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ARIZONA POWER AUTHORITY

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MINUTES OF THE ARIZONA POWER AUTHORITY (“APA”) COMMISSION (“Commission”) MEETING HELD OCTOBER 17, 2023

- PRESENT:** Phil Bashaw, Chairman
Russ Jones, Commissioner
Kim Owens, Commissioner
John Sullivan, Chairman
Jim Sweeney, Vice Chairman
- STAFF:** Heather Cole, Executive Secretary to Commission
Jordy Fuentes, Executive Director
Ben Norris, Legal Counsel (*Virtual*)
John Schutter, Senior Accountant
Sonseeahray Thayer, Financial Administrator
- OTHER:** Katie Aikens, Arizona Farm Bureau
Noel Carter, Buckeye Water CDD
Ted Cooke, WIFA
Ed Gerak, IEDA
Alicia Gutierrez, Arizona Farm Bureau
Daniel Herderer, ClarkHill
Leslie James, CREDA
Derek McEachern, Electrical District #4
Kristine McMinimy, AEPCO
Hunter Moore
Jason Moyes, Moyes, Sellers & Hendricks
Jody Moyes, Guest
Dean Owens, Guest
Daniel Pritchard, KR Saline & Associates
Scott Saline, KR Saline & Associates
Daniel Schweibert, AZ Legislature
Meghan Scott, Wellton Mohawk
Adam Shea, Guest
Elizabeth Story, Guest
Sheryl Sweeney, ClarkHill
Kelly Urbine, Current Insights
Brian Young, Central Arizona Project

CALL TO ORDER: The meeting was called to order at 11:10 a.m. Pacific time by Chairman Phil Bashaw. Quorum was established.

ROLL CALL: Commissioners Basha, Jones, Owens, Sullivan and Sweeney were present.

INTRODUCTIONS OF GUESTS ON GOOGLE MEETS & IN PERSON

CHAIRMAN REQUEST FOR DECLARATION OF CONFLICT OF INTEREST BY ANY COMMISSIONER:

- Each Commissioner declared they had no conflict of interest on any matter as listed on the agenda for today's meeting.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was recited.

APPROVAL OF MINUTES:

- **Motion:** To approve the minutes from the Regular Commission Meeting held on October 17, 2023, was made by Commissioner Owens and seconded by Commissioner Jones.
- **Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.
- **Motion:** To approve the minutes from the Special Virtual Commission Meeting held on November 7, 2023, was made by Commissioner Owens and seconded by Commissioner Jones.
- **Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

REVIEW OF EXPENDITURES AND FINANCIAL REPORTS AND APPROVAL OF

CLAIMS: John Schutter, Senior Accountant, provided the Expenditures & Financial Reports.

Hoover Operations Fund Claims #14280 - #14390, and APA Claim #665 for the period October 1, 2023 through November 30, 2023 were presented.

- **Motion:** To approve Hoover Operations Fund Claims #14280 - #14390 and APA Claim #665 as presented was made by Commissioner Jones and seconded by Vice Chairman Sweeney.
- **Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

REPORT ON POWER OPERATION MATTERS: Sonseeahray Thayer, Financial Administrator, reported on the following:

- Monthly precipitation – November precipitation was dryer compared to the same time last year.
- Water Year Precipitation – When comparing Water Year 2024 to Water Year 2023, overall, there has been less precipitation.

- Upper Colorado River System – Precipitation to Date in the Upper Colorado River System is at 88%, lower than what it was at the same time last year.
- Lake Powell inflow - Lake Powell inflow is forecast to be at 70% of normal for the year.
- Total System Contents – (Upper and Lower Basin) Total system contents at the beginning of Operating year 2024 is still considerably higher compared to the same time last year.
- Reservoir and System Capacity – Lake Powell's is currently at 37% capacity, Lake Mead's is at 34% capacity, and the total system capacity is currently at 42%
- Lake Mead Elevation – By October of 2025, it is anticipated that the elevation at Lake Mead will be at the 1,043 mark.
- Glen Release – The Glen release for OY 24 is comparable to the same time over the last few years.
- Hoover Release – and the Hoover release remains consistent year over year.

Lastly, the Climate Forecast from the Colorado Basin River Forecast Center for Arizona is normal temperatures with a normal to slightly higher than normal chance of precipitation over the next 3 months.

EXECUTIVE DIRECTOR REPORT

- **Arizona Reconsultation Committee (ARC)** Jordy Fuentes has been appointed to the ARC Advisory Committee. Prior to this, hydropower interests have not been adequately represented on this committee as they work to develop the Post 2026 Guidelines.
- **APA REC Program Update** – APA Staff is continuing to work with brokers to learn more about the REC markets. 4th Qtr RECs should be available to market in mid-January.
- **APA Empowering Rural America Grant Update:** AEPCO has updated their indication of interest. No notice has been received from USDA to date.
- **Drought Impact Updates & Discussions:** At the E&OC meeting in November – it was discussed that runoff from last year was 1 million-acre feet less than projected. APA Staff feels comfortable with the rates that have been set at this time.
- **CRSP to SPP:** There was large attendance at the recent meeting which lead to many conversations. There appears to be a desire to work together to craft some solutions on transmission issues & costs and a path has been outlined on how to get where we need to be – which are solutions for the lower basin.

Commissioner Sullivan shared that both lower & upper basin entities are involved in moving forward. DSW has already participated in moving to the pseudo tie which may prove to be very helpful. Everyone agrees that wet winter last year provided some relief and kept us from a catastrophe, however, we are still not out of the woods.

APA YEAR IN REVIEW:

- **Empowering Rural American (ERA) Grant Opportunity:** Initial thoughts were that AEPCO would have heard from USDA by this point. As a reminder, the 3-step process began with:

- Provide indication of interest
- AEPCO to formally apply for the grant
- Receive funding

To date, 3 times as many applicants as projected submitted indications of interest and over \$20 billion in funding has been requested. The grant allows for \$9.8 billion in funding. The AEPCO has requested 500 MW of solar – 200MW in Cochise County and 300MW installation likely to be built in Pinal County.

AEPCO has enough interest to move forward with the 200MW installation at Apache/Cochise with or without the ERA funding. APA Customers will be discussing interest in the 300 MW Pinal Solar project and transmission in the next few weeks. John Coyle, Duncan Allen, is continuing to prepare contract w/ AEPCO and with APA Customers.

Mr. Fuentes reviewed the APA Mission Statement and the activities related to each of the pillars.

VISITOR COMMENTS: Leslie James, CREDA, Leslie reported that the Kelley Bill may be introduced prior to the holiday break I Congress. Newly elected, Congresswoman Celeste Maloy, has indicated that she would like to co-sign the bill.

Daniel Schweibert gave a brief update on the Arizona Legislature. Representative Gail Griffin was instrumental in supporting the APA and its Customers when she sponsored Legislation for \$1 million in Appropriations for Resource and Needs Assessment. Legislation was also introduced clarifying the APA's authority relating to power storage.

2024 Legislative Session – 3 bills have been pre-filed relating to line sighting for transmission projects. In addition, Mr. Fuentes will continue to build connection with the APA & ADWR.

COMMISSIONER COMMENTS: N/A

ADJOURNMENT:

There being no further business to come before the Commission, Chairman Bashaw adjourned the meeting.

The meeting was adjourned at 11:57 a.m.

Phil Bashaw, Chairman

ATTEST:

Heather J. Cole, Executive Secretary to Commission