

RESOLUTION

RCCC-2024-009

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

On motion of Greg Huynh, seconded by Mark Montgomery, 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,

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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