

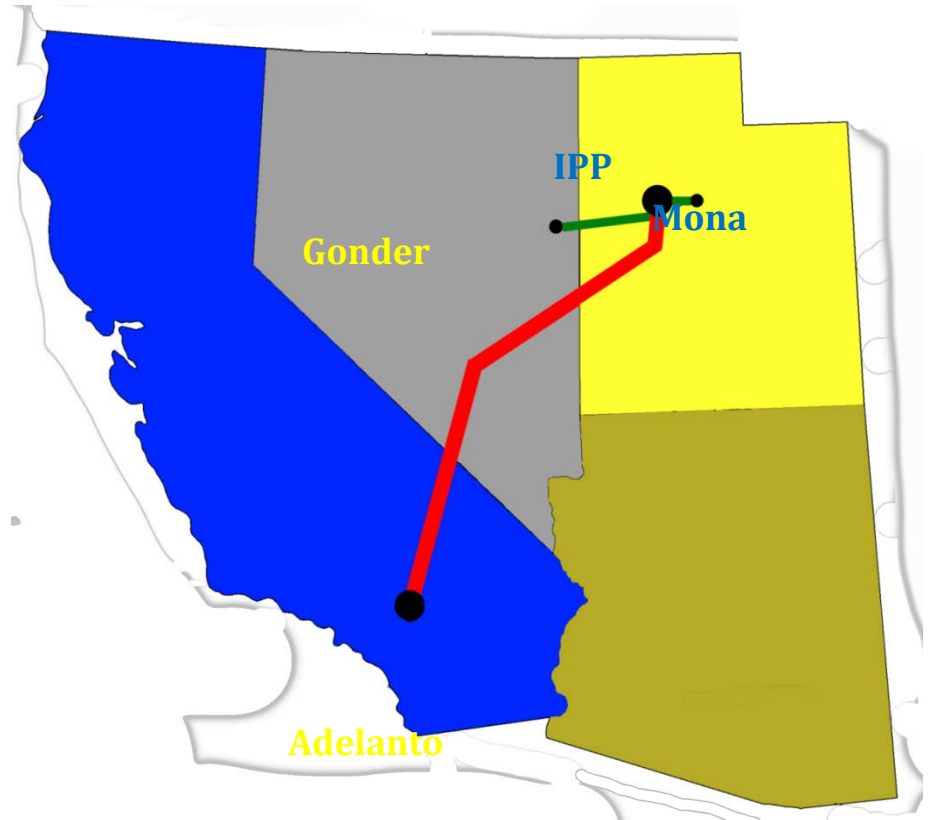
# Intermountain Power Project Repowering Plan and Renewal Agreements August 5, 2015



# Existing IPP Assets

- Intermountain Generating Station (2 units) – 1800 MW
- LADWP's share: 875-1202 MW, 20-25% of energy
- Switchyard/Converter Station (ICS-ACS)
- Transmission Systems (AC & DC)
- Intermountain Railcar Service Center (own & maintain 4 unit trains)
- Microwave System
- Land and Water Rights

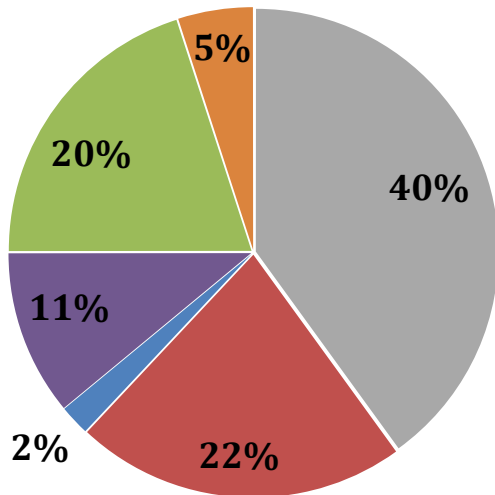
These are assets owned by IPA



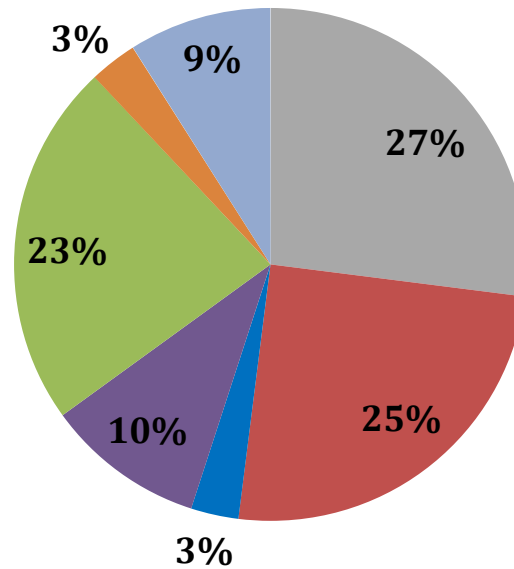
# Coal Replacement Strategy

■ Coal ■ Natural Gas ■ Hydro ■ Nuclear ■ Renewable ■ Other ■ Efficiency

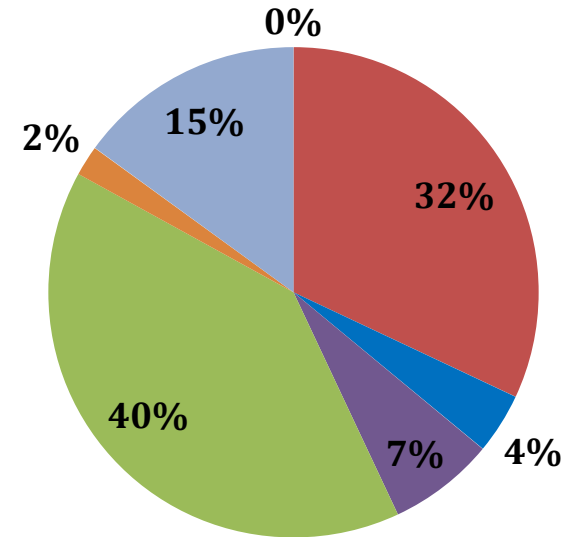
**2010**



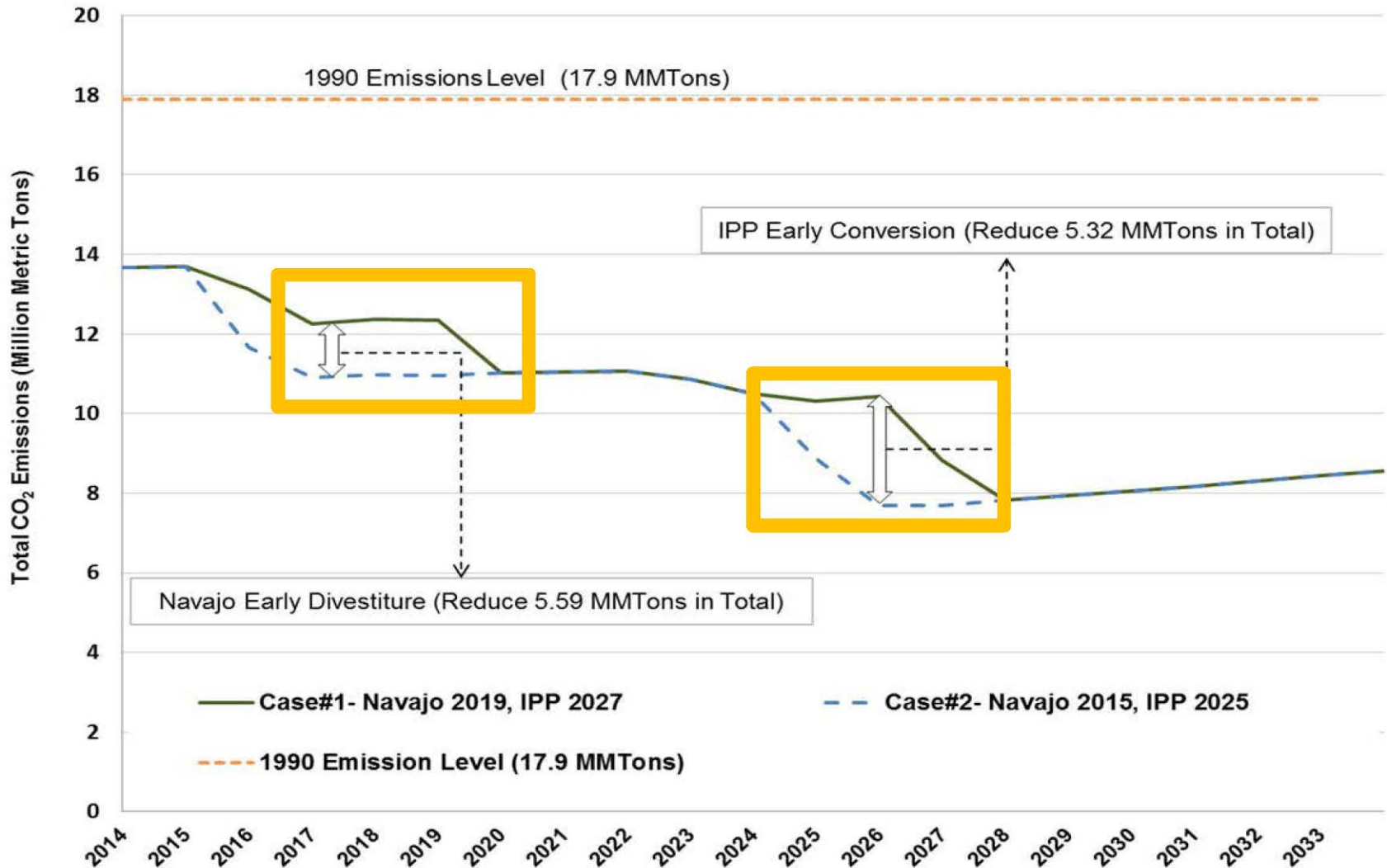
**2015**



**2025**



# GHG Emissions Reduction



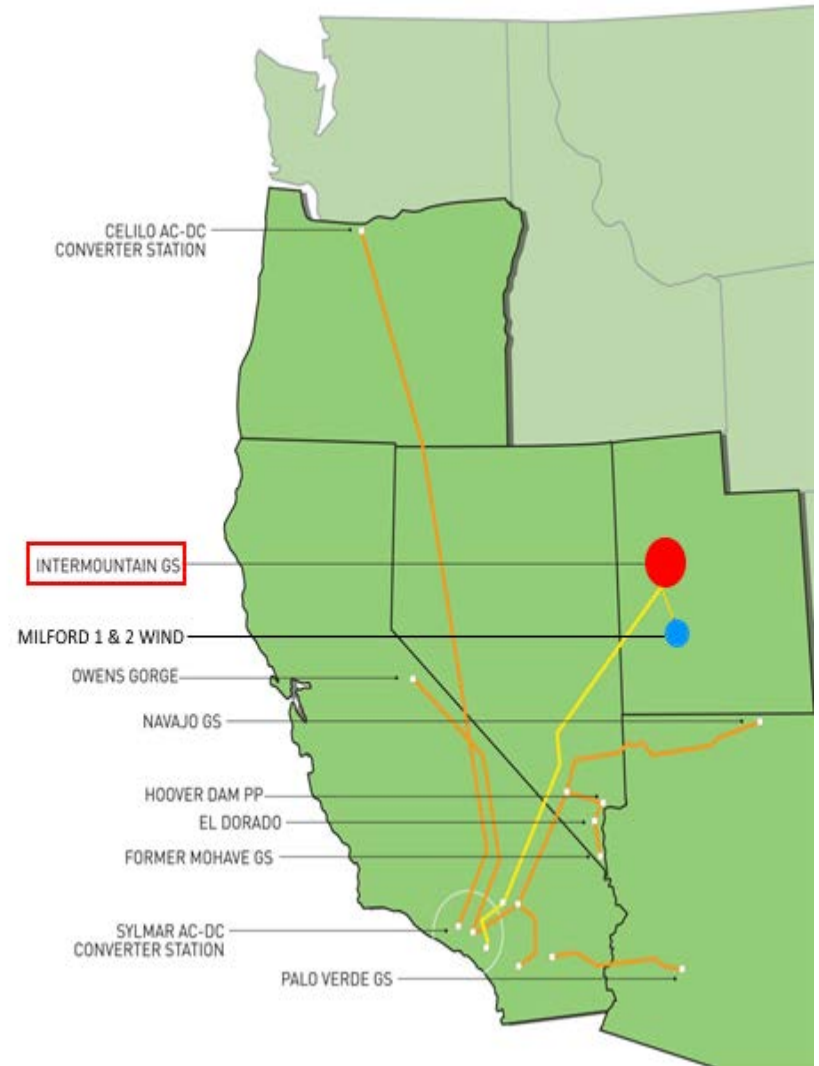
# Collaborative Effort

- Repowering IPP requires a collaborative effort.
- LADWP does not own any part of the plant. We are customers along with 5 other So Cal municipal utilities and 30 Utah power purchasers.
- LADWP cannot act unilaterally – any change to the Power Sales Contract requires approval of all SoCal and Utah participants.
- All 6 SoCal cities depend on IPP for base load power and are contractually obligated to buy it through 2027.



# Why build at IPP?

- Leverages our past investment: LADWP customers invested billions in transmission and the plant itself.
  - 490 miles of transmission (STS)
  - Carries 400 MW in renewable energy from Utah to SoCal
  - 2,400 megawatt transmission capacity
  - \$11.5 billion in today's dollars
- Shares resources cost-effectively with local Utah utilities
- Uses existing transmission lines and frees up capacity to develop and bring more renewables to SoCal.
- Reduces emissions by over 66%



# IPP Renewal Contracts Provide

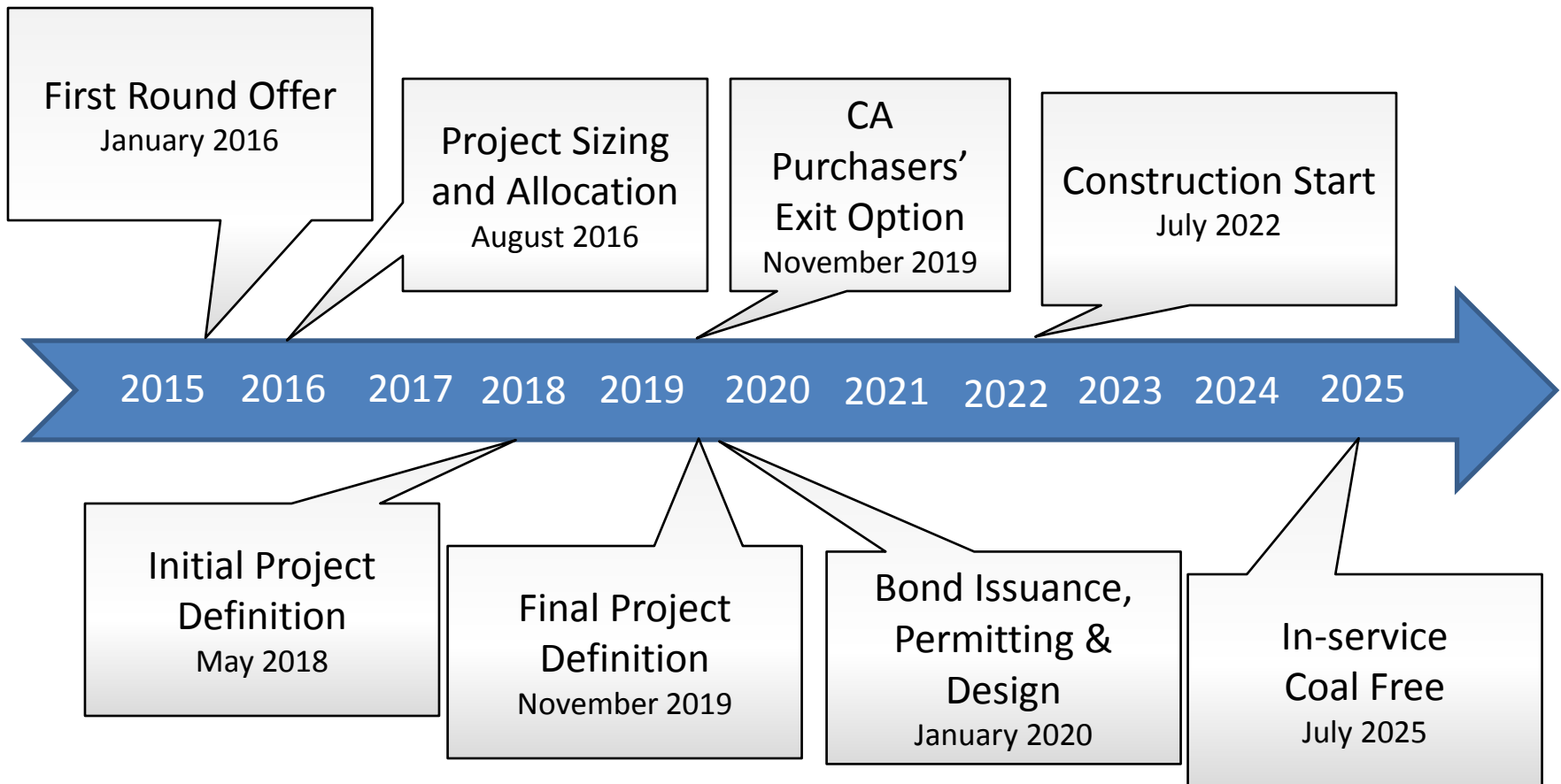
- Converts fuel from Coal to Natural Gas by July 1, 2025; timing for earlier conversion determined by participants
- Reduces plant capacity by at least 1/3; allowing room for new renewable sources to be delivered to California
- Allows size of replacement to be reduced further or altered as long as it complies with all regulations, including a combination of natural gas, storage, and renewables.
- Provides funds for decommissioning coal units
- Provides for generation and transmission until 2077

# Renewal Agreements

- **Second Amendatory Power Sales Contract**
  - Allows for a non-coal renewal option; while prior version approved by City Council in 2013 a few modifications were required to accommodate CA participants
  - Requires Board of Water and Power Approval of an alternative project.
- **Renewal Power Sales Agreement**
  - Establishes the subscription methodology and future participation agreement
  - Delegates authority to participate in time critical renewal process
- **Agreement for Sale of Renewal Excess Power**
  - Those participants that want to be a part of the project, but not ready to absorb the energy
- **PacifiCorp Power Purchase Termination Agreement**



# Process and Schedule



# Summary

- Satisfies SB 1368/AB32, cutting CO<sub>2</sub> by Two-Thirds
- Lower Operating Costs
- Reduced staffing requirements
- Excess capacity on STS allows for more renewables
- Modern CCGT plant enables renewables integration

