CONSENTING AND APPROVING RESOLUTION OF THE BRADLEY LAKE HYDROELECTRIC PROJECT MANAGEMENT COMMITTEE

RESOLUTION NO. 2014-01

Telemetry of Bradley Lake into Chugach Load Balancing Area

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.(Chugach), 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. ("HEA"), 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 the Project power..."; and

WHEREAS, as of December 31. 2013, HEA began transition from a net requirements customer of Chugach (via the tri-partite agreement) operating within Chugach's Load Balancing Area; and,

WHEREAS, on January 1, 2014, HEA began operating its own Load Balancing Area (LBA) and take on the duties of a Load Balancing Authority; and,

WHEREAS Chugach Electric will remain the Project Dispatcher; and,

WHEREAS, HEA is the Operator of the Project Power Plant and through various agreements the Project transmission lines south of Quartz Creek; and,

WHEREAS, the Project facilities must telemetered out of the HEA LBA and into the Chugach LBA; and,

WHEREAS, it is in the best interest of the Project and the interconnected Railbelt grid to accurately account for and allocate electrical losses; and,

WHEREAS, the following LBA interchange configuration will minimize the magnitude of required Project loss adjustments, and simplify real and reactive power energy accounting.

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 interconnected Railbelt grid, the Purchasing Utilities and their respective customers or members that Project facilities south of Quartz Creek be telemetered out of the HEA LBA and into the CEALBA with the LBA boundary defined by following interchange points:

- Bradley Lake MOD 2425 (real and reactive interchange with Diamond Ridge line)
- Soldotna 115 -69 kV transformer (real and reactive interchange)
- Soldotna 115 kV line to Diamond Ridge (real and reactive interchange)
- Soldotna 115 kV line to Bernice Lake (real and reactive interchange)
- Soldotna LM 6000 generator (real and reactive interchange)
- Sterling Substation T-1 (Sterling real and reactive)
- Quartz Creek Breaker 442 (Quartz to Soldotna 69 kV line)

CEA, the Project dispatcher, will continue to schedule energy and capacity, for the participants delivered to CEA, at HEA's Soldotna Substation, as currently defined in the Bradley Lake "Agreement for the Wheeling of Electric Power and for Related Services.

DATED at Anchorage, Alaska, this 27th day of January, 2014.

Chair

Secretary