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Corp. RECEIVED

Friday, February 2, 2024 2:01PM
IDAHO PUBLIC
UTILITIES COMMISSION

February 2, 2024

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Bldg. 8, Ste. 201-A
Boise, Idaho 83714

RE: AVU-E-23-15 – Amendment No. 4 to Power Purchase Agreement between Avista Corporation and Clearwater Paper Corporation

Included for filing with the Commission is the electronic copy of Avista Corporation and Clearwater Paper Corporation's Amendment No. 4 to the Power Purchase and Sale Agreement.

Should you have any questions regarding this filing, please do not hesitate to call Michael Andrea at (509) 495-2564. Thank you in advance for your assistance.

Sincerely,

/s/ Paul Kimball

Paul Kimball
Mgr. of Compliance & Discovery

Enclosures

AMENDMENT NO. 4

This Amendment No. 4 (“Amendment No. 4”) dated February 2nd, 2024 to the Power Purchase and Sale Agreement (“Agreement”), is entered into by and between Avista Corporation (“Avista”) and Clearwater Paper Corporation (“Clearwater”). Avista and Clearwater are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, in 2018, the Parties entered into the Agreement and the Agreement was filed with the Commission for approval on November 29, 2018;

WHEREAS, the Commission approved the Agreement in Order No. 34252;

WHEREAS, upon issuance of Commission Order No. 34252, the Agreement became effective on February 27, 2019, and was to expire by its terms on December 31, 2023;

WHEREAS, on October 2, 2023, the Parties entered into Amendment No. 1 to amend the Agreement to extend the Term for three additional years;

WHEREAS, on November 26, 2023, the Parties entered into Amendment No. 2 to (i) correct references to Amendment No. 1 to the REC Agreement, (ii) update Exhibit F to the Agreement with Revised Exhibit F that includes Amendment Nos. 1 and 2 to the REC Agreement, and (iii) update and corrects the definition of “REC Agreement”; and

WHEREAS, on December 29, 2023, the Commission issued Order No. 36046 extending the Agreement through December 31, 2026 subject to further compliance filing;

WHEREAS, on January 19, 2024, the Parties entered into Amendment No. 3 to comply with Order No. 36046;

WHEREAS, the Parties now desire to submit this Amendment No. 4 to correct Revised Exhibit B to the Agreement, which is attached to Amendment No. 3.

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. The sections of Revised Exhibit B entitled “*Power Purchase Payment Rate*” and “*Schedule 25P Rates Pursuant to Section 7 of the Agreement*”, including footnotes 1 and 2, are deleted and replaced in their entirety with the following sections:

Power Purchase Payment Rate

As provided in Section 7 of this Agreement, Avista agrees to buy the amount of energy equal to the Delivered Net Output at the Schedule 25P Block 2 PURPA rate, which is the Schedule

25P Block 2 Generation Load rate less the gross up for revenue related expenses associated with Commission Fees), as may be amended and approved by the Commission from time-to-time, which is currently \$36.17 per MWh.

Schedule 25P Rates Pursuant to Section 7 of the Agreement

The Parties have agreed that Clearwater will be subject to Schedule 25P base rates as follows¹:

- The first 3,000 kVA would continue to be covered under a monthly flat rate of \$16,000 per month.
- The next 52,000 kVA would be billed at the current 1st Block volumetric demand rate of \$5.75 per kVA, and *all* remaining kVA would be billed at the current 2nd Block volumetric demand rate of \$3.00 per kVA. The calculation of demand is provided in Exhibit D.
- The retail energy rate that captures Clearwater's load at the retail meter will be priced at the existing Schedule 25P energy rate. That rate is now described as Block 1 Net Retail Load.

The above three bullets maintain the status quo from a billing perspective between the present Electric Service Agreement and this new Power Purchase and Sales Agreement.

- Under the terms of this Agreement, Avista has revised Schedule 25P to include a new energy block - Block 2 Generation Load - for the sole purpose of capturing Clearwater's generation load measured at the generation meter. The Block 2 Generation Load rate (less the gross up for revenue related expenses associated with Commission Fees) will capture Clearwater's generation load at the generation meter priced at the PURPA contract rate of \$0.03617 per kWh.² The Block 2 Generation Load rate ensures that the price of energy sold to Clearwater is equal to the price paid for the energy delivered to Avista by Clearwater.

Clearwater and Avista understand that demand and energy rates may change from time to time during the term of the Agreement as approved by the Commission. Pages 1-2 of Exhibit B to the Agreement is the draft form of Schedule 25P that would be filed with the Commission prior to the Effective Date of the Agreement.

¹ Base rates refer to the prices detailed on Schedule 25P which recover the Company's costs related to generation, transmission, distribution and common costs. Base rates do not include other tariffs, such as Schedule 66 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider Adjustment), or any other tariffs that are added to, or subtracted from, base rates for purposes of developing overall billing rates.

² The Block 2 Generation Load rate (less the gross up for revenue related expenses associated with Commission Fees) of \$0.03617 per kWh includes both energy and demand related costs associated with serving Clearwater's generation load.

2. Except as expressly amended by the provisions set forth in this Amendment No. 4, all of the terms and conditions of the Agreement shall remain in full force and effect following

AMENDMENT NO. 4 TO POWER PURCHASE AND SALE AGREEMENT BETWEEN AVISTA CORPORATION AND CLEARWATER PAPER CORPORATION

execution of this Amendment No. 4 and each Party confirms, ratifies and approves the Agreement as amended. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Agreement. As of the effective date of Amendment No. 4, this Amendment No. 4 is hereby incorporated in and made part of the Agreement.

3. This Amendment No. 4 may be executed in two (2) or more counterparts, each of which shall be deemed as an original and together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first set forth above.

AVISTA CORPORATION

CLEARWATER PAPER CORPORATION

By: Kevin Holland

By: Jamie McDonald

Printed Name: Kevin Holland

Printed Name: Jamie McDonald

Title: Director of Energy Supply

Title: Vice President of Procurement