



**Intermountain Power Agency
BOARD OF DIRECTORS MEETING**

**INTERMOUNTAIN POWER
AGENCY OFFICE, SOUTH
JORDAN, UT AND VIA ZOOM**

JANUARY 29, 2024

**NOTICE OF INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING**

THE INTERMOUNTAIN POWER AGENCY (IPA) BOARD OF DIRECTORS WILL CONVENE A MEETING OF THE BOARD ON MONDAY, JANUARY 29, 2024, FROM 9:30 A.M. (MST) TO 10:30 A.M. (MST) (TIMES ARE APPROXIMATE), AT INTERMOUNTAIN POWER AGENCY OFFICE, 10653 S. RIVER FRONT PARKWAY, SUITE 120, SOUTH JORDAN, UT 84095, AND VIA ZOOM.

ZOOM MEETING LINK:

<https://us02web.zoom.us/j/9843637279>

Meeting ID: 984 363 7279
Dial-in Number: (669) 900-9128

A G E N D A

1. INTRODUCTIONS AND ANNOUNCEMENTS (NICK TATTON, BOARD VICE-CHAIR)
 - IPA BOARD VICE-CHAIR ITEMS
2. POTENTIAL CONSIDERATION OF CLOSED MEETING FOR THE FOLLOWING PURPOSE:
 - DISCUSSION OF A BUSINESS DECISION, THE DISCLOSURE OF WHICH COULD CAUSE COMMERCIAL INJURY TO, OR CONFER A COMPETITIVE ADVANTAGE UPON A POTENTIAL OR ACTUAL COMPETITOR OF, IPA
3. **RESOLUTION IPA-2024-001**
CONSIDERATION AND APPROVAL OF AUTHORIZATION TO EXECUTE OMNIBUS AMENDMENT TO COAL SUPPLY AGREEMENT NOS. 647 AND 648 (GREG HUYNH)
4. **RESOLUTION IPA-2024-002**
CONSIDERATION AND APPROVAL OF AUTHORIZATION TO EXECUTE AGREEMENTS FOR ADDITIONAL GENERATION SUPPORT PERSONNEL (COMMISSIONING OVERSIGHT) (LORI MORRISH)
5. **RESOLUTION IPA-2024-003**
CONSIDERATION AND APPROVAL OF AUTHORIZATION TO EXECUTE AGREEMENTS FOR ADDITIONAL TRANSMISSION SUPPORT PERSONNEL (HVDC FIELD OVERSIGHT) (LORI MORRISH)

6. ADJOURN

7. TIME AND PLACE OF NEXT SCHEDULED MEETING

9:00 A.M. (MST)

MONDAY, FEBRUARY 5, 2024

SPRINGHILL SUITES BY MARRIOTT

122 NORTH GREEN SPRING DRIVE,

WASHINGTON, UT 84780

RESOLUTION

IPA-2024-001

AUTHORIZATION TO EXECUTE OMNIBUS AMENDMENT TO COAL SUPPLY AGREEMENT NOS. 647 AND 648

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Agency (“IPA”) Board of Directors (the “IPA Board”) held on January 29, 2024, the following Resolution was duly adopted:

WHEREAS, 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, in 2014, the Operating Agent executed Coal Supply Agreement No. 647 and Coal Supply Agreement No. 648 (together, the “Coal Supply Agreements”) on behalf of IPA; and

WHEREAS, since that time, a significant portion of IPA’s annual coal supply has been delivered under the Coal Supply Agreements from various Utah mines, including the Sufco Mine in Sevier County, the Skyline Mine in Carbon County, and the Lila Canyon Mine in Emery County; and

WHEREAS, the Coal Supply Agreements have been beneficial to IPA because they have provided large volumes of high-quality Utah coal, and have been beneficial to the seller, Wolverine Fuels Sales, LLC, f/k/a Bowie Coal Sales, LLC (“Wolverine”), because IPA has been a large and reliable customer; and

WHEREAS, unfortunately, a number of recent events have combined to make the Coal Supply Agreements, in their current form, problematic for both IPA and Wolverine: (i) transportation challenges following the Covid-19 pandemic made delivery of coal to IPA – and payments to Wolverine – unpredictable; (ii) inflation pressures in the aftermath of the pandemic, along with other market factors, have rendered the pricing under the Coal Supply Agreements uneconomical for Wolverine; and (iii) the recent and permanent closure of the Lila Canyon Mine has dramatically reduced the total volume of coal available in the Utah market, which creates challenges for both parties; and

WHEREAS, in an attempt to address these difficulties, the Operating Agent has negotiated an amendment to the Coal Supply Agreements (the “Omnibus Amendment”) that provides benefits to both parties; specifically, the Omnibus Amendment: (i) provides for a significant increase in price, intended to raise the price up to current market levels; (ii) adjusts the coal quality specifications to make more coal available for production and delivery; and (iii) reduces the minimum volumes that IPA is required to purchase, which reduces the risk to IPA attendant to the unpredictability of rail transportation; and

WHEREAS, the Operating Agent has determined that execution of the Omnibus Amendment is reasonably necessary and in accordance with Prudent Utility Practice; and

WHEREAS, the Operating Agent has requested authorization to execute the Omnibus Amendment on behalf of IPA; and

WHEREAS, the IPA Board has received a letter dated January 16, 2024 from Mr. Gregory S. Huynh on behalf of the Operating Agent (the “Operating Agent Recommendation Letter”) recommending that the IPA Board authorize the Operating Agent to execute the Omnibus Amendment on behalf of IPA, as described above; and

WHEREAS, the Operating Agent provided a briefing at a meeting of the IPA Board on January 29, 2024 (the “Operating Agent Briefing”), during which the Operating Agent described and explained the basis of the Operating Agent’s recommendations, advice and determinations as set forth herein; and

WHEREAS, the Intermountain Power Project (“IPP”) Coordinating Committee (the “Committee”), by its Resolution No. CC-2024-001 (the “CC Resolution”), at its meeting on January 29, 2024, authorized, and recommended that the IPA Board authorize, the delegation of authority to the Operating Agent to execute and deliver the Omnibus Amendment on behalf of IPA, as described above and in the Operating Agent Recommendation Letter; and

WHEREAS, the IPA Board has reviewed and considered the Operating Agent Recommendation Letter, the Operating Agent Briefing, and the CC Resolution, including the recommendations, advice and determinations of the Operating Agent and the Committee in the foregoing, and the recommendations of IPA staff, and, in reliance on such recommendations, advice and determinations, has recited the statements set forth above.

NOW, THEREFORE, BE IT RESOLVED, that the IPA Board hereby authorizes the Operating Agent to execute and deliver the Omnibus Amendment on behalf of IPA; and

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

INTERMOUNTAIN POWER AGENCY

CHAIR, BOARD OF DIRECTORS

ATTEST:

SECRETARY

RESOLUTION

IPA-2024-002

AUTHORIZATION TO EXECUTE AGREEMENTS FOR ADDITIONAL GENERATION SUPPORT PERSONNEL (COMMISSIONING OVERSIGHT)

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Agency (“IPA”) Board of Directors (the “IPA Board”) held January 29, 2024, the following Resolution was duly adopted:

WHEREAS, 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, the scope of work of the Gas Repowering (as defined in the Power Sales Contracts) has always contemplated the need to engage personnel with specific expertise to provide on-site management and oversight during construction and commissioning (“Generation Support Personnel”); and

WHEREAS, the budget for Generation Support Personnel has been included in the contract for owner’s engineering services with Black & Veatch (“Agreement No. 667”); and

WHEREAS, from time to time, however, the Project Manager (as defined in the Power Sales Contracts) has had to engage Generation Support Personnel directly, rather than through Agreement No. 667; and

WHEREAS, the Project Manager is now of the opinion that it will be necessary to engage additional Generation Support Personnel with specific expertise to provide more direct oversight of certain aspects of the Gas Repowering, including commissioning and other work; and

WHEREAS, in order to provide the best value for the Intermountain Power Project (“IPP”), the Project Manager conducted a competitive bidding process to select experienced Generation Support Personnel; and

WHEREAS, the Project Manager posted notice of Request for Proposal 55401 on the IPA website and provided notice directly to at least four potential bidders; and

WHEREAS, proposals were due from bidders on January 19, 2024; and

WHEREAS, the Project Manager has requested authorization to select a bidder, negotiate and execute, on behalf of IPA, one or more contracts for additional Generation Support Personnel, with a total expenditure authority of \$1,500,000; and

WHEREAS, this does not represent an increase in the budget for the Gas Repowering, as the costs of Generation Support Personnel have been budgeted for under Agreement No. 667; and

WHEREAS, the Project Manager has recommended allocating the costs associated with the Generation Support Personnel to the Gas Repowering, which, as provided in the Power Sales Contracts, are to be financed through Transition Project Indebtedness (as defined in the Power Sales Contracts); and

WHEREAS, the IPA Board has received a letter dated January 18, 2024 from Ms. Lori K. Morrish on behalf of the Project Manager (the “Project Manager Recommendation Letter”) recommending that the IPA Board authorize the Project Manager to execute one or more contracts for Generation Support Personnel on behalf of IPA as described above; and

WHEREAS, the Project Manager provided a briefing at a meeting of the IPA Board on January 29, 2024 (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 IPP Coordinating Committee (the “Committee”), by its Resolution No. CC-2024-002 (the “CC Resolution”), at its meeting on January 29, 2024, authorized, and recommended that the IPA Board authorize, the delegation of authority to the Project Manager to select a bidder, negotiate, execute and deliver one or more contracts for additional Generation Support Personnel on behalf of IPA, with a total expenditure authority of \$1,500,000 and with all such contracts to be funded as described above and in the Project Manager Recommendation Letter; and

WHEREAS, the IPA Board has reviewed and considered the Project Manager Recommendation Letter, the Project Manager Briefing, and the CC Resolution, including the recommendations, advice and determinations of the Project Manager and the Committee in the foregoing, and the recommendations of IPA staff, and, in reliance on such recommendations, advice and determinations, has recited the statements set forth above.

NOW, THEREFORE, BE IT RESOLVED, that the IPA Board hereby authorizes the Project Manager to select a bidder, negotiate, execute and deliver one or more contracts for additional Generation Support Personnel on behalf of IPA, with a total expenditure authority of \$1,500,000 and with all such contracts to be funded as described above and in the Project Manager Recommendation Letter; and

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

CHAIR, BOARD OF DIRECTORS

ATTEST:

SECRETARY

RESOLUTION

IPA-2024-003

AUTHORIZATION TO EXECUTE AGREEMENTS FOR ADDITIONAL TRANSMISSION SUPPORT PERSONNEL (HVDC FIELD OVERSIGHT)

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Agency (“IPA”) Board of Directors (the “IPA Board”) held January 29, 2024, the following Resolution was duly adopted:

WHEREAS, 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, pursuant to Resolution Nos. CC-2021-003, RCCC-2021-001, and IPA-2021-003, the Intermountain Power Project (“IPP”) Coordinating Committee (the “Committee”), the IPP Renewal Contract Coordinating Committee (the “Renewal Committee”), and the IPA Board, respectively, approved the STS Renewal Project (as defined in such Resolutions) as a Capital Improvement (as defined in the Power Sales Contracts); and

WHEREAS, major components of the STS Renewal Project include the replacement, renewal, and expansion of HVDC converter station equipment and associated facilities at the Adelanto Converter Station and the Intermountain Converter Station; and

WHEREAS, the scope of work of the STS Renewal Project has always contemplated the need to engage personnel with specific expertise to provide on-site management and oversight during construction and commissioning (“Transmission Support Personnel”); and

WHEREAS, the budget for Transmission Support Personnel has been included in the contract for owner’s engineering services with Black & Veatch (“Agreement No. 667”); and

WHEREAS, from time to time, however, the Project Manager (as defined in the Power Sales Contracts) has had to engage Transmission Support Personnel directly, rather than through Agreement No. 667; and

WHEREAS, the Project Manager is now of the opinion that it will be necessary to engage additional Transmission Support Personnel with specific expertise to provide more direct oversight of certain aspects of the STS Renewal Project, including HVDC field oversight and other work; and

WHEREAS, in order to provide the best value for IPP, the Project Manager conducted a competitive bidding process to select experienced Transmission Support Personnel; and

WHEREAS, the Project Manager posted notices of Requests for Proposal 55408 and 55468 on the IPA website, for the Intermountain Converter Station and the Adelanto Converter Station, respectively, and provided notices directly to at least three potential bidders; and

WHEREAS, proposals were due from bidders on January 19, 2024; and

WHEREAS, the Project Manager has requested authorization to select a bidder, negotiate and execute, on behalf of IPA, one or more contracts for additional Transmission Support Personnel, with a total expenditure authority of \$4,000,000; and

WHEREAS, this does not represent an increase in the budget for the STS Renewal Project, as the costs of Transmission Support Personnel have been budgeted for under Agreement No. 667; and

WHEREAS, the Project Manager has recommended allocating the costs associated with the Transmission Support Personnel to the STS Renewal Project, to be funded in accordance with the STS Financing Plan (as defined in the following Resolutions) approved by Resolution Nos. CC-2021-003, RCCC-2021-001, and IPA-2021-003; and

WHEREAS, the IPA Board has received a letter dated January 18, 2024 from Ms. Lori K. Morrish on behalf of the Project Manager (the “Project Manager Recommendation Letter”) recommending that the IPA Board authorize the Project Manager to execute one or more contracts for Transmission Support Personnel on behalf of IPA as described above; and

WHEREAS, the Project Manager provided a briefing at a meeting of the IPA Board on January 29, 2024 (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, by its Resolution No. CC-2024-003 (the “CC Resolution”), at its meeting on January 29, 2024, authorized, and recommended that the IPA Board authorize, the delegation of authority to the Project Manager to select a bidder, negotiate, execute and deliver one or more contracts for additional Transmission Support Personnel on behalf of IPA, with a total expenditure authority of \$4,000,000 and with all such contracts to be funded as described above and in the Project Manager Recommendation Letter; and

WHEREAS, the IPA Board has reviewed and considered the Project Manager Recommendation Letter, the Project Manager Briefing, and the CC Resolution, including the recommendations, advice and determinations of the Project Manager and the Committee in the foregoing, and the recommendations of IPA staff, and, in reliance on such recommendations, advice and determinations, has recited the statements set forth above.

NOW, THEREFORE, BE IT RESOLVED, that the IPA Board hereby authorizes the Project Manager to select a bidder, negotiate, execute and deliver one or more contracts for additional Transmission Support Personnel on behalf of IPA, with a total expenditure authority of \$4,000,000 and with all such contracts to be funded as described above and in the Project Manager Recommendation Letter; and

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

INTERMOUNTAIN POWER AGENCY

CHAIR, BOARD OF DIRECTORS

ATTEST:

SECRETARY