

RESOLUTION

RCCC-2020-003

APPROVAL OF THE RESERVE DISPOSITION PLAN

On motion of Paul Schultz, seconded by Ted Olson, at a telephonic meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Committee”) held on August 4, 2020, the following Resolution was duly adopted:

WHEREAS, Intermountain Power Agency (“IPA”) is a party with the Purchasers (as defined in such Renewal Power Sales Contracts) to those certain Renewal Power Sales Contracts, dated as of January 16, 2017 (as amended and updated, collectively, the “Renewal Power Sales Contracts”); and

WHEREAS, IPA keeps certain cash and other assets in reserve, as required by the Amended and Restated Power Supply Revenue Bond Resolution, adopted August 28, 1998 (as amended and supplemented from time to time, the “Amended and Restated Bond Resolution”), the Subordinated Power Supply Revenue Bond Resolution adopted March 4, 2004 (as amended and supplemented from time to time, the “Subordinated Bond Resolution”), or as the Original Coordinating Committee (as defined in the Renewal Power Sales Contracts) and IPA have deemed advisable to hold in reserve to address unexpected costs associated with IPP; and

WHEREAS, those cash and other assets (collectively, the “Reserve Funds”), with funding levels as of February 29, 2020, are summarized in the table attached as Exhibit A to Resolution No. CC-2020-014 of the Original Coordinating Committee (the “CC Resolution”); and

WHEREAS, the Operating Agent deems it advisable to establish a plan for disposition of the Reserve Funds in conjunction with the scheduled expiration of the Original Power Sales Contracts (as defined in the Renewal Power Sales Contracts) in 2027, and in a manner that (i) complies with the requirements of the Amended and Restated Bond Resolution, the Subordinated Bond Resolution, the Original Power Sales Contracts, and the Renewal Power Sales Contracts, (ii) maintains a reasonable amount of working capital and contingency reserves until the expiration of the Original Power Sales Contracts, and (iii) is equitable to the Original Purchasers (as defined in the Renewal Power Sales Contracts) that funded the Reserve Funds through the payment of Monthly Power Costs (or, in the case of those Reserve Funds that were funded from the proceeds of Bonds, through the payment of Debt Service on those Bonds); and

WHEREAS, the Operating Agent has proposed the Reserve Disposition Plan (as defined and described in the CC Resolution); and

WHEREAS, the Operating Agent has determined pursuant to Section 804(b) of the Amended and Restated Bond Resolution that the following conditions are satisfied with respect to the actions contemplated by this Resolution (being, collectively, the “Section 804(b)

Conditions”); the actions contemplated by this Resolution are desirable in the conduct of the business of IPA relating to the Project and do not materially impair the ability of IPA to comply with Section 808 of the Amended and Restated Bond Resolution and the Operating Agent recommends that the Committee find, and recommend that the IPA Board find, that the Section 804(b) Conditions are so satisfied; and

WHEREAS, the Committee has received a letter dated July 27, 2020 from Mr. Gregory S. Huynh on behalf of the Operating Agent (the “Operating Agent Recommendation Letter”) recommending that the Committee approve and adopt, and recommend that the IPA Board approve and adopt, the Reserve Disposition Plan as described in the CC Resolution; and

WHEREAS, the Operating Agent provided a briefing at meetings of the Original Coordinating Committee and the Committee on March 10, 2020, and on conference calls on March 19, June 25, July 13, and July 29, 2020 (collectively, the “Operating Agent Briefing”), during which the Operating Agent described and explained the basis of the Operating Agent’s recommendations, advice and determinations as set forth herein; and

WHEREAS, the Original Coordinating Committee, by the CC Resolution, approved and adopted, and recommended that the IPA Board approve and adopt, the Reserve Disposition Plan as described in the CC Resolution; and

WHEREAS, the Committee has reviewed and considered the Operating Agent Recommendation Letter, the Operating Agent Briefing, and the CC Resolution, including the recommendations, advice and determinations of the Operating Agent.

NOW, THEREFORE, BE IT RESOLVED, that the Committee hereby approves and adopts, and recommends that the IPA Board approve and adopt, the Reserve Disposition Plan as described in the CC Resolution on the terms and conditions described in the Operating Agent Recommendation Letter and the Operating Agent Briefing; provided that such terms are consistent with the approval of this Resolution by the IPA Board, with the Project Agreements (as defined in the Construction Management and Operating Agreement between IPA and the Operating Agent) and applicable law; and

BE IT FURTHER RESOLVED, that the Committee hereby finds, and recommends that the IPA Board finds, that the Section 804(b) Conditions are satisfied with respect to the actions contemplated by this Resolution; and

BE IT FURTHER RESOLVED, that the Chairman is hereby authorized and directed by the Committee to execute this Resolution and to do all things necessary to render the same in full force and effect.

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INTERMOUNTAIN POWER PROJECT,
RENEWAL CONTRACT COORDINATING
COMMITTEE



CHAIRMAN

ATTEST:



SECRETARY