

Monthly Board Report – 8/11/23



Agribusiness and Water Council/NWRA

- 2018 Farm Bill Temporary Extension Likely
- Waters Advocacy Coalition, which Includes American Farm Bureau, Submits WOTUS Letter
- EPA to Use “Good Cause” Rule on WOTUS to Bypass Comments
- OMB Received Final WOTUS Rule July 17 for Approval
- Judge Freezes WOTUS Fight Until New Rule Issued
- EPA Outlines Path to More State Control of Water Permitting
- Climate Smart Cotton Program, led by U.S. Cotton Trust Protocol, Accepting Applications, Measuring Carbon Footprint via Climate Smart Ag Practices
- \$21M in Energy-Related Grants Available for Rural Small Businesses, Agricultural Producers from USDA
- Xochitl Torres Small is New USDA Deputy Secretary
- Michael Brain Named Principal Deputy Assistant Secretary Water & Science
- Senate EPW Committee Begins Talks on the Next WRDA
- Groundwater Conservation Easement Bill Introduced
- Bennet & Lummis introduced Colorado River Salinity Control Fix Act
- Congress Poised to Defund USDA Urban Agriculture Program

American Public Power Association

- APPA Drafted Comments for Draft CAA GHG Proposal
- H.R. 3935 Includes Drones to Be Used Beyond Visual Line of Site for Utilities
- APPA Filed Comments on EPA's Legacy Impoundment and CCRMU Proposal
- APPA & NRECA Push for Hydropower Relicensing Reform - S. 1521
- New IL Law Allows Park Districts to Enter Solar Agreements
- Joint Venture of Automakers Aims to Deploy at Least 30K Chargers in US
- Financially Feasible for San Diego to Acquire City Electric Assets
- APPA Roles Out New Website Design

Arizona

- Arizona Legislature Sine Die July 31st, 205 Day Long Session
- Prop 400, ½ Cent Transportation Tax, Referred to Ballot in 2024
- Rep. Griffin Issues Proposed Reforms to State's Assured Water Supply
- ADOT Adds 7 Highway Corridors to Its EV Charging Station Map
- Gov. Hobbs Demands Utilities to Plan On Dealing w/ the Record Heat
- Sinema Champions Progress on New Grand Canyon National Monument
- Kelly & Sinema Bring New Missions to Davis-Monthan, Infrastructure Upgrades Across AZ, and Servicemen Raises in Annual Defense Bill
- Kelly, Sinema, Schweikert & Stanton Introduce Companion Legislation to Assist SRP to Construct Pumped-Storage Projects in AZ
- AES Corporation's \$680M Wind Farm Opened in Winslow – 454 MW
- Navajo Nation Presses Congress for More Time & Money for Navajo-Gallup Water Supply Project Pipeline
- Salt River Project & Other Municipalities to Invest in Forest Restoration
- SRP Announced 40,585 EVs are Leased or Purchased in Their Service Territory as of April 30, 2023

Bureau of Reclamation/Dept. of Interior

- Lake Mead Storage at 32% as of July 10th, 2023
- Hoover 2023 WY Releases 7.96 MAF, Down from 8.9 MAF in 2022
- Projecting 8.64 MAF in WY 2024, Prior to Conservation Agreements
- Hoover Visitor Center Revenue \$9.7M YTD, Up From \$6.7 in 2022
- BOR Extends Lower Colorado River Conservation Deadline to August 18th
- \$152M in BIL Funding to Aid Addition of 1.7 MAF Storage in CA, CO & WA
- Interior to Hold First-Ever Offshore Wind Lease Sale in the Gulf of Mexico
- Davis Powerplant – 126.88 KWH/AC-FT, Parker – 69.16 KWH/AC-FT in June
- Oversight Holds Hearing Regarding NPS Backlog & Barriers to Access
- BLM/NREL Announce \$3.5M Partnership to Advance Clean Energy
- DOI/BOR Release \$195M in Funding for Drought & Climate Resiliency

California

- CA Now has 5,600 MW of Battery Storage Capacity Online
- Calpine Developing Pilot Carbon Capture & Storage at Natural Gas Plant
- DOE Granted Calpine \$5.8M to Aid in Development
- Solar Powered Microgrids Coming to San Diego, One of 8 Projects
- CEC Approves New Statewide Virtual Power Plant Battery Program

Colorado River Energy Distributors Association

- Powell Release Revised Downward to 9.04 MAF in Current WY
- 7.48 MAF Most Likely Release in 2024
- Estimated it Would Take 6 2023 Snowpacks to Fill Powell
- Lake Powell has Risen 60'+ this Summer
- Lake Powell Storage at 41%, Up from 23%, Upper Basin Storage at 52%
- Working on Save the Colorado Lawsuit
- WAPA-206 FRN Deadline Extension Requested for CRSS Results Release
- WAPA-206 Rate Essentially the Same as WAPA-199 Rate

Department of Energy

- 10 Democratic Senators Send DOE Letter Encouraging Finalization of the Distribution Transformer Efficiency Standard & Extend Deadline
- GAO Report States DOE Could Better Support Transformer Shortage
- States, Tribal Nations Receive Grants Totaling \$207.6M for Grid Resilience
- DOE Intends to Offer \$4M in Sensor Data Analytics Demonstrations Funding
- \$14.7M Funding Opportunity to Tribal Entities for Microgrid Technologies
- DOE Offers \$8.5 Billion to States, Territories for Home Energy Rebates
- DOE Looking at Advanced Reconductoring to Increase Transmission, Dodges Permitting Problems and Could Increase Renewables on the Grid
- Costs Would Be Less than Half of New Construction & More Timely
- DOE Offering \$5.1M in Prizes for Wind Turbine Recycling
- DOE Offering \$20M in Funding for Solar Panel Recycling
- DOE Announces \$45M to Support Solar Manufacturing in the US

- DOE Offers \$30M for Long-Duration Energy Storage Projects
- DOE Announces Nearly \$30M In Grants To Modernize Electric Grid
- DOE Tees Up \$8.5B in Consumer Energy Rebates for Electrification
- DOE To Repurpose Nuclear Weapon Facilities into Renewable Energy Sites

Environmental Protection Agency

- House States CEQ Proposed Permitting Reform Rule Based on Fiscal Responsibility Act of 2023 Not in Compliance w/ Will of Congress
- Convened Small Entity Panel on Revisions to GHG NSPS for EGUs Aug. 10th
- House E&C Request Comment Period Extension for Clean Power Plant Rule
- EPA Kicking Off \$20B in Funding for Greenhouse Gas Reduction Fund

Federal Energy Regulatory Commission/Nuclear Regulatory Commission

- Sen. Schumer Sent FERC Letter Encouraging Expediently Finalizing a Strong Transmission Planning and Cost Allocation Rule
- DC Circuit Court of Appeals Directed FERC to Reexamine Approval of SEEM
- Fifth Circuit Reverses WestConnect Cost Allocation Framework.
- Order 2023 Reforms Generator Interconnection Procedures & Agreements
- North American Energy Standards Board Submitted Report on Gas Electric Harmonization Forum's Activities to Federal Energy Regulatory Commission
- Rejects SPP Regional Transmission Cost Allocation For Wind-Heavy Zones

Financial Focus

- US Credit Rating Downgraded from AAA to AA+ Due to Governance
- Feds Hiked Interest Rates by 0.25% in July, With Another Hike Possible
- Bloomberg Predicts 1.7% Growth in GDP in 2024, Up from Previous 0.9%
- CPI Report Showed Inflation Rose 0.2% During June
- Semiconductor Leader Yield Engineering Opened \$25M Center in Chandler
- Waterworks Pipe Manufacturer Romac Industries Opened 60K sq. ft. Facility in Goodyear

- ASU & TSMC Announced Workforce Pipeline Partnership
- Raytheon Plans to Open 28K sq. ft. Facility at ASU SkySong – 150 EEs
- Fortescue Future Industries Investing \$24M to Build H2 Facility in Buckeye
- Evie Networks (Australian EV) & TCRT Select Phoenix for US Headquarters
- ASU & Applied Materials will Develop \$270M+ Materials-to-Fab Center

Industry Update

- 27 GW of Solar Under Construction & Planned to Come Online in 2023
- Energy NW to Add 12 SMRs (960 MW) in Central WA, First Online 2030
- Vogle Unit 3 Comes Commercially Operational July 31st
- Argonne Study Identifies 1,800 Potential Pumped Storage Sites in AK
- Thermal Batteries Could Cut U.S Industrial Heating Power Costs In Half
- US Utility-Scale Solar Outlook Improves On Easing Supply Chain Limits
- Mitsubishi Delivers Hydrogen-Ready Gas Turbines To Utah (IP) Project

Markets

- ERCOT Sets All-Time Record w/ 81,406 MW Peak Demand on July 13th
- As Renewable Portfolio Grows, Texas Becoming More Vulnerable to Curtailments: EIA
- ERCOT Exploring Pilot VPP for Consumers w/ Solar & Battery (DER)
- NY Grid Operator Warns of Reliability Deficit in New York City Area by 2025

Meetings

- July 31st – August 2nd, APPA Advisory Group
- August 4th, PMA Task Force
- August 8th, Meeting w/ Phil Basha, APA/AZFB
- August 8th, Meeting w/ ADWR & CAP @ Potential Water Curtailments
- August 9th, Meeting w/ Jack Murray, WAPA-DSW
- August 10th, CREDA Legislative Call
- August 10th, Meeting w/ APA Rates Meeting
- August 11th, NWRA Federal Affairs Call

- August 15th, APA/IEDA Meetings
- August 16th – 17th, AMWG, Flagstaff
- August 17th, Agri-Business & Water Council, Prescott
- August 18th, Leadership Class #6/7
- August 22nd, Meeting w/ Tracey Lebeau & Chris Lawrence, WAPA
- August 23rd, Meeting w/ ED6/New Magma
- August 24th, CREDA Legislative Call
- August 29th, Coffee w/ Chuck & Chelsea, WIFA
- August 31st, Drought Ad-Hoc Meeting for Hoover, Virtual
- September 6th, AOP Second Consultation
- September 7th-8th, CREDA Meeting, Denver
- September 13th, Technical Review Committee, Hoover Dam
- September 15th, ABWC Annual Meeting, PERA Club

Oil & Natural Gas

- US Natural Gas Prices Fell 34% in the First Half of 2023
- Nation's Oil Reserve is at a 40-year Low After Historic Drawdowns
- US To Buy 6 Million More Barrels of Oil for Emergency Reserves
- Williams CEO Sees Strong Nat Gas Production Ahead Due to LNG Demand
- Mexico's 8.5 Bcf/d Nat Gas Import Market Just Getting Started, Experts
- Nat Gas Prices Remain Muted as Market Looks Ahead to 2024
- Colorado OKs Natural Gas, Oil Methane Emissions Rules
- Russia Counting on Asia as Nat Gas Output, Exports Continue Falling
- Emerging LNG Projects to Push U.S. Nat Gas Exports to 13.3 Bcf/d in 2024
- Kinder Morgan Projecting 20 Bcf/d of U.S. Nat Gas Demand Growth by 2028
- Panama Canal Congestion Boosting Costs to Move U.S. LNG to Asia

Transmission/WAPA

- WAPA Issues FRN on Application Profile Data Form Renewal
- WAPA HQ Selects Christopher Lawrence as New Chief of Staff
- US Grid Congestion Costs Jumped 56% To \$20.8B In 2022, Report

Washington DC

- Grijalva, et. al, Introduce Heat Stress Legislation & OSHA Requirements
- FY2024 Approps Process Continues, CR Likely Needed Beyond September
- Senate Approps Include \$14B in Emergency Funding in Bill
- Congressional Western Caucus Introduce ESA Working Group
- House WWF Oversight Committee Holds Hearing on ESA
- Rep. Newhouse Halted BLM "Landscape and Conservation Health" Rule
- LIHEAP Sees Potential \$11M Increase in to \$4B in Draft Approps Bill
- House E&C Committee Release Draft Legislation on Pipeline CO2 & Permitting of Wells
- Senate ENR Committee Holds Transmission Permitting Reform Hearing
- Senate ENR Committee Tees Up 16 Western Water Bills
- House E&C Subcommittee Hearing on Nuclear Power Legislation
- House Climate Solutions Caucus Reestablished, First Time Since 2018
- Gallego (D-AZ) Introduced "the Extreme Heat Emergency Act," Would Add Extreme Heat as Major Natural Disaster, Qualifying for FEMA Federal Aid
- House Energy & Commerce Unveil Broad Bill to Trim Pipeline Rules
- Manchin Provision in "Building American Energy Security Act of 2023" Would Remove DOE Requirement to Designate Transmission Corridor Before FERC Can Use Backstop Siting Authority

Wildfires

- House Holds Hearing on Fire Weather Prediction
- Senate Committee Concerned with Forest Service Proposal
- BOR Issues Fire Restrictions Similar to BLM Fire Restrictions
- Interior Announces \$185 Million for Wildland Fire Management
- Mini-Drones Could Help Fight Wildfires By Providing Real Time Weather
- Senate Dems Push To Give Biden Power To Declare 'Smoke Emergency'
- CA Largest Fire Of 2023 Razes Joshua Trees in Mojave National Preserve