

Monthly Board Report – 5/12/22



Agribusiness and Water Council/NWRA

- Sustainable Investors are Targeting Water Consumption, Similar to Climate Change
- 20 Million Acres of Farmland in US may be Contaminated with PFAS
- Colorado Springs Utilities is Reminding Community to Limit Water Usage by enforcing its Water-Wise Rules this Summer, Violators may be Fined
- Biden Administration Hiring Federal Workers in Georgia, Kentucky, New Mexico, Mississippi and Tribal Nations in Arizona to Help Rural Communities Access the Federal Resources Available
- Led by Dept. of Ag, will Expand to all 50 States - Rural Partners Network
- Priority of Rollout Seems Tied to Competitive Midterm Races
- Utah Governor Issued a New State of Emergency for Drought
- SRP's Reservoirs Remain 72% full
- Uranium Mine near Grand Canyon Received Water Permit from ADEQ

American Public Power Association

- SEC's Proposed Climate Disclosure Rule may Impact Public Power Entities
- Joy Ditto Joined Board for the Center For Energy Workforce Development
- APPA Responded to FERC NOPR for Transmission Planning & Cost Allocation
- Vermont Senate Passes Budget Providing AMI Funding For Public Power
- Voters elect not to sell Barton Electric to Vermont Electric Cooperative
- APPA Asks Biden to Prioritize Modernization of the Columbia River Treaty

Bureau of Reclamation / DOI

- Klamath Project to Receive only 50K AC-Ft this Summer Season
- Conservation Law in NE may Aid in Pushing Back Against America the Beautiful Initiative, as well as NEPA to Slow the Process
- BIL Contains \$400 million Over 5 Years for WaterSMART Grants

California

- LA Times Reports State's Urban Use is 6.6 MAF, and Volume Could be Reduced 30% to 48% by Replacing Leaky Pipes, Replacing Old Washing Machines, Reusing More Wastewater and Capturing More Storm Water
- State Could Capture 580K to 3 MAF of Stormwater in Urban Areas.
- 29% of Effluent Reused in the South Coast region, Only 9% in the Bay Area
- Urban Use Peaked in 2007 at about 10 MAF, has Declined to 7 MAF Today
- 26 MW PPA Signed by CCA for Geothermal Facility in Imperial Valley
- CA Public Power To Participate In DOE "Vehicle to Everything" Initiative
- SMUD, Among Other Utilities, Uses Cloud Seeding To Increase Hydropower
- SoCal Declared Water Shortage Emergency, Restricting Watering to Just One Day a Week —Action Will Affect 6 million people
- Despite Nuclear Support Program, PG&E will Still Close Diablo Canyon

Colorado River Energy Distributors Association

- DRO Plan Approved
- Chance of GCD Going below MPP Went from 30% to 3 % with Reduction in Releases from Powell & Extra Water Released from Flaming Gorge
- Drought has Cut Production at GCD in Half, 47% Expected Next 2 Years
- SPP Impacts to CRSP Include; Upgrade Requests Priorities, Firm Electric Service Exemption for Regional Upgrades, SPP will be Market Operator, Initial Separate Ques for East & West SPP with Eventual Combination
- DC Ties Costs will Not Impact the CRSP Rates
- Bug Flows at GCD Conditionally Approved this Summer

Department of Energy

- \$6B Program to Support Nuclear Plants Being Contemplated from BIL
- \$504M Conditionally Committed to Advanced Clean Energy Storage Project – IPP Hydrogen Storage Project in Utah
- Republicans Pressed DOE on Plans to Hire 1,000 Clean Energy Corps

- DOE Considering Host of New Energy Efficiency Rules for Appliances
- RFI for \$2.5B Grant Program to Strengthen America's Power Grid
 - Vegetation Management & Utility Pole Upkeep
 - Undergrounding Electrical Equipment
 - Relocating or Reconductoring Powerlines
 - Improvements to Make the Grid Resistant to Extreme Weather
 - Increasing Fire Resistant Components
 - Advanced Modeling for Real-Time Situational Awareness
 - Integrating DERs like Microgrids and Energy Storage
 - \$3B billion to Spur Production & Recycling of Battery Components

Environmental Protection Agency

- Red States Call on Supreme Court to Narrow Clean Water Act
- Judge Ruled that WI Regulators Can't Require Businesses to Clean Up PFAS Contamination Because Legislators haven't Established Restriction Yet
- Gina McCarthy to Step Down in Coming Months, Ali Zaidi Top Contender
- LA AG to Take Social Cost of Carbon Issue to Supreme Court
- National Emergency Waiver Issues to make E15 Available in the Summer
- 154 House Members & 45 Senators File Amicus Brief in Sackett vs. EPA
- \$500M Going to Protect Oceans & Waterways to Combat Plastic Pollution
- CEQ Finalized Phase 1 Changes to NEPA Implementation
- Enviro Still Pursuing Legal Challenges to Trump Era NEPA
- White Paper on GHG Control Techniques for Combustion Turbines Issued

FERC

- Former FERC Chair Urges Western Power Market Expansion
- Reliability & Affordability Concern for Regional Markets
- Chair Richard Glick Recommend an Independent Monitor for Grid Build-out

Financial Focus

- Feds Raise Rates 0.5%, Possible 0.5% Increases in June & July Anticipated

- Inflation Rose 1.2% in March and 8.5% Over the Last Year
- Energy Biggest Driver, with Gasoline Prices Rising 18.3%
- Made in America Requirements for BIL Projects (w/ Exemptions)
- New York Power Authority Sold \$608M in Green Bonds
- Family Glitch Fixed by IRS Proposed Rule for ACA Subsidies
- “JOBS Act 4.0” Unveiled to Help Accelerate Economic Growth

Hydro

- Pump Storage in San Diego Starting to Move Forward After 9 Years
- Small Hydro & Pumped Storage Gaining Interest of Late
- 63 GW of New Pumped Storage Proposed to FERC Over Last 3 Years,
- This is Roughly 3X the Existing Pumped Storage Capacity Under FERC
- Typical Timeline for Permitting New Hydro Project is about 5 Years
- Proposed Reforms Could Shorten this to 3 Years for Closed-Loop Projects
- Non-Powered Dams Could Obtain Hydro License Within 2 Years.
- In addition, new hydroelectric projects at dams that are already in place but
- Licenses Last for 30 to 50 years, 30% of Current Projects Up for Relicensing
- Push for ‘Solar-Scale’ Level of Federal Investment for Waterpower

Industry Update

- Administration Estimates 1,000+ Carbon Capture Operations may be Needed to Trap 1.7B Tons of CO₂/Year, a 10X Increase Over Next Decade
- \$10s of Billions Planned to Upgrade Aging Grid - EV & Renewable Transition
- EEI Expects Utilities to Invest \$140B in 2022 & 23
- Some Utilities Looking to Replace Coal Plants with SMRs
- Majority of U.S. cobalt, lithium and nickel within 35 miles of Reservations
- “Freeze-Thaw” Battery Developed for Long-Term “Seasonal” Storage
- NREL Expects 130-680 GW by 2050 – Support 80% Renewable on Grid
- Dems Looking at Oversight to Crack Down on “Price Gouging” of Energy
- SW Needs 4,000 MW of New Capacity by 2025 & 13,000 MW by 2033
- E3 Report said Utilities have 5,000 MW Under Construction, Additional 10,000 MW Planned by 2025 and 35,000 MW by 2033

- In Florida, Hawaii, Illinois and New York, Rates are Up about 15%
- BPA Joins CAISO Western Energy Imbalance Market

Meetings

- Meeting w/ GCSECA – April 20th
- CREDA Legislative Work Group – April 21st
- RID Old Files – April 22nd, 26th & 29th
- RWCD Technology Conference – May 2nd
- WAPA Pinal County Tour w/ Tracey Lebeau – May 3rd
- Drought Interagency Coordinating Group – May 4th
- Southwest Energy Conference Planning Session – May 4th
- Meeting w/ ACC Commissioner O’Conner – May 5th
- BOR Update – CAP Office – May 6th
- Interview with City Hall Reporter – May 9th
- NWRA Federal Water Issues – May 10th thru 13th
- Yuma Fresh Vegetable Conference – May 12th
- AMPUA – May 13th
- APA/IEDA Meeting - May 17th
- E&OC – May 18th
- AEC Southwest Energy Conference – May 24th
- Annual Operating Plan – June 1st
- Vacation – June 2nd to June 9th
- APPA National Conference – June 10-15 Nashville, TN
- CREDA – Santa Fe – June 20th-21st

Renewables

- Renewable & Storage Connection Que More than Existing Installed Capacity
- PPA Pricing Up 9.7% in Q1 2022 to Nearly \$40/MWH @ 28.5% YOY Increase
- Trident Farms Requested 2,000 MW Washington State Offshore Wind Farm
- DOI to Approve 48 Wind, Solar & Geothermal Projects by 2025
- 29,595 MW of the 31,827 MW will be Produced by Solar Projects

- Of that, BLM to Approve 11,409 MW of Electricity by the end of 2023
- That is Nearly Double the 12,000 MW from the 35 solar, 36 wind and 48 Geothermal Power Projects Formerly Approved on Federal Lands to Date
- Nearly 2/3 of U.S. Solar Capacity Installations Planned for this Year Could be Jeopardized by a Commerce Department Investigation
- It Would Take at least 18 months for U.S. to Build a Domestic Supply Chain

Transmission

- Multiple Benefits Co-Locating HVDC & Broadband in Highway ROW
- Grid Enhancing Technologies can Reduce Need for Significant Investment in New Projects by Maximizing the Capacity of Current Infrastructure
- Interior Working on West Wide Energy Corridor, Stretching Across 11 Western States & Nearly 3M Acres of Public Lands - Transmission Corridor
- BLM Prioritizing 4 Proposed Lines on Public Land in AZ, NV, NM, and Utah
- Agency Proposed Revising 80 Previously Corridors, Eliminating 9, and adding 8 and Would Specifically Improve Renewable Connections
- BLM Issued Memo for Standardization of ROW for Renewables
- 66 FTEs Needed to "Substantially Improve" Permitting Coordination
- TransWest Express to sell Power Company of Wyoming 1,500 MW of Capacity on Line from WY to southern NV
- PCW is building a 3,000-MW wind farm in Wyoming.
- BLM will Publish FRN for Draft EIS for SunZia Project from NM to AZ
- Project Includes 2 Planned 500 kV Lines, Crosses 500 miles of Federal, State and Private Lands & Would Transport as much as 4,500 MW of Electricity
- Environmental Reviews Initiated for Greenlink West and Cross-Tie Projects
- Greenlink West Comprised of 525-kV, 345-kV, 230-kV and 120-kV Facilities across 423 miles of lands in NV, Would Add 5,000 MW to Grid
- 500-kV Cross-Tie Would Run 214 miles and allow 1,500 MW to Grid in UT
- Developers of \$1B Northeast Transmission Line Fight to Save Project in ME

Uncommon Dialogue

- Requires FERC, Federal and State Agencies and Tribes to Meet in Conference to Develop a Joint Study Plan to the Extent Possible,
- Shifts Federal Power Act § 4(e) Mandatory Conditioning Authority from DOI to a Federally Recognized Tribe for any project on Trust Land

WAPA

- HQ Reduced Current 10-Year Plan 15%, Mostly Flattening Budget Years
- FTEs Remain Flat at 1,521
- Rodney Bailey New SVP for Colorado River Storage Project Manager
- DSW Working on Vegetation Management Program

Washington DC

- Manchin Called for an "all-of-the-above" Energy Policy due to Inflation
- Started Bipartisan Discussions, Seeking Regular Order, Avoid Reconciliation
- Dems Want Budget Reconciliation Done Before the Memorial Day Recess
- Four Issues on the Table for Reconciliation: \$325M in Clean Energy Tax Breaks, Methane Fee, Oil & Gas Leasing & Offsets.
- \$385M Added to LIHEAP on Top of \$4.5B in ARP & \$100M HHS in BIL
- Schumer Wants to Revisit the \$10B Pandemic Plan (H.R. 4373)
- Biden Asking for Billions in supplemental to help Ukraine fight Russia
- Fears mount inside White House that Manchin won't agree to any deal
- Grijalva and Heinrich Seeking to Update General Mining Act of 1872
- Bill Would Establish 12.5% Royalty on New Mines & 8% on Existing Mines
- Sen. Markey Introduced Legislation to Spend \$10B over 8 yrs Promoting More Energy-Efficient Heating and Cooling Home Appliances
- FEMA would be required to help pay interest for loans Under H.R. 5689
- Amount for Disaster Mitigation Funds Would Be Increased from 6% to 15%
- House Ways & Means Committee member Tom Reed (R-NY) resigned
- WH Released New Permitting Action Plan to Accelerate Federal Permitting & Environmental Review process for infrastructure projects

Wildfires & Other Disasters

- Forest Service Chief Targeting 200,000 AC Across 8 States
- 10 Landscapes Will Receive \$131M to Address Fuels Reduction Work
- Plan Will Use \$3B from BIL to Treat 20M AC National Forest & 30M AC Other Federal, State, Tribal or Privately Land Via Thinning & Prescribed Fire
- McBride Fire Burned 4K AC near Ruidoso, N.M., Burning 150 structures
- Ducey Declared Emergency for Tunnel Fire in Coconino County
- Burned more than 19K AC, More than 750 Households Evacuated
- Nearly a Dozen New Large Fires Reported Across the Nation — 4 in NM, 3 in CO, 1 in FL, NE, SD & TX
- 1,350 Square Miles Burned YTD, Up 30% Over 10-Year Average
- Forest Service's \$9B Discretionary Budget Request for FY2023
- Forest Service say Trees Up from 40-60/AC to 600-1,000/AC
- FS Lost 40% (8,000) its Nonfire-Related Workforce Over the Past 15 years