



IMPA

2022 ANNUAL REPORT

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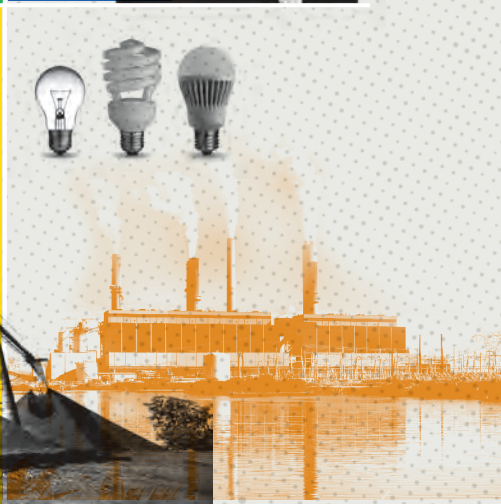
INDIANA MUNICIPAL POWER AGENCY ■ 40 YEARS OF POWER

**CELEBRATING FOUR DECADES
WITH A BRIGHT FUTURE AHEAD**

400



2023 2013 2003 1993 1983



**INDIANA MUNICIPAL
POWER AGENCY**

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MESSAGE TO MEMBERS

FOUR

DECADES OF POWER. When IMPA began operations in 1983, the Agency's founders took a chance in believing that this organization would grow and provide value to its members into the future. Here we stand 40 years later. Our first communities – 26 municipal utilities around the state – placed their faith and future in the Agency's shared vision of supplying an affordable and reliable power supply to their customers. And they did so through 50 year contracts, in hopes that the decisions they made would last well into the future. While their creation and plan proved true, they may not have expected all that we have become in four decades, or where we are headed.

2022 was a year of change for IMPA. Most notably, IMPA's longtime president and CEO Raj Rao retired in April, bringing an end to his 39 year tenure at the Agency. That same month, I stepped into the role of President and CEO of IMPA, now leading the Agency that I have been part of for 30 years, most recently serving as COO. While the individual at the helm of IMPA is different, our focus and vision remain the same as they have been since our founding – low-cost, reliable, environmentally-responsible power.

We took steps in 2022 to build upon the solid foundation that was created for IMPA and to bolster our future. We solidified contract extensions with several member communities to ensure the continued vitality of the Agency. We strengthened our power supply portfolio through our continued addition of solar parks while exploring opportunities to support our future power needs. By year's end, we completed another five solar parks, surpassing 170 megawatts of solar capacity. We weathered the changing economy and sought to protect members' value. While a rate increase was approved for 2023 due to inflationary factors affecting the whole economy, coupled with higher natural gas and coal prices, our increase was much less than other power providers. We added another community to the IMPA Service Corp Dedicated Services program, now providing this pay-for-fee service to 14 members. We expanded services to communities to further support their growth and development. We continue the work begun 40 years ago while adapting and changing to today's situations and opportunities.

Four decades ago, the founders of this Agency gave us the building blocks for a resilient foundation, providing a sturdy base to build toward a future of success. This foundation remains strong, our values remain true, our vision remains focused, and we will work hard to ensure the Agency meets the needs of our municipal electric communities, propelling us forward for another four decades.

Brent W. Slover CHAIRMAN OF THE BOARD

Jack F. Alvey PRESIDENT & CEO



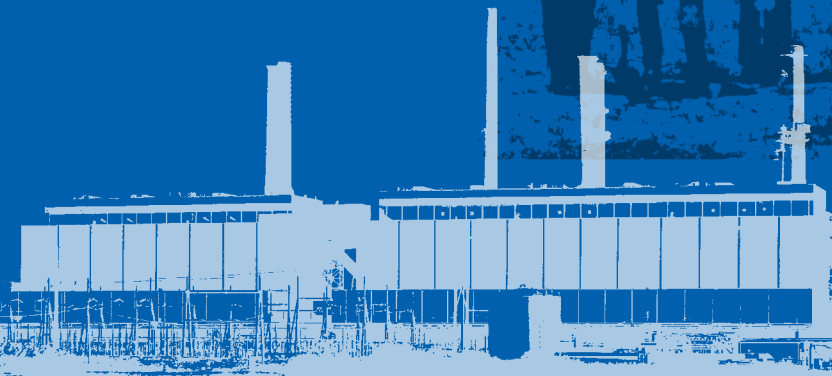


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DECADES OF

VISION

THE GRANDEST VISIONS
REQUIRE JUST ONE STEP—
ONE BUILDING BLOCK—TO
BEGIN TAKING SHAPE...



FOUR DECADES OF VISION

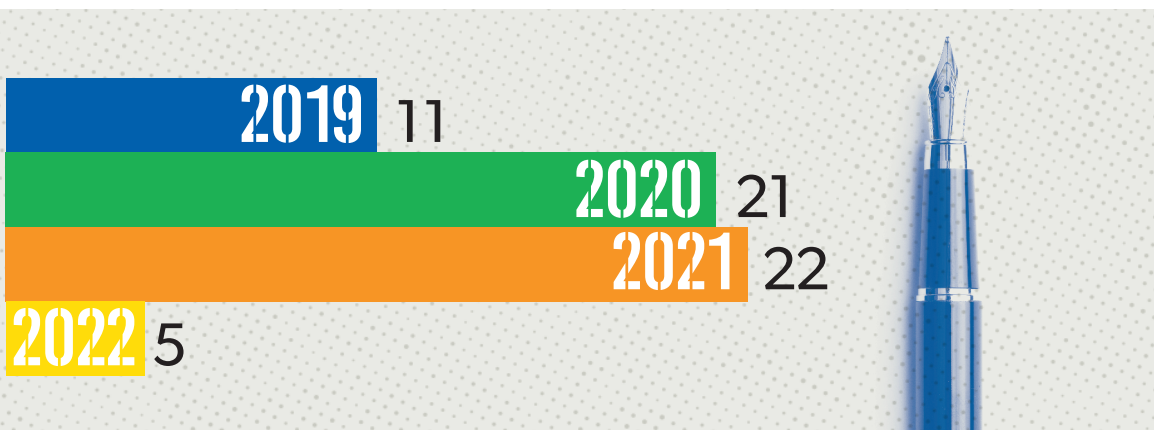
When a small group of 11 municipally owned utilities first began exploring the idea of a joint action agency in the late 1970s, the task seemed quite daunting. How could small communities compete with electric industry giants in providing the power needed to serve their customers at a reasonable cost? Yet even the grandest visions require just one step—one building block—to begin taking shape. Through the determination and perseverance of those dedicated few, the vision of a power agency serving Indiana’s municipal electric utilities became reality. They laid the foundation for the Indiana Municipal Power Agency (IMPA) and its public power communities to grow upon.

That driving vision extended to the Agency’s leadership. While Jesse Tilton, III, served as IMPA’s first President, the man that would lead the Agency through the next three decades would be IMPA’s first Director of Engineering Raj Rao, who became President and CEO in 1986. Under Rao’s guidance, IMPA grew from a small Agency with only \$150 million in assets to a \$2 billion organization serving 61 communities and nearly 350,000 ultimate customers.

While Rao and the founding fathers laid the foundation for IMPA’s success, 2022 saw the next generation of leadership step in to lead the Agency forward. Rao retired after 39 years of service to the Agency in April. Leadership of IMPA was passed on to Jack Alvey, who was appointed by the IMPA Board of Commissioners as the next President and CEO of the Agency. While Alvey was new to the role, he was not new to IMPA, having joined the Agency in 1992 as a combustion turbine operator. During Alvey’s 30 year tenure with IMPA, he played a key role in many of the Agency’s achievements. He oversaw the completion and commissioning of IMPA’s Anderson and Richmond combustion turbines (CTs), as well as the expansion of IMPA’s generation operations with the addition of the Anderson CT3, Trimble County Unit 2, and the Prairie State Energy Campus units. Alvey also managed the Agency’s transmission joint ownership, safety, and environmental and reliability compliance. Alvey’s vision for the future, combined with his significant experience with the Agency and the industry, will serve as a strong foundation for IMPA’s future endeavors.

Vision is what first created IMPA, and vision is what is necessary to sustain IMPA moving forward. The vision of IMPA’s founding fathers in signing 50 year contracts was innovative, yet necessary to garner the stability needed to serve municipal customers in the long-term. As IMPA approached the 40 year mark of those 50 year contracts, the Agency began working with member communities to ensure they would continue to have a reliable power supply in place beyond the initial life of the contracts. In 2022, the Agency was able to secure five contract extensions, bringing the total to 59 out of IMPA’s 61 member communities. These extensions benefit all IMPA members and their customers by providing uniform power supply management and financial stability. Through the contracts, IMPA has the security and backing needed when issuing bonds and seeking long-term financing opportunities. Additionally, the contract extension allows the Agency to spread the cost of financing projects over longer periods of time corresponding with the life of electrical assets, translating to consistency in costs no matter the economic context. The power sales contracts IMPA has with its members create a healthy foundation for the Agency to provide its diversified, robust power supply well into the future. With 97% of IMPA’s member communities signed on, the vision for IMPA’s continued success remains strong.

AS OF DECEMBER 2022, 59 member communities have extended their contracts to ensure a reliable power supply for the future.



AFTER 39 YEARS WITH IMPA—36 as President and CEO—Raj Rao retired from IMPA in April of 2022. Rao stood at the helm of IMPA since 1986, guiding the Agency for nearly 40 years. Rao’s commitment to public power was the driving force behind IMPA’s decades of success.

To celebrate and honor the indelible mark Rao left upon public power and Indiana’s municipal electric communities, the IMPA Board of Commissioners chose to rename the Agency’s conference center as the IMPA Raj Rao Conference Center in his honor. Rao joined with past and present commissioners and IMPA staff in October 2022 to commemorate the event.

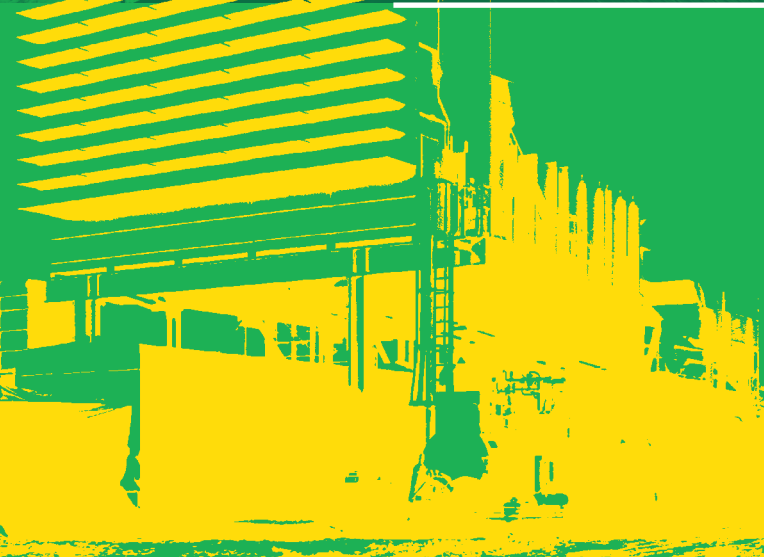




DECADES OF

GENERATION

DIVERSITY ENSURES THAT NO MATTER THE SITUATION, RESOURCES WILL BE AVAILABLE TO MEET CURRENT AND FUTURE ELECTRIC NEEDS.



FOUR DECADES OF GENERATION |

In four decades, IMPA has found that a strong foundation also requires balance. While the Agency was built on coal-fired baseload resources, IMPA's portfolio must be comprised of a variety of resources to ensure its long-term viability. Power supply diversity ensures that no matter the situation, resources will be available to meet current and future electric needs.

With IMPA's continued investments in its solar program, along with current and planned investments in long-term renewable power purchase agreements (PPAs), IMPA is working toward 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 expectancy, the shift is a necessity for the Agency's future success. While no one can determine with certainty what the future holds, IMPA continues to build a portfolio that will provide a reliable and environmentally-responsible power supply for another 40 years.

In 2022, IMPA added five additional solar parks to its portfolio in the member communities of Anderson, Bremen, Linton, Peru, and Walkerton. Together, the new parks have the capacity to generate 22.8 megawatts (MW) of power to serve IMPA's membership. The energy generated at each park remains within each community, serving the power needs of local residents, businesses, and industries. Combined with IMPA's previously constructed parks, the Agency had 171.5 MW of solar power online in member communities at the end of the year. IMPA also broke ground on several parks planned for commissioning in 2023 in the communities of Gas City, Knightstown, Ladoga, Middletown, Richmond, and Washington. Once these parks are completed, they will bring an expected 24.7 MW of additional solar power to the Agency's power portfolio.

As the Agency has done in years past, IMPA entered into agreements to build the solar parks on behalf of 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 has the option to purchase the solar parks at the end of six years. In 2022, the Anderson 1 Solar Park was the first to reach its purchase option date, allowing IMPA to repurchase the park from the investment partner and net a 24% cost savings over the original construction cost. With passage of

WALKERTON SOLAR PARK *Students from Walkerton Elementary School attended a ribbon cutting ceremony at the Walkerton Solar Park in 2022, where they learned more about how solar works and the benefits of having the park located in their community.*





MIDDLETOWN SOLAR PARK GROUNDBREAKING *Middletown community personnel joined with IMPA representatives in September to break ground on the Middletown Solar Park, a 1.35 MW facility expected to be commissioned in 2023.*

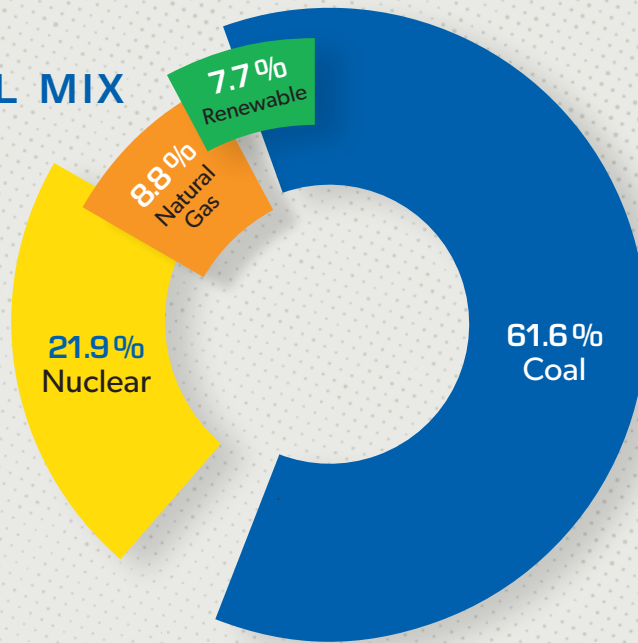
the Inflation Reduction Act (IRA) of 2022, IMPA will have the ability to secure federal investment tax credits directly moving forward. IMPA members with solar parks also receive direct financial benefits from the sites, as the Agency contributes thousands of dollars in property taxes to each community's tax base on an annual basis.

While the construction of solar parks has played an integral role in building the renewable portion of the Agency's portfolio, IMPA has also pursued renewable PPAs to supplement its diverse portfolio. IMPA contracted with Enel Green Power, the project owner and operator of the Alta Farms Wind Project II, for 75 MW of wind power from the facility beginning in the second quarter of 2023. At the end of 2022, the project was fully constructed and awaiting final interconnection, with IMPA's portion of the project expected to produce 263-gigawatt-hours of wind energy annually once online — enough to power over 27,000 homes. Construction on the 200 MW wind project in Dewitt County, Illinois, began in 2021.

Additionally, IMPA entered into a PPA in 2020 for the Ratts 1 Solar Project for 150 MW of solar energy, capacity, and renewable energy credits. The project is expected to be commercially operational in first quarter 2025.

IMPA continues to build upon its historic foundation with wise investments in the Agency's power supply portfolio, ensuring that its members will always have their everchanging electric needs met.

2022 FUEL MIX



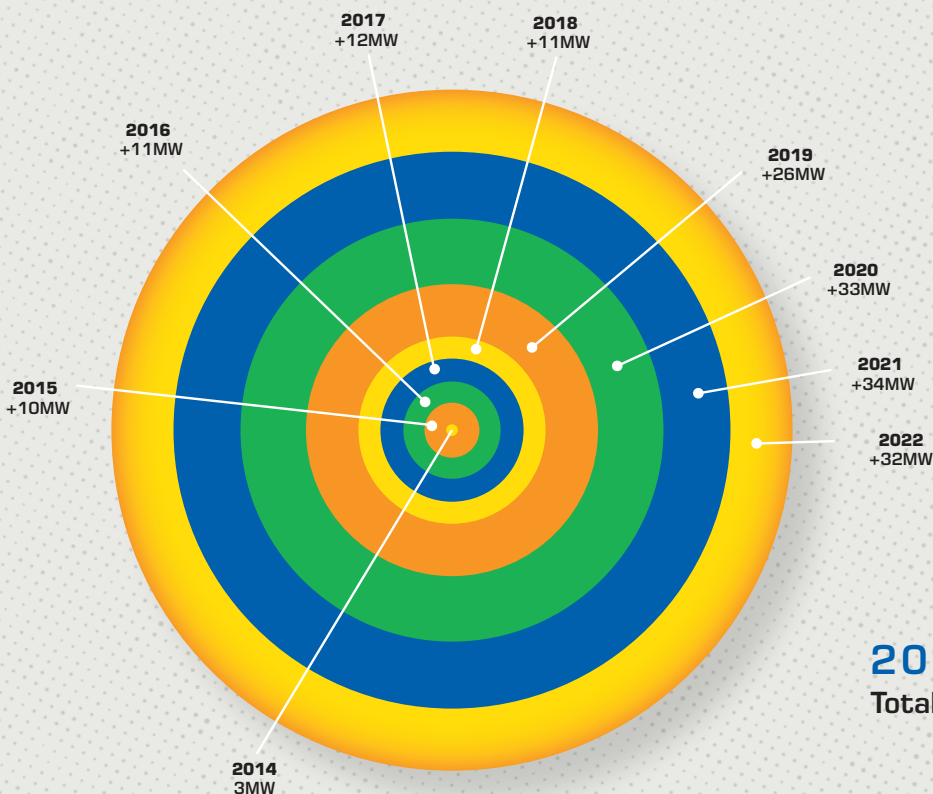
2022 RESOURCES

615 MW COAL

419 MW NATURAL GAS

321 MW PURCHASED POWER

172 MW SOLAR



2022 SOLAR
Total: 172MW

FOUR DECADES OF INNOVATION |

Over the past 40 years, IMPA's progress has relied on innovation. While the Agency relies on historical experience to evaluate decisions, IMPA's success is due to its willingness to pivot and explore new opportunities. IMPA's plan to install solar parks in member communities was innovative in 2014, and with the passage of time, technological improvements have led to even more innovative opportunities.

IMPA began repowering solar parks in 2018 after early inverter failures occurred in some of the Agency's first parks. Through the repowering process, inverters and transformers were replaced, with skids being rewired to accommodate the new equipment. With new inverters and modules in place, the Agency's older solar parks can continue generating at the expected capacity levels for years to come. Since 2018, IMPA has repowered eight of the Agency's older parks, including the most recent repowering of the Washington Solar Park in 2022.

IMPA also began installing new data collection systems at its solar parks to enable engineers and technicians to more efficiently monitor park output. The systems not only collect data on the operations of the parks, but alert solar personnel in real time to any performance issues that may occur. The data gathered also allows engineers to develop historical data trends and verify the parks are meeting output expectations. As of December 2022, the data collection systems were installed on all of IMPA's solar parks.

In addition to monitoring the electrical performance of the parks, IMPA's solar personnel also rely on advanced technology to conduct thermal inspections. Drones equipped with infrared cameras capture images that are then analyzed using machine learning software to identify problems in the solar panels. This requires only a couple hours of technician time compared to manually testing the modules, which could take days or weeks depending on the size of the park. By leveraging new technologies, IMPA continues to seek innovation in its operations.

Beyond innovations impacting IMPA directly, the Agency looks for opportunities for communities to seek out their own innovations. With the passage of the Infrastructure Investment and Jobs Act (IIJA) in 2022, funding for various local infrastructure projects through competitive grant and loan opportunities became available. The IIJA, also known as the Bipartisan Infrastructure Law, invests in America's infrastructure by devoting funds to US roads, highways, and bridges, investing in clean drinking water and water infrastructure, ensuring access to high-speed internet, and investing in clean energy technologies and the US energy grid. IMPA devoted staff resources and enlisted the assistance of an outside consultant to provide discounted grant writing services and ensure that all opportunities for municipal utilities were identified. While details continue to emerge, IMPA remains committed to tracking possibilities through the Act and working with members to recognize and access funding opportunities.

4

DECADES OF

INNOVATION

IMPA'S SUCCESS IS DUE TO ITS WILLINGNESS TO PIVOT AND EXPLORE NEW OPPORTUNITIES.



ELECTRIC
VEHICLE
PARKING



4

DECADES OF

STABILITY & RELIABILITY



STABILITY IN OPERATIONS, STABILITY
IN SERVICE, AND STABILITY IN
RATES WORK TOGETHER TO ENSURE
HEALTHY, GROWING MEMBER
COMMUNITIES.

FOUR DECADES OF STABILITY

While IMPA's goal is to provide low-cost, reliable, and environmentally-responsible power, stability is just as key to the success of the Agency and its members. Stability in operations, stability in service, and stability in rates work together to ensure healthy, growing member communities. IMPA's sound decisions throughout decades of operations have traditionally allowed member communities to enjoy lower rates than customers of neighboring utilities in rate comparisons.

With the country still recovering after the impacts of the pandemic, inflation reached historic levels in 2022. Prices for day-to-day essentials like food and gasoline noticeably rose, and the electric industry did not escape unscathed. The cost of generating and delivering energy to the millions of utility customers around the country was steadily increasing, in large part due to increases in fuel costs, labor costs, supply chain issues, US energy policy, and the conflict in Ukraine.

IMPA was not immune to the wider economic issues facing so many others. These factors contributed to the necessity of the Agency's average 8.8% wholesale power rate increase announced for 2023. However, when compared to other power providers that implemented increases in the double digits, the impact felt by IMPA member utilities remained smaller than others. While not ideal, the necessity of enacting the rate increase helps the Agency to ensure the reliable delivery of electricity at a reasonable cost to customers throughout the state. IMPA's ability to remain competitive and below the cost of other power providers in the state is a testament to the Agency's historically effective stewardship and planning of resources and costs, decades of quality leadership, and economies of scale utilized by having a 61-community strong membership.

For decades, IMPA has made fiscal responsibility a top priority, consistently receiving A+ /A1 credit ratings by the three major rating agencies, a sign that IMPA does its part to protect the security of its investments and its member communities. In early August, IMPA issued the 2022 Series A Bonds with a total par amount of approximately \$97.3 million. A portion of the 2022 Series A Bond's proceeds were issued for ongoing system improvements, and a portion of the proceeds were issued to refund IMPA's 2012 Series A Bonds totaling approximately \$20.5 million. The net present value savings from the refunding was approximately \$1.8 million.

IMPA's financial stability has always been a significant component of the bedrock that keeps the Agency strong.

FOUR DECADES OF RELIABILITY

Reliability has always been at the forefront of IMPA's actions. Without a reliable power supply, the Agency's public power communities cannot serve their residents, businesses cannot sell their products, and factories cannot produce their goods.

In the spring of 2022, the Midcontinent Independent System Operator (MISO), an independent organization that dispatches and delivers power throughout most of Indiana and other parts of the Midwest, announced it may not have enough reserve generation capacity to meet expected peak loads in the summer. While the statement was not indicating that temporary outages were imminent, it did highlight the higher than normal risk depending on the weather and performance of power generating units. It brought to light the challenges faced by the industry in "minding the gap" – filling the holes left by retiring fossil-fueled generation while generation powered by other sources are still being constructed and brought online. While IMPA's members did not experience any situations that required load shed during the summer, IMPA implemented plans to better assess situations and communicate with members as needed, including a messaging and notification system that can quickly and efficiently notify contacts of important information via text, voicemail, or email.



IMPA'S 2022 MANAGEMENT TEAM *Larry Brown, Vice President of Rates and Planning; Sarah Shaughnessy, Vice President of Accounting and Controller; Joe Schmidt, Executive Vice President, Electrical Engineering and Generation; Jane Hemmerlein, Vice President of Human Resources; Carolyn Wright, Vice President of Government Relations; Bryan Brackemyre, Vice President of Member Services; Jack Alvey, President and CEO; Chris Rettig, Executive Vice President and CFO; Jeff Vincent, Vice President, Electrical Engineering and ISC General Manager; Kyle Brouillette, Senior Vice President of Market Operations and Planning; Peter Prettyman, Senior Vice President and General Counsel; and Chris Sanders, Vice President of Generation*

When Winter Storm Elliott hit during Christmas 2022 and temperatures around the region dropped, IMPA relied on its resources to notify and support member communities. The freezing temperatures, high winds, and holiday season combined to place stress upon the PJM system, prompting them to call for voluntary load shed. IMPA utilized the notification system to communicate with its member utilities in the PJM territory to encourage voluntary load reduction through conservation efforts. Additionally, IMPA's combustion turbines equipped with liquid fuel backup provided reliable power to the PJM system and delivered value to IMPA's members for the generation provided to the market. IMPA Service Corp's crews of linemen also braved the inclement weather to restore power to several member communities impacted by the storm. Thankfully, Winter Storm Elliott passed without further stress to the transmission system.

As physical attacks and cyberattacks continue to grow in number and frequency, reliability of municipal electric systems has become increasingly important as well. News headlines in 2022 were dominated by the Colonial Pipeline cyberattack, as well as physical attacks on substations on both the east and west coasts. Now more than ever, safeguarding systems was of the utmost importance to reliability of service. IMPA and its member communities sought to enhance the security of their systems through additional training and cybersecurity efforts. While threats will continue to evolve and grow, IMPA hopes to help communities address such concerns and preserve the safety and reliability of municipal electric systems. Just as reliability has been a key focus for IMPA through its history, the Agency will continue to evolve to ensure reliability is safeguarded in future operations.

4

DECADES OF



SERVICE

AS THE AGENCY AND ITS MEMBERSHIP GREW,
SO DID THE SERVICES PROVIDED TO PUBLIC
POWER COMMUNITIES IN THE STATE AND BEYOND.





LINEMAN APPRECIATION EVENT

On September 28, IMPA held its second annual Linemen Appreciation Event to recognize the dedication of Indiana's public power utility lineworkers. Over 100 community leaders and utility workers from IMPA members joined to celebrate the people who consistently work to provide the essential service of electricity to their friends, families, and neighbors.

The day provided opportunities for linemen and utility personnel to gather in comradery and be celebrated for the impact they have in their communities. Apprentices of all levels were recognized for their commitment, and the recognition concluded with the presentation of the IMPA Kerry Vincent Distinguished Lineworker Award. The Award was created in 2021 to honor the life and legacy of Kerry Vincent, a longtime employee of IMPA and advocate for public power who passed away. 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.



DICK JUSTICE, Electric Supervisor of Gas City Utilities, was unanimously chosen by the Award Selection Committee and the IMPA Executive Committee to be the 2022 recipient of the award due to his qualifications in each criterion. Justice has served his community in the electric department for over 30 years. His leadership and commitment to his public power community were evident to those in attendance as he accepted the award.

FOUR DECADES OF SERVICE |

IMPA began as a wholesale power provider, dedicated solely to ensuring municipal electric communities had access to the electricity they needed to serve their communities. However, over the next 40 years, IMPA would become much more than “just” a power provider. As the Agency and its membership grew, so did the services provided to public power communities in the state and beyond. Through additional community support, IMPA assists members in building stronger foundations in their own communities.

During 2022, IMPA’s engineering and operations subsidiary, IMPA Service Corp, expanded its Dedicated Services operations to the community of Thorntown. Joining the 13 other communities that are already part of the program, Thorntown 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. Thorntown joins the communities of Advance, Brooklyn, Centerville, Dublin, Dunreith, Frankton, Knightstown, Lewisville, New Ross, Rockville, South Whitley, Spiceland, and Straughn as a member of Dedicated Services.

IMPA Service Corp also extended its Advanced Metering Infrastructure (AMI) program to include the northern Indiana communities of Argos and South Whitley. The 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. Communities who participate in IMPA Service Corp’s AMI program cost share required software, server hosting, and startup training. Argos and South Whitley join the communities of Advance, Bargersville, Blanchester, Coatesville, Frankton, Greenfield, Knightstown, Lawrenceburg, Lewisville, Straughn, Tipton, and Walkerton as part of the program. At the end of 2022, the communities had installed 31,200 electric meters and 12,915 water meters through the project. With 14 communities already participating, IMPA is confident that the AMI 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.

At the request of a number of IMPA’s members, IMPA Service Corp also began offering a Safety Program at the start of 2022 to provide additional training opportunities to lineworkers and utility personnel in member communities. The Agency partnered with TVPPA Education and Training to bring in knowledgeable and experienced trainers to guide participants through a variety of topics, including metering safety, arc flash protection, and workplace violence. As with other IMPA programs, participating communities cost share in the expenses of the program, with communities choosing the number of meetings they want to attend, and the cost of the program is reduced by the number of communities that participate. Through these programs, IMPA provides municipal utility employees with the skills and resources needed to serve their communities safely.

In addition to supporting the electric needs of communities, IMPA works with members through economic development initiatives designed to support and sustain the economic health of the community. IMPA organized two distinct sales trips for member communities in 2022, bringing together community representatives with site selectors and brokers in Chicago and Atlanta. Attendees had the opportunity to meet with companies potentially looking to expand in Indiana and share the benefits of growing in a public power community. IMPA also worked with its community members to expand economic development marketing efforts. The Agency conducted drone photography of marketable locations in several communities, as well as developed digital maps of 16 sites within 13 member communities. In 2022, this myriad of economic development efforts was recognized by *Site Selection Magazine*, which named the Agency as one of its Top 20 Utilities in Economic Development. IMPA was one of only two Indiana utilities selected for the honor out of over 3,300 utilities across the United States. By investing time and resources into supporting community development, IMPA helps its members to grow and thrive.

Beyond power supply and transmission, IMPA and IMPA Service Corp continue to seek opportunities to support member communities with their daily operations. With IMPA’s multiple service offerings, member communities have access to a variety of resources at a low cost. Looking toward the future, the Agency plans to adapt and evolve as IMPA has done for its four decades of operations. IMPA continues to adapt its service offerings to the assorted needs of its members, taking into account what is best for public power and IMPA as a whole.

2022

BOARD OF COMMISSIONERS

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GAS CITY



Jerry Schitter
JASPER



Kevin Strickler
WILLIAMSPORT



Jane Webb
GREENFIELD



Nolan Ensor
BAINBRIDGE



Trend Weldy
BREMEN



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LINTON



Pudder Linne
TROY



Lisa Corey
FRANKTON



Andy Hicks
TELL CITY



Danny Hickman
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Mike Jenner
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ETNA GREEN



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Terry LaOrange
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John Reutepohler
HUNTINGBURG



Josh Hawkins
JAMESTOWN



Jim Caldwell
ADVANCE



Kari Moss
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Ruth Davidson
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Craig Switzer
PENDLETON



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Brian Mullen
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Jayana Posey
LEWISVILLE



Sarah Ward
KNIGHTSTOWN



Mayor
Brad Crain
COVINGTON



Tony Pochard
ANDERSON



Nathan Ulerick
DUBLIN



Mitch Moore
BROOKLYN



Tim Martin
DUNREITH



Kevin Killinger
BARGERSVILLE



Kevin Shafer
FLORA



Ken Smith
VEEDERSBURG



Billy Kinnett
LAWRENCEBURG



Randy Ennis
WASHINGTON



Phil Buckmaster
WALKERTON



Dick Klein
TIPTON



Barry Lewis
WAYNETOWN



Josh Chance
PERU



Ron Koons
MIDDLETOWN



Brad Zellers
WINAMAC



Jamie Lindstrom
ARGOS



NOT PICTURED: Pam Brown, Chalmers; Ashley Kelsey, New Ross; Jason Love, Pittsboro; Dale Turner, Rising Sun; Steve Farrington, Rockville; and Randy Cokl, South Whitley

FINANCIAL HIGHLIGHTS

2022 ANNUAL OPERATING RESULTS

Operating Revenues, which are composed of sales to municipalities and other revenues, increased by approximately \$40.9 million (8.4%) compared to 2021. Due to higher operating costs and energy sales, 2022 sales to municipalities increased by approximately 8.4% compared to 2021. The average accrued cost per kWh for 2022 was 8.41 cents, an approximate 7.5% increase compared to 2021.

Total operating expenses increased by approximately \$42.1 million (10.1%) compared to 2021. Higher purchased power, production, fuel and transmission costs were the primary drivers of higher operating expenses. Total non-operating expenses decreased by approximately \$4.9 million (11.2%) compared to 2021.

Condensed Consolidated Statements of Revenues, Expenses and Changes in Net Position (\$ millions)

	2022	2021
Sales to municipalities	\$ 521.0	\$ 480.6
Other revenues	8.6	8.1
Total Operating Revenues	529.6	488.7
Purchased power, fuel and production expenses	286.2	251.7
Transmission and local facilities	58.6	50.6
Other operating expenses	113.0	113.4
Total Operating Expenses	457.8	415.7
Total Operating Income	71.8	73.0
Interest expense	60.0	59.5
Interest income	(11.9)	(6.0)
Other non-operating income	(9.4)	(9.9)
Total Non-Operating Expenses (Income)	38.7	43.6
Change in Net Position	33.1	29.4
Net Position at Beginning of Year	444.9	415.5
Net Position at End of Year	\$ 478.0	\$ 444.9

Utility plant decreased approximately \$17.2 million in 2022 and increased approximately \$19.9 million in 2021. Capital additions were approximately \$102.2 million in 2022. Net retirements in 2022 were approximately \$55.1 million. Depreciation expense was approximately \$64.3 and \$47.8 million in 2022 and 2021, respectively.

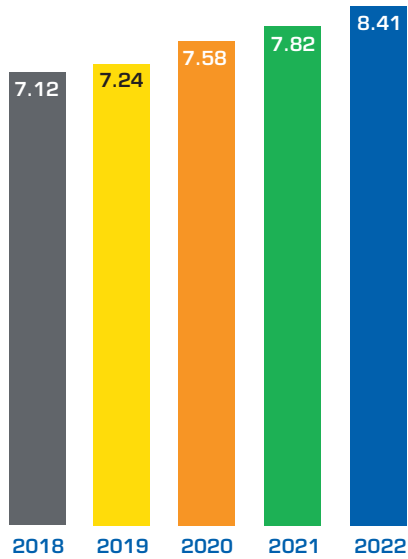
During 2022 and 2021, total net position increased approximately \$33.1 million and \$29.4 million, reflecting IMPA's 2022 and 2021 net income, respectively.

Debt service coverage for 2022 and 2021 was 1.37 times and 1.33 times, respectively. The Agency's bond resolution requires debt service coverage to be at least 1.10 times.

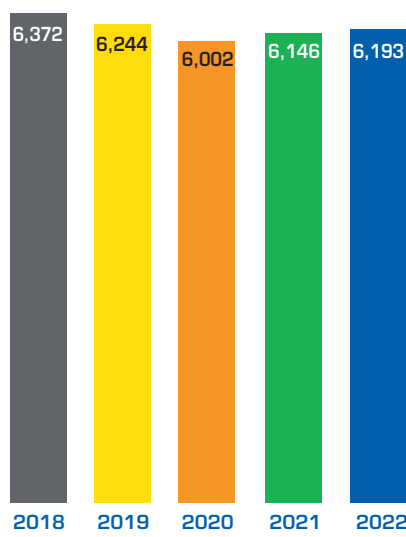
Condensed Consolidated Statements of Net Position

(\$ millions)

	2022	2021
Utility plant, net	\$ 1,288.8	\$ 1,306.0
Cash and investments	386.3	366.7
Other current assets	197.5	140.7
Non-current assets and deferred outflow of resources	262.7	233.7
Total Assets and Deferred Outflow of Resources	\$ 2,135.3	\$ 2,047.1
Net investment in capital assets	(123.4)	(60.4)
Restricted	177.2	162.8
Unrestricted	424.2	342.5
Total Net Position	478.0	444.9
Current liabilities	161.0	163.0
Non-current liabilities and deferred inflow of resources	1,496.3	1,439.2
Total Liabilities	\$ 1,657.3	\$ 1,602.2
Total Net Position Liabilities and Deferred Inflow of Resources	\$ 2,135.3	\$ 2,047.1



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



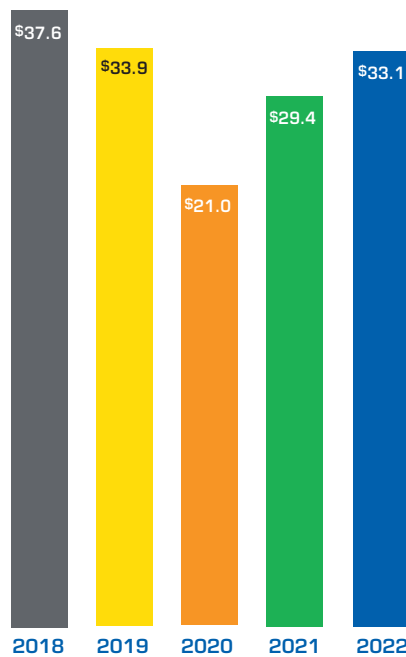
KILOWATT-HOUR SALES (in millions)



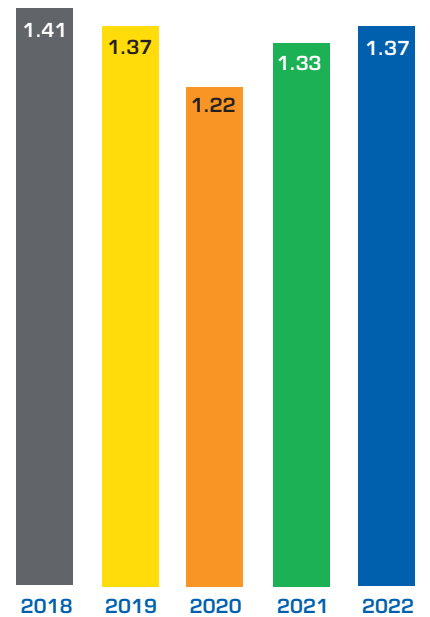
NON-COINCIDENT PEAK DEMAND (MW)



SALES TO MUNICIPALITIES (\$ Millions)






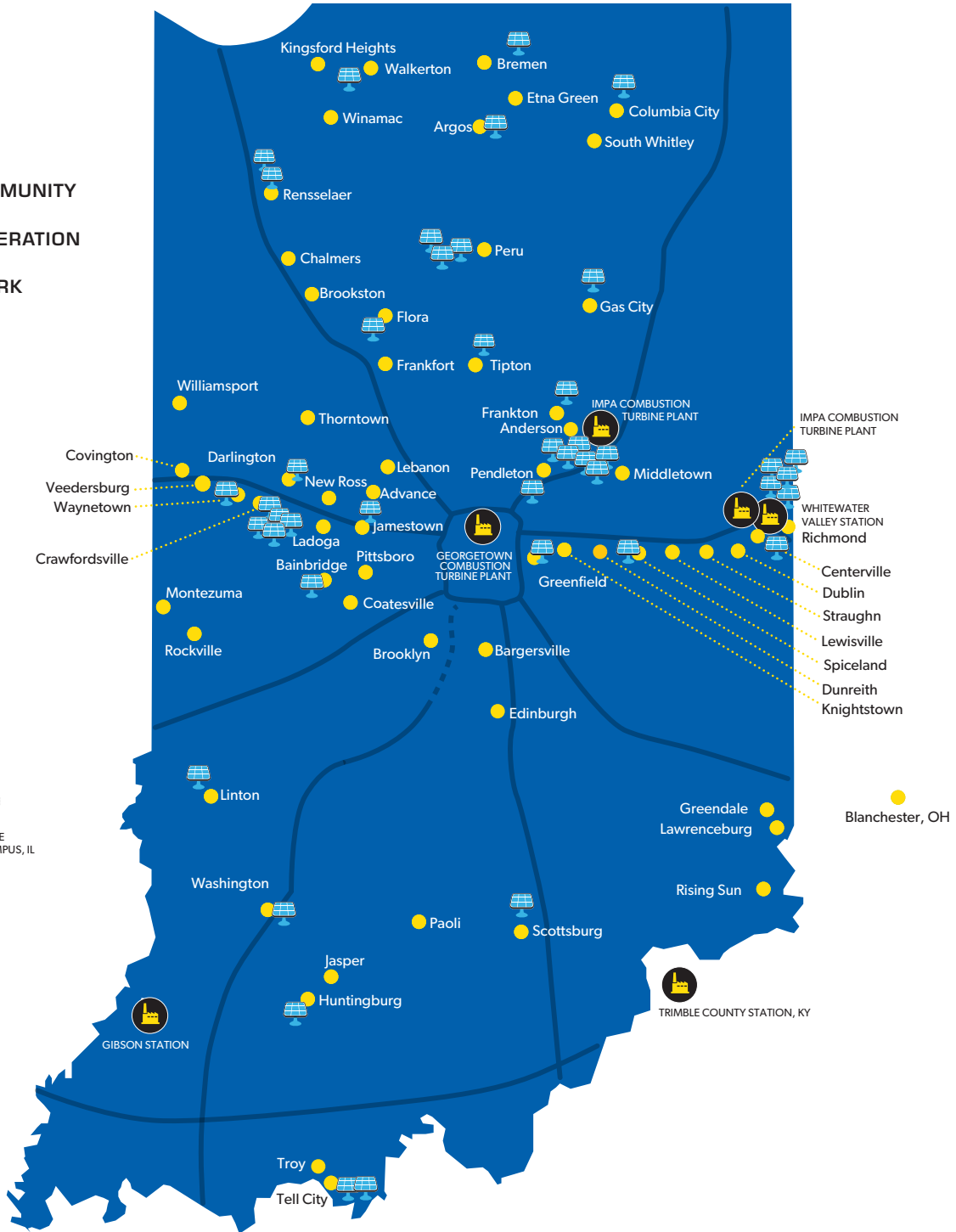
NET INCOME (\$ Millions)



DEBT SERVICE COVERAGE (Times)

MEMBER COMMUNITIES

-  IMPA COMMUNITY
-  IMPA GENERATION
-  SOLAR PARK





Martin Luther King, Jr. once said,

We are not makers of history. We are made by history.

IMPA as an Agency today has truly been formed by its history — the visionaries that created the Agency, the decisions that shaped the Agency’s operations, and the evolution of IMPA’s service over time. As the Agency embarks on its next 40 years of existence, IMPA will continue to write its own story and history as the Agency adapts for future generations.



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