

CEM Commercial Energy Management, Inc.

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Secretary, Idaho Public Utilities Commission
P.O. Box 83720 Boise, ID 83720-0074
11331 W. Chinden Blvd. Building 8, Suite 201-A
Boise, ID 83714

January 26, 2021

Dear Commission Secretary,

We have been in contact with PacifiCorp since August 19, 2019 for the renewal of our original Power Purchase Agreement (PPA) terminated May 31, 2020.

As request by PacifiCorp to upgrade the Interconnection facility before a new PPA can be issued, an Agreement between PacifiCorp and CEM was executed on March 24, 2020.

Because of the delay in PacifiCorp's execution of the Interconnection work, they issued an Amendment of PPA dated March 20, 2020 (see attachment) with a termination clause states *"unless terminated earlier pursuant to the terms of this Agreement, this Agreement shall expire upon the earlier of (i) the effective date of a new power purchase agreement between PacifiCorp and Seller pertaining to the facility; or (ii) March 2021."* The Amendment listed Energy in accordance with the approved IPUC published rates of June 01, 2019 in Table 1 as follows:
Year 2020 - \$55.66/MWh,
Year 2021 - \$56.35/MWh.

As the PacifiCorp's Interconnection work has not finished yet, they listed the power rates of 2020 for the new PPA. These new rates are much lower than those of 2019.

As stated, before that the delay in processing the new PPA is not our fault, but PacifiCorp, we feel that the power rates published in June 01, 2019 should be applied to the new PPA.

As we are in a time constraint to sign the new PPA before end of February 2021, we would appreciate receiving IPUC's position on this critical issue as soon as possible. Thank you.

Sincerely,



Maher Wissa
President
Commercial Energy Management, Inc.

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IDaho Public
Utilities Commission

AMENDMENT
to that certain
POWER PURCHASE AGREEMENT
Between
Commercial Energy Management, Inc.
And
PacifiCorp

This AMENDMENT (the “**Amendment**”), dated March 20, 2020, amends that certain POWER PURCHASE AGREEMENT between PacifiCorp, an Oregon corporation (“**PacifiCorp**”), and Commercial Energy Management, Inc., an Idaho corporation (“**Seller**”), dated November 21, 1991 (the “**PPA**”). Capitalized terms used but not defined in this Amendment shall have the meaning set forth in the PPA.

BACKGROUND

- A. PacifiCorp and Seller entered into the PPA prior to PacifiCorp’s separation of its energy supply and transmission functions as required by federal law and regulations. For this reason, the PPA includes provisions that address both energy sales and interconnection requirements.
- B. The PPA is scheduled to expire by its terms on May 31, 2020, and Seller has expressed a desire to continue to make sales from the Facility to PacifiCorp consistent with the requirements of the federal Public Utility Regulatory Policies Act (“PURPA”), as implemented in the State of Idaho.
- C. Seller has demonstrated to PacifiCorp that the Facility remains a “Qualifying Facility” as defined by PURPA and as implemented in the State of Idaho.
- D. Seller and PacifiCorp are in the process of securing a new stand-alone interconnection agreement that, once executed and all distribution system upgrades are constructed and in-service, will replace the interconnection provisions in the PPA.
- E. During the period that the necessary distribution system upgrades are being completed, PacifiCorp and Seller have agreed to a limited extension to the term of the PPA, with updated pricing for energy sales during the extended term of the PPA as described below.

AGREEMENT

PacifiCorp and Seller agree as follows.

1. The last sentence of Section 2.1 of the PPA is amended and restated to read as follows:

“Unless terminated earlier pursuant to the terms of this Agreement, this Agreement shall expire upon the earlier of (i) the effective date of a new power purchase

agreement between PacifiCorp and Seller pertaining to the Facility; or (ii) March 1, 2021."

2. Notwithstanding any provision in the PPA to the contrary, for the period beginning June 1, 2020 through the end of the term of the Agreement, PacifiCorp shall pay Seller as provided in Exhibit A to this Amendment for the energy output of the Facility delivered to the Point of Delivery as adjusted for Losses.
3. Notwithstanding any provision in the PPA to the contrary, PacifiCorp shall not be responsible to purchase the output of the Facility during periods that the Facility is curtailed due to construction and completion of the distribution system upgrades called for in the final, new stand-alone interconnection agreement between Seller and PacifiCorp's transmission function.
4. This Amendment shall be effective once signed and delivered by both PacifiCorp and Seller and approved by the Idaho Public Utilities Commission.
5. All other terms and provisions of the PPA shall remain unchanged. Each party hereby ratifies and confirms that except as expressly amended hereby, all of the terms, conditions, covenants, representations, warranties and all other provisions of the Agreement remain in full force and effect.
6. This Amendment shall be governed by and construed in accordance with the laws of the State of Idaho (without reference to its choice of law doctrine).
7. This Amendment may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of this Amendment by electronic transmission (in .pdf form) shall be equally as effective as delivery of a manually executed counterpart.

[signature page follows]

IN WITNESS WHEREOF, the parties below have caused this Amendment to be executed in their respective names.

PacifiCorp

Bruce Griswold

By: 2020.03.20 12:33:49 -07'00'

Name: Bruce Griswold

Title: Director, Short-term Origination

Commercial Energy Management, Inc.

By:

A handwritten signature in blue ink, appearing to read "Maher F. Wissa", is written over a horizontal line.

Name: Maher F. Wissa

Title: President

EXHIBIT A

Energy Rate

Energy Purchase Price = Energy Annual Rate * Monthly Peak Multiplier

Table 1: Energy Annual Rates

Year	Energy Annual Rate \$/MWh
2020	\$55.66
2021	\$56.35

Table 2: Monthly On-Peak/Off-Peak Multipliers

Month	On-Peak Hours	Off-Peak Hours
January	103%	94%
February	105%	97%
March	95%	80%
April	95%	76%
May	92%	63%
June	94%	65%
July	121%	92%
August	121%	106%
September	109%	99%
October	115%	105%
November	110%	96%
December	129%	120%

Where:

“Off-Peak Hours” means all hours that are not On-Peak Hours.

“On-Peak Hours” means all hours ending 07:00:00 through 22:00:00 MPT, Monday through Saturday, excluding NERC designated holidays.