

Monthly Board Report – 9/14/23



Agribusiness and Water Council/NWRA

- Arizona Grain Research and Promotion Council is extended eight years to July 1, 2031
- White House Seeks \$12B to Refill the Nearly Broke Disaster Fund
- PFAS Contaminate at Least 8% of Drinking Water Taps Nationwide
- Fed Judge Gives Preliminary Approval to 3M \$10.3B Settlement for PFAS
- BLM Scrapping Much-Anticipated Livestock Grazing Rule
- Bennet Bill Would Add Drought Mitigation to Flood Program
- House GOP Seeks to Avoid Farm Bill Catastrophe, Passage by Year End
- MI Researchers Develop Manure-to-Energy Farm-Based EV Chargers
- Lawmakers Aim to Add \$19.5B in IRA Climate Funds to Farm Bill Baseline
- EPA & Corps Issued Final Rule Stating Majority of Wetlands are no Longer Protected by CWA
- New WOTUS Rule Announced on August 29th/Webinars in September
- Freedom Caucus Targeting Farm Bill Cuts, Short Term Extension Likely
- Ciscomani Spoke at Cochise County Farm Bureau Annual Meeting
- Gosar & Crane Meet w/ Yavapai & Arizona Cattle Growers Associations

American Public Power Association

- APPA Files Comments on Proposed and Temporary Rules for Elective Payment of Energy Tax Credits
- Testifies at Treasury/IRS Hearing on Proposed Elective Payment Regulations
- APPA Emphasizes Need for EPA to Examine Reliability Impact From Proposed GHG Rules
- APPA Files Comments on RICE NESHAP & NSPS Proposed Rule
- APPA Urges Committees to Pass FEMA Loan Interest Payment Relief Act
- APPA Files Comments on EPA National Emission Standards for Cars (ICE)
- APPA Supports Bill That Calls for Delaying DOE Plan Tied to Transformers

Arizona

- Sen. Kelly Visited Taiwan w/ GPEC to Deepen Economic Ties with AZ
- ASU Hosted Congressional Conference - “Advancing Arizona’s Technological Competitiveness”
- Hot/Dry July Results in 56% of State in Abnormally Dry Conditions
- Governor Hobbs Restarts Arizona-Mexico Commission
- Latest Light Up Navajo Effort Connects 159 Navajo Nation Homes in 2023
- Largest Solar Recycling Plant Opens in Yuma, AZ
- SRP Pilot Project to Deploy Long-Duration Energy Storage by YE 2025
- CMBlue Energy - 5MW-10 Hour Solid & Water Based Electrolyte Battery
- Hualapai Tribe Celebrates Historic \$312M Water Rights Settlement
- Kelly, Sinema Announce \$49M for AJ & Buckeye Flood Mitigation Projects
- Rep. Ciscomani Opens New Office in Sierra Vista

Bureau of Reclamation/Dept. of Interior

- WY24 Releases Out of Lake Mead 8.55 MAF (August 24 Month Study)
- Excludes 400K of Conservation –2,898 MWH Hoover Generation Projected
- DOI Launches \$72.5M Funding to Electrify Tribal Communities Homes
- DOI Announces \$50M for Upper Basin Infrastructure for Drought Mitigation
- DOI Announce 3 New Funding Opportunities: \$55M for Drought Resilient Projects, \$35M for Planning & Desing, \$40M for Watershed Management
- Total Lower Basin Storage at 26 MAF / 44% Full (July 17, 2023)
- DOI Approves 4th Major Offshore Wind Energy Project (Rhode Island)
- Commissioner Touton Attended World Water Week in Stockholm, Sweden
- DOI Meet with Tribes, States on Colorado River Challenges
- Interior Announces Potential Offshore Wind Areas For Oregon
- BOEM First Offshore Wind Energy Auction in Gulf of Mexico Nets \$5.6M Bid
- \$180M in BIL Funding Released for Water Recycling Projects
- DOI Approves 704 MW Wind Farm Off the Coast of Rhode Island

California

- CEC Votes to Postpone Closure of Natural Gas Power Plants
- Governor, Lawmakers Reach Agreement on Set of Energy Proposals
- Imperial Irrigation District Hires Jaime Asbury as New General Manager
- IID Hires Jeffery Kightlinger, Former MWD GM, for Colorado River Talks
- Company Kicks Off Biomass to Hydrogen Project in Partnership with SMUD
- Governor Directs Development of Hydrogen Market Development Strategy
- CAISO Warns Heat Wave will Stoke Power Demands
- CA Farmers Advocating for a One Dam Solution (Remove Glen Canyon)
- S.B. 619 - Legislation to Accelerate Transmission Projects Advances in CA
- CAISO Preparing for October Solar Eclipse
- Local Officials Tell Governor to Mandate All New Buildings as Electric

Colorado River Energy Distributors Association

- 2024 Lake Powell Release of 7.48 MAF (August 24 Month Study)
- Expected WY Elevation of 3595.6' (September 2024)
- AMWG Pushes for One HFE Accounting Period (July-June)
- Proposed Mechanical Equipment to Modify the Slough
- Another Round of Rotenone in the Slough to Kill Smallmouth Bass

Department of Energy

- DOE Awards Funds for Long-Duration Storage Projects in VT & KS
- DOE Announces Up to \$1.2B for Direct Air Capture Demonstrations
- DOE Begins Effort to Turn Waste Sites to Clean Energy Production
- DOE Proposes Transmission Permitting Rule to Expedite Process
- DOE Awards \$48M to States & Tribes for Grid Resiliency
- DOE Proposing Coordinated Interagency Transmission Authorizations and Permits Program for 2 Year Permitting Timeline
- White House Launches Hydrogen Interagency Task Force
- DOE Announces \$300M to Speed Up Building U.S. Power Lines
- DOE To Fund 29 Building Efficiency Projects Across 15 States With \$46M

- DOE Awards \$1B For 2 Carbon Removal Projects On Gulf Coast
- \$125M in Grid Resilience Grants for States/Tribes to Modernize Grid
- DOE to Fund Research on High-Voltage Direct Current Transmission Design
- \$15.5B to Support EV Transition, Grow Domestic Battery Manufacturing

Environmental Protection Agency

- US Grid Operators Warn Biden's Power Plant Crackdown Could Trigger 'Significant Power Shortages'
- CEQ Advances Phase 2 NEPA Reform Effort
- EEI Pushing for Best System of Emissions Reduction in New Climate Rule
- EPA Ends Consideration of Ozone Air Quality Standards, Keeps Current Rule
- Democrats Call On EPA To Implement Credit Program For Biomass By 2024
- EPA Proposes State Assumption of Clean Water Act 404 Program
- RTOs Urge EPA to Consider Reliability in Greenhouse Gas Comments
- 6% Of Gas Capacity Needs Major Changes To Meet Proposed GHG Rules

Federal Energy Regulatory Commission/NERC/NRC

- David Rosner Rumored to be Manchin's Top Choice for Vacant FERC Seat
- Chairman Phillips Responds Affirmatively to Schumer's Transmission Letter, Including Reconductoring, Grid Enhancing Technology & "Cost Causation"
- FERC Order #2023 – First Ready, First Served, Site Control & Cost Allocation
- NERC Report Lists 5 Significant Risks to Grid Reliability; Energy Policy, Grid Transformation, Resilience to Extreme Events, Security Risks, and Critical Infrastructure Interdependencies
- NRC Approves Smaller Safety Zones for Advanced Nuclear Reactors
- NRC Accepts Application for UAMPS Small Modular Reactor Project
- NERC Emphasizes Need to Address Faults in Inverter-Based Resources

Financial Focus

- Bloomberg Predicts US GDP to Grow at 1.7% in 2024
- Core Inflation for June was 4.8% (40% Due to Housing)

- DOL Looking to Revise Prevailing Wage to 30% Standard (Davis Bacon 50%)
- PHX Ranked 1st in Industrial Space Supply w/ 58.8M Sq. Ft. (17% of Total)
- AZ Labor Force Up 9,336 Workers Compared to Last Month/ 60,300 YOY
- NRS Logistics to Build Semiconductor Chemical Distribution in Casa Grande
- Barrow Neurological Institute Plans to Develop New 10K Sq. Ft. Lab in PHX
- Treasury Preps Guidance for Made-in-America Credits
- Treasury - NOPR on Tax Credit Wage & Apprenticeship Requirements
- Google Broke Ground on \$600M Advanced Data Center in Mesa

Industry Update

- Wind Accounted for 22% of Capacity Additions Last Year (8.5 GW in 2022)
- Expected Range of Additions in 2023 is 7.1-12 GW of Wind
- Solar Adds 16.8 GW in First Half Of Year, 35.2 GW Expected in Last Half
- Biden Admin Adds Tariffs on Southeast Asian Solar Imports
- TVA Approves \$15B in Additional Generation, Existing System Upgrades
- Grid-scale Battery Boom as US Quarterly Installs Go up 32%
- World Coal Use - Record High of 8.3B Metric Tons in 2022 (36% of Energy)
- Energy Vault signs Gravity Energy Storage Agreement with US Developer
- Nuclear Power Could Make Direct Air Capture Cheaper - DOE
- Former Coal Plant Sites Get Second Life With Energy Storage Systems
- Former Coal Plant in West Virginia Being Converted to Burn Hydrogen
- IRA Increasing Demand for Minerals Critical to Energy Transition
- Wolverine Power to Restart MI 800 MW Palisades Nuclear Power Plant
- Solar Installations Predicted to Grow by Over 50% in 2023 (32 GW Capacity)
- Worldwide Lithium Shortage Could Come as Early as 2025

Markets

- CAISO Submits Filing to FERC Related to Extended Day-Ahead Market
- BANC, SMUD Move Forward With Consideration of CAISO EDAM
- ISO NE Study Shows Energy Shortfall Between Winter 2027 and 2032
- Texas/ERCOT Grid Declares First Emergency Since 2021

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 30th, OTR & P-DP WAPA Meetings
- 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 14th, AMPUA
- September 15th, ABWC Annual Meeting, PERA Club

Oil & Natural Gas

- WGA Seeks to Extend Existing Tax Incentives for O&G to Geothermal
- 6M+ Acres Removed from Offshore Gulf Oil & Gas Lease
- CO Requiring Gas Utilities to Submit Plans to State Regulators Reduction in Greenhouse Gases 22% by 2030 Compared w/ 2015 Levels
- Eversource, Largest Energy Delivery Company in New England, Leaving AGA
- Heatwaves Pushes Up Natural Gas Prices this Summer

- SoCal Gas Agrees to \$71M Settlement Tied to Aliso Canyon Leak in 2015
- SoCal Gas Looking to Build CA's Largest RNG Project (4.5 Bcf/year)
- Increased LNG Demand from China Puts Upward Pressure on Global Supply
- UK Looking to Issue North Sea Oil, Natural Gas Licenses This Fall
- Environmental Groups Challenging Alaska LNG Export Approval – Again
- Australian Worker Strike Spike Global LNG Pricing
- US to Mexico Natural Gas Exports Surge to Record Highs in June
- Energy Needs Sees Increase in O&G Exploration, Up from Record Lows
- Israel Agrees to Export More Natural Gas to Egypt
- ExxonMobil Sees Global Natural Gas Demand Jumping by 20%+ to 2050
- 13M Acres Removed from O&G Leasing in National Petroleum Reserve-AK
- 7 Leases in Arctic National Wildlife Refuge (ANWR) Cancelled
- China Moving More Aggressively to Trade Excess LNG on Global Market
- CPUC Approved Aliso Canyon Storage Increase to Hedge Against Winter
- US Expected to Retain World's Largest LNG Exporter in 2024
- Utilities Increase Reliance on Gas Storage as Hedge Against Price Volatility

Transmission/WAPA

- WAPA-206 Rate Case Comment Period Extended to October 3rd
- Parker-Davis Post-2028 PMI – Thursday, September 21st, 2023 – 10AM
- Michelle Williams Selected as Senior VP and SNR Manager
- Tamala Gheller is New CRSP Rates Manager
- WAPA CRSP Has 2,325 Miles of Transmission Lines/Majority 230/345kV
- CRSP Purposefully Built as a “Wheel and Spoke” System
- WAPA-CRSP Extends 206 Rate Case Comment Period Until October 3rd
- SPP Selects NextEra to Construct \$291.6M NW Transmission Project
- Brent Osiek Named CRSP Power Marketing Manager
- CRSP Purchased \$8-\$9M in Aug & Sept. for Purchase Power to Meet DSA
- WAPA Looking at Updating Model to Represent Regional/GCD Affects
- SunZia (4,500 MW Wind from NW to AZ & CA) Breaks Ground on Sept. 1st
- WAPA is planning on joining the National Hydropower Association

Washington DC

- Short-term CR Likely – Disaster Aid & Ukraine Support in Question
- Biden Impeachment Inquiry Opened in the House
- Sen. Cantwell/Murkowski to Introduce Hydro Tax Credit in Next 2-3 Weeks
- John Thune (SD) the minority whip; John Cornyn of (TX); or John Barrasso WY, the conference chair — Candidates to Replace Mitch McConnell as Senate Leader, All Hail from Big Energy-Producing States
- Schumer Promises to Build on Climate Law if Dems Win in 2024
- Gosar & Bentz Send Letter to NOAA @ Breaching Lower Snake River Dams
- Gosar/Westerman Send Letter Requesting Info @ New AZ Park Designation
- Biden Admin Looking at Plan B for Permitting Reform if Necessary
- \$100B Difference in House & Senate Approps Bills Causing Delays
- Freedom Caucus Commits to Restoring 2022 Topline Budget of \$1.47T
- Freedom Caucus Threatens to Block CR w/o Spending Cuts
- REAL ID Deadline Extended to May 7th, 2025
- Crane Tours Energy Producers in MT & Resolution Copper in Superior
- Ciscomani Looking to Designate Copper as Critical Mineral
- Biden Disaster Funding Request Increased from \$12B to \$16B

Wildfires

- Maui Filed Suit Against Hawaii Electric for Negligence
- House NRC Holds Field Hearing Dealing w/ Western Wildfires
- Utilities Weigh Leave Customers in the Dark Due to High Winds/Wildfires
- 20 Wildfires In Northern California Prompt Evacuations In Searing Heat
- HR 3389 - Emergency Wildfire Fighting Technology Act of 2023 Passed
- House OKs Bill to Study Novel Air Drops Against Wildfires
- HR 1567 "Accurately Counting Risk Elimination Solutions (ACRES) Act," Approved Mandatory Annual Reports from Forest Service & DOI