



MEMORANDUM

TO: IEDA Board
RE: Power Committee Report
DATE: April 10th, 2025

National Energy Dominance Council

Based on the direction of the IEDA board, a letter was drafted to the National Energy Dominance Council and circulated with the Power Committee and some of our partner organizations.

Most of the items included in the letter should be familiar to the board, as they have been our legislative initiatives over the last year or so. These include designating hydropower as a renewable for REC valuation purposes, the PRBs/Stranded Funds at Hoover, relief for power customers who are subsidizing tourism at Hoover Dam, and the burden of environmental costs on power rates.

The planned submittal also suggests additional ways to enhance the power market situation in Arizona, and nationally, via increasing hydropower at non-powered dams, incorporation of pumped storage project for long term battery storage, a firming/BESS project at the Mead hub, support for the WAPA PNW-Mead line to increase low cost hydro into the Southwest (bypassing California), ways to increase transmission lines, natural gas pipelines and a gas storage location in Eloy.

AEPCO NEW ERA Grant Update

AEPCO received great news when the USDA announced that they will release previously obligated funding under multiple programs (including New ERA).

Recipients will have 30 days to review and voluntarily revise their project plans to align with President Trump's Unleashing American Energy Executive

Order issued on January 20, 2025. This process gives rural electric providers and small businesses the opportunity to refocus their projects on expanding American energy production while eliminating Biden-era DEIA and climate mandates embedded in previous proposals.

This will allow AEPCO to remove some items included into the original grant, and possibly refocus their priorities and funding, as long as it doesn't impact the scoring of the application. This is a major win for AEPCO and the public power customers engaged in the project.

Presidential Powers Over Independent Agencies

U.S. Court of Appeals for the D.C. Circuit ruled that the President may fire officials at independent agencies and commissions. President Trump quietly and immediately fired a member of the TVA Board. The ruling applied specifically to President Trump's removal of members of the National Labor Relations Board and the Merit Systems Protection Board, but the decision is a sweeping victory for the Trump administration to justify future firings, with some speculating that FERC and NRC – both of which currently have Democratic majorities and are likely to play sizable roles in Trump's energy agenda – could be among the next targets for President Trump.

WAPA Update

Jack Murray officially retired on March 31st. I had a chance to talk with Jack on his last day. I plan to invite Jack to a future meeting to be a guest speaker. We are still waiting on his replacement, but Scott Lund has been assigned to that duty station. As you may recall, Scott was conditionally offered the job, but had it pulled back with the new administration. I have talked with Scott, and he still hopes to get the permanent position, and IEDA supports his goal.

Despite rumblings that DOGE may be coming to an end, the reduction in force initiatives are alive and well. WAPA has implemented a deferred resignation program, allowing employees time to consider whether to take a buyout. Not sure what WAPA's target goal is for reductions, but BOR is looking to reduce headcount by 15%.

This initiative is having severe impacts to WAPA already, with multiple linemen from Yuma taking the buyout. This is forcing crews to be dispatched from PHX for repairs, possibly increasing outages and impacting reliability.

The Parker-Davis reallocation window closed with two new applicants. One was a tribe from California, the other the City of Industry. Based on the number of new applicants, plus the increase in capacity due to one of the turbines being rewound, it appears that existing customers will maintain their current capacity. Energy due to reduced water deliveries will impact existing customers, but at least their existing capacity will remain whole.