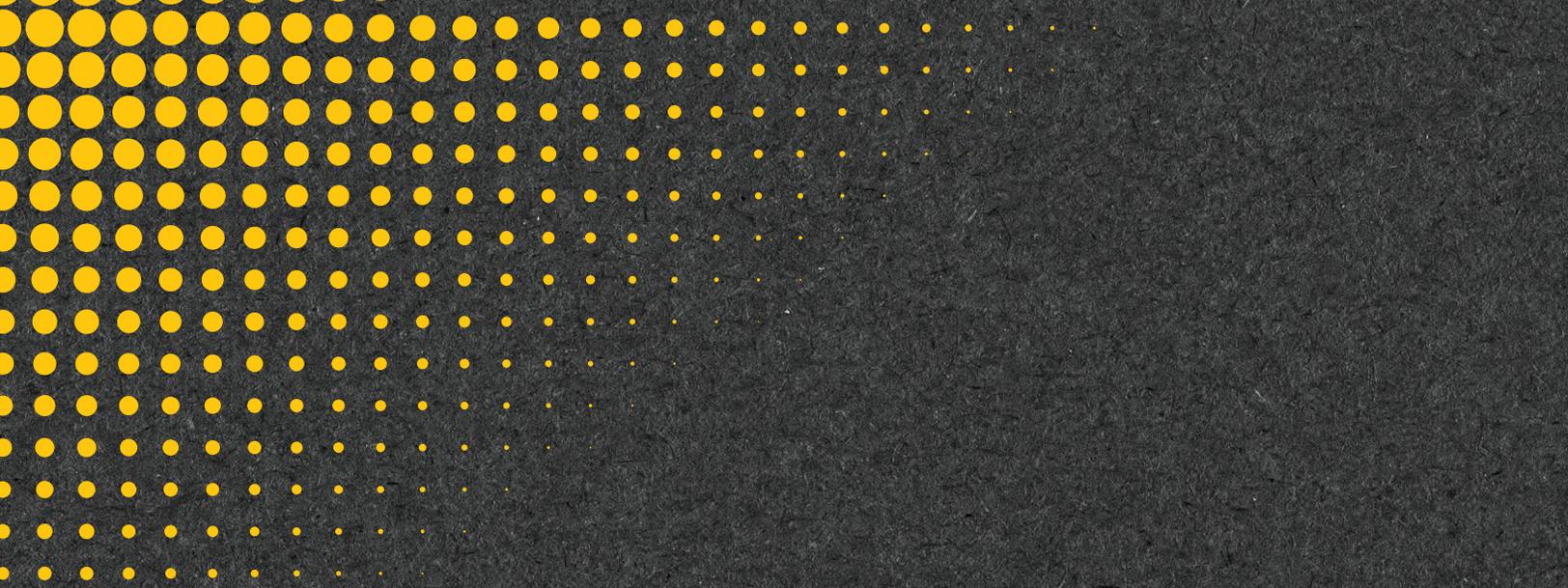


INDIANA MUNICIPAL POWER AGENCY ANNUAL REPORT

20
20



We power on



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We empower each other

Twenty-twenty was the year the entire world recognized something that the Indiana Municipal Power Agency and its members have known for decades

we are stronger together



PRESIDENT'S MESSAGE

Twenty-twenty was the year the entire world recognized something that the Indiana Municipal Power Agency and its members have known for decades — we are stronger together.

When IMPA was formed in the early 1980s, our member communities joined together under the belief that municipally-owned utilities would have greater opportunities to secure a reliable and low-cost power supply for their customers if they worked together as a group to do so. Together, they sought joint action legislation to enable the formation of the Agency. Together with IMPA, they secured generation and transmission assets and a power supply sufficient to meet the needs of member utilities. Together, we grew our membership and welcomed additional communities in need of a wholesale power supply and an ally in the industry. Together, we expanded service offerings to include additional services beyond power supply and increased reliability to our member customers. Together, we advocated for legislation and regulations in protection and support of public power and municipal utilities. Together, we invested and planned for the future. Through it all, we learned the meaning of powering on through adversity for the betterment of all — together.

In 2020, life as we all know it came to a standstill. The COVID-19 pandemic, a mere murmur at the end of 2019, spread exponentially, touching every country across the world. As the virus spread, cities, towns, and entire countries shut down in an effort to slow the progression of the virus. “Wear a mask, wash your hands, slow the spread” became the world’s mantra as we sought to protect our loved ones and ourselves. As we all faced a common enemy, we found a common thread and solution — by working together, we are strong enough to prevail.

As an essential service provider, IMPA and our members did not miss a beat, immediately developing plans to ensure the safety of staff so we could continue providing the power needed by so many businesses and residences during the pandemic. Now, more than ever, public power customers needed reliable and immediate access to electricity — not only to conduct business, but to connect with each other while staying safe. When the world stopped, public power went to work.

Despite the pandemic, IMPA continued to power on. The Agency was also able to move forward with several previously planned projects that would improve our member communities’ access to low-cost, reliable, and environmentally-responsible electricity. The Agency expanded its solar portfolio through the addition of seven solar parks in member communities, crossing the 100 megawatt (MW) mark in IMPA constructed solar by year’s end. The Agency continued to look for opportunities to secure its future power supply portfolio, and took a step in that direction by executing a power purchase agreement for an additional 150 MW of solar beginning in 2022. IMPA also sought opportunities to support its members through additional services designed to streamline service and provide reliable power. IMPA’s engineering and operations subsidiary, the IMPA Service Corp, saw the expansion of its Advanced Metering Infrastructure (AMI) program as additional member communities signed on to participate.

While people were driven apart across the world, families found themselves growing closer in the still moments. IMPA and our family — our members and their customers — found strength in supporting and caring for one another. The trials of 2020 did not break our spirit, and we persevered throughout. Amidst the trials, we found a new mantra to get behind —

*we are in this together,
and we power on.*



POWERING ON THROUGH THE PANDEMIC



The year 2020 will be remembered for many reasons, but none more significant than the COVID-19 pandemic. While most of the world stowed away at home, crucial IMPA staff continued working to keep the lights on and the power flowing. IMPA staff—notably power system coordination staff, metering personnel, solar staff, and distribution personnel, as well as those at the Agency’s combustion turbines and Whitewater Valley Station and IMPA Service Corp’s team of linemen—remained on the job to supply the Agency’s municipal utility members with low-cost, reliable, and environmentally-responsible power throughout the pandemic. These three qualities define IMPA’s mission, and the staff members that directly played a part in bringing these qualities to fruition were true heroes through this global health emergency. The linemen of IMPA Service Corp maintained reliability by providing outage restoration and other maintenance services throughout the pandemic to multiple member communities, while the communities that are part of the Dedicated Services Program continued to receive their maintenance services. IMPA’s metering, distribution, and transmission staff continued working with members—socially distancing and utilizing proper personal protective equipment—to provide reliable service and solutions to issues that arose. Additionally, utility staff in the

Agency’s public power communities worked to ensure that distribution services to their customers were uninterrupted through the public health emergency. For several months, IMPA office staff members worked remotely at their homes to prevent the spread of COVID-19. As Indiana progressed through its phased reopening plan, those staff members returned to work at IMPA headquarters. The Agency revamped its office settings to meet new COVID-19 guidelines, including six feet of separation, increased sanitizing, and signs posted to encourage frequent hand washing and staying home when feeling ill.

In an effort to protect the welfare of the Agency’s Board of Commissioners and their communities, and following the guidelines set forth by the State of Indiana per the Governor’s executive health order allowing electronic meetings, IMPA’s monthly board meetings were moved to an online forum beginning in April. The Agency and its municipal utility representatives on the board quickly shifted to utilizing technology to conduct the business of the Agency in an efficient and safe manner throughout the year. Additionally, IMPA staff relied heavily on available technology to continue providing excellent service to member communities by joining council meetings virtually to share information and address issues. When small committees began meeting in person, the same level of caution and safety was exercised by the Agency and staff, with proper cleaning and sanitizing methods in place, and social distancing and mask protocol followed by participants.

While IMPA remained committed to the health and safety of commissioners, staff and the public, the Agency’s member communities and their utilities were doing the same. IMPA remained in close contact with its public power communities through the pandemic, providing support and sharing resources available to help communities in any way possible. With educational webinars, COVID-19 resources, government representation, marketing materials, and more, the Agency continued to fulfill the diverse needs of its member utilities and communities. IMPA was proud to supply its essential services to municipal communities that worked relentlessly to adapt, recover, and connect through the COVID-19 pandemic, just as each of IMPA’s 61 municipal utilities made certain to do their part in sustaining their community. While the COVID-19 pandemic has not yet come to a close, IMPA and its municipal member communities will continue to power on, providing the essential services needed to bring people, resources, and communities together.

IMPA remained in close contact with its public power communities through the pandemic to serve them beyond power supply, providing support and sharing resources available to help communities weather the pandemic.

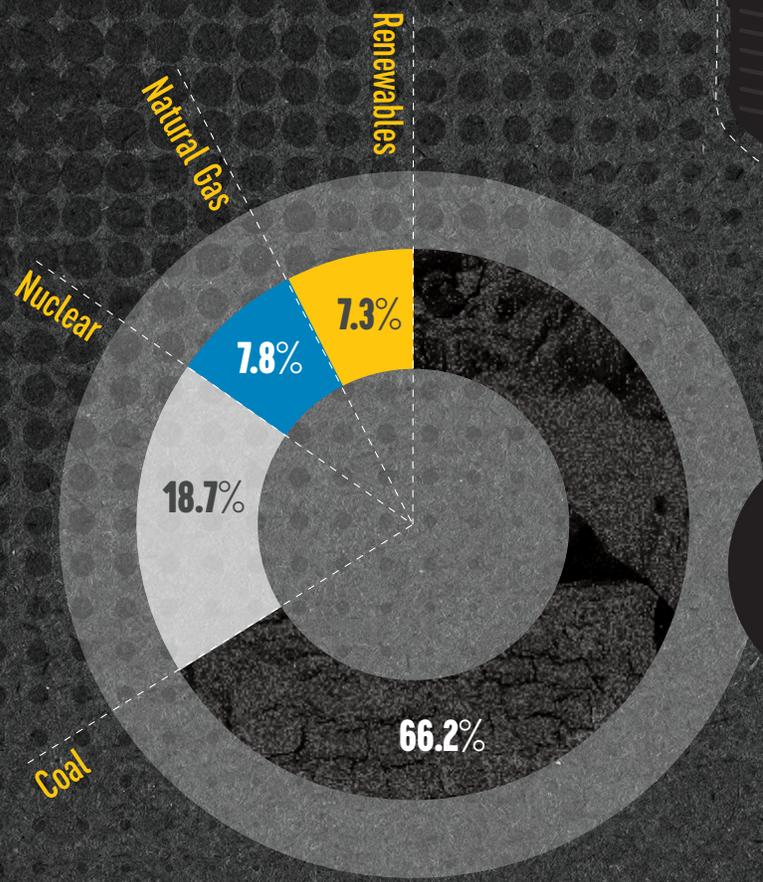
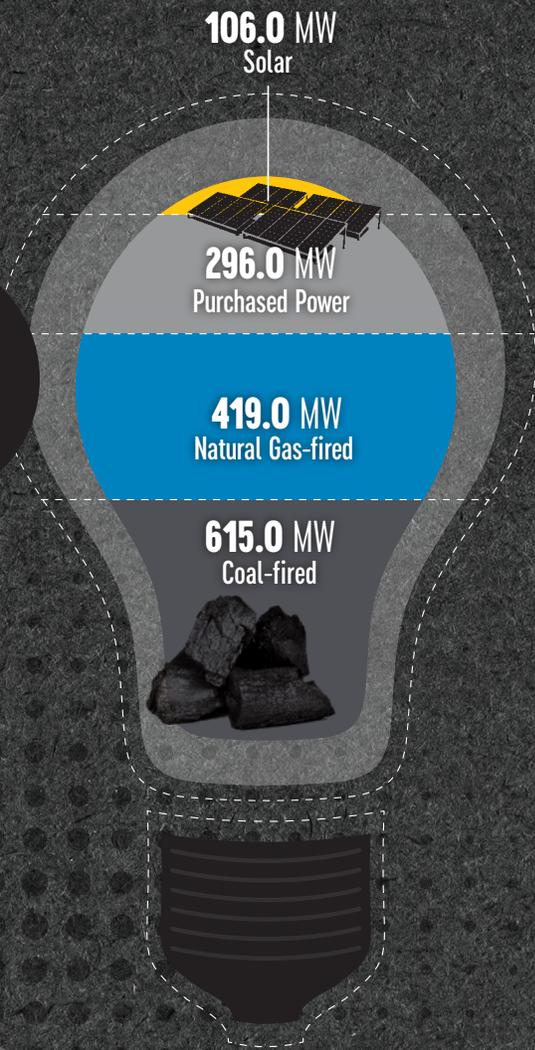
essential services



SOLAR
METERING
DISTRIBUTION
TRANSMISSION
GENERATION

generation resources

2020 IMPA RESOURCES



2020 IMPA FUEL MIX

POWERING UP ASSETS

Providing low-cost, reliable, and environmentally-responsible power has always been IMPA's principal mission, and having a strong financial foundation is necessary in achieving this goal. While IMPA began operations in 1983 with zero assets, the Agency has continuously made wise investments in generation and transmission resources over the last 37 years. Those wise decisions and investments culminated in IMPA officially passing the \$2 billion mark in total assets.

IMPA first pursued generation ownership in 1983, garnering its first asset with the purchase of a 24.95% ownership in Unit 5 of Gibson Station in southern Indiana. IMPA also chose to invest in joint ownership of the Joint Transmission System (JTS), which provides transmission access to approximately two-thirds of the state. IMPA's assets continued to grow over the years, as the Agency acquired an ownership interest in Unit 1 of Trimble County Station in northern Kentucky, constructed and purchased ownership in combustion turbine units, garnered a 12.64% ownership in the Prairie State Energy Campus, and completed a second unit at Trimble County Station.

By 2014, IMPA adapted to changes in the electric industry and established a solar park construction program to construct renewable generation facilities in multiple IMPA communities. Starting in Richmond, Frankton, and Rensselaer, IMPA began installing solar parks with the mission of supplying environmentally-responsible power to its member communities. The parks provide the added benefit of supporting communities through property tax payments made by IMPA.

IMPA has diligently and steadfastly grown its asset portfolio over the past three decades. By owning more of its own resources, IMPA has more control over its own operations and relies less on the fluctuating market prices of energy. The growth of IMPA's investments directly lends itself to the Agency's competitively low electric rates. With a rich history of wise investments and plans to further expand the Agency's assets in renewables, IMPA continues powering on to supply low-cost, reliable, and environmentally-responsible electricity for decades to come.



MICROTURBINE

In November of 2020, IMPA installed a natural gas-fueled C65 microturbine to investigate the advantages and disadvantages of microturbine technology. The turbine is used to power the Agency's conference center and IMPA Service Corp office. A notable benefit of the microturbine is that it can safely serve as backup power supply should there be interruptions on the electric grid. While the total cost of the installation could be cost prohibitive for some utilities, IMPA proceeded with the project for research and development purposes to learn from the technology and share that information with member communities.



senior management

From left to right

- FRANK SMARDO, Executive Vice President, Energy Solutions
- JACK ALVEY, Executive Vice President and Chief Operating Officer
- RAJ RAO, President and Chief Executive Officer
- CHRIS RETTIG, Senior Vice President and Chief Financial Officer
- PETER PRETTYMAN, Senior Vice President and General Counsel

executive committee



Dick Justice
Gas City

Jim Caldwell
Advance

Brent Slover
Linton

Phillip Goode
Crawfordsville

Jay Stoneburner
Bremen

Raj Rao
IMPA

Jerry Schitter
Jasper

Ram Reddy
Blanchester

Faith Willoughby
Chalmers

Tony Pochard
Anderson

POWERING LOW-COST RATES

Twenty-twenty was an unprecedented year for so many, including Indiana businesses and industries. As health emergencies led to the temporary closure of factories, industries, restaurants, and activity centers, the financial impact of such closures became more evident the longer the health emergency remained. Unfortunately, many IMPA communities felt the effects of such closures, as power needs dropped and some businesses fell into bankruptcy. Municipal utilities across Indiana and the nation suspended disconnections and late fees, keeping in mind the best interests of their customers facing the impact of the pandemic.

IMPA was not immune to the economic impacts being felt in its member communities across the state. During the temporary stay home order, IMPA saw an approximate 12% drop in power consumption for a period. Those numbers soon returned back to more normal levels once the state of Indiana began its phased reopening. In total, IMPA saw an overall 2.7% decrease in weather adjusted megawatt-hour sales for the year compared to 2019.

At a time when so much was uncertain, some level of comfort existed in knowing that IMPA and its members have some of the lowest wholesale rates in Indiana. In a 2020 rate comparison, IMPA members' residential customers enjoyed rates 17% lower than the state's investor-owned utilities for an average monthly usage of 1000 kilowatt-hours. While IMPA proposed a 3.78% increase in wholesale rates to members in 2021, the Agency's members will still enjoy wholesale rates 2.1% lower than those they paid in 2017.

IMPA's continued low-cost wholesale power rates are attributable to the Agency's strong fiscal management and ongoing investments in generation and transmission projects throughout its history. They are also a testament to IMPA's purpose driven commitment to member communities. Just as the Agency has done since 1983, IMPA continuously looks ahead in analytic fashion, planning and securing cost-effective resources and spreading the cost of the investment over the life of the assets. Doing so ensures reliability of service while bringing long-term financial benefits to the Agency and each of its member utilities. To continue delivering such benefits, IMPA began the process of extending member contracts in 2019 and 2020. In spite of the ongoing cancellation of in-person public meetings due to the pandemic, over half of IMPA's membership had committed to extending their contract for power supply by year's end. The extensions ensure the next generation of municipal electric customers continues to enjoy the same low-cost, reliable power the Agency has provided to public power communities for 37 years.

2020 BOARD OF COMMISSIONERS



Nathan Ulerick
Dublin

Dick Klein
Tipton

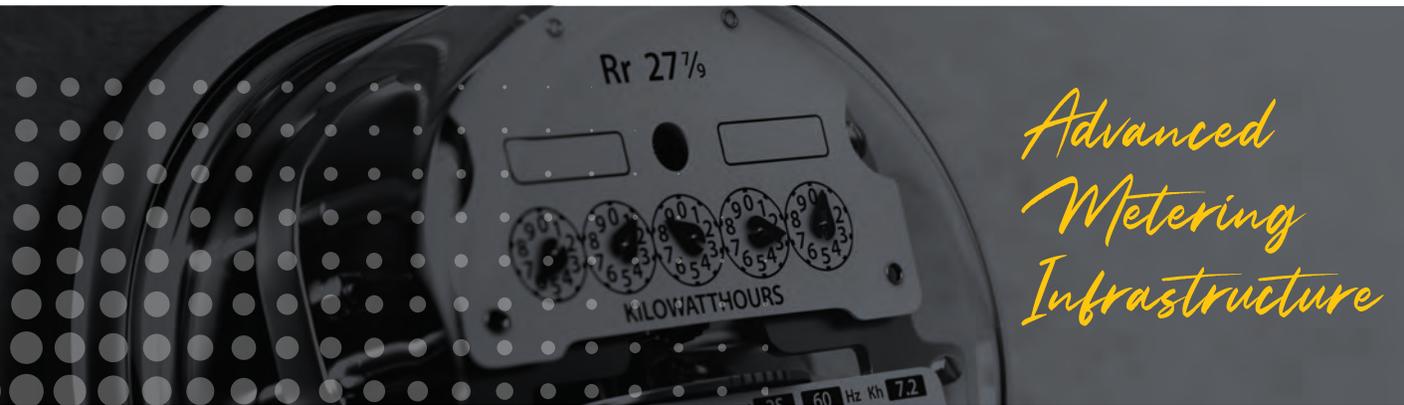
Mayor Stephen Wood
Rensselaer

Kevin Strickler
Williamsport

Shawn Lickey
Columbia City

Lisa Corey
Frankton

Mitch Moore
Brooklyn



Advanced Metering Infrastructure

POWERING UTILITY RESOURCES

At the end of 2019, IMPA Service Corp, IMPA’s engineering and operations subsidiary, launched a new program to assist IMPA member communities in implementing smart metering technology. The Advanced Metering Infrastructure (AMI) program was designed to utilize economies of scale to help IMPA communities realize savings in their efforts to acquire the latest technology in smart metering. AMI’s integrated system of smart meters, communications networks, and data management systems enables two-way communication between utilities and meters. Through the AMI program, IMPA communities can partner with IMPA Service Corp to better access this best-in-class technology and spread the cost of implementation and maintenance over a larger footprint. Many communities expressed interest in AMI not only due to the benefits of remote reads, more accurate data, remote disconnects, and outage notifications, but also because the system provides cost savings to the towns and cities that use the technology. AMI helps utilities work more efficiently, reduces outage response times, and minimizes labor and equipment costs.

Communities who participate in IMPA Service Corp’s AMI program cost share required software, server hosting, and startup training. The software includes metering and outage maps, loss of power/phasing notifications, system monitoring, and customer usage data. Participating communities supply their own physical infrastructure, but IMPA Service Corp can assist with installation of the AMI technology to help reduce the costs. Everything that is cost shared through the program is billed to the community based on the number of meters the participating member serves.

Since the start of the program, IMPA communities Advance, Bargersville, Blanchester, Coatesville, Frankton, Greenfield, Knightstown, Lewisville, and Tipton have all signed on to be part of the program. By year’s end, Greenfield had installed nearly all of its new electric meters, while the other communities were in various stages of procurement and implementation. In total, these communities will replace nearly 25,000 electric meters and 13,500 water meters through the project. IMPA is confident that the program will continue to grow and benefit IMPA members throughout the state, bringing economies of scale and strength in numbers to more public power communities.



Dan Wandersee
Centerville

Kari Moss
Kingsford Heights

Bobby Taylor, Jr.
Jamestown

Ken Smith
Veedsburg

Mike Jenner
Edinburgh

Mayor Alan Weiss
Greendale

Ed Basquill
Lebanon

POWERING RENEWABLES

Powering on through a pandemic can have different meanings for different people. For IMPA, powering on meant going above and beyond to ensure that power was not only here for people today, but that the Agency was taking steps to ensure that sufficient reliable electricity will also be available in the future.

IMPA is proud to be a leader in solar development and construction in Indiana. The Agency prioritizes a diverse power portfolio that helps keep wholesale electric rates stable. Solar parks play a significant role in keeping IMPA's portfolio diverse, leading to a power supply that is low-cost, reliable, and environmentally-responsible. Additionally, the construction of these parks within IMPA member communities positively impacts the tax base of the cities and towns, with the Agency contributing thousands of dollars in property taxes to each community for years to come.

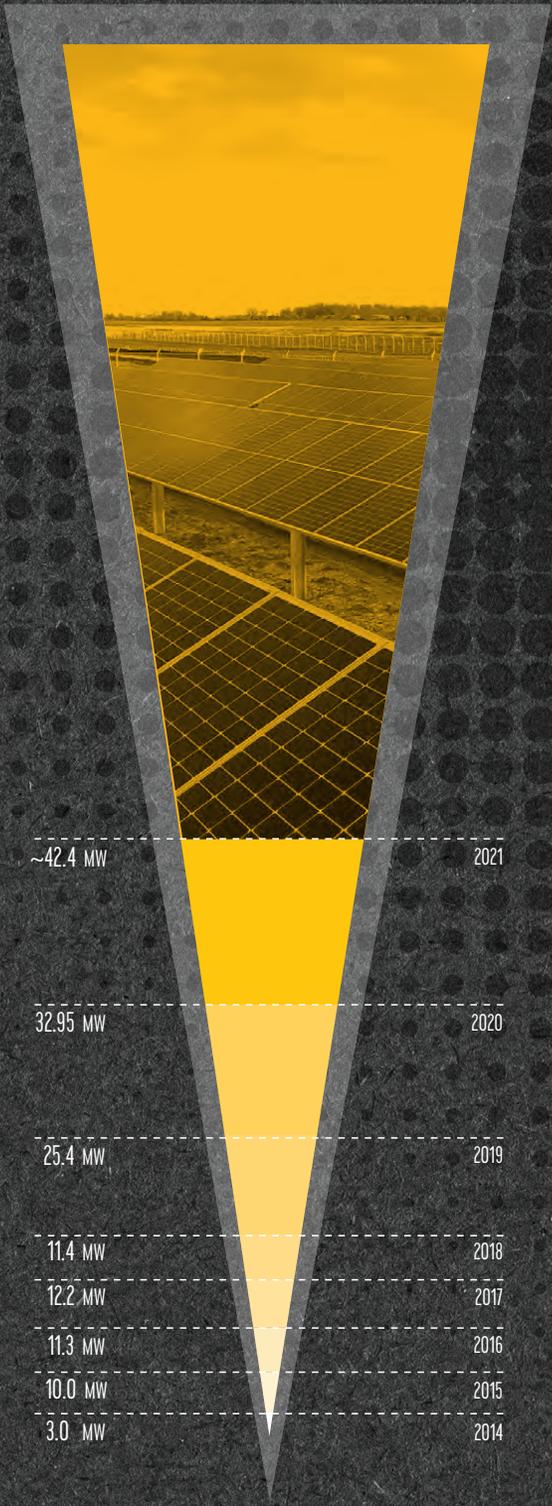
In 2020, IMPA entered its sixth year of developing and constructing solar parks in partnership with its member communities. From 2014 through 2019, IMPA constructed 25 solar parks in 19 cities and towns, making up 73 MW of the Agency's power supply portfolio.

Even in the midst of the pandemic, IMPA and its communities were able to proceed with plans to construct and energize parks throughout the state. The Agency collaborated with Brandt Construction and its members to continue its solar park projects during COVID-19. When several solar sites simultaneously approached their commissioning date in the middle of the pandemic, these contractors and IMPA staff involved in the solar park construction worked tirelessly to complete these projects. In total, IMPA commissioned seven solar parks in 2020, completing two parks in Crawfordsville, and one each in Centerville, Gas City, Richmond, Scottsburg, and Tell City. The parks add 33 MW of solar power to IMPA's portfolio, bringing the Agency's total to 106 MW of constructed and operating solar power generation. The commissioning of these seven solar parks marked IMPA's continued perseverance in the face of the pandemic, enabling the Agency and its communities to celebrate milestones and achievements in a year unlike any other.

On November 6, 2020, IMPA hosted its first solar park ribbon cutting event since 2019. While the COVID-19 pandemic kept the crowd significantly smaller than at past ribbon cuttings, it was purposely done with the health and safety of attendees in mind. On a day filled with bright sunshine and seasonable temperatures, representatives from the town of Centerville and IMPA staff members donned their masks and exercised social distancing to cut the ribbon on the newly constructed solar park. The one-MW facility was the 31st solar park that IMPA had constructed, and brought the Agency's constructed solar portfolio to 99 MW.



2020 IMPA SOLAR





Exercising appropriate COVID safety precautions, representatives from the Town of Centerville and the Indiana Municipal Power Agency joined together to cut the ribbon on the Centerville Solar Park.

The Agency officially surpassed the threshold of 100 MW of solar capacity shortly thereafter with the commissioning of the Richmond 4 Solar Park.

IMPA continues to invest in solar power, with five additional parks currently under construction and seven more planned for late 2021 and early 2022. Between parks online, those under construction, and future ones under development, IMPA has 177 MW of total solar capacity construction planned in its portfolio. The Agency hopes to eventually install at least one park in each of the Agency's 61 member communities, eventually exceeding 200 MW of constructed solar capacity in member communities.

In addition to constructing solar parks, IMPA has taken steps to procure renewable resources through power purchase agreements. IMPA maintains a diverse power supply portfolio and is continuously planning for both short-term power needs as well as long-term requirements. With the potential decommissioning of the coal-fired Gibson Station Unit 5 in 2026, and the upcoming expiration of a power purchase contract, IMPA has been working to fill the gap created by the loss of those two resources.

IMPA signed a power purchase agreement with ENEL Green Power for the Alta Farms II Wind Project to help bolster its diverse power supply portfolio. The Illinois-based project, anticipated to come online in late 2022, will add 75 MW of wind energy to the Agency's portfolio throughout the term of the 15 year agreement. IMPA's portion of the DeWitt County project will generate enough electricity to power the equivalent of 24,000 homes.

IMPA also entered into a power purchase agreement in 2020 for the Ratts 1 Solar project located in Pike County, Indiana. The 1,200-acre project by Capital Dynamics and Tenaska will produce 150 MW of renewable solar energy upon its completion and commercial operation in 2022. IMPA is slated to be the sole recipient of the 150 MW output of the project. Additionally, IMPA issued a request for proposal (RFP) in March 2020 for up to 100 MW of solar capacity and 100 MW of wind capacity to gain further access to renewables in its power portfolio. After evaluating a variety of proposals, IMPA decided to forgo any wind projects, choosing instead to focus on potential solar opportunities. As a result of the RFP process, and combined with the Agency's Integrated Resource Plan work, IMPA was in the closing stages at year end to execute an additional 150 MW power purchase agreement with another solar developer.



POWERING VEHICLES

While mainstream use of electric vehicles (EV) may still seem like a thing of the future, it is crucial that public power providers anticipate and prepare for the business of EVs now. Technology continues to advance at a rapid pace. As EVs become more accessible to the general population and the country's EV charging infrastructure grows, public power utilities are in a unique position to benefit from the increase in electric load.

As a result of the Volkswagen Environmental Mitigation Trust Program, Indiana communities and utilities had the opportunity to submit grant funding applications to install charging stations and contribute to the state's overall charging infrastructure. IMPA members Huntingburg and Jasper received word in November that they would be recipients of a portion of the first round of the grant to install Level 2 charging stations in their communities. Of the three main types of EV chargers, Level 2 chargers are the most commonly accessible to the public. The stations are economical to install and typically provide about 12-26 miles of range per hour.

Aside from the Volkswagen program, several other IMPA members already have charging stations installed in their communities, or are in the process of installing stations. The stations in Anderson, Covington, Crawfordsville, Gas City, Greenfield, Frankfort, and Richmond help to create a statewide EV charging network to better support owners of EVs and their travels in Indiana.

IMPA had already begun to take a proactive approach to the boom of EVs to ensure that the Agency and its members are on the front lines of the innovative changes in the automobile industry. Since 2018, IMPA has had a Level 2 and Level 3 charging station next to its conference center, as well as an EV in the company fleet. Late in 2020, IMPA installed four additional Level 2 charging stations for IMPA guests to use while visiting the Agency's headquarters or conference center facilities, free of charge. IMPA is proud to play a role in enhancing Indiana's EV charging infrastructure and encouraging its municipal member communities to consider the benefits of EVs. As an early adopter and advocate for EVs, IMPA will remain prepared for decades to come as the EV boom continues and the need for adequate charging infrastructure increases.



SAGAMORE OF THE WABASH

After a lifetime dedicated to the support and success of municipal utilities in Indiana, IMPA President and CEO Raj Rao was named a recipient of the Sagamore of the Wabash, one of the highest honors bestowed by the Governor of Indiana. Over the last 40 years, Rao has crafted a remarkable career in the not-for-profit, public power sector of the electric utility industry in the Hoosier state. His stewardship of IMPA has benefitted countless citizens, businesses, and communities throughout Indiana. Rao's determination and deep desire to help has been, and continues to be, the driving force behind IMPA's overall success.



Barry Lewis
Waynetown



Brad Zellers
Winamac



Jay Norris
Montezuma



Josh Denlinger
Brookston



Todd Corrie
Frankfort



Randy Baker
Richmond

*making
a difference*

Ahaus Tool & Engineering
Richmond

B&F Plastics + Primex Plastics
Richmond

Fleece Performance Engineering
Pittsboro

Horse Saddle Shop
Bremen

MGP Ingredients
Lawrenceburg

Oakley Brothers Distillery
Anderson

Tiedemann-Bevs Industries
Richmond

**PPE
SUPPLIERS**



COMMUNITIES POWERING ON

Shutdowns and capacity limitations were the norm for companies across the world during 2020. While typical production and business processes came to a halt, some businesses and industries in IMPA's municipal member communities changed course and adapted to the ever-changing situation. Many businesses found ways to power on through the pandemic, changing their processes and product lines to accommodate an increased need for personal protective equipment.

Fleece Performance Engineering in Pittsboro, a manufacturer of automotive products, redeployed its engineers and a portion of its flexible manufacturing space to develop, test, document, and begin producing lightweight disposable full face shields. Similarly, Richmond-based Ahaus Tool and Engineering as well as B&F Plastics teamed up with Primex Plastics to produce face shields for healthcare workers. The companies worked to address the shortage of PPE in the Wayne County, Indiana, area by manufacturing two types of face shields for clinical staff fighting COVID-19 at Reid Health facilities. In northern Indiana, Bremen-based Horse SaddleShop suspended producing its EZ SaddleFit Tool to focus on 3D printing face shields for the medical community. The company dedicated its three larger 3D printers to producing face shield parts on a full-time basis.

Face masks were not the only products companies began producing in IMPA member communities. Tiedemann-Bevs Industries (TBI) in Richmond switched from manufacturing interior casket components to producing up to 1,000 isolation gowns per week during the height of the pandemic. MGP Ingredients significantly increased production at its Lawrenceburg distillery to support an exponential increase in demand for industrial alcohol, used in the production of hand sanitizers and commercial disinfectants. MGP employees worked around the clock to increase supply to companies that produce these vital products. Similarly, Oakley Brothers Distillery in Anderson produced a little more than 200 gallons of sanitizer and donated it to hospitals, nursing homes, hospice facilities, assisted-living facilities, first responders, and jails. The distillery also allowed members of the public to bring in their own pint-size spray containers and fill them with hand sanitizer for personal use for free. These companies all led the way in truly demonstrating the power of working together for the benefit of all.

Despite the difficult year, a few IMPA communities also saw success on the economic development front. Notably, both Anderson and Frankfort welcomed expansions of existing companies in their service territories. In Anderson, Nestle USA announced a \$200 million investment at its existing location to install new equipment for additional product lines as well as create 30 jobs. Frito-Lay, in Frankfort, announced a \$60 million investment to expand its operations and add a new manufacturing line.



Dennis Dixon
Tell City

Jeff Lane
Spiceland

Mayor Brad Crain
Covington



Bernard Linne
Troy

Brian Mullen
Darlington

Jamie Lindstrom
Argos

2020 Commissioners not pictured:

Nolan Ensor, Bainbridge
Kevin Killinger, Bargersville
Ron Slover, Coatesville
Tim Martin, Dunreith
Kevin Shafer, Flora
Mayor Chuck Fewell, Greenfield
Sarah Ward, Knightstown
Mike Hubble, Ladoga
Bill Kinnett, Lawrenceburg
Ron Koons, Middletown
Ashley Kelsey, New Ross
Danny Hickman, Paoli
Craig Switzer, Pendleton
Jason Love, Pittsboro
Dale Turner, Rising Sun
Steve Farrington, Rockville
Mayor Terry Amick, Scottsburg
Randy Cokl, South Whitley
Ruth Davidson, Straughn

While 2020 was a year that many would like to forget, IMPA and our communities choose to remember 2020 as the year we stood together.

Together, IMPA and our municipal member utilities continued providing essential electric services to households, businesses, and industries in 61 communities in Indiana and Ohio. Together, we built a robust organization that surpassed the \$2 billion mark in assets. Together, we strengthened IMPA's power supply portfolio for the future, constructing seven solar parks in member communities and solidifying power purchase contracts to supplement our portfolio. Together, we weathered the economic difficulties of the pandemic as they played out across cities and towns in our state and beyond. And together, we emerged from the year more united in our commitment to providing low-cost, reliable, and environmentally-responsible electricity to thousands of individuals. IMPA and our member utilities are in this together, and we power on.



We power on — together.

financial highlights

2020 ANNUAL OPERATING RESULTS

Operating Revenues, which are composed of sales to municipalities and other revenues, increased by approximately \$3.5 million compared to 2019. Due to COVID-19 and milder temperatures, energy sales in kilowatt-hours (kWh) to members decreased compared to 2019. The average accrued cost per kWh for 2020 was 7.58 cents, an approximate 4.7% increase compared to 2019.

Total operating expenses increased approximately \$13.8 million (3.6%) compared to 2019. Transmission costs were a primary driver of the increase. Transmission costs increased due to higher PJM transmission rates as compared to 2019. Total non-operating expenses increased approximately \$2.6 million (6.0%) compared to 2019.

CONDENSED CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(\$ millions)

	2020	2019
Sales to municipalities	\$ 454.8	\$ 451.9
Other revenues	8.4	7.8
Total Operating Revenues	463.2	459.7
Purchased power, fuel and production expenses	226.1	235.6
Transmission and local facilities	53.6	44.9
Other operating expenses	116.3	101.7
Total Operating Expenses	396.0	382.2
Total Operating Income	67.2	77.5
Interest expense	62.0	59.1
Interest income	(5.2)	(6.9)
Other non-operating income	(10.6)	(8.6)
Total Non-Operating Expenses (Income)	46.2	43.6
Change in Net Position	21.0	33.9
Net Position at Beginning of Year	394.5	360.6
Net Position at End of Year	\$ 415.5	\$ 394.5

Utility plant increased approximately \$27.9 million in 2020. Capital additions were approximately \$123.2, net disposals and retirements were approximately \$54.3 million, and depreciation expense was approximately \$44.6 million.

During 2020, total net position increased approximately \$21.0 million, reflecting IMPA's 2020 net income.

Debt service coverage for 2020 was 1.22 times. The Agency's bond resolution requires debt service coverage to be at least 1.10 times.

CONDENSED CONSOLIDATED STATEMENTS OF NET POSITION

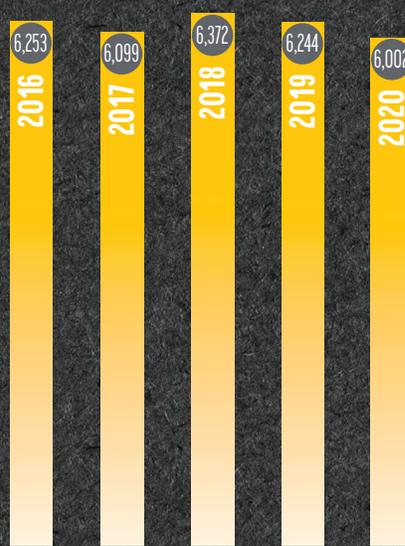
(\$ millions)

	2020	2019
Utility plant, net	\$ 1,286.1	\$ 1,258.2
Cash and investments	422.5	472.9
Other current assets	128.0	124.9
Deferred outflows	203.1	195.6
Total Assets	\$ 2,039.7	\$ 2,051.6
Net investment in capital assets	(124.4)	(199.0)
Restricted	195.0	244.7
Unrestricted	344.9	348.8
Total Net Position	415.5	394.5
Non-current liabilities	1,468.5	1,499.6
Current liabilities	155.7	157.5
Total Liabilities	\$ 1,624.2	\$ 1,657.1
Total Net Position and Liabilities	\$ 2,039.7	\$ 2,051.6

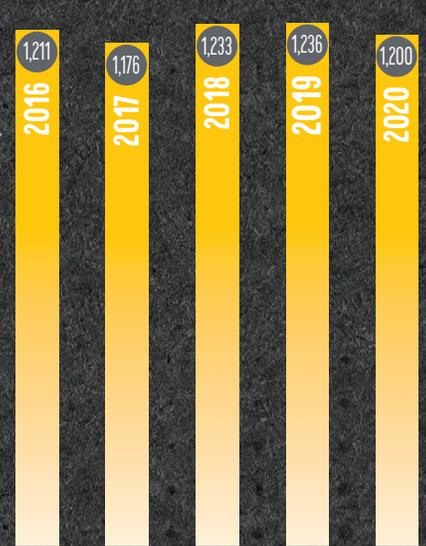
financial highlights



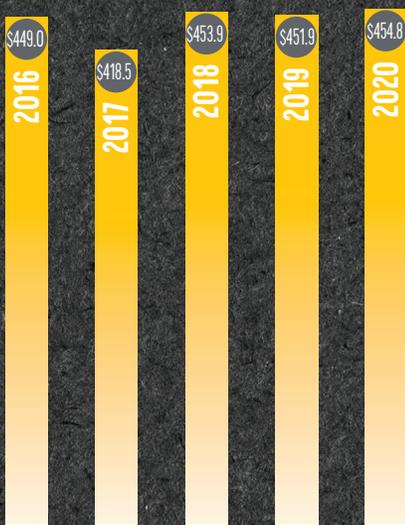
Cost per Kilowatt-Hour to Members (Cents/kWh)



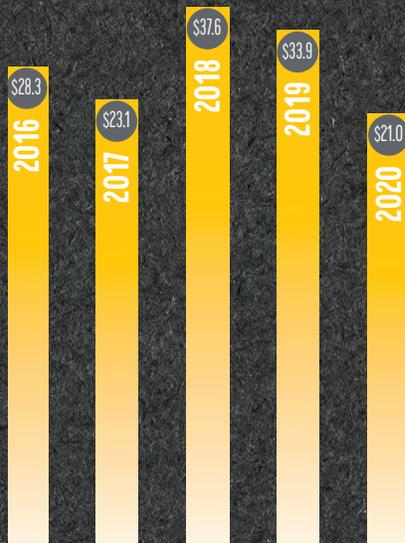
Kilowatt-Hour Sales (in millions)



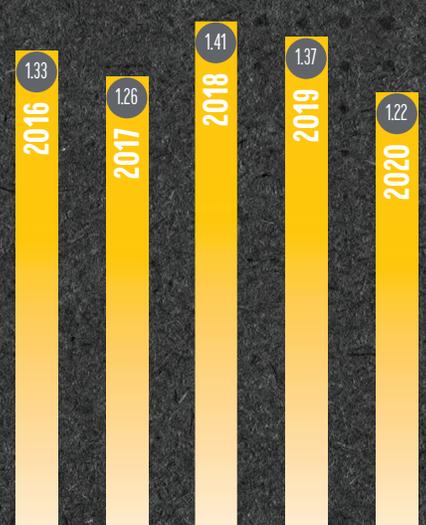
Non-Coincident Peak Demand (MW)



Sales to Municipalities (\$ Millions)

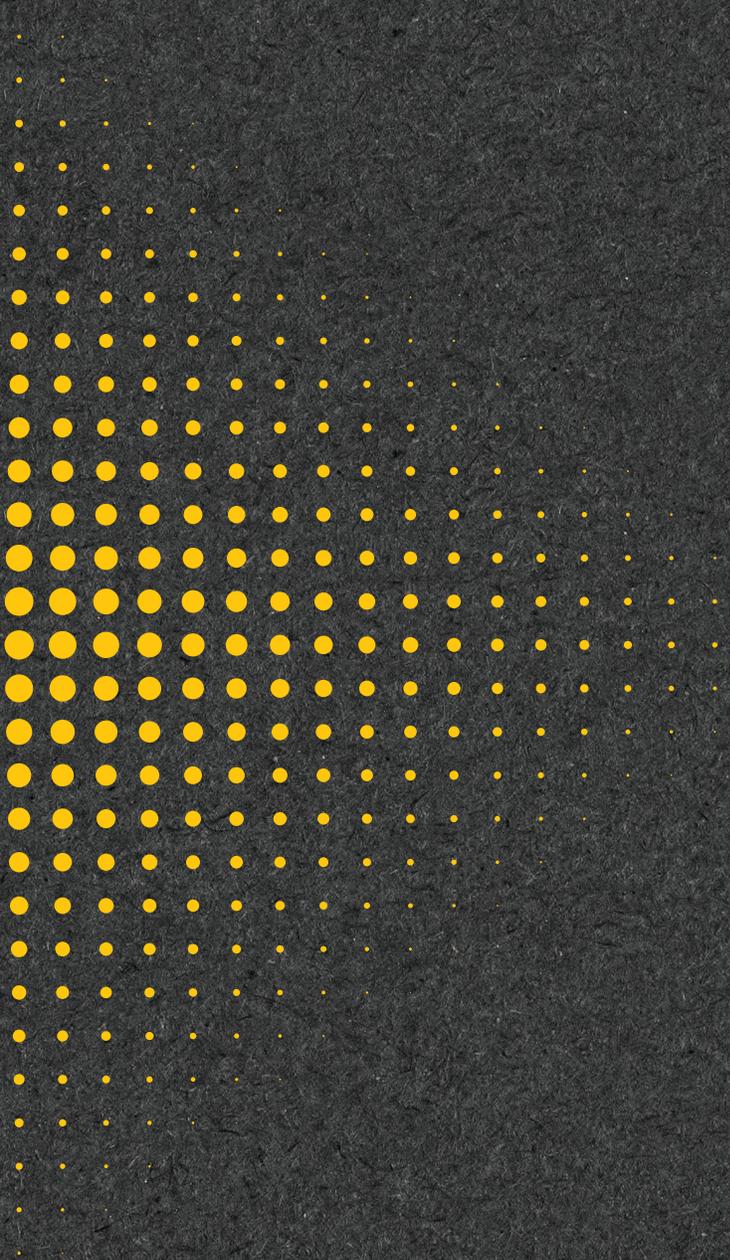


Net Income (\$ Millions)



Debt Service Coverage (Times)





We power on



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