

RESOLUTION

RCCC-2023-007

APPROVAL OF USE OF EXCESS AMOUNTS IN IPA DEBT SERVICE RESERVE ACCOUNT TO PAY COSTS OF ACQUISITION AND CONSTRUCTION OF GAS REPOWERING

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, 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 (“Renewal Purchasers”); and

WHEREAS, as required by the Power Supply Revenue Bond Resolution adopted by IPA on September 28, 1978 (as supplemented, amended and restated from time to time, the “Resolution”), including as supplemented and amended by the Sixty-First Supplemental Power Supply Revenue Bond Resolution adopted by IPA on April 28, 2022 (the “Sixty-First Supplemental Resolution”) authorizing the issuance of IPA’s Power Supply Revenue Bonds, 2022 Series A (Tax-Exempt) and 2022 Series B (Federally Taxable), on May 12, 2022, IPA funded the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established pursuant to the Sixty-First Supplemental Resolution in an amount equal to the Initial Subaccount Debt Service Reserve Requirement (as defined in the Sixty-First Supplemental Resolution); and

WHEREAS, Section 506(c) of the Resolution provides that whenever the moneys on deposit in any subaccount established in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement related thereto, and after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution (such term, and all other capitalized terms used herein without definition, having the respective meanings ascribed thereto in the Resolution) establishing such subaccount, such excess shall be credited to the Revenue Fund and applied as provided in Section 504 of the Resolution; *provided, however*, that unless otherwise approved by IPA and by the IPP Coordinating Committee in the manner provided in Section 6.1 of the Power Sales Contracts, such excess moneys shall be applied to the purchase, redemption or provision for payment of Bonds or Subordinated Indebtedness; and

WHEREAS, Section 703(b) of the Sixty-First Supplemental Resolution provides that whenever the amount on deposit in the Initial Subaccount shall exceed the Initial Subaccount Debt Service Reserve Requirement, such excess shall be deposited in the Revenue Fund and applied as provided in Section 506(c) of the Resolution; *provided, however*, that unless otherwise approved by IPA and by the IPP Coordinating Committee in the manner provided in Section 6.1 of the Power Sales Contracts, such excess shall be applied to the purchase, redemption or provision for payment of Bonds or Subordinated Indebtedness; and


WHEREAS, IPA staff has made the recommendation that, notwithstanding the provisions of Section 506(c) of the Resolution and Section 703(b) of the Sixty-First Supplemental Resolution, the moneys on deposit in the Initial Subaccount from time to time in excess of the Initial Subaccount Debt Service Reserve Requirement shall be transferred to the Construction Fund and shall be applied to the payment of the Cost of Acquisition and Construction of the Gas Repowering; *provided, however*, that if, after any such transfer, (a) the amount on deposit in the Initial Subaccount shall be less than the Initial Subaccount Debt Service Reserve Requirement and (b) all or a portion of the aggregate amount(s) so transferred to the Construction Fund shall remain on deposit therein, then, upon a determination of an Authorized Officer, all or any portion of the aggregate of the amount(s) so transferred (in an amount as determined by such Authorized Officer) shall be withdrawn from the Construction Fund and deposited to the Initial Subaccount; which recommendation is hereinafter referred to as the "Excess DSRA Amounts Policy"; and

WHEREAS, the IPP Finance Committee heretofore has recommended that the Renewal Committee approve the Excess DSRA Amounts Policy.

NOW, THEREFORE, BE IT RESOLVED, that the Renewal Committee hereby approves and adopts, and recommends that the IPA Board of Directors approve and adopt, the Excess DSRA Amounts Policy, as described herein; 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