

## Monthly Board Report – 5/23/24



### Agribusiness and Water Council/NWRA

- USFW has Finalized ESA Revisions to Improve Participation in its Voluntary Conservation Programs
- Homebuilders Exerting Influence in State Legislatures to Lock in Policies to Make it Easier to Develop Wetlands
- Conservation Easements Being Eyed for Protecting Western Groundwater
- Forest Service Chief: Prescribed Burns Conflict with Clean Air Rules
- H.R. 7944 - Water Systems PFAS Liability Protection Act Introduced
- Dueling Farm Bills Introduced
- BLM Announced Final Conservation and Landscape Rule
- Douglas AMA Deadline Extended to September 3<sup>rd</sup> Via HB 2016 Signing
- AG Mayes Exploring Prosecuting Farmers & Ranchers for Over Pumping Under State Public Nuisance Laws
- Admin Announces \$1B from BIL for Tribes for Drinking Water & Sanitation
- Admin Vows to Restore 8M Acres of Wetlands
- Department of Labor finalized the Farmworker “Worker Protection” Rule
- House Passed the Weather Act Reauthorization - H.R.6093
- FDA Releases Final Ag Water Rule
- DOL Tops 3,000 Pages of Regulation in 18 Months
- \$630B Need Estimated for Water Infrastructure Improvements (2022-2041)
- Republicans Move to Restore Trump Era ESA Reforms (3 CRA Resolutions)
- Kelly Secures Arizona Priorities in Committee-Passed WRDA 2024

### American Public Power Association

- APPA Decides to Challenge EPA Clean Power Plant Rule
- APPA & NRECA File Comments with CFTC on Bank Capital Requirements
- APPA Request for NERC to Clarify Terms Used for Inverter-Based Resources
- APPA, Member Utilities Participate in Joint ESCC-EGCC Meeting With DOE

- Light Up Navajo V Officially Launched on April 7 / 42 Electric Companies from 16 States to Participate this Year
- NYPA Granted FAA Waiver Allowing Drones Beyond Visual Line of Sight
- APPA Sends Letter to Appropriators Regarding Distribution Transformers
- 2024 America's Electricity Generating Capacity Report Available
- Large # of Public Power Organizations Connecting w/ Customers via Customer Academies
- APPA Details Water Resources Development Act Priorities in Letter
- APPA Receives \$4M Grant to Assist Members with Cybersecurity Efforts
- APPA Weighs In on Partnership Rules for Elective Payment
- Group Aims to Have San Diego City Council Consider Public Power Proposal

## **Arizona**

- BrightNight/Cordelio Power Secured \$414M for Box Canyon Project – SPPA
- March #'s, Budget Shortfall Shrinks from \$2.2B to \$1.8B Over Next 2 Years
- CRITs Have Signing Ceremony for CRIT Water Resiliency Act of 2022
- AZ Delegation Members Introduce Drought Resilience Infrastructure Act
- Apple to Support SRP Resilient Water and Forest Initiative
- SRP & APS Intervene in Ozone Good Neighbor FIP
- APS/SRP Request Delay Western Resource Adequacy Program to Mid-2027
- Signature Challenges Lead to Incumbents Dropping out of Legislative Races
- Sinema, Kelly Announce More Than \$28.6M From BIL for AZ Lead Pipe Replacement, Clean Drinking Water
- FERC Blocks Massive Arizona Storage Project in Win for Tribes
- Arizona Has One Of Nation's Most Reliable Electrical Grids
- Gallego Announces \$12M for Affordable Housing Coming to Arizona
- Sinema, Kelly Secure \$10+M to Strengthen Water Availability in Pinal
- Gosar/Sinema Introduce La Paz County Solar Energy and Job Creation Act

## **Bureau of Reclamation/Dept. of Interior**

- Runoff Forecast Dropped 900K AC-FT to 7.8 MAF from April to May
- Hoover Forecast Reduced to 2,973 GWH vs. 3,128 GWH in January 2024

- Bypass Tubes a Concern But Not Enough to Prevent Usage if Necessary
- BOR - \$520 M for 57 Projects, Including \$9M for Glen Canyon Bypass
- Modeling for 7 Post 2026 Alternatives Has Begun.
- DOI Announce \$95M for Water Resources & Ecosystem Health Projects
- \$8.5M Allocated for Klamath Basin Communities Impacted by Drought
- \$29.7M Allocated for Upper Basin for Drought Resilience
- \$11.1M Awarded by BOR for 34 Projects in 11 States (WaterSmart)
- Salt & Little Colorado Receive \$2.2M of \$70M for Fish Passages
- US Sets Plan For 12 Offshore Wind Auctions Over Five Years
- DOI Announces \$147.6M for Drought Resiliency & Water Supply Reliability Across the West – 42 Projects in 11 States
- Shannon Estenoz to Serve as the Next Deputy Secretary of DOI

## **California**

- CA Looks to Penalize Groundwater Pumping in Central Valley (Tulare Lake)
- Mayor Recommends Janisse Quiñones to serve as new LADWP CEO & GM
- Averon Energy Signs Tolling Agreement with CCA for Storage Project
- SCPPA Names Daniel Garcia as Executive Director
- CA Energy Grid Will Require Major Upgrade To Meet EV Demand
- California Reports First Increase in Groundwater Supplies in 4 Years

## **Colorado River Energy Distributors Association**

- Constrained Flow Path Possible Carve Out of Lower Division Customers
- Pseudo Tie Not in Market, so No FSE and Subject to Losses & Costs
- CFP Eliminates Market Participation, Losses & RTOW Buildout Costs
- Save the Colorado LTEMP Lawsuit Defeated in 9<sup>th</sup> Circuit Court of Appeals
- Insufficient Sediment for Spring HFE in 2024
- WAPA HFE Cost Estimates Routinely 40% Under Actuals

## **Department of Energy**

- New Transformer Energy Efficiency Standards
- DOE Releases Guide for Communities Exploring Coal-to-Nuclear Transitions

- DOE Announces Funding for Projects Focused on Engagement, Analysis in Wholesale Electricity Markets
- DOE Releases Roadmap to Accelerate Connecting More Clean Energy Projects to Grid
- DOE's Providing Clean Energy Innovator Fellowship Scholarships
- Lightbulb Efficiency Rule Finalized - 45 lumens/watt to 120+ lumens/watt
- DOE Finalizes Transmission Permitting Rule, 2 Yr. Deadline – CITAP Program
- DOE Announces \$48M for Offshore Wind Technology/Development
- DOE Releases Preliminary List of Potential National Interest Electric Transmission Corridors
- DOE Releases Report on National Resource Adequacy
- DOE to Invest More Than \$100 Million for Grid Field Demonstrations
- DOE to Award Hydrogen Company [Plug Power] \$1.66B Loan Guarantee

### **Environmental Protection Agency**

- NRECA, National Mining Association & 25 States File Lawsuit Against Clean Power Plant Rule, Ask for Stay of the Rule
- EPA Releases FPAS Drinking Standards
- EPA Releases CERCLA Enforcement Discretion Policy, But Doesn't Limit 3<sup>rd</sup> Party Litigation
- EPA Release Annual GHG Inventory for 2022, 6,343 MMT Emitted (Up 1.3%)
  - Ag Emissions Dropped 1.8% From 2021-2022
- EPA Denies Delisting Combustion Turbines from the CAA Section 112(d)
- EPA Readies Reporting Rule for Methane Fee
- EPA Release Finalized GHG, MATS, ELG & Legacy CCR Rules
- Coal Plant CCS is Pushed from 2030 to 2032
- EPA Announces \$7 Billion Solar for All Grants
- Council on Environmental Quality Finalizes Permitting Reform Rule (NEPA)
- EPA Announces Final Tribal Water Rule
- US Appeals Court Won't Pause EPA Power Plant Emissions Rule For Now

## Federal Energy Regulatory Commission/NERC/NRC

- FERC Approved Long-Term Transmission Planning & Cost Allocation Rule
- Senate EPW Committee Holds Hearing on NRC Nomination
- FERC Plans Meeting to Consider Grid Planning and Cost-Allocation Proposal
- NRC Moves to Streamline Environmental Review Process for SMR
- Senate EPW Approves Christopher Hanson to Serve as Chairman of NRC
- NERC - Large Part of Grid Remains at Risk of Summer Supply Shortfalls
- Manchin eyes June scramble to confirm FERC nominees

## Financial Focus

- \$0.39 Of Every Dollar of Your Income Tax Goes Toward Debt Interest
- House Committee Holds Hearing on SEC Climate Disclosure Rule
- TSMC to Build 3<sup>rd</sup> Fab Plant in AZ, Bringing Total Investment to \$6.6B
- XNRGY Breaks Ground on New \$300M Headquarters in Mesa
- Arizona's Labor Force Increased by 2,865 People in March
- AZ Ranked 3<sup>rd</sup> in Economic Outlook Next 10 Years (Rich States, Poor States)
- Annual Inflation Climbs to 3.5% in March
- Tax Credit Transfer Rules Provides Path to Monetization for Public Power
- AI Demand for Energy Affecting Inflation
- US Consumers Pessimistic
- Inflation Driven Up by Insurance and Financial Services Cost Increases
- Morgan Stanley Predicts Inflation to Hit 2% Target Rate in 2025
- Recession Probability at 30%-35%, Down from 60% Six Months Ago
- 2025 Expected to be Weaker than 2024
- Unemployment Expected to Increase (4.2% in 2024/4.5% in 2025)
- Feds Hold Interest Rates Steady Due to Continuing Inflation
- Fortescue Celebrated the Launch of \$550M Green H2 Facility in Buckeye
- Solar Tariffs Pause Set to Expire June 6<sup>th</sup>, US Makers Push for Tariff Hikes
- 100% Tariff on Chinese EVs and 50% for Solar Cells Announced
- Kohler Opens 1M SQFT Facility in Casa Grande
- Arizona Ranked # 4 Best State for Business (*Chief Executive Magazine*)

## Industry Update

- 2,600 GW of Generation & Storage Actively Seeking Grid Interconnections
- This Represents 2X the Current US Generation Capacity of 1.28 TW
- Interconnection Queues Have Increased 8X Over Last Decade
- Solar, Wind & Batteries Account for 95% of Queues Makeup
- EIA Sees Hydropower Generation Increasing by 6% in 2024
- Hydropower will Account for 250 billion Kwh After Low Year in 2023
- 43% of US Hydropower Occurs in PNW & Rockies Region
- CA's Hydropower Increased 80+%, from 17B Kwh (2022) to 31B Kwh (2023)
- EIA Expects Similar Hydropower Generation in California this Year
- Colorado PUC Investigates Xcel Over Power Outages (Safety Power Shutoff)
- Chair McMorris-Rodgers Pushes for Progress on Yucca Mountain Facility
- Wyoming's PacifiCorp Plans Several CCS Projects for its Coal Plants
- Biden Releases \$2B in IRA Tax Credits to Boost Coal Communities
- \$7B from IRA to Install Solar for Low-income Households.
- Gillette & BWX Technologies Enter Agreement to Develop SMR
- CO Springs Awarded \$5.2M for Natural Gas System Improvement Efforts
- EIA Details Increase of Natural Gas Generation Since 2021
- New Georgia Nuclear Power Unit 4 Enters Commercial Operation
- EIA Reports Energy-Related CO2 Emissions Fell by 3% in 2023
- G7 Countries Agree to Phase Out Coal Generation by 2035
- NREL Offers Open-Source Pumped Storage Hydropower Cost Model Tool
- Storing H2, Created Using Solar Power, in Salt Mines Gaining Traction
- Battery Storage Costs Could Fall up to 40% by 2030: IEA
- Installed Offshore Wind Capacity (U.S.) Grew to 242 MW in Q1, from 42 MW in the Previous Quarter
- Nearly 468 GW of New Generation Capacity Under Development
- PNW Expected to Have 30% Load Increase Over Next 10 Years
- Microsoft Agrees to More Than 10.5 GW of Renewables In Next 5 Years
- ID National Laboratory Seeks Small Hydropower Utility for Case Study
- US Wind Power Production Drops For The First Time In 25 Years
- Hybrid Projects Dominate Western Solar Proposals, Reflecting Curtailment

## Markets

- SPP approves RTO West tariff revisions, next step: filing with FERC
- West-Wide Governance Pathways Initiative Proposes RTO in the West Would Sever CA Governance
- MISO Seeks FERC Approval For New Capacity Accreditation Process To Bolster Grid Reliability
- TX Grid Sees 35% Increase In Solar Generation In 2023
- TX Grid Operator Seeks Up to 500 MW of Demand Response Capacity
- PacifiCorp First Western Entity to Commit to Regional CAISO-EDAM
- CPS Energy Completes \$785M Acquisition of 1,710MW Natural Gas Plants
- NYISO Launches DER Integration Program for FERC Order 2222 Compliance
- ISONE Projects Consumption Rising About 17% Over Next Decade
- PJM, MISO to Collaborate on Interregional Transfer Capability Study

## Meetings

- April 17<sup>th</sup>, CRSP Work Plan
- April 22<sup>nd</sup> – ADWR 100 Year Water Supply Webinar
- April 22<sup>nd</sup> – CRSP/SPP Steering Committee
- April 24<sup>th</sup> – SPP Onboarding Meeting
- April 24<sup>th</sup> – CRSP Monthly Update
- April 25<sup>th</sup> – Westside Managers' Meeting
- April 25<sup>th</sup> – APPA Government Relations Working Group
- April 26<sup>th</sup> – ABWC Monthly Meeting
- May 1<sup>st</sup> – Lunch w/ SRP
- May 2<sup>nd</sup> – Finance Committee Meeting
- May 3<sup>rd</sup> – NWRA Federal Affairs Committee Meeting
- May 7-8<sup>th</sup> – AEPCO Annual Meeting
- May 8<sup>th</sup> – Monthly Meeting w/ Jack Murray-WAPA DSW
- May 9<sup>th</sup> – TOUA Visit
- May 13<sup>th</sup> – Public Power Luncheon
- May 14<sup>th</sup> – Annual Operating Plan Meeting
- May 14<sup>th</sup> – Power Committee Meeting

- May 15<sup>th</sup> – E&OC Meeting & Customer Post-2026 Legislative Discussion
- May 16<sup>th</sup> – National Interest Electric Transmission Corridors Webinar
- May 16<sup>th</sup> – APPA Permitting Reform Discussion
- May 17<sup>th</sup> – WAPA Customer Portal Meeting
- May 20-22<sup>nd</sup> – CREDA Summer Meeting
- May 21<sup>st</sup> – ADWR Drought Interagency Coordinating Group
- May 23<sup>rd</sup> – E&OC Drought Ad-Hos Committee
- May 24<sup>th</sup> – Agri-Business & Water Council
- May 28<sup>th</sup> – IEDA Meeting
- May 29<sup>th</sup> – CRSP Monthly Update
- May 31<sup>st</sup> – Project CENTRL Graduation Flagstaff
- June 7<sup>th</sup> to 12<sup>th</sup> – APPA Board Meeting

## **Oil & Natural Gas**

- US Natural Gas Helped Reduce Energy Emissions 25% from 2008 to 2018
- US Natural Gas Exports Reached Record Heights In 2023
- Barrasso Criticizes National Petroleum Reserve (AK) O&G Restrictions
- US Nat Gas Inventories End Winter Season w/ 2,290 BCF in Storage
- That is 39% More than Previous 5-Year Average
- Nat Gas Inventories to Remain High & Spot Prices Low Through 2025
- 1,500 BCF Withdrawn from Storage in 2023 (2,000 BCF Average)
- GAO Report - 2,700 Offshore Oil and Gas Wells and 500 Platforms Overdue for Decommissioning in the Gulf of Mexico
- LNG Gas Export Permitting Ban Expected to End by March 2025
- Nat Gas Futures Struggle Under Storage Glut
- European Union Grants Members Option to Block Russian LNG
- West Texas Natural Gas Exports to Mexico Surged in 2023
- Risk of Broader Middle East Conflict Keeps Global Gas Market on Edge
- O&G Companies Must Pay More To Drill On Federal Lands Under New Rule
- U.S. Natural Gas Exports Reached Record Heights In 2023
- From LNG to Data Centers, Kinder Morgan Bullish on Natural Gas Growth
- Fed Onshore O&G Drilling Costs Rising as Interior Updates 'Outdated' Rules
- Above Average Summer Forecast Could Drive Futures Up



- U.S. Natural Gas Count Eases to 103; Oil Rigs Down Seven
- Over the Last Year, \$850M in Emergency Supplemental Funding Rescinded for Strategic National Stockpile Due to Lack of Use
- Admin Urged to Freeze Deepwater Oil Export Project Approvals
- AI Could Drive Natural Gas Boom As Grid Face Surging Electricity Demand
- Mexico Gas Production Continues to Slide as Cheap U.S. Supply on Rise
- Sempra Doubling LNG Export Capacity Ahead of Forecast Demand Surge

### **Transmission/WAPA**

- WAPA's SN & DSW Regions Filed an Intervention w/ Comments in FERC EDAM Tariff Proceedings, FERC Docket No. ER23-2686
- Comments Focused on Transmission Revenue Recovery, Loss Accounting, Project Use Delivery w/o Added Constraints & Costs, and EDAM Settlement
- Sen. Catherine Cortez Masto (D-Nev.) introduced S. 4190, the "Expediting Generator Interconnection Procedures Act
- Sen. Heinrich (D-N.M.) Released 2 Bills; "Grid Reliability and Integrated Data (GRIData) Act," S. 4104 & "Grid Modeling of Dynamic Energy Loads and Resources (Grid MODEL) Act," S. 4144
- These Join "Building Integrated Grids With Inter-Regional Energy Supply (BIG WIRES) Act" —S. 2827 & S. 946, the "SITE Act," for Transmission Bills
- NY Regulators Advance Canada-to-New York City Transmission Line
- DOE \$331M for Transmission Line from ID to NV - Southwest Intertie
- Transmission Facility Financing Program Provides \$2B (IRA) in Direct Loans for Eligible Transmission Projects within a NIETC Corridor
- BPA Releases Updated Wildfire Mitigation Plan
- WAPA Looks to Buy Renewable Energy Credits from Tribes

### **Washington DC**

- Tom Cole (R-OK) Announced Next Chair of House Approps Committee
- \$95B Aid Package Passed (Ukraine, Israel & Taiwan)
- Senate Dismisses Mayorkas Impeachment Without Trial

- Speaker Johnson Releases Foreign Aid Package Amid Conservative Outcry
- Manchin/Barrasso Urge GAO to Review Federal Land & Wildfire Practices
- Lawmakers Introduce Bill To Support Nuclear Fusion Development
- Bill to Ban Russian Uranium to Become Law
- Congress Introduces Nuclear Bills to Accompany ADVANCE Act
- House Energy & Water Approps Scheduled for \$25B in Funding in 2025
- House Ag Approps Scheduled for \$25.8B in Funding in 2025
- FAA Reauthorization Includes BVLOS Drone Provisions