. Bechtel is working to complete the siding to the turbine building prior to winter. 

Roof

- continued from page 2

and Green Globe credits. LEED and Green Globe are rating systems that recognize buildings for sustainable principles and environmental performance.

According to Firestone Building Products, the new membrane is a white, reflective material that should help reduce IMPA's cooling load. The material is designed to resist degradation from ultraviolet radiation, ozone, chemical exposure and microbial growth, as well as punctures, tears and abrasive elements.

Additionally, the new membrane will be fully bonded to the roof using heat welding meth-

ods, rather than using ballast as was used in the past. By choosing a product that can be adhered to the entire width of the roof, IMPA hopes to mitigate the chances of water seeping under the membrane.

The Indiana Municipal Power Agency is following an industry-wide trend in investing in a thermoplastic roofing membrane, Brian Doyle, sales representative for C. E. Reeve, IMPA's contractor, said.

"We typically – up to a couple of years ago – installed the rock ballast, rubber roofs that IMPA is replacing," Doyle said. "For the longest time, ballasted roofs were the roof of choice. Over the past couple of years, we have seen that

change because industries are looking for an energy efficient product."



IMPA's rock ballast, rubber roof is being upgraded to a new material that is resistant to punctures, tears and abrasive elements and is more energy efficient.

Printed on recycled stock



www.impa.com

niki@impa.com

(317) 573-9955

Carmel, IN 46032

11610 N. College Ave.

Indiana Municipal Power Agency

Niki Dick · IMPA Wire

Send submissions and suggestions to:

Raj G. Rao, President

Mayor William H. Graham, Chairman

The IMPA Wire is published by the
Indiana Municipal Power Agency

11610 N. College Ave.
Carmel, Indiana 46032

