

ISSUE #1

MARCH 2009

Project News Briefs

IPA Officers and Directors Re-Elected

Ray Farrell has been re-elected Chairman and R. Leon Bowler, re-elected Vice Chairman of the Intermountain Power Agency Board of Directors.

Farrell represents Heber Light and Power Company on the Board and Bowler represents the City of Enterprise. They have served on the IPA Board since 1978 and 1977 respectively.

Also re-elected were Ted L. Olson, representing the Cities of Ephraim and Fairview, as Secretary; and Russell F. Fjeldsted, representing Logan City as Treasurer. Olson has been an IPA Board member since 1990 and Fjeldsted since 2000.

Bowler and Walter Meacham, representing Kaysville City, were also re-elected to the Board of Directors for new terms that will expire in 2012.

Other members of the IPA Board include Robert O. Christiansen, Beaver City; and Edward Collins, Lehi City.

Project News Briefs
CONTINUED ON PAGE 3

32nd Annual Meeting

Intermountain Power Project Continues Record of High Performance, Financial Stability and Environmental Responsibility

OPERATING SUMMARY

	2008	2007	2006	2005	2004
Gross Generation (gWh)	15,182	15,560	14,947	14,879	15,021
Equivalent Availability	92.8%	95.2%	92.6%	91.72%	93.62%
Net Capacity Factor	90.5%	93.1%	89.5%	88.88%	91.55%
Coal Usage (Ktons)	5,861	5,960	5,816	5,905	5,778
Heat Rate (BTU/kWh)	9,474	9,491	9,573	9,545	9,535

The Intermountain Power Project remains an industry leader in generating efficient and reliable electricity, said speakers at the Annual Meeting of the Intermountain Power Agency in December.

The Intermountain Power Agency is an organization of 23 Utah municipalities formed to finance, construct, operate and maintain the Intermountain Power Project. The Project generates enough electricity to supply the needs of more than 1.5 million homes.

In the shadow of mounting turmoil in world financial markets, Intermountain Power Agency was able to maintain a stable monetary outlook during fiscal 2008. Bond ratings remained unchanged and the Agency's weighted average borrowing cost decreased over the year from 4.36% to 4.17%. The principal amount of debt outstanding decreased from \$3.09 billion on July 1, 2007 to \$2.88 billion on July 1, 2008.

Electricity generation in fiscal 2008 was the second highest in the history of the Intermountain Power Project. Gross generation was 15,182 gigawatt-hours. The Project consumed 5.9 million tons of coal, primarily from Utah mines. Standard efficiency measurements showed that the Project is both ready for service and actually in service at much higher rates than most similar plants nationwide.

Historically, the Project has been one of America's cleanest and most efficiently operated coal-based generating stations. The Project's sulfur dioxide and mercury emissions are below permitted limits and have consistently been among the lowest for coal fueled power plants across the nation. Today, the Project has expanded its efforts to improve

CONTINUED ON PAGE 2

32nd Annual Meeting

CONTINUED FROM PAGE 1

environmental performance to include reducing greenhouse gas emissions. The Project is investigating several strategies for off-setting, reducing and capturing and storing carbon dioxide emissions. The Project is also actively supporting the development of renewable energy resources in Utah.

“We are fortunate to have a great Project that’s been operating continuously since 1986, now in its 23rd year of providing reliable, low-cost energy for our purchasers,” said Ray Farrell, IPA Chairman. “I am very pleased to report our Project at Intermountain has added another successful year of operation at near full capacity.”

“We are now past the mid-life point for our Project’s projected life of approximately 40 years. And yet, the plant continues to establish new highs in performance,” said James A. Hewlett, IPA General Manager. “IPP will continue to play an important role for the western power grid, the State of Utah, the IPP power purchasers, and the Project’s 23 Utah municipal owners.

Developing World Changes to Create Interesting Developments Here at Home

Dynamic economic changes in the BRIC countries – Brazil, Russia, India and China – are affecting the economy and energy markets here in America, said John Doggett, Senior Lecturer of International Entrepreneurship, Management and Sustainability at the McCombs School of Business of the University of Texas at Austin.



John Doggett

Doggett was the keynote speaker at Intermountain Power Agency’s annual meeting. He offered sobering statistics about the rise of these emerging powerhouses and the potential impact on the world’s economy and environment.

These four countries occupy 23.9 percent of the world’s land area and contain 42 percent of its population. But more impressive than their size is the pace of their economic growth. According to Doggett, China will pass Germany this year to become the world’s third largest economy and could become the largest economy in the world in 20 years by growing at a 5 percent rate. It has been growing at twice that rate. Likewise, India could challenge the United States as the second largest economy by 2040 by growing at a 6 percent rate, which is in line with its growth over the past decade.

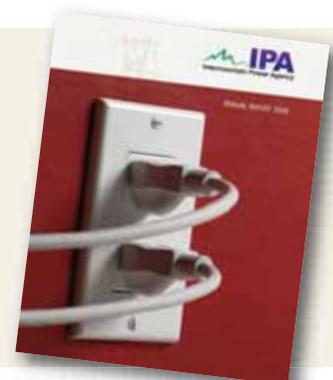
Growth in these countries has created a new middle class that is demanding the production of modern conveniences – such as cars, cell phones, and appliances – at an unprecedented rate. Doggett said the middle class in these four countries could grow from 250 million in 2005 to 3.5 billion by 2050.

This rapid growth does not come without a price, said Doggett. Powering economic growth will require more than \$20 trillion in energy infrastructure investments. China, in particular, will continue to rely heavily on coal as an energy source and has made little progress in improving environmental controls. China is already the world’s largest emitter of greenhouse gases and its air doesn’t stay in China, said Doggett. Almost a third of the air over Los Angeles and San Francisco can be traced directly to Asia. With it comes up to three-quarters of the black carbon particulate pollution that reaches the U.S. west coast.

IPA Annual Report Available On-Line

A complete copy of Intermountain Power Agency’s Annual Report is available on-line at the Agency’s newly redesigned web site at www.ipautah.com.

The Annual Report contains a summary of 2008 financial and operational milestones, as well as audited financial statements for the project. System maps and a wealth of statistical information are included.



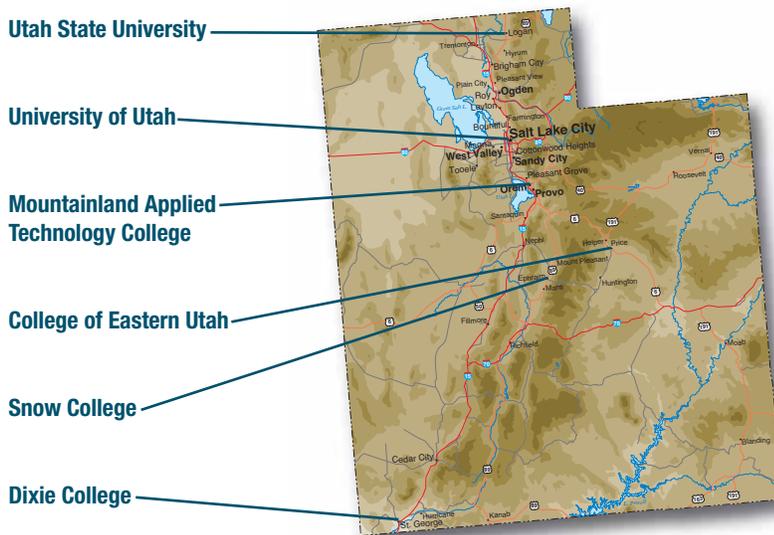
Six Utah Colleges Receive IPA Scholarship Funds

More than \$1 million has been pledged by the Intermountain Power Agency to create scholarships for engineering students at six Utah colleges and universities.

IPA contributed \$300,000 during its fiscal year 2008-2009 that added to previously funded endowments at the University of Utah, Utah State University, Snow College, Dixie College, the College of Eastern Utah, and Mountainland Applied Technology College. More than \$100,000 has been budgeted for scholarships during its next fiscal year that begins in July.

“Encouraging talented young people to enter the engineering field is of vital importance to our industry and our nation,” said James A. Hewlett, general manager of the Intermountain Power Agency. “A generation of engineers throughout the United States is nearing retirement and we need more qualified young people to fill those ranks.”

Engineering students interested in studying clean coal technologies and climate change receive preference in the awards of scholarships from the IPA funded endowments.



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Milford Wind Farm Development Proceeds

The Intermountain Power Project’s southern transmission system is playing a key role in the development of Utah’s largest wind energy farm.

Developed by First Wind, the Milford Wind Corridor Project has commenced construction in Beaver County. Upon completion, the project will generate up to 203 megawatts of electricity from 97 wind turbines. Construction is expected to be completed by the end of 2009.

The project is also constructing a 90-mile transmission line to connect with the Intermountain Generating Station near Delta. IPP will transmit the wind project’s energy on its southern transmission system to the Southern California Public Power Authority, which has entered into a 20-year agreement to facilitate the purchase of the power for three IPP Purchasers.



Electricity Facts At A Glance

The Intermountain Power Project reliably generates enough electricity to supply more than 1.5 million homes. The U.S. Energy Information Administration projects that electricity demand in America will grow by 41% by 2030. Large “baseload” power plants like the Intermountain Power Project will be vital to meeting that demand.



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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.

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