

IMPERIAL IRRIGATION DISTRICT RESOLUTION NO. 32-2022

AUTHORIZING A CHANGE IN COMPENSATION IN EXCHANGE FOR IMPERIAL IRRIGATION DISTRICT GRANTING A LIMITED WAIVER OF ITS EXCLUSIVE RIGHT TO PROVIDE RETAIL ELECTRIC SERVICE AND ADDING ANNUAL REVIEW AND CPI ADJUSTMENT

WHEREAS, the Imperial Irrigation District (IID) supports the development of renewable energy generation projects, including geothermal, wind, solar, and biomass, within the IID energy service territory, as such development is beneficial to both the local community and greater region; and

WHEREAS, Independent Power Producers (IPP) interconnecting generating facilities to the California Independent System Operator controlled grid are located within IID's geographic service area; and

WHEREAS, in order to ensure that projects have sufficient electrical power supply to meet all of the projects' energy and capacity load requirements, IPPs need to procure retail electrical energy and capacity for the projects; and

WHEREAS, IID has the authority to provide retail electric service within its geographically defined service territory, and has authority and sole responsibility to meet interconnecting generating facilities' energy and capacity load requirements; and

WHEREAS, IID's existing distribution system has facilities that extend to remote project locations; and

WHEREAS, certain IPP projects require delivery of electrical energy and capacity at 34.5 kV or greater voltage to meet their Back-feed Power Service needs; and

WHEREAS, such projects also require the delivery of electrical energy and capacity by way of IID's distribution facilities to meet their Station Power Service needs; and

WHEREAS, in order to maintain the reliability of IID's distribution and transmission system, and in the exercise of IID's sole discretion, IID may determine to allow service of the project's needs for electrical energy at 34.5 kV or higher voltage by way of the IV Substation or 500 kV SPL or 500 kV SWPL; and

WHEREAS, in 2013, IID approved a pro forma Back-Feed and Station Power Service Agreement that established a one-time payment of \$1,000,000 as compensation in exchange for IID's limited waiver of its right to provide retail electric service to facilitate interconnection of these generating facilities; and

WHEREAS, no adjustment to the one-time payment has been made since its inception despite increases in inflation and the cost of service;

WHEREAS, the original retail adder was set at \$40.70 per MWhr and there has been no adjustment of that rate since the inception of the Back-Feed and Station Power Service Agreement concept;

WHEREAS, the 2022 rate has been set at \$49.20 per MWhr based upon an annual escalation tied to the Consumer Price Index;

NOW, THEREFORE, BE IT RESOLVED that the IID Board of Directors hereby modifies the Back-Feed and Station Power Service pro forma agreement to increase the one-time payment from \$1,000,000 to \$1,282,000, effective June 1, 2022, and authorizes an annual adjustment of the limited waiver payment effective June 1, of each year by applying the Consumer Price Index escalation published by the United States Bureau of Labor Statistics for all Urban Consumers in the Los Angeles-Long Beach-Anaheim, California area (1982-84=100) series identification, CUURS49ASA0, or a similar index should the CPI no longer be published.

BE IT FURTHER RESOLVED that IID shall annually re-evaluate the cost of MWhr of the retail adder and shall post such rate on its Open Access Same Time Information System effective June 1 of each year. In no event shall the calculation cause a reduction to the fixed rate per MWhr charged in the preceding year.


BE IT FURTHER RESOLVED that IID shall annually re-evaluate both the limited waiver payment and the retail adder as of June 1 of each year against the Consumer Price Index utilizing the most recently available 12 months period index from the previous year to determine if an adjustment is warranted.

BE IT FURTHER RESOLVED that any proposed adjustment to the payment shall be subject to approval by the IID Board of Directors.


PASSED AND ADOPTED this 21st day of June, 2022.



IMPERIAL IRRIGATION DISTRICT



President



Secretary