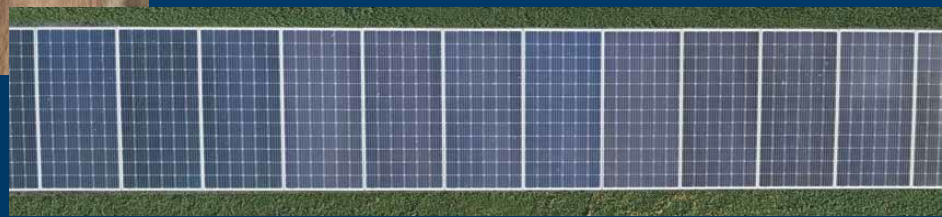
IURC 2025 SUMMER RELIABILITY FORUM

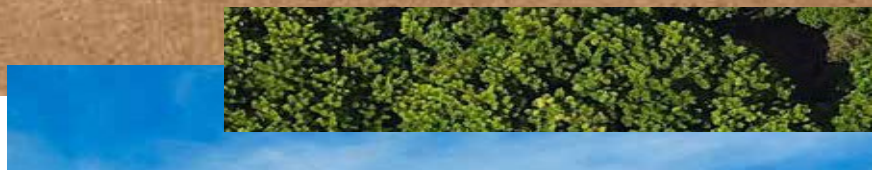
Indiana Municipal Power Agency

Jack Alvey, President and CEO

May 20, 2025



AGENDA



IMPA Overview

2025 Summer Preparedness

including rate trends, fuel availability, weather impacts

Resources

RTO Observations

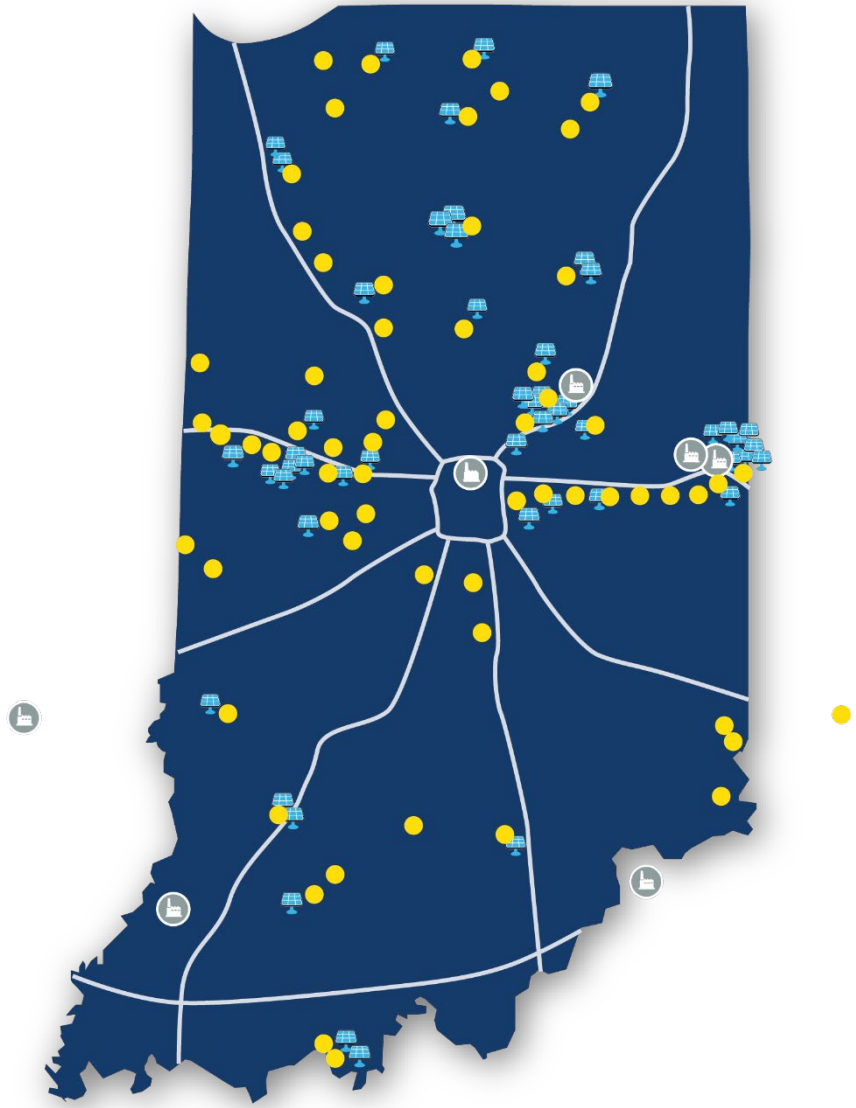
IMPA OVERVIEW

- IMPA is a wholesale power provider
  - Generation assets
  - Purchased power contracts
  - Deliver power to our member communities
  - 1200 MW system load
- IMPA was formed as an Indiana joint action agency in 1980 by 11 communities & currently at 61 members
  - Created to use economies of scale to acquire, construct and finance a reliable supply of low-cost power
- Created by Indiana state statute
- Not-for-profit, political subdivision of Indiana
- Municipal electric utilities distribute the power to residents, businesses and industries
- IMPA operates in BOTH the MISO and PJM markets

IMPA

IMPA OVERVIEW

- Longstanding mission - Provide low-cost, reliable and environmentally-responsible power through a diverse power supply portfolio
- Wholesale electric rates are among the lowest in the state
- Serve approximately 350,000 people in 61 communities
- Financially strong
  - Annual revenues of approximately $500 million
  - Total assets, approximately $2.0 billion
  - A1/A+ Bond Ratings



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IMPA PORTFOLIO OF RESOURCES

Gibson Station

- IMPA owns 156 MW
- Co-owned with Duke Energy and Wabash Valley Power Alliance

Trimble County Station

- IMPA owns 164 MW
- Co-owned with LG&E and Illinois Municipal Electric Agency

Prairie State Energy Campus

- Online in 2012; Mine mouth plant with 30-year supply of coal
- IMPA owns 200 MW (12.64%) of plant's 1600+ MW output

Whitewater Valley Station

- Operational control assumed by IMPA in 2014
- Two generating units (35 MW and 65 MW)

Peaking Stations

- IMPA owns 7 combustion turbine units – approximately 400 MW
- 3 in Anderson, 2 in Richmond, 2 in Indianapolis

Alta Farms II Wind Farm

- 75 MW PPA
- Located in Dewitt County, Illinois

Solar

- 51 parks online in 29 member communities
- Total capacity of 203 MW; additional 7 MW expected in 2025
- 150 MW Ratts Solar PPA; online September 1, 2025
- Environmentally-responsible and helps to keep future rates stable

Joint Transmission System

- Covers approximately two-thirds of the state of Indiana
- Owned by IMPA, Duke Energy, Wabash Valley Power Alliance
- IMPA owns approximately 5.67% of the Joint Transmission System (JTS) and has invested approximately $313 million gross in JTS assets

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SUMMER 2025 RATE TRENDS

IMPA Wholesale Rates

Jan 2025: **4.96%** average wholesale rate decrease

IMPA Member Utility Retail Rates

Approximate **4.5%** decrease in IMPA member communities compared to last summer

Driven by decreases in purchased power costs and IMPA's energy cost adjustment

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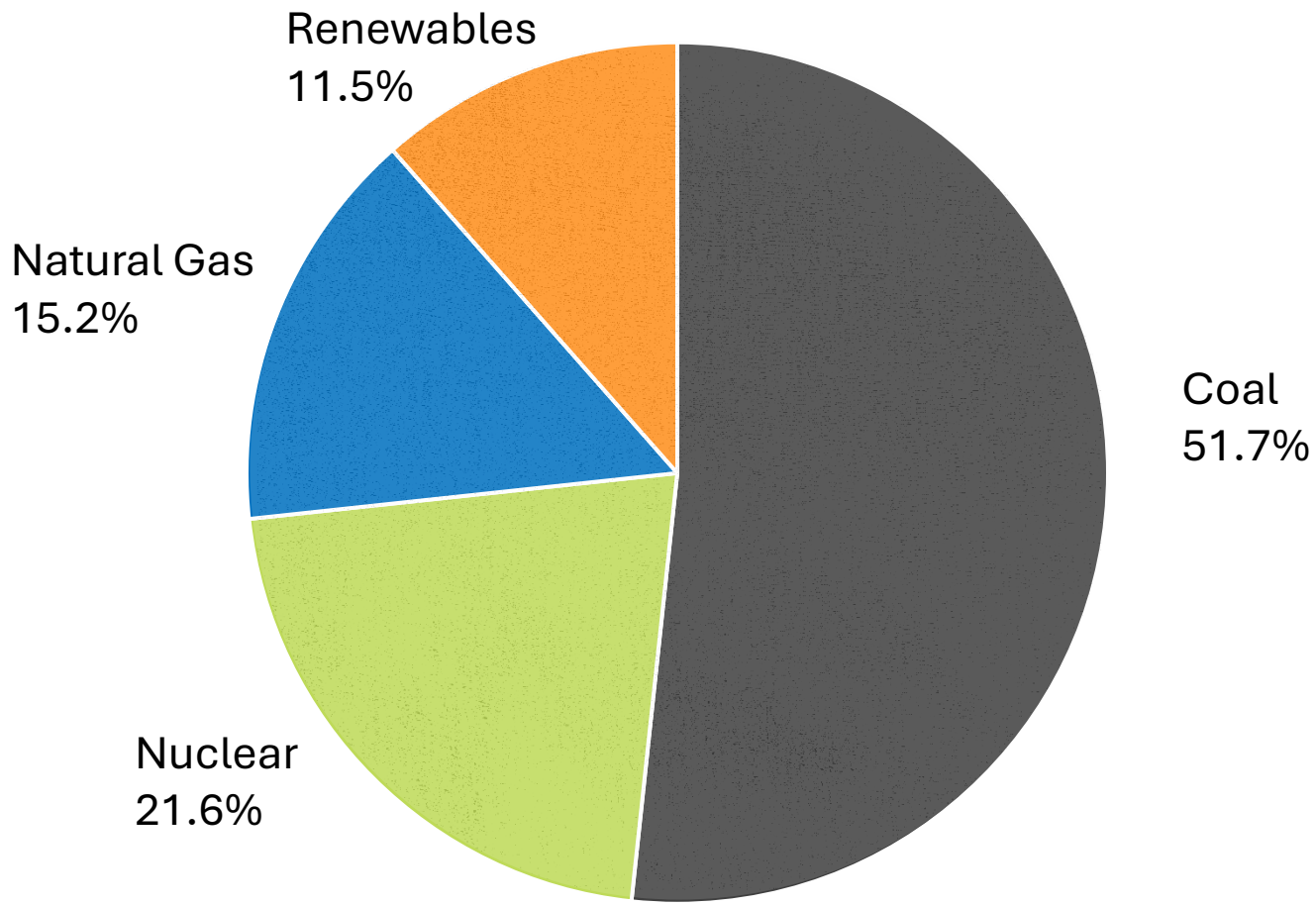
CURRENT IMPA POWER SUPPLY FUEL SOURCES



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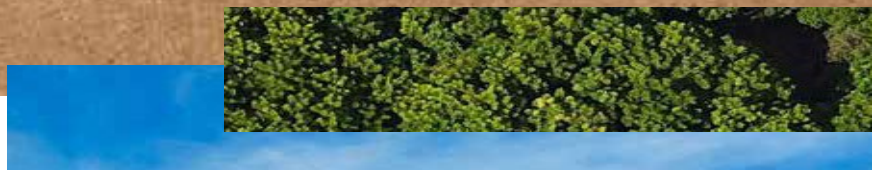
FUEL AVAILABILITY – SUMMER 2025



Coal Inventories

- 7 out of 7 units – 31 days

Natural Gas

- Reliant on pipeline availability and local gas distribution company
- National natural gas inventory reflects close to the 5-year average
- Natural gas supply is usually less strained in the summer compared to winter

Fuel Oil – Peaking Units

- Anderson Station (CT) – 60+ hours on hand
- Richmond Station (CT) – 60+ hours on hand

IMPA Demand Response Program

- No current participants

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IMPA FACILITIES – WATER-RELATED AVAILABILITY

- Combustion Turbines
  - Very low risk: Low volume users supplied by potable water utilities
- Coal Plants
  - Low Risk: No once-through cooling systems. Makeup water sourced from local rivers to supply cooling towers and lakes
  - Gibson Unit 5 utilizes cooling lake
  - Trimble County units utilize Ohio River for makeup
  - Prairie State Energy Campus includes a raw water pond with capacity to meet 30 days of plant water needs in the event river levels drop too low
- Monitoring river levels for affected waterways

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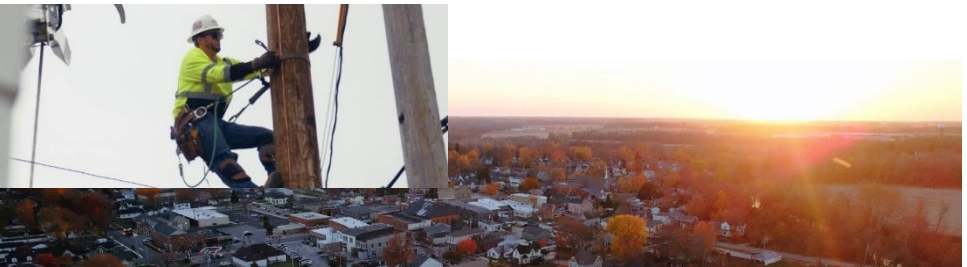
SUMMER PREPAREDNESS GENERALLY

- Outage Schedule
  - All outages complete by May 26th
  - Challenges with fall and spring outage scheduling due to high volume of planned outages during these seasons.
  - At times, asked to reschedule planned outage requests to dates outside of the traditional spring and fall outage season windows



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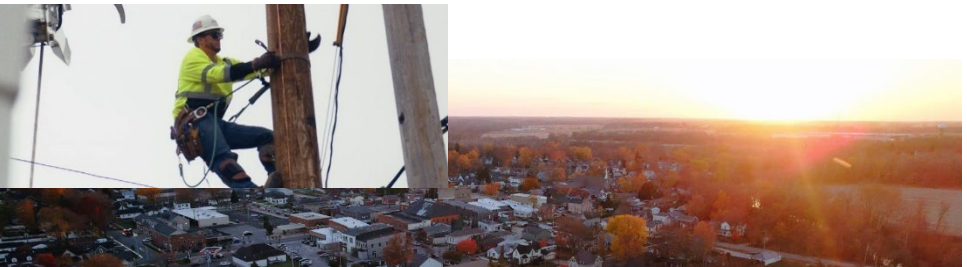
SUMMER PREPAREDNESS – EXTREME WEATHER EVENTS

- Generation operated by IMPA has formal summer weather and event checklists, plans, and procedures
- Prior to specific heat or severe weather outbreaks, all plans and procedures are reviewed
    - Monitor weather and RTO notifications, safety procedures, staffing, PPE, communicate with members as needed
- Peaking and intermediate units ready to run when called upon
    - Operations Personnel
        - Staffing Schedule modifications as needed
        - Heat stress training



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SYSTEM MAINTENANCE/RESILIENCE

- System Maintenance – IMPA & Member Utilities
  - IMPA provides operational assistance to all IMPA members as needed
  - IMPA Service Corp (ISC) has maintenance agreements with 15 member communities to perform ongoing operations & maintenance on member electric distribution systems – emergency & non-emergency

- Ongoing vegetation management activities
  - IMPA maintenance service agreements and individual member utility vegetation management programs have resulted in reduced frequency and severity of weather-related outages for municipal utilities
  - Continue to see benefits including fewer outages, shorter restoration times

- Mutual Assistance
  - Indiana municipal electric communities have a strong mutual assistance network – utility helping utility, community helping community in all types of weather

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RESTORATION PROCESS POST-EVENT

- Transmission interruptions
  - IMPA communicates information regarding outages from transmission providers to members as received, including expected restoration times
  - Follow-up communication with members regarding cause for outages
- Restoration protocols
  - Safety is priority – Public citizens and restoration lineworkers
  - Primary restoration focus on transmission and distribution system backbones
  - As possible, critical loads restored first – hospitals, utilities, communications
- Customer Education & Awareness
  - Following widespread outage events, discuss with members and provide information regarding restoration process; share lessons learned

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CUSTOMER COMMUNICATIONS & SUPPORT

- Municipal utilities offer customers a variety of support through budget billing & payment plans, energy efficiency assistance, other local support

- Local, community presence – helping your neighbor

- Action alerts sent to customers for awareness – IMPA and utility specific

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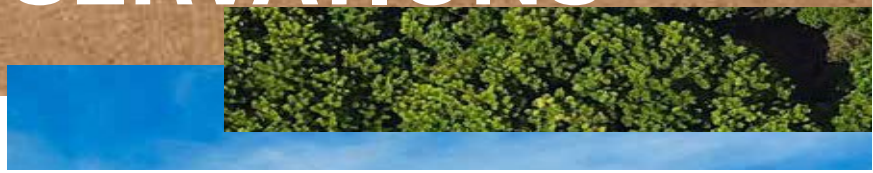
MISO SEASONAL RELIABILITY CONSTRUCT: SUMMER & FALL CLEARING OBSERVATIONS



- Summer: Multiple factors contributed to near shortage clearing price
  - Significant increase in new solar & additional wind accreditation did not offset capacity loss due to retirements and decrease of coal/gas accreditation.
  - Decrease in external capacity was another factor of near shortage pricing.
- Fall: Shoulder season pricing seems to be driven by outage replacement rules
  - 31 Day Outage Replacement Penalty is arbitrary value
  - May impact system reliability in the long run
- Zone 6 (IN/KY) remains short capacity relative to its Planning Reserve Margin Requirements (PRMR)
- Implementation of the Reliability Based Demand Curve (RBDC) contributed to overall price increase

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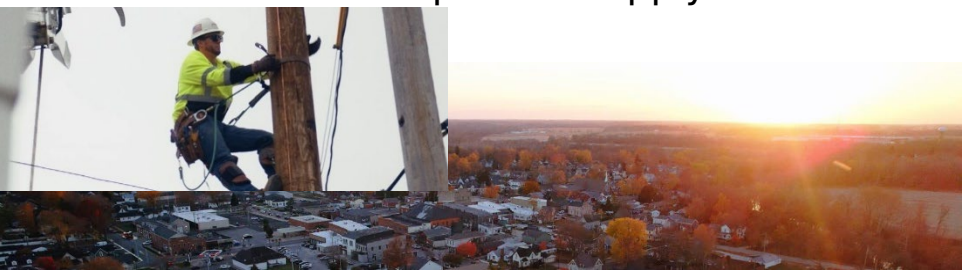
MISO SEASONAL RELIABILITY CONSTRUCT: IMPA PERSPECTIVE

- IMPA supports prudent power supply planning
  - MISO Queue reforms which deter speculative development and pending ERAS process (pending FERC approval)
  - State policies (HEA 1007, Executive Orders) supporting dispatchable generation and preventing further erosion of capacity accreditation
- Constantly Shifting Goal Posts - Unpredictable Planning Reserve Margin Requirements
  - Reserve margins are set roughly 6 months prior to Planning Reserve Auction
  - Swings in values year-to-year create load obligation volatility
  - Lack of long-term forecasted margins make planning difficult
- Changing Resource Accreditation Methodologies
  - UCAP → SAC → DLOL
  - Current “Seasonal Accredited Capacity” methodology has created supply volatility
  - Upcoming “Direct Loss of Load” seems to be appropriate for the changing resource mix, but causing yet another disruption to supply



SUMMARY

All preparations have been made for the 2025 summer, including fuel supply adequacy, completed planned and maintenance outages, and additional system checks to ensure reliable delivery of power to our customer base.

Questions?