



**Intermountain Power Project
RENEWAL CONTRACT
COORDINATING COMMITTEE MEETING**

NOVEMBER 5, 2024

**MARRIOTT BURBANK HOTEL,
BURBANK, CALIFORNIA
AND VIA WEBEX**

**NOTICE OF INTERMOUNTAIN POWER PROJECT
RENEWAL CONTRACT COORDINATING COMMITTEE MEETING**

THE INTERMOUNTAIN POWER PROJECT (IPP) HAS SCHEDULED A MEETING OF THE RENEWAL CONTRACT COORDINATING COMMITTEE AT 11:00 A.M. PACIFIC TIME (12:00 NOON MOUNTAIN TIME) ON TUESDAY NOVEMBER 5, 2024, AT THE LOS ANGELES MARRIOTT BURBANK AIRPORT, 2500 N. HOLLYWOOD WAY, BURBANK, CA 91505 AND VIA WEBEX.

WEBEX MEETING INFORMATION

IPP COORDINATION COMMITTEE & RCCC - NOVEMBER
HOSTED BY NICOLE HENRIE

[HTTPS://IPSC.WEBEX.COM/IPSC/J.PHP?MTID=MD31A15ECBE34218DE88AF77B1F06406A](https://ipsc.webex.com/ipsc/j.php?mtid=MD31A15ECBE34218DE88AF77B1F06406A)

TUESDAY, NOVEMBER 5, 2024 10:00 AM | 3 HOURS | (UTC-06:00) MOUNTAIN
TIME (US & CANADA)

MEETING NUMBER: 2488 259 5767

PASSWORD: HTDBFJXX348

JOIN BY VIDEO SYSTEM

DIAL [24882595767@IPSC.WEBEX.COM](tel:24882595767)

YOU CAN ALSO DIAL 173.243.2.68 AND ENTER YOUR MEETING NUMBER

A G E N D A

1. INTRODUCTIONS AND ANNOUNCEMENTS (CAMERON COWAN)
2. CONSIDERATION OF APPROVAL OF THE AUGUST 6, 2024, RENEWAL CONTRACT COORDINATING COMMITTEE MEETING MINUTES
3. DISCUSSION OF THE NOVEMBER 5, 2024, INTERMOUNTAIN POWER PROJECT COORDINATING COMMITTEE MEETING (CAMERON COWAN)
4. **RESOLUTION RCCC-2024-005**
CONSIDERATION OF APPROVAL OF ADOPTION OF AMENDMENTS TO THE STS DECOMMISSIONING FUNDING PLAN (KEVIN PENG)
5. **RESOLUTION RCCC-2024-007**
CONSIDERATION OF APPROVAL OF ADOPTION OF GAS OPERATING PROCEDURES (KEVIN PENG)

6. **RESOLUTION RCCC-2024-008**
CONSIDERATION OF APPROVAL OF AUTHORIZATION TO EXECUTE A
SECOND AMENDMENT TO GROUNDWATER LEASE AGREEMENT NO. 665A
(ACES) (KEVIN PENG)
7. **RESOLUTION RCCC-2024-009**
CONSIDERATION OF APPROVAL OF AUTHORIZATION TO EXECUTE
TRACK LICENSE AGREEMENT (SAWTOOTH) AND AMENDMENT TO TRACK
LICENSE AGREEMENT (MAGNUM) (KEVIN PENG)
8. OTHER BUSINESS
9. TIME AND PLACE OF NEXT SCHEDULED MEETING
11:00 A.M. PST, TUESDAY, MARCH 4, 2025
LOS ANGELES MARRIOTT BURBANK AIRPORT
2500 N. HOLLYWOOD WAY, BURBANK, CA 91505

**DRAFT INTERMOUNTAIN POWER PROJECT
RENEWAL CONTRACT COORDINATING COMMITTEE MEETING
MINUTES
AUGUST 6, 2024**

MINUTES

A meeting of the Intermountain Power Project (IPP) Renewal Contract Coordinating Committee (RCCC) was held on August 6, 2024, at the Black Rock Mountain Resort, 909 West Peace Tree Trail, Heber City, Utah, as well as via WebEx. The following participated:

Cameron Cowan	IPA (IPP RCCC Chair)
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Lisa Harris	IPA
Caitlyn Cottrell	IPA
Brian Freeman	IPA – Virtual
Jessica DeAlba	IPA - Virtual
Nick Tatton	Price
Bruce Rigby	Kaysville
Allen Johnson	Bountiful
Joel Eves (Alt.)	Lehi
Jason Norlen	Heber Light and Power
Elden Krause (Alt.)	Anaheim
Mandip Samra	Burbank
Erik Olsen	Burbank
Joseph Lillio (Alt.)	Burbank- Virtual
Clay MacArthur	Deseret Power
Scott Mellon (Alt.)	Glendale-Virtual
Jon Finlinson	IPSC
Jon Christensen	IPSC
Kevin Miller	IPSC
Mike Nuttal	IPSC
Dahl Dalton	IPSC
Mike Utley	IPSC
Zane Draper	IPSC
Simon Zewdu	LADWP - Virtual
Lori Morrish	LADWP
Greg Huynh	LADWP
Melia Asucan	LADWP
Tamer Ellyahky	LADWP
Kevin Peng	LADWP – Virtual
Angela Petcharamuk	LADWP

1	Vaughn Minassian	LADWP - Virtual
2	Jesse Ibarra	LADWP - Virtual
3	Fernando Izaguirre	LADWP
4	Wing Wong	LADWP
5	Fatima Valdez Florez	LADWP - Virtual
6	Grace Elarmo	LADWP – Virtual
7	Nicole Ramirez	LADWP – Virtual
8	Luis Jansen	LADWP
9	Alex Kang	LADWP – Virtual
10	Eric Montag	LADWP - Virtual
11	Tehreem Raza	LADWP – Virtual
12	Fatima Valdez	LADWP - Virtual
13	Mark Montgomery	Logan
14	Yankton Johnson	Moon Lake – Virtual
15	Ty Bailey	Morgan
16	Kevin Robison (Alt.)	Mt. Wheeler
17	Kelly Nguyen	Pasadena - Virtual
18	LaDel Laub (Alt.)	REC's & Dixie-Escalante
19	Jarod Mayne	Riverside – Virtual
20	Eric Larsen	Utah Municipalities
21	Eric Bawden	Holland & Hart
22	Mark Buchi	Holland & Hart – Virtual
23	Rob Hughes	Parsons, Behle & Latimer
24	Michael Brown	Parsons, Behle & Latimer
25	Matthew Barnes	Davis AV

INTRODUCTIONS AND ANNOUNCEMENTS

The meeting commenced at 11:15 a.m. conducted by Chair Cameron Cowan. Mr. Cowan welcomed everyone to the meeting. Mr. Cowan said there is a quorum to conduct business.

CONSIDERATION AND APPROVAL OF THE MAY 20, 2024, RENEWAL CONTRACT COORDINATING COMMITTEE MEETING MINUTES

Mr. Cowan asked for a motion to approve the RCCC meeting minutes of May 20, 2024.

Mr. Montgomery made a motion to approve the RCCC meeting minutes of May 20, 2024. Mr. Zewdu seconded the motion. A vote by all RCCC members participating in the meeting was taken and the vote was unanimous in the affirmative.

DISCUSSION OF THE AUGUST 6, 2024, INTERMOUNTAIN POWER PROJECT COORDINATING COMMITTEE MEETING

Mr. Cowan said the RCCC members received reports covered in the IPP Coordinating Committee meeting earlier today.

Mr. Cowan asked for questions or comments on the reports. There were none.

RESOLUTION RCCC-2024-002 CONSIDERATION OF APPROVAL OF INCREASE IN EXPENDITURE AUTHORITY UNDER LOAD-TIE LINE REIMBURSEMENT AGREEMENT

Mr. Cowan said Resolution RCCC-2024-002 was covered in a briefing on July 29, 2024.

Mr. Cowan said the RCCC members were present during the discussion in the CC meeting and asked if there was any further discussion or questions on the Resolutions. Hearing none, Mr. Cowan asked for a motion to approve Resolution RCCC-2024-002.

Based on the previous discussion in the CC meeting held on August 6, 2024, and in the absence of further discussion or questions, Mr. Robison made a motion to approve Resolution RCCC-2024-002. Mr. Zewdu seconded the motion. A vote by all RCCC members participating in the meeting was taken and the vote was unanimous in the affirmative.

The materials used in the July 29, 2024, RCCC briefing where the Operating Agent and Project Manager provided relevant information for the RCCC meeting are attached.

RESOLUTION RCCC-2024-003 CONSIDERATION OF APPROVAL OF UPDATED BUDGETS FOR THE GAS REPOWERING AND THE STS RENEWAL PROJECT

Mr. Cowan said Resolution RCCC-2024-003 was covered in a briefing on July 29, 2024.

Mr. Cowan said the RCCC members were present during the discussion in the CC meeting and asked if there was any further discussion or questions on the Resolutions. Hearing none, Mr. Cowan asked for a motion to approve Resolution RCCC-2024-003.

Based on the previous discussion in the CC meeting held on August 6, 2024, and in the absence of further discussion or questions, Mr. Montgomery made a motion to approve Resolution RCCC-2024-003. Mr. Zewdu seconded the motion. A vote by all RCCC members participating in the meeting was taken and the vote was unanimous in the affirmative.

The materials used in the July 29, 2024, RCCC briefing where the Operating Agent and Project Manager provided relevant information for the RCCC meeting are attached.

**RESOLUTION RCCC-2024-004 CONSIDERATION OF APPROVAL OF
AUTHORIZATION TO EXECUTE ADELANTO INTERCONNECTION AND
FACILITIES AGREEMENT**

Mr. Cowan said Resolution RCCC-2024-004 was covered in a briefing on July 29, 2024.

Mr. Cowan said the RCCC members were present during the discussion in the CC meeting and asked if there was any further discussion or questions on the Resolutions. Hearing none, Mr. Cowan asked for a motion to approve Resolution RCCC-2024-004.

Based on the previous discussion in the CC meeting held on August 6, 2024, and in the absence of further discussion or questions, Mr. Johnson made a motion to approve Resolution RCCC-2024-004. Mr. Zewdu seconded the motion. A vote by all RCCC members participating in the meeting was taken and the vote was unanimous in the affirmative.

The materials used in the July 29, 2024, RCCC briefing where the Operating Agent and Project Manager provided relevant information for the RCCC meeting are attached.

**RESOLUTION RCCC-2024-005 CONSIDERATION OF APPROVAL OF ADOPTION
OF AMENDMENTS TO THE STS DECOMMISSIONING FUNDING PLAN**

Mr. Cowan said Resolution RCCC-2024-005 will be deferred to a later date.

**RESOLUTION RCCC-2024-006 CONSIDERATION OF APPROVAL OF ADOPTION
OF AMENDMENTS TO THE PRE-FUNDING PLAN**

Mr. Cowan said Resolution RCCC-2024-006 was covered in a briefing on July 29, 2024.

Mr. Cowan said the RCCC members were present during the discussion in the CC meeting and asked if there was any further discussion or questions on the Resolutions. Hearing none, Mr. Cowan asked for a motion to approve Resolution RCCC-2024-006.

Based on the previous discussion in the CC meeting held on August 6, 2024, and in the absence of further discussion or questions, Mr. Zewdu made a motion to approve Resolution RCCC-2024-006. Mr. Johnson seconded the motion. A vote by all RCCC members participating in the meeting was taken and the vote was unanimous in the affirmative.

The materials used in the July 29, 2024, RCCC briefing where the Operating Agent and Project Manager provided relevant information for the RCCC meeting are attached.

CONSIDERATION OF APPROVAL OF 2025 IPP RCCC MEETING CALENDAR

1 Mr. Cowan reviewed the 2025 IPP RCCC Meeting Schedule with the committee.

2
3 Mr. Cowan asked for a motion to adopt the 2025 IPP RCCC Meeting Schedule.

4
5 **Mr. Montgomery made a motion to adopt the 2025 IPP RCCC Meeting Schedule.**
6 **Mr. Johnson seconded the motion. A vote by all RCCC members participating in**
7 **the meeting was taken and the vote was unanimous in the affirmative.**
8

9 **OTHER BUSINESS**

10
11 There was none.

12
13 Mr. Cowan thanked everyone for their participation and asked for a motion to adjourn the
14 meeting.

15
16 **Mr. Montgomery made a motion to adjourn. Mr. Robison seconded the motion. A**
17 **vote by all RCCC members participating in the meeting was taken and the vote was**
18 **unanimous in the affirmative. The meeting was adjourned at 11:25 a.m.**
19

20 **TIME AND PLACE OF NEXT MEETING**

21
22 Tuesday, November 5, 2024, at 11:00 a.m. (PDT), 12:00 p.m. (MDT) at the Burbank Marriott in
23 Burbank, CA.

24
25 Minutes taken by Michelle Miller.
26
27
28

RESOLUTION

RCCC-2024-005

ADOPTION OF AMENDMENTS TO THE STS DECOMMISSIONING FUNDING PLAN

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held on November 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, the IPP Coordinating Committee, the Renewal Committee, and the IPA Board of Directors (“IPA Board”) adopted, respectively, Resolution Nos. CC-2020-013, RCCC-2020-003, and IPA-2020-012 (the “STS Decommissioning Resolutions”), which defined a Capital Improvement (as defined in the Power Sales Contracts) for the retirement, decommissioning, disposal, and remediation of converter stations, AC switchyards, and associated facilities at the Adelanto Converter Station and the Intermountain Converter Station (the “STS Decommissioning Project”); and

WHEREAS, the STS Decommissioning Resolutions also adopted the STS Decommissioning Funding Plan, which provided a plan for funding the STS Decommissioning Project; and

WHEREAS, a central element of the STS Decommissioning Funding Plan was the transfer of certain reserve funds held by IPA into a new Reserves from Dismantling and Fuel Supply Costs, and designating that portion of such reserve allocable to the California Purchasers — in the amount of \$25,070,974 — as a source of funds to offset the costs of the STS Decommissioning Project; and

WHEREAS, the STS Decommissioning Funding Plan was based on the best scope, schedule, and cost estimates available in 2020; and

WHEREAS, in 2020, the best cost estimate available was a decommissioning study completed by Sargent & Lundy, which estimated the cost of the STS Decommissioning Plan to be \$55,000,000, with an accuracy range of -30% to +30% (that amount, the “Estimated Decommissioning Cost”); and

WHEREAS, the STS Decommissioning Funding Plan also provided that the STS Decommissioning Project would commence following the completion of the STS Renewal Project, which at the time was scheduled for 2027; and

WHEREAS, the 2020 cost and schedule assumptions are no longer reliable, inasmuch as (i) the earliest date for completing the STS Renewal Project is now estimated to be April of 2028, and (ii) cost increases observed in the industry since 2020 make it exceedingly unlikely that the STS Decommissioning Project could be completed for the Estimated Decommissioning Cost; and

WHEREAS, accordingly, the Operating Agent (as defined in the Power Sales Contracts) has proposed amendments to the STS Decommissioning Funding Plan based on more current assumptions regarding costs and schedule; and

WHEREAS, the amendments leave in place the designation of the Reserves from Dismantling and Fuel Supply Costs as a source of funds to offset the costs of the STS Decommissioning Project; and

WHEREAS, the proposed amendments to the STS Decommissioning Funding Plan (the “STS Decommissioning Funding Plan Amendments”) are shown in redline and clean formats on Exhibits A and B attached to Resolution No. CC-2024-021 adopted by the IPP Coordinating Committee on November 5, 2024; and

WHEREAS, the Renewal Committee has received a letter dated October 22, 2024 from Mr. Kevin T. Peng 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 STS Decommissioning Funding Plan Amendments; and

WHEREAS, the Operating Agent provided a briefing at a virtual conference on October 29, 2024, and at a meeting of the Renewal Committee on November 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.

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NOW, THEREFORE, BE IT RESOLVED, that the Renewal Committee hereby adopts, and recommends that the IPA Board adopt, the STS Decommissioning 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

RESOLUTION

RCCC-2024-007

ADOPTION OF GAS OPERATING PROCEDURES

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held on November 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 its authority under the Power Sales Contracts, the IPP Coordinating Committee previously adopted Resolution Nos. CC-1986-016-A through CC-1986-16-E, which established a set of procedures to govern IPP operations (collectively, the “Operating Agent Procedures”); and

WHEREAS, some of the Operating Agent Procedures – designated Operating Agent Procedure No. 2 (Amount of Fuel Required for Storage), Operating Agent Procedure No. 3 (Purchases of Supplemental Fuel), and Operating Agent Procedure No. 4 (Determining or Estimating Heating Values, Quantities, Expenses, and Costs of Fuel) – were specific to operations of the two coal-fired generating units (collectively, the “Coal Operating Procedures”); and

WHEREAS, the Gas Repowering (as defined in the Power Sales Contracts) is now nearing completion, and it is necessary for the Renewal Committee to adopt a new set of procedures to replace the Coal Operating Procedures (which are to cease to be effective upon the last Firm Operation Date of the two Gas Units to occur), and govern operations of the two new gas-fired generating units, Gas Unit 1 and Gas Unit 2 (as such terms are defined in the Renewal Power Sales Contracts); and

WHEREAS, the Operating Agent, in cooperation with an informal working group of Purchaser representatives, and with advice from outside consultants and legal counsel, has prepared the following procedures (collectively, the “Gas Operating Procedures”), which are

attached as Exhibit A to Resolution No. CC-2024-023 adopted by the IPP Coordinating Committee on November 5, 2024:

- *Gas Operating Procedure No. 1, Gas Procurement and Risk Management* (“GOP 1”). This procedure defines three different categories of natural gas to be used for combustion at the Generation Station: Baseload Gas, Variable Gas, and Balancing Gas (all as defined in GOP 1). GOP 1 authorizes the Operating Agent to execute contracts for the purchase and sale of each category of gas, subject to certain conditions and parameters designed to limit financial risks associated with participation in the market for natural gas;
- *Gas Operating Procedure No. 2, Gas Forecasting and Requesting* (“GOP 2”). This procedure defines the process and deadlines for Purchasers to forecast their demand for natural gas to support their energy schedules;
- *Gas Operating Procedure No. 3, Gas Billing* (“GOP 3”). This procedure establishes the methodology and process for allocating the costs of gas among the Purchasers;
- *Gas Operating Procedure No. 4, Gas Transportation and Balancing* (“GOP 4”). This procedure defines the process the Operating Agent will use to manage and balance IPA’s pipeline capacity; and

WHEREAS, because the different Gas Operating Procedures address different issues, the Operating Agent proposes that the Renewal Committee adopt them with different effective dates (collectively, the “Proposed Effective Dates”), as follows:

- GOP 1 is to become effective immediately upon adoption by the IPP Coordinating Committee, Renewal Committee, and IPA Board of Directors (“IPA Board”). This will allow the Operating Agent to execute contracts for Baseload Gas in advance of the Date of Firm Operation of each Gas Unit (as defined in the Power Sales Contracts);
- GOP 2 is to become effective as to Gas Unit 1 on the Date of Firm Operation of Gas Unit 1, and effective as to Gas Unit 2 on the Date of Firm Operation of Gas Unit 2; provided, however, that the Operating Agent will allow Purchasers to submit gas requests with respect to each Gas Unit prior to the respective Date of Firm Operation of such Gas Unit;
- GOP 3 is to become effective as to Gas Unit 1 on the Date of Firm Operation of Gas Unit 1, and effective as to Gas Unit 2 on the Date of Firm Operation of Gas Unit 2;

- GOP 4 is to become effective immediately upon adoption by the IPP Coordinating Committee, Renewal Committee, and IPA Board. This will allow the Operating Agent to manage pipeline capacity and gas balancing during the testing and commissioning of the Gas Units; and

WHEREAS, the Operating Agent further proposes that the Gas Operating Procedures remain effective until June 15, 2027 (subject to the Operating Agent's option to extend the term of the Gas Operating Procedures for up to four additional 90-day periods, for a total of up to 360 days), in order to give the Renewal Committee time to adopt Fuel Management Practices and Procedures pursuant to Section 6.2.10 of the Renewal Power Sales Contracts, which will supersede and replace the Gas Operating Procedures to allow for the purchase of natural gas in accordance with the terms of the Renewal Power Sales Contracts; and

WHEREAS, the Operating Agent is of the opinion that it is important for the Purchasers to understand that the terms of GOP 3 differ from what is contemplated by the Power Sales Contracts, in the two different respects described below; and

WHEREAS, first, Section 7.2.4 of the Power Sales Contracts provides that the Variable Cost Component will be invoiced to the Purchasers in proportion to each Purchaser's share of delivered energy over the course of a month; and

WHEREAS, the Operating Agent is of the opinion that billing the Variable Cost Component as called for by Section 7.2.4 of the Power Sales Contracts would result in an unjust and inequitable allocation of fuel costs, because it would ignore fluctuations in daily gas prices and would treat each kilowatt-hour delivered in a month as having the same fuel cost, and thereby undermine Purchasers' incentive to schedule their energy demand on time and as accurately as possible; and

WHEREAS, GOP 3 calls for a modified approach to allocating costs of Variable Gas, in which DA1 Gas (as defined in GOP 3) is treated as a common asset of the Project, while the cost of Interval Gas (as defined in GOP 3) is allocated to Purchasers based on their specific requests for Interval Gas (such cost allocation approach, the "Modified Variable Cost Methodology"); and

WHEREAS, the Operating Agent is of the opinion that the Modified Variable Cost Methodology provides a reasonable balance between cost sharing principles that promote overall efficiency and cost savings, and cost causation principles that allocate costs to Purchasers responsible for causing the cost to be incurred; and

WHEREAS, secondly, Section 4.22.1.4.2 of the Power Sales Contracts provides that the Minimum Cost Component includes "[t]he total cost of all transportation of coal or natural gas, as applicable"; and

WHEREAS, the total cost of natural gas transportation includes a fixed charge called the Reservation Cost of Transportation (as defined in GOP 3) that is appropriate to include in the Minimum Cost Component, but also includes charges that vary proportionately with the amount of gas delivered to the Project, called the Variable Cost of Transportation (as defined in GOP 3); and

WHEREAS, the Operating Agent is of the opinion that including all costs of gas transportation in the Minimum Cost Component would result in an unjust and inequitable allocation of gas transportation costs, because it would allocate Variable Costs of Transportation based on Net Generation Shares (as defined in GOP 1 and GOP 3), instead of based on actual requests for Variable Gas (as defined in GOP 1 and GOP 3); and

WHEREAS, GOP 3 calls for a modified approach to allocating the Variable Cost of Transportation, in which the Variable Cost of Transportation associated with deliveries of Baseload Gas (as defined in GOP 1 and GOP 3) is included in the Minimum Cost Component, and the Variable Cost of Transportation associated with deliveries of Variable Gas is included in the Variable Cost Component, and allocated to the Purchasers consistent with the Modified Variable Cost Methodology (such cost allocation approach, the “Modified Transportation Cost Methodology”); and

WHEREAS, because the Modified Variable Cost Methodology and the Modified Transportation Cost Methodology allocate costs in a manner that differs from the Power Sales Contracts, the Operating Agent proposes that GOP 3 be adopted subject to the condition that it will remain in effect until such time, if any, as the representative on the IPP Coordinating Committee of any Purchaser notifies the other members of the IPP Coordinating Committee in writing that such Purchaser requests the reconsideration of the applicability of the Modified Variable Cost Methodology and/or the Modified Transportation Cost Methodology (that condition, the “Ongoing Consensus Condition”); and

WHEREAS, the Operating Agent considers it advisable and in accordance with Prudent Utility Practice for the Renewal Committee to adopt the Gas Operating Procedures, including the Modified Variable Cost Methodology and Modified Transportation Cost Methodology, to become effective consistent with the Proposed Effective Dates, and subject to the Ongoing Consensus Condition; and

WHEREAS, the Renewal Committee has received a letter dated October 22, 2024 from Mr. Kevin T. Peng 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 Gas Operating Procedures on the conditions described herein; and

WHEREAS, the Operating Agent provided a briefing at a virtual conference on October 29, 2024, and at a meeting of the Renewal Committee on November 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 finds and determines that notwithstanding the provisions of Section 7.2.4 of the Power Sales Contracts, adoption of the Modified Variable Cost Methodology subject to the Ongoing Consensus Condition is in the best interests of all the Purchasers; and

BE IT FURTHER RESOLVED, that the Renewal Committee hereby finds and determines that notwithstanding the provisions of Section 4.22.1.4.7 of the Power Sales Contracts, adoption of the Modified Transportation Cost Methodology subject to the Ongoing Consensus Condition is in the best interests of all the Purchasers; and

BE IT FURTHER RESOLVED, that the Renewal Committee hereby adopts, and recommends that the IPA Board adopt, the Gas Operating Procedures including the Modified Variable Cost Methodology and Modified Transportation Cost Methodology, to become effective consistent with the Proposed Effective Dates, to continue in effect subject to the Ongoing Consensus Condition, and to supersede and replace the Coal Operating Procedures as of the last Date of Firm Operation of the Gas Units; and

BE IT FURTHER RESOLVED, that notwithstanding the foregoing provisions of this Resolution, if at any time the representative on the IPP Coordinating Committee of any Purchaser notifies the other members of the IPP Coordinating Committee in writing that such Purchaser requests the reconsideration of the Modified Variable Cost Methodology, then unless all of the members of the IPP Coordinating Committee vote, in accordance with Section 6.1 of the Power Sales Contracts (except that approval will require the affirmative vote of all members of the IPP Coordinating Committee, including the representative of the Purchaser requesting reconsideration), to continue the Modified Variable Cost Methodology in effect for the then current Fiscal Year and such future Fiscal Years as such members approve, then such methodology shall no longer remain in effect; and

BE IT FURTHER RESOLVED, that notwithstanding the foregoing provisions of this Resolution, if at any time the representative on the IPP Coordinating Committee of any Purchaser notifies the other members of the IPP Coordinating Committee in writing that such Purchaser requests the reconsideration of the Modified Transportation Cost Methodology, then unless all of the members of the IPP Coordinating Committee vote, in accordance with Section 6.1 of the Power Sales Contracts (except that approval will require the affirmative vote of all members of the IPP Coordinating Committee, including the representative of the Purchaser requesting

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reconsideration), to continue the Modified Transportation Cost Methodology in effect for the then current Fiscal Year and such future Fiscal Years as such members approve, then such methodology shall no longer remain in effect; 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

RESOLUTION

RCCC-2024-008

AUTHORIZATION TO EXECUTE A SECOND AMENDMENT TO GROUNDWATER LEASE AGREEMENT NO. 665A (ACES)

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held on November 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, IPA is a party with ACES Delta Holdings, LLC (formerly Magnum Holdings, LLC) (“ACES Delta Holdings”) to that certain Groundwater Lease Agreement, IPA Agreement No. 665A, dated August 15, 2016, as amended (the “ACES Groundwater Lease”) and that certain Diversion Works Agreement, IPA Agreement No. 665B and dated as of August 15, 2016 (the “Diversion Agreement”), (the ACES Groundwater Lease and Diversion Agreement, as amended, revised, extended, and updated, collectively, the “ACES Lease Agreements”); and

WHEREAS, ACES Delta Holdings has requested that the Initial Term (as defined in the Lease Agreement) of the Lease Agreement be extended to August 31, 2029; and

WHEREAS, the Operating Agent and ACES Delta Holdings have negotiated a Second Amendment to Groundwater Lease Agreement (the “Second Amendment”) to extend the Initial Term of the ACES Lease Agreements to August 31, 2029; and

WHEREAS, the Operating Agent has determined that the terms of the Second Amendment are commercially reasonable and in accordance with Prudent Utility Practice (as defined in the Power Sales Contracts); and

WHEREAS, the Operating Agent has determined pursuant to Section 804(b) of IPA’s Second Amended and Restated Power Supply Revenue Bond Resolution adopted on November 2,

2021, as supplemented, amended, and restated (the “Second Amended and Restated Bond Resolution”), that the following conditions are satisfied (being, collectively, the “Section 804(b) Conditions”): the disposition contemplated by this Resolution and the Second Amendment is desirable in the conduct of the business of IPA relating to the Project (as defined in the Second Amended and Restated Bond Resolution) and does not materially impair the ability of IPA to comply with Section 808 of the Second Amended and Restated Bond Resolution; and

WHEREAS, the Renewal Committee has received a letter dated October 22, 2024 from Mr. Kevin T. Peng on behalf of the Operating Agent (the “Operating Agent Recommendation Letter”), recommending that: (i) the Renewal Committee determine, and recommend that the IPA Board of Directors (“IPA Board”) determine, that the Section 804(b) Conditions are satisfied with respect to the Second Amendment, and (ii) the Renewal Committee approve, and recommend that the IPA Board approve, the Second Amendment and the delegation of authority to the Operating Agent to execute and deliver the Second Amendment on behalf of IPA; and

WHEREAS, the Operating Agent provided a briefing on a virtual conference of the Renewal Committee on October 29, 2024, and at a meeting of the Renewal Committee on November 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 described in the Operating Agent Recommendation Letter; 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 determines, and recommends that the IPA Board determine, that the Section 804(b) Conditions are satisfied with respect to the Second Amendment; and

BE IT FURTHER RESOLVED, that the Renewal Committee hereby approves, and recommends that the IPA Board approve, the Second Amendment and the delegation of authority to the Operating Agent to execute and deliver the Second Amendment on behalf of IPA; 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.

Resolution No. RCCC-2024-008
November 5, 2024
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INTERMOUNTAIN POWER PROJECT

CHAIRMAN, RENEWAL CONTRACT
COORDINATING COMMITTEE

ATTEST:

SECRETARY

RESOLUTION

RCCC-2024-009

AUTHORIZATION TO EXECUTE TRACK LICENSE AGREEMENT (SAWTOOTH) AND AMENDMENT TO TRACK LICENSE AGREEMENT (MAGNUM)

On motion of _____, seconded by _____, at a meeting of the Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee (the “Renewal Committee”) held on November 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, IPA has constructed, across its own fee land and through rights-of-way on other land, a private rail spur leading from the main line of the Union Pacific railroad near Lynndyl, Utah approximately eight miles to the Intermountain Generating Station near Delta, Utah (the “Rail Spur”); and

WHEREAS, IPA and Magnum Holdings, L.L.C., a Utah limited liability company (“Magnum”), are parties to that certain Track License Agreement dated October 30, 2012, IPA Agreement No. 617 (the “2012 Agreement”), which grants to Magnum the nonexclusive right to use the Rail Spur; and

WHEREAS, Magnum and Magnum NGLS Solution Mining, LLC (“Magnum NGLS”) subsequently entered into that certain License Agreement dated June 19, 2014, which granted to Magnum NGLS the nonexclusive right to use the Rail Spur. Sawtooth Caverns, LLC, a Delaware limited liability company (“Sawtooth”) is the successor of Magnum NGLS; and

WHEREAS, Magnum desires to amend certain terms of the 2012 Agreement and extend the term thereof to June 30, 2047 (the “Magnum Amendment”); and

WHEREAS, Sawtooth desires its own track license agreement to use the Rail Spur on terms consistent with the 2012 Agreement, as amended (the “Sawtooth Track License”); and

WHEREAS, the Operating Agent, working with outside legal counsel, has prepared the Magnum Amendment and Sawtooth Track License; and

WHEREAS, the Operating Agent has determined that the terms of the Magnum Amendment and Sawtooth Track License are commercially reasonable and in accordance with Prudent Utility Practice (as defined in the Power Sales Contracts); and

WHEREAS, the Operating Agent has determined pursuant to Section 804(b) of IPA’s Second Amended and Restated Power Supply Revenue Bond Resolution adopted on November 2, 2021, as supplemented, amended, and restated (the “Second Amended and Restated Bond Resolution”), that the following conditions are satisfied (being, collectively, the “Section 804(b) Conditions”): the disposition contemplated by this Resolution and the Magnum Amendment and Sawtooth Track License are desirable in the conduct of the business of IPA relating to the Project (as defined in the Second Amended and Restated Bond Resolution) and does not materially impair the ability of IPA to comply with Section 808 of the Second Amended and Restated Bond Resolution; and

WHEREAS, the Renewal Committee has received a letter dated October 22, 2024 from Mr. Kevin T. Peng on behalf of the Operating Agent (the “Operating Agent Recommendation Letter”) recommending that: (i) the Renewal Committee determine, and recommend that the IPA Board of Directors (“IPA Board”) determine, that the Section 804(b) Conditions are satisfied with respect to the Magnum Amendment and Sawtooth Track License, and (ii) the Renewal Committee approve, and recommend that the IPA Board approve, the Magnum Amendment and Sawtooth Track License and the delegation of authority to the Operating Agent to execute and deliver the Magnum Amendment and Sawtooth Track License on behalf of IPA; and

WHEREAS, the Operating Agent provided a briefing at a virtual conference on October 29, 2024, and at a meeting of the Renewal Committee on November 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 determines, and recommends that the IPA Board determine, that the Section 804(b) Conditions are satisfied with respect to the Magnum Amendment and Sawtooth Track License; and

BE IT FURTHER RESOLVED, that the Renewal Committee hereby approves, and recommends that the IPA Board approve, the Magnum Amendment and Sawtooth Track License, and the delegation of authority to the Operating Agent to execute and deliver the Magnum Amendment and Sawtooth Track License on behalf of IPA, along with all necessary documents recommended by the Operating Agent and approved by the IPA General Manager in connection with the Magnum Amendment and Sawtooth Track License, with such other documents being in the forms recommended by the Operating Agent and approved by the IPA General Manager, all upon the terms and conditions described in the Operating Agent Recommendation Letter and the Operating Agent Briefing and consistent with the IPA Board's approval, the IPP project documents and applicable law; 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