

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER CHATBURN
COMMISSIONER HAMMOND
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: DAYN HARDIE
YAO YIN

DATE: JULY 26, 2022

RE: IN THE MATTER OF ROCKY MOUNTAIN POWER'S COMPLIANCE
FILING OF AMENDMENT NO. 1 IN CASE NO. PAC-E-21-05

BACKGROUND

On January 25, 2022, the Commission issued Order No. 35303, conditionally approving the Power Purchase Agreement (“PPA”) between Rocky Mountain Power (“Company”) and Commercial Energy Management, Inc. (“Seller”) filed on March 3, 2021. The approval was conditioned upon the Company and Seller executing and filing a conforming amended PPA containing: (1) modification of the definition of Expected Net Output to reflect that the forecast is not updated after contracting and should use the correct amount of 2,310 megawatt-hours per year (“MWh/year”); and (2) correction of the “three months” in Section 4.9.2 of the PPA to state “six months.”

On February 9, 2022, the Seller filed Petition for Reconsideration (“Petition”) and requested that the Commission reconsider its imposition of the 90/110 Provision in the PPA.

On April 25, 2022, the Commission issued Order No. 35384, denying the Seller’s Petition and ordering a filing of a fully executed, amended PPA addressing the matters set forth by Order No. 35303 within 30 days.

On May 18, 2022, the Company filed Amendment No. 1, addressing the two conditions set forth by Order No. 35303.

STAFF ANALYSIS

Staff has reviewed the Company's Amendment No. 1 and believes it sufficiently addresses the two issues discussed in Order No. 35303. First, Amendment No. 1 did not modify the definition of Expected Net Output to reflect that the forecast is not updated after contracting; instead, it deleted the definition of Expected Net Output, because it was not used by the PPA. Staff agreed with this change¹. Second, the Company changed "three months" to "six months" in Section 4.9.2 of the PPA, which complied with Order No. 35303.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the Company's Amendment No. 1 to the PPA as filed on May 18, 2022.

COMMISSION DECISION

Does the Commission wish to approve the Company's Amendment No. 1 as filed on May 18, 2022?



Dayn Hardie
Deputy Attorney General

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¹ Staff stated in its Comments filed on April 28, 2021 that for the purpose of the 90/110 Rule, only the monthly estimates are used, instead of annual estimates and that the definition of Expected Net Output should be modified if the definition is necessary in the PPA.