

RESOLUTION

RCCC-2023-008

ADOPTION OF AMENDMENT TO THE HYDROGEN BETTERMENT FUNDING PLAN

On motion of Kevin Robison, seconded by, Scott Mellon a virtual meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held December 18, 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, the IPP Coordinating Committee (the “Committee”), the Renewal Committee, and the IPA Board of Directors (the “IPA Board”) adopted, respectively, Resolution Nos. CC-2020-011, RCCC-2020-001, and IPA-2020-010 (collectively, the “Hydrogen Betterment Resolutions”) to provide a mechanism for the Renewal Purchasers to fund Hydrogen Betterments (as defined in the Hydrogen Betterment Resolutions); and

WHEREAS, the Committee, the Renewal Committee, and the IPA Board subsequently amended the Hydrogen Betterment Funding Plan pursuant to Resolution Nos. CC-2021-018, RCCC-2021-006, and IPA-2021-021 and again pursuant to Resolution Nos. CC-2022-021, RCCC-2022-006, and IPA-2022-028; and

WHEREAS, the Hydrogen Betterment Fund (as defined in the Hydrogen Betterment Resolutions) was originally designed to fund upgrades or “betterments” to various components of the Gas Repowering (as defined in the Power Sales Contracts) as necessary to facilitate the introduction of hydrogen into the fuel blend; and

WHEREAS, the Operating Agent (as defined in the Power Sales Contracts) has now determined that there is a need for greater flexibility in the use of the Hydrogen Betterment Fund, and has recommended amending the Hydrogen Betterment Funding Plan to allow payment of costs incurred by IPA pursuant 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”), as part of the Hydrogen Capacity Project (as defined in Resolution Nos. CC-2022-007,

December 18, 2023

RCCC-2022-002, and IPA-2022-007); and

WHEREAS, the proposed amendments to the Hydrogen Betterment Funding Plan (the “Hydrogen Betterment Funding Plan Amendments”) are shown in redline and clean formats on Exhibits A and B, respectively, attached hereto; and

WHEREAS, the Renewal Committee has received a letter dated December 8, 2023 from Mr. Gregory S. Huynh on behalf of the Operating Agent (the “Operating Agent Recommendation Letter”) recommending that the Committee and the Renewal Committee adopt, and recommend that the IPA Board adopt, the Hydrogen Betterment Funding Plan Amendments; and

WHEREAS, the Operating Agent provided a briefing on a conference call on December 11, 2023, and at a meeting of the Renewal Committee on December 18, 2023 (collectively, 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 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 adopts, and recommends that the IPA Board adopt, the Hydrogen Betterment Funding Plan Amendments; and

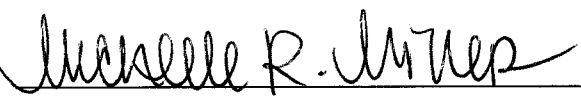
BE IT FURTHER RESOLVED, that the Chairman is hereby authorized and directed by the Renewal Committee to execute this Resolution and to do all things necessary to render the same in full force and effect.

INTERMOUNTAIN POWER PROJECT



CHAIRMAN, RENEWAL CONTRACT
COORDINATING COMMITTEE

ATTEST:



SECRETARY

EXHIBIT A

Hydrogen Betterment Funding Plan Amendments – Redline Format

1. Commencing with Fiscal Year 2020-21, IPA will invoice the Renewal Purchasers an additional charge as part of their Monthly Power Costs (the "Betterment Charge").
2. The Betterment Charge will be calculated so as to accrue \$7,000,000 per year through the end of Fiscal Year 2024-25, for a total sum of \$35,000,000, plus such other amounts identified as Betterment Charges in (i) an annual operating budget for IPP, as amended from time to time, approved by the Committee and at least two out of the three California Renewal Purchasers, and (ii) an Annual Budget, as amended from time to time, approved by the IPA Board (that total annual budgeted amount, the "Budgeted Hydrogen Funding").
3. The Betterment Charge will be invoiced to Renewal Purchasers in proportion to:
 - a. For California Renewal Purchasers, the sum of their Generation Entitlement Share under the Renewal Power Sales Contracts, plus the Excess Entitlement Shares, if any, purchased under the Agreement for the Sale of Renewal Excess Power.
 - b. For Utah Renewal Purchasers, their Generation Entitlement Share under the Renewal Power Sales Contract, less their Excess Entitlement Share under the Agreement for the Sale of Renewal Excess Power.
4. IPA will hold the accrued Betterment Charges in an interest-bearing account (the "Hydrogen Betterment Fund") for the benefit of the Renewal Purchasers and for the purpose of funding Hydrogen Betterments and repair and replacement costs as provided in Section 8, below. (During any Fiscal Year, such accrued amount, plus the Budgeted Hydrogen Funding for such Fiscal Year, the "Available Hydrogen Funding.")
5. The Project Manager may, with the approval of the Renewal Committee and the IPA Board of each such contract, contract for Hydrogen Betterments in an aggregate amount up to the Available Hydrogen Funding. Because Hydrogen Betterments will be funded separately from the Baseline Scope, the cost of Hydrogen Betterments will not count against applicable expenditure authority limits set by the Coordinating Committee when approving Project Contracts.
6. The Project Manager may draw on the Hydrogen Betterment Fund to pay for approved Hydrogen Betterments as they are invoiced. IPA may, upon request of the Project Manager, (i) transfer funds directly from the Hydrogen Betterment Fund to other IPA accounts for the purpose of compensating IPA for costs incurred, services provided, or assets used in connection with Hydrogen Betterments or the Hydrogen Capacity Project (as defined in Resolution Nos. CC-2022-007, RCCC-2022-002, and IPA-2022-007) or (ii) use the Hydrogen Betterment Fund to pay for costs incurred by IPA pursuant 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").

7. Notwithstanding anything to the contrary above, the Project Manager may not contract for Hydrogen Betterments in an amount exceeding the Available Hydrogen Funding. If it appears that the sum of desired Hydrogen Betterments may exceed the Available Hydrogen Funding for any Fiscal Year, the Project Manager may request that IPA and the Renewal Purchasers arrange for financing, the costs of which will not be borne by the Exiting Purchasers.
8. To the extent that costs and expenses related to the repair or replacement of the Power Blocks or other equipment are attributed to the Hydrogen Betterments, and to the extent those costs and expenses are not covered by applicable warranties, indemnities, and/or insurance policies, those costs and expenses will not be borne by the Exiting Purchasers and will only be funded from (i) remaining money in the Hydrogen Betterment Fund, if any, and/or (ii) the FCI Reserve established pursuant to Resolution No. CC-2020-014, but excepting the Exiting Purchasers' share of the FCI Reserve that is designated for disbursement to the Exiting Purchasers pursuant to Section 4(b) of Resolution No. CC-2020-014.
9. To the extent that the Exiting Purchasers incur a) increased power costs, including but not limited to additional costs to replace any IPP energy generation, b) Resource Adequacy (as defined in the California Independent System Operator (CAISO Tariff))-related costs, and c) any CAISO costs, charges, penalties, and where such costs are due to an outage that is attributed to damage to the Power Blocks or other equipment, and to the extent such damage is caused by the Hydrogen Betterments, the Exiting Purchasers shall be reimbursed and that reimbursement shall only be funded from (i) remaining money in the Hydrogen Betterment Fund, if any, and/or (ii) the FCI Reserve established pursuant to Resolution No. CC-2020-014, but excepting the Exiting Purchasers' share of the FCI Reserve that is designated for disbursement to the Exiting Purchasers pursuant to Section 4(b) of Resolution No. CC-2020-014. The Purchasers shall cooperate in good faith to minimize the impacts and costs of any such outages.
10. Pursuant to Section 6.2.4 of the Power Sales Contracts, the Coordinating Committee will review, discuss, and attempt to resolve any dispute arising out of this Hydrogen Betterment Funding Plan, including but not limited to questions regarding whether costs and expenses should be attributed to the Hydrogen Betterments, and impacts to Purchasers arising from outages attributed to the Hydrogen Betterments.

EXHIBIT B

Hydrogen Betterment Funding Plan Amendments – Clean Format

1. Commencing with Fiscal Year 2020-21, IPA will invoice the Renewal Purchasers an additional charge as part of their Monthly Power Costs (the “Betterment Charge”).
2. The Betterment Charge will be calculated so as to accrue \$7,000,000 per year through the end of Fiscal Year 2024-25, for a total sum of \$35,000,000, plus such other amounts identified as Betterment Charges in (i) an annual operating budget for IPP, as amended from time to time, approved by the Committee and at least two out of the three California Renewal Purchasers, and (ii) an Annual Budget, as amended from time to time, approved by the IPA Board (that total annual budgeted amount, the “Budgeted Hydrogen Funding”).
3. The Betterment Charge will be invoiced to Renewal Purchasers in proportion to:
 - a. For California Renewal Purchasers, the sum of their Generation Entitlement Share under the Renewal Power Sales Contracts, plus the Excess Entitlement Shares, if any, purchased under the Agreement for the Sale of Renewal Excess Power;
 - b. For Utah Renewal Purchasers, their Generation Entitlement Share under the Renewal Power Sales Contract, less their Excess Entitlement Share under the Agreement for the Sale of Renewal Excess Power.
4. IPA will hold the accrued Betterment Charges in an interest-bearing account (the “Hydrogen Betterment Fund”) for the benefit of the Renewal Purchasers and for the purpose of funding Hydrogen Betterments and repair and replacement costs as provided in Section 8, below. (During any Fiscal Year, such accrued amount, plus the Budgeted Hydrogen Funding for such Fiscal Year, the “Available Hydrogen Funding.”)
5. The Project Manager may, with the approval of the Renewal Committee and the IPA Board of each such contract, contract for Hydrogen Betterments in an aggregate amount up to the Available Hydrogen Funding. Because Hydrogen Betterments will be funded separately from the Baseline Scope, the cost of Hydrogen Betterments will not count against applicable expenditure authority limits set by the Coordinating Committee when approving Project Contracts.
6. The Project Manager may draw on the Hydrogen Betterment Fund to pay for approved Hydrogen Betterments as they are invoiced. IPA may, upon request of the Project Manager, (i) transfer funds directly from the Hydrogen Betterment Fund to other IPA accounts for the purpose of compensating IPA for costs incurred, services provided, or assets used in connection with Hydrogen Betterments or the Hydrogen

Capacity Project (as defined in Resolution Nos. CC-2022-007, RCCC-2022-002, and IPA-2022-007), or (ii) use the Hydrogen Betterment Fund to pay for costs incurred by IPA pursuant 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"). .

7. Notwithstanding anything to the contrary above, the Project Manager may not contract for Hydrogen Betterments in an amount exceeding the Available Hydrogen Funding. If it appears that the sum of desired Hydrogen Betterments may exceed the Available Hydrogen Funding for any Fiscal Year, the Project Manager may request that IPA and the Renewal Purchasers arrange for financing, the costs of which will not be borne by the Exiting Purchasers.
8. To the extent that costs and expenses related to the repair or replacement of the Power Blocks or other equipment are attributed to the Hydrogen Betterments, and to the extent those costs and expenses are not covered by applicable warranties, indemnities, and/or insurance policies, those costs and expenses will not be borne by the Exiting Purchasers and will only be funded from (i) remaining money in the Hydrogen Betterment Fund, if any, and/or (ii) the FCI Reserve established pursuant to Resolution No. CC-2020-014, but excepting the Exiting Purchasers' share of the FCI Reserve that is designated for disbursement to the Exiting Purchasers pursuant to Section 4(b) of Resolution No. CC-2020-014.
9. To the extent that the Exiting Purchasers incur a) increased power costs, including but not limited to additional costs to replace any IPP energy generation, b) Resource Adequacy (as defined in the California Independent System Operator (CAISO Tariff))- related costs, and c) any CAISO costs, charges, penalties, and where such costs are due to an outage that is attributed to damage to the Power Blocks or other equipment, and to the extent such damage is caused by the Hydrogen Betterments, the Exiting Purchasers shall be reimbursed and that reimbursement shall only be funded from (i) remaining money in the Hydrogen Betterment Fund, if any, and/or (ii) the FCI Reserve established pursuant to Resolution No. CC-2020-014, but excepting the Exiting Purchasers' share of the FCI Reserve that is designated for disbursement to the Exiting Purchasers pursuant to Section 4(b) of Resolution No. CC-2020-014. The Purchasers shall cooperate in good faith to minimize the impacts and costs of any such outages.
10. Pursuant to Section 6.2.4 of the Power Sales Contracts, the Coordinating Committee will review, discuss, and attempt to resolve any dispute arising out of this Hydrogen Betterment Funding Plan, including but not limited to questions regarding whether costs and expenses should be attributed to the Hydrogen Betterments, and impacts to Purchasers arising from outages attributed to the Hydrogen Betterments.