

**CONSENTING AND APPROVING RESOLUTION OF THE
BRADLEY LAKE HYDROELECTRIC PROJECT**

PROJECT MANAGEMENT COMMITTEE

RESOLUTION NO. 2013-03

Adoption of Railbelt Reliability Standards

WHEREAS, pursuant to Section 13 of the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power ("Power Sales Agreement") dated as of December 8, 1987, by and among the Chugach Electric Association, Inc., Golden Valley Electric Association, Inc., the Municipality of Anchorage d/b/a Municipal Light and Power, 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. (as used herein collectively, the "Purchasing Utilities"), and the Alaska Energy Authority (the "Authority"), the Project Management Committee (the "Committee") has been formed for the purposes and with the responsibilities specified by the Power Sales Agreement; and

WHEREAS, pursuant to section 13 (c) (ii) (A) the committee is required to arrange..." for the operation and maintenance of the Project, and the scheduling, production, and dispatch of Project power..." ;and,

WHEREAS, Article 3 and Article 9 of the Alaska Intertie Agreement, dated December 23, 1985 ("1985 Agreement"), provided that the Intertie Operating Committee ("IOC") would be responsible for operating the interconnected Railbelt system and for developing operating procedures and standards practices with respect to such operations. The Intertie Management Committee ("IMC") has assumed these responsibilities under the Amended and Restated Alaska Intertie Agreement, dated November 18, 2011 ("2011 Amended Agreement"). Further, that through Addendum No. 1 to the 1985 Agreement entitled "Reserve Capacity and Operating Reserve Responsibility" (incorporated as Exhibit H of the 2011 Amended Agreement) the Utility Participants of that agreement would be responsible for reserve requirements for the interconnected system; and,

WHEREAS, the IMC (and previously the IOC) has essentially been the Railbelt reliability coordinator for the interconnected Railbelt grid for over 25 years; and,

WHEREAS, there has always been close coordination between the IOC/IMC and the Committee; and,

WHEREAS, Section 3.1 of the 2011 Amended Agreement provides that the IMC shall determine the operating policies and procedures for handling the obligations and responsibilities for providing Reserve Capacity and Operating Reserves for the Intertie; and,

WHEREAS, the IMC has the authority to adopt operating policies and procedures, reliability standards, and enforcement mechanisms, for the Intertie; and,

WHEREAS, the IMC has adopted the “Intertie Management Committee’s Railbelt Operating and Reliability Standards, updated October 1, 2013,” as the Reserve Capacity and Operating Reserves for the Intertie and as the operating policies and procedures, reliability standards, and enforcement mechanisms, with one modification made at the request of the Alaska Energy Authority (“AEA”) respecting the Alaska Intertie assets and 2011 Amended Agreement:

The “sanctions” portions of the enforcement mechanisms in the “Intertie Management Committee’s Railbelt Operating and Reliability Standards, updated October 1, 2013,” shall not become effective for purposes respecting the Alaska Intertie assets and 2011 Amended Agreement until separately approved by the IMC.

WHEREAS, the IMC intends to submit these reliability standards as an informational filing to the Regulatory Commission of Alaska (“RCA”).

WHEREAS, the IMC has requested that the RCA exercise the authority granted to it under AS 42.05.321 and other applicable authority and to enter an order

1. Finding that the approval of these standards will serve the public convenience and necessity;
2. Formally approving the standards and finding that they are just and reasonable; and
3. Providing for mechanisms and processes for periodic review of the standards.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COMMITTEE as follows:

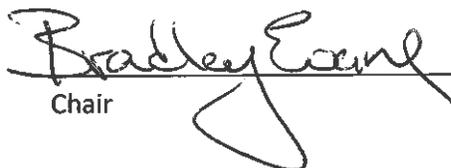
Committee Determination. The Committee has determined that it is in the best interests of the Purchasing Utilities and their respective customers or members that the Intertie Management Committee’s “Railbelt Operating and Reliability Standards, updated October 1, 2013” be adopted and applied as required to all applicable Project assets, facilities and activities; and,

BE IT FURTHER RESOLVED BY THE COMMITTEE, that the Committee desires that the Operator of the Project to abide by and follow the “Railbelt Operating and Reliability Standards, updated October 1, 2013” in all aspects of the operation of the Project and deliver of energy from the Project; and,

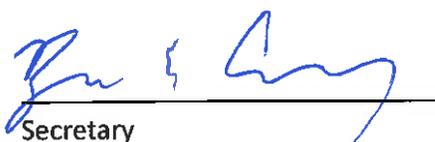
BE IT FURTHER RESOLVED BY THE COMMITTEE, that AEA and the Operator make the necessary amendments to the Project Operation and Maintenance Standards and/or Work Rules

to accommodate and effectuate this purpose and objective of this Resolution as soon as practicable and report to the Committee when the Operator is complying with the purpose and objective of this Resolution.

DATED at Anchorage, Alaska, this 12th day of December, 2013.


Chair

(SEAL)
ATTEST


Secretary