

RESOLUTION

RCCC-2022-002

APPROVAL OF HYDROGEN CAPACITY PROJECT AS A CAPITAL IMPROVEMENT AND THE ACES AGREEMENTS

On motion of Paul Schultz, seconded by Blaine Haacke, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held March 8, 2022, 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, including, without limitation, by the Second Amendatory Power Sales Contracts dated December 8, 2015, being, 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, IPA is engaged in the Alternative Repowering, which includes the repowering of IPP with combined-cycle natural gas turbines, as approved pursuant to Resolution Nos. CC-2018-010, RCCC-2018-004, and IPA-2018-019; and

WHEREAS, the combustor technology in the gas turbines to be installed as part of the Alternative Repowering will be capable of burning natural gas blended with hydrogen (the “Hydrogen Capability”); and

WHEREAS, utilizing the Hydrogen Capability requires that IPA secure a reliable supply of hydrogen for delivery to IPP; and

WHEREAS, the Operating Agent has negotiated, on behalf of IPA, the terms of an Energy Storage Services and Conversion Agreement (the “ESSCA”) with Advanced Clean Energy Storage I, LLC (“ACES I”) to design, build, finance, operate, and maintain a facility (the “ACES Facility”) that will convert renewable energy into “green” hydrogen, and store that green hydrogen in salt caverns for later withdrawal by IPA (the “Conversion and Storage Capacity”); and

WHEREAS, the Operating Agent also negotiated, on behalf of IPA, the terms of an agreement with the parent entity of ACES I, ACES Delta, LLC (the “Parent Agreement”), which, among other things, provides IPA with the right to store hydrogen produced by third parties at the ACES Facility; and

WHEREAS, the Operating Agent has determined the following (the “Capital Improvement Determinations”): effective as of June 15, 2027, the Conversion and Storage Capacity provided under the ESSCA and the Parent Agreement (the “Hydrogen Capacity Project”) (a) constitutes contract rights that are necessary or incidental in the useful construction or operation of the Generation Station, (b) constitutes a renewal or replacement of or repair, addition, improvement, modification or betterment to the Project (as defined in the Renewal Power Sales Contract), that is (i) consistent with Prudent Utility Practice and necessary and/or desirable in order to keep the Project or any interest in the Project in good operating condition, to prevent a loss of revenue therefrom, or to increase the capacity, reliability or usefulness of the Project or any interest therein, (ii) required by any governmental agency having jurisdiction over the Project, (iii) required by the Construction Management and Operating Agreement, or (iv) required by any Bond Resolution, (c) does not include any generating unit added to the Project in addition to those included in the Project which continue to generate electric capacity and energy of the Project, and (d) is properly designated as an Ordinary Capital Improvement (as defined in the Renewal Power Sales Contracts); and

WHEREAS, the Renewal Committee has received a letter dated March 5, 2022 from Mr. Gregory S. Huynh on behalf of the Operating Agent (the “Operating Agent Recommendation Letter”) recommending the following:

1. That the IPP Coordinating Committee (the “Committee”) make the Capital Improvement Determinations with respect to the Hydrogen Capacity Project;
2. That the Committee, pursuant to Section 6.2.17 of the Power Sales Contracts and Section 4.17 of the Renewal Power Sales Contracts, approve the Hydrogen Capacity Project as a Capital Improvement (as defined in the Renewal Power Sales Contracts) and designate the Hydrogen Capacity Project as an Ordinary Capital Improvement under the Renewal Power Sales Contracts;
3. That the Committee approve and authorize, and recommend that the IPA Board of Directors (“IPA Board”) approve and authorize, the Operating Agent to execute and deliver the ESSCA and the Parent Agreement (together, the “ACES Agreements”) on behalf of IPA; and
4. That the Committee approve, pursuant to Section 6.2.17 of the Power Sales Contracts, the payment and financing of all costs of the Hydrogen Capacity Project, including but not limited to costs incurred under the ACES Agreements and the funding of the Hydrogen Contingency Reserve, pursuant to the Hydrogen Billing Procedure adopted pursuant to Resolution Nos. CC-2022-006, RCCC-2022-001 and IPA-2022-006; and
5. That the Renewal Committee approve and concur with each of the foregoing (the foregoing being the “Committee Actions”).

WHEREAS, the Operating Agent provided a briefing on conference calls on February 8 and March 1, 2022, and at a meeting of the Renewal Committee on March 8, 2022 (collectively, the “Operating Agent Briefing”), during which the Operating Agent described and explained the

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basis of the Operating Agent's recommendations, advice and determinations as set forth herein;
and

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

NOW, THEREFORE, BE IT RESOLVED, that the Renewal Committee hereby approves and concurs with each of the Committee Actions; and

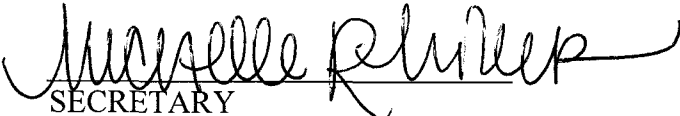
BE IT FURTHER RESOLVED, that the Chairman is hereby authorized and directed by the Renewal Committee to execute this Resolution and to do all things necessary to render the same in full force and effect.

INTERMOUNTAIN POWER PROJECT



CHAIRMAN, RENEWAL CONTRACT
COORDINATING COMMITTEE

ATTEST:



SECRETARY