

**THIRD AMENDMENT TO
POWER PURCHASE AGREEMENT
BETWEEN
CONTINENTAL DIVIDE ELECTRIC COOPERATIVE, INC.
AND
CITY OF GALLUP**

This Third Amendment to the Power Purchase Agreement (PPA) is made and entered into this 16th day of May, 2022, by and between Continental Divide Electric Cooperative, Inc., a New Mexico cooperative corporation (CDEC or the Seller) and the City of Gallup a municipal corporation that operates a municipal electric utility engaged in the distribution of electric power and energy in McKinley County in the State of New Mexico, (City or the Buyer). CDEC and the City are sometimes referred to individually as a "Party" and collectively as the "Parties". Capitalized terms not otherwise defined in this First Amendment have the meanings given to them in the Original Agreement.

WHEREAS, CDEC and the City entered into a Power Purchase Agreement dated March 25, 2014, hereinafter referred to as the "Original Agreement", whereby CDEC agreed to provide long term wholesale power supply and scheduling services to the City; and

WHEREAS, Section XXV.E. of the Original Agreement provides that the Purchase Power Agreement may be amended only by a written document signed by both Parties; and

WHEREAS, the Original Agreement was amended June 12, 2014 (First Amendment) and was amended again on July 13, 2017 (Second Amendment); and

WHEREAS, as permitted in Section VIII.B. of the the Original Agreement, the City has previously opted to conduct its own, or contract with a third party for, Near Term forecasts; and

WHEREAS, CDEC and Gallup desire to amend the Original Agreement as amended by the First and Second Amendments to recognize a new Western Area Power Administration Supplemental Contract, Contract No. 22-SLC-1099 dated April 1, 2022.

NOW, THEREFORE, in consideration of the premises and mutual obligations herein, the Parties hereto do mutually agree as follows:

1. Section I.II and Section I.JJ of the Original Agreement are hereby deleted in their entirety and replaced with the following:
 - II. Western Contract means the (a) City's Contract No. 87-SLC-0017 dated March 13, 1989 and Amendment No. 5 dated September 20, 1999 with Western and (b) City's

Contract No. 17-SLC-0888 dated May 8, 2018 with Western for delivery commencing on October 1, 2024.

JJ. Western Hydropower means the City's allocation of preference power from Western, in accordance with the Western Contract, and, the City's allocation of firm project use electric power from Western in accordance with the Western Supplemental Contract for which the amounts of capacity and energy are shown in Revised Exhibit B.

2. A new definition at Section I, Definitions is added as follows:

LL. Western Supplemental Contract means the City's Contract No. 22-SLC-1099 dated April 1, 2022, and any amendments thereto, with Western providing for the delivery of firm, project use power (i.e. not surplus power) for use to serve the Project (as defined in the Western Supplemental Contract) load, which the amounts of firm capacity and energy are shown in Revised Exhibit B, but shall not exceed 1,250,000 kWh in any month.

3. Section V, Western Hydropower of the Original Agreement is hereby deleted in its entirety and replaced with the following:

V.

A. Commencing May 1, 2022, the City agrees to remit \$2,500.00 monthly to CDEC, for the term of this Agreement, for the scheduling of the Western Supplemental Contract.

B. The City will provide CDEC with schedules of the Western Hydropower, as identified in Revised Exhibit B in accordance with the provisions of Section VIII.D. of this Agreement. The City will deliver to CDEC, within five (5) Business Days, copies of any update or amendment to the Western Contract and the Western Supplemental Contract.


4. Section VIII.A.1 of the Agreement as amended is hereby deleted in its entirety and replaced with the following:

1. The Western Scheduling Agent will schedule the City's Western Hydropower allocations from Western to the City in accordance with the Western Contract and the Western Supplemental Contract; provided that, with the respect to the Western Supplemental Contract, such responsibility of the Western Scheduling Agent does not commence until the City has submitted an Agency Letter to Western for the Western Supplemental Contract and Western acknowledges the appointment of the Western Scheduling Agent for the Western Supplemental Contract.

5. In accordance with Section XXV.E of the Original Agreement, revised Exhibits A and B are attached hereto and each Party acknowledges and agrees with the content of such exhibit.
6. This Agreement shall not become effective or binding until all required signatures have been obtained.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to the Power Purchase Agreement to be executed this 16th day of May, 2022.

**CONTINENTAL DIVIDE ELECTRIC
COOPERATIVE, INC.**

By: 
Name: Robert E. Castillo
Title: CEO and General Manager

City of Gallup

By: _____
Name: _____
Title: Mayor

ATTEST: _____
City Clerk

EXHIBIT A, REVISION 3

DELIVERY POINTS, METERING POINTS AND GENERATION RESOURCES

1. Delivery Points

The Delivery Points for CDEC to sell and deliver, and the City to receive and purchase are:

Under the City's NITSA with PNM, where they are identified as "points of receipt" or "POR":

- A. Ambrosia 230 kV switchyard
- B. San Juan 345 kV switchyard
- C. Blue Water 115 kV switchyard

Note: The City is responsible for obtaining PTP transmission service in accordance with Tri-State's OATT from the Ambrosia 230 kV switchyard to Gallup.FTM (the 115kV terminal of the Mendoza substation) in reserved capacity amounts sufficient to supply the City's peak load as to be determined by the City.

2. City Metering Points

The following is a list of the City's Metering Points:

METERING POINT	MEASUREMENT VOLTAGE AND LOCATION
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The 13.8kV transformer terminals at PNM's Allison substation.	13.8 kV bus, Allison substation
The 13.8kV transformer terminals at PNM's Noe substation.	13.8 kV bus, Noe substation
The 13.8kV transformer terminals at PNM's Sunshine substation.	13.8 kV bus, Sunshine substation
The 13.2kV transformer terminals at PNM's Mendoza substation.	13.2 kV bus, Mendoza substation

3. Designated Network Resources

Under the City's NITSA with PNM, the Designated Network Resources ("DNR") shall be this Agreement.

The generation resources to be used by Seller to provide Firm Power to Buyer include, but shall not be limited to:

A. Springerville Unit #3

Seller reserves the right to deliver energy to Buyer from purchases of energy generated by resources other than those shown in this Exhibit A.

Exhibit B, Revision 1 (Revised Exhibit B)

Summer Season Attachment to Exhibit A - Monthly Capacity and Energy Table

Gallup, NM (City of)
Contract No. 87-SLC-0017

Year:

CAPACITY (KW)

	CROD	SHP	AHP	Minimum*	CDP**
April	3,198	1,599	1,599	509	
May	3,198	1,527	1,527	569	
June	3,198	1,582	1,582	666	
July	3,198	1,818	1,818	824	
August	3,198	1,753	1,753	800	
September	3,198	1,518	1,518	606	

ENERGY (KWH)

	SHP	AHP	WRP On Peak (kWh)	WRP Off Peak (kWh)	WRP Total (Not to Exceed)
April	1,059,693	1,059,693			(1,242,867)
May	1,106,433	1,106,433			(1,272,879)
June	1,123,290	1,123,290			(1,179,270)
July	1,185,355	1,185,355			(1,193,957)
August	1,175,393	1,175,393			(1,203,919)
September	1,088,999	1,088,999			(1,213,561)
		6,739,163			

Winter Season Attachment to Exhibit A - Monthly Capacity and Energy Table

Gallup, NM (City of)
Contract No. 87-SLC-0017

Year:

CAPACITY (KW)

	CROD	SHP	AHP	Minimum*	CDP**
October	3,341	1,779	1,779	611	
November	3,341	1,866	1,866	624	
December	3,341	2,093	2,093	830	
January	3,341	2,079	2,079	794	
February	3,341	2,049	2,049	842	
March	3,341	1,834	1,834	663	

ENERGY (KWH)

	SHP	AHP	WRP On Peak (kWh)	WRP Off Peak (kWh)	WRP Total (Not to Exceed)
October	1,144,744	1,144,744			(1,340,960)
November	1,140,913	1,140,913			(1,264,607)
December	1,284,964	1,284,964			(1,200,740)
January	1,189,952	1,189,952			(1,295,752)
February	1,076,550	1,076,550			(1,168,602)
March	1,096,322	1,096,322			(1,389,382)
		6,933,445			

Gallup, NM (City of)
Contract No. 22-SLC-1099

Month	Capacity (kW)	Energy (kWh)	Month	Capacity (kW)	Energy (kWh)
April	2000	1,250,000	October	2000	1,250,000
May	2000	1,250,000	November	2000	1,250,000
June	2000	1,250,000	December	2000	1,250,000
July	2000	1,250,000	January	2000	1,250,000
August	2000	1,250,000	February	2000	1,250,000
September	2000	1,250,000	March	2000	1,250,000