

Top of the News

Utah's Legislature continues to support Intermountain Power Agency's efforts to plan for a long and diverse energy future. Food for Thought pays a visit to China. *IPA Updates* cover the Project's renewal subscription process, a new IPA director, IPP in the news, and a calendar reminder. *Energy Items of Interest* come from the worlds of environmental regulation, Utah coal, and our evolving electricity grid. Plus a special focus on the changing relationship between coal and natural gas.

SAFETY SHARE: A [study](#) by Virginia Tech Transportation Institute examined [which distracted driving behaviors are riskiest](#). Dialing a phone was the worst – increasing risk of accidents by 12 times. That's followed by reading or writing (10 times,) reaching for an object other than a phone (9 times,) texting (6 times,) reaching for a phone (5 times,) and browsing a phone or reading email (3 times.) Distractions were a factor in nearly 70 percent of more than 900 serious crashes examined.

Featured This Edition: IPA's Energy Hub

Utah's Legislature in 2016 enacted HB 341 – a bill that grants the Intermountain Power Agency authority to create business “segments” for development of new projects related to the Intermountain Power Project. Although no new segments are currently in the works, the legislation gives IPA greater flexibility to adapt to changing energy markets.

IPP is rapidly becoming a hub for other energy development in the region because of its location on a major regional energy corridor, ownership of two major electricity transmission systems, substantial land holdings and water rights, and excellent access to rail and pipeline transportation networks. The Project's infrastructure has already attracted the interest of developers of wind, solar, and energy storage projects.

HB 341 is the latest in a series of actions by the Utah Legislature to help plan for IPP's future. Previously, the Legislature acted to extend the Intermountain Power Agency's authority to operate through 2077. The Legislature also allowed IPA to develop energy projects using resources other than coal, which led to the “Renew IPP” effort that is now planning for new natural gas fueled electricity generation at the site.

HB 341 authorizes IPA to establish one or more segments that are treated as separate interlocal entities and may have separate rights, powers, privileges or duties. Segments are similar to Series Limited Liability Companies that were permitted in Utah law 10 years ago and would allow different combinations of participants to develop energy projects at or adjacent to IPP.

Intermountain Power Agency's Board of Directors and the Intermountain Power Project Coordinating Committee have adopted a procedure requiring Board and Coordinating Committee consent before any new business segments are undertaken.

Food for Thought

China used more cement between 2011 and 2013 than the U.S. did [in the last 100 years](#). (How? Well, for starters, in 2009, China had 221 cities with more than a million people in them, compared with only 35 in Europe. Even relatively minor cities like Zhengzhou and Jinan are more populous than Los Angeles or Chicago.) Meanwhile, Greenpeace said China is on track to add an average of one new coal-fueled power plant [every week through 2020](#), despite the country's much-publicized pledges to cut back on coal use.

IPA Updates

IPP Renewed➔

"IPP Renewed" Subscription Continues

Intermountain Power Agency's renewal subscription process for the Project's post-2027 life is continuing. Earlier this year, Project participants approved amendments to power sales agreements that will allow development of new generating facilities at the Project's Millard County site. Current plans envision the development of up to 1,200 megawatts of natural gas fueled generation to be in place when current power purchase agreements for coal fueled generation expire.

Current Project participants are now being offered the opportunity to continue in the "Renewed" Project at levels up to their current generation entitlement shares (expressed as a percentage). If any current participants do not elect to continue in the Renewed Project during this initial round, their entitlement shares will be reallocated in a later phase of the subscription process.

Numerous Utah participants have already submitted their subscriptions to continue in the renewed project. California participants are actively pursuing regulatory approvals from the California Energy Commission that are necessary for them to move forward with their subscriptions.

New IPA Director Selected



Bruce Rigby, Resource and Customer Service Manager for Kaysville City Power and Light, has been selected to fill a vacant seat on the Intermountain Power Agency Board of Directors. Rigby is a 32-year veteran of Kaysville Power and an active participant in Utah municipal power organizations.

Rigby fills the Board position vacated by Fred Moss when the City of Bountiful changed its designated representative to IPA.

IPP in the News

Intermountain Power Project featured prominently in a couple of recent magazine articles. Utah Mining Association's Mining Focus published a feature story entitled "Intermountain Power Project Aims to Remain a [Cornerstone of Utah's Economy](#)." Power Engineering published a cover story about the proposal to develop [compressed air energy storage](#) adjacent to IPP.

Mark Your Calendar

Intermountain Power Agency's Annual Meeting will be held Tuesday, December 6, 2016, at the Grand American Hotel in Salt Lake City.

Energy Items of Interest

- The U.S. Environmental Protection Agency mandated installation of [more emissions controls](#) at Rocky Mountain Power's Emery County [coal fueled power plants](#).
- Environmental groups sued Rocky Mountain Power over [coal ash disposal](#) at its Huntington Plant.
- *E&E* examined a [string of court setbacks](#) for Obama Administration environmental policies.
- *SNL Energy* surveyed the [outlook for Utah and Colorado coal](#).
- Coal supporters packed a Bureau of Land Management public hearing in Salt Lake City on [coal leasing policy](#).
- A coal group speculated that coal and energy issues will be a factor for the presidential election in [swing states](#) including, surprisingly, Utah.

- *Deseret News* editorialized that “the state’s interests would now be better served by finding ways to [manage the transition](#) facing coal-reliant communities, rather than looking for ways to slow a trend that clearly will not be reversed.” The head of the Utah Mining Association [begged to differ](#). An editorial contributor pointed out that Wasatch Front haze [isn’t coming from power plants](#).
- California’s system operator moved forward with proposals to organize [a new regional grid and market](#). Utah lawmakers [reacted with caution](#).
- Clean Power Plan updates: National Association of Clean Air Agencies released [guidance for states](#) that continue to develop implementation plans despite the U.S. Supreme Court stay of the carbon regulations. *SNL* published an [informative summary](#) of the legal issues involved in the litigation challenging the carbon regulations. Energy Information Administration projected renewables would [overtake coal](#) as the second largest electricity source if the Clean Power Plan is enacted, but not if it fails. EIA also showed potential electricity generation resource mixes under [several scenarios](#) for Clean Power Plan implementation and how the carbon regulation might [affect coal producing regions differently](#).
- Interviewed on *E&E TV*, the CEO of Pedernales Electric Cooperative gave a [concise and understandable summary](#) of changes facing the electric utility industry.
- Energy Information Administration updated its [state energy profiles](#).
- EIA reported U.S. energy-related carbon dioxide emissions in 2015 were [12 percent below the 2005 levels](#), and Energy Policy Institute at University of Chicago said power plants are no longer the greatest emitters of carbon dioxide in the U.S. [Transportation sector](#), it’s your turn.

Special Focus: Coal and Natural Gas

Final electricity [generation share](#) stats for 2015: Coal 33.2 percent, natural gas 32.7 percent. Coal plants accounted for 80 percent of the generating capacity that was [shut down last year](#). Energy Information Administration predicted in 2016 natural gas will fuel 33 percent of electricity generation, compared with 32 percent for coal – the first time that [natural gas would surpass coal](#) on an annual average basis.

EIA examined the [drop in power sector coal demand](#) from 2007 to 2015. *S&P Global Market Intelligence* reporter Taylor Kuykendall appeared on a podcast about “[The Collapse of Coal](#)” and provided lots of links to his stories on the subject. In a more recent update, Kuykendall reported the coal industry [may have hit bottom](#).

Winter 2015-16 was the [warmest on record](#), contributing to stable (and low) natural gas prices in comparison to previous winters. Last year also marked the first time that the [average capacity factor](#) of natural gas fueled power plants exceeded that of coal fueled plants. As natural gas prices [remained persistently low](#), the natural gas industry [broke production records](#) in 2015.

POWER magazine reported that the rise of natural gas generation is [not without roadblocks](#) such as price volatility and transport concerns. Bloomberg reported natural gas prices “[have surged 19 percent](#)” this year, rebounding from a 17-year low, and drillers, burned by earlier declines, are refilling storage at half last year’s pace.” Analysts speculated that the historically low natural gas prices [may be gone for good](#).

A panel at a prominent energy conference pondered: “[Are we losing fuel diversity](#), and should we be concerned about that?” Centrist think tank Third Way published an excellent new video on energy policies entitled: “[We Need a Mix](#).” The White House’s top science adviser called the “keep it in the ground” movement “[unrealistic](#).”



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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 36 utilities in Utah and California.