



Message from the President: *Data Centers*

Data centers continue to dominate conversations in the electric industry, playing a large factor in topics regarding load growth, grid reliability, and affordability. Many utility customers are concerned about what data centers mean for their utility bills, and efforts are being made at the national level to quell fears. Earlier this year, the White House announced the Ratepayer Protection Pledge, an initiative meant to ensure that data centers cover the costs of their construction and implementation rather than ratepayers. IMPA's national association, the American Public Power Association (APPA), became a signatory of the Ratepayer Protection Pledge, and IMPA joins APPA and other public power utilities in supporting all endeavors to safeguard our members and their utility customers from costs associated with large load data centers.

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IMPA Assists Communities Through Summer Storms

Several storm events moved through Indiana this summer, bringing tornados, flooding, and power outages across the state. IMPA and its operations and engineering subsidiary, IMPA Service Corp, helped several member communities through these weather events, ensuring that power outages were restored as safely and efficiently as possible.

Early in the summer, a tornado moved through southern Indiana, severely impacting the IMPA community of Rising Sun. The tornado took down nine transmission poles between Rising Sun and the neighboring community of Aurora, bringing down the community's distribution lines with them. Through the 40 hours it took to bring the community back

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Years ago, IMPA recognized the potential impacts of data center loads on our existing system and put several protections in place that have been revised as we learn more. These protections come in the form of rates and policies to shield ratepayers from incurring costs due to these developments, including IMPA's Large Load Tariff for power users of size 40 megawatts (MW) or greater. This market-based pass-through rate includes capacity, energy, transmission, ancillary services, and administrative costs for IMPA and its member utilities. The rate is structured in such a way that it is a complete pass-through to the large load user, including a value-added administrative fee. Thus, all costs to serve the load are borne by the end user, not burdened to existing customers or IMPA's utility.

We are also keeping track of innovations in the industry, including the recent development of edge data centers. Edge data centers are small-scale facilities that range between 1-50 MW of load, allowing for speedier connection to distribution systems. While these smaller data centers may not meet the threshold of IMPA's Large Load Tariff, we're working with our members to ensure that proper rate structures are in place and cost attribution is covered to protect customers and to ensure that utilities recover the costs to serve these loads.

The leading global consultant McKinsey & Co. projects that by 2030, data centers will represent over 11% of electric demand in the United States. While forecasts are not certain, we can be sure that data centers are not going away. IMPA's Board and staff are working diligently to support member communities in their consideration of large load users and to ensure data centers bring value to IMPA and our members while being incorporated onto the grid responsibly. •

Executive Committee Visits Rating Agencies

In August, IMPA's Executive Committee members, President and CEO Jack Alvey, CFO Chris Rettig, and Executive Vice President Joe Schmidt traveled to New York City to attend meetings with rating agencies who analyze and assign the Agency's bond credit ratings. Here, IMPA officials shared the Agency's story with representatives from the three major bond rating agencies in the US. These annual meetings allow IMPA to update the rating agencies on IMPA's and the Members' financial and operating results and discuss future opportunities and challenges.

IMPA consistently receives high marks from bond rating agencies, with ratings of A+/A1 from Fitch, Moody's, and Standard and Poor's. These strong ratings are supported

by IMPA's solid management team and Board of Commissioners, excellent financial record, and the Agency's ability to effectively manage and evolve its power supply to maintain a diverse, reliable, and cost-effective portfolio. IMPA's transparency with bond rating agencies safeguards member communities and future investments for the benefit of utility customers.

"IMPA is unique in that we take our Executive Committee members with us to meet with rating agencies each year," said Chris Rettig, IMPA Chief Financial Officer. "In doing so, the rating agencies have the opportunity to see first-hand the strong support that the Agency has from our Board of Commissioners. These in-person meetings help the rating agencies better assess IMPA's management team and staff, Board members, and communities beyond the numbers, which are vital factors when they determine what ratings they assign to IMPA." •

IMPA Assists Communities

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online, several IMPA communities reached out to Rising Sun to offer assistance, and IMPA coordinated with Rising Sun to offer support.

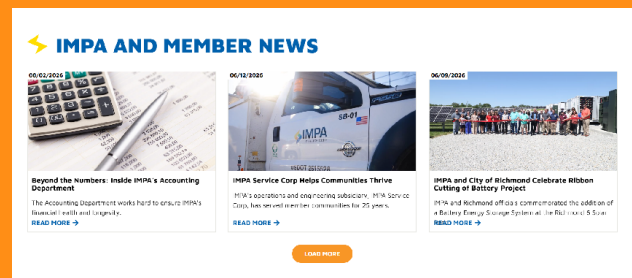
"IMPA was in contact with us throughout the event," said Brandon Cappel, Rising Sun Lineman and IMPA Commissioner. "When you're a utility our size, you don't have a big staff to lean on during something like this. Having IMPA behind us, with people we know by name picking up the phone, is one of the real benefits of being an IMPA community."

In mid-August, severe storms brought historic flooding and several power outages to many towns and cities in Indiana. The IMPA member community of Flora had trouble when one of its primary substations was struck by lightning. Other communities experienced power interruptions due to the weather event. Through each outage, IMPA and IMPA Service Corp corresponded with each community, ensuring any necessary mutual aid was rendered and sending IMPA Service Corp line crews where needed. In Flora, IMPA Service Corp crews assisted in repairing and replacing the damaged substation equipment. In Lawrenceburg, IMPA Service Corp supported local lineworkers in completing work on a 3-phase pole to bring power back to the city. The strength of mutual aid such as this is common amongst public power utilities, as solidarity amongst communities functions as a pillar of public power itself.

No matter the time or season, IMPA and IMPA Service Corp staff work day and night to ensure the Agency's communities have the resources they need to keep the lights on. To learn more about IMPA Service Corp, visit www.impa.com/isc. •

Check out IMPA's Web Posts

IMPA posts regularly on its webpage at www.impa.com/news to help keep utility customers, developers, and leaders up to date on all things IMPA. The posts feature IMPA programs, department spotlights, updates on legislative happenings, and project announcements. Visit our webpage to learn more today!



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Congratulations from State Senator

This summer, IMPA and Richmond Power and Light (RP&L) were recognized by Indiana Senator Jeff Raatz for the completion of the Richmond 6 Solar Park battery storage project. Richmond commissioner Tony Foster shared the news with IMPA at the Agency's July board meeting.

Richmond's Battery Energy Storage System was commissioned in December of 2025. The facility has the capability to output 6.0 MW of energy and store up to 24 MWh. •



IMPA President and CEO Jack Alvey (left)
and RP&L General Manager Tony Foster (right)