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RESOLUTION

Approve Settlement and Non-Settlement Amendments to Transaction Agreements

WHEREAS, on December 19, 2018, the Chugach Electric Association, Inc. (“Chugach”) Board of Directors authorized the Chief Executive Officer to execute and deliver the Asset Purchase and Sale Agreement (“APA”), the Eklutna Power Purchase Agreement (“Eklutna PPA”), the Beluga River Unit Fuel Agreement (“BRU Fuel Agreement”, and the Payment in Lieu of Taxes Agreement (“PILT Agreement”) (collectively, the “Transaction Agreements”) by and among Chugach and the Municipality of Anchorage (“MOA”) (Resolution No. 12 01 18);

WHEREAS, Chugach and the MOA d/b/a Municipal Light and Power (“ML&P”) filed their applications and requests for various regulatory approvals related to the Acquisition with the Regulatory Commission of Alaska (“Commission”) on April 1, 2019, and April 5, 2019, respectively;

WHEREAS, the Commission suspended Chugach’s and ML&P’s filings, opened dockets U-19-020 and U-19-021 to investigate and consider the approvals requested by Chugach and ML&P, and consolidated those dockets with docket U-18-102 (“Acquisition Proceeding”);

WHEREAS, Golden Valley Electric Association, Inc., Homer Electric Association, Inc., Matanuska Electric Association, Inc., Federal Executive Agencies, Providence Health & Services, Alaska Energy Authority, and the Office of the Attorney General, Regulatory Affairs & Public Advocacy Section (collectively “Intervening Parties”) sought and were granted intervention into the Acquisition Proceeding;

WHEREAS, Chugach and some of the Intervening Parties have reached a stipulated settlement resolving all disputes in the Acquisition Proceeding (“Settlement”) and are in the process of preparing a stipulation reflecting the terms of the Settlement that will be submitted to the Commission for approval;

WHEREAS, the Intervening Parties participating in Settlement have agreed that Chugach’s and ML&P’s requested approvals in Dockets U-19-020 and U-19-021 should be approved as filed and amended, except as otherwise agreed to and set forth in the Settlement;

WHEREAS, the Settlement requires certain amendments to the APA, Eklutna PPA, and BRU Fuel Agreement that must be authorized and approved by the Chugach Board of Directors (“Settlement Amendments”);

WHEREAS, the APA Amendment No. 3 (1) reduces the Upfront Payment by \$10 million from \$767,800,000 to \$757,800,000; (2) eliminates any upward price adjustment if ML&P’s net book value of the assets purchased by Chugach is greater than \$715.4 million at Closing, that is currently required by Amendment No. 1 to the APA; and (3) recognizes a \$36 million Rate Reduction Account to be funded by the MOA and conveyed to Chugach at Closing for the benefit of ML&P Legacy Customers;

WHEREAS, the Eklutna PPA Amendment No. 3 recognizes Chugach's right to set-off payments thereunder to the extent the MOA does not fulfill its obligations respecting the \$15 million treatment facility as required by the Stipulation;

WHEREAS, the Amended and Restated BRU Fuel Agreement (1) extends the period over which the costs and benefits of ML&P's legacy share of BRU will be allocated solely to customers in the ML&P legacy service area and the costs and benefits of Chugach's legacy share of BRU will be allocated solely to the customers in the Chugach legacy service area; (2) requires Chugach to utilize a market proxy value for any legacy share BRU gas used for making economy energy sales; and (3) requires Chugach to utilize a market proxy value for any legacy share BRU gas used to serve Chugach legacy customers for transactions between the legacy service areas of Chugach and ML&P;

WHEREAS, Chugach and the MOA have also agreed to additional necessary amendments to the APA, Eklutna PPA, and PILT Agreement ("Non-Settlement Amendments");

WHEREAS, the APA Amendment No. 2 extends the termination date of the APA from March 31, 2020 to September 30, 2020 and recognizes the Eklutna Transmission Assets as Acquired Assets in recognition of an agreement between the MOA and MEA for power purchases from the Eklutna Hydroelectric Project;

WHEREAS, the Eklutna PPA Amendment No. 2 recognizes changes to the dispute resolution procedures contained therein;

WHEREAS, the PILT Agreement Amendment No. 2 removes Chugach's obligation in certain regulatory or bankruptcy proceedings to support and stipulate to the fact that the PILT payments are a tax obligation and should be given appropriate priority status based on that fact;

WHEREAS, Chugach management has represented that these Settlement Amendments and Non-Settlement Amendments are in the best interests of Chugach and do not negatively impact Chugach's ability to achieve a minimum utility net savings of \$110 million net present value over 40 years as a result of the transaction; and,

WHEREAS, the Chugach Board of Directors previously authorized the Chief Executive Officer to execute the Transaction Agreements without substantive changes from the form attached to Resolution 12 01 18 and further authorized the Chief Executive Officer to take all such other actions as he deems necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by, and the intent and purposes of, the Resolution 12 01 18.

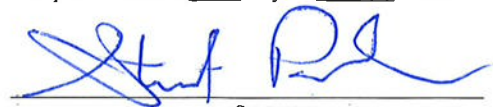
NOW THEREFORE BE IT RESOLVED, the Board of Directors authorizes the Chief Executive Officer to execute and deliver the Settlement Amendments and Non-Settlement Amendments in substantially the same form as described above and discussed in executive session;

BE IT FURTHER RESOLVED, that following execution and delivery of the Settlement Amendments and the Non-Settlement Amendments, the Chief Executive Officer be, and hereby is, authorized and empowered to take such further action and to execute and deliver (or delegate the execution and delivery of) all such further agreements, certificates, instruments and documents, in the name and on behalf of Chugach; to pay or cause to be paid all expenses; to take all such other actions as the Chief Executive Officer shall deem necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by, and the intent and purposes of, the foregoing resolutions; and that any and all such actions heretofore or hereafter taken by the Chief Executive Officer hereby are, adopted, affirmed, approved, and ratified in all respects as the act and deed of Chugach Electric Association, Inc.

CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 24th day of October, 2019; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 24th day of October, 2019.


Secretary