

Intermountain Power Project will shutter coal-fired power plant near Delta

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SALT LAKE CITY — Utah's largest coal-fired power plant — the Intermountain Power Project outside Delta — will cease operations by 2025 due to losing its Southern California customer base and a weak market for coal-fueled electricity.

"We are saddened to announce this decision, but factors beyond our control make continued operation of the coal units unfeasible after their current power purchase agreements expire," said Ted Olson, chairman of the board of directors for the Intermountain Power Agency.

The decision was anticipated, with its Southern California municipality customer base being prohibited from purchasing coal-fueled electricity when the contracts are up.

While electricity will no longer flow from heating coal, IPP participants are moving ahead with plans to develop new natural gas-fueled electricity generation at the site. Already, 32 municipal power systems and rural electric cooperatives have agreed to participate in the gas project, and engineering work has started, according to company officials.

The project will bring on 1,200 megawatts of new natural-gas fueled electricity, compared with the 1,800 megawatts of installed capacity from coal-fired generation.

"We are mindful of the substantial economic contribution IPP makes to rural Utah, and we will vigorously continue efforts we began years ago to diversify and provide project benefits for its employees and surrounding communities for as long as feasible," Olson said.

IPP, which generates enough electricity to power more than 1.5 million homes, began operating in 1986 and includes two transmission systems, a microwave communication system and a railcar service center.

More than 440 people are employed at the site, generating an annual payroll that exceeds \$46 million, according to a news release.

Over the life of the project, it has contributed more than \$620 million in direct tax payments to the state and local communities.



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Olson said the next eight years will be a time of "transition" for the plant's employees, but exactly how many of those workers will be able to retain their jobs was not specified in the company announcement.

IPP's infrastructure over the years has been a catalyst for other energy development in the region, including generating capacity of 306 megawatts from 165 wind turbines in Beaver and Milford counties, salt dome caverns to store natural gas liquids, and solar projects under development near the IPP site.

Millard County Commission Chairman James Withers said IPP has been an "excellent partner" over the past 30 years, with the plant's pending conversion to natural gas giving rise to some concern.

"It has been a great relationship," Withers said, "but we understand the workforce will be decreased considerably."

IPP spokesman John Ward said the workforce at the natural gas plant will include about 150 employees in 2025, but he noted that many of the plant's employees who were there when it came online in 1986 are still there and readying for retirement.

"We may have a bigger issue with finding people," Ward said.

Construction of the natural gas power plant will begin in late 2019 or early 2020, and that will require several hundred employees, he added.