

RESOLUTION

RCCC-2024-003

APPROVAL OF UPDATED BUDGETS FOR THE GAS REPOWERING AND THE STS RENEWAL PROJECT

On motion of Mark Montgomery, seconded by Simon Zewdu, at a meeting of the Intermountain Power Project ("IPP") Renewal Contract Coordinating Committee (the "Renewal Committee") held on August 6, 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, the Project Manager (as defined in the Power Sales Contracts) is implementing two separate but related Capital Improvements (as defined in the Power Sales Contracts): the Gas Repowering and the STS Renewal Project; and

WHEREAS, the Gas Repowering is an approved Capital Improvement pursuant to Section 44.1 of the Power Sales Contracts, and is being financed with Transition Project Indebtedness and pursuant to a Plan of Finance approved in Resolution Nos. CC-2019-020, RCCC-2019-003 and IPA-2019-021, as subsequently amended; and

WHEREAS, the Plan of Finance defines the manner in which the Gas Repowering will be financed, but it does not include an overall budget for the Gas Repowering; and

WHEREAS, the STS Renewal Project was approved as a Capital Improvement pursuant to Resolution Nos. CC-2021-003, RCCC-2021-001 and IPA-2021-003, and is being financed with payments-in-aid of construction and pursuant to the STS Financing Plan approved in Resolution Nos. CC-2021-003, RCCC-2021-001 and IPA-2021-003; and

WHEREAS, the STS Financing Plan defines the manner in which the STS Renewal Project will be financed, but it does not include an overall budget for the STS Renewal Project; and

WHEREAS, since the commencement of the Gas Repowering and the STS Renewal

Project, the Project Manager has provided regular updates on the budgets for those projects to the IPP Coordinating Committee (the "Committee") at meetings of the Generation and Transmission Subcommittee; and

WHEREAS, those budgets have not been presented to the Committee, the Renewal Committee, or the IPA Board of Directors (the "IPA Board") for formal approval, and the Committee has exercised budget control over the Gas Repowering and the STS Renewal Project through its approval of individual contracts, subject to expenditure limits; and

WHEREAS, not all costs associated with the Gas Repowering and the STS Renewal Project are incurred pursuant to contracts approved by the Committee, because some costs are incurred by the Project Manager directly when its own personnel perform planning, engineering, or construction services in support of the Gas Repowering and the STS Renewal Project; and

WHEREAS, for administrative purposes, the Project Manager considers it advisable and in accordance with Prudent Utility Practice for the Committee, the Renewal Committee, and the IPA Board to approve an overall, consolidated budget for the Gas Repowering and an overall, consolidated budget for the STS Renewal Project; and

WHEREAS, the Renewal Committee has received a letter dated July 24, 2024 from Mr. Kevin T. Peng on behalf of the Project Manager (the "Project Manager Recommendation Letter") recommending that the Renewal Committee approve, and recommend that the IPA Board approve (i) the budget for the Gas Repowering as set forth on Exhibit A attached to Resolution No. CC-2024-017 of the Committee (the "CC Resolution"), and (ii) the budget for the STS Renewal Project as set forth on Exhibit B attached to the CC Resolution; and

WHEREAS, the Project Manager provided a briefing at a virtual conference on July 29, 2024, and at a meeting of the Renewal Committee on August 6, 2024 (collectively, 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 Renewal Committee has reviewed and considered the Project Manager Recommendation Letter and the Project Manager Briefing, including the recommendations, advice and determinations of the Project Manager.

NOW, THEREFORE, BE IT RESOLVED, that the Renewal Committee hereby approves, and recommends that the IPA Board approve, (i) the budget for the Gas Repowering as set forth on Exhibit A attached to the CC Resolution, and (ii) the budget for the STS Renewal Project as set forth on Exhibit B attached to the CC Resolution; 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