

Top of the News

The Intermountain Power Project is engaged in regulatory discussions over air emissions that date back to 2001. *Food for Thought* offers some shocking presidential trivia. A multi-year planning effort that may lead to natural gas fueled generation at IPP may be nearing completion. The Utah Legislature considered several bills of importance to the Project. The longstanding “dairy lawsuit” faces another delay. Plus *Energy Items of Interest* explores a wave of reports and prognostications regarding the changing face of American energy.

SAFETY SHARE: April was National Distracted Driving Awareness Month. Distraction.gov is the U.S. government’s official website with resources for teens, parents, educators, employers and community groups.

Featured This Edition: Air Emissions

Improvements made at the Intermountain Generating Station 14 years ago, and permitted by the Utah Division of Air Quality (DAQ), are currently the subject of discussions with the U.S. Environmental Protection Agency (EPA) and the Sierra Club.

In 2001, the power plant’s generating capacity was increased in a project that also included substantial improvements in nitrogen oxide controls to ensure that nitrogen oxide emissions would not increase as a result of the increase in generating capacity. IPP obtained a permit from the Utah DAQ specifically for the improvements at issue.

(The Utah DAQ is the permitting agency delegated by EPA with the authority to issue permits affecting air quality in Utah.) Following the improvements and in accordance with the permit, IPP submitted yearly compliance reports that demonstrated that the upgrade did not, in fact, result in unauthorized emission increases.

IPP has responded to requests from EPA for information regarding the capacity increase and emission reductions. Additionally, Sierra Club has

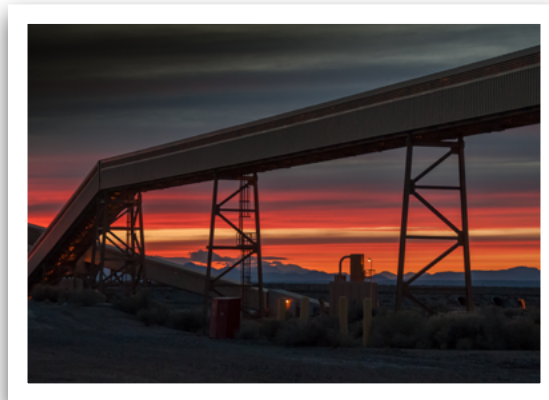


Photo at IPP Courtesy of IPA Board Member Eric Larsen

threatened litigation alleging that the capacity increase project violated the Clean Air Act. The Project has expressed to both EPA and Sierra Club that it remains confident that the plant is, and has been, operating fully in compliance with the Clean Air Act and permit requirements.

Environmental stewardship has been a priority for the Intermountain Power Project since its inception. IPP installed flue gas desulphurization scrubbers as original equipment in the 1980s and uses low NOx burners and overfire air to control emissions of nitrogen oxides. Ash is captured in state-of-the-art baghouses and a large percentage of the ash is recycled for use in construction materials. IPP is in an area of Utah where the air quality has been and continues to be better than the National Ambient Air Quality Standards for all regulated pollutants.

Food for Thought

Did you know: The entire history of the United States [spans the lifetimes of just four presidents](#).

IPA Updates

- The multi-year effort to “**Renew IPP**” may be complete by this summer. Discussions between California purchasers of IPP electricity are nearing a conclusion intended to enable them to approve project reorganization documents. The project reorganization – which has already been approved by rural cooperative participants and 22 of the Project’s 23 Utah municipalities – would enable development of up to 1,200 megawatts of combined cycle natural gas fueled electricity generation at IPP and an offer in renewal contracts extending the term from 2027 to 2077. Los Angeles Department of Water & Power would lead the natural gas project development. Utah cities that elect to continue in the Project would enjoy excess power sales agreements similar to current arrangements. Other than the Los Angeles Department of Water & Power, the California power purchasers would have an opportunity to exit the Project in 2019, if desired. Studies will continue regarding other potential additions to the rapidly developing energy hub anchored by the Intermountain Generating Station.
- A record 800 bills were enacted by the **Utah Legislature** this year. Intermountain Power Agency actively tracked 35 – including legislation to ensure that the Project is not swept into reporting requirements designed for entities that receive tax dollars such as the State Money Management Act, Transparency Act, and State Procurement Code –. IPA is a Utah taxpayer and does not receive any type of tax support. The Legislature passed HB 201 “Interlocal Entities Amendments” that will permanently exempt IPA from these types of requirements unless IPA is specifically named in legislation.
- Plans to reschedule the long-running “**Dairy Lawsuit**” trial for this summer have been postponed indefinitely. In 2005, 18 Millard County dairy farmers filed a lawsuit against the Intermountain

Power Project generally claiming that since 1987 “stray voltage” has been damaging their herds. The Project has vigorously contested the allegations. The case went to trial in fall of 2013, but after several weeks of testimony the plaintiffs requested and received a mistrial. A new trial date had been set for this summer, but plaintiffs are continuing to pursue appeals of court rulings that denied their requests for a change in venue. Until those appeals are resolved, no further trial dates are likely to be set.

Energy Items of Interest

- As the first compliance milestone for Mercury and Air Toxics Standards (“MATS”) regulation occurred in April, *Politico* published an analysis of “[The Fall of Coal](#).” *Bloomberg Business* chimed in with [an interesting map](#) of its own showing coal fueled power plant closures.
- Other news media were quick to point out that “[Reports of Coal’s Death May Have Been Greatly Exaggerated](#).” The U.S. Energy Information Administration released its annual [Coal Distribution Report](#) which shows where the coal is coming from and where it goes.
- EIA also released its [Annual Energy Outlook 2015](#), covering all energy sectors and projecting that U.S. energy imports and exports will soon come into balance, a first since the 1950s, because of continued oil and natural gas production growth and slow growth in energy demand.
- The Department of Energy also published the [Quadrennial Energy Review](#) – or at least the first installment of it. (It’s been broken into smaller chunks and another installment is due next year despite the word “quadrennial” in its moniker.) Compiling this massive think-piece involved 20 federal agencies and the report tries to take a holistic approach. This installment specifically focuses on energy transmission, storage and distribution infrastructure (think pipelines, railroads and power lines.) Here are [13 of the most interesting charts](#) distilled from the voluminous document.
- China’s coal usage in 2014 decreased for the first time in modern history, causing some news outlets to breathlessly declare coal has peaked. Not so fast, concludes this [analysis by the leader of Clean Air Task Force](#).
- *Bloomberg BNA* is offering a free copy of its 2015 “[Environment Reporter Outlook](#),” which offers a comprehensive exploration of top issues facing the environment and energy industry.



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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.