

RESOLUTION

RCCC-2021-002

ADOPTION OF AMENDMENT TO THE PRELIMINARY COSTS RESOLUTIONS

On motion of Paul Schultz, seconded by Blaine Haacke, at a virtual meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Committee”) held March 9, 2021, the following Resolution was duly adopted:

WHEREAS, Intermountain Power Agency (“IPA”) is a party with the Purchasers (as defined in such Power Sales Contracts) to those certain Power Sales Contracts, dated as of September 28, 1978 for the Utah Purchasers (as defined in such Power Sales Contracts) and August 6, 1980 for the California Purchasers (as defined in such Power Sales Contracts) (such Power Sales Contracts, as amended, revised and updated, collectively, the “Power Sales Contracts”); and

WHEREAS, IPA is also a party to those certain Renewal Power Sales Contracts, dated as of January 16, 2017 (as amended and updated, the “Renewal Power Sales Contracts”) with those Purchasers that (i) accepted the Renewal Offer (as defined in the Power Sales Contracts) and (ii) did not subsequently terminate their Renewal Power Sales Contract pursuant to Section 42.1 of the Renewal Power Sales Contracts; and

WHEREAS, the Original Coordinating Committee (as defined in the Renewal Power Sales Contracts) and the IPA Board of Directors (“IPA Board”) adopted, respectively, Resolution Nos. CC-2016-001, IPA-2016-001, CC-2017-001, IPA-2017-002, CC-2018-011, and IPA-2018-020 (collectively, the “Original Preliminary Costs Resolutions”) in recognition that the Project Manager would need to undertake Preliminary Repowering Work and incur Preliminary Repowering Costs prior to the issuance of long-term financing to pay for the Gas Repowering; and

WHEREAS, the Committee has adopted Resolution Nos. RCCC-2017-001 and RCCC-2018-005 (collectively, the “RCCC Preliminary Costs Resolutions”); and

WHEREAS, the total amount of funds authorized for the payment of Preliminary Repowering Costs under the Original Preliminary Costs Resolutions is \$29,000,000 (those funds, the “Preliminary Costs Fund”); and

WHEREAS, the Original Preliminary Costs Resolutions allow for Preliminary Repowering Costs to be paid from the Contingency Reserve, and call for the Reimbursable Preliminary Repowering Costs to be reimbursed from the proceeds of Transition Project Indebtedness (as defined in the Power Sales Contracts); and

WHEREAS, in 2020 the Original Coordinating Committee and the IPA Board adopted Resolution Nos. CC-2020-010 and IPA-2020-009 (collectively, the “STS Financing Resolutions”), which amended the Original Preliminary Costs Resolutions to provide that

Preliminary STS Renewal Project Costs would be reimbursed from the proceeds of the STS Financing, or as otherwise provided for reimbursement of Reimbursable Preliminary Repowering Costs in the Preliminary Costs Reimbursement Policy (as defined in the Original Preliminary Costs Resolutions); and

WHEREAS, in 2020 IPA issued Transition Project Indebtedness to finance the Gas Repowering, and reimbursed the Contingency Reserve in the amount of \$10,612,474 (the "Reimbursed Repowering Costs"), plus accrued interest as called for by the Preliminary Costs Reimbursement Policy; and

WHEREAS, because the Original Preliminary Costs Resolutions and the STS Financing Resolutions (collectively, the "Preliminary Costs Resolutions") do not address the use of funds following reimbursement to the Contingency Reserve, the Project Manager is of the opinion that the following amendment to the Preliminary Costs Resolutions (the "Replenishment Amendment") should be adopted: Following the reimbursement of Preliminary Repowering Costs to the Contingency Reserve, an amount equal to those reimbursed funds, exclusive of accrued interest, shall be available for the payment of further Preliminary Repowering Costs, including Preliminary STS Renewal Project Costs; and

WHEREAS, the Project Manager considers the adoption of the Replenishment Amendment to be advisable and in accordance with Prudent Utility Practice, as it will meet the cash flow needs of the STS Renewal Project until long-term financing is in place; and

WHEREAS, the Committee has received a letter dated February 19, 2021 from Ms. Lori K. Morrish on behalf of the Project Manager (the "Project Manager Recommendation Letter") recommending that, to the extent required or otherwise effective under the Renewal Power Sales Contracts, the Committee adopt, and recommend that the IPA Board adopt, the Replenishment Amendment; and

WHEREAS, the Project Manager provided a briefing on a conference call on February 25, 2021, and at a meeting of the Committee on March 9, 2021 (collectively, the "Project Manager Briefing"), during which the Project Manager described and explained the basis of the Project Manager's recommendations, advice and determinations as set forth herein; and

WHEREAS, the Committee has reviewed and considered the Project Manager Recommendation Letter and the Project Manager Briefing, including the recommendations, advice and determinations of the Project Manager.

NOW, THEREFORE, BE IT RESOLVED, that, to the extent required or otherwise effective under the Renewal Power Sales Contracts, the Committee hereby adopts, and recommends that the IPA Board adopt, the Replenishment Amendment; and

BE IT FURTHER RESOLVED, that the Committee hereby determines that the funds expended pursuant to the Replenishment Amendment and the Transition Project Indebtedness issued or incurred to finance such funds are subject to the same determinations that have been

made by the Committee with respect to the Preliminary Repowering Costs and any Transition Project Indebtedness issued or incurred with respect to the Preliminary Repowering Costs, including determinations made in the RCCC Preliminary Costs Resolutions, to the extent that the STS Renewal Project constitutes an Essential Capital Improvement (as defined in the Renewal Power Sales Contracts); 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.

INTERMOUNTAIN POWER PROJECT



CHAIRMAN, RENEWAL CONTRACT
COORDINATING COMMITTEE

ATTEST:



SECRETARY