BRADLEY LAKE PROJECT
MANAGEMENT COMMITTEE

RESOLUTION NO. 25 – 01

WHEREAS, on September 30, 2022, the Bradley Lake Project Management Committee (the "BPMC") approved Resolution No. 22-08 (the "BPMC Resolution") affirming the BPMC's prior approval of certain capital improvements to the Bradley Lake Hydroelectric Project as Required Project Work pursuant to the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power, dated December 8, 1987 (the "Power Sales Agreement"), among the predecessor in interest to the Alaska Energy Authority (the "Authority") and the Purchasers; and

WHEREAS, pursuant to the BPMC Resolution, the BPMC also supported and agreed to use Excess Payments to provide for the repayment of the Authority's Power Revenue Bonds, Eleventh Series (Bradley Lake Hydroelectric Project), issued 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 certain capital improvements to the Bradley Lake Hydroelectric 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 Series 2022 Bonds; and

WHEREAS, after the issuance of the Series 2022 Bonds the Authority was awarded pursuant to a letter dated October 3, 2023 and issued by the U.S. Department of Energy, 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 matching 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 pursuant to the GRIP Grant; and

WHEREAS, the GRIP Grant also provides for funding a high-voltage direct current submarine circuit (the "Underwater HVDC Transmission Line") crossing the 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; and

WHEREAS, in order to fund the necessary State Match 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 Resolution No. 24-01, adopted by the BPMC on January 26, 2024, the BPMC determined that the Underwater HVDC Transmission Line constituted a project of the Bradley Lake Hydroelectric Project, approved the Underwater HVDC Transmission Line as Required Project Work and approved of the Authority's determination to seek the consent of the holder of the Series

2022 Bonds to amendments to the Authority's Resolution No. 2022-07, adopted by the Authority on November 30, 2022 (the "Tenth Supplemental Resolution"), and other agreements related to the Series 2022 Bonds to permit the use of the proceeds of the Series 2022 Bonds to fund a portion of the State Match requirement for the funding of the Underwater HVDC Transmission Line; and

WHEREAS, the holder of the Series 2022 Bonds has given its consent to the amendment of the Tenth Supplemental Resolution and the Loan Agreement to permit the Authority to use a portion of the proceeds of the Series 2022 Bonds to fund a portion of the State Match requirement for the funding of the Underwater HVDC Transmission Line; 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, in order 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 BPMC desires to confirm and support the Authority 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;

WHEREAS, the proceeds of the Series 2022 Bonds deposited in the Eleventh Series Construction Account have been allocated by AEA and the BPMC such that approximately $90MM is intended for Soldotna-to-Sterling-to-Quartz upgrades, $20MM for the GRIP HVDC project, $28MM for utility-owned BESSs, and an additional $30MM for the GRIP HVDC project; 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 BRADLEY LAKE MANAGEMENT COMMITTEE, AS FOLLOWS:

BE IT RESOLVED THAT the BMPC incorporates the above recitals into this resolution as if fully set forth herein.

BE IT RESOLVED THAT the BPMC approves the amendment of the Tenth Supplemental Resolution and certain other agreements related to the Series 2022 Bonds that are necessary or desirable 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.

BE IT RESOLVED THAT all prior resolutions of the BPMC or any parts thereof in conflict with the foregoing resolutions are hereby repealed to the extent of such conflict.

DATED at Anchorage, Alaska, this ____ day of February 2025.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE

Chair

ATTEST:

Secretary

4126-8118-6133.3