

A high-angle photograph of a river with several people in colorful kayaks (red, orange, white, blue) paddling. The river is surrounded by lush green vegetation and a rocky shoreline. The text is overlaid on the upper portion of the image.

First Amendment to the 2006 Puget Power Sales Agreement

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Why we are here today

- Inform Board about the highlights of the draft First Amendment to the 2006 Puget Power Sales Agreement
- Will return to Board for approval of the Resolution
- This presentation is an update only, no action required today

Background

- In 2006, Chelan and Puget entered into a long-term slice contract for 25% share of Rocky Reach/Rock Island from 2011/2012 until 2031.
- In 2006, it was thought that there may be future value for the Environmental Attributes (EAs) . A contract provision stated that there would be a fair and equitable allocation of future value.
- The Clean Energy Transformation Act (CETA) effective beginning 2022 and the Climate Commitment Act (CCA) effective beginning 2023 have led to higher value for EAs.
- This amendment is the result of a lengthy negotiation.

Amendment Highlights

- Split total EA value 50%/50%
- Volumes of EAs based on actual volume delivered and not average water volume.
- Pricing is competitive
- Payment for EAs is in addition to Costs already being paid by Puget for the Power Sales Agreement

Next Steps

- Request Board approval of Resolution to enable the General Manager to execute the First Amendment to the 2006 Puget Power Sales Agreement (tentatively Aug 15th)
- If Resolution is approved, General Manager to execute the First Amendment to the 2006 Puget Power Sales Agreement

Questions?

