

BOROUGH OF CATAWISSA, PENNSYLVANIA**ORDINANCE NO. 04-2019****TO APPROVE THE FORM AND
AUTHORIZE THE EXECUTION OF A POWER SALES CONTRACT WITH
AMERICAN MUNICIPAL POWER, INC. AND
TAKING OTHER ACTIONS IN CONNECTION THEREWITH
REGARDING PARTICIPATION IN THE
AMP R.I.C.E. PEAKING PROJECT**

WHEREAS, the Borough of Catawissa, Pennsylvania (“hereinafter Municipality”) owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to do so in the future, economical and reliable power and energy from, or arranged by, American Municipal Power, Inc. (hereinafter “AMP”), of which Municipality is a Member; and

WHEREAS, Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, AMP is an Ohio nonprofit corporation, organized to own and operate facilities, or to provide otherwise, for the generation, transmission or distribution of electric power and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis, for the mutual benefit of its Members, such Members, including the Municipality, being, and to be, political subdivisions of their respective states that operate, or whose members operate, electric systems in, as of the date of adoption hereof, Delaware, Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia and West Virginia; and

WHEREAS, each of the Members owns and operates its electric system for the benefit of its customers; and

WHEREAS, certain of the Members, including the Municipality, have determined it requires additional, long-term sources of reliable, environmentally sound and reasonably priced electric capacity and energy and has requested that AMP arrange for the same; and

WHEREAS, in furtherance of such purpose, Municipality, along with other Members, (collectively "Participants") request and AMP agrees and intends to finance, construct, operate and own certain reciprocating internal combustion engine systems, to be known collectively as the American Municipal Power R.I.C.E. Peaking Project (as hereinafter defined, "AMP R.I.C.E. Peaking Project"); and

WHEREAS, AMP has resolved, in accordance herewith, to develop, including, as appropriate, the financing, acquisition, construction, ownership and operation of, and arrangements for the acquisition, financing, payment and prepayment of fuel for, its ownership interest in the AMP R.I.C.E. Peaking Project (the "Project") as well as other arrangements related thereto, which AMP and, in certain cases, the Participants, deem necessary to enable AMP to fulfill its obligations hereunder to sell and transmit, or otherwise make available, electric capacity and energy to the Participants pursuant to the AMP R.I.C.E. Peaking Project Power Sales Contract (hereinafter "PSC"); and

WHEREAS, in order to obtain such sources of electric capacity and energy, the Participants are willing to pay AMP for their respective rights to such electric capacity and energy and transmission service at rates that are sufficient, but only sufficient, to enable AMP to (i) recover all costs and expenses incurred with respect to, and arrangements for the acquisition, financing, payment and prepayment of fuel for, the Project as set forth herein, all other Power Sales Contract Resources obtained by AMP to supplement the Project, and related service arrangements undertaken by AMP to enable it to fulfill its obligations hereunder, and (ii) recover any other expenditures or revenues authorized hereunder.

NOW, THEREFORE, BE IT [ORDAINED/RESOLVED] BY THE BOROUGH COUNCIL OF THE BOROUGH OF CATAWISSA, PENNSYLVANIA:

SECTION 1. That the PSC between Borough and AMP, substantially in the form attached hereto as Exhibit 1 [or on file with the Clerk] including Appendices thereto is approved, and the Mayor of Borough is hereby authorized to execute and deliver such Power Sales Contract, with such changes as the Mayor may approve as neither inconsistent with this [Ordinance/Resolution] nor materially detrimental to the Borough, his or her execution of the PSC to be conclusive evidence of such approval.

SECTION 2. That the Mayor is hereby authorized to acquire on behalf of the Borough, as a Participant, as defined in the PSC, Power Sales Contract Resources (hereinafter "PSCR

Share”), as defined in the PSC, without bid, from AMP and to execute and deliver any and all documents necessary to become a Participant in the AMP R.I.C.E. Peaking Project pursuant to the conditions set forth herein and in the PSC and to carry out its obligations thereunder.

SECTION 3. That it is further acknowledged and understood that because the Participants will finalize the precise PSCR Share to be acquired by each Participant electing to enter into the PSC after all such Participants execute and deliver the PSC, the Mayor in connection with the execution and delivery of the PSC, is authorized and directed to determine and acquire Borough’s PSCR Share (not taking into account the Step-Up as defined in the PSC), of up to a nominal amount of 500 kilowatts, after consultation with AMP and the other Participants regarding the PSCR Share available pursuant to said PSC, such PSCR Share to be set forth in Appendix A of the PSC, such determination as to such PSCR Share being conclusively evidenced by the adoption of Appendix A to the PSC, as authorized therein.

SECTION 4. That the Mayor of this Borough, as a part of such officer’s official duties, is hereby appointed as Borough’s representative for any meetings or determinations of the Participants or the Participants Committee pursuant to the PSC and is authorized and directed, acting for, in the name of and on behalf of this Borough, to vote Borough’s PSCR Share with regard to any determinations regarding the AMP R.I.C.E. Peaking Project as set forth in the PSC.

SECTION 5. That the Mayor may appoint, in writing from time to time as necessary, another representative of the Borough as his or her alternate to carry out the duties set forth in Section 4 hereof.

SECTION 6. That the PSC requires the Borough to assume take-or-pay obligations, that such obligations are expressly authorized hereby and that the Mayor of the Borough is hereby authorized to enter into such take-or-pay arrangement on behalf of the Borough.

SECTION 7. That any competitive bidding requirement that may be associated with this purchase is hereby waived.

SECTION 8. That it is found and determined that all formal actions of this Borough Council concerning and relating to the passage of this [ordinance or resolution] were taken in conformance with applicable open meetings laws and that all deliberations of this Borough Council and of any committees that resulted in those formal actions were in compliance with all legal requirements including any applicable open meetings requirements.

SECTION 9. If any section, subsection, paragraph, clause or provision or any part thereof of this [ordinance or resolution] shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this [ordinance or resolution] shall be unaffected by such adjudication and all the remaining provisions of this [ordinance or resolution] shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 10. Pursuant to 8 Pa.C.S.A. § 1402, competitive bidding is not required on the Municipality's purchase of power and energy, through the PSC.

SECTION 11. That this [ordinance or resolution] shall take effect at the earliest date allowed by law.

ENACTED AND ORDAINED this 5th day of August, 2019.

ATTEST:

CATAWISSA BOROUGH COUNCIL

Connie M. Cole
Secretary Connie M. Cole

Doug Krum
Council President Doug Krum