

**RESOLUTION NO. 2013-003**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (I) APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF A CONSENT AND AGREEMENT WITH CERTAIN MEMBERS OF THE AUTHORITY RELATED TO THEIR INTERESTS IN THE INTERMOUNTAIN POWER PROJECT AND THE SOUTHERN TRANSMISSION SYSTEM; (II) APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO THE SOUTHERN TRANSMISSION SYSTEM AGREEMENT BETWEEN THE AUTHORITY AND THE INTERMOUNTAIN POWER AGENCY; AND (III) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE**

WHEREAS, the Southern California Public Power Authority (the "Authority") and the Intermountain Power Agency ("IPA") entered into that certain Southern Transmission System Agreement, dated as of May 1, 1983, as amended by the First Amendment to the Southern Transmission System Agreement, dated as of November 1, 2008, (together, the "STS Agreement"), pursuant to which the Authority made payments-in-aid of construction to IPA to fund the costs of constructing and upgrading the Southern Transmission System (the "Southern Transmission System" or "STS") of the Intermountain Power Project ("IPP"); and

WHEREAS, certain of the Authority members, namely, the Cities of Anaheim, Burbank, Glendale, Pasadena and Riverside, and the City of Los Angeles acting by and through the Department of Water and Power (collectively the "California Purchasers") entered into Power Sales Contracts with IPA dated as of August 1, 1980, as amended by the First Amendment to the Power Sales Contracts dated as of August 1, 1980, and the Amendatory Power Sales Contracts dated as of February 1, 1983 (collectively the "Power Sales Contracts"), pursuant to which the California Purchasers acquired, among other interests, rights to capacity (including upgrade capacity) in the Southern Transmission System (the "STS"); and

WHEREAS, the Authority and each of the California Purchasers entered into an Agreement for the Acquisition of Capacity, dated as of May 1, 1983 (the "Capacity Acquisition Agreements"), under which the California Purchasers assigned, transferred, conveyed, set over and relinquished to the Authority their respective rights to capacity and related contract rights in the Southern Transmission System, by which the Authority, utilizing such rights acquired under the Capacity Acquisition Agreements, provides STS transmission service to the California Purchasers pursuant to Transmission Service Contracts dated May 1, 1983; and

WHEREAS, each of the California Purchasers is contemplating entering into a Second Amendatory Power Sales Contract with IPA (the "Second Amendatory Power Sales Contracts") that would amend each California Purchaser's Power Sales Contract with IPA to provide for the Gas Repowering (used herein as defined in the Second Amendatory Power Sales Contracts) of

IPP and the renewal of the Power Sales Contracts pursuant to the attached form for the Renewal Power Sales Contracts (the “Renewal Power Sales Contracts”) and to provide for other IPP matters, including under certain circumstances the extension of the term of the Power Sales Contracts beyond the current June 15, 2027 expiration date; and

WHEREAS, the amendments to the Power Sales Contracts pursuant to the Second Amendatory Power Sales Contracts do not become final or binding as to any of the California Purchasers until the Second Amendatory Power Sales Contracts with each California Purchaser and with all the other IPP Purchasers have been entered into with IPA and become effective in accordance with their terms; and

WHEREAS, under the Capacity Acquisition Agreements each of the California Purchasers agreed that it will not consent to any amendment of its Power Sales Contract with IPA without the prior written consent of the Authority; and

WHEREAS, the Authority desires to authorize the execution and delivery of a Consent and Agreement with each of the California Purchasers and a Second Amendment to Southern Transmission System Agreement with IPA in order that the California Purchasers may enter into the Second Amendatory Power Sales Contracts with IPA; and

WHEREAS, the proposed Second Amendment to Southern Transmission System Agreement will amend the STS Agreement in order to maintain the current term of the STS Agreement ending on June 15, 2027 to coincide with the end of the term of the Capacity Acquisition Agreements; and

WHEREAS, the Second Amendatory Power Sales Contracts to be entered into by the California Purchasers with IPA and the Authority’s consent thereto as authorized by this Resolution will not materially impair or materially adversely affect the rights of the Authority under the Transmission Project Agreements (used as defined in the Transmission Service Contracts) or the rights or security of the holders of STS Bonds under the Indentures of Trust.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Southern California Public Power Authority as follows:

1. The proposed Consent and Agreement and the proposed Second Amendment to the Southern Transmission System Agreement, substantially in the form on file with the Authority, are hereby approved, subject to the Board’s understanding and intent that the Project Description set forth in Appendix C of the proposed Renewal Power Sales Contracts shall be determined at a later time and will not be included in the proposed amendments to the project agreements until the Authority Members who are Project Participants have had an opportunity to discuss and reach a consensus as to its form and content.

2. Each of the President or Vice President of the Authority is hereby authorized and directed to execute and deliver (1) a Consent and Agreement with each of the California Purchasers for the purposes indicated in the foregoing Recitals, and (2) a Second Amendment to Southern Transmission System Agreement, between the Authority and IPA, both in substantially the form on file with the Authority, with such changes, insertions and omissions as shall be approved by said President or Vice President (such approval to be conclusively evidenced by

such officer's execution and delivery thereof).

3. Each of the President, Vice President, Secretary, any Assistant Secretary, the Executive Director and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements and to approve any and all documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution. Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

4. This Resolution shall become effective immediately.

**THE FOREGOING RESOLUTION** is approved and adopted by the Authority this 17th day of January, 2013.



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PRESIDENT  
Southern California Public  
Power Authority

ATTEST:



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ASSISTANT SECRETARY  
Southern California Public  
Power Authority