

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

PROJECT MANAGEMENT COMMITTEE

RESOLUTION NO. 2013-06

Change of Project Operator

WHEREAS, pursuant to Section 13 of 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 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 ("AEA"), 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 the Project power..."; and

WHEREAS, to provide for the operation and maintenance of the Project and Project Related Facilities, the Committee entered into a Master Maintenance and Operating Agreement ("Master M&O Agreement") with the AEA to establish a contract administration and budgeting procedure for contracting for the operation and maintenance of the Project and Project Related Facilities, and the related services, facilities, and equipment; and,

WHEREAS, the Committee is authorized under Master M&O Agreement and the Committee Bylaws (adopted pursuant to the terms of the Power Sales Agreement), to approve contracts for the operation and maintenance of Project facilities; and,

WHEREAS, the Committee approved the contract between AEA and Homer Electric Association, Inc. ("HEA"), for HEA to provide O&M services pursuant to the "Second Amended and Restated Operation and Maintenance Agreement for Bradley Lake Hydroelectric Project Between Homer Electric Association, Inc. and Alaska Energy Authority" dated effective July 1, 2008 ("Project O&M Agreement"); and,

WHEREAS, the Committee no longer believes it is in the best interests of the Project that HEA be utilized to provide the services of Operator under the Project O&M Agreement; and,

WHEREAS, the terms of the services of require that the Operator be provided with timely notice that the Project O&M Agreement will be terminated; and,

WHEREAS the Committee desires to provide HEA with sufficient notice of its intention to not utilize the services of HEA;

WHEREAS, the Committee has adopted this Resolution to acknowledge its intent to not renew HEA as Operator under the Project O&M Agreement pursuant to its authority under the Master M&O Agreement.

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 services of HEA as Operator of the Project not be extended beyond the current term which under the terms of the Project O&M Agreement ends on July 1, 2018.

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

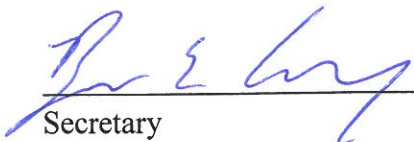
That AEA is directed to immediately provide notice to HEA that the Project O&M Agreement will not be automatically renewed without a cost benefit analysis and management review being performed.

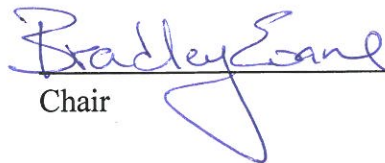
BE IT FURTHER RESOLVED BY THE COMMITTEE that AEA notify the Committee when the notice has been provided to HEA that its services as Operator under the Project O&M Agreement will not be automatically renewed without a cost benefit analysis and management review being performed and therefore could conclude July 1, 2018.

BE IT FURTHER RESOLVED BY THE COMMITTEE that AEA notify the Committee when AEA and HEA are to meet to discuss the arrangements necessary for the orderly takeover of duties of the Operator in accordance with Section 18 (a) of the Project O&M Agreement.

DATED at Anchorage, Alaska, this 23th day of December, 2013.




Secretary


Chair