

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G20-22

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY APPROVING FINANCING OF A
QUALIFIED ENERGY DEVELOPMENT FOR BRADLEY LAKE
HYDROELECTRIC PROJECT, SSQ LINE ACQUISITION**

WHEREAS, Alaska Energy Authority (“AEA”) is proposing to acquire Homer Electric Association’s (“HEA”) approximately 39.3 mile 115 kV electricity transmission line system between the Sterling Substation and Quartz Creek Substation (“SSQ Line”) and all associated rights of way and permits, as part of the Bradley Lake Hydroelectric Project (“Bradley Project”);

WHEREAS, AEA has applied to the Alaska Industrial Development and Export Authority (the "Authority") for a loan to fund a portion of the Bradley Project;

WHEREAS, AEA is requesting the Authority provide \$16 million plus the costs of issuance and necessary reserves of the required financing for the Project;

WHEREAS, the Authority's loan to AEA would be on terms and conditions as set out in the memorandum that staff has provided to the Board;

WHEREAS, the staff of the Authority has completed due diligence of the Bradley Project and the proposed loan and the staff has prepared a finance plan for the Bradley Project that has been furnished to the Board;

WHEREAS, the Investment Committee of the Authority evaluated the Bradley Project and the proposed loan pursuant to the Authority’s regulations and the Investment Committee recommended that the Authority proceed with providing loan for the Bradley Project;

WHEREAS, the loan to AEA for the Bradley Project qualifies under the Sustainable Energy Transmission and Supply Development Fund (“SETS”), AS 44.88.650-44.88.690; and

WHEREAS, the Bradley Project is a suitable one for the Authority to assist in financing and is in furtherance of the Authority’s statutory purpose of promoting, developing and advancing the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment, and to create additional employment.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. The Authority is authorized to provide a loan of \$16 million plus the costs of issuance and necessary reserves to AEA as financing of a qualified energy development for the Bradley Project. The finance plan for the Bradley Project submitted to the Board is approved.

Section 2. The Executive Director of the Authority is authorized to complete the negotiations on all the agreements related to the Authority providing the loan to AEA. The final loan documents shall be on the same terms outlined in the Term Sheet provided to the Board, or with non-material modifications to those terms as the Executive Director, in his discretion, determines to be appropriate.

Section 3. The Executive Director is authorized to execute the final agreements and other loan documents regarding the Authority providing financing for a qualified energy development to AEA for the Bradley Project. The Executive Director may expend \$16 million plus the costs of issuance and necessary reserves from the Economic Development Account of the Authority's Revolving Fund and transfer such funds to SETS to provide the financing for the Bradley Project in accordance with the final agreements. The Executive Director is further

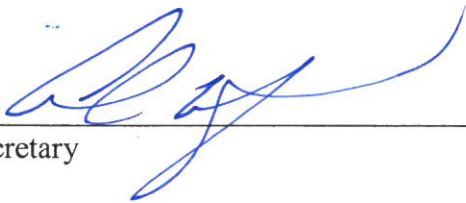
authorized to take all other steps that are necessary or desirable to provide the financing for the Bradley Project and to perform the Authority's obligations under the final agreements.

Dated at Anchorage, Alaska, this 5th day of August, 2020.





Chair



Secretary