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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for GeoBitmine LLC

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE) **CASE NO. IPC-E-21-37**
APPLICATION OF IDAHO POWER)
COMPANY FOR AUTHORITY TO) PETITION FOR RECONSIDERATION
ESTABLISH A NEW SCHEDULE TO) OF GEOBITMINE LLC AND
SERVE SPECULATIVE HIGH-DENSITY) PETITION FOR INTERVENTION AS
LOAD CUSTOMERS) A PARTY
)
)
)

COMES NOW, GeoBitmine LLC (“GeoBitmine”), and pursuant to Rules 33, 71-72, and 331 of the Idaho Public Utilities Commission’s (“Commission”) Rules of Procedure and pursuant to Idaho Code § 61-626 and herby respectfully lodges its Petition for Reconsideration of Order No. 35428 issued on June 15, 2022, and Petition to Intervene, in the above captioned matter. GeoBitmine is a prospective customer of Idaho Power, and Idaho Power has recently informed GeoBitmine that the newly approved Schedule 20 will apply to GeoBitmine. For the reasons set forth in detail below, GeoBitmine requests reconsideration of Order No. 35428. As is detailed below, the Commission’s approval of Idaho Power Company’s (“Idaho Power” or the

“Power Company”) Application¹ to implement Schedule 20² is mistaken, unreasonable, unlawful, erroneous and not in conformity with the law.³ Commission Rule of Procedure 331 requires that GeoBitmine state the nature and extent of evidence or argument it will present or offer if reconsideration is granted. GeoBitmine does not believe that an evidentiary hearing is necessary for the Commission to reconsider its order and to now reject/deny Idaho Power’s Application. Rehearing of the Commission’s decision may be had by legal briefing.

I. INTRODUCTION

a. The GeoBitmine Business Model

GeoBitmine LLC, is a Puerto Rican limited liability company that is duly qualified to do business in the State of Idaho. GeoBitmine pursues a unique business model of combining cryptocurrency mining operations with high-capacity indoor farming technology. GeoBitmine uses this creative synergistic approach to utilizing waste energy from crypto mining to sustain year-round greenhouse farming operations. GeoBitmine’s business model focuses on locating facilities in rural agricultural regions which encourages the development and investment in infrastructure while at the same time creating local jobs and reducing the distance it takes for food to get from farm-to-table. GeoBitmine’s patent-pending system of crypto mining and high-capacity indoor farming systems are called “Geo Datapods.” Attached at Exhibit 1⁴ is a twenty-four-page slide deck describing in the GeoBitmine business model.

¹ In the Matter of the Application of Idaho Power company for Authority to Establish a New Schedule to Serve Speculative High-Density Load Customers. Case No. IPC-E-21-37. Herein “Application.”

² I.P.U.C. No. 29, Tariff No. 101, Schedule 20 SPECULATIVE HIGH-DENSITY LOAD. Herein “Schedule 20.”

³ Idaho Code Section 61-626

⁴ Although footnoted as ‘confidential’ this material is in the public domain, albeit proprietary.

b. GeoBitmine's Proposed Aberdeen, Idaho Facility

For the past several months GeoBitmine has been in the process of developing its unique cryptocurrency mining operation in conjunction with high-capacity indoor farming at the recently idled J. R. Simplot Company potato processing plant in Aberdeen, Idaho. The Simplot Aberdeen facility has several potato cellars, some of which are now vacant and some of which are still used for potato storage. Initially, the proposed GeoBitmine facility at the Simplot site would consist of 3 Geo Datapods adjacent to an approximately thirty-thousand square foot potato cellar owned by the J. R. Simplot Company which the University of Idaho Research and Extension School is planning on using for academic seed research. The potato cellar will ultimately be used for high-intensity indoor commercial food production by utilizing waste heat from the cryptocurrency Geo Datapods which will produce a temperate year-round growing climate. In addition to providing a temperate climate for the University of Idaho's research station and food production, the waste heat from the cryptocurrency Geo Datapods will be utilized to condition the air in Simplot's potato cellar(s) that are still actively being used for potato storage. The combination of the utilization of the Geo Datapod waste heat for conditioning the climate in the potato cellars and seed research facility and indoor food production operations along with the crypto currency mining operation is akin to the mature technology known as cogeneration in the power generation business. In short, it is a highly efficient and economically multiplying use of the energy initially provided by the local electric utility.

GeoBitmine was invited to explore expansion opportunities in Eastern Idaho by, and with assistance of, REDI⁵ and was introduced to the J. R. Simplot Company via officials from Bingham County. To facilitate GeoBitmine's relationships with the J. R. Simplot Company and the University of Idaho in the co-location of cryptocurrency mining operations with indoor food production, University of Idaho seed research and Simplot potato storage in Aberdeen, Idaho it is necessary for GeoBitmine to secure a year-round reliable source of electrical power that is available, (and priced), on a basis that is comparable to the other large power service customers served by Idaho Power on its electrical grid.

c. Idaho Power's Response to GeoBitmine's Service Inquires

Beginning in approximately April of this year GeoBitmine began negotiations with Idaho Power to secure electric service to the combined cryptocurrency mining/indoor farm operation at Aberdeen, Idaho. The facility would have a consistent year-round electrical load of approximately 6,000 kW, which would be sufficient electrical power and energy to operate both cryptocurrency and indoor farming/university research operations. A 6,000 kW year-round electrical load means that the Facility would qualify for service under Idaho Power's Schedule 19, Large Power Service tariff.⁶ Initially, negotiations with Idaho Power for the proposed cryptocurrency/farming operation appeared to be progressing in a mutually satisfactory manner. Most recently, however, Idaho Power has taken the position that its newly approved Schedule 20 (the "Speculative High-Density Load" tariff) will apply to any electrical service it provides to the GeoBitmine Facility. However, Schedule 20's rates and terms of service make it impossible to

⁵ REDI is the lead economic development organization for Eastern Idaho. See <https://www.rediconnects.org/about-us/>

⁶ Idaho Power's Schedule 19 is attached hereto as Exhibit 2.

proceed with the GeoBitmine/J. R. Simplot/University of Idaho joint business venture's cryptocurrency/indoor farming/university research operations in Aberdeen, Idaho. For the reasons outlined below, Schedule 20 is problematic and unrealistic for GeoBitmine's proposed Idaho operations.

II.
SCHEDULE 20
PRACTICAL PROBLEMS

a. Continuity of Service

As opposed to creating a service schedule designed to accommodate the electric power and energy needs of its ratepayers, Idaho Power has designed Schedule 20 to discourage, indeed to make it impossible for new customers to take service from the utility. GeoBitmine's business model combines the cryptocurrency function of a bitcoin mining operation with local agricultural enterprises and, in this instance with the University of Idaho's agricultural research activities at its Research and Extension School. However, one of the primary provisions in Schedule 20 allows Idaho Power to, at its discretion, call "Interruption Events" for up to 225 hours a year. An Interruption Event results in the customer's facility literally going 'dark.' This is a non-starter from any prudent business perspective. Interruption Events can occur at any time during the afternoon and evenings in the summer months for up to ten hours any time Idaho Power, in the exercise of its discretion, chooses to trigger such an event. The loss of electricity during the hottest part of the day in the hottest months of the year will be catastrophic for indoor food production, potato storage and seed research facilities. Indeed, the very threat (or potential) of loss of electricity renders it impossible to secure financing or investment in GeoBitmine's proposed Aberdeen, Idaho operations. Reliability and continuity of service consistent with the levels of reliability and continuity of service Idaho Power offers its other customers is critically

important to GeoBitmine LLC and its waste heat off-taker business partners such as the J. R. Simplot Company and the University of Idaho's Research and Extension School.

b. Rates

Idaho Power proposes to charge GeoBitmine marginal energy rates which exposes GeoBitmine and its waste heat off-taker business partners' operations to the vagaries of the volatile and typically very expensive unregulated spot markets for electricity. None of Idaho Power's other rate schedules are assessed marginal energy prices. All of Idaho Power's other similarly situated ratepayers enjoy the benefits of an average or embedded cost for rate setting purposes. GeoBitmine's expected load of 6,000 kW coupled with an anticipated consistently favorable load utilization rate places it comfortably near the midrange of the usage parameters under of Idaho Power's existing Schedule 19, which accommodates loads of between 1,000 and 20,000 kW. Idaho Power's proposed marginal cost rate setting for just Schedule 20 places GeoBitmine at unique risk and at an extreme competitive disadvantage. The marginal pricing risk (independent, even, of the risk of summer curtailments) makes it difficult if not completely impossible to attract the necessary investment capital to bring GeoBitmine's business plan to fruition.

c. Discretion to Implement Schedule 20 – The Threshold Criterion

Another practical problem with Schedule 20 is the unfettered and unsupervised discretion that Idaho Power has been given to determine who is and who is not required to take service as a "Speculative High-Density Load" customer. For example, Schedule 20's Applicability section provides:

Service under this schedule is applicable and may be mandatory for Customers who have the ability to relocate quickly in response to short-term economic signals and meet four or more of the following criteria:

As explained above, GeoBitmine LLC's business model is akin to a cogeneration facility that operates in what is essentially a symbiotic relationship with the businesses/farms that consume the waste energy from the cryptocurrency operations. When making the determination as to whether the "Customers ... have the ability to relocate quickly" GeoBitmine's cryptocurrency operations (the Geo Datapods) cannot be analyzed in isolation from the entire proposed economic enterprise which necessarily includes its waste energy off-takers. Neither the J. R. Simplot Company's potato cellar nor the University of Idaho's Agricultural Extension Research School are able to "relocate quickly in response to short-term economic signals." Indeed, the University of Idaho is a state institution and its experimental research activities probably do not respond at all to short-term economic signals. Given the economically mutually dependent relationship between the Geo Datapods and the waste heat off-takers, it is apparent that none of the constituent parts are able to relocate "quickly in response to short term economic-signals." Despite the fact that GeoBitmine does not even meet this initial threshold criterion for the applicability of Schedule 20 – Idaho Power has made the arbitrary and unilateral finding that GeoBitmine is required to take service under the terms of Schedule 20.

Further muddying the waters in regard to the applicability of Schedule 20's threshold criterion is that it provides no definition as to exactly what a "short-term economic signal" is or how a "short-term economic signal" is measured. Schedule 20 also fails to define what is meant by a 'quick relocation.' Economic trends and signals can span periods of time as varied as hours, days, years and decades or even longer. A short-term economic signal to a macro economist may be as long as a several decades. Thus, there is no way to objectively determine what is meant in Schedule 20's reference to "short-term economic signals." The second part of the applicability test; "quick relocation," is equally problematic. A 'quick relocation' could take

place in a single day as with a residential tenant's rent-skip in the dark of the night or it may take several decades as did the transition of the Idaho economy from extraction-based industries to service-based industries. The lack of any certainty, or even any hint, as to the meaning of these terms makes it difficult (expensive), if not completely impossible, for potential investors to assume the risk of participating in GeoBitmine's proposed business venture in Aberdeen.

Compounding the uncertainty associated with the power company's failure to define the critical operative terms in the applicability section of Schedule 20, is the blanket discretion Idaho Power is given to initially determine whether or not the Schedule is "mandatory." Idaho Power's response to the following discovery question highlights this issue:

REQUEST FOR PRODUCTION NO. 7:⁷

The "Applicability" section of the Company's proposed Scheduled 20 at page 20-2 provides that, "*Service under this schedule is applicable to and may be mandatory for Customers who have the ability to*" Please reconcile the use of the two phrases "*is applicable to*" and "*may be mandatory.*" If the proposed schedule "*may be mandatory*" please explain who will make the determination as to when it is or, is not, mandatory and what criteria will be used in making the determination.

RESPONSE TO REQUEST FOR PRODUCTION NO. 7:

Idaho Power will determine whether service is mandatory under Schedule 20 based on an evaluation of the criteria outlined in the schedule's applicability section.

While a certain amount of flexibility may be useful in implementing a complex set of rules applicable to electric service, giving the regulated utility complete discretion to determine whether or not its tariffs are "mandatory" injects factual uncertainty and therefore imposes needless economic risk on potential customers who are evaluating locating in Idaho Power's

⁷ Idaho Power Company Response to First Production Request of the Industrial Customers of Idaho Power. Italicized and bold text in original, underscoring provided.

service territory. As discussed below, this uncertainty is compounded by the lack of definiteness in applying “the schedule’s applicability section.”

d. Discretion to Implement Schedule 20 – The ‘Four out of Seven’ Test

Once the murky threshold question of whether a Customer is able to “relocate quickly in response to short-term economic signals” has been answered (solely by Idaho Power and solely in Idaho Power’s discretion) then the question of the applicability of Schedule 20 issue is resolved by Idaho Power’s determination as to whether the prospective customer meets four-out-of-seven enumerated criteria. As with the threshold criterion, the criteria in the four-out-of-seven test are determined solely by Idaho Power and solely within Idaho Power’s discretion. Even so, in asserting that Schedule 20 applied to GeoBitmine’s proposed facility, Idaho Power did not inform GeoBitmine which of (or how many of) Schedule 20’s seven criteria apply to its proposed facility. Rather, the Power Company, simply asserted that Schedule 20 applies to GeoBitmine without individually justifying any, let alone four, of the seven criteria.

Because it has not specifically enumerated which of the seven criteria Idaho Power believes are applicable to GeoBitmine, it is impossible to analyze (critique or confirm) the power company’s conclusions. Regardless, however, five of the seven criteria are as distressingly vague as the threshold question has proven to be. The seven criteria are:

1. High energy use density;
2. High load factor;
3. Load that is portable and distributable;
4. Highly variable load growth or load reduction as an individual customer and/or in aggregate with similar customers in the Company’s service area;
5. High sensitivity to volatile commodity or asset prices;
6. Part of an industry with potential to quickly become a large concentration of

power demand;

7. Lack of credit history or ability to demonstrate financial viability.⁸

Only the first two criteria are subject to any objectively determinable standard. The remaining five criteria can be applied, depending upon the eye of the beholder, to practically every industry currently operating in Idaho Power's service territory. Indeed, the last five criteria are essentially meaningless absent some objective sideboards to instruct Idaho Power as to when they are to be triggered. For example, this concern is verified by the power company's response to a discovery question on criterion four, "Highly variable load growth or load reduction..."

REQUEST FOR PRODUCTION NO. 11:⁹

The fourth of the seven criteria is "Highly variable load growth or load reduction..." Proposed Schedule 20, however, does not define the phrase "Highly variable load growth or load reduction..." Please define or provide the criteria the Company will use in determining, what is "Highly variable load growth or load reduction..." for purposes of the applicability of proposed Schedule 20. Does the Company have load growth/variation criteria it intends to apply? If so, please describe the criteria intended to be applied.

RESPONSE TO REQUEST FOR PRODUCTION NO. 11:

The Company has not determined the specific load growth or variation criteria; rather, Idaho Power would evaluate the changes in requested load growth or load reductions from customers on a case-by-case basis.

Not only are the "specific criteria" for determining the applicability of this fourth item in the applicability section not defined, Idaho Power observes that they will never be defined. Indeed, they will only be "determined... from customers on a case-by-case basis." All of the final five criteria suffer similar fatal defects for vagueness. Critical operative terms are left undefined and Idaho Power is given cart blanc to determine which prospective customers it will allow to take

⁸ The seven criteria have been numbered sequentially for ease of reference. They are listed but not numbered in Schedule 20.

⁹ Idaho Power Company Response to First Production Request of the Industrial Customers of Idaho Power. Bold text in original.

service under Schedule 19 and which prospective customers it will force to take service under Schedule 20. Of course, the 'choice' to take service under Schedule 20 is a misnomer because with its interruptability and marginal pricing provisions Schedule 20 is nothing more than a Hobson's choice for prospective businesses looking to operate in Idaho.

III. PETITION FOR RECONSIDERATION

a. Legal Framework

The Commission exercises limited jurisdiction and has no authority other than that expressly granted to it by the legislature. *Washington Water Power v. Kootenai Environmental Alliance*, 99 Idaho 875, 591 P.2d 122 (1979). As a result, nothing is presumed in favor of its jurisdiction. *United States v. Utah Power & Light Co.*, 98 Idaho 665, 570 P.2d 1353 (1977). The Commission has jurisdiction over utility rate-making matters. *Idaho Code* § 61-502 *et seq.* However, in exercising authority over rates, the Commission is forbidden to allow preferential treatment, advantage, prejudice or disadvantage between ratepayers. *Idaho Code* § 61-315; *Idaho State Homebuilders v. Washington Water Power Co.*, 107 Idaho 415, 690 P.2d 350 (1984); *Building Contractors Assn of Southwestern Idaho, Inc., v. Idaho Public Utilities Commission*, 128 Idaho 534, 916 P.2d 1259 (1996).

b. Schedule 20 is an illegally discriminatory classification and hence in violation of law and beyond the Commission's authority to approve.

It is black letter utility law that the Commission may not approve, and utilities may not charge, rates that treat customers preferentially or to disadvantage some customers to the benefit of other, similarly situated, customers. Idaho Code Section 61-503 codifies this prohibition:

Discrimination and preference prohibited. – No public utility shall, as to rates, charges, service, facilities or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or

disadvantage. No public utility shall establish or maintain any unreasonable differences as to rates, charges, service, facilities or in any other respect, either as between localities or as between classes of service.

Thus, while it is clear that the Commission has the authority to set different rates and charges and establish different terms of service for different classes of customers, it is equally clear that the Commission may not allow a utility to differentiate rates and terms of service when doing so is preferential or discriminatory among various customers. As noted above, GeoBitmine's requested electric service parameters are not unusual. GeoBitmine requested electric service of only approximately 6,000 kW. In addition, GeoBitmine's electric power and energy would be utilized on a year-round basis with an attractive load factor.¹⁰ These requested service parameters are not unique and, in fact, fall almost exactly in the midpoint of eligibility for electric service under Idaho Power's existing Schedule 19.¹¹ There is nothing in GeoBitmine's service/usage request that is out of the ordinary or unusual when compared to Idaho Power's other Schedule 19 customers. In fact, there is nothing in GeoBitmine's service request that even remotely suggests it should be taking service under any schedule other than existing Schedule 19. Yet, Idaho Power's Schedule 20 grants preferential treatment to all of Idaho Power's other ratepayers (including its Schedule 19 ratepayers) by assessing marginal rates only to Schedule 20 and forcing just Schedule 20 ratepayers to suffer draconian interruptability provisions that are not also imposed on any other ratepayer class on Idaho Power's system.

¹⁰ Load factor is a measurement of the efficiency of electrical energy usage. It is calculated by taking the total electricity (kWh) used in the month, divided by peak demand (kW) multiplied by the number of days in the billing cycle and the total hours in a day.

¹¹ Schedule 19's usage parameters are between 1,000 kW and 20,000 kW. Schedule 19 does not impose load factor requirements other than for minimum eligibility to determine if the 1,000 kW threshold has been met.

The Idaho Supreme Court has provided ample guidance to the Commission as to the establishment of legitimate rate classification differences. In *Idaho State Homebuilders v.*

Washington Water Power, the Court made clear that:

A reasonable classification of utility customers may justify the setting of different rates and charges for the different classes of customers. Any such difference (discrimination) in a utility's rates and charges must be justified by a corresponding classification of customers that is based upon factors such as cost of service, quantity of electricity used, differences in conditions of service, or the time, nature and pattern of the use.¹²

Electric utility rate classes are distinguished based on the costs they impose on the utility for the provision of electric service and not on the nature of the widgets produced by the Power Company's ratepayers.

Schedule 20 suffers from the identical flaw the Supreme Court found unlawful in the *Homebuilders* case. Here Idaho Power is fearful that new load will cause upward pressure on its overall cost to serve by forcing it to acquire new, typically more expensive, resources. Hence it seeks to create a class of customers who are new to the system and who potentially utilize large amounts of electricity. The Idaho Supreme Court has repeatedly found such ratemaking schemes to be illegal:

In *Homebuilders*, Washington Water Power requested approval for a seasonal commodity rate that would serve as a signal to all electric customers regarding the utility's higher cost of resource supply in winter and thus encourage energy conservation...

The IPUC ...[adopted] a one-time, nonrecurring contribution charge ... for all new customers who used electricity for space heating....

The *Homebuilders* court concluded that the contribution charge unlawfully discriminated between Washington Water Power's "new" and "old" customers, rejecting the notion that only "new" customers are responsible for the level of resource demand in the winter months. *Id.* at 421, 690 P.2d at 356. Although the record established that increased demand necessitate an increased reliance on more expensive resources, the Court

¹² Emphasis provided, parenthetical in original text. Citations omitted. *Supra*, 107 Idaho at 417, 690 P.2d at 354.

concluded that the resultant increased costs did not equate with a “difference in criteria of cost of service or difference in condition of service as between the two classes.”¹³

Schedule 20, likewise, discriminates between “old” and “new” customers based solely on when they connect to the system and not on any different criteria of cost of service. The Commission should therefore reconsider its decision and deny Idaho Power’s request for approval of Schedule 20.

Schedule 20 was approved by the Commission in complete disregard for *any* of the five factors identified by the Supreme Court in the *Homebuilders* decision:

1. Cost of Service – no cost of service study has been completed for this alleged class of customers.¹⁴
2. The Quantity of Electricity used is well within ‘normal’ parameters for Schedule 19 customers.
3. GeoBitmine presents no unusual Differences in Conditions of Service.
4. There are no Time of use anomalies.
5. The Nature and Pattern of electric usage is very typical for any large high load factor industrial customer.

The Commission’s approval of Idaho Power’s proposed new rate class was arbitrary and illegal in that it failed to justify its decision on any of the parameters required of it in order to do so.

The Commission conceded, in its order, that neither it nor Idaho Power have any idea as to what costs should (or should not) be assigned to this purported class of customers. Hence neither Idaho Power nor the Commission have any idea whether or not this purported class of customers

¹³ *Bldg. Contrs. Ass’n v. Idaho PUC* 128 Idaho at 538. 916 P.2d at 1263.

¹⁴ In response to Staff Data Request no. 2 the Company admitted that “At the next general rate case, the Company would evaluate Schedule 20 cost assignment based on the class’s usage characteristics and system requirements as a stand-alone rate class... .”

can legally be singled out for different treatment from all other similarly situated Schedule 19 customers.

This fatal lack of analysis is highlighted by the Commission's order requiring Idaho Power to, at some unspecified time in the future, evaluate the cost to serve and usage characteristics of this new 'class' of customers:

We further direct the Company to collaborate with Staff after the Company evaluates cost assignments based on usage characteristics and system requirements under Schedule 20 and then assign cost and benefits incorporating interruption requirement parameters.¹⁵

Of course, on the record before it, the Commission is unable to distinguish Schedule 20's "usage characteristics" or its "system requirements" from any other similarly situated Schedule 19 customer. Indeed, in addition to the absence of such evidence in the record, Idaho Power's discovery responses even confirm that it has not even studied the critical question of what the rate/cost impact of its proposed new class of customers will have on its overall system:

Idaho Power has not studied how the overall system revenue requirement would be impacted as a result of introducing the proposed customer class. However, a future cost-of-service evaluation would be the appropriate study to determine how avoidance of the highest capacity hours, or the time of system peak, may result in lower cost assignment for those system components and how other customer classes may benefit as a result. The Company believes its proposal is a reasonable near-term offering until such a detailed study can be performed.¹⁶

Idaho Power's application therefore puts the proverbial cart before the horse. The Idaho Supreme Court requires a cost-of-service 'evaluation' to be completed in order to justify the creation of a new class of customers, but in this case Idaho Power concedes it has not even performed such a study, much less included such an analysis in the record for review and comment by affected parties. It is impossible to base a rate classification on a cost of service

¹⁵ Order No. 34528 at p. 7.

¹⁶ Idaho Power response to Industrial Customers of Idaho Power Data Request No. 4. GEOBITMINE LLC PETITION FOR RECONSIDERATION AND PETITION TO INTERVENE IN CASE NO. IPC-E-21-37 PAGE 15

study when no such study has been completed or even attempted. In sum, therefore, Schedule 20 is unlawfully discriminatory and must be rejected by the Commission on reconsideration.

- c. **The Commission has no factual record upon which to base its decision, and its order is lacking in sufficient findings of fact, unsupported by sufficient evidence, and based upon arbitrary reasoning.**

The Commission approved Schedule 20 with no understanding of the proposed rate class' usage characteristics and no understanding of the proposed rate class' system requirements.

There is no evidence in the record of Schedule 20's usage characteristics that distinguish it from Schedule 19. The Commission should therefore reconsider its order approving Schedule 20 because it violates the requirements that the Commission's orders include findings of fact, be supported by substantial evidence, and contain rational reasoning based upon such facts and evidence.

While the IPUC has broad powers, "the discretion given the Commission is not absolute[.]" and the Commission may not act "arbitrarily or on an *ad hoc* basis. . . ." *Wash. Water Power v. Idaho Pub. Utils. Comm'n*, 101 Idaho 567, 575, 617 P. 2d 1242, 1250 (1980) (internal quotation omitted). It is a basic tenet of administrative law that an administrative agency must "must set forth its reasoning in a rational manner." *Wash. Water Power*, 101 Idaho at 575, 617 P.2d at 1250. Thus, this Court requires that the IPUC's "order clearly and *precisely state what it found to be the facts and fully explain why those facts lead it to the decision it makes.*" *Id.* (quoting *Home Plate, Inc. v. OLCC*, 530 P.2d 862, 863 (Or. App. 1975) (emphasis in *Wash. Water Power*). Additionally, its orders must be "supported by substantial, competent evidence in the record." *Rosebud Enters. v. Idaho Pub. Utilis. Comm'n*, 128 Idaho 609, 615, 917 P.2d 766, 772 (1996). That standard requires that evidence supporting an agency's decision must be "substantial, when viewed in the light that the record in its entirety furnishes, including

the body of evidence opposed to the [agency's] view"—such as this reconsideration petition. *Idaho State Ins. Fund v. Hunnicutt*, 110 Idaho 257, 261, 715 P.2d 927, 931 (1985) (internal quotation omitted). These requirements exist to “ensure that the IPUC has applied relevant criteria prescribed by statute or its own regulations and thus has not acted arbitrarily or capriciously.” *Rosebud Enters.*, 128 Idaho at 615.

In this case, the Commission made no findings of fact whatsoever in its order approving Idaho Power's creation of a new rate class. The Commission only made the following two findings:

[1.] We find that the Company's creation of a new electric service schedule to provide service to potential HDL Customers is a reasonable approach to proactively mitigate stranded asset costs to its core customers.

And...

[2.] Based on our review, we find it fair, just and reasonable to approve the Application.

Although the Idaho Supreme Court gives deference to the Commission's findings of fact – it nevertheless requires that the Commission actually make findings of fact to support its decisions.

According to the Court:

In addition to making findings of fact based on substantial, competent evidence, the IPUC must explain the reasoning employed to reach its conclusions in order to ensure that the IPUC has applied relevant criteria prescribed by statute or its own regulations and has not acted arbitrarily or capriciously.¹⁷

Here, of course, there is no record evidence in any form, much less any findings of fact, justifying Schedule 20 based upon energy usage characteristics or impact of the creation of a new class of customers. The cost-of-service study necessary to make such an evaluation has

¹⁷ *Bldg. Contrs. Ass'n v. Idaho PUC (in RE Boise Water Corp. to Revise and Increase Rates Charged for Water Serv.)* 128 Idaho 534, 537, 916 P.2d 1259, 1262 (Idaho 1996).

been 'kicked down the road' for some other time. Not only is there no substantial competent evidence supporting the creation of a new class of customers, there simply is no evidence whatsoever. No party to the case (Idaho Power included) presented testimony or affidavits in support of their positions. The 'record' is composed of unverified comments that have not been subject to examination, and what materials that do exist only serve to confirm that no cost-of-service study was performed.

The lack of a record belies the Commission's cursory "finding" that it is "fair, just and reasonable to approve the Company's Application" or that the Company's Application is a "reasonable approach." There is simply no substantial evidence (indeed, no evidence of any nature whatsoever) supporting the Commission's order, no evidence to support any such findings that could be made on reconsideration, and certainly no rational connection between the available facts and the Commission's decision. In sum, in the absence of any justification based upon factors such as "cost of service, quantity of electricity used ...[etc]"¹⁸ it is impossible for the Commission to make a record-based evidentiary finding that creation of this new customer class and its ensuing rates, is fair, just and reasonable.

IV. PETITION TO INTERVENE

GeoBitmine is not a party to the instant docket, but nevertheless may petition for reconsideration as a "person interested" in the order at issue. *Idaho Code* Section 61-626(1). In the unlikely event the Commission does not grant GeoBitmine's Petition for Reconsideration, then GeoBitmine must be a "party aggrieved" in order to appeal that decision to the Idaho Supreme Court. *Idaho Code* Section 61-627. Therefore, in order to preserve its right of appeal

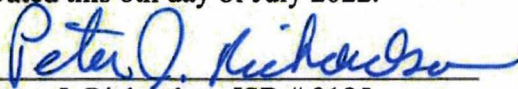
¹⁸ *Homebuilders, supra* at 417, 690 P.2d at 354.

GeoBitmine hereby (contemporaneously with its Petition for Reconsideration) petitions the Commission to grant its status as a party. Pursuant to Rule 72 of the Commission's Rules of Procedure, and as detailed at length above, GeoBitmine alleges a "direct and substantial" interest in this proceeding because Idaho Power has recently asserted that it will subject GeoBitmine to Schedule 20 and Schedule 20's provisions render GeoBitmine's operations infeasible .

V.
PRAYER FOR RELIEF

In accordance with Commission's Rule of Procedure 331, GeoBitmine is required to state the nature and extent of evidence or argument it will present or offer if reconsideration is granted. GeoBitmine asserts that the existing 'evidentiary record' before the Commission, as well as the applicable law requires that the Commission modify Order No. 35428 by denying Idaho Power's Application for approval of Schedule 20. GeoBitmine does not believe a hearing is necessary for the Commission to issue its order on reconsideration denying Idaho Power's Application. GeoBitmine is prepared to provide additional briefing and oral argument should the commission so require.

Dated this 6th day of July 2022.



Peter J. Richardson ISB # 3195
RICHARDSON ADAMS, PLLC

Attorneys for GeoBitmine LLC

I HEREBY CERTIFY that on the 6th day of July 2022, a true and correct copy of the within and foregoing PETITION FOR RECONSIDERATION AND PETITION TO INTERVENE of GeoBitmine LLC in Case No. IPC-E-21-37 was served, by electronic copy only, to:

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ISB # 3195

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) **CASE NO. IPC-E-21-37**
IDAHO POWER COMPANY FOR AUTHORITY)
TO ESTABLISH A NEW SCHEDULE TO SERVE) **PETITION FOR RECONSIDERATION OF**
SPECULATIVE HIGH-DENSITY LOAD) **GEOBITMINE LLC AND PETITION FOR**
CUSTOMERS) **INTERVENTION AS A PARTY**
)
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Exhibit 1 consisting of twenty-five pages entitled, "GeoBitmine LLC, Cryptocurrency Mining with a Greener Future in Mind."



GEOBITMINE LLC

Cryptocurrency Mining with a Greener Future In Mind

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OUR MISSION

At GeoBitMine, we believe that creativity empowers possibility.
What if we could find a way to develop local jobs, establish food security and redefine the way the world sees cryptocurrency?

By closing the loop on energy-intensive crypto mining and leveraging sustainable design, we help communities grow their own local produce and foster a better tomorrow for the next generation of farmers.



THE CRYPTO PROBLEM

ENERGY INTENSIVE

Cryptocurrency uses around 136.38 Terawatt-hours of electricity every year—more than the Netherlands, Argentina, or the United Arab Emirates.¹

¹ & ² – Source: University of Cambridge, Cambridge Centre for Alternative Finance
["Cambridge Bitcoin Electricity Consumption Index: Comparisons"](#)

FOSSIL FUEL DEPENDENT

42% of crypto currency in 2021 was mined in the United States and 18% in Kazakhstan², both of these countries heavily rely on fossil fuels to create electricity.

WASTEFUL

The majority of electricity used to mine cryptocurrency is rejected into the atmosphere as waste heat.



THE AG PROBLEM

INCREASING DEMAND

General consensus is that global agriculture production has to increase by about 60-70% from the current levels to meet the increased food demand in 2050. ¹

¹ – Source: University of Michigan, MSU Extension Agriculture " [Feeding the world in 2050 and beyond – Part 1: Productivity challenges.](#)"

² – Source: World Bank " [Water in Agriculture](#)"

RESOURCE HEAVY

Agriculture accounts for 70% of all freshwater withdrawals globally² and relies heavily on fossil fuels for heating, cooling, drying and transporting goods worldwide.

HIGH BARRIER TO ENTRY

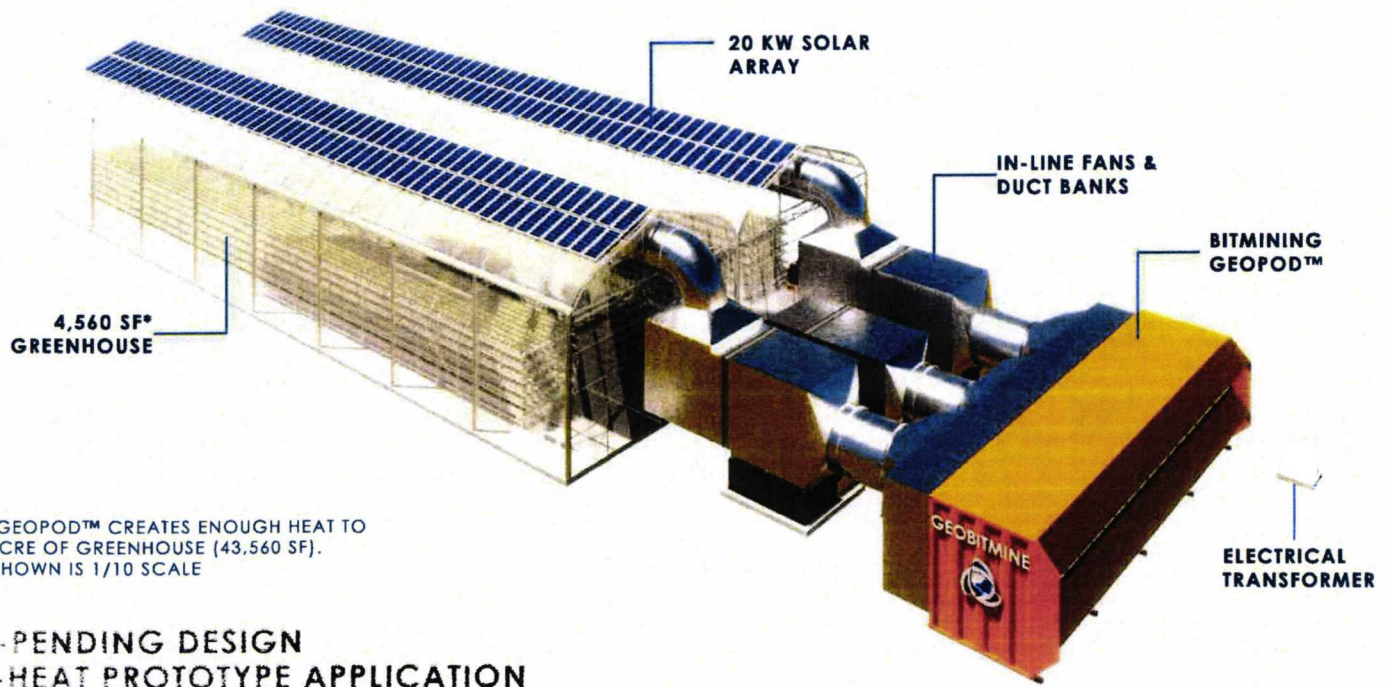
New farms take millions of dollars to establish and offer slim profit margins which discourages younger generations from entering the agricultural business.





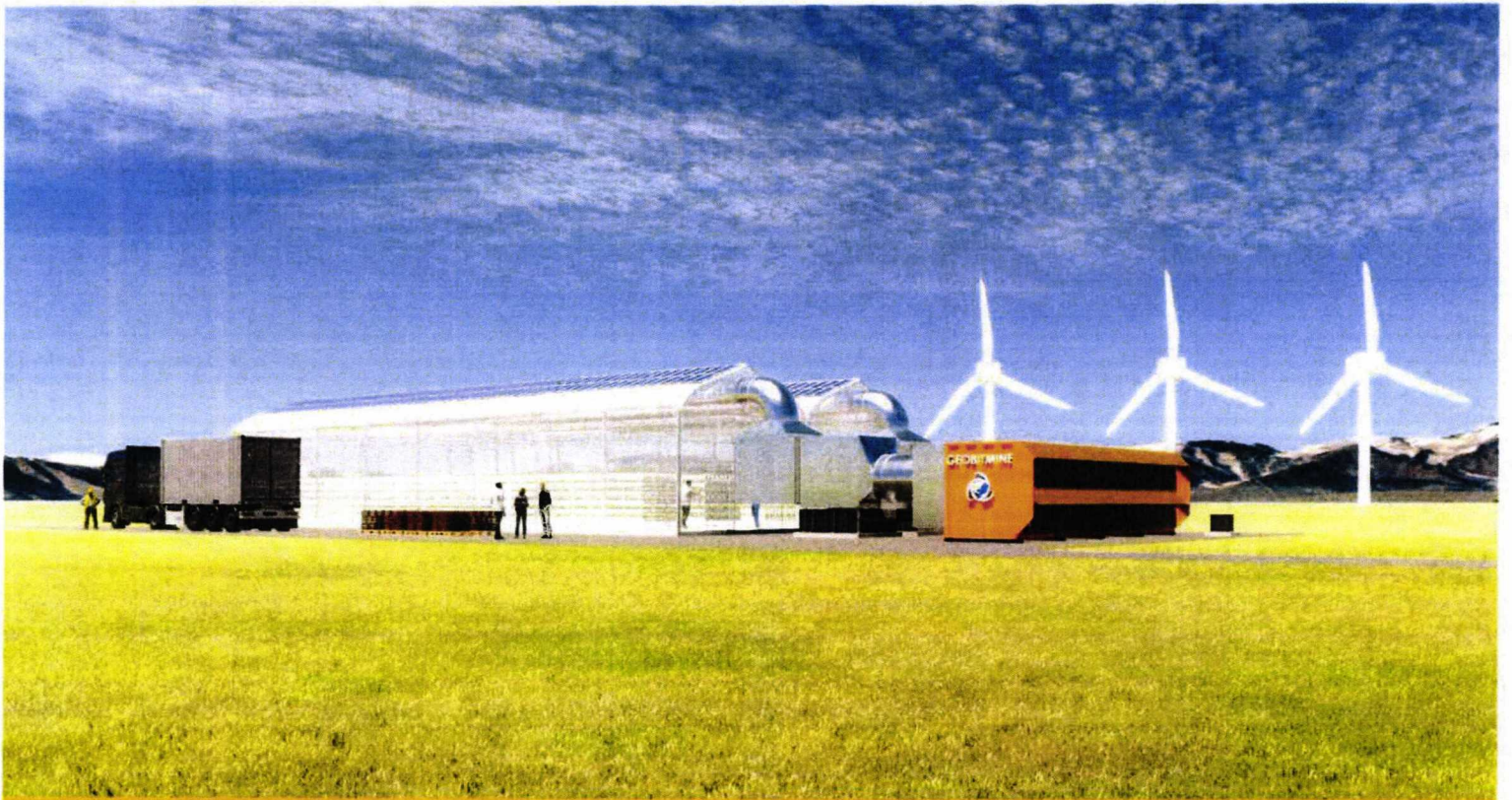
OUR SOLUTION

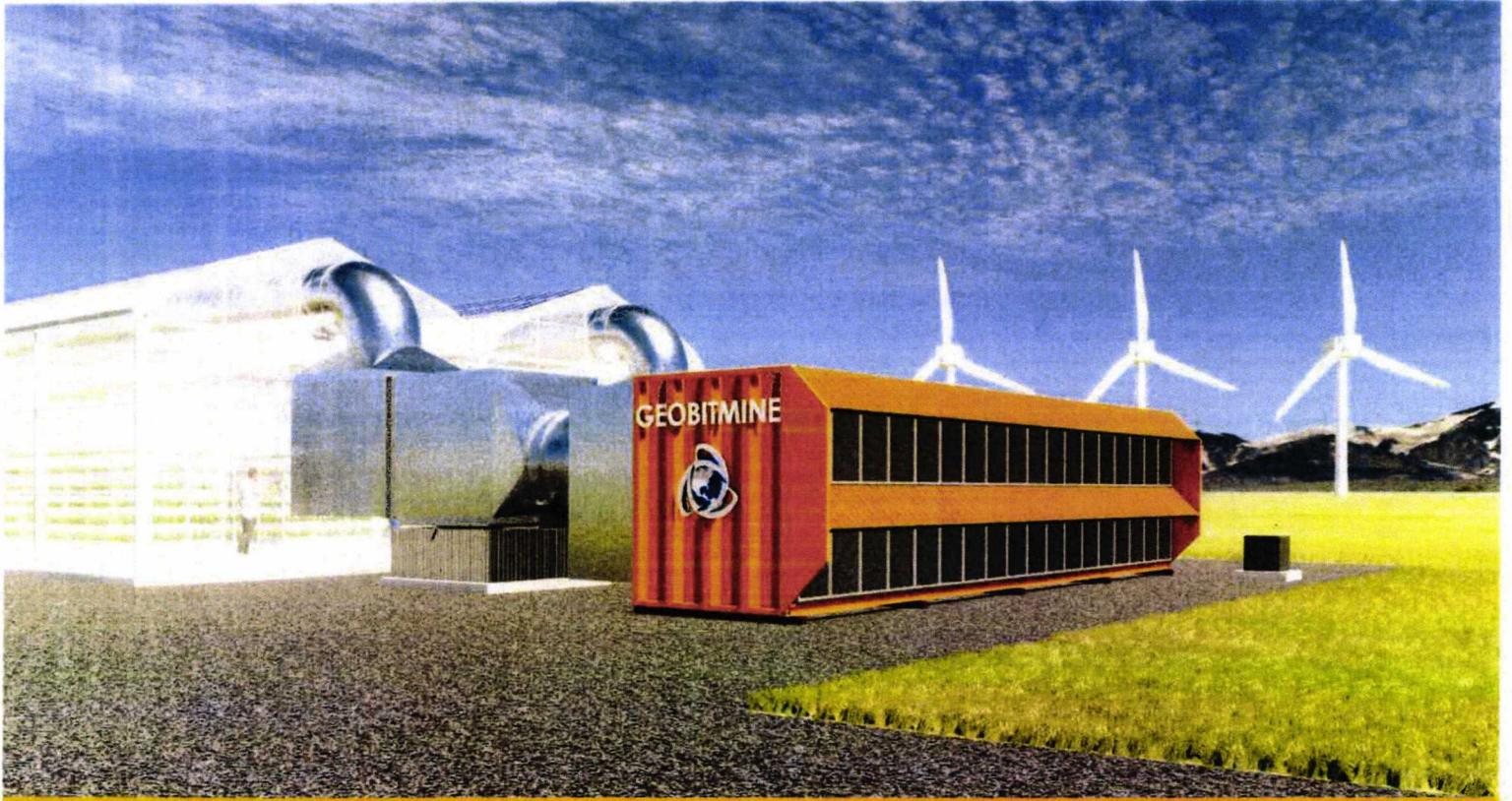
Secure sites with the **lowest cost, most sustainable** energy sources available. Pair cryptocurrency mining with indoor grow architecture to provide **free heating and cooling for farmers.**

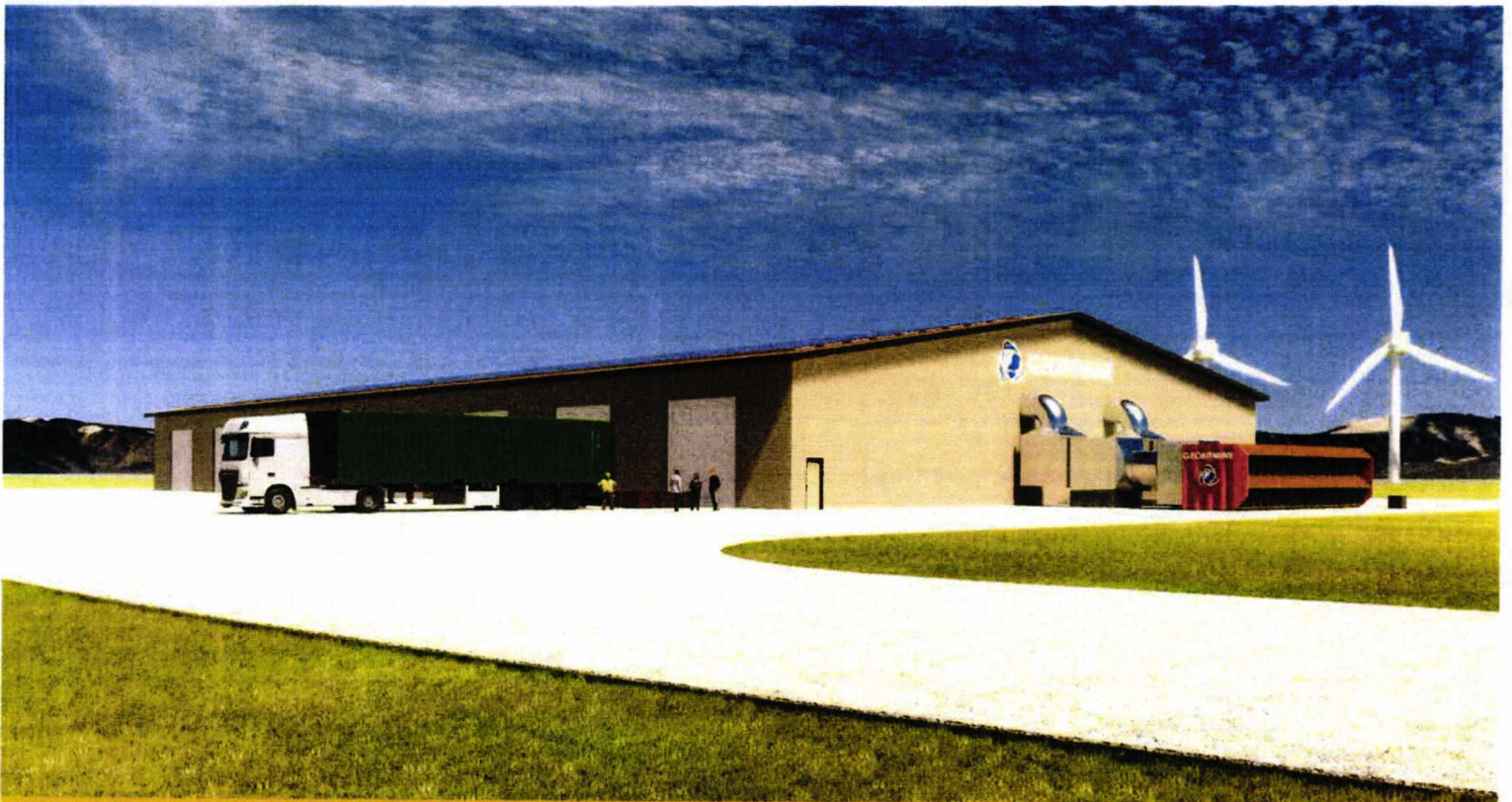


*NOTE: ONE GEOPOD™ CREATES ENOUGH HEAT TO SUPPORT 1-ACRE OF GREENHOUSE (43,560 SF). PROTOTYPE SHOWN IS 1/10 SCALE

**PATENT-PENDING DESIGN
DIRECT-HEAT PROTOTYPE APPLICATION
FOR COLD WEATHER CLIMATES**











CRYPTO ESG

ENVIRONMENTAL

We want to **transform** the narrative of crypto from an energy drain to a sustainable resource

SOCIAL

Our GeoPod™ grow facilities are **co-op based**. We partner with local jurisdictions to benefit local economies.

GOVERNANCE

We strive for **100% transparency** with our business development.

BENEFITS OF YEAR-ROUND INDOOR FARMING WITH GEOBITMINE



HIGHER PRODUCTION

Indoor horticulture including greens, microgreens, herbs, and vine crops is **170 times** more productive than outdoor fields.¹



INCREASED REVENUE

Each acre of greenhouse yields on average **\$550-600k** in crop revenue growing tomatoes²



OVERHEAD COST REDUCTION

One single GeoPod™ system will save **\$150k+ per year** in natural gas heating costs per 1-acre of greenhouse.²

¹ Source: Artemis, The Greenhouse "[Indoor Farming – 10 Things you need to know](#)"

² Source: GeoBitMINE research with Red Sun Farms

90% WATER USE REDUCTION

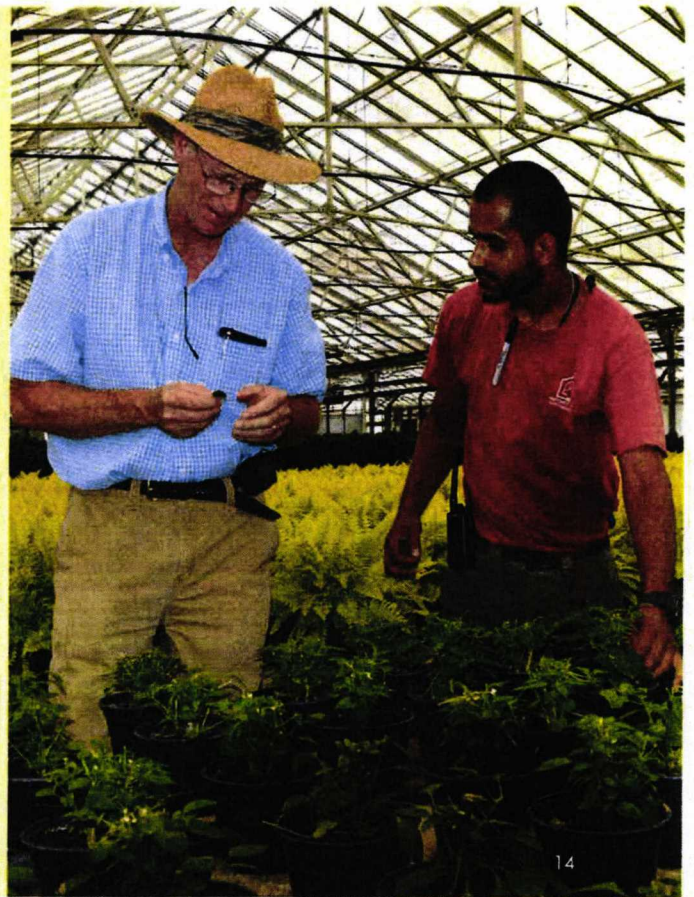
LOCAL TAX BASE DEVELOPMENT

SUPPORTS LOCAL JOBS

Agricultural Jobs

- 1 Director
 - 2-3 accountant
 - 2-3 HR Dept.
 - 1 Food and Safety
-

- 1 Master Grower
- 1 Assistant Master Grower
- 3 Assistant Manager
- 75 Laborers



IT & Tech Jobs Bitcoin Mining Farm Servers

- 1 Chief Information Officer
- 1 IT Head of Maintenance
- 3 Maintenance Technicians
- 5 IT Technicians 3 A
- 1 Manager
- 1 Chief of Security
- 3 Security Officers

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100+

Total jobs created per 15-acre greenhouse & bitcoin mining site

**75% Hydro and Wind
Power, No Coal**

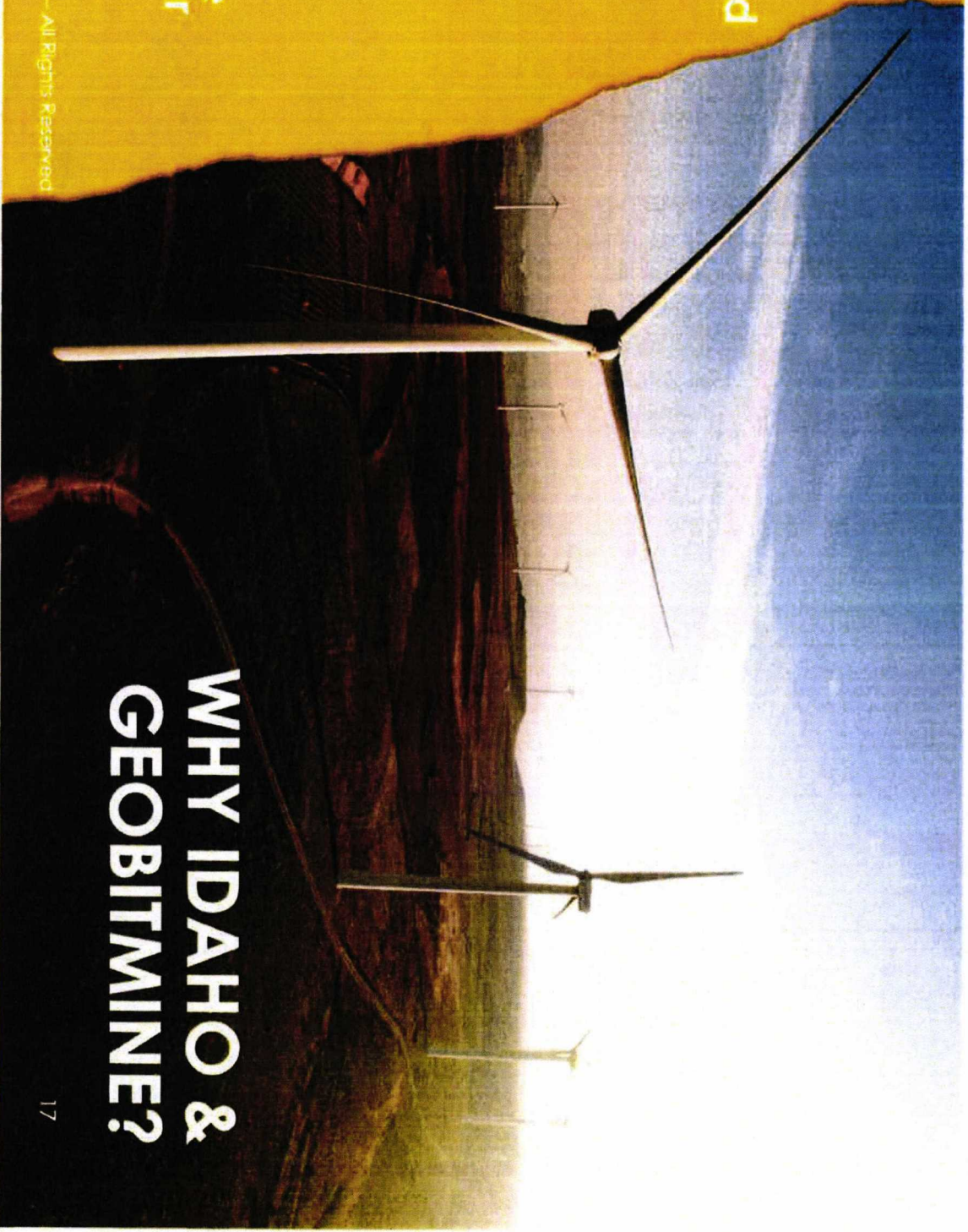
**Zoned Agriculture,
Tax Exempt**

**Agricultural
Excellence**

**University Research
Partnerships**

**Support of
Government
Municipalities, State
Senators, and Power
Providers**

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WHY IDAHO & GEOBITMINE?

THE POWER OF PARTNERSHIPS



University of Idaho



**WE NEED
YOUR HELP
TO MAKE
THIS HAPPEN**

- Community support
- Agricultural integration
- Location, location, location
- The right power at the right price
- State and local incentives and grants
- Educational research & development



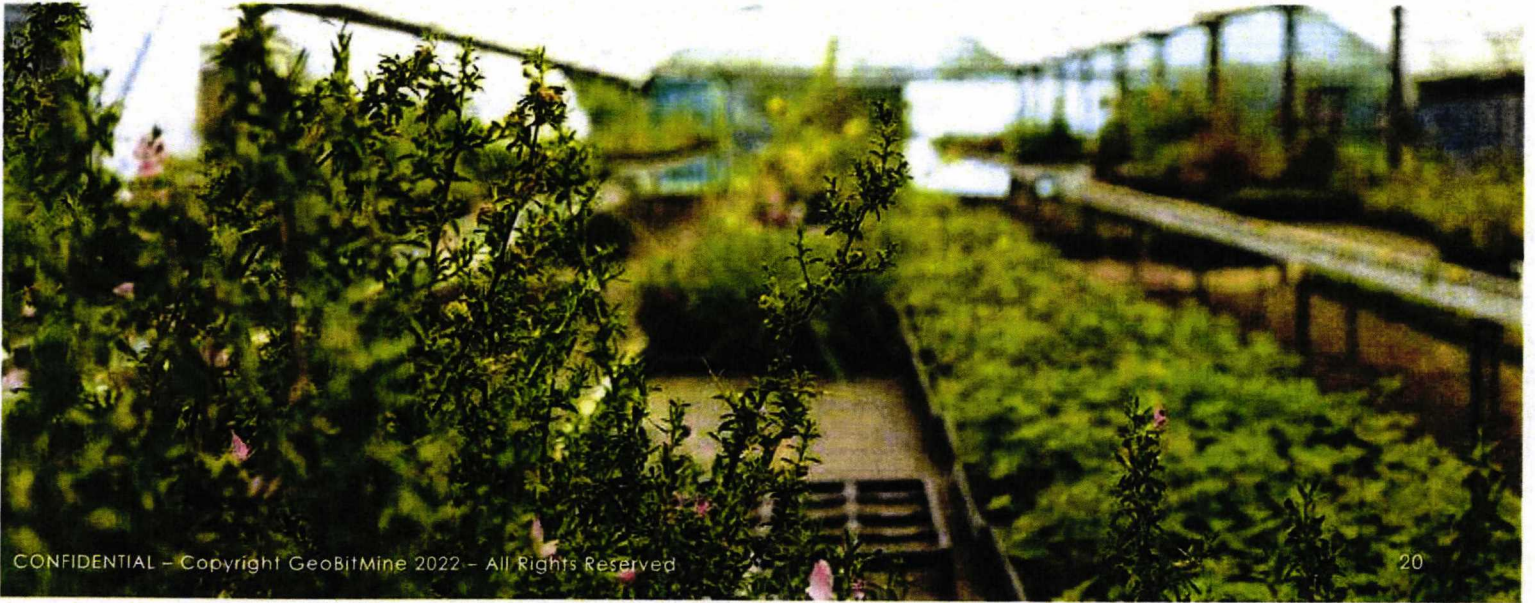
SUMMARY

We are creating new jobs year-round.

We are helping rural farming communities grow and prosper in new ways.

We will be the most sustainable agricultural & crypto mining company in the world.

We believe in what we do, and it shows.





GEOBITMINE LLC

THANK YOU

info@geobitmine.com

www.geobitmine.com



APPENDIX

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PROTOTYPE DEVELOPMENT

Scaling for the Future

AUG 2022

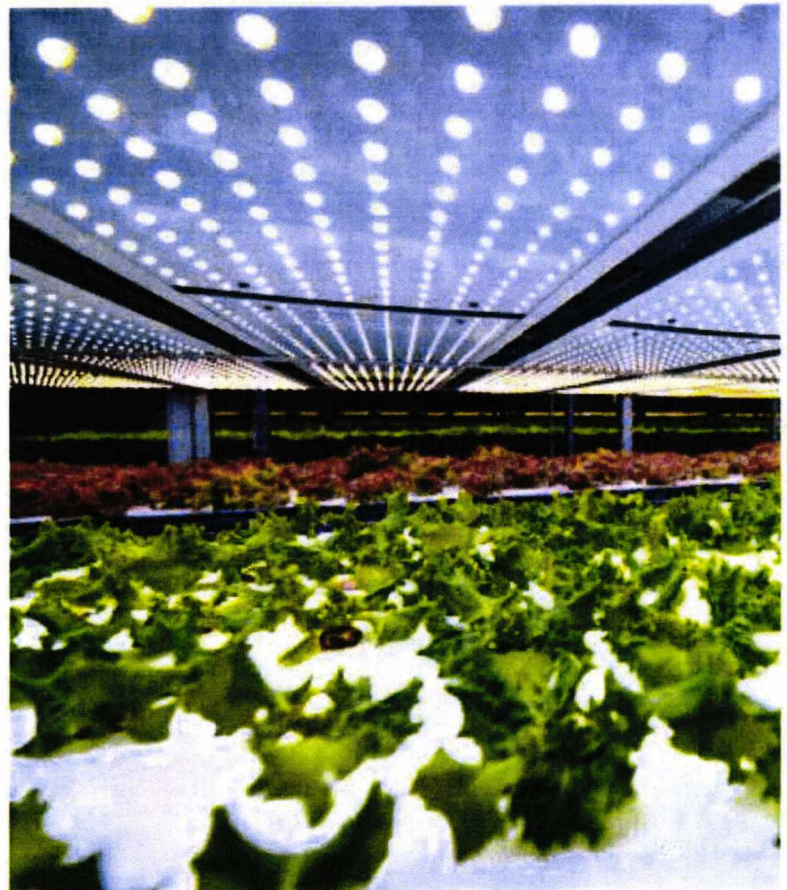
Direct-Heat Prototype Funding
Start & Build-Out Plan

SEPT 2022

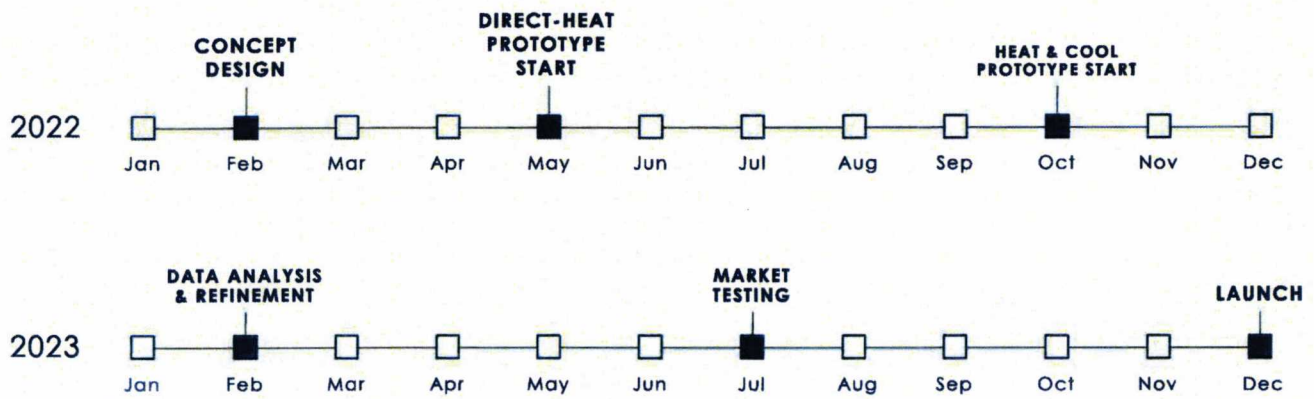
Heat & Cool Prototype Funding
Start & Build-Out Plan

FEB 2023

Gather data & feedback to
expand availability of
designed systems



2-YEAR ACTION PLAN



**GeoBitmine Direct Heat & Hydro Closed Loop System.
Provisional Patent Pending
Includes:**

- White Paper's
- Mechanical Engineering
- Electrical Engineering
- Renderings
- Stamped Drawings

Electronic Acknowledgement Receipt	
EFS ID:	44980289
Application Number:	63309340
International Application Number:	
Confirmation Number:	1057
Title of Invention:	Systems, Devices, and/or Methods for Managing Energy
First Named Inventor/Applicant Name:	Jay Jorgensen
Customer Number:	78519
Filer:	Dale Reese Jensen
Filer Authorized By:	
Attorney Docket Number:	1603-01
Receipt Date:	11-FEB-2022
Filing Date:	
Time Stamp:	17:11:54
Application Type:	Provisional

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Exhibit 2 consisting of seven pages entitled, "Schedule 19 Large Power Service."

SCHEDULE 19
LARGE POWER SERVICE

AVAILABILITY

Service under this schedule is available at points on the Company's interconnected system within the State of Idaho where existing facilities of adequate capacity and desired phase and voltage are available. If additional distribution facilities are required to supply the desired service, those facilities provided for under Rule H will be provided under the terms and conditions of that rule. To the extent that additional facilities not provided for under Rule H, including transmission and/or substation facilities, are required to provide the requested service, special arrangements will be made in a separate agreement between the Customer and the Company.

APPLICABILITY

Service under this schedule is applicable to and mandatory for Customers who register a metered Demand of 1,000 kW or more per Billing Period for three or more Billing Periods during the most recent 12 consecutive Billing Periods. Customers whose initial usage, based on information provided by the Customer, is expected to be 1,000 kW or more per Billing Period for three or more Billing Periods during 12 consecutive Billing Periods may, at the Customer's request, take service under this schedule prior to meeting the metered Demand criterion. This schedule will remain applicable until the Customer fails to register a metered demand of 1,000 kW or more per Billing Period for three or more Billing Periods during the most recent 12 consecutive Billing Periods.

Deliveries at more than one Point of Delivery or more than one voltage will be separately metered and billed. If the aggregate power requirement of a Customer who receives service at one or more Points of Delivery on the same Premises exceeds 20,000 kW, the Customer is ineligible for service under this schedule and is required to make special contract arrangements with the Company.

This schedule is not applicable to service for resale, to shared or irrigation service, to standby or supplemental service, unless the Customer has entered into a Uniform Standby Service Agreement or other standby agreement with the Company, or to multi-family dwellings.

Contract Option. Customers for which this schedule is applicable may optionally take service under a mutually agreed upon individual special contract between the Customer and the Company provided the Customer contracts for firm electric Demand of 10,000 kW to 20,000 kW and the special contract terms, conditions, and rates are approved by the Idaho Public Utilities Commission without change or condition.

TYPE OF SERVICE

The Type of Service provided under this schedule is three-phase at approximately 60 cycles and at the standard service voltage available at the Premises to be served.

SCHEDULE 19
LARGE POWER SERVICE
(Continued)

BASIC LOAD CAPACITY

The Basic Load Capacity is the average of the two greatest monthly Billing Demands established during the 12-month period which includes and ends with the current Billing Period, but not less than 1,000 kW.

BILLING DEMAND

The Billing Demand is the average kW supplied during the 15-consecutive-minute period of maximum use during the Billing Period, adjusted for Power Factor, but not less than 1,000 kW.

ON-PEAK BILLING DEMAND

The On-Peak Billing Demand is the average kW supplied during the 15-minute period of maximum use during the Billing Period for the On-Peak time period.

TIME PERIODS

The time periods are defined as follows. All times are stated in Mountain Time.

Summer Season

On-Peak: 1:00 p.m. to 9:00 p.m. Monday through Friday, except holidays
Mid-Peak: 7:00 a.m. to 1:00 p.m. and 9:00 p.m. to 11:00 p.m. Monday through Friday, except holidays, and 7:00 a.m. to 11:00 p.m. Saturday and Sunday, except holidays
Off-Peak: 11:00 p.m. to 7:00 a.m. Monday through Sunday and all hours on holidays

Non-summer Season

Mid-Peak: 7:00 a.m. to 11:00 p.m. Monday through Saturday, except holidays
Off-Peak: 11:00 p.m. to 7:00 a.m. Monday through Saturday and all hours on Sunday and holidays

The holidays observed by the Company are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When New Year's Day, Independence Day, or Christmas Day falls on a Sunday, the Monday immediately following that Sunday will be considered a holiday.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

SCHEDULE 19
LARGE POWER SERVICE
(Continued)

FACILITIES BEYOND THE POINT OF DELIVERY

At the Customer's request and at the option of the Company, transformers and other facilities installed beyond the Point of Delivery to provide Primary or Transmission Service may be owned, operated, and maintained by the Company in consideration of the Customer paying a Facilities Charge to the Company. This service is provided under the provisions set forth in Rule M, Facilities Charge Service.

POWER FACTOR ADJUSTMENT

Where the Customer's Power Factor is less than 90 percent, as determined by measurement under actual load conditions, the Company may adjust the kW measured to determine the Billing Demand by multiplying the measured kW by 90 percent and dividing by the actual Power Factor.

TEMPORARY SUSPENSION

When a Customer has properly invoked Rule G, Temporary Suspension of Demand, the Basic Load Capacity, the Billing Demand, and the On-Peak Billing Demand shall be prorated based on the period of such suspension in accordance with Rule G. In the event the Customer's metered demand is less than 1,000 kW during the period of such suspension, the Basic Load Capacity and Billing Demand will be set equal to 1,000 kW for purposes of determining the Customer's Monthly Charge.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$39.00	\$39.00
Basic Charge, per kW of Basic Load Capacity	\$0.93	\$0.93
Demand Charge, per kW of Billing Demand	\$5.99	\$4.30
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$1.03	n/a
Energy Charge, per kWh		
On-Peak	6.4456¢	n/a
Mid-Peak	5.1034¢	4.7466¢
Off-Peak	4.5292¢	4.2171¢

SCHEDULE 19
LARGE POWER SERVICE
 (Continued)

MONTHLY CHARGE (Continued)

<u>PRIMARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$299.00	\$299.00
Basic Charge, per kW of Basic Load Capacity	\$1.28	\$1.28
Demand Charge, per kW of Billing Demand	\$6.12	\$4.54
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$0.97	n/a
Energy Charge, per kWh		
On-Peak	5.3049¢	n/a
Mid-Peak	4.2185¢	3.9765¢
Off-Peak	3.7639¢	3.5550¢
 <u>TRANSMISSION SERVICE</u>	 <u>Summer</u>	 <u>Non-summer</u>
Service Charge, per month	\$299.00	\$299.00
Basic Charge, per kW of Basic Load Capacity	\$0.71	\$0.71
Demand Charge, per kW of Billing Demand	\$5.93	\$4.41
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$0.97	n/a
Energy Charge, per kWh		
On-Peak	5.2447¢	n/a
Mid-Peak	4.1889¢	3.9577¢
Off-Peak	3.7394¢	3.5383¢

PAYMENT

The monthly bill for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

**SCHEDULE 19
LARGE POWER SERVICE
(Continued)**

SPECIAL ARRANGEMENTS FOR SUBSTATION ALLOWANCES AND/OR TRANSMISSION VESTED INTEREST

Definitions

Additional Schedule 19 Applicant is a Schedule 19 Customer whose Application requires the Company to provide new or relocated service from Substation Facilities served by an existing section of Transmission Facilities with a Transmission Vested Interest.

Applicant is a Schedule 19 Customer whose Application requires the Company to provide new or relocated service from Substation Facilities served by Transmission Facilities that are free and clear of any Transmission Vested Interest.

Application is a request by an Applicant or Additional Schedule 19 Applicant for new electric service from the Company.

Connected Load is the total nameplate MW rating of the electric loads connected for Schedule 19 service.

Distribution Facilities include structures, wires, insulators, and related equipment that are operated at a 34.5 kilovolt or lower rating.

Substation Allowance is the portion of the cost of the Substation Facilities funded by the Company.

Substation Facilities include those facilities and related equipment that transform the voltage of energy from a 44 kilovolt or higher rating to a 34.5 kilovolt or lower rating.

Transmission Facilities include structures, wires, insulators, and related equipment that are operated at a 44 kilovolt or higher rating.

Transmission Line Installation is any installation of new Transmission Facilities owned by the Company.

Transmission Line Installation Charge is the partially refundable charge assessed an Applicant or Additional Schedule 19 Applicant whenever a Transmission Line Installation is built for that individual.

Transmission Vested Interest is the right to a refund that an Applicant or Additional Schedule 19 Applicant holds in a specific section of Transmission Facilities when Additional Schedule 19 Applicants attach to that section of Transmission Facilities.

Transmission Vested Interest Charge is an amount collected from an Additional Schedule 19 Applicant for refund to a Transmission Vested Interest Holder.

Transmission Vested Interest Holder is a person or entity that has paid a refundable Transmission Line Installation Charge to the Company for a Transmission Line Installation.

SCHEDULE 19
LARGE POWER SERVICE
(Continued)

SPECIAL ARRANGEMENTS FOR SUBSTATION ALLOWANCES AND/OR TRANSMISSION VESTED INTEREST (Continued)

Definitions (Continued)

Transmission Vested Interest Portion is that part of the Company's transmission system in which a Transmission Vested Interest is held.

Substation Allowance

If a Schedule 19 Customer's request for service requires the installation of new or upgraded transformer capacity in Substation Facilities, the following considerations will be included in the separate agreement between the Customer and the Company:

The Customer will initially pay for the cost of new or upgraded Substation Facilities required because of the Customer's request. The Customer will be eligible to receive a one-time Substation Allowance based upon subsequent sustained usage of capacity by the Customer.

a. Substation Allowance: The maximum possible allowance will be determined by multiplying the Customer's actual increase in load by \$57,640 per MW, but will not exceed the actual cost of the Substation Facilities.

b. Substation Allowance Refunds: The Substation Allowance will be refunded to the Customer over a five-year period, with annual payments based on the Customer's Basic Load Capacity at the time of refund. The first refund will be paid one year following the first month energy is delivered through the new Substation Facilities.

The refunds will occur based on the following adjustment, which will be added to the Substation Allowance received in the previous year. If there is no change in load from the previous year, the Substation Allowance for that year is equal to the Substation Allowance from the previous year:

$$\frac{((\text{Change in load from the previous year as measured in MW}) \times (\text{Substation Allowance per MW}))}{\text{Number of Substation Allowance Refunds remaining in five-year period}}$$

The Customer's annual refunds will be made in accordance with the Substation Allowance amount stated in the separate construction agreement between the Customer and the Company.

Transmission Vested Interest

If a Schedule 19 Customer's request for service requires the installation of new or upgraded capacity in Transmission Facilities, and those Transmission Facilities are serving the Customer by a radial feed, the following considerations will be included in the separate agreement between the Customer and the Company:

**SCHEDULE 19
LARGE POWER SERVICE
(Continued)**

SPECIAL ARRANGEMENTS FOR SUBSTATION ALLOWANCES AND/OR TRANSMISSION VESTED INTEREST (Continued)

Transmission Vested Interest (Continued)

The Customer will initially pay for the cost of new or upgraded Transmission Facilities required because of the Customer's request. The Customer may be eligible to receive Transmission Vested Interest Refunds in accordance with Schedule 19.

Transmission Vested Interest Refunds.

Transmission Vested Interest Refunds will be paid by the Company and funded by the Additional Schedule 19 Applicant's Transmission Vested Interest Charge as calculated in accordance with Schedule 19. The initial Applicant will be eligible to receive refunds up to 80 percent of their original construction cost.

Transmission Vested Interest Refund Limitations

- a. Transmission Vested Interest Refunds will be funded by no more than 4 Additional Schedule 19 Applicants during the 5-year period following the completion date of the Transmission Line Installation.
- b. In no circumstance will refunds exceed 100 percent of the refundable portion of any party's cash payment to the Company.

Transmission Vested Interest Charges:

Additional Schedule 19 Applicants with a Connected Load of greater than 1 MW who connect to a Transmission Vested Interest Portion of a Transmission Line Installation will pay a Transmission Vested Interest Charge to be refunded to the Transmission Vested Interest Holder.

An Additional Schedule 19 Applicant will pay an amount determined by this equation:

Transmission Vested Interest Charge = A x B where;

A = Load Ratio: Additional Schedule 19 Applicant's Connected Load divided by the sum of Additional Applicant's Connected Load and Transmission Vested Interest Holder's load.

B = Vested Interest Holder's un-refunded contribution

The Additional Schedule 19 Applicant has no Transmission Vested Interest and the Transmission Vested Interest Holder remains the Transmission Vested Interest Holder. The Transmission Vested Interest Holder's Transmission Vested Interest will be reduced by the newest Additional Schedule 19 Applicant's payment.

The Transmission Vested Interest Charge will not exceed the sum of the Transmission Vested Interests in the Transmission Line Installation. If an Additional Schedule 19 Applicant connects to a portion of a vested Transmission Line Installation which was established under a prior rule or schedule, the Transmission Vested Interest Charges of the previous rule or schedule apply to the Additional Schedule 19 Applicant.