

RESOLUTION

RCCC-2023-004

**APPROVAL OF IPA SIXTY-THIRD SUPPLEMENTAL BOND
RESOLUTION ESTABLISHING A DECOMMISSIONING FUND
FOR COAL-FIRED GENERATING UNITS**

On motion of Mark Montgomery, seconded by Kevin Robison, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held August 8, 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, 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 (“Renewal Purchasers”); and

WHEREAS, Section 44.2 of the Power Sales Contracts requires the decommissioning and retirement from service of the Retired Generation and Related Facilities and Properties (such term, and all other capitalized terms used herein without definition, having the respective meanings assigned thereto in the Power Sales Contracts or, if not defined therein, in the resolution entitled “Power Supply Revenue Bond Resolution” adopted by IPA on September 28, 1978, as the same heretofore has been amended, restated and supplemented, the “Resolution”), including performance of the Retirement Actions, and payment of the Retirement Costs as part of the Gas Repowering; and

WHEREAS, Section 44.5 of the Power Sales Contracts contemplates payment of the Retirement Costs through the issuance of IPA Bonds, but allows the IPP Coordinating Committee to approve other methods of funding; and

WHEREAS, rather than issuing IPA Bonds for the entire amount of the Retirement Costs, the IPP Coordinating Committee, the Renewal Committee and the IPA Board of Directors (the “IPA Board”) established the Pre-Funding Plan (as defined and described in Resolution Nos. CC-2020-012, RCCC-2020-002 and IPA-2020-011 adopted by the IPP Coordinating Committee, the Renewal Committee and the IPA Board, respectively, on August 4, 2020, such resolutions being, collectively, the “Pre-Funding Plan Resolutions”); and

WHEREAS, pursuant to the Pre-Funding Plan, a Purchaser may elect to pay such Purchaser’s Pre-Funding Charge (as defined in the Pre-Funding Plan Resolutions) to be held by

IPA in the Retirement Fund (as defined in the Pre-Funding Plan Resolutions) for the purpose of paying Retirement Costs; and

WHEREAS, in connection with the Gas Repowering, on November 2, 2021, the IPA Board adopted a resolution entitled “Second Amended and Restated Power Supply Revenue Bond Resolution” for the purpose of amending and restating the Resolution, as theretofore supplemented, amended and restated, in the manner provided therein; and

WHEREAS, in order to provide for payment of the costs of decommissioning, retirement or disposal of facilities of the Project, as such term is defined in the Resolution (including, without limitation, the Retirement Reserve Fund required to be established by IPA as of the Transition Date pursuant to Section 22.1 of the Renewal Power Sales Contracts), Section 502(c) of the Resolution provides, at such time as IPA shall determine, for the establishment, by Supplemental Resolution, of one or more Decommissioning Funds to provide for the payment of such costs of decommissioning, retirement or disposal of facilities of the Project, as such term is defined in the Resolution (each of which Decommissioning Funds shall be held by IPA but shall not be part of the Trust Estate; and each such Supplemental Resolution establishing a Decommissioning Fund shall set forth the amounts to be credited to such Decommissioning Fund, and the purposes to which amounts in any such Fund are to be applied); and

WHEREAS, IPA has caused to be prepared a draft of a Sixty-Third Supplemental Power Supply Revenue Bond Resolution (the “Sixty-Third Supplemental Bond Resolution”) providing for the establishment of a Decommissioning Fund to provide for the payment of the costs of decommissioning, retirement or disposal of the Retired Generation and Related Facilities and Properties, including, without limitation, the Retirement Costs, which Decommissioning Fund shall be and constitute the “Retirement Fund” (as defined and described in the Pre-Funding Plan Resolutions); and


WHEREAS, the IPP Finance Committee heretofore has recommended that the Renewal Committee approve the Sixty-Third Supplemental Bond Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Renewal Committee hereby approves, and recommends that the IPA Board approve and adopt, the Sixty-Third Supplemental Bond Resolution in substantially the form submitted to this meeting and with such changes thereto as the IPA Board shall determine are necessary or desirable; and

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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