

A RESOLUTION RELATING TO THE CARBON FREE POWER PROJECT; CONDITIONALLY APPROVING A REVISED BUDGET AND PLAN OF FINANCE; AND RELATED MATTERS.

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WHEREAS, Utah Associated Municipal Power Systems (“*UAMPS*”) has been organized under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “*Act*”), and the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action (the “*Joint Action Agreement*”) as a separate legal entity and a political subdivision of the State of Utah to accomplish the purposes of its members through joint and cooperative action and to provide a means to secure electric power and energy for the present and future needs of its members;

WHEREAS, the Board of Directors of UAMPS (the “*Board*”) has established the Carbon Free Power Project (the “*Project*”) as a separate “project” of UAMPS under the Joint Action Agreement and a Project Management Committee for the Project has been previously established;

WHEREAS, the Board and the Project Management Committee have previously approved the Carbon Free Power Sales Contracts dated as of April 1, 2018 (the “*Power Sales Contracts*”), pursuant to which UAMPS will undertake the Project and will sell Electric Power, Electric Energy and Environmental Attributes from the Project to the members of UAMPS and other purchasers listed on Schedule I to the Power Sales Contracts (the “*Participants*”);

WHEREAS, on July 17, 2019, the Board adopted a resolution (a) approving the declaration by the Project Management Committee of the Effective Date of the Power Sales Contracts on and as of such date, (b) providing that voting to approve Schedule I to the Power Sales Contracts as of the Effective Date and to establish the Board under the Power Sales Contract would be conducted on August 21, 2019 after Participants have delivered and the Project Management Committee has

accepted Entitlement Shares that have been approved prior to August 21, 2019, and (c) addressing certain related matters;

WHEREAS, the Board approved an amendment to the Budget and Plan of Finance on November 20, 2019 that increased the maximum amount of Development Costs that could be incurred during Phase 1 of the Licensing Period under the Power Sales Contracts, notice of such increase was given to the Participants pursuant to Section 601(f) of the Power Sales Contracts, and there were no Participant withdrawals or reductions pursuant to the Power Sales Contracts;

WHEREAS, the U.S. Department of Energy (“DOE”) and UAMPS are in the DOE procurement process to provide the Project with a cooperative agreement providing DOE cost sharing support for the Project in the amount of approximately \$1.4 Billion (the “*New DOE Multi-Year Award*”), which such cost sharing support will be subject to annual appropriations; the New DOE Multi-Year Award will supersede the current DOE cost sharing award for the Project and is contemplated to be finalized and awarded in early September 2020;

WHEREAS, UAMPS has been negotiating (a) the Development Cost Reimbursement Agreement (the “*DCRA*”) with NuScale which provides for UAMPS with the right of reimbursement in the event the “Project Cost Estimate” when inputted into the “Levelized Cost of Electricity Model” (as such terms are defined in the DCRA) for the Project exceeds \$55/MWh (in 2018\$) (the “*Economic Competitiveness Test*”) and (b) the Engineering, Procurement, and Construction Development Agreement (the “*EPC DA*”) with Fluor Enterprises, Inc. which will provide for the delivery of revisions to Project Cost Estimate for the purposes of running the Economic Competitiveness Test in the DCRA;

WHEREAS, UAMPS anticipates being in a position to present both the DCRA and EPC DA for approval during the August Project Management Committee meeting;

WHEREAS, UAMPS has prepared revisions to the Budget and Plan of Finance that increase the maximum amount of Development Costs that may be incurred during Phase 1 of the Licensing Period under the Power Sales Contracts and updated the estimated schedule and other information for the Project, taking into account the anticipated terms of the New DOE Multi Year Award, the EPC DA and the DCRA (the “*Revised Budget and Plan of Finance*”); and

WHEREAS, the Project Management Committee has recommended that the Board approve the Revised Budget and Plan of Finance subject to (a) satisfaction of the conditions subsequent described herein and (b) providing the Participants with notice of the Revised Budget and Plan of Finance and a period of sixty (60) days, with the support of UAMPS staff and Project partners, to meet and confer with their governing bodies regarding the current development status of the Project, proceeding with continued Development Work as contemplated in the Revised Budget and Plan of Finance in order to complete the development of the Construction and Operating License Application (COLA) for the Project and determining whether to increase, reduce or withdraw their participation in the Project as provided in the Power Sales Contracts;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, AS FOLLOWS:

*Section 1. Definitions.* Initially-capitalized terms used and not defined in this resolution have the meanings assigned to such terms in the Power Sales Contracts.

*Section 2. Conditional Approval of the Revised Budget and Plan of Finance.* Upon the recommendation of the Project Management Committee (PMC), the Board approves the conditional adoption of the Revised Budget and Plan of Finance subject to the following conditions subsequent:

- (a) approval by the PMC of of the New DOE Multi Year Award and its execution and delivery by the parties thereto;

(b) approval by the PMC of the EPC DA and its execution and delivery by the parties thereto;

(c) approval by the PMC of the DCRA and its execution and delivery by the parties thereto; and

(d) the Project Management Committee's adoption of an interim budget for Development Work within the Maximum Development Costs to commence around October 1, 2020.

The PMC's approval of the New DOE Multi Year Award, the EPC DA and the DCRA shall be made by written resolution, which shall include a determination that it is in the best interest of the Project to proceed with further Development Work through Phase 1 of the Licensing Period which shall include the delivery of a "Class III" Project Cost Estimate for the Project and running of the Economic Competitiveness Test under the DCRA consistent with the Revised Budget and Plan of Finance. UAMPS may not incur Development Costs that exceed \$9 million (the maximum amount that was approved on November 20, 2019) until the PMC has adopted such resolution.

Section 3. *Project Billings.* UAMPS will continue to hold billings for the Participants for their respective Development Cost Shares of all Development Costs of the Revised Budget and Plan of Finance. Project included in the approved budget for the Project and the Budget and Plan of Finance as of August 17th 2019 and the amended Budget and Plan of Finance as of November 20, 2019, including all Siting Phase Work Costs incurred under the Siting Phase Study Agreement.

Section 4. *Issuance of Notice Regarding the Conditional Adoption of the Revised Budget and Plan of Finance.* UAMPS shall issue notice to the Participants of the conditional adoption of the Revised Budget and Plan of Finance as soon as possible after the effective date of this Resolution. Such issuance will commence the sixty-day period during which each Participant may provide its notice of increase, withdrawal or reduction pursuant to the Power Sales Contracts.


*Section 5. Engagement of Financial Advisor.* The engagement of PFM Financial Advisors LLC, a registered municipal advisor, to provide financial advisory services to UAMPS in connection with the development and execution of the financing of the Project is hereby ratified and approved.

*Section 6. Severability.* If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

*Section 7. Effective Date.* This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Board of Directors of the Utah Associated Municipal Power Systems, this 15<sup>th</sup> day of July, 2020.

UTAH ASSOCIATED MUNICIPAL POWER  
SYSTEMS

  
Chairman

[SEAL]

ATTEST:

  
Secretary