

POWERLINES

A Newsletter from Intermountain Power Agency



October 2019

IPP Renewal Project Update

The IPP Renewal Project is progressing on many fronts. IPP's renewal comprises the replacement of the existing coal-fueled generating facility with a new, natural gas-fueled facility, the replacement of the Adelanto and Intermountain Converter Stations, the upgrade of the Adelanto and Intermountain Switchyards, the installation of a new gas pipeline, and the decommissioning of obsolete equipment and facilities. Currently, proposals from original equipment manufacturer (OEM) contractors for the power blocks are under consideration, with award of this contract scheduled for January 2020. The project team is completing the design criteria for the new converter stations and expanded switchyards.

The spotlight for this edition of "IPP Renewal Corner" is the possibility regarding further development at IPP. IPA believes that IPP is the ideal site to solve many of the utility industry's issues because of IPP's abundant resources:

- Proximity to regional renewables
- Transmission system
- Water rights
- Over 4,000 acres of land
- Unique underground salt formation ideal for energy and fuel storage
- Highly skilled workforce at IPSC



Potential development of new energy assets beyond those required for the gas project includes compressed air energy storage (CAES); green hydrogen production, storage, and use; and carbon capture technologies. By using a subsurface salt formation and connections to renewable resources, a CAES system could help to utilize renewable energy produced during periods of over-supply. These systems are capable of storing large amounts of energy for a longer period of time compared to current utility-scale battery technology, including the potential for seasonal storage. Using IPP's existing transmission capabilities to power hydrogen-generating electrolyzers, the green hydrogen fuel created could then be either stored in the massive geologic salt formation or

burned in the new combustion turbines. The IPP Site Development Subcommittee is currently researching carbon capture and sequestration technology and its viability at IPP. These

forward-looking projects are being developed by staff of the Operating Agent and Project Manager (LADWP), IPSC, and IPA.

Annual Meeting Preview

Intermountain Power Agency will conduct its annual meeting on Tuesday, December 3, 2019, at the Grand America Hotel in Salt Lake City. The Business Meeting for IPA Representatives will tee off the morning's events and will be followed by the General Meeting. Topics to be covered will include the IPP Operations Report and an update on the IPP Renewal Project. A luncheon following the General Meeting will feature keynote speaker Dan Meers—author, motivational speaker, and official mascot of the Kansas City Chiefs.



Los Angeles Times IPP Coverage

The *Los Angeles Times* has ramped up its coverage of the IPP Renewal Project in recent weeks, with several long-form pieces focusing on its role in the potential development of a regional energy hub. A [mid-July article](#) by the newspaper's energy reporter recounts IPP's history and its importance to Millard County's economy. A [follow-up piece](#) several weeks later explores the technologies under consideration, and how existing and planned infrastructure could be utilized to store and distribute renewable energy to the Western grid. Los Angeles radio host Steve Chiotakis subsequently [interviews](#) the *Times'* writer of both pieces, Sammy Roth, on his impressions after a recent visit to the IPP site.



IPA Board Visits Washington, D.C.

IPA Management and Board members conducted briefings for Utah Congressional delegations and American Public Power Association officials July 30, 2019, in Washington, D.C. The group, led by IPA Chair Ted Olson, City of Ephraim, met with Sen. Mitt Romney (R-UT) and staff to update them on the progress of the IPP Renewal Project and related activities.

A [second meeting](#), with officials and staff of the American Public Power Association, served to bring them up to speed on IPP's repowering schedule, as well as plans to transition the Project to facilitate the storage and transmission of renewable energy. "IPA's not a coal supplier," General Manager Dan Eldredge told those in attendance. "We now see ourselves as an energy provider and an energy hub."



(L-R) Dan Eldredge, Cameron Cowan, Ted Olson, Sen. Mitt Romney (R-UT), Nick Tatton, Eric Larsen, John Ward, and Blaine Haacke at a July 30 meeting on Capitol Hill.

IPA Personnel in the News

IPA Chair Ted Olson, City of Ephraim, has received the Spence Vanderlinden Public Official Award, which recognizes elected or appointed local officials who have contributed to the goals of the American Public Power Association.

IPA Board Member Allen Johnson, Bountiful City, has received the Harold Kramer-John Preston Personal Service Award, which recognizes individuals for their service to the American Public Power Association.

continued



IPA Chair Ted Olson is presented with APPA's Spence Vanderlinden Public Official Award.

IPA General Manager Dan Eldredge [has been named](#) the new Vice Chair at the Utah Foundation. He previously served as Treasurer. The Foundation is an independent, non-partisan public policy group carrying out research to help policymakers, business and community leaders, and citizens better understand complex issues and providing recommendations for policy change.

IPA is sad to report the passing of former Board Member [Walter Meacham](#), Kaysville City, on August 9. Walter served on both the IPA Board (1999 - 2012) and the IPSC Board (2007 - 2012).

IPA also mourns the passing of [Emily Hewlett](#) Ringger on July 10, in Orem, Utah. The daughter of former IPA General Manager Jim Hewlett, Emily is remembered as a loving daughter, wife, and sister.

Energy Items of Interest

PaciCorp outlined plans for accelerating its [transition away from coal](#).

U.S. Energy Information Administration launched a new "[State Energy Portal](#)" designed to deliver timely state-specific energy information with customizable visualizations that automatically populate each time a user returns to the page.

Utility commissioners from six coal states pressed the U.S. Federal Energy Regulatory Commission to conclude its [grid resilience inquiry](#).

EIA forecasted world energy use will [increase 50 percent by 2050](#).

U.S. Energy Information Administration analyzed the last decade's [coal shipments to electric utilities](#).

EIA reported natural gas production set [another new record](#) in August despite low prices.

IHS Markit predicted natural gas prices could drop [below \\$2 per million BTU](#) during 2020.

Utility Dive analyzed the "[unknown costs](#) of a 100 percent carbon-free future" for the six states that have mandated it.

POWER analyzed [how net generation has changed](#) in states with renewable portfolio standards.

U.S. Energy Information Administration reported that the lower 48 states set a [new record for hourly electricity demand](#) at 704 gigawatts on July 19.

EIA announced [two new methods](#) for comparing electricity generation from renewables to "combustible" energy sources.

PV Magazine reported solar energy accounted for [2.7 percent of U.S. electricity generation](#) during the first half of 2019.

Moody's Investors Service downgraded the North American coal sector to a "[negative](#)" outlook.

U.S. Energy Information Administration [increased its forecasts](#) for 2019 and 2020 coal production and exports.

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Learn more about Intermountain Power Agency, please visit: www.ipautah.com

PowerLines is a publication of Intermountain Power Agency. The Intermountain Power Project includes a two-unit coal-fueled generating station located near Delta, Utah, two transmission systems, a microwave communication system and a railcar service center, all built as a joint undertaking by 35 utilities in Utah and California.

Certain statements included in this communication constitute "forward-looking statements" within the meaning of the federal securities laws. Such statements are generally identifiable by the terminology used such as "anticipate," "plan," "envision," "become," "expect," "future," "potential," "continue" or other similar words and include statements regarding future operations of IPA. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such risks include the ability to design, permit, finance and construct natural gas facilities at IPP, the continued payment by power purchasers under the contracts pursuant to which they purchase such power, the ability of third parties unrelated to IPA to continue to develop power and industrial facilities in the immediate area and other risks, uncertainties and other factors discussed from time to time in filings made by IPA pursuant to its continuing disclosure obligations through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"), currently located at <http://emma.msrb.org>. IPA does not undertake any obligation to correct or update any forward-looking statements whether as a result of changes in internal estimates or expectations, new information, subsequent events or circumstances or otherwise.