

RESOLUTION NO. 2009-9

RESOLUTION RELATING TO THE RENEWABLE ELECTRIC ENERGY RESOURCE PROJECT: (I) AUTHORIZING THE DEVELOPMENT, NEGOTIATION, EXECUTION AND DELIVERY OF AN ASSET PURCHASE AGREEMENT BETWEEN THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND WINDY POINT PARTNERS II, LLC TO FACILITATE THE ACQUISITION OF WIND ENERGY GENERATION RESOURCES AND RELATED PROPERTIES, LEASES, PERMITS, FACILITIES, RIGHTS, ENTITLEMENTS, STRUCTURES, AND ADMINISTRATIVE AND OPERATING AGREEMENTS AND CERTAIN OTHER RIGHTS AND AGREEMENTS ASSOCIATED WITH ACQUISITION, OPERATION OR FINANCING IN CONNECTION WITH THE WINDY POINT-WINDY FLATS WIND GENERATION PROJECT; (II) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF RELATED TRANSMISSION ARRANGEMENTS TO FACILITATE THE ACQUISITION OF THE OUTPUT OF THE WINDY POINT-WINDY FLATS WIND GENERATION PROJECT (III) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF POWER SALES AGREEMENTS WITH THE SCPPA MEMBERS PARTICIPATING IN THE WINDY POINT-WINDY FLATS WIND GENERATION PROJECT; (IV) AUTHORIZING THE ISSUANCE AND POSTING OF A NOTICE OF STATUTORY EXEMPTION PURSUANT TO TITLE 14 CALIFORNIA CODE OF REGULATIONS SECTION 15277 RELATING TO THE WINDY POINT-WINDY FLATS WIND GENERATION PROJECT (V) AUTHORIZING CERTAIN RELATED ACTIONS; AND (VI) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

WHEREAS, the Southern California Public Power Authority (the "Authority" or "SCPPA") and certain of its members have investigated the acquisition and development of certain wind generation resources and facilities as part of the SCPPA Renewable Electric Energy Resource Project created by the Board of Directors pursuant to SCPPA Resolution Number 2006-13, to provide a long-term supply of renewable energy to such members for the purpose of satisfying the needs of such members and their governing bodies to meet desired specified renewable energy resource goals; and

WHEREAS, pursuant to these goals certain SCPPA members have been involved in the investigation and the acquisition of information relating to a Washington state wind generation project and its related properties, permits, leases facilities, rights, entitlements, structures, and administrative and operating agreements and the attendant rights, entitlements and assets associated with this project, including interconnection and transmission related rights and entitlements, referred to as the Windy Point-Windy Flats Wind Generation Project (the "Windy Point-Windy Flats Project" or the "Project"); and

WHEREAS, the SCPPA members electing to participate in the Windy Point-Windy Flats Project (the “Project Participants”) have been carrying forth the investigation of this Project and the negotiation of an Asset Purchase Agreement and related arrangements and mechanisms for the acquisition of the Project, its interconnection and transmission arrangements and other related facility assets, rights and entitlements; and

WHEREAS, the Authority contemplates negotiating a definitive Asset Purchase Agreement with Windy Point Partners II, LLC for the acquisition of the Windy Point-Windy Flats Project and its Project resources, and anticipates entering into definitive Power Sales Agreements with the Project Participants with respect to the Windy Point-Windy Flats Project in accordance with the respective interests of each Project Participant in the Project; and

WHEREAS, the SCPPA Windy Point-Windy Flats Project entails an approximately 202 megawatt wind generation complex in Southern Washington contemplated to be completed in three phases and which is anticipated to generate renewable energy to be delivered through Klickitat Public Utility District facilities and interconnecting into Bonneville Power Administration facilities in the Northwestern United States; and

WHEREAS, the Project Participants contemplate that the potential acquisition structure will envision the issuance of bonds for the purchase of the facility resources or utilizing other alternative resource acquisition financing structures or mechanisms as may be developed or employed, and that the respective Project Participants shall through the Power Sales Agreements assume the obligation for the debt service associated with the bonds issued to finance the acquisition; and

WHEREAS, SCPPA and the Project Participants anticipate that any Power Sales Agreement relating to any respective Project Participant will pass on all rights, benefits, obligations and liabilities of SCPPA under the Project to the participants on a pro-rata basis and that all debt service associated with the bonds and all typical SCPPA administrative costs are also anticipated to be charged to the Project Participants; and

WHEREAS, the Project exists entirely in the State of Washington, is subject to State of Washington laws which satisfy the requirements for the California statutory exemption under Title 14 California Code of Regulations Section 15277, and has undergone substantial review pursuant to these Washington state laws; and

WHEREAS, the Project Participants in this Project Element of the SCPPA Renewable Electric Energy Resources Project have expressed the desire to carry forth the negotiations for and eventual consummation of the transactions associated with the acquisition of the Windy Point – Windy Flats Wind Generation Project set forth herein; and

WHEREAS, the Authority desires to carry forth those measures necessary to carry forth the negotiations for and acquisition of the renewable resources contemplated by the Windy Point – Windy Flats Wind Generation Project;

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

1. The Board of Directors hereby delegates to the Executive Director of the Authority, all right, power and authority to negotiate those terms and conditions with respect to the proposed Asset Purchase Agreement with Windy Point Partners II, LLC and the Power Sales Agreements with the Project Participants and all other agreements necessary to effectuate the transactions contemplated as part of the Windy Point-Windy Flats Wind Generation Project, as in the best judgment of the Executive Director shall best carry forth the respective interests of SCPPA and the respective Project Participants.

2. The Executive Director is hereby delegated the authority and is authorized and empowered to carry out those actions necessary to negotiate, consummate, finalize, execute and deliver the proposed Asset Purchase Agreement with Windy Point Partners II, LLC and such Power Sales Agreements with the Project Participants, as may be deemed appropriate to carry forth the transactions and goals of the Windy Point-Windy Flats Wind Generation Project, provided that the Asset Purchase Agreement shall become effective after the respective Power Sales Agreements are approved by the Project Participants.

3. Upon the completion of negotiation by the Executive Director of the final form of the Asset Purchase Agreement and the Power Sales Agreements and of those supplemental and other agreements necessary to effectuate the transactions contemplated to be necessary or advisable as part of the Windy Point-Windy Flats Wind Generation Project, the Executive Director of the Authority is hereby authorized and directed to execute and deliver such Asset Purchase Agreement and Power Sales Agreements and such other agreements as may be deemed necessary or advisable to carry forth the goals of the Project, with such changes, modifications, insertions and omissions as shall be approved by said Executive Director following the final negotiation of the same (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature.

4. The Asset Purchase Agreement shall only be binding upon SCPPA (i) upon approval of the Power Sales Agreement(s) by the respective Project Participant(s) and (ii) after a fully executed original of the Asset Purchase Agreement is delivered to the authorized representative of the counterparties under the Asset Purchase Agreement.

5. The Executive Director of the Southern California Public Power Authority is hereby authorized and directed to prepare, execute and issue a Notice of Statutory Exemption pursuant to Title 14 of the California Code of Regulations Section 15277 and to deliver and cause to be posted such Notice of Statutory Exemption in the appropriate locations and to carry forth such other actions as may be appropriate pursuant to Title 14 California Code of Regulations Section 15277.


6. The Executive Director of the Southern California Public Power Authority is hereby authorized and directed to execute and deliver such agreements, amendments to agreements and such other approvals, acceptances, entitlements, instruments or documents all as shall be necessary to effectuate the transaction described in this resolution and approved by said Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof).

7. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the facility and to carry forth other necessary or appropriate agreements associated with the acquisition of energy and wind generation resources of the Windy Point-Windy Flats Project and the delivery of the energy and environmental attributes of the Project to Southern California, and to achieve the full utilization of the resources of the Project, the Board of Directors hereby delegates to the Executive Director of the Authority all right, power and authority to negotiate, approve and execute agreements and arrangements with respect to the resources of the Project to facilitate the generation, transmission and delivery of energy associated with the Project and to negotiate and approve those terms and conditions with respect to such agreements and arrangements as shall best carry forth the interests of the Authority and the Project Participants and as shall best achieve SCPPA's and the Project Participants' objectives.

8. The Executive Director as well as the President, Vice President, Secretary and any Assistant Secretary, and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements, amendments to agreements, 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 (including, but not limited to, making such changes to the agreements, documents and instruments referred to in this Resolution as shall be deemed necessary or in the best interest of the Authority if such changes are determined by any such officer or the Executive Director to be necessary or advisable). 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.

This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 15th day of January 2009.



PRESIDENT

Southern California Public
Power Authority

ATTEST:



SECRETARY

Southern California Public
Power Authority