

**NORTHWEST INTERGOVERNMENTAL ENERGY SUPPLY  
RESOLUTION NO. #2021-01**

**A RESOLUTION AUTHORIZING PAYMENT OF INCREMENTAL TRANSACTION  
COSTS**

**WHEREAS**, the City of Cheney, Washington (“Cheney”) is a member of the Northwest Intergovernmental Energy Supply (“NIES”); and

**WHEREAS**, pursuant to a Joint Resource Planning and Acquisition Agreement (“JRPAA”) dated December 10, 2014, and a Master Resource Agreement (“MRA”) dated January 10, 2017, Cheney has elected to participate in one (1) MW of a wholesale power transaction between NIES and Transalta Energy Marketing (U.S.) Inc. (“Transalta”) that was confirmed on February 16, 2017 (“Transalta Transaction”); and

**WHEREAS**, Inland Power and Light Company (“Inland”) is a member of the Northwest Energy Supply Cooperative (“NESC”); and

**WHEREAS**, pursuant to a JRPAA dated December 10, 2014, and an MRA dated November 16, 2017, Inland has elected to participate in five (5) MW of a wholesale power transaction between NESC and Shell Energy North America that was confirmed on November 5, 2019 (“Shell Transaction”); and

**WHEREAS**, the Northwest Energy Management Service (“NEMS”) provides wholesale power supply management services with respect to the Shell Transaction and the Transalta Transaction, and allocates costs associated with such transactions to the participating members of NIES and NESC; and

**WHEREAS**, NEMS will realize certain administrative efficiencies by consolidating deliveries under the Transalta Transaction with other deliveries by Transalta to Inland; and

**WHEREAS**, the administrative efficiencies to be realized by NEMS by consolidating power deliveries will ultimately benefit NIES and NESC and their respective members; and

**WHEREAS**, upon request of NEMS, Cheney and Inland have negotiated and executed an agreement to exchange with each other the one (1) MW of power that Inland is entitled to receive pursuant to the Shell Transaction for the one (1) MW of power that Cheney is entitled to receive pursuant to the Transalta Transaction (“Location Exchange Agreement”); and

**WHEREAS**, as a condition of execution the Location Exchange Agreement, the Parties thereto have requested that NEMS allocate to NESC and NIES on an equitable basis any additional costs, fees, charges, or penalties under the Shell Transaction or the Transalta Transaction that is incremental to those that would have been incurred by the Parties absent the Location Exchange Agreement (“Incremental Transaction Cost”); and

**WHEREAS**, in recognition of the benefits that will be realized by NEMS and NIES by and through the Location Exchange Agreement, the members of NIES wish to authorize NIES to

pay any Incremental Transaction Costs equitably allocated by NEMS to NIES.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Northwest Intergovernmental Energy Supply as follows:

- (1) That Board of Directors of the Northwest Intergovernmental Energy Supply hereby finds that the administrative efficiencies to be realized by the Northwest Energy Management Service pursuant to the Location Exchange Agreement will benefit the Northwest Intergovernmental Energy Supply and its members.
- (2) That Board of Directors of the Northwest Intergovernmental Energy Supply hereby approves payment of any and all Incremental Transaction Costs that may be equitably allocated by the Northwest Energy Management Service to the Northwest Intergovernmental Energy Supply.
- (3) The Board of Directors of the Northwest Intergovernmental Energy Supply hereby authorizes a credit in the amount of one thousand dollars (\$1000) to be applied towards Cheney's FY 2022 power supply costs in consideration of Cheney's work to negotiate, execute, and implement the Locational Exchange Agreement.
- (4) The Board of Directors of the Northwest Intergovernmental Energy Supply hereby authorizes and directs the President of the Board to take such additional actions, and to complete, execute and deliver such other documents and instruments, as may be necessary or appropriate to carry out the intent of this Resolution.

**APPROVED** and **ADOPTED** this September 1, 2021.

NORTHWEST INTERGOVERNMENTAL ENERGY SUPPLY

  
Michele Patterson (Sep 9, 2021 08:43 PDT)

ATTEST:

Michele Patterson, President

  
Kevin Wells (Sep 9, 2021 08:46 PDT)

Kevin Wells, Secretary/Treasurer








# NIES Resolution 2021-01 Cheney Inland Locational Exchange

Final Audit Report

2021-09-09

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