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Project News Briefs

Coal Plays Key Role In Utah Energy Plan

Utah Governor Gary Herbert has unveiled a 10-year strategic energy plan for the state that includes coal as one of the key fuels for power generation.

In announcing the plan March 18, Governor Herbert said: "No other state can offer what Utah can. We are uniquely positioned in the Western Energy Corridor, which stretches from Canada on the north to New Mexico on the south. Utah has a rich abundance of diverse natural resources, both in terms of traditional fuels, and renewable and alternative energies."

The task force that completed the plan was comprised of industry, academic, environmental and government leaders who gathered public input statewide. Former Salt Lake City mayor and environmental activist Ted Wilson – who was a speaker at the Intermountain Power Agency annual meeting last December – chaired the group.

The report stated that in 2008, Utah produced its 1 billionth ton of coal. In 2009, Utah ranked 13th in the nation in the production of coal at 21.9 million tons, and coal made up

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Billions in Utah Economic Activity Spring from IPA Operations

An economic impact analysis published by the Utah Foundation has confirmed that the Intermountain Power Project is a significant contributor to Utah's economy – accounting for hundreds of millions of dollars in economic activity annually and contributing thousands of jobs.

The Intermountain Power Project began commercial operations in 1986. The 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 36 utilities in Utah and California.



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IPA Participates in Rural Utah Legislative Day



IPA Assistant Treasury Manager Cameron Cowan was among the Agency's representatives on hand to meet with state legislators.

Dozens of Utah legislators received information about the Intermountain Power Agency and its operations at the first ever Rural Legislative Day at the state Capitol February 4.

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IPP Continues Major Tax Contributions

The Intermountain Power Project paid \$14.4 million in sales and use taxes, gross receipts taxes, and fees in lieu of ad valorem taxes during 2010. The fees are in place of property taxes that municipally-owned projects like IPP ordinarily do not pay.

Last year's payments bring the total of taxes paid since the Project's inception to more than \$537 million.

From the 2010 payments, Millard County received almost \$9.3 million, about \$5.3 million of which went to the Millard County

School District. IPP is the largest contributor to both entities.

"We are pleased to continue as a positive economic contributor to Millard County and the rest of the state," said IPA General Manager James A. Hewlett. "In addition to paying taxes and fees, the Project actively supports community organizations and events. We also provide significant employment opportunities. And it's worth remembering that the Project was developed without any taxpayer subsidies."

Billions in Utah Economic Activity Spring from IPA Operations

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In a study of the Project's activities for the fiscal year that ended June 30, 2008, the Utah Foundation determined that the Project contributed almost \$627 million in economic activity to the state. That activity included creation of approximately 3,350 jobs and more than \$147 million in household earnings for the year.

Compared to the state as a whole, the Project accounted for 0.6 percent of the state's total economic output and 0.3 percent of the state's total non-farm employment.

"This study conclusively demonstrates the important role played by the Intermountain Power Project in Utah's economy," said James A. Hewlett, General Manager of the Intermountain Power

Agency. "More than 30 years ago, a group of visionary community leaders conceived of this Project as a way to drive economic growth in the state while supplying affordable and reliable electricity for more than 1.5 million homes. The data show that it has been a success on all counts."

The Utah Foundation study also estimated the economic impact of the project looking forward to 2026. It concluded that the Project can be expected to continue as a significant portion of Utah's economy, accounting for an average annual contribution of \$866 million in economic activity, 4,600 jobs and \$222 million in annual household earnings.

A complete copy of the Utah Foundation report, as well as copies of the Intermountain Power Agency's annual reports, can be obtained at www.ipautah.org. The Utah Foundation report can also be obtained at www.utahfoundation.org.



Electricity Facts At A Glance

Coal has provided almost half of America's electricity generation for the last decade and more than twice as much as the next-highest contributor – nuclear. America is home to 272 billion tons of coal. That represents one quarter of the world's coal supplies with the energy content equivalent of a trillion barrels of oil, roughly comparable to the world's entire known oil reserves.

Coal Plays Key Role In Utah Energy Plan

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about 47 percent of Utah's total produced energy resources. There are estimated to be more than 3,722 jobs in Utah's coal production industry, including direct and related support jobs. Approximately 82 percent of Utah's total net generation of

electricity comes from coal-fueled power plants, with 16 percent from natural gas, and 2 percent from hydroelectric, geothermal, landfill gas and biomass, wind and solar, the report said.

A complete copy of the plan is available online at <http://www.utah.gov/governor/docs/energy-10year-plan.pdf>.

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IPA Participates in Rural Utah Legislative Day

The event was sponsored by the Governor's Office of Economic Development. IPA participated in program discussions and sponsored a booth in the Capitol Rotunda.

Organizers of the event wanted to call attention to the significant economic contributions made by the 17 Utah counties designated as "rural." Although these counties comprise most of the landmass in the state, their economic contributions may often be overlooked because of the dominance of the Wasatch Front, where most Utahns live and work.

"The reason we've decided to do this is to engage the rural communities by becoming more proactive," said Bev Evans, director of the department's Rural Development Office, in an interview with the Deseret News. "Without having something organized in formal way, people don't often feel as comfortable coming up to the Legislature," added Evans, who as a former lawmaker of 20 years represented residents in the Uintah Basin.

IPA representatives were able to talk with legislators one-on-one regarding the operations of the Intermountain Power Project in Millard County. IPA officials also shared results of the recently completed economic impact analysis that was conducted by the Utah Foundation. (See story on page 1.)

"Legislators we met with were very interested and engaged," said IPA Assistant General Manager Dan Eldredge. "It was good to remind them of the contributions made by our Project and its employees in improving the economy of our state."



IPA Assistant General Manager Dan Eldredge discusses Utah energy policy with Utah State Senator Daniel W. Thatcher.

High Tech Coal Analyzer Improves Plant Performance

Intermountain Power Project operators have a high tech new tool at their disposal to help them ensure a consistent and predictable supply of coal to the power plant.

An online elemental coal analyzer has been installed on one of the main conveyor belts feeding the plant. The coal analyzer performs spectral analysis of the coal in real time as it passes by on the conveyor and provides operators with a wealth of information, including the heat content per pound of the coal.

In recent years, IPP has received coal from a greater variety of sources compared to the earlier history of the Project. Coal characteristics vary from mine to mine in a number of ways, such

as ash, sulfur, moisture, and heat content. Coal from different mines is often blended as it is fed into the power plant, making traditional laboratory analysis of coal characteristics impractical on a real time basis.

The online analyzer, which cost approximately \$1 million to install, gives real time information about the heat content and ash fusion characteristics of the coal, the amount of sulfur that scrubbers will be removing, and the amount of ash that will affect pulverizer and ash collection operations. These important measurements allow operators to adjust coal blending operations, if necessary, to keep the plant running efficiently and avoid a number of maintenance problems that can occur if coal quality varies.



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PowerLines

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 36 utilities in Utah and California. For more information, visit www.ipautah.com.

