

## **RESOLUTION**

**RCCC-2024-006**

### **ADOPTION OF AMENDMENTS TO THE PRE-FUNDING PLAN**

On motion of Simon Zewdu, seconded by Allen Johnson, 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, an important component of the Gas Repowering is the decommissioning and retirement of IPP's coal-fired generating units and related facilities ("Retirement Actions") following commercial operation of the new gas-fired units in 2025; and

WHEREAS, the Section 44 Retirement Plan, which was adopted by the IPP Coordinating Committee (the "Committee"), the Renewal Committee and the IPA Board of Directors ("IPA Board") in 2019 pursuant to Resolution Nos. CC-2019-014, RCCC-2019-002, and IPA-2019-014, respectively, estimated the cost of such decommissioning and retirement ("Retirement Costs") to be approximately \$260,000,000; and

WHEREAS, in 2020, the Committee, the Renewal Committee, and the IPA Board adopted, respectively, Resolution Nos. CC-2020-012, RCCC-2020-002, and IPA-2020-011 (the "Pre-Funding Retirement Costs Resolutions"), which allowed Purchasers to "pre-fund" some or all of their share of the estimated Retirement Costs, and thereby save money by reducing debt service payments on Transition Project Indebtedness (as more particularly described in the Pre-Funding Retirement Costs Resolutions, the "Pre-Funding Plan"); and

WHEREAS, since adoption of the Pre-Funding Plan, one Purchaser has elected to pre-fund some or all of its share of the Retirement Costs; and

WHEREAS, the construction phase of the Gas Repowering is nearing completion, and IPA

is preparing to issue a third tranche of Transition Project Indebtedness, which will include the funding necessary to finish construction; and

WHEREAS, pursuant to the Pre-Funding Plan, that third tranche was planned to also include the funding for Retirement Costs, less whatever amounts have been pre-funded by Purchasers; and

WHEREAS, due to changes in Utah law that went into effect in 2023, it is now unlikely that the Retirement Actions can be commenced following commercial operation of the gas units; and rather, it is likely that the Retirement Actions will be delayed by at least one year; and

WHEREAS, the Operating Agent (as defined in the Power Sales Contracts) considers it inadvisable to borrow money to fund Retirement Costs until the timing of the commencement of the Retirement Actions is more certain; and

WHEREAS, accordingly, the Operating Agent has proposed amendments to the Pre-Funding Plan to (i) delay the financing of Retirement Costs by one year, and (ii) add new provisions to provide the pre-funding Purchaser with the option to have its pre-funded amounts reimbursed or reassigned to other purposes; and

WHEREAS, the proposed amendments to the Pre-Funding Plan (the "Pre-Funding Plan Amendments") are shown in redline and clean formats on Exhibits A and B attached to Resolution No. CC-2024-022 of the Committee; and

WHEREAS, the Renewal Committee has received a letter dated July 24, 2024 from Mr. Gregory S. Huynh on behalf of the Operating Agent (the "Operating Agent Recommendation Letter") recommending that the Renewal Committee adopt, and recommend that the IPA Board adopt, the Pre-Funding Plan Amendments; and

WHEREAS, the Operating Agent 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 "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 Pre-Funding Plan Amendments; 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