

RESOLUTION

RCCC-2024-001

AUTHORIZATION TO EXECUTE ONE OR MORE BASE NAESB CONTRACTS AND ONE OR MORE FORWARD PURCHASE CONTRACTS

On motion of Simon Zewdu, seconded by Kevin Robison, at a meeting of the Intermountain Power Project ("IPP") Renewal Contract Coordinating Committee (the "Renewal Committee") held March 5, 2024, 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 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; and

WHEREAS, pursuant to the Construction Management and Operating Agreement (as defined in the Power Sales Contracts), the duties and responsibilities of the Operating Agent include procuring fuel to be used for the Project (as defined in the Power Sales Contracts); and

WHEREAS, the Operating Agent, in consultation with the Purchasers, has determined that it is advisable to procure some portion of the natural gas for the Project through long-term contracts with gas delivery dates in the future ("Forward Purchase Contracts"); and

WHEREAS, with the Gas Repowering (as defined in the Power Sales Contracts) nearing completion, the Operating Agent desires to begin negotiating and executing Forward Purchase Contracts; and

WHEREAS, the natural gas industry uses a standardized contract form published by the North American Energy Standards Board (the "NAESB") and known as the Base Contract for Sale and Purchase of Natural Gas ("Base NAESB Contract"); and

WHEREAS, a Base NAESB Contract does not, by itself, provide for the purchase of natural gas; rather, it defines the terms and conditions that will apply to any future gas transaction between the counterparties to the Base NAESB Contract; and

WHEREAS, actual gas purchases pursuant to a Base NAESB Contract are documented in a written confirmation, which defines the volume and price of gas to be purchased, and also defines the duration of the purchase, which can range from a single day to several years; and

WHEREAS, the Operating Agent considers it advisable to execute Base NAESB Contracts with several counterparties in order to provide it with many options for negotiating the terms of Forward Purchase Contracts, and the Operating Agent has recommended and requested authorization to execute Base NAESB Contracts with one or more counterparties on behalf of IPA; and

WHEREAS, the Operating Agent also considers it advisable to execute Forward Purchase Contracts, in the form of transaction confirmations with counterparties to Base NAESB Contracts, and has recommended and requested authorization to execute one or more Forward Purchase Contracts on behalf of IPA, subject to the following conditions:

1. The term of each Forward Purchase Contract must be 12 months or longer.
2. The aggregate volume of gas purchased under the Forward Purchase Contracts must not exceed 35,000 MMBtus per day.
3. Before executing any Forward Purchase Contracts, the Operating Agent must solicit bids from as many NAESB counterparties as reasonably practicable.
4. The solicitation must seek bids to provide natural gas during the following terms:

Group 1	Term A	May 1, 2025 through June 30, 2026 (14 months)
	Term B	July 1, 2026 through June 30, 2027 (12 months)
	Term C	May 1, 2025 through June 30, 2027 (26 months)
Group 2	Term D	July 1, 2027 through June 30, 2028 (12 months)
5. The Operating Agent shall evaluate bids for Group 1 terms separately from the bids for the Group 2 term, and select the combination of bids that (a) adds up to 35,000 MMBtus per day, and (b) provides the lowest average price per MMBtu for that Group.
6. The price of gas under the Forward Purchase Contracts must be fixed, and must not exceed a dollar per MMBtu price cap to be established by the IPP Coordinating Committee (the "Committee") during an executive session of the Committee on March 5, 2024.

(the foregoing conditions being hereafter referred to as the "Forward Purchase Conditions"); and

WHEREAS, the Operating Agent also considers it advisable that the cost of gas purchased through Forward Purchase Contracts be included in the fixed cost component of Monthly Power Costs, and has requested that the Committee determine, pursuant to Section 4.22.1.4.7 of the Power Sales Contracts, that the costs associated with contract payments under the Forward Purchase Contracts constitute fixed costs of fuel; and

WHEREAS, the Renewal Committee has received a letter dated February 22, 2024 from Mr. Gregory S. Huynh on behalf of the Operating Agent (the "Operating Agent Recommendation Letter") recommending that the Committee and the Renewal Committee authorize, and recommend that the IPA Board authorize, the Operating Agent to execute and deliver one or more Base NAESB Contracts and one or more Forward Purchase Contracts, subject to the Forward Purchase Conditions, all on behalf of IPA and as described above; and

WHEREAS, the Operating Agent provided a briefing at a virtual conference on February 26, 2024, and at a meeting of the Renewal Committee on March 5, 2024 (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 approves, and recommends that the IPA Board approve, the delegation of authority to the Operating Agent to execute and deliver one or more Base NAESB Contracts on behalf of IPA, and all necessary documents recommended by the Operating Agent and approved by the IPA General Manager in connection with such Base NAESB Contracts, with such other documents being in the forms recommended by the Operating Agent and approved by the IPA General Manager; and

BE IT FURTHER RESOLVED, that the Renewal Committee hereby approves, and recommends that the IPA Board approve, the delegation of authority to the Operating Agent to execute and deliver one or more Forward Purchase Contracts on behalf of IPA, subject to the Forward Purchase Conditions, and all necessary documents recommended by the Operating Agent and approved by the IPA General Manager in connection with such Forward Purchase Contracts, with such other documents being in the forms recommended by the Operating Agent and approved by the IPA General Manager; and


BE IT FURTHER RESOLVED, that the Committee hereby determines, pursuant to Section 4.67.1.5.5 of the Renewal Power Sales Contracts, that the costs associated with contract payments under the Forward Purchase Contracts constitute fixed costs of fuel to be included in the fixed cost component of Monthly Power Costs; 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