

RESOLUTION NO. 22-36

A RESOLUTION AUTHORIZING THE RED MESA TAPAHA SOLAR PROJECT AMENDED AND RESTATED TRANSACTION SCHEDULE UNDER THE POWER SUPPLY AGREEMENT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

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WHEREAS, Logan City, Utah (the "Member") owns and operates a utility system for the provision of electric energy to its residents and others (the "System") and is a member of Utah Associated Municipal Power Systems ("UAMPS") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, as amended (the "Joint Action Agreement");

WHEREAS, the Member desires to purchase all or a portion of its requirements for electric power and energy from or through UAMPS and has entered into a Power Pooling Agreement with UAMPS to provide for the efficient and economic utilization of its power supply resources;

WHEREAS, the Member has previously entered into the Master Firm Power Supply Agreement with UAMPS in order to allow for UAMPS entering into various firm transactions for the purchase and sale of firm supplies of electric power and energy;

WHEREAS, UAMPS has investigated the Red Mesa Tapaha Solar Project, a sixty-six (60) megawatt (MW) solar photovoltaic generation facility to be located on the Navajo Nation, on behalf of its members and is now prepared to enter into a twenty-five (25) year power purchase agreement with Navajo Generation LLC to secure the delivery of all the energy from the Project and associated environmental attributes; and

WHEREAS, the Member now desires to authorize and approve the Red Mesa Tapaha Amended and Restated Transaction Schedule ("Amended and Restated Transaction Schedule") attached hereto as Exhibit A for the Project subject to the parameters set forth in this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Logan City as follows:

Section 1. Authorization of Red Mesa Tapaha Amended and Restated Transaction Schedule. The Amended and Restated Transaction Schedule, in substantially the form presented at the meeting at which this resolution is adopted, is hereby authorized and approved, and the Member Representative is hereby authorized, empowered and directed to execute and deliver the Amended and Restated Transaction Schedule on behalf of the Member. Promptly upon its execution, the Amended and Restated Transaction Schedule shall be filed in the official records of the Member.

Section 2. Other Actions with Respect to the Joint Action Agreement. The Mayor, City Recorder, the Member Representative and other officers and employees of the Member shall take all

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actions necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all actions necessary to carry out the execution and delivery of the Transaction Schedule and the performance thereof.

Section 3. Miscellaneous; Effective Date. (a) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 22 day of August, 2022.

LOGAN CITY

Holly H. Daines
Mayor

ATTEST AND COUNTERSIGN:

Leesa Harris
City Recorder



[SEAL].

EXHIBIT A
RED MESA TAPAHA SOLAR AMENDED AND RESTATED TRANSACTION SCHEDULE



Red Mesa Tapaha Solar Resource Talking Points for UAMPS Participants' Governing Bodies

What is the resource? The Red Mesa Tapaha Solar Resource will be a 66 MW solar photovoltaic generation facility to be located on Navajo Nation reservation in southeastern Utah. The facility is scheduled to become operational in March 2023.

How is UAMPS contracting for the resource? UAMPS is entering into a power purchase agreement with Navajo Tribal Utility Authority Generation-Utah, LLC, a subsidiary of Navajo Tribal Utility Authority ("NTUA") on behalf of UAMPS members electing to participate in this project. UAMPS is utilizing the Master Firm Supply Agreement with a specific transaction schedule for the Red Mesa Tapaha Solar Resource as the agreement with its members participating in this project.

What is the term of the arrangement? The PPA between NTUA Generation and UAMPS provides for the delivery of solar energy for twenty-five years once the project comes online (March 2023).

What is NTUA's development experience? NTUA has developed and brought online two utility scale solar projects within the last three years on the Navajo Nation and is in the process of developing additional solar resources on and off the Navajo Nation reservation. NTUA will use a significant amount of its proceeds from the proposed project to support electrification on the Navajo Nation, such as with its Light Up Navajo! Initiative.

What happens if the project does not come online as expected? NTUA Generation will provide development security to protect UAMPS from delays in the project coming online or the failure of the project to ultimately become operational.

Supply chain constraints have slowed deliveries for new solar projects. The industry has seen many projects delayed or cancelled as a result of this challenging environment.¹ To accommodate these challenges, the commercial operation date for Red Mesa Tapaha Solar which was initially planned for June 2022, has been pushed to March 2023.

Recently, NTUA has been sending updates on construction progress, and shipping for solar panels and inverters. Per contract terms, NTUA will be providing regular updates from now until the commercial operation date.

What is the pricing? The pricing is \$37.00/MWH and has no escalation. This pricing includes renewable energy credits.

¹ Bloomberg: "NextEra Says Tariff Probe May Slow Solar, Storage Projects."
<https://www.bloomberg.com/news/articles/2022-04-21/nextera-says-tariff-probe-may-delay-some-solar-storage-projects>

Reuters: "U.S. solar industry warns of slowdown due to supply chain disruptions, tariff uncertainty."
<https://www.reuters.com/world/us/us-solar-industry-warns-slowdown-due-supply-chain-disruptions-tariff-uncertainty-2022-04-28/>

What protections are in the Amended and Restated PPA for Red Mesa Tapaha for non-performance? The development security and delay damages amounts were increased in the Amended and Restated PPA by approximately 30%. Additionally, NTUA has increased the contractual Net Annual Deliveries by 4.7%. NTUA is responsible to pay liquidated damages if the Net Annual Delivery Quantity is not delivered.

What guarantee do we have that the Amended and Restated PPA’s price per MWh will not increase again?

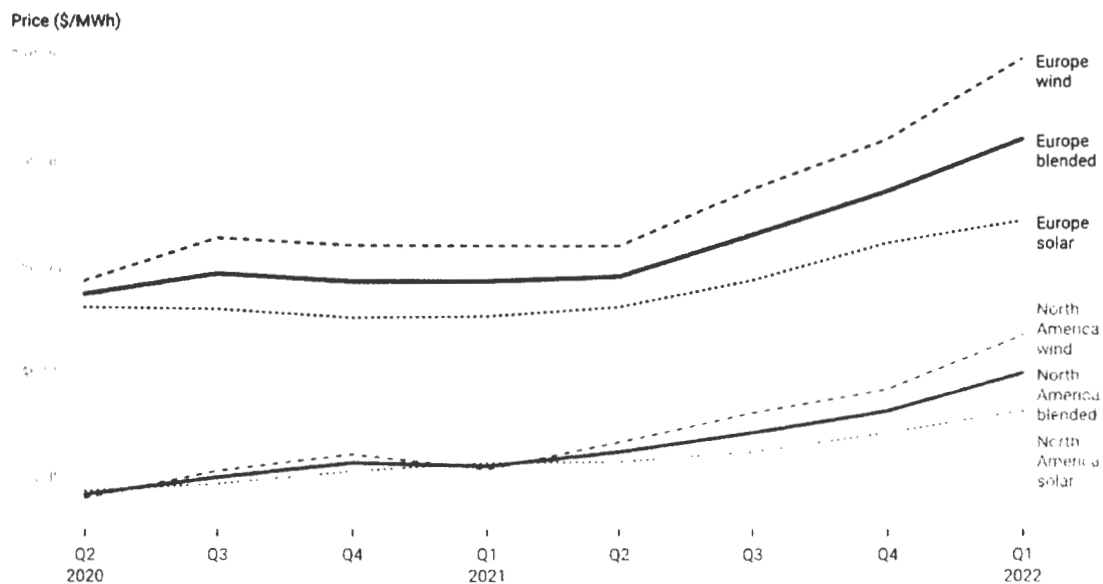
The Contract Price in the Amended and Restated PPA includes language that states, “In no event shall the Contract Price be increased for any reason, including Excused Delay or Force Majeure.”

What would happen if a participant does not approve the Amended and Restated Transaction Schedule? UAMPS would solicit interest from other UAMPS members willing to pick up any available output from the Red Mesa Tapaha Solar Resource.

If the terms and conditions were not met in the original PPA, why did UAMPS not terminate the project?

NTUA identified a Force Majeure claim, pushing out the commercial operation date. UAMPS had the option of litigating the Force Majeure claim, but it would have been an uphill battle. Additionally, NTUA identified that the project was no longer financeable at the original PPA Contract Price. As a result of the requested change in Contract Price, UAMPS had the option of identifying an anticipatory breach of contract and walking away from the contract with the development security (subject to possible litigation). However, any alternative solar PPA would be at an increased price with an online date of approximately five years due to transmission restrictions and equipment availability. (See the below graph showing PPA index value for North American Solar in Q1 2022 at \$36.31/MWh with an increasing price trajectory.)

LevelTen’s PPA Price Index



**RED MESA TAPAHA SOLAR
FIRM POWER SUPPLY AGREEMENT
AMENDED AND RESTATED TRANSACTION SCHEDULE**

This Amended and Restated Transaction Schedule to the Master Firm Power Supply Agreement to which all Parties to this Amended and Restated Transaction Schedule are signatories provide for the following transactions. The Parties to this Amended and Restated Transaction Schedule agree to the following provisions and agree to pay all costs of this transaction through the Firm Power Supply Project.

PURCHASER: Logan City

ENTITLEMENT SHARE: 7.5758%

SUPPLIER: NTUA Generation – Utah, LLC (the “Red Mesa Tapaha Solar Project”)

EFFECTIVE DATE: The Amended and Restated Power Purchase Agreement by and between UAMPS and NGI Generation-Utah, LLC for the Red Mesa Tapaha Solar Resource (the “Amended and Restated PPA”) was executed on July 27, 2022. The Amended and Restated PPA becomes effective upon UAMPS obtaining member governing body approvals which UAMPS anticipates satisfying within 90 days. The Scheduled Commercial Operation Date (“COD”) is March 15, 2023. The COD may not occur earlier than April 1, 2022 but not later than September 15, 2023.

TERM: A 25-year delivery term commencing on COD. The Amended and Restated PPA will become effective upon UAMPS satisfying the condition precedent identified above.

AMOUNT: 5,000 kW and associated Environmental Attributes

PRICE: \$37.00/MWh

OTHER PROVISIONS:

Energy: UAMPS will schedule all energy pursuant to the terms and conditions of the Amended and Restated PPA and will delivery to the Purchaser its Entitlement Share of the Red Mesa Tapaha Solar Resource. The Red Mesa Tapaha Solar Resource is to be constructed as a 66 MW from solar photovoltaic generation facility located on the Navajo Reservation.

Transmission: UAMPS will charge and the Purchaser will pay transmission charges as adopted by the UAMPS Board of Directors from time to time.

Administration: UAMPS will charge and Purchasers will pay the scheduling fee and reserve fee as adopted by the UAMPS Board of Directors from time to time.

Buyout Options: Under the Amended and Restated PPA, UAMPS has the ability to buy the Red Mesa Tapaha Solar Resource from NGI at specified buyout dates pursuant to a fair market value appraisal. If UAMPS is directed to pursue one of its buyout options, then UAMPS will in parallel develop new contracts or amend the Firm Power Supply Agreement with the Purchasers to provide UAMPS with the ability to finance the buyout of the Red Mesa Tapaha Solar Resource.

Other: Any costs incurred by UAMPS due solely to this Amended and Restated Transaction Schedule, including but not limited to Amended and Restated PPA costs, transmission costs, scheduling costs, administrative costs and legal costs will be the responsibility of Purchasers invoiced through the UAMPS Power Bills.

This Amended and Restated Transaction Schedule may be signed in counterpart.

Dated this 22 day of August, 2022.

LOGAN CITY

By: Holly H. Daines

Title: Mayor

UTAH ASSOCIATED MUNICIPAL POWER
SYSTEMS

By: [Signature]

Title: Manager of Corporate and Member Relations