



President's Message

Good News: Electric Cars are Coming!

—by Raj G. Rao

As the number of electric cars on the market increases, the need for public power utilities to plan for customers' evolving needs within their community electricity infrastructure is increasing as well.

Technology for electric cars continues to improve, and as it does, the number of cars on the market and on the roads stands to increase across the country. Because automobiles account for 40% of the carbon dioxide emitted into the atmosphere, electric cars provide a viable alternative to lessen pollution and carbon dioxide emissions from cars. California is racing to replace all gas driven cars with electric cars. Combined with increased battery life and efficiency, as well as sportier looks and performance, electric cars are becoming even more attractive to a wider audience – both young and old alike. By 2020, Ford Motor Company plans to increase its electric car offerings. Ford is on track to deliver 13 electrified new models over the next five years to compete with other auto manufacturers in the world.

This period of transition brings about many opportunities. The increased electric load that electric cars provide is a benefit to many utilities, but comes with special circumstances as well. IMPA and our municipal electric communities understand that we not only need to prepare with rate schedules and distribution

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IMPA Announces Average 5.25% Wholesale Electric Rate Decrease for 2018

For a second consecutive year, 61 communities in Indiana and Ohio will see a decrease in their electric rates in 2018. Indiana Municipal Power Agency (IMPA) recently announced that effective Jan. 1, 2018, IMPA's wholesale electric rates will decrease on average approximately 5.25%. Raj Rao, President and CEO, said that a combination of efforts has allowed IMPA to pass on a decrease to its members.

**"IMPA is extremely proud to pass on a decrease in wholesale electric rates to our member municipal utilities for 2018."
-Raj Rao, IMPA President and CEO**

"While prices seem to be on the rise for other utilities, IMPA is extremely proud to pass on a decrease in wholesale electric rates to our member municipal utilities for 2018," Rao said. "In the 1980s, our founding fathers foresaw the benefits of municipal ownership and Agency membership. IMPA's ownership in generation assets, combined with a reduction in regulatory requirements at the federal level and our strong financial position, has enabled us to pass on this decrease to our members."

The rate decrease follows an average 1% decrease in IMPA's wholesale rates in 2017. The 2018 wholesale rate decrease is the largest in the Agency's history.

IMPA's rates are based on the Agency's operating

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IMPA Welcomes New Solar Parks to Anderson, Greenfield and Spiceland

IMPA is excited to announce the opening of three new solar parks to its member communities. The City of Greenfield celebrated the opening of a 2.84 MW solar park in November 2017. In January 2018 the City of Spiceland held a ribbon cutting for a 0.53 MW solar park. In addition to these solar parks, the 8.1 MW Anderson 2 solar park went live in December 2017. The Anderson 2 solar park is the largest IMPA solar park to date.

“IMPA’s ongoing commitment to providing a low-cost, reliable and environmentally responsible power supply to our 61 communities is a top priority for the Agency,” Rao said. “The output of these solar parks enables us to continue expanding our diverse portfolio through the addition of solar energy. We are certain these parks will have a lasting impact on the communities.”

The Anderson 2 solar park is located on over 60 acres of land and is comprised of nearly 30,000 solar panels, producing an annual amount of energy that will power more than 1,000 homes.



Greenfield community members gather to celebrate the opening of the city's new solar park.

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Communities Benefit from Service Corp’s Dedicated Services

Several of IMPA’s member communities have benefitted from an initiative implemented by the IMPA Service Corp in January 2017. Dedicated Services provides service for nine communities throughout the state of Indiana, with several additional communities showing interest in what the program has to offer.

Joe Schmidt, Vice President and IMPA Service Corp General Manager, said Dedicated Services contracts with participating members to provide them with a variety of services aimed at maintaining safe and reliable electric service. Services include system engineering, system maintenance, emergency and storm restoration, equipment replacement and vegetation management.

“We are trying to assist our member communities by giving them a cost-effective solution to invest in their local distribution systems,” Schmidt said. “Sometimes the economics of smaller municipal electric communities having their own personnel, relative to the amount of work they have, is hard to balance.”

Lisa Corey, IMPA Commissioner and Utility Clerk for Frankton, said Dedicated Services has been extremely beneficial for Frankton’s Electric Utility.

“The program has been a perfect fit for the town after unsuccessful attempts to fill a vacant lineman position in our electric department,” Corey said. “We now have professional electric services available to us when needed.”

IMPA member communities served by Dedicated Services include Advance, Brooklyn, Centerville, Dunreith, Frankton, Kingsford Heights, Lewisville, Rockville, and Spiceland. *W*



IMPA Service Corp employees work on newly placed powerlines in Rockville, Ind.

360° of Community Development

In partnership with the Indiana Office of Community and Rural Affairs (OCRA), IMPA hosted a workshop to highlight some best practices in community development that are happening throughout the state.

Bryan Brackemyre, IMPA's Director of Marketing and Economic Development, said the conference, themed "360° of Community Development," was an opportunity to bring community leaders together to network and share best practices of how to build, finance, and sustain their community's downtown.

This year, the workshop took an all-inclusive approach by highlighting recent community development projects and initiatives including; revitalizing your downtown, marketing and branding strategies, attracting a workforce, and how the community financed each individual project.

"By partnering with OCRA since 2012, we've been able to expand our reach to include all 92 counties in Indiana," Brackemyre said. "Increasing the footprint of presenters and attendees has made the workshop more powerful by providing a broader opportunity for IMPA members to benchmark on what's been successful in other communities."

Brackemyre said both OCRA and IMPA are looking forward to next year's conference. *🌟*



Attendees of the 360° of Community Development conference learn about improving a community's economic development at the IMPA Conference Center in Carmel, Ind.

IMPA Issues \$222.6 Million of Tax Exempt Bonds

In December 2017 IMPA closed on the issuance of approximately \$222 million of tax exempt bonds (2017 A Bonds). Approximately \$100 million of the proceeds of the 2017 A Bonds will be used for capital improvements to IMPA's power supply system. The remaining 2017 A Bonds were used to refund approximately \$139 million of previously issued bonds.

The all-in total interest cost of the 2017 A Bonds is approximately 3.13%. This compares to the average interest cost of the refunded bonds of approximately 5.15%. The refunding resulted in net present value savings of approximately \$9.3 million.

"The \$9.3 million savings resulting from the bond refunding is just one example of how IMPA is successfully achieving its core mission of providing a low cost, reliable and environmentally responsible power supply to the Indiana and Ohio member communities IMPA serves," said Chris Rettig, IMPA's Senior Vice President and CFO.

While the newly enacted tax legislation prohibits the advanced refinancing of bonds, IMPA issued the bond refunding a few weeks prior to the enactment of the legislation.

IMPA owns approximately \$1.9 billion of generation, transmission, and other assets and has total revenue bonds outstanding of approximately \$1.4 billion. *🌟*

Rate Decrease

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costs, which are derived from its diverse generation and transmission ownership, purchased power, debt service and administrative and general expenses.

All of the Agency's newer units, including solar projects, and a reduced regulatory burden are contributing to lower, sustained costs for 2018 and beyond. IMPA's core mission is to provide affordable, reliable and environmentally responsible power to the communities it serves. *🌟*



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outlets to match the new opportunities and demands from electric cars, but we also need to prepare ourselves for uncharted territory. It is important that we remain interested and engaged on the front lines of these innovative changes to understand how this could affect the future of public power utilities

IMPA is dedicated to educating members with up-to-date information surrounding the topic of electric cars, as well as complying with any upcoming changes to the public power industry that might take place in the next few years. *W*

Solar Park

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The Greenfield solar park is located on 17 acres of land and is comprised of 10,450 solar panels, producing an annual amount of energy that will power more than 400 homes.

The Spiceland solar park is located on approximately seven acres of land at 6385 S. State Road 3, and is comprised of 1,938 fixed tilt solar panels.

These communities are among 17 IMPA member communities that have solar parks. IMPA communities in which solar parks have been built include Anderson, Argos, Bainbridge, Crawfordsville, Flora, Frankton, Greenfield, Huntingburg, Pendleton, Peru, Rensselaer, Richmond, Spiceland, Tell City, Washington, and Waynetown.

IMPA is currently finalizing plans for 2018 to build additional solar parks in IMPA member communities. *W*