

RESOLUTION

RCCC-2023-002

AUTHORIZATION TO EXECUTE REIMBURSEMENT AGREEMENT (HYDROGEN PIPELINE)

On motion of Mark Montgomery, seconded by Paul Schultz, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held March 7, 2023, 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 a party to that certain Energy Storage Services and Conversion Agreement dated on or about March 8, 2022 (the “ESSCA”) with Advanced Clean Energy Storage I, LLC (“ACES”); and

WHEREAS, the ESSCA provides for ACES to design, build, finance, operate, and maintain a facility (the “ACES Facility”) that will have the capacity to convert renewable energy into “green” hydrogen and store that hydrogen in underground salt caverns for later withdrawal by IPA; and

WHEREAS, the ACES Facility will include a pipeline to deliver hydrogen to IPP (the “Hydrogen Pipeline”) from two storage caverns with a combined storage capacity of 11,000 metric tonnes of working gas; and

WHEREAS, the Project Manager (as defined in the Power Sales Contracts) considers it likely that additional storage caverns will be needed in the future to store all of IPA’s hydrogen gas needs; and

WHEREAS, with additional storage caverns, the ACES Facility will need to store hydrogen gas at higher pressures, which will require upgrades to the Hydrogen Pipeline (the “Pipeline Upgrades”); and

WHEREAS, the Project Manager has determined that it will be more economical to design and construct the Hydrogen Pipeline with the Pipeline Upgrades now, rather than implementing the Pipeline Upgrades as a separate project in the future; and

WHEREAS, the Project Manager has prepared a Reimbursement Agreement, which provides for IPA to reimburse ACES for the additional costs associated with implementing the Pipeline Upgrades; and

WHEREAS, the Project Manager has requested authorization to execute the Reimbursement Agreement on behalf of IPA, with a total expenditure authority of \$5,000,000 (which amount includes contingency), plus applicable taxes; and

WHEREAS, the Project Manager has recommending funding costs associated with the Reimbursement Agreement from the Hydrogen Betterment Fund created pursuant to, and as defined in, Resolution Nos. CC-2020-011, RCCC-2020-001, and IPA-2020-010, as the provisions governing the Hydrogen Betterment Fund have been modified from time to time by resolutions of the IPP Coordinating Committee (the "Committee"), Renewal Committee, and IPA Board of Directors (the "IPA Board"); and

WHEREAS, the Renewal Committee has received a letter dated February 22, 2023 from Ms. Lori K. Morrish on behalf of the Project Manager (the "Project Manager Recommendation Letter") recommending that the Committee and the Renewal Committee authorize, and recommend that the IPA Board authorize, the Project Manager to execute the Reimbursement Agreement on behalf of IPA as described above; and

WHEREAS, the Project Manager provided a briefing on a conference call on February 27, 2023, and at a meeting of the Renewal Committee on March 7, 2023 (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 Renewal 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 the Renewal Committee hereby approves, and recommends that the IPA Board approve, the delegation of authority to the Project Manager to execute and deliver the Reimbursement Agreement on behalf of IPA, with an expenditure authority of \$5,000,000 (which amount includes contingency), plus applicable taxes to be funded from the Hydrogen Betterment Fund as described above and in the Project Manager Recommendation Letter; 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

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ATTEST:


SECRETARY