

Monthly Board Report – 6/8/23



Agribusiness and Water Council/NWRA

- Paul Brierly Selected New Dept. of Ag. Director
- Sackett's Win WOTUS Case 9-0, Rejecting Significant Nexus Test
- Wetlands Approvals Paused After Supreme Court Decision
- Supreme Court Fractured Decision Upholds Pork Ban if Producer Fails to Meet Standards
- USDA Releases Guidance for Applying for Forgivable Rural Renewable Energy Loans
- UofA WRRC Seeks Associate Director/Specialist
- Tom O'Halleran Hired as Senior Advisor at Department of Agriculture
- Klamath Farmers Urge Supreme Court to Take Up Water Fight
- House Agriculture Chair Aims for August Farm Bill Release
- USDA Releases Funding Rules for \$9.7B Co-op Energy Innovation Program

American Public Power Association

- Sinema & Kelly Sign on to APPA Senator Transformers Letter
- Analyzing MOU on Permitting Reform from USDA, DOE, EPA, CEQ & Others
- APPA Shares Permitting Reform Priorities Before Senate ENR Hearing
- APPA Chimes in on Treasury Dept. Proposed Domestic Content Rule
- APPA Commented on Proposed Steam Effluent Limitation Guidelines
- Treasury NOI for Domestic Content ITC Bonus Credits Proposed Regulations

Arizona

- Bill Introduced in Congress to Aid SRP Pumped Storage Project
- Hobbs Vetoed 99 Bills this Session, Signed only 162 Bills So Far (6/2/23)
- Hobbs Announced Chad Campbell as New Chief of Staff
- Governor Announced Pause on New Assured Water Supply Determinations

- ADWR Will Halt Development that Taps Groundwater in Phoenix AMA
- Chaired Senate EPW Hearing on Drought
- Multiple AZ DC Folks Weigh In on Lower Basin Water Agreement
- UofA Ranked in Top 25 Public Universities
- Cheryl Lombard Leaving Valley Partnership for DC Environmental Non-Profit
- Tucson Voters Reject Extension of TEP's Franchise Agreement
- ASU School of Medicine & Advanced Medical Engineering Announced
- Laura Pastor Joining Race for CD3 Seat (Gallego's Current Seat)

Bureau of Reclamation/Dept. of Interior

- Lower Basin States Reach Agreement on Proposal, AZ to Provide an Estimated 1.8 MAF over Next 3 Years On Top of DCP
- Hoover Elevation 1050' (April 30), Capacity 887 MW
- BLM Advances Major 4,500 MW SunZia Southwest Transmission Project
- BLM Approves Plan to Add Up to 300 MW of Calif. Energy Storage
- BLM Unveiled Draft Rule Which Designates Conservation as a Management Priority, On Par w/ Energy Development, Grazing and Recreation
- DOI Advances Transmission Projects to Deliver Renewable Energy in NV
- \$62.5 Million Announced for ESA Recovery Planning
- NRECA Urges FS Not To Increase Liability & Costs Cap (188% Increase) for Co-Ops

California

- 48-MW Power Generating Unit Began Construction in Lodi, California
- Project is 123 Identical Generators Each w/Engine Rating of 673 HP
- EIA Forecasts 72% Rise in Hydropower Generation in California
- CAISO Summer Assessment Sees Improvement in Resource Availability
- CA May Need to Invest Up to \$50B to Meet Climate, Electrification Goals
- CAISO Board Approves Transmission Plan, Proposal to Address Interconnection Issues
- CA Regulators Open Proceeding to Update Transmission Siting Regulations
- California Governor Releases Update to Clean Energy Implementation Plan

- CA Unlikely to Run Short of Electricity this Summer Thanks to Hydro Return
- CA Has A New \$7.3B Plan To Fix Its Transmission Problems
- Senate Approves Bill - All New EVs to Include Bidirectional Charging

Colorado River Energy Distributors Association

- Runoff Projected to be 11.3 MAF
- Balancing Release of 9.2 MAF Anticipated, Down from 9.5 MAF in April
- Anticipated 7.48 MAF Release Next Year
- BOR Removed Operational Neutrality of 480 KAF Retained in Lake Powell, Assumed Released in Balancing Releases
- BOR will attempt to maximize DROA recovery in the Upper Initial Units in WY 2023 and through April 2024
- 2023 Drought Response Operations Plan Finalized, Basically Recovery of Earlier Waters Contributed
- Thomas Hackett-WAPA-CRSP Passed Away on May 25th

Department of Energy

- Sec. Granholm Testified Before House Energy & Commerce on DOE Budget
- Questions Included Focus of Cost Socialization for Transmission
- DOE Selected ASU for Clean Energy Manufacturing Innovation Institute
- DOE Seeks Input on National Transmission Corridor Effect
- Argonne National Laboratory Offers Technical Assistance for Climate Resilience Planning Efforts
- DOE Offers \$50 Million in Grant Funding for Rural and Remote Areas
- Idaho Lab Report Highlights Opportunities and Challenges for Microreactors
- Biden Admin Launches \$11B Program to Electrify Rural America
- DOE Opens Applications for \$554 Million In Hydropower Incentives
- GDO Invests \$50 Million in States and Tribes to Modernize Electric Grid
- DOE Targets Nuclear Fusion Pilot Plant Design with \$46M in Funding
- DOE Report Outlines 10 Actions Needed To Achieve 100% Clean Electricity
- DOE Earmarks Nearly \$42M To Produce, Store And Deploy Clean Hydrogen
- Administration Releases Clean Hydrogen Roadmap, Slash GHG 10% by 2050

Environmental Protection Agency

- Power Plant Rules Affect New, Existing, Modified, & Reconstructed Plants
- White House Pressed EPA to Toughen Power Plant Rule
- Groups Ask EPA to Extend Comment Period - GHG Emissions Proposed Rule
- Fifth Circuit Upholds a Motion to Stay EPA's Final SIP Denial for TX and LA
- EPA Releases Final Rule on Air Emissions Testing Provisions
- Proposed Rule to Regulate Legacy Surface Impoundments Clears OMB
- EPA Proposes Water Quality Standards for Tribal Lands

Federal Energy Regulatory Commission

- FERC Considering New Requirement to Increase Power Flows Between Different Regions of the Country
- FERC Approve NERC Work Plan Tied to Inverter-Based Resources
- FERC Staff Presented its 2023 Summer Energy Market and Electric Reliability Assessment
 - Warmer-than-Average Temperatures Expected this Summer
 - NERC Forecasts Regions will have sufficient generating resources to meet expected summer demand and some regions may require operating mitigations under challenging summer conditions.
 - Regions facing higher likelihood of tight supply and reliability issues during extreme conditions are: Electric Reliability Council of Texas, Midcontinent ISO, New England, SERC-Central, Southwest Power Pool, and the Northwest, **Southwest**, and California/Mexico subregions of the Western Electricity Coordinating Council.
 - Additions outpaced retirements, w/ rapid growth in storage capacity.
 - Natural gas prices are expected to be lower this summer than last summer, with high levels of natural gas production and storage.
 - Industry faces supply chain, economic, and security concerns.
 - Among the supply chain constraints identified in the report is the shortage of distribution transformers.
- Speeding Up US Power Grid Connection 'Top Priority', FERC Chairman Says
- Clean Energy Backlash for Being Left Off FERC Reliability Hearing Panel

Financial Focus

- WAYMO Partnering w/ UBER to Bring Autonomous Taxi Service to PHX
- TSMC Semiconductor is a \$40B Investment in PHX
- Intel Investing \$20B in Chandler for Semiconductors
- Economists Continue to Expect a Recession in Coming Months in US
- Germany Slipped Into a Recession After 2 Quarters of Negative Real GDP
- Yield Curve Remains Inverted
- Consumer Confidence Has Show YOY Decline Since Fall of 2021
- Housing Starts Down 22% From Peak in April 2022
- However, Home Prices Increase 1.5% in March, Second Straight Month
- However, Unemployment is Still Strong at 3.5% in March
- Labor Participation Rate is Roughly 63%
- Inflation Indeed Retreating in Response to Fed's Rate Hikes
- Inflation at YOY Pace of 5%, First Time in 2 Years, Down from Peak of 9.1%
- Layoffs Have Spread from Tech Companies to Financial Sector
- Transformers Slowing Housing Development

Industry Update

- NERC Releases Summer Readiness Report, 2/3 of North America at Risk of Energy Shortfalls
- NERC Issues Alert to Evaluate Bulk Electric System's Winter Readiness
- Microsoft Agrees to Buy Energy from Nuclear Fusion Plant
- Houston Company Mixes Geothermal and Pumped Hydrogen in Underground Energy Storage Combination that Utilizes Water
- MS Firm Applies for Funding to Store Clean Hydrogen in Salt Domes
- U.S. Coal-Fired Capacity to Drop Below Half of 2022 Levels by 2050: EIA
- Georgia Power Announced that Vogtle Unit 3 Safely Reached 100% Power
- NRC Pressed to Speed Up Nuclear Licensing for CO2 Goals
- US Battery Storage Capacity Up 52% year over year, to 10.8 GW End of Q1
- NRECA Urges Biden to Prioritize U.S. Steel Production

Markets

- PJM Sees Sufficient Supply to Meet Summer Electricity Needs
- SPP Anticipates Sufficient Energy Resources for Summer Reliability

Meetings

- Arizona Drought Meeting – ADWR – May 16th
- Hoover E&OC Meeting – Las Vegas – May 17th
- Colorado River Conference – Scottsdale – May 18th-19th
- MAG Air Quality Presentation – May 19th
- AMPUA/IEDA Meeting – May 22nd
- AEC SW Energy Conference – May 24th
- Leadership Class #5 – GCSECA – May 25th
- CREDA Legislative Work Group – May 30th
- AZ WAPA Customers Call – May 31st
- AMPUA Meeting – June 2nd
- Congressional Calls – June 5th-6th
- APA/IEDA Meetings – June 13th
- APPA National Conference – June 16-21st
- APPA Board Meeting – June 17th
- CREDA Summer Meeting – Santa Fe – June 29-30

Oil & Natural Gas

- TVA calls gas 'best overall solution' to coal plant closure
- Investment in Solar Eclipse Oil for First Time
- Natural Gas Prices Slide Due to Shoulder Season Weather & Stout Supplies
- Global Natural Gas Demand Projected to Decline Through Remainder of Year, IEA Says
- Producers Pull Back Production
- Prices Expected to Rise on Higher Electric Demand, Flat Production

- U.S. Legislators Target Energy Market Manipulation with New Bill
- U.S. 'Well Supplied' for Summer Natural Gas Demand, with Lower Prices, Says NERC
- G-7 Leaders Back 'Important Role' of Natural Gas in Confronting Energy Challenges
- Mexico Seen Driving LNG Export Growth in Latin America
- Mexico Nat. Gas Massively Underexplored in S. Mexico, Jaguar CEO
- Panama Canal Drought Signaling Longer Journey to Asia for U.S. LNG
- EIA Expects Global Natural Gas Prices to 'Moderately' Drive Henry Hub Through 2050
- Interior Approves Mountain Valley Pipeline Forest Path

Transmission/WAPA

- WAPA Testified Before WWF on May 23rd Questioned on PPW
- Neilia Abban Named DSW Financial Manager
- Jim Kendrick in New DSW Role, Markets & Infrastructure
- DSW Hiring VP - Power Marketing & Director of Transmission/Construction
- DSW Participating in SPP Markets+ Phase 1
- Starting on Parker-Davis Post-2028 Marketing
- Working on One Transmission Rate (CAP, ED5-PV, Intertie, P-DP)
- WAPA SN & DSW Submitted Comments to CAISO Draft EDAM Tariff

Washington DC

- Biden Signs Debt Limit Bill Includes Energy Permitting Reforms
- Manchin Looks to Introduce Transmission Permitting Reform Bill
- House Nat Resources Committee Calls for Reduction in USFS, NOAA & BOR Funding in 2024 Due to Lack of Oversight Committee Appearances
- H.R. 277, the "Regulations from the Executive in Need of Scrutiny (REINS) Act Would Require Congressional Approval for Major Rules
- Amendment to (Biggs – R-AZ) Would Lower Threshold for Rule Qualification
- "Separation of Powers Restoration Act," H.R. 288, to End the Doctrine of Chevron Deference

- Kiel Weaver Leaves Capitol Hill
- Senators Introduce Bill to Boost Domestic Solar Manufacturing
- Senate ENR Committee Holds Electric Reliability Hearing
- Biden Vetoes Proposal that Called for Repeal of Solar Tariffs Moratorium
- Senate Panel Advances Bill Blocking Uranium Imports from Russia
- Rep. Gallego (AZ-03) and Rep. Duarte (CA-13) Introduced the Bipartisan Water Infrastructure Modernization Act., The Bill Creates Federal Grant Programs to Increase Investments and Use of Smart Water Technologies
- House Committee Approves Bill to End Chevron Deference (H.R. 288)
- Bipartisan Senate Bill Aims To Preserve Hydropower Fleet, Spur Gigawatts Of Pumped Storage
- Freedom Caucus Disrupt Procedural Vote in Protest to Debt Ceiling Bill

Wildfires

- GOP Urges Forest Service to Ramp Up Wildfire Prevention