

ALASKA ENERGY AUTHORITY

RESOLUTION NO. 2025 -02

RESOLUTION OF THE ALASKA ENERGY AUTHORITY PROVIDING FOR AMENDMENTS TO RESOLUTIONS REGARDING THE SALE OF NOT TO EXCEED \$200,000,000 OF ALASKA ENERGY AUTHORITY POWER REVENUE BONDS, ELEVENTH SERIES (BRADLEY LAKE HYDROELECTRIC PROJECT); PROVIDING FOR AMENDMENTS TO THE TENTH SUPPLEMENTAL RESOLUTION OF THE AUTHORITY TO SECURE SAID BONDS; AUTHORIZING AMENDMENTS TO AND THE EXECUTION OF THE LOAN AGREEMENT BETWEEN THE AUTHORITY AND PURCHASER OF THE SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE CHAIR, THE BOARD MEMBER DESIGNEE OF THE CHAIR, THE EXECUTIVE DIRECTOR AND THE CHIEF FINANCIAL OFFICER; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the Alaska Energy Authority ("Authority") is authorized by Title 44, Chapter 83, of the Alaska Statutes, as amended, to issue bonds for the purpose of carrying out its corporate purpose and power, including the establishment or increase of reserves to secure or to pay for bonds; and

WHEREAS, the Authority has, pursuant to the Power Revenue Bond Resolution, adopted by the Board on September 7, 1989, as amended and supplemented ("Master Bond Resolution"), issued ten series of power revenue bonds subject to terms and conditions set forth in the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power (the "Power Sales Agreement") dated as of December 8, 1987, by and among the Chugach Electric Association, Inc., Golden Valley Electric Association, Inc., the City of Seward d/b/a Seward Electric System, and Alaska Electric Generation & Transmission Cooperative, Inc., and as Additional Parties Homer Electric Association, Inc. and Matanuska Electric Association, Inc. (collectively, "Power Purchasers") and the Authority; and

WHEREAS, the Master Bond Resolution authorizes the issuance of additional bonds for purposes of financing costs and expenses of planning, designing, acquiring, constructing, installing capital improvements in connection with the Bradley Lake Hydroelectric Project ("Bradley Project") subject to terms and conditions set forth therein and the Power Sales Agreement; and

WHEREAS, pursuant to the request of the Power Purchasers the Authority, pursuant to Resolution No. 2022-06, previously determined to issue its Power Revenue Bonds, Eleventh Series (Bradley Lake Hydroelectric Project), in an aggregate principal amount not to exceed \$270,000,000 to provide funds to be used to (a) pay all or a portion of the costs of the acquisition, improvement and development of the electric transmission line systems between the Bradley Junction and Soldotna Substation, the electric transmission line systems between the Soldotna Substation and the Sterling Substation, the electric transmission line systems between the Sterling Substation and the Quartz Creek Substation, and of battery energy storage systems, in each case including associated rights-of-way and permits, all of which will become an integral part of the Project; (b) fund a debt service reserve account; and (c) pay costs incurred in connection with the issuance of the Bonds (collectively, the "Project"); and

WHEREAS, subsequent to the adopting of Resolution No. 2022-06 the Authority, pursuant to Resolution No. 2022-07, approved a tenth supplemental resolution (the "Tenth Supplemental Resolution") setting forth the terms and provisions of the issuance, sale and delivery of its Power Revenue Bonds, Eleventh Series (Bradley Lake Hydroelectric Project), in an aggregate principal amount not to exceed \$200,000,000 (the "Series 2022 Bonds") to provide funds to be used for the purpose of (1) financing a portion of the costs

of the Transmission Project, (2) making a deposit to the Capital Reserve Fund, sufficient to satisfy the Capital Reserve Fund Requirement and (3) paying costs of issuance of the Bond. The Bond of such Series shall be designated and entitled "Power Revenue Bond, Eleventh Series (Bradley Lake Hydroelectric Project); and

WHEREAS, the Series 2022 Bonds were issued on November 30, 2022, under and pursuant to and secured by the Master Bond Resolution and the Tenth Supplemental Resolution; and

WHEREAS, provisions were made for the sale of the Series 2022 Bonds pursuant to a Loan Agreement entered between the Authority and National Cooperative Services Corporation (the "Purchaser"); and

WHEREAS, subsequent to the issuance of the Series 2022 Bonds the Authority was awarded pursuant to letter dated October 3, 2023, and issued by the U.S. Department of Energy the Authority to receive a funding opportunity grant in the amount of \$206,500,000 (the "GRIP Grant"), subject to meeting certain additional requirements including providing for an equal amount of state match funds (the "State Match"); and

WHEREAS, portions of the Bradley Lake Hydroelectric Project to be funded by the proceeds of the Series 2022 Bonds may also be funded by funds to be provided pursuant to the GRIP Grant; and

WHEREAS, the GRIP Grant also provides for funding an HVDC submarine circuit crossing Cook Inlet from Nikiski in the Southern region to Beluga in the Central region to maximize transfer capability between regions and minimize spinning reserves, thereby reducing fuel usage, and reducing carbon emissions (the "Underwater HVDC Transmission Line"); and

WHEREAS, to fund the necessary state match necessary to receive the total funds awarded pursuant to the GRIP Grant the Authority has also requested moneys be provided from the State of Alaska pursuant to a request to the Governor, State of Alaska; and

WHEREAS, pursuant to a letter dated December 22, 2023, the Authority, as required pursuant to the Power Sales Agreement and prior to the incurrence of debt must receive a determination from the Alaska Department of Law the Underwater HVDC Transmission Line is Required Project Work; and

WHEREAS, pursuant to Resolution No. 24-02 passed and approved on the 8th day of February, 2024, the Authority approved providing for the amendment of the Series 2022 Bond financing documents to expand the uses of the Series 2022 Bonds previously executed to expand the uses of Series 2022 Bond proceeds to fund any and all portions of the Bradley Lake Hydroelectric and Transmission Project and to use the Series 2022 Bonds proceeds fund a match with respect to the GRIP Grant in an aggregate amount not to exceed \$50,000,000 (with no more than \$20,000,000 to be used for the Underwater HVDC Transmission Line); and

WHEREAS, pursuant to Resolution No. 2024-12 passed and approved on the 10th day of September, 2024, the Authority approved to expand the Bradley Lake Hydroelectric Project to include the Underwater HVDC Transmission Line provided for funding pursuant to the GRIP Grant portion of the Series 2022 Bonds and increase the amount of approval to not to exceed \$50,000,000 to be used for the Underwater HVDC Transmission Line, along with such other necessary requests of the Purchaser to amend the bond documents accordingly (the Bradley Lake Hydroelectric Project, Transmission Project, Underwater HVDC Transmission Line and other approved projects of the Department of Energy shall hereinafter collectively be referred to as the "Bradley Lake Hydroelectric and Transmission Project"); and

WHEREAS, the Authority has determined that it would be advantageous to the Bradley Lake Hydroelectric Project to apply interest earnings on the proceeds of the Series 2022 Bonds deposited in the

Eleventh Series Construction Account to additional Costs of Acquisition and Construction of the Bradley Lake Hydroelectric Project, including Costs of Acquisition and Construction of the Dixon Diversion Project and other projects determined to be Required Project Work pursuant to the Power Sales Agreement and the Authority's Power Revenue Bond Resolution, adopted on September 7, 1989 (as amended and supplemented, the "Power Revenue Bond Resolution"); and

WHEREAS, the consent of the holder of the Series 2022 Bonds to the amendment of the Tenth Supplemental Resolution and certain other agreements related to the Series 2022 Bonds is required to permit the Authority to apply interest earnings on the proceeds of the Series 2022 Bonds deposited in the Eleventh Series Construction Account to additional Costs of Acquisition and Construction of the Bradley Lake Hydroelectric Project, including Costs of Acquisition and Construction of the Dixon Diversion Project and other projects determined to be Required Project Work pursuant to the Power Sales Agreement and the Power Revenue Bond Resolution; and

WHEREAS, to fund the Dixon Diversion Project, the Authority has also requested moneys be provided from the State of Alaska pursuant to a request to the Governor, State of Alaska; and

WHEREAS, the AEA desires to amend the Tenth Supplemental Resolution and any other agreements related to the Series 2022 Bonds to permit the Authority to apply interest earnings on the proceeds of the Series 2022 Bonds deposited in the Eleventh Series Construction Account to additional Costs of Acquisition and Construction of the Bradley Lake Hydroelectric Project, including Costs of Acquisition and Construction of the Dixon Diversion Project and other projects determined to be Required Project Work pursuant to the Power Sales Agreement and the Power Revenue Bond Resolution and to confirm and support the Authority's determination to make such requests for consent of the holder of the Series 2022 Bonds to such amendments; and

WHEREAS, capitalized terms used but not defined herein have the meaning given to such terms in the Power Sales Agreement and the Resolution:

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA ENERGY AUTHORITY, AS FOLLOWS:

Section 1. In order to provide funds to finance the Bradley Lake Hydroelectric and Transmission Project the Authority is hereby authorized, conditioned upon approval and receipt of all necessary consents and approvals from the Purchaser, the Alaska Department of Law, the Bradley Lake Project Management Committee and any other necessary parties, to amend any and all of the necessary Series 2022 Bond financing documents and Series 2022 Bonds previously executed to provide for the provisions of Resolutions No. 24-02 and No. 24-03 and to apply interest earnings on the proceeds of the Series 2022 Bonds deposited in the Eleventh Series Construction Account to additional Costs of Acquisition and Construction of the Bradley Lake Hydroelectric Project, including Costs of Acquisition and Construction of the Dixon Diversion Project and other projects determined to be Required Project Work pursuant to the Power Sales Agreement and the Power Revenue Bond Resolution

Section 2. In order to finance, construct and equip all, or any part, of the Bradley Lake Hydroelectric and Transmission Project and to consummate the transactions contemplated in the Tenth Supplemental Resolution, as amended, subject to appropriate insertions and revisions, be and the same hereby is in all respects authorized, approved and confirmed, and that the Chair, the Board member designee of the Chair, Executive Director or Chief Financial Officer of the Authority (each, an

"Authorized Officer") be, and each of them hereby is, authorized, empowered, and directed to execute Series 2022 Bonds, as amended, whether by manual or facsimile signature, to seal the Series 2022 Bonds, as amended, with the official seal of the Authority (manually or by facsimile), and to deliver, for and on behalf of the Authority, the Series 2022 Bonds, as amended, to the Purchaser; and that the provisions of the Tenth Supplemental Resolution, as amended, and Series 2022 Bonds, as amended, be and the same hereby is authorized, approved and confirmed and is incorporated herein by reference.

Section 3. The Series 2022 Bonds, as may be amended to carry out the purposes hereof, do not constitute an indebtedness or other liability of the State of Alaska, or any political subdivision thereof, except the Authority. The Authority does not pledge the faith and credit of the State of Alaska, or any political subdivision thereof (except the Authority) to the payment of the Series 2022 Bonds, as amended, and the issuance of the Series 2022 Bonds, as amended, does not obligate the State of Alaska or any political subdivision thereof (except the Authority) to apply money, or levy or pledge any form of taxation whatsoever to, payment of the Series 2022 Bonds, as amended. The Authority has no taxing power.

Section 4. The form and content of the Loan Agreement, as amended, be and the same hereby are in all respects authorized, approved and confirmed and each Authorized Officer be and hereby are authorized, empowered and directed to execute and deliver the Loan Agreement, as amended, for and on behalf of the Authority, with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable or appropriate, their execution of the Loan Agreement, as amended, to constitute conclusive evidence of their approval of any and all changes, modifications, additions or deletions therein from the form and content of the Loan Agreement now before this meeting, and that, from and after the execution and delivery of the Loan Agreement, as amended, each Authorized Officer be and they hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement, as amended and as executed.

Section 5. The form and content of the Tenth Supplemental Resolution and providing of the security therefor to the repayment of the Series 2022 Bonds to U.S. Bank Trust Company, National Association, as Trustee, for the security of the Series 2022 Bonds, including necessary counterparts, but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions, or deletions thereto from such form, and that the final Tenth Supplemental Resolution, as amended, is hereby authorized, approved, confirmed and adopted in accordance with the Master Bond Resolution and is incorporated herein by reference. Following execution and delivery of the Tenth Supplemental Resolution, as amended, each Authorized Officer be and they hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the provisions of the Tenth Supplemental Resolution, as amended and as executed.

Section 6. The Authorized Officers be, and each of them hereby is, authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents, opinions or other papers and perform all such other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution, and all of the acts and doings of the Authorized Officers of the Corporation that are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects ratified, confirmed and approved as the acts and deeds of the Corporation.

Section 7. This Resolution does hereby incorporate by reference, as though fully set out herein, the provisions of the Act, the Master Bond Resolution, the Tenth Supplemental Resolution, the Series 2022 Bonds, and the documents presented to this meeting.

Section 8. All prior resolutions of this Board or any parts thereof in conflict with the foregoing resolutions are hereby repealed to the extent of such conflict.

Section 9. The recitals to this Resolution, including definition of terms, are incorporated into this Resolution as if fully set forth herein. Terms used herein and not otherwise defined shall have the meanings as set forth in the Tenth Supplemental Resolution, as amended.

Section 10. Resolution shall become effectively immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 30th day of January 2025.


Chair

ATTEST:


Secretary

