

Monthly Board Report – 1/31/24



Agribusiness and Water Council/NWRA

- ADWR Exploring AMA For Gila Bend Area
- Kelly/Sinema Call for Drought Action in Farm Bill
- ACA & PHX Business Journal to Hold Water Panel on Jan. 31st
- Poor Weather Resulted in Poor Turn out at AgFest at the Capitol
- NWRA Comments on BOR “Extended Repayment of Extraordinary Maintenance Costs”
- House Bill Revives Effort to Provide ESA ‘Flexibility’
- Craig Simpson (ID) Starts Term as NWRA President
- NWRA Files Comments on Maui Guidance
- SCOTUS Case - Loper Bright Enterprises v. Raimondo, Could Overturn Chevron Doctrine
- Alaska & Nebraska Pause Water Permitting Push as WOTUS Fights Continue
- Lawmakers Aim for March for Action on the Farm Bill
- Dairy Aisle Largest Sales Category in US Grocery Stores at \$78B Annual Sales
- China Accounts for @20% of All Dairy Product Purchases in the World
- Mountain Pact Group Urging Biden for Designation of 6 More Monuments, Including the Great Gila Bend in AZ, Plus Expand 2 Others in CA
- Study Finds Groundwater Depletion Accelerating Worldwide
- House T&I Members Introduce 5 Water Clean Water Act Bills
- 9 Species in 33 States May Soon Be On Endangered List

American Public Power Association

- Sarah Mathias Promoted to Senior Government Relations Director
- APPA Adds Latif Nurani as Senior Regulatory Counsel
- APPA Filed Comments on Supplemental Greenhouse Gas Proposed Rule
- WA Reps Send Letter on Columbia River System Operations Agreement
- Hydropower ITC Bill Makes Tax Incentive Available to Public Power Utilities

- Dawn Lindell Named as Next General Manager and CEO of Seattle City Light
- APPA Supports \$1.2B Ask for Funding for Transformer, Grid Components
- APPA Submits Comments on DOE's NEPA Categorical Exclusions NOPR

Arizona

- State of the State, Hobbs Focused on;
 - Education/Teacher Raises
 - Empowerment Scholarship Account Program
 - Water Management
 - Border Security
 - Budget Shortfall
- Gov.'s Budget Proposal Shows Only \$33M for WIFA, not \$333M this Year
- AZ Chamber Event Predicts Short Session for Budget & Campaigning
- Kelly/Maloy (R-UT) HYDRO Act, WAPA Drought Rate Reduction Allowance
- Kelly Introduced Ban Corporate PACs Act
- AZ Population Increased 65,660 people between July 1, 2022 & July 1, 2023
- Lukeville Arizona Border Crossing Reopens
- Jevin Hodge, Jacob Raiford, and Deborah Nardozi Nominated for AZ House Seat Formerly Occupied by Representative Athena Salman (LD8)
- Reps. Stanton & LaMalfa Introduce Wildfire Response Improvement Act

Bureau of Reclamation/Dept. of Interior

- Karl Stock New California-Great Basin Regional Director
- Interior Releases New Roadmap for Western Solar Development
- Plan Could Bring On 1.7 GW of Solar & 1.3 GW of Batteries in AZ, CA & NV
- Expected that 700K Acres Would be Necessary to Achieve Targets
- BLM's Preferred Alternative Would Make 22M Acres Available for Solar

California

- DOE Agrees to Fund Carbon Capture Project Tied to SMUD
- IID Board Approves Reform Plan to Lower Summer Power Bills

- California MUD Plans In-Conduit Hydropower Pilot Project
- California Approves Rules to Turn Sewage Back Into Drinking Water
- SMUD Joins Global Coalition Utilities for Net Zero Alliance
- DOE Finalizes Award of \$1.1B in Credits for California Nuclear Power Plant

Colorado River Energy Distributors Association

- Comprehensive Strategy May Include Maintaining Elevations Above 3550’ at Glen Canyon Dam to Manage Smallmouth Bass Below the Dam
- Other Options Include: Thermal Curtain, Temperature Control Device, Disruption Flows, Slough Modifications
- Basin Fund Currently at \$220M, Projected to End the Year at \$170M
- Current Operations Require \$40-\$50M/Month Cash Flow in the Basin Fund
- WAPA-206 Revenue Requirement is \$149M Annually
- SLCA/IP 2023 Generation was 4.4B kWh, or 2% Less than 5-Year Average
- Purchase Power was Down from 1.4M MWh to 1.06M MWh in FY23
- CREDA Submits WAPA-215 Comments

5 Year Historical Average:

Generated - MWh						
	2019	2020	2021	2022	2023	5-year Avg
Glen Canyon	3,823,966	3,639,848	3,344,869	2,579,514	3,265,197	3,330,679
Flaming Gorge	504,190	509,072	312,217	342,832	411,531	415,968
Aspinall	596,537	742,162	571,537	456,359	531,462	579,611
CRSP:	4,924,692	4,891,082	4,228,623	3,378,705	4,208,190	4,326,259
Dolores	21,385	22,187	7,862	8,560	19,097	15,818
Seedskadee	56,862	64,801	29,724	46,337	53,230	50,191
Collbran	45,007	32,670	8,874	31,993	50,646	33,838
Rio Grande	47,702	53,695	14,534	18,241	51,552	37,145
Participating/ Integrated Projects:	170,956	173,353	60,993	105,132	174,526	136,992
Total Generation	5,095,648	5,064,435	4,289,617	3,483,837	4,382,716	4,463,251
Percent of 5 Yr Avg:	114.17%	113.47%	96.11%	78.06%	98.20%	

Department of Energy

- House E&C Passed Bill Prohibiting DOE from Increasing Distribution Transformer Conservation Standards for 5 Years
- Cruz (R-TX) & Brown (D-OH) Introduce Bill to Delay New Transformer Efficiency Standards, Sinema Cosponsored
- DOE – 3 Projects for Carbon Capture Demonstration Projects, CA/ND/TX
- DOE Releases Guidance to Identify High-Priority Areas for Transmission
- DOE - \$70M to Boost Resilience, Address Physical and Cyber Threat
- DOE Awards \$45.6M To Nine Carbon Capture Projects
- Hydrogen Tax Credits Favor Clean Energy
- \$562M for States, Tribes to Strengthen and Modernize Power Grid
- Moniz-led Think Tank will Lead \$1B DOE Hydrogen Program

Environmental Protection Agency

- Key Areas that Chevron Deference Change Would Affect:
 - Power Plant Climate Emissions
 - Vehicle Standards
 - Tax Credits
 - Ethylene Oxide
 - Methane Rules
 - Corporate Disclosures
- EPA Proposes Supplemental Interstate Transport Rule for Five States
- CEQ Sent NEPA “Phase 2” Revisions to OMB for Review, Would Aid in Permit Expediting
- Administration Releases the Fall 2023 Regulatory Agenda
- Rule Finalizations Expected Before Congressional Review Act Timeline
- EPA Issues Proposal Clarifying the Scope of “Applicable Requirements” Under State and Federal CAA Permits
- Proposed Rule to List PFAS as RCRA ‘Hazardous Constituents’ Clears OMB
- EPA Releases 2nd Annual Progress Report on PFAS Strategic Roadmap
- EPA Failed to Accurately Report \$7B in FY2022
- \$1B in Awards for Clean School Buses Across the U.S Announced
- EPA Gives LA Authority To Approve Projects Storing CO2 Underground

Federal Energy Regulatory Commission/NERC/NRC

- FERC Down to Only 3 Commissioners
- House E&C Passed Bill Requiring FERC Review Actions that Impact Grid
- FERC Approves Winter Storm Elliott Settlement Agreement
- NERC Watches Grid Against Backdrop of Extreme Cold Weather Forecast
- Committee Leaders Send Letters to FERC on Electric Reliability
- Electric-Gas Coordination, Planning Vital To Grid Recovery After Blackouts
- Rodgers, Duncan Seek Answers From FERC On Impact Of Plant Retirements
- FERC Approved 2 Nat. Gas Pipeline Projects (TVA & TX-LA)
- 25 Small Modular Nuclear Reactor License Applications Expected By 2029
- Chairman Responds to Letter from 20 Senators, Stating that Reforming Transmission Planning and Cost Allocation Requirements is a Top Priority

Financial Focus

- National Debt Hits \$34 Trillion, Topped \$33 Trillion Just 3 Month Ago
- Q1 Gross Interest Costs were \$288B, 34.53% of Total Increase in Debt.
- House Budget Chair Jodey Arrington Wants to Create Fiscal Commission to Address the National Debt in a Future Spending Package
- Federal Funds Rate Ends Year 500 Basis Points Higher than March 2022
- Since 1990, Global Trade Increased 400+%, Global GDP Up 500%
- From 2000-2018, Global GDP Grew 5.4%/Yr, But Those Days Likely Over
- 78% of Americans Believe Economy is on the Wrong Track (Fannie Mae)
- Food Prices Have 25% in Past 3 Years, Previous 25% Increase took 16 Years
- Manufacturing Jobs Fell from Peak 18.8M in 1998 to 12.8M Today
- AZ Minimum Wage Increases to \$14.35/Hr, Even Higher in Certain Cities
- Congressman Crane Co-Sponsored Legislation Repealing the Death Tax
- Crane also Signed Onto Bill that Requires GAO Audit of Federal Reserve
- IRS Offers 'Office Hours' to Help with the Pre-Filing Registration Process for Elective Pay Tax Credits
- PHX Placed 1st in Manufacturing Job Announcements in 2023 (15.5 K Jobs)
- AZ #1 State for Foreign Investment in 2022, \$32B Invested
- Microchip (Chandler) to Receive \$162M from CHIPS Act Funding

- ACA Estimates 24.6K New Jobs & \$10.3B in Investment in 2023
- WAYMO Self-Driving Cars Reach 5.34M Miles Driven
- \$17.5M ASU Investment-Expand Semiconductor Manufacturing Capabilities
- US Added 216K Jobs & Unemployment Held at 3.7%
- AZ Added 8,100 Jobs Last Month & 64,800 Jobs Over 2023
- Avg. Inflation Increases Since 2022 = 17.3%/Food = 20.2%/Electricity = 25%
- TriColor Auto Group to Create 500 Jobs in Surprise
- Ways & Means Committee Passes Tax Relief for American Families and Workers Act
- Lucid Motors Announces 3M Sq. FT Expansion at Casa Grande
- US Energy Tax Credit Trading Grows To As Much As \$9 Billion

Industry Update

- NRECA CONTINUES NATIONAL MEDIA PUSH ON RELIABILITY
- PPC Lauds Hydropower Reliability During Recent Winter Storm in PNW
- Power from Offshore Wind Project is Delivered to New England Grid
- Solar Power Leads Capacity Additions in Integrated Resource Plans
- US Offshore Wind Poised For Success Next Year After Turbulent 2023
- Report Finds That Renewable Energy Generation Surpassed Coal In 2022
- Batteries Expected To Make Up 21% Of US Capacity Additions in 2024
- TVA May Delay 2,470-MW Coal Plant Shutdown Over FERC Pipeline Inaction
- Biggest US Wind Project Is Under Construction In New Mexico – 3.5 GW
- EIA Predicts U.S. Battery Storage Capacity Could Nearly Double In 2024
- Energy NW Unveils \$10M Investment for Next-Generation Nuclear Project
- US Battery Storage Capacity Could Increase by 89% by End of 2024: EIA
- \$6B Subsidies for Nuclear Plants Didn't Get one Certified Applicants in 2023
- Offshore Wind Turbines Proving Too Risky for Many Utilities
- US Emissions Fell 1.9% In 2023, Ending Post-Pandemic Rebound
- Global Coal Exports And Power Generation Hit New Highs In 2023
- 2024 US Wholesale Electricity Prices Close To Lower Than Last Year: EIA

Markets

- FERC Accepts CAISO Tariff Changes for Western Day-Ahead Market
- MISO Lays Out 'Urgent' Actions Needed to Maintain System Reliability
- PJM Reformed Interconnection Process Expected to Clear 300 New Generation Projects
- PJM Triples Growth Forecast To 2.4% Driven By Data Centers, Electrification
- FERC Approves ISO-NE, NEPOOL Request to Delay 2025 Capacity Auction
- Annual Energy Use in PJM Footprint Expected to Rise Nearly 40% by 2039
- The Texas Power Grid May Soon Link To The Southeastern U.S.
- FERC Rejects \$41M PG&E CAISO Market Incentive

Meetings

- January 4th – SCIP Roundtable Discussion
- January 5th – IEDA Annual Meeting
- January 8th & 9th – CEO Close-Up
- January 9th – NPCC Committee Meeting
- January 10th – Meeting w/ Jack Murray – WAPA DSW Manager
- January 11th – APA Sunset Committee Meeting
- January 11th – AgFest
- January 12th – ABWC Legislative Call
- January 16th – Senate Hearing on Community Choice Aggregation
- January 16th – Arizona Power Authority Meeting
- January 17th – E&OC Meeting
- January 17th – Project Centrl Board Meeting
- January 18th – Yuma Legislative Dinner
- January 19th – ABWC Meeting (Yuma)
- January 22nd – GCSECA Annual Meeting Panel
- January 23rd – AMWG Annual Reporting Meeting
- January 24th – Meeting w/ SCIP
- January 25th – Westside Meeting
- January 29-31st – WAPA Meetings

Oil & Natural Gas

- Biden Officially Pauses New LNG Export Permits
- Manchin Investigating LNG Export Pause by Administration
- Natural Gas Prices Were 62 Percent Lower Than in 2022: EIA
- For First Time Since 1958, No Scheduled Offshore Leases in Calendar Year
- 326 Bcf of Gas Pulled from Storage in the Third Week of January Amplified Concerns that Capacity May Prove Inadequate as U.S. Production Further Escalates to Meet Global LNG Demand
- Admin Auctions Off 1.7M Acres – Gulf Drilling In Last Lease Sale Until 2025
- Oil, Gas Rig Count Stumbles Near 25-Month Low Amid Bearish Outlook
- Natural Gas Plant Guarding US Northeast From Winter Blackouts Is At Risk
- Winter Weather Set To Narrow US Gas Storage Surplus As NYMEX Nears \$3
- US Oil Rig Count Hover Around 120
- Ninth Circuit Rules Berkeley, CA's Natural Gas Ban Preempted by Federal Law, but Some Justices Dissent
- Winter Weather Impact Buffered by Strong Storage Supplies
- Nat. Gas Demand Gains to Outpace Supply Growth in 2025 as Exports Rise
- Renewable Diesel Boo Will Drive Expansion of Soybean Acreage in 2024
- OPEC+ Could Expand Voluntary Cuts by 2.2M bpd in Early 2024
- Strategic Petroleum Reserve at 350M Barrels, Half the Level of 2021, Lowest Since 1983
- Rep. McMorris-Rogers Seeks to Expand Pipeline Infrastructure
- Southeast Seeks More Gas Pipelines for Plants to Ease Coal Transition
- Norway Awards 62 Offshore Drilling Permits, Boosts Arctic Exploration
- Nat. Gas Demand Gains to Outpace Supply Growth in 2025 as Exports Rise
- US Unconventional Oil Output Flat In February, Sliding To 9.68 Million B/D
- Slower arrival of new LNG capacity has US gas market longing for 2025

Transmission/WAPA

- WAPA Plans \$193M in Capital Projects in CRSP System in Next 10 Yrs
- Notable Projects Include: Glen Canyon, Flagstaff, and Pinnacle Peak Capacitor Bank Replacements, Multiple Breaker Replacements, Flaming

Gorge to Vernal Line Rebuild, Blue Mesa Reactor and Transformer Replacement, and Weld Substation Upgrade.

Washington DC

- House Passes Another CR, Extending the Deadline Until March
- R's Block Procedural Vote as Sign of Discontent of Latest Spending Deal
- Top Appropriators Reach Deal On the Totals for a Dozen Spending Bills
- House to Vote on Contempt Charges for Hunter Biden
- Crane Cosponsored Energy Parity Act, which Prevents BLM from Lowering Capacity Fees for Wind & Solar and not Oil & Natural Gas, etc.
- Crane Cosponsoring NIH Reform Act, Requiring Senate Confirmed Directors
- John Kerry to Step Down as Biden Climate Envoy
- Energy Subcommittee Chair Jeff Duncan (R-S.C.) Isn't Running for Reelection & Ranking Member Diana DeGette (D-Colo.) will "Probably" Switch Over to Senior Democrat on the Subcommittee on Health
- Reps. Tim Walberg of Michigan and Buddy Carter of Georgia Have Expressed Interest in Succeeding Duncan
- Bob Latta (R-OH) is Also Campa
- FEMA Overhauls Disaster Aid to Give People More Money
- Administration Urges Congress Repurpose IRA Funding to Uranium Areas
- Manchin, Barrasso See Chance for 'Grand Bargain' on Energy Permitting
- Senate Bill Seeks to Enhance Efficiency, Supply Chains for Transformers