

**RESOLUTION NO. 2009-45**

**RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER  
AUTHORITY DECLARING ITS INTENTION TO REIMBURSE CERTAIN  
EXPENDITURES FROM THE PROCEEDS OF A PROPOSED TAX-  
EXEMPT BOND FINANCING, AS REQUIRED BY UNITED STATES  
DEPARTMENT OF TREASURY REGULATIONS SECTION 1.150-2  
(MILFORD II PROJECT)**

WHEREAS, the Southern California Public Power Authority (the "Authority") is contemplating the issuance of tax-exempt electric obligations (the "Bonds") to fund the costs associated with the acquisition of (or prepayment of energy from) the wind projects referred to as the Milford IIa Project and the Milford IIb Project located north of the town of Milford, Utah with an estimated aggregate capacity of approximately 200 MW (together, the "Project"); and

WHEREAS, certain Project expenditures will be paid prior to the date of issuance of the Bonds (the "Reimbursable Expenditures"); and

WHEREAS, section 1.150-2 of the Treasury Regulations (the "Treasury Regulations") promulgated under the Internal Revenue Code of 1986, as amended, requires that in order that an allocation of proceeds of the Bonds to a capital expenditure paid prior to the issuance of the Bonds be respected by the Internal Revenue Service, the Authority generally must no later than 60 days following such payment have declared its reasonable official intent to reimburse for such payment out of proceeds of the Bonds; and

WHEREAS, the Authority desires to facilitate the allocation of proceeds of the Bonds to the reimbursement for payment of the Reimbursable Expenditures for the Project;

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


1. This Resolution is adopted solely for purposes of establishing compliance with the requirements of section 1.150-2 of the Treasury Regulations. This Resolution does not obligate the Authority to make any expenditure, issue the Bonds or proceed with the Project.

2. The Authority hereby declares its reasonable official intention to issue Bonds or incur other obligations in an amount that is currently expected to be approximately \$325,000,000, and to apply a portion of the proceeds thereof to the reimbursement for the prior payment of Reimbursable Expenditures. The Authority recognizes that under section 1.150-2 of the Treasury Regulations, the allocation of proceeds of the Bonds to a Reimbursable Expenditure (other than to certain de minimis or preliminary expenditures described in section 1.150-2(f) of the Treasury Regulations) will be recognized only if (i) the Reimbursable Expenditure was paid not earlier than 60 days prior to the adoption of this Resolution and (ii) the allocation of proceeds of the Bonds to such reimbursement is made not later than the later of (a) 18 months after the date of payment of the Reimbursable Expenditure or (b) 18 months after the date upon which the


Project is placed in service or abandoned, but in no event more than three years after the date of payment of the Reimbursable Expenditure.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 16th day of April, 2009.

  
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PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

  
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SECRETARY  
Southern California Public  
Power Authority