

**RESOLUTION NO. 18-15**

**APPROVAL OF ALTERNATIVE REPOWERING**

On motion of Council member Herm Olsen, seconded by Council member Amy Anderson, at a duly noticed meeting of the Municipal Council of the City of Logan (the "Council"), held on May 1, 2018, the following Resolution was duly adopted:

WHEREAS, Intermountain Power Agency ("IPA") financed, acquired, constructed and owns the Intermountain Power Project (as more particularly defined in the Power Sales Contract, the "Project"); and

WHEREAS, the City of Logan (the "Municipality") is a party with IPA to that certain Power Sales Contract dated September 28, 1978 (as amended from time to time, the "Power Sales Contract"), pursuant to which the Municipality acquired a portion of the capacity and output of the Project through June 15, 2027, as set forth in the Power Sales Contract (each term that is used but not otherwise defined in this Resolution has the meaning ascribed to such term in the Power Sales Contract); and

WHEREAS, the Municipality is also a party with IPA to a Renewal Power Sales Contract, dated January 16, 2017 (the "Renewal Power Sales Contract"), pursuant to which the Municipality acquired a portion of the capacity and output of the Project for a term subsequent to June 15, 2027, as set forth in the Renewal Power Sales Contract; and

WHEREAS, IPA is a party with parties other than the Municipality to power sales contracts that are substantially identical to the Power Sales Contract (such other power sales contracts, together with the Power Sales Contract, being, collectively, the "Power Sales Contracts") and such other parties, together with the Municipality, being, collectively, the "Purchasers"); and

WHEREAS, the Power Sales Contracts established the Intermountain Power Project Coordinating Committee (the "Coordinating Committee") consisting of representatives of the Purchasers, including the Municipality; and

WHEREAS, IPA is a party with parties other than the Municipality to renewal power sales contracts that are substantially identical to the Renewal Power Sales Contract (such other renewal power sales contracts, together with the Renewal Power Sales Contract, being, collectively, the "Renewal Power Sales Contracts") and such other parties, together with the Municipality, being, collectively, the "Renewal Purchasers"); and

WHEREAS, the Renewal Power Sales Contracts established the Intermountain Power Project Renewal Contract Coordinating Committee (the "Renewal Contract Coordinating Committee") consisting of representatives of the Renewal Purchasers; and

WHEREAS, Appendix C to the Power Sales Contracts contains a general description of the Project, which description will be revised from time to time to reflect changes to the Project during the term of the Power Sales Contracts; and

WHEREAS, Appendix C to the Renewal Power Sales Contracts contains a general description of the Project, which description will be revised from time to time to reflect changes to the Project during the term of the Renewal Power Sales Contracts; and

WHEREAS, the Project currently includes a two-unit coal-fired electric generating facility located in south central Utah together with associated transmission systems and related facilities; and

WHEREAS, IPA and the Purchasers entered into those certain Second Amendatory Power Sales Contracts dated December 8, 2015 (collectively, the “Second Amendatory Power Sales Contracts”), to amend the Power Sales Contracts to provide for, among other things, the Gas Repowering, which contemplates the construction of facilities for the generation of power at the Project using natural gas rather than coal; and

WHEREAS, Section 44.6 of the Power Sales Contracts provides that one or more modified versions of or alternatives to the Gas Repowering to provide for one or more sources of electric generation in addition to or in substitution, in whole or in part, for the Gas Repowering may be determined to provide increased benefits or to be otherwise advantageous for the Project (as more particularly defined in the Power Sales Contracts, an “Alternative Repowering”); and

WHEREAS, Section 44.6 of the Power Sales Contracts provides that, subject to satisfaction of various conditions, upon approval of an Alternative Repowering by the Coordinating Committee, the Renewal Contract Coordinating Committee and the IPA Board of Directors (the “IPA Board” and, together with the Coordinating Committee and the Renewal Contract Coordinating Committee, collectively, the “Project Governing Bodies”), as of the date of such approval, such Alternative Repowering (a) shall be effective, (b) shall replace any prior plan for repowering the Project, (c) shall constitute the source for electric generation for the Project, and (d) shall constitute a Capital Improvement approved by the Project Governing Bodies; and

WHEREAS, Section 44.1 of the Power Sales Contracts provides that upon the effectiveness of an Alternative Repowering (a) the term “Gas Repowering” (as used in the Power Sales Contracts) shall mean such Alternative Repowering, and (b) without the need for consent of the Purchasers (other than the affirmation, if any, of the Purchasers’ respective representatives that may be necessary for the Coordinating Committee or the Renewal Contract Coordinating Committee to take action to approve the revising of the Power Sales Contracts as described in Section 44.1 of the Power Sales Contracts), the Power Sales Contracts shall be revised to the extent determined by the Project Governing Bodies to be necessary to describe such Alternative Repowering as the source or sources of electric generation for the Project (the resulting revisions being, as more particularly defined in the Power Sales Contracts, the “Alternative Repowering Revisions”); and

WHEREAS, Section 14.6 of the Renewal Power Sales Contracts provides that as of the date of the approval of an Alternative Repowering by the Project Governing Bodies, (a) the term “Gas Repowering” (as used in the Renewal Power Sales Contracts) shall mean such Alternative Repowering, (b) such Alternative Repowering shall constitute the source for electric generation for the Project, (c) such Alternative Repowering shall replace any prior plan for repowering the

Project, (d) such Alternative Repowering shall constitute a Capital Improvement determined to be necessary or desirable by the Coordinating Committee and the Renewal Contract Coordinating Committee, and (e) without the need for consent of the Renewal Purchasers (other than the affirmation, if any, of such Renewal Purchasers' respective representatives that may be necessary for the Coordinating Committee or the Renewal Contract Coordinating Committee to take action to approve the revising of the Renewal Power Sales Contracts as described in Section 14.6 of the Renewal Power Sales Contracts), the Renewal Power Sales Contracts shall be revised to the extent determined by the Project Governing Bodies (simultaneous with or prior to the approval of such Alternative Repowering) to be necessary to describe such Alternative Repowering as the source or sources of electric generation for the Project (the resulting revisions being the "RPSC Alternative Repowering Revisions"); and

WHEREAS, IPA and representatives of the Purchasers (meeting as the Generation and Transmission Subcommittee of the Coordinating Committee (the "Subcommittee")) have concluded that based on developments since the execution of the Second Amendatory Power Sales Contracts, the Purchasers' demand will not support the design capacity of the Gas Repowering currently provided in the Power Sales Contracts; and

WHEREAS, the Subcommittee has concluded that instead of the Gas Repowering, as currently provided in the Power Sales Contracts, it is in the best interest of the Project to provide for a reduced design capacity and alternative design configuration; and

WHEREAS, at a meeting of the Subcommittee convened on February 12, 2018, the Subcommittee agreed by consensus to a general description of an Alternative Repowering providing for such reduced design capacity and alternative design configuration, which description is attached hereto as Appendix 1 (the "Alternative Repowering Description"); and

WHEREAS, based on the Alternative Repowering Description, the Los Angeles Department of Water and Power, as the Project Manager, has developed the Alternative Repowering Revisions which are attached hereto as Appendix 2 (the "Original Power Sales Contract Revisions"); and

WHEREAS, based on the Alternative Repowering Description, the Project Manager has developed a modification to the description of the Project in Appendix C to the Power Sales Contracts, which modification is attached hereto as Appendix 3 (the "PSC Appendix C Revisions"); and

WHEREAS, based on the Alternative Repowering Description, the Project Manager has developed a modification to the description of the Project in Appendix C to the Renewal Power Sales Contracts, which modification is attached hereto as Appendix 4 (the "RPSC Appendix C Revisions") and, together with the PSC Appendix C Revisions, collectively, the "Appendix C Revisions"; and

WHEREAS, the Project Manager has not proposed any RPSC Alternative Repowering Revisions; and

WHEREAS, the Coordinating Committee, by its Resolution No. CC-2018-001 adopted on March 13, 2018 (the "CC Resolution"), acknowledged the Alternative Repowering



1. Approves the Alternative Repowering consistent with the Alternative Repowering Description, the Original Power Sales Contract Revisions (as Alternative Repowering Revisions) and the PSC Appendix C Revisions; and

2. Authorizes the Representative (or any alternate, successor or designee of the Representative), as a member of the Coordinating Committee and the Renewal Contract Coordinating Committee, to vote and provide affirmation in favor of, and to take all other actions necessary to approve, the Alternative Repowering consistent with the Alternative Repowering Description, the Original Power Sales Contract Revisions (as Alternative Repowering Revisions) and the PSC Appendix C Revisions; and

BE IT FURTHER RESOLVED, that the Council hereby:

1. Approves the RPSC Appendix C Revisions; and

2. Authorizes the Representative (or any alternate, successor or designee of the Representative), as a member of the Renewal Contract Coordinating Committee, to vote and provide affirmation in favor of, and take all other actions necessary to approve, the Alternative Repowering consistent with the Alternative Repowering Description, the Original Power Sales Contract Revisions (as Alternative Repowering Revisions) and the RPSC Appendix C Revisions; and

BE IT FURTHER RESOLVED, that the Municipality's Mayor, the Municipality's Clerk/Recorder, the Representative, as a member of the Coordinating Committee and the Renewal Contract Coordinating Committee, and the other officers, employees, representatives and agents of the Municipality, and their respective alternates, successors and designees (each of the foregoing being an "Authorized Person"), are hereby authorized and directed, on behalf of the Municipality, to take, or cause to be taken, all actions necessary to cause the effectiveness of or give effect to the Alternative Repowering consistent with the Alternative Repowering Description, the Original Power Sales Contract Revisions (as Alternative Repowering Revisions), the PSC Appendix C Revisions, the RPSC Appendix C Revisions and this Resolution, including, without limitation, executing and delivering, or causing to be executed and delivered, on behalf of the Municipality, the Alternative Repowering Certificate (Power Sales Contract) set forth on Exhibit A (as completed to reflect this Resolution) and the Alternative Repowering Certificate (Renewal Power Sales Contract) set forth on Exhibit B (as completed to reflect this Resolution), and all documents, certificates, instruments, notices, opinions and agreements that may be deemed by the Municipality's Mayor or the Representative to be necessary, appropriate or desirable and performing all of the Municipality's obligations under and consummating all of the transactions contemplated by the Power Sales Contract, including, without limitation, after giving effect to the Alternative Repowering consistent with the Alternative Repowering Description and after giving effect to the Original Power Sales Contract Revisions, and all such actions previously taken by any Authorized Person are hereby approved, ratified and confirmed.

PASSED, APPROVED, AND SIGNED May 1, 2018.

CITY OF LOGAN

Holly H. Daines  
Holly H. Daines, Mayor

ATTEST:

Jeresa Harris

Logan City, Clerk/Recorder





## APPENDIX 1

### Alternative Repowering Description

The Alternative Repowering shall include the construction and installation of two combined-cycle natural gas fired power blocks, each power block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW, together with auxiliary equipment associated with such power blocks, where “net generation capability” means gross power generation less auxiliary load for generation and transmission support.



## APPENDIX 2

### Original Power Sales Contract Revisions

A footnote will be added at the end of the first sentence of Section 44.6 of the Original Power Sales Contracts, to read as follows:

“The Alternative Repowering shall include the construction and installation of two combined-cycle natural gas fired power blocks, each power block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW, together with auxiliary equipment associated with such power blocks, where ‘net generation capability’ means gross power generation less auxiliary load for generation and transmission support. For the avoidance of doubt, the foregoing shall be in lieu of the construction and installation of the two combined cycle power blocks and related equipment and facilities described in the first and third sentences of Section 44.1 of the Power Sales Contracts.”

### APPENDIX 3

#### Power Sale Contracts Appendix C Revisions

Section C.1.2 of Appendix C to the Power Sales Contracts is deleted in its entirety and replaced with the following:

- “C.1.2. Two coal-fueled steam electric generating units each with a nominal rating of 950 megawatts (the ‘Coal Units’), which Coal Units are to be replaced pursuant to a Major Capital Improvement consisting of the construction and installation of two combined-cycle natural gas fired power blocks, each power block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW, where ‘net generation capability’ means gross power generation *less* auxiliary load for generation and transmission support.”

## APPENDIX 4

### Renewal Power Sales Contracts Appendix C Revisions

Section C.1.2 of Appendix C to the Renewal Power Sales Contracts is deleted in its entirety and replaced with the following:

“C.1.2. Two combined-cycle natural gas fired power blocks, each power block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW, where ‘net generation capability’ means gross power generation *less* auxiliary load for generation and transmission support.”

**EXHIBIT A**

**[see attached]**

Alternative Repowering Certificate (Power Sales Contract)

Pursuant to Resolution No. 18-15 adopted by the Municipal Council of the City of Logan (the "Municipality") on May 1, 2018 (the "Resolution"), I, Holly H. Daines, as Mayor of the Municipality hereby certify that:

1. The Municipality is a party to that certain Power Sales Contract, dated September 28, 1978, with Intermountain Power Agency (as amended through the date of this certificate, the "Power Sales Contract").

2. Mark Montgomery, being the individual representing the Municipality on the Intermountain Power Project Coordinating Committee and the Intermountain Power Project Renewal Contract Coordinating Committee is duly authorized to take all actions in such capacity to approve the Alternative Repowering (each term that is used but not otherwise defined in this certificate has the meaning ascribed to such term in the Resolution), consistent with the Alternative Repowering Description.

3. Pursuant to the provisions of the Power Sales Contract, upon the effectiveness of the Alternative Repowering consistent with the Alternative Repowering Description, such effectiveness will have the effect described in the Power Sales Contract, including, without limitation, the following:

a. the term "Gas Repowering" in the Power Sales Contracts will refer to the Alternative Repowering consistent with the Alternative Repowering Description;

b. the Power Sales Contract will be revised to give effect to and set forth the Original Power Sales Contract Revisions (as Alternative Repowering Revisions); and

c. as so revised, the Power Sales Contract will continue to be the legal, valid and binding obligation of the Municipality, enforceable against the Municipality in accordance with the terms of the Power Sales Contract.

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4. Pursuant to the terms of the Power Sales Contract, (a) the PSC Appendix C Revisions correctly describe the Project as of the effectiveness of the Alternative Repowering consistent with the Alternative Repowering Description; and (b) the Project Governing Bodies are authorized, without further action of the Municipality, to revise Appendix C to the Power Sales Contract in accordance with the terms of the Power Sales Contract.

Dated May 1, 2018.

CITY OF LOGAN

Holly H. Daines  
Holly H. Daines, Mayor

ATTEST:

Jessie Hanis  
Logan City, Clerk/Recorder



**EXHIBIT B**

**[see attached]**

Alternative Repowering Certificate (Renewal Power Sales Contract)

Pursuant to Resolution No. 18-15 adopted by the Municipal Council of the City of Logan (the "Municipality") on May 1, 2018 (the "Resolution"), I, Holly H. Daines, as Mayor of the Municipality hereby certify that:

1. The Municipality is a party to that certain Renewal Power Sales Contract, dated January 16, 2017, with Intermountain Power Agency (as amended through the date of this certificate, the "Renewal Power Sales Contract").
2. Mark Montgomery, being the individual representing the Municipality on the Intermountain Power Project Renewal Contract Coordinating Committee is duly authorized to take all actions in such capacity to approve the Alternative Repowering (each term that is used but not otherwise defined in this certificate has the meaning ascribed to such term in the Resolution), consistent with the Alternative Repowering Description.
3. Pursuant to the provisions of the Renewal Power Sales Contract, upon the effectiveness of the Alternative Repowering consistent with the Alternative Repowering Description, such effectiveness will have the effect described in the Renewal Power Sales Contract.
4. The Renewal Power Sales Contract will continue to be the legal, valid and binding obligation of the Municipality, enforceable against the Municipality in accordance with the terms of the Renewal Power Sales Contract.
5. Pursuant to the terms of the Renewal Power Sales Contract, (a) the RPSC Appendix C Revisions correctly describe the Project as of the effectiveness of the Alternative Repowering, consistent with the Alternative Repowering Description; and (b) the Renewal Contract Coordinating Committee and the IPA Board are authorized, without further action of the Municipality, to revise Appendix C to the Renewal Power Sales Contract in accordance with the terms of the Renewal Power Sales Contracts.

Dated May 1, 2018.

CITY OF LOGAN

Holly H. Daines  
Holly H. Daines, Mayor

ATTEST:

Jessica Harris  
Logan City, Clerk/Recorder





## **PROCEDURES FOR APPROVAL OF ALTERNATIVE REPOWERING**

The following procedures (these “Procedures”) are suggested for all Utah Municipal Purchasers that are parties to Power Sales Contracts, dated September 28, 1978, with Intermountain Power Agency (“IPA” and each such Utah Municipal Purchaser being a “Purchaser”) that desire to approve the Alternative Repowering (as described in the Resolution transmitted with these Procedures) (these Procedures are not binding and are intended to be completed in order; the failure to complete any procedure may result in failure of the Alternative Repowering to be approved for the Intermountain Power Project):

### **Adoption and Execution of Resolution(s)**

- If a Purchaser has a board or commission that governs its power system or assets in addition to or under the direction of such Purchaser’s legislative or governing body (such board being the “Power Board”), if and as required under the law governing such Purchaser and the Power Board:
  - The Power Board sets a date for a meeting to discuss and vote on the approval of the Alternative Repowering (such meeting being the “Power Board Meeting”).
  - The Power Board gives public notice of the Power Board Meeting in accordance with the law and documents governing the Power Board (including whether the Power Board Meeting has to be preceded by or include a public hearing).
  - The Power Board discusses, approves and recommends approval of the Alternative Repowering by such Purchaser’s legislative or governing body using the form of resolution approved by the Governing Body’s attorney.
  - The authorized representative of the Power Board does or causes the following to be done with respect to the resolution, if any, of the Power Board:
    - Fills in the number of the resolution;
    - Fills in the name of the person who made the motion to adopt the resolution;
    - Fills in the name of the person who seconded the motion to adopt the resolution;
    - Fills in the month and day that the resolution was adopted in the first paragraph of the resolution and on the signature page of the resolution;
    - Executes the resolution evidencing such approval and recommendation; and
    - Has the resolution attested (with the Clerk/Recorder signing on the first blank and filling in their name on the second blank).
  - The Power Board takes all other action required by the law governing such Purchaser or the Power Board to be taken by the Power Board to approve the Alternative Repowering.

- If a Purchaser does not have a Power Board or after the Power Board has taken the action described above, if and as required under the law governing such Purchaser:
  - The legislative or governing body of such Purchaser (the “Governing Body”) sets a date for a meeting to discuss and vote on the approval of the Alternative Repowering (such meeting being the “Governing Body Meeting”).
  - The Governing Body gives public notice of the Governing Body Meeting in accordance with the law and documents governing such Purchaser (including whether the Governing Body Meeting has to be preceded by or include a public hearing).
  - The Governing Body discusses and approves the Alternative Repowering using the form of resolution approved by the Governing Body’s attorney.
  - The authorized representative of the Governing Body does or causes the following to be done with respect to the resolution of the Governing Body:
    - Fills in the number of the resolution;
    - Fills in the name of the person who made the motion to adopt the resolution;
    - Fills in the name of the person who seconded the motion to adopt the resolution;
    - Fills in the month and day that the resolution was adopted in the first paragraph of the resolution and on the signature page of the resolution;
    - Executes the resolution evidencing such approval; and
    - Has the resolution attested (with the Clerk/Recorder signing on the first blank and filling in their name on the second blank).
  - Such Purchaser records the resolutions of the Power Board, if any, and the Governing Body recommending and/or approving the Alternative Repowering with such Purchaser’s clerk or recorder (such resolutions being the “Resolution(s)”).
  - The Governing Body takes all other action required by the law governing such Purchaser and the Governing Body to be taken by the Governing Body to approve the Alternative Repowering by such Purchaser.
- A form of resolution is provided with these Procedures for the convenience of each Purchaser. Such Purchaser may use the form provided if such Purchaser determines, after consultation with such Purchaser’s legal counsel, that the form is appropriate. In the alternative, such Purchaser may prepare its own resolution as such Purchaser deems appropriate to ensure that actions by the Power Board, if any, the Governing Body and such Purchaser are, among other things, sufficient to support an opinion of counsel to be issued in connection with the Alternative Repowering. The resolution has been prepared

for adoption by such Purchaser's Governing Body. As appropriate, such Purchaser may modify the form to provide for approval by such Purchaser's Power Board (including, if appropriate, adding a recommendation by such Power Board).

- The proposed form of resolution of the Governing Body has been provided in Microsoft Word format to facilitate the finalization of that document. To the extent that any change is proposed to the form of Resolution(s), please provide any proposed changes to IPA's legal counsel (identified below) at your earliest convenience:

Eric D. Bawden  
Holland & Hart LLP  
222 South Main Street, Suite 2200  
Salt Lake City, Utah  
(801) 799-5900  
edbawden@hollandhart.com

### **Action Regarding the Alternative Repowering**

- The individual representing a Purchaser on the Intermountain Power Project Coordinating Committee and, if applicable, the Intermountain Power Project Renewal Contract Coordinating Committee votes as authorized under the Resolution(s).
- Such Purchaser has the Alternative Repowering Certificate (Power Sales Contract) completed (where indicated), signed by the Mayor or Manager of such Purchaser, dated and recorded with its clerk or recorder (this is required by law of each municipality in Utah).
- If such Purchaser is a party to a Renewal Power Sales Contract, dated January 16, 2017, with IPA (being all Purchasers other than Meadow and Monroe), such Purchaser has the Alternative Repowering Certificate (Renewal Power Sales Contract) completed (where indicated), signed by the Mayor or Manager of such Purchaser, dated and recorded with its clerk or recorder (this is required by law of each municipality in Utah).

### **Delivery of Certificates**

- Complete the Alternative Repowering Certificate (Power Sales Contract) and, if applicable, Alternative Repowering Certificate (Renewal Power Sales Contract) by doing the following with each:
  - Fill in the first blank on the first page of the certificate with the number of the resolution approving the Alternative Repowering adopted by the Governing Body;
  - Fill in the second blank on the first page of the certificate with the date that the resolution of the Governing Body was adopted;
  - Fill in the blank on the signature page of the certificate with the date the certificate is signed;
  - Have the duly authorized person sign the certificate; and

- Have the certificate attested (with the Clerk/Recorder signing on the first blank and filling in their name on the second blank).
- Please mail the completed, dated and signed Alternative Repowering Certificate (Power Sales Contract) and, if applicable, Alternative Repowering Certificate (Renewal Power Sales Contract) to:

R. Dan Eldredge  
General Manager  
Intermountain Power Agency  
10653 South River Front Parkway  
Suite 120  
South Jordan, Utah 84095

- Please provide a copy of the Resolution(s) when delivering the Certificates.