

RESOLUTION NO. 2007-8

RESOLUTION RELATING TO THE RENEWABLE ELECTRIC ENERGY RESOURCE PROJECT: (I) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A POWER PURCHASE AGREEMENT TO FACILITATE THE ACQUISITION OF WIND ENERGY RESOURCES AND RELATED LEASING STRUCTURES AND ADMINISTRATIVE AND OPERATING AGREEMENTS AND CERTAIN OTHER AGREEMENTS ASSOCIATED WITH ACQUISITION, OPERATION OR FINANCING IN CONNECTION WITH THE SCPPA MILFORD CORRIDOR WIND PROJECT; (II) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF POWER SALES AGREEMENT WITH THE CITY OF LOS ANGELES ACTING BY AND THROUGH ITS DEPARTMENT OF WATER AND POWER, THE CITY OF BURBANK AND THE CITY OF PASADENA; (III) AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PREPAYMENT OF ENERGY PURSUANT TO THE MILFORD WIND CORRIDOR PHASE I POWER PURCHASE AGREEMENT (IV) APPROVING THE UNDERWRITER FOR THE ISSUANCE OF THE AFORESAID BONDS (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") and certain of its members have investigated the acquisition and development of certain renewable resources including wind resource 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 the City of Los Angeles acting by and through the Department of Water and Power and the Cities of Burbank and Pasadena (the "Project Participants") have been involved in the negotiation of a wind energy power purchase agreement and arrangements for the eventual acquisition of wind energy resources associated with a wind energy facility proposed to be developed in the Milford Wind Corridor situated in Millard and Beaver Counties in Utah (the "Milford Corridor Wind Project" or the "Project");

WHEREAS, the Authority contemplates negotiating a definitive Power Purchase Agreement and anticipates entering into definitive Power Sales Agreements with the Project Participants (collectively the "Power Purchase Agreements") with respect to the Milford Corridor Wind Project in accordance with the respective interests of each Project Participant in the Project;

WHEREAS, the SCPPA Milford Corridor Wind Project currently is anticipated to entail a 200 MW wind project to be located in Millard County, Utah, with power to be delivered to SCPPA at the Intermountain Power Project switching station located in Delta, Utah by approximately December 31, 2008.

WHEREAS, the Project Participants contemplate that SCPPA will issue bonds for the purpose of prepaying for certain of the energy which is anticipated to be produced by the Milford Corridor Wind Project generation facility and that each of the respective Project Participant will assume the obligation for the debt service associated with the Bonds under the terms and conditions of the Power Sales Agreements and that, pursuant to the Power Purchase Agreement and Power Sales Agreements additional energy produced by the project in excess of the prepaid energy is anticipated to be purchased by SCPPA on behalf of the Project Participants on a monthly basis; and

WHEREAS, SCPPA and the Project Participants anticipate that the Power Sales Agreements will pass on all rights, benefits, obligations and liabilities of SCPPA under the Project to the participants on a pro-rata basis and that with the prepayment bond financing, all typical SCPPA administrative costs are also anticipated to be charged to the Project Participants.

WHEREAS, the Project exists entirely in the State of Utah and is subject to review pursuant to the National Environmental Policy Act as well as further review pursuant to certain Utah laws; and

WHEREAS, while the Power Purchase Agreement provides for a 20-year term with an early buyout option after the tenth contract year, it is expected that the ten-year buyout option will eventually be executed by SCPPA and the Project Participants; and

WHEREAS, Lehman Brothers has consummated a similar prepayment transaction associated with a similar wind facility in Washington and has worked with the Project Participants with respect to the financing structure and the transactional modeling necessary for this Project; and

WHEREAS, The Finance Committee has recommended the selection of Lehman Brothers, Inc., as the lead underwriter for the issuance of the prepayment bonds; 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 Milford Corridor Wind Project, set forth herein; and

WHEREAS, the Authority desires to carry forth those measures necessary to proceed with the negotiations for and acquisition of the renewable resource transactions contemplated by the Milford Corridor Wind 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 Power Purchase Agreement, the Power Sales Agreements and all other agreements necessary to effectuate the transactions contemplated as part of the Milford Corridor Wind 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 execute and deliver a Power Purchase Agreement and such Power Sales Agreements, as may be deemed appropriate to carry forth the transactions and goals of the Milford Corridor Wind Project.

3. Upon the consummation of negotiation by the Executive Director of the final form of the Power 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 Milford Corridor Wind Project, each of the President and Vice President of the Authority is hereby authorized and directed to execute and deliver such Power Purchase Agreement and Power Sales Agreements and such other agreements as may be deemed necessary or advisable to effectuate the goals of the Project, with such changes, modifications, insertions and omissions as shall be approved by said President or Vice President 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 Executive Director is authorized to negotiate, execute and deliver on behalf of the Authority, pursuant to the delegation of authority provided herein, a Power Purchase Agreement as set forth herein, which provides for a prepayment of electric energy and which contemplates the financing of such prepayment through the issuance of bonds of the Authority; and the issuance of such bonds as may be necessary to finance such prepayment is hereby authorized.

5. The firm of Lehman Brothers is hereby approved to be the proposed underwriter for the prepayment bond issuance contemplated as part of the transactions set forth herein.

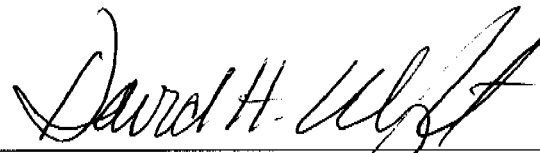
6. Each of the President and Vice President of the Authority is hereby authorized and directed to execute and deliver, after consultation with the Executive Director such agreements, amendments to agreements and such other approvals, acceptances, instruments or documents all as shall be approved by said President or Vice President (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 and to affix the seal of the Authority thereto.

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 energy resources of the Milford Corridor Wind Project and other financial or physical arrangements to facilitate transmission of the energy 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. Each of the President, Vice President, Secretary and any Assistant Secretary, the Executive Director 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.

9. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 15th day of February, 2007.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



SECRETARY
Southern California Public
Power Authority