



IMPA

Powering Change, Propelling the Future

INDIANA MUNICIPAL POWER AGENCY

2021 ANNUAL REPORT





Powering Change, Propelling the Future



Contents

Message to Members	2
Changing Resources	4
Changing Technology	11
Changing Services	11
Changing People	13
Stability	16
Board of Commissioners	18
Financial Highlights	20
IMPA Member Communities	23

President's Message

Change is inevitable. Just as the seasons blend from one to another, the sun rises and sets, and the days pass from months into years, change is a constant in our lives. In recent years, the world as a whole has experienced a great deal of change, continuously adapting and pivoting to deal with the COVID-19 pandemic. While the Indiana Municipal Power Agency and our municipal electric communities have weathered the storms of the past few years just like everyone else, we have endured because we are experts at change. Perseverance and reinvention are our specialties.

IMPA has always walked the fine line of relying on our foundation and ideals while anticipating change and proactively adapting. At the time of our founding, the idea of municipal electric communities joining together to achieve cost savings on wholesale power was an innovative thought. While our foundation of low-cost, reliable, environmentally-responsible electricity remains as the guiding principle in our operations, we have adapted our methods to best meet changing times and circumstances to better prepare the agency and our member communities for the future.

Change is all around us. IMPA began 2021 with 106 megawatts (MW) of solar in our portfolio. By year's end, we had added six parks, increasing our solar capacity to 140 MW. We expect to surpass 200 MW of solar in the next couple of years. While coal remains a substantial portion of our power supply, we are building a portfolio poised to carry the power needs of the future while protecting the environment. Change is visible in the technological advancements we are embracing. An expanded Advanced Metering Infrastructure (AMI) program, plans to research and invest in battery technology, and an increased focus on cybersecurity all marked the efforts IMPA espoused in 202. Change is also evident in our services, as IMPA announced the addition of three new IMPA Service Corp services for member communities in 2022: a safety program, grant writing, and cybersecurity. All three will serve to strengthen our member communities for the many changes and challenges in the world ahead.

One thing that has not changed in our many years of service is our dedication to providing a low-cost, reliable, environmentally-responsible power supply to our member communities. Despite the difficulties in the world over the past two years, IMPA has endured remarkably well. The Agency's 2021 rates remained in line with our rates of 2016, providing stability and consistency to members as they dealt with the trials of the pandemic. We also spent much of 2021 seeking to extend our relationship with our members through an extension of their power supply contracts. The 30-year termination notice provision guarantees a continued secure power supply for their customers while providing IMPA the ability to plan for the future and obtain cost-effective funding to build and maintain our future power supply portfolio. By year's end, 54 of our 61 member communities had already finalized their extensions.

Change is here. 2022 will mark the culmination of my over 40-year career in public power and the utility industry. As a boy growing up on a farm in India, I never could have imagined the path my life would take or the great number of people I would meet throughout this journey. During my time at the helm of this organization, I have watched our generation portfolio grow, expanding and diversifying from coal and natural gas to nuclear and renewables. I have witnessed the growth of our membership, from 11 communities at our founding and 26 communities when we began operations to 61 communities throughout Indiana and Ohio. I have guided the expansion of our services beyond power supply to include engineering, operations, safety and training, accounting, marketing, government affairs, and economic development. I am assured that IMPA remains in good hands as Jack Alvey steps in to assume the position of President and CEO. As I step away from this organization that is my life's work, I am confident that IMPA's strong foundations and ability to proactively adapt to changing circumstances will ensure the Agency's success for future generations to come. Thank you for the opportunity to serve as IMPA President and CEO.



Raj G. Rao
Rajeshwar G. Rao
PRESIDENT & CEO

Brent W. Slover
Brent Slover
CHAIRMAN OF THE BOARD

AS I STEP AWAY FROM THIS ORGANIZATION THAT IS MY LIFE'S WORK, I AM CONFIDENT THAT IMPA'S STRONG FOUNDATIONS AND ABILITY TO PROACTIVELY ADAPT TO CHANGING CIRCUMSTANCES WILL ENSURE THE AGENCY'S SUCCESS FOR FUTURE GENERATIONS TO COME.

Changing Resources

As the Indiana Municipal Power Agency (IMPA) looks toward the future of power supply, change continues to be on the horizon. Since it began operations in 1983, the Agency has continuously made wise investment decisions in generation resources to build a diverse power supply portfolio that will stand the test of time. With over \$2 billion of assets today spread amongst a mixture of coal, natural gas, nuclear, and renewable resources, IMPA is able to provide excellent service, reliability, and stable rates due to this assortment of resources. Diversification is the best asset to ensure longevity no matter the situation, but the focus of this diversification has steadily shifted over the years.

In 2021, IMPA continued to expand its portfolio by investing in its solar program. Having previously constructed 32 solar parks throughout the state in 22 member communities, the Agency continued its efforts to establish a solar park in each of IMPA's 61 member communities. IMPA welcomed six additional solar parks in 2021, including Anderson 3, 4, and 5, Columbia City, Peru 2, and Richmond 5. Together, the new parks have the capacity to generate 33.7 MW of renewable power for IMPA's membership. Combined with IMPA's previously constructed parks, the Agency had 140 MW of solar power online in member communities at the end of the year.

Construction of the solar parks is economically beneficial to the Agency as well as the member communities in which they are built. As the Agency has done in years past, IMPA entered into agreements to sell the solar parks it constructed in 2021 to an investor who can receive the federal investment tax credit. Under the agreements, IMPA continues to operate the solar parks and purchases 100% of the solar parks' production. Through these transactions, IMPA is able to achieve lower cost renewable energy and have the option to purchase the solar parks at the end of six years. Additionally, the construction of these parks within IMPA member communities positively contributes to the tax base of the cities and towns in which they are built. IMPA contributes thousands of dollars in property taxes on a yearly basis to each community over the life of the parks.

While COVID-19 limited the Agency's ability to conduct ribbon cutting ceremonies for all of the parks that came online in 2021, IMPA was able to gather with Columbia City community personnel and elected officials in June for a ribbon cutting ceremony to officially welcome that community's solar installation. The 4.3 MW solar park is Columbia City's first renewable generation facility and provides enough solar capacity to power nearly 800 homes throughout the city. As with most of IMPA's other constructed parks, the facility utilizes a single-axis tracking system that enables the solar panels to move throughout the day, tracking the course of the sun to maximize potential generation.

THE 4.3 MW SOLAR PARK IS COLUMBIA CITY'S FIRST RENEWABLE GENERATION FACILITY AND PROVIDES ENOUGH SOLAR CAPACITY TO POWER NEARLY 800 HOMES THROUGHOUT THE CITY.





**PROJECTED 46%
NO-CARBON BY 2026**

IMPA CONFERENCE CENTER



Senior Management From left to right: Chris Rettig, Senior Vice President and Chief Financial Officer | Frank Smardo, Executive Vice President, Energy Solutions | Raj Rao, President and Chief Executive Officer | Jack Alvey, Executive Vice President and Chief Operating Officer | Peter Prettyman, Senior Vice President and General Counsel

IMPA's plans for future solar generation include construction of six new solar parks and an additional 24.6 MW of solar capacity during 2022. Three member communities will gain another IMPA solar park – Anderson 6 (6.75 MW), Gas City 2 (1.8 MW), and Peru 3 (2.85 MW). Additionally, three other IMPA communities – Bremen (6.75 MW), Linton (5.4 MW), and Walkerton (1.05 MW) – will welcome their first IMPA solar park in 2022. Construction had begun on several of these solar parks by year's end with expected commissioning dates in 2022. All told, the additional parks are expected to increase IMPA's solar portfolio to over 173 MW of constructed solar by the end of 2022. Between projects currently under construction, as well as future projects being planned for 2023, the Agency will have nearly 200 MW of constructed solar capacity in member communities.

Aside from its solar park projects, IMPA has also secured renewable power purchase agreements (PPA) to bolster its diverse portfolio for the future. At the end of 2022, the Agency is under contract to add 75 MW of wind power from the Alta Farms Wind Project II, being constructed in Dewitt County, Illinois by the project owner and long-term operator Enel Green Power. Construction on the 200 MW wind project began in 2021, with the entire project expected to produce 760 gigawatt-hours of wind energy annually. Once the project enters commercial operation, expected in December of 2022, the energy produced will be enough to power over 57,000 US homes. Additionally, the Ratts 1 Solar Project in which IMPA is a participant is currently in the development phase, and is expected to be commercially operational at the end of 2024. IMPA entered into a PPA in 2020 for 150 MW of solar energy, capacity, and renewable energy credits from the project. Finally, IMPA began negotiations on another Indiana solar project PPA. If finalized, the Agency's PPA would include 200 MW of solar energy, capacity, and renewable energy credits from the project that is expected to be commercially operational at the end of 2024.

ASIDE FROM ITS SOLAR PARK PROJECTS, IMPA HAS ALSO SECURED RENEWABLE POWER PURCHASE AGREEMENTS (PPA) TO BOLSTER ITS DIVERSE PORTFOLIO FOR THE FUTURE.

With IMPA's continued solar park construction and planned investments in long-term renewable PPAs, the Agency is on track toward a significant milestone: a projected energy portfolio made up of 46% no-carbon resources by 2026. As environmental regulations continually change, and as older generation units near their end-of-life state, the shift is a necessity for the Agency's future success. It is undeniably a stark contrast from the Agency's first portfolio that powered member communities in 1983. However, IMPA has been building to this achievement in the way it does best: through careful planning, abundant research, and with the needs of its member communities always in mind.

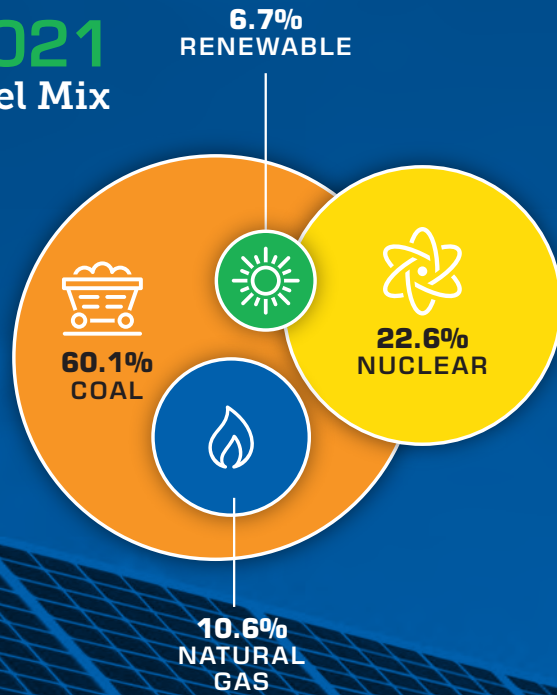
While IMPA's generation portfolio continues to see change, its diverse nature remains as IMPA seeks to strike a balance between renewables, coal-fired, and natural gas resources. By owning such a large, variable amount of power resources, IMPA has more control over its own operations and relies less on the fluctuating market prices of energy, which manifests in more stable wholesale electric rates. With a strong power supply portfolio built off decades of hard work and keen strategy, IMPA will be able to provide its essential services to all its members for decades to come.

On par with IMPA's changing portfolio, the Agency saw an opportunity to change its long-held logo to better represent itself for a growing and changing future. In May 2021, IMPA unveiled a new logo that portrays its intrinsic values of low-cost, reliable, environmentally-responsible power while visually positioning the Agency for a bright future of serving all 61 member communities. The evolution of IMPA's logo reflects the transformation of the Agency since its beginnings in 1983. IMPA's prior logo spoke to the Agency's historic roots of providing electricity to municipal electric communities throughout Indiana, first through power purchase contracts with other suppliers, then through a traditional reliance on baseload resources. However, as IMPA embraces a transition toward renewable energy while expanding its service offerings to communities in Indiana and elsewhere, the need to evaluate the logo became paramount.

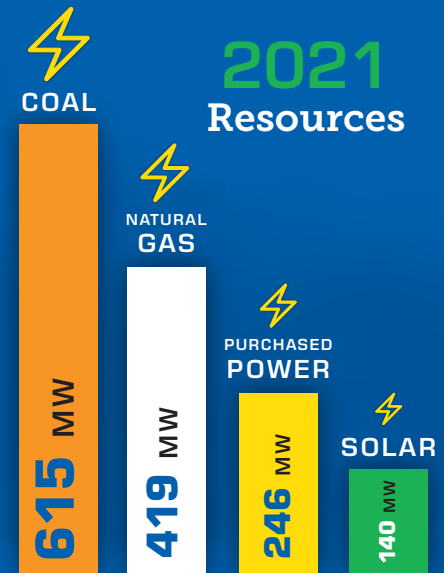
The new logo identity speaks to change and transformation, providing a fresh perspective on the growing and evolving Agency while still staying true to IMPA's core purpose. The modified lightning bolt depicted in IMPA's new logo—a symbol that has defined IMPA's identity for decades—is a nod to the Agency's historic logo while giving it a more progressive feel indicative of the Agency's future. The icon also speaks to the synergy, cooperation, and coming together of municipal electric communities in the formation of the Agency in 1983. The colors shown in the icon—yellow, orange, green, and blue—speak to the diversity of the Agency's energy portfolio, including solar, wind, nuclear, natural gas, and coal resources. The colors and shape of the bolt also symbolize the balance that must be maintained in a diverse power portfolio to best meet the needs of electric utilities. In total, the new logo is poised to support IMPA through the years and changes to come.



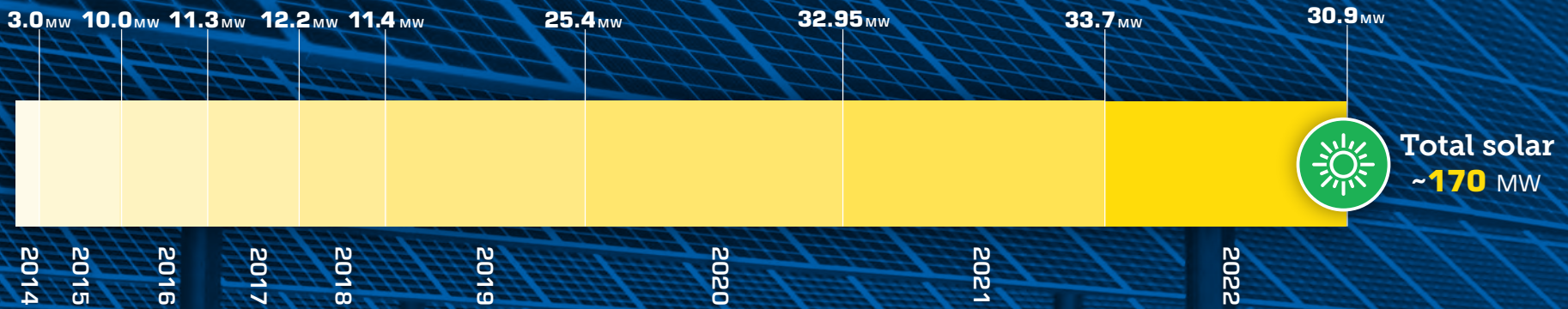
2021 Fuel Mix

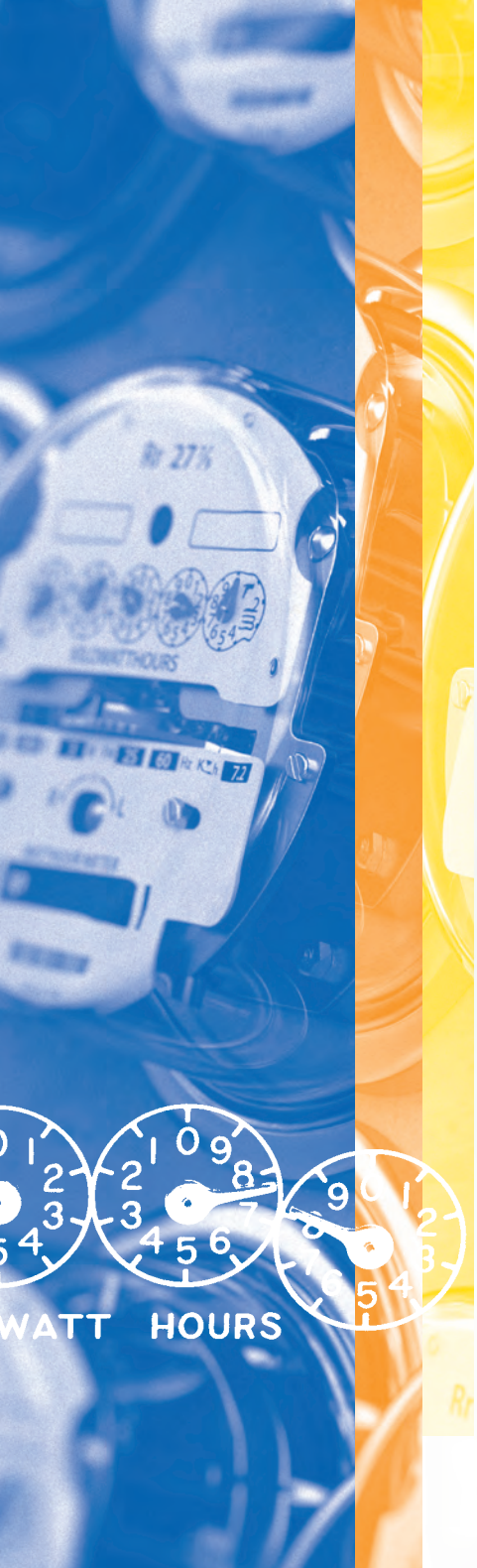


2021 Resources



2021 Solar





IMPA IS CONFIDENT THAT AS MEMBERS CONTINUE TO SEE THE BENEFITS OF CHANGING TO AMI, THE SUCCESSFUL INITIATIVE WILL ONLY CONTINUE TO GROW TO OTHER MEMBER COMMUNITIES.

Changing Technology

The utility industry has witnessed a vast amount of change in technology in recent years. Just as IMPA has been at the forefront of technology since its inception, the Agency continued to lead the way for public power in Indiana by driving several technological initiatives.

IMPA Service Corp continued efforts in 2021 to expand its Advanced Metering Infrastructure (AMI) initiative, which was launched in late 2019 to give IMPA members better and more affordable access to the latest metering technology. The IMPA Service Corp program provides a cost-sharing opportunity for members, where the price of the AMI software and various costs are distributed amongst all participants. Nine IMPA members signed on to the program in 2020 and began the process of meter installation. During 2021, the member communities of Lawrenceburg and Walkerton joined previously participating members Advance, Bargersville, Blanchester, Coatesville, Frankton, Greenfield, Knightstown, Lewisville, and Tipton. At year end, a total of 24,366 electric meters and 9,367 water meters had been installed as part of the program, totaling 33,733 endpoints. Once fully implemented, IMPA Service Corp expects over 29,000 electric meters and over 16,000 water meters to be online amongst those participating communities.

IMPA regularly takes the initiative to investigate new technologies so that the Agency can provide members with honest feedback about these technologies before taking the financial risk of investing in extensive projects. During 2021, IMPA once again embarked on a research opportunity designed to build experience and bring knowledge to IMPA member communities as the Agency began investigating a battery storage pilot program. Battery storage technology has the possibility to reduce the intermittent power supply problem of renewables. IMPA's investment in this technology could prepare the Agency and its Board of Commissioners with valuable information about and experience with batteries as a potential option for the future. IMPA's dedication to researching new technologies helps the Agency and its member communities

stay on the cutting edge of advancements in the energy sector and adopt those that prove successful. As IMPA has done since its inception, the Agency is balancing the foundational beliefs on which it was built with the desire to embrace the changing and effective technologies of the future.

As IMPA and the utility industry look toward future technology considerations, increasing interest in electric vehicles (EV), construction of charging infrastructure to keep up with EV demand, and increased adoption of electric vehicles will increase total electricity sales in member communities. IMPA was an early adopter of budding EV technologies in 2019, when the Agency installed a Level 2 and Level 3 charging station next to its headquarters. Over the last three years, IMPA has watched the technology continue to advance at a rapid pace, with an array of automakers developing more dependable and affordable EVs. To keep up with the increase of EVs on the road, IMPA installed several more Level 2 Tesla destination charging stations for IMPA guests to use while visiting the Agency's facilities. IMPA is leading the charge for the Agency and its members in demonstrating the benefits of electric vehicles.

Changing Services

IMPA has always sought to support its member utilities in ways other than providing power, as the Agency can only grow and thrive if its communities thrive as well. Historically, that desire to support members became more of a reality in March 2001, when the agency launched IMPA Service Corp, the engineering and operations subsidiary of IMPA. In 2021, IMPA Service Corp celebrated 20 years of service to Indiana municipalities. While the services the organization provides have changed and expanded throughout the years, the ultimate goal of the organization has remained to support public power communities beyond power supply.

In 2021, IMPA Service Corp continued to see great success and growth in its services to members. Already serving 12 members as part of its Dedicated Services Program, the group welcomed the member community of Dublin to the fold in the fall. As part of the

Dedicated Services Program, the community will receive system maintenance, vegetation management, and emergency restoration services on a regular basis, promoting a healthy electric infrastructure and securing more reliable service to customers. Dublin joins the communities of Advance, Brooklyn, Centerville, Dunreith, Frankton, Knightstown, Lewisville, New Ross, Rockville, South Whitley, Spiceland, and Straughn as a member of Dedicated Services.

IMPA Service Corp and IMPA also saw a need to offer additional training opportunities to lineworkers and utility personnel in member communities. The Agency partnered with TVPPA Education and Training to launch the Apprenticeship Program in 2021, and began offering the IMPA Service Corp Safety Program as an additional service at the beginning of 2022. Through these programs, IMPA provides municipal utility employees with the skills and resources needed to serve their communities safely.

As a final note for the year at IMPA Service Corp, it was announced that the organization would begin offering cybersecurity assistance and grant writing services in 2022. As the world becomes increasingly reliant on electronics and digital connections, cyberattacks continue to increase in sophistication and frequency. As part of the cybersecurity assistance program, communities will work with a contracted service provider to ensure their systems are safeguarded and the utility is prepared to handle any digital threat it may encounter.

Grant opportunities also moved to the forefront in 2021 with the announcement of President Joseph Biden's Infrastructure Investment and Jobs Act. The Act seeks to invest in infrastructure support and improvements across the nation through funding and grant opportunities. Many of the funding opportunities would be applicable to IMPA communities and offer unique prospects for members to finance improvements in their communities. IMPA and IMPA Service Corp launched the grant writing services program

in an effort to further support member communities in securing funding—both through the Infrastructure Act and through smaller scale programs at the state and regional levels—to ensure the growth and wellbeing of their cities and towns.

In its 20 years of operations, IMPA Service Corp has remained true to its original goal of working to build a healthy electrical infrastructure that reliably serves residents, businesses, and industries in IMPA communities. Over the span of two decades, the organization has expanded its services to incorporate so much more, becoming an integral part of IMPA's member communities. The organization's exponential success during its tenure promises there is no limit to what IMPA Service Corp will be able to accomplish in the future.



IN ITS 20 YEARS OF OPERATIONS, IMPA SERVICE CORP HAS REMAINED TRUE TO ITS ORIGINAL GOAL OF WORKING TO BUILD A HEALTHY ELECTRICAL INFRASTRUCTURE THAT RELIABLY SERVES RESIDENTS, BUSINESSES, AND INDUSTRIES IN IMPA COMMUNITIES.

Changing People

IMPA's strength has always been in people. Although the Agency's primary focus is the production and delivery of a wholesale power supply, it is truly the people IMPA works with at its member utilities, the customers served by our member utilities, and the staff of IMPA who work to make it all happen.

IMPA was pleased to once again connect in-person with utility personnel in 2021. As so many utilities found themselves doing during the COVID-19 pandemic, IMPA had to shift many of its training opportunities to a virtual format. After experiencing this pause in in-person workshops, IMPA resumed hosting monthly workshops at its conference center in 2021. The workshops covered a variety of topics of importance to member utility personnel, ranging from substation maintenance and vegetation management to accident investigation and customer service. The trainings were a great opportunity for communities to reconnect with others after being apart for so long and to learn valuable information that could be used in their daily operations.

IMPA also welcomed the opportunity to recognize essential utility workers for their continued service to public power. In September 2021, IMPA held its first ever Linemen Appreciation Event to recognize the dedication and commitment of Indiana's public power utility linemen to the communities they serve. Over 100 public power leaders and lineworkers from IMPA and its member communities joined to celebrate these frontline workers who exercise the utmost skill, expertise, and teamwork to keep the lights on in IMPA member communities each and every day. The one-day event honored line personnel for their hard work, innovation, and commitment to public power. From restoring power during emergencies to hanging holiday lights, lineworkers serve as the backbone of any public power community.

The Linemen Appreciation Event also gave IMPA the opportunity to honor and remember a retired employee. The Kerry Vincent Distinguished Lineworker Award was established in 2021 to honor the life and legacy of Kerry Vincent, a longtime employee of IMPA



Bob Lichtenfels (center in hat) of Richmond Power and Light was named the inaugural recipient of the Kerry Vincent Distinguished Lineworker Award in 2021. He accepted the award from IMPA President and CEO Raj Rao and in front of Kerry's wife, Becky, and daughters, Amanda and Hannah.

and advocate for public power who passed away in 2021. Kerry's career in the public power industry spanned the course of four decades, including time with Richmond Power and Light and IMPA. His passion for the industry and the brotherhood of linemen was evident in everything he did, and his kindness and unshakeable spirit made him a good friend to all who met him. The Kerry Vincent Award was established to recognize a lineworker from a member community that embodies the traits Kerry exhibited in his everyday life: Commitment, Compassion, Character, and Community. Bob Lichtenfels, a 48-year veteran of Richmond Power & Light (RP&L), was unanimously chosen by the award selection committee and the IMPA Board of Commissioners to be the first recipient of the award due to his qualifications in each of those categories. Lichtenfels's lengthy career with RP&L began in 1973 when he started working for the utility as a janitor. He earned his Journeyman Lineman card in 1979 and became Line Foreman in 1994. He currently serves as Assistant Transmission and Distribution Superintendent for the Richmond utility. As a devoted and knowledgeable lineman who served as a mentor and friend to many, Lichtenfels encompassed the traits of Commitment, Compassion, Community dedication, and Character that Kerry exhibited in his everyday life.

2021 also saw a change in leadership of IMPA's Board of Commissioners. Brent Slover of Linton, Indiana, was appointed as Chairman of the IMPA Board of Commissioners in April. Slover has been an IMPA Commissioner for 16 years and has served the City of Linton as their General Manager of Utilities for over 30 years. Before stepping into the role of Chairman, Slover served on IMPA's Executive Committee as the Vice Chairman. His expertise in the electric industry and understanding of small communities has brought a wealth of knowledge into the Chairman role. Ending his term as Chairman of the Board was Phil Goode of Crawfordsville, Indiana, whose enthusiasm for public power and the betterment of IMPA communities led the Agency's Board since 2018. As the General Manager of Crawfordsville Electric Light & Power, Goode had served on the Board of Commissioners since 2009 and held a position on the Executive Committee for nine years. Per IMPA tradition, Goode's term as Chairman of the Board came to an end after he served in the role for three years.

Perhaps most notably, change is coming to IMPA's management. In October 2021, IMPA President and CEO Raj Rao announced his retirement effective April of 2022. Rao has stood at the helm of IMPA since 1986, when he was chosen as President by the Board of Commissioners. For nearly 40 years, his vision and leadership have guided the Agency to success. While IMPA's path to today has not been an easy one, the Agency has succeeded due to his support, expertise, determination, and strong leadership. The IMPA Board of Commissioners formed a CEO search committee in late 2021 to begin the search for a successor. The committee, comprised of the current board chair and immediate past chair, as well as other board elected officers, was charged with the difficult task of selecting an individual to lead the Agency into a changing energy future. After months of research and deliberation, IMPA's Executive Vice President and COO Jack Alvey was selected and approved by the IMPA Board of Commissioners in February of 2022. He will assume the helm of IMPA following Rao's retirement in April.

Remembering Kerry Vincent



Kerry Vincent, whose lengthy public power career spanned four decades in the utility industry, passed away on April 17, 2021, at the age of 61. Vincent's extensive public power experience included 11 years with Richmond Power and Light (RP&L), where he began his career as an Engineer and later served as Line Superintendent for the utility. It was at RP&L

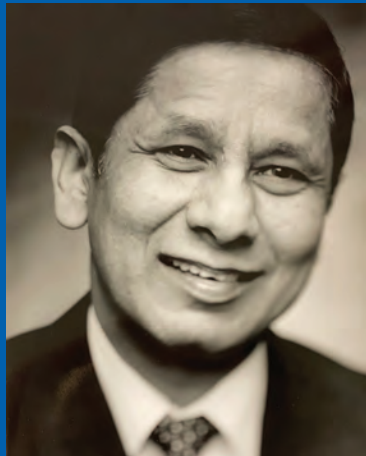
where Kerry met his wife of 35 years, Becky. They later went on to welcome two daughters to their family: Amanda and Hannah. Vincent spent the last 20 years of his career with IMPA, overseeing the formation and growth of the Agency's IMPA Service Corp subsidiary and serving as an invaluable asset to municipal electric utilities throughout the state.

Kerry's passion for the industry, and the brotherhood of lineman, was evident in everything he did. He always had time to share a story or advice with other people in the industry, and he never met a stranger. He was an experienced and knowledgeable individual in the field, but an even better person and friend.

KERRY'S KINDNESS AND UNSHAKEABLE SPIRIT MADE HIM A GOOD FRIEND TO ALL WHO MET HIM.

RAJ HAS LEFT A TRULY INDELIBLE MARK ON IMPA AND ITS MEMBER COMMUNITIES.

Rajeshwar G. Rao



Rajeshwar G. Rao came to the United States in search of the American dream. As a boy growing up in India, Rao was raised in a farming community where schooling was limited. Around the age of 3, he moved in with his aunt in order to have better access to an education. After being introduced to Tom Sawyer by his aunt, Rao became a voracious reader, devouring books in his local library and yearning for more adventure. While his grades were initially

lacking in high school due to his focus on reading, he soon became a shining star, finishing high school as valedictorian and earning a scholarship for engineering. His father had hoped that Raj would return to farming with his family, but Raj had higher aspirations and pursued his engineering education at Osmania University in Hyderabad, India. Upon graduation, he moved to the United States with only \$2000 to his name to pursue a master's degree at the University of Missouri. He later obtained his MBA from Ball State University in 1985.

Rao's contributions to IMPA and Indiana's electric utility industry began in 1977 when he was hired as an engineer at Richmond Power and Light. It was there he met and was mentored by Irv Huffman, RP&L's General Manager, who would later encourage him to apply for the Director of Engineering role at the newly formed Indiana Municipal Power Agency. Raj joined IMPA in 1983 after the Agency began operations to help establish the organization

as a credible municipal wholesale power provider. Rao was named President and CEO in 1986 and has served tirelessly in that role ever since.

Raj's long and storied career in public power includes time spent as Chairman of the Prairie State Generating Company. During the initial construction of the plant, Rao also concurrently served as President and Interim CEO of the Prairie State Generating Company. In addition to his role on the Board of Directors of the Prairie State Generating Company, he has also served as a board member of the American Public Power Association and Chairman of the Transmission Access Policy Study Group.

Rao is one of the most respected utility executives in his field and is looked upon as an expert and innovator in the development of solutions for Indiana's – and our nation's – power needs. Rao's determination and deep desire to help has been the driving force behind IMPA's overall success. During his tenure, IMPA has grown from a small Agency with only \$150 million in assets to a \$2 billion organization, and has seen its bond ratings rise to A+ status. The Agency was formed to provide municipal utilities with a low-cost, reliable, environmentally-responsible power supply, and IMPA's 61 member communities continue to enjoy some of the lowest residential electric rates in Indiana today.

Rao's tireless commitment to public power and his strong dedication to the citizens of the Hoosier state are evident. The energy with which he has approached his career, and his life, is tremendous. He has left a truly indelible mark on IMPA and its member communities.

New IMPA CEO Jack Alvey



Jack Alvey joined IMPA in 1992 as a combustion turbine operator/technician. He previously served in the United States Navy's nuclear power field before entering the public power sector. Prior to his selection as IMPA's next President and CEO, Alvey had served as IMPA's Executive Vice President and Chief Operating Officer overseeing IMPA's

generation operations, transmission joint ownership, electrical facilities, construction, safety, and environmental and reliability compliance. He holds a Bachelor of Science from Purdue University and MBA from Indiana University. During his tenure, he has played a key role in IMPA's involvement in numerous generation projects, including the Prairie State Energy Campus, Trimble County Unit 2, IMPA's Combustion Turbines in Anderson, Richmond, and Indianapolis, as well as spearheaded the development of over 40 solar parks in member communities across the state through IMPA's growing solar program. Alvey is a native of Richmond, Indiana—one of IMPA's founding member communities.

Stability

Despite all of the changes facing IMPA and the industry, one thing that has not changed for the Agency and its members is its stability. Despite the trials and tribulations of the world over the past couple of years, IMPA successfully managed to maintain stable rates for its member utilities in 2021. The Agency's wholesale rates were an average 3.78% higher than in 2020, but were still 2.1% lower than the rates members paid in 2017. The Agency announced an average 3.92% increase in wholesale rates for 2022; however, even with the increase, IMPA's member utilities will still see rates comparable to those the Agency held in 2016. Furthermore, IMPA's wholesale rates remain as some of the lowest in the state of Indiana.

IMPA's stability is one driving factor that enables the Agency to attract and maintain membership in the Agency. Through much of 2021, the Agency sought to extend its relationships with its 61 member communities through amendments to its power sales contracts. The contracts also provide the security and support the Agency needs when issuing bonds and seeking long-term financing opportunities. IMPA continuously looks ahead to plan and secure cost-effective resources where the cost of the investment can be spread over the life of the asset. Doing so ensures reliability of service while bringing long-term financial benefits to the Agency's utilities. By year-end, IMPA had finalized contract extensions with 54 of its 61 member communities, extending their power supply contracts an additional eight years through 2050. Additionally, the extensions include a 30-year termination clause, providing an evergreen provision to the contracts. The extensions ensure the next generation of municipal electric customers continues to enjoy a low-cost, reliable, and environmentally-responsible power supply.



Stability is also what drives economic development in member communities. IMPA was once again recognized as one of the top 20 utilities in the nation in economic development by *Site Selection Magazine* during 2021. Out of over 3,300 utilities nationwide, the 20 utilities chosen for the designation are determined by examining corporate end-user project investment and affiliated job creation in those utilities' territories the previous calendar year, evaluated on a cumulative and per-capita basis. They also consider economic

development programs and incentives for business, including energy efficiency and renewable energy programs, marketing/outreach, and rates. IMPA was selected for the honor based on the job creation and capital investment commitments announced from project activity in 2020 within the IMPA service territory, and was the only utility from Indiana to be included on the list.

CHANGE CAN COME SLOWLY AND QUIETLY, BUT IT CAN MAKE A RESOUNDING APPEARANCE. NO MATTER THE FORM THAT CHANGE TAKES, IMPA MUST BE PREPARED TO FACE IT HEAD ON. AS THE AGENCY HAS DONE FOR ALMOST 40 YEARS, IMPA WILL CONTINUE TO PURPOSEFULLY PLAN FOR THE FUTURE WHILE NAVIGATING THE CHANGE AND CHALLENGES ALONG THE WAY. A REMARKABLE HISTORY STANDS BEHIND US, AND A BRILLIANT FUTURE AWAITS FOR IMPA TO MAKE ITS MARK.




- 1 Brent Slover, Linton
- 2 Ram Reddy, Blanchester
- 3 Andy Hicks, Tell City
- 4 Danny Hickman, Paoli
- 5 Josh Denlinger, Brookston
- 6 Mike Hubble, Ladoga
- 7 Billy Kinnett, Lawrenceburg

- 8 Nolan Ensor, Bainbridge
- 9 Kevin Shafer, Flora
- 10 John Reutepohler, Huntingburg
- 11 Kevin Strickler, Williamsport
- 12 Ed Basquill, Lebanon
- 13 Ron Koons, Middletown
- 14 Craig Switzer, Pendleton

- 15 Dick Justice, Gas City
- 16 Shawn Lickey, Columbia City
- 17 Kevin Killinger, Bargersville
- 18 Dan Wandersee, Centerville
- 19 Jay Stoneburner, Bremen
- 20 Jerry Schitter, Jasper
- 21 Mike Jenner, Edinburgh

- 22 Tony Pochard, Anderson
- 23 Jayana Posey, Lewisville
- 24 Mitch Moore, Brooklyn
- 25 Ken Smith, Veedersburg
- 26 Barry Lewis, Waynetown
- 27 Faith Willoughby, Chalmers
- 28 Dick Klein, Tipton

- 29 Jamie Lindstrom, Argos
- 30 Nathan Ulerick, Dublin
- 31 Todd Corrie, Frankfort
- 32 Josh Hawkins, Jamestown
- 33 Mayor Brad Crain, Covington
- 34 Brian Mullen, Darlington
- 35 Paul Bartlow, Montezuma



36 Phil Buckmaster, Walkerton
 37 Tim Martin, Dunreith
 38 Mayor Alan Weiss, Greendale
 39 Randy Ennis, Washington
 40 Sarah Ward, Knightstown
 41 Lisa Corey, Frankton
 42 Barry Baker, Etna Green

43 Jim Caldwell, Advance
 44 Tony Foster, Richmond
 45 Gary Moody, Thorntown
 46 Ron Slover, Coatesville
 47 Phil Goode, Crawfordsville
 48 Bernard "Pudder" Linne, Troy
 49 Kari Moss, Kingsford Heights

50 Mayor Stephen Wood, Rensselaer
 51 Josh Chance, Peru
 52 Ruth Davidson, Straughn
 53 Jeff Lane, Spiceland
 54 Brad Zellers, Winamac
 55 Jane Webb, Greenfield

Not pictured:
 Ashley Kelsey, New Ross; Jason Love,
 Pittsboro; Dale Turner, Rising Sun;
 Steve Farrington, Rockville; Mayor
 Terry Amick, Scottsburg; Randy Cokl,
 South Whitley

FINANCIAL HIGHLIGHTS

2021 Annual Operating Results

Operating revenues, which are composed of sales to municipalities and other revenues, increased by approximately \$25.5 million (5.5%) compared to 2020. Kilowatt hours (kWh) sales to members continued to rebound post COVID-19 by approximately 2.4% compared to 2020. The average accrued cost per kWh for 2021 was 7.82 cents, an approximate 3.2% increase compared to 2020.

Total operating expenses increased approximately \$19.7 million (5.0%) compared to 2020. Total non-operating expenses decreased approximately \$2.6 million (5.6%) compared to 2020.

Condensed Consolidated Statements of Revenues, Expenses and Changes in Net Position

(\$ millions)

	2021	2020
Sales to municipalities	\$ 480.6	\$ 454.8
Other revenues	8.1	8.4
Total Operating Revenues	488.7	463.2
Purchased power, fuel and production expenses	251.7	226.1
Transmission and local facilities	50.6	53.6
Other operating expenses	113.4	116.3
Total Operating Expenses	415.7	396.0
Total Operating Income	73.0	67.2
Interest expense	59.5	62.0
Interest income	(6.0)	(5.2)
Other non-operating income	(9.9)	(10.6)
Total Non-Operating Expenses (Income)	43.6	46.2
Change in Net Position	29.4	21.0
Net Position at Beginning of Year	415.5	394.5
Net Position at End of Year	\$ 444.9	\$ 415.5

Utility plant increased approximately \$19.9 million in 2021. Capital additions were approximately \$114.8 million, net disposals and retirements were approximately \$47.8 million, and depreciation expense was approximately \$47.1 million.

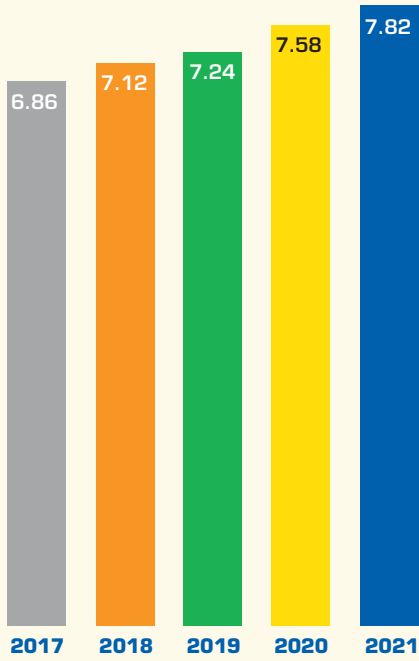
During 2021, total net position increased approximately \$29.4 million, reflecting IMPA's 2020 net income.

Debt service coverage for 2021 was 1.33 times. The Agency's bond resolution requires debt service coverage to be at least 1.10 times.

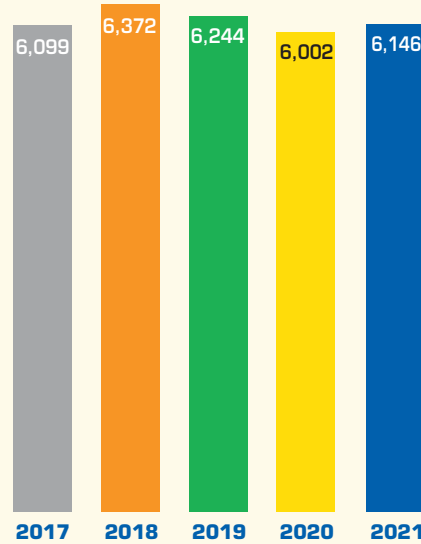
Condensed Consolidated Statements of Net Position

(\$ millions)

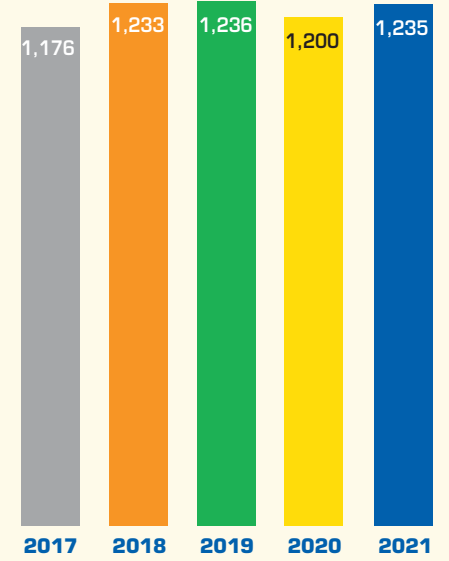
	2021	2020
Utility plant, net	\$ 1,306.0	\$ 1,286.1
Cash and investments	366.7	422.5
Other current assets	140.7	128.0
Deferred outflows	233.7	203.1
Total Assets	\$ 2,047.1	\$ 2,039.7
Net investment in capital assets	(60.4)	(124.4)
Restricted	162.8	195.0
Unrestricted	342.5	344.9
Total Net Position	444.9	415.5
Non-current liabilities	1,439.2	1,468.5
Current liabilities	163.0	155.7
Total Liabilities	\$ 1,602.2	\$ 1,624.2
Total Net Position and Liabilities	\$ 2,047.1	\$ 2,039.7



COST PER KILOWATT-HOUR TO MEMBERS (Cents/kWh)



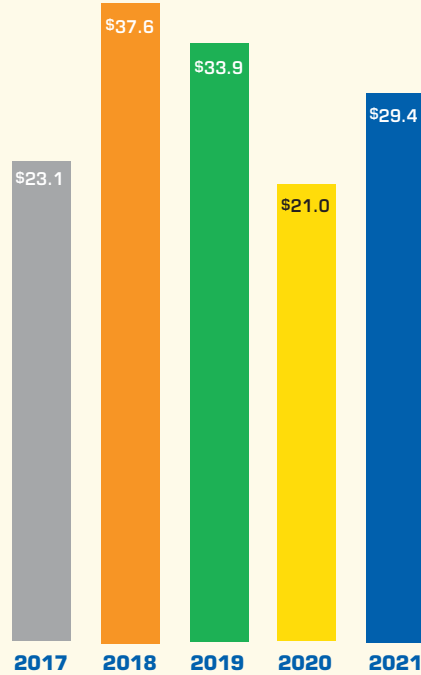
KILOWATT-HOUR SALES (in millions)



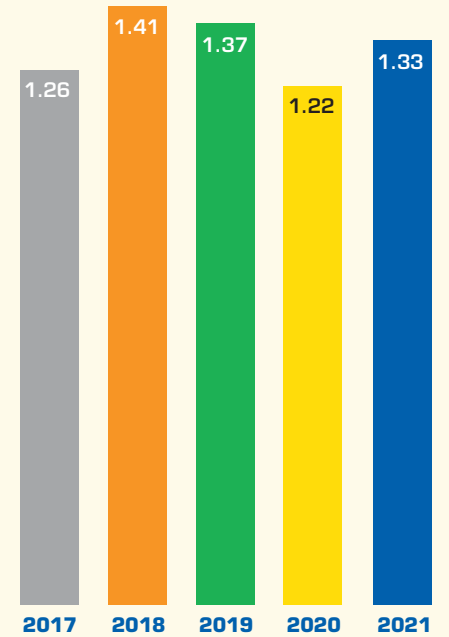
NON-COINCIDENT PEAK DEMAND (MW)



SALES TO MUNICIPALITIES (\$ Millions)






NET INCOME (\$ Millions)



DEBT SERVICE COVERAGE (Times)

MEMBER COMMUNITIES

-  IMPA Community
-  IMPA Generation
-  Solar Park

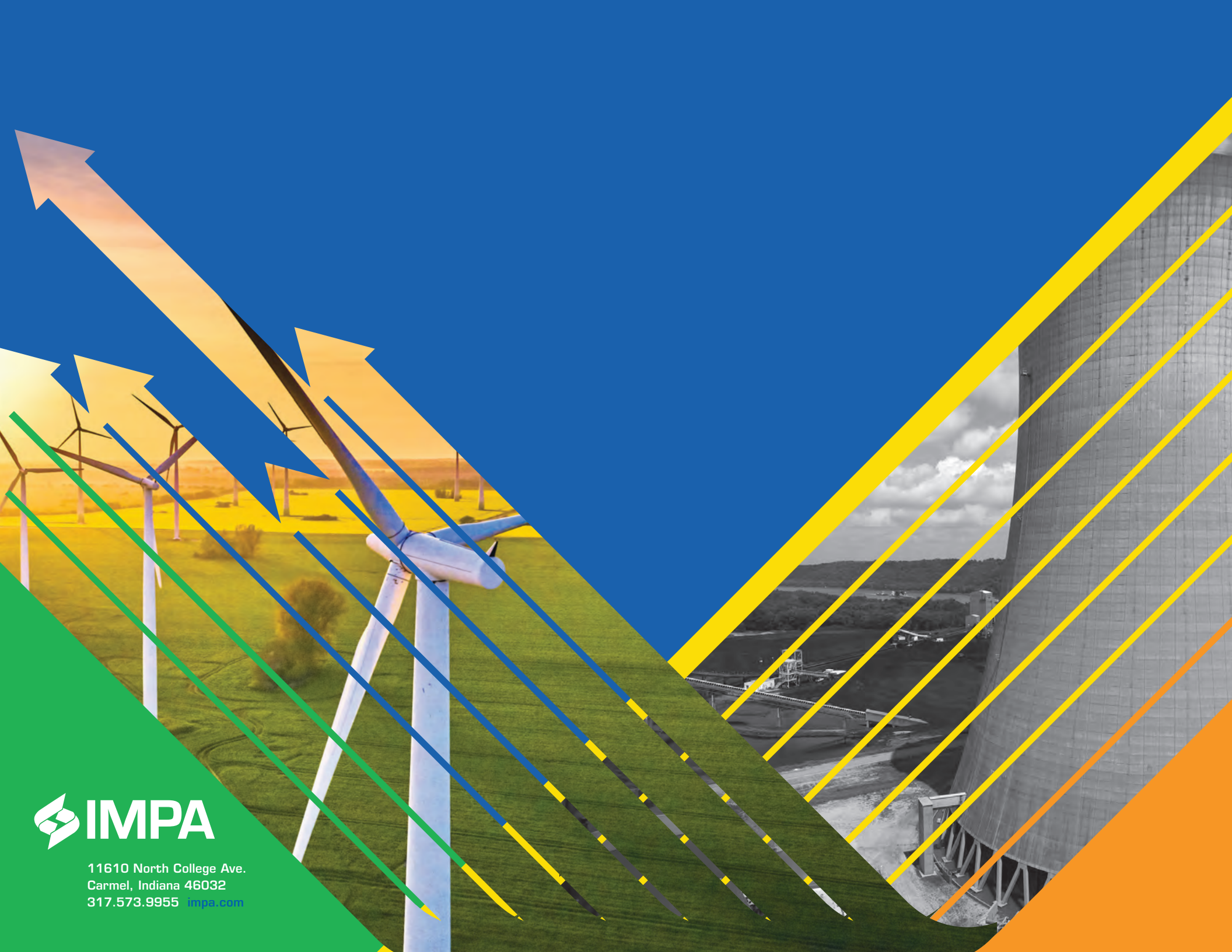


THE SUN RISES AND SETS, AND THE DAYS PASS
FROM MONTHS INTO YEARS...

Change is a constant in our lives.







11610 North College Ave.
Carmel, Indiana 46032
317.573.9955 impa.com