



President's Message Senator Dan Coats visits in support of IMPA's mission

—by Raj G. Rao

At a time when the Environmental Protection Agency (EPA) is heavily impacting Indiana's energy industry with new and restricting regulations, it was a breath of fresh air to have Senator Dan Coats visit with IMPA in support of its mission to offer low-cost, reliable and environmentally-responsible energy.

Senator Coats stopped by Greenfield Power and Light, one of IMPA's 53 member communities in Indiana, to hear real life examples of how the EPA's proposed regulations will hurt local utilities and their customers.

The EPA has proposed regulations in five specific areas, which will have significant economic impacts, resulting in the loss of jobs and business growth in Indiana. These areas include: cooling water intake structures, coal ash disposal, interstate transport of air pollutants, reducing power plant greenhouse gas emissions, and hazardous air pollutants, including mercury, which could force electric utilities to retire or retrofit between 33,000 MW to 70,000 MW of generating capacity throughout the country by 2015. Depending on the enforcement of these regulations, coupled with the innovation of new technologies designed to address them, IMPA's six generating facilities could be impacted by hundreds of millions of dollars. In addition, the regulations would result in higher electric

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Companies becoming more energy efficient through IMPA's program

The Indiana Municipal Power Agency (IMPA) Energy Efficiency Program is taking flight as more commercial and industrial businesses are turning to energy efficiency. The program offers cash incentives to commercial and industrial customers in IMPA's 54 communities who make energy efficient changes that fall into the program's menu of services.

The first business to take advantage of the program was Kimball International, who specializes in electronic manufacturing as well as furniture. The company chose to become more energy efficient when they upgraded lighting fixtures in the Kimball International Flight Hangar Facility in Huntingburg. Older metal halide and T12 fluorescent light fixtures were replaced with more energy efficient options. Additionally, Kimball International added occupancy sensor light switches. The project is expected to save more than 10,000 kilowatt hours per year and reduce utility costs by approximately \$1,200 a year.

"We are happy to see companies like Kimball take advantage of an opportunity to realize energy savings in a cost effective and environmentally friendly manner," IMPA President and CEO Raj Rao said.



IMPA President and CEO Raj Rao presents Kimball International Executive Vice President John Kahle (middle) with the company's incentive check for \$1,500. Kimball was the first company to participate in IMPA's Energy Efficiency Program.

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State representative Bill Friend speaks to commissioners



Indiana State Representative Bill Friend summarized the latest Indiana legislative session and supported IMPA's efforts when he came to speak at the IMPA Board of Commissioners meeting on May 20. Friend directly represents constituents in Indiana District 23, which contains IMPA member communities Peru, Bremen and Etna Green, but he spoke in support of all of IMPA's communities. Commissioners heard directly from an elected official about how the most recent legislative session went and what legislators are doing to support the efforts of public power. In addition, commissioners posed questions to Friend and voiced other concerns they had. Friend listened intently to the commissioners and said he would take their remarks back to the House. 

Legislative News Update

- by Carolyn Wright, Vice President of Government and Member Services, IMPA

The 2011 "long" session of the Indiana General Assembly ended quietly on Friday April 29, despite what was a tumultuous session. The House of Representatives and the Senate finished their business and adjourned *Sine Die* having completed work in regulation and without the need for a special session.

It is true that no two legislative sessions are the same. While the basics of the process are constant, every legislative session has its own unique flavor, influenced by the leaders and the political climate of the day. The 2011 session was no exception. This year will be known by the five-week walk-out by the House Democratic Caucus that shut the legislative process in the House of Representatives down from February 22 until March 28. The walk-out was the one tool that the House minority caucus had to alter the aggressive Republican legislative agenda, led by the overwhelmingly Republican majority caucuses in the House, Senate, and Governor Mitch Daniels. This was a budget-writing session, and the year that all legislative and Congressional districts were to be redrawn – probably the two most critical issues to be considered by the legislature. That political dynamic certainly played a key role in how the session ultimately unfolded over the last four months. It would seem that the good fortune of

the GOP was most timely; however, even though both houses were controlled by the same party, they operate very differently. Nonetheless, an aggressive agenda was pushed through and approved, which included numerous education reform measures, a corporate tax reduction, new legislative district maps, a measure that significantly altered the structure of project labor agreements in municipalities, a scaled back immigration reform measure, and finally a new two-year state budget that spends about \$28 billion, and keeps a \$1 billion surplus.

On the energy and electric utility front, this was an interesting, albeit relatively quiet, legislative session for municipal electrics. The Indiana Municipal Power Agency (IMPA) tracked all legislation dealing with energy resources and the electric utility industry. We kept an eye on anything that had any impact on IMPA and municipal electrics in general. A great deal of energy policy is being shaped by what federal environmental regulatory agencies do or do not do in Washington DC, and as a result, many legislative proposals this session reflected that. In the end, there was one major energy bill that dominated discussions – Senate Enrolled Act (SEA) 251. The main components of SEA 251 are as follows: a cost recovery mechanism for federally mandated costs and a clear definition of what those costs can

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President's letter

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rates born by Indiana residents and businesses and make our manufacturing industries uncompetitive in global markets.

Senator Coats reaffirmed at the meeting that he fully agrees with and understands the effect these regulations could have on Indiana electric consumers. We are grateful that Senator Coats took the time to listen to our concerns, and are confident he will carry the message back to Washington DC. Working together, our mission of providing a low-cost, reliable and environmentally-responsible power supply to customers throughout the state will continue to be a reality. *W*



Senator Dan Coats visited with IMPA in Greenfield to show support for public power and to hear real life examples of how proposed EPA regulations could affect local utilities.

OED puts forward free energy plan

Recently, the Office of Energy Development (OED) offered an opportunity that many Indiana Municipal Power Agency (IMPA) communities couldn't pass up. Money made available through Energy Efficiency and Conservation Block Grant funds intrigued 40 IMPA members to apply for a free, customized energy plan opportunity.

The unique program offers Indiana towns and cities below 35,000 people and counties less than 200,000 people the opportunity to work with a consultant on an evaluation of energy use in public facilities, which would lay the foundation for future energy-related projects the community may seek to do.

The community energy plan will show how a community can increase its energy efficiency in its municipal buildings, infrastructure and fleets. In addition, a part of the energy plan would include reviewing utility bills to establish a baseline usage. With this audit and plan in place, the consultant can help municipalities prioritize energy-related projects to help achieve their short and long-term energy savings goals.

Communities will also have the assurance that these audits will be done in a timely manner because all should be complete by December 31, 2011. By next year, several of IMPA's member communities could be on the road to a more energy-efficient future. *W*

More communities prioritize energy efficiency

Ten more Indiana Municipal Power Agency (IMPA) communities will participate in the IMPA streetlight program since remaining funds are now available. Originally, IMPA was able to provide 18 member communities funds to retrofit their streetlights with energy efficient light-emitting diode (LED) fixtures when the Agency was awarded \$5 million in Energy Efficiency and Conservation Block Grant funds through the American Recovery and Reinvestment Act.

Those 18 communities are in the process of installing their new lights, but funds still remain, opening the door of opportunity for other IMPA communities.

The energy efficient LED lights will save each community money by using less energy to produce the same amount of light. In addition, the lights will spur more investments in energy efficiency because the participating communities will place 50 percent of the savings realized from the lights in a fund for a period of five years to be used exclusively for other energy efficient improvements.

The new communities to participate are: Advance, Blanchester (OH), Etna Green, Frankfort, Jamestown, Kingsford Heights, Pendleton, Spiceland, Straughn and Waynetown. *W*

Project Watch: Prairie State

The Prairie State Energy Campus power plant construction project is approximately 77 percent complete. The construction on the Unit 1 boiler is complete and commissioning of the system is under way. On May 31, the Unit 1 boiler was fired for the first time on natural gas. The remaining work on Unit 1 is focused on finishing environmental controls and commissioning. Work continues on the Unit 2 boiler, steam turbine sections, flue gas ductwork, and environmental control equipment. At the Lively Grove Mine, construction is 80 percent complete and on schedule. Coal continues to be delivered to the power plant in preparation of first fire on coal. *W*



A bird's eye view of the Prairie State Energy Campus looking East with Unit 1 in the foreground.

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be, incentives for existing nuclear facilities undergoing maintenance required for relicensing, a voluntary renewable energy standard (this does NOT apply to municipal electrics or rural cooperatives), and eminent domain authority to be used by private entities that seek to build a carbon dioxide pipeline in Indiana.

If you have questions, or if you would like additional information on any legislation that was considered by the General Assembly, please do not hesitate to contact Carolyn Wright, Vice President of Government and Member Services, Indiana Municipal Power Agency, at 317-575-3873 or cwright@impa.com. *W*

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