The Board may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Board may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary’s Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.
SAFETY MINUTE: MYLAR BALLOONS
SRP BOARD AND COUNCIL
WORK STUDY SESSION

SARA MCCOY
DIRECTOR, RISK MANAGEMENT
MAY 4, 2023
SAFETY MINUTE: MYLAR BALLOONS

Balloons caught in power lines can cause outages, fire, property damage, or injury.

**Safety tips:**

- Keep tethered at all times, attached to a weight, do not release them
- Use regular string or ribbon, not Mylar string
- Remove all helium before disposal
- Never try to retrieve a balloon from power equipment, keep at least 10 feet away
Public Affairs

Rob Taylor
AGM & Chief Public Affairs Executive

Renee Eastman
Sr. Director
Federal Affairs

Jason Baran
Director
State Government Affairs

Delia Patterson
Sr. Director
Regulatory Affairs

Matt Weber
Director
Regulatory Audit & Compliance

Buchanan Davis
Director
Local Government Affairs

Molly Greene
Sr. Director
Policy, Strategy & Consumer Affairs

Artie Whiting
Director
Consumer Affairs

5/04/2023; Public Affairs Work Study Session; R. R. Taylor
Federal Affairs

Robert Cogan, Senior Manager, Federal Affairs
Federal Affairs

- U.S. House & Senate

- Executive Branch

- Intergovernmental Affairs
  - 22 Federally-Recognized Arizona Tribes
By The Numbers

• 117th Congress
  • Bills introduced: 17,817
  • Bills signed into law: 365 (2%)

• 118th Congress
  • Bills introduced to date: 4,637
  • Bills signed into law: 3
House of Representatives

222 / 213
Republican Democrat

Rep. Kevin McCarthy (R-CA)
Speaker of the House

Rep. Hakeem Jeffries (D-NY)
Minority Leader
Arizona Congressional Delegation

Senator Kyrsten Sinema (I)
- Banking, Housing & Urban Affairs Committee
- Commerce, Science & Transportation Committee
- Homeland Security and Governmental Affairs Committee
- Veterans' Affairs Committee

Senator Mark Kelly (D)
- Armed Services Committee
- Energy and Natural Resources Committee
- Environment and Public Works Committee
- Joint Economic Committee
## Arizona House Delegation

<table>
<thead>
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<th>Representative</th>
<th>Party</th>
<th>District</th>
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<tr>
<td>Rep. David Schweikert</td>
<td>R</td>
<td>1st</td>
<td>Ways &amp; Means, Joint Economic</td>
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<td>Rep. Andy Biggs</td>
<td>R</td>
<td>5th</td>
<td>Judiciary, Oversight</td>
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<tr>
<td>Rep. Juan Ciscomani</td>
<td>R</td>
<td>6th</td>
<td>Appropriations, Veterans' Affairs</td>
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<tr>
<td>Rep. Debbie Lesko</td>
<td>R</td>
<td>8th</td>
<td>Energy &amp; Commerce</td>
</tr>
<tr>
<td>Rep. Paul Gosar</td>
<td>R</td>
<td>9th</td>
<td>Natural Resources, Oversight</td>
</tr>
<tr>
<td>Rep. Ruben Gallego</td>
<td>D</td>
<td>3rd</td>
<td>Natural Resources, Armed Services</td>
</tr>
<tr>
<td>Rep. Greg Stanton</td>
<td>D</td>
<td>4th</td>
<td>Transportation &amp; Infrastructure, Foreign Affairs</td>
</tr>
<tr>
<td>Rep. Raul Grijalva</td>
<td>D</td>
<td>7th</td>
<td>Natural Resources, Education &amp; Workforce</td>
</tr>
</tbody>
</table>
Congressional Committee Leadership

### Senate Energy & Natural Resources Committee
- **Chairman Joe Manchin** (D-WV)
- **Ranking Member John Barrasso** (R-WY)

### House Natural Resources Committee
- **Chairman Bruce Westerman** (R-AR)
- **Ranking Member Raul Grijalva** (D-AZ)

### House Energy & Commerce Committee
- **Chair Cathy McMorris Rodgers** (R-WA)
- **Ranking Member Frank Pallone** (D-NJ)
Recent Federal Policy Focus

• **Inflation Reduction Act (IRA)**
  - Direct Pay Clean Energy Tax Credits
  - Forest Restoration & Wildfire Mitigation

• **Infrastructure Investment & Jobs Act (IIJA)**
  - Bartlett Dam Project Funding
  - Energy Infrastructure Funding

• **Western Water Policy**
  - White Mountain Apache Tribe
  - Drought Mitigation Funding
Looking Ahead

- IRA Implementation
  - Direct Pay Guidance
  - Domestic Content Requirements
- IIJA Funding Opportunities
  - Federal Grant Applications
  - Hydrogen Hub Funding
- Pumped Storage Project
  - Meeting Growing Demand
  - Clarifying Jurisdiction
- Permitting Reform
  - Streamlined Process
  - Energy Infrastructure
Key Congressional Dates

- ~June Federal Debt Default Date
- August August Recess
- Sept 30th 2018 Farm Bill Expires
- Sept 30th FY23 Funding Expires
- Sept 30th FAA Reauthorization Expires
- Dec 31st NDAA Must Be Reauthorized
- Dec 31st FISA Reauthorization Expires
State Government Affairs

Jason Baran, Director, State Government Affairs
State Government Affairs

- Arizona Legislature
- Governor’s Office & Executive Branch
- Public Power Relations
Key Considerations

Protect Water Resources

Provide Regulatory Certainty

Minimize Costs
2023 Session

Statewide

Governor
Katie Hobbs (D)

Secretary of State
Adrian Fontes (D)

Attorney General
Kris Mayes (D)

Treasurer
Kimberly Yee (R)

Public Instruction
Tom Horne (R)
2023 Session

Legislative

Senate President Petersen (R – Gilbert)
Senate

House Speaker Toma (R – Peoria)
House

Senate Min. Leader Epstein (D – Tempe)

House Min. Leader Cano (D – Tucson)

Of the 90 legislators, Only 50 are returning incumbents.
Key Takeaways

- Divided Government
- SRP Priorities
- Bargaining Power
- Relationship Building & Education
Session Statistics

• Days in session: 116
• Total bills introduced this session: 1632
• Bills transmitted to Governor Hobbs: 176
• Signed: 112
• Vetoed: 64
Legislative Agenda

- 100-Year Assured Water Supply Requirement
- Water Infrastructure Finance Authority implementation and funding
- Water Quality Assurance Revolving Fund (WQARF) funding
- Nuclear Safety Assessment Reauthorization
- Hydrogen Hub
- Transportation – extend half cent sales tax (Prop 400)
Notable Issues

- Transmission Tie Process
- Class One Property Tax Assessment Ratio
- Water
- EV Charging
- Agency Director Nominations
  - Karen Peters – ADEQ
  - Cynthia Zwick – RUCO
  - Tom Torres – DFFM
  - Robyn Sahid – ASLD
Regulatory Affairs

Delia Patterson, Sr. Director, Regulatory Affairs and Compliance
Presentation Overview

- Regulatory Affairs Team
- Arizona Corporation Commission
- Federal Energy Regulatory Commission
- Western Markets Developments
ACC Commissioners

Nick Myers - R
Lea Márquez Peterson - R
Jim O’Connor - R
Chairman
Anna Tovar - D
Kevin Thompson - R
Jurisdiction over SRP

ACC
- Thermal generation & transmission line siting
- Authorization to issue bonds
- 10-year transmission plan

SRP Board
- Pricing
- Retail competition
- Sustainability goals
ACC New Commissioner Priorities

• Regulatory stability
• Eliminating cost shifts
• No mandates
• Grid reliability
• Lowest cost alternatives
Recent SRP matters before the ACC

• SRP request for bonding authorization approved

• Coolidge Expansion Project

• Certificate of Environmental Compatibility (CEC) granted for Project Huckleberry

• Palo Verde to Pinal West CEC Extension approved for 10 years (thru 2034)
Line Siting Efficiency Efforts

- Governor Hobbs signed H.B. 2496 into law to narrow the definition of a transmission line, aiming to exclude short gen-ties from line siting statutes
- Currently a 24-month backlog to process CEC applications
- AG Mayes appointed new line siting chair – Adam Stafford
- Committee appointed chair to act as a hearing officer to process applications administratively
FERC Commissioners

- FERC Commissioners are nominated by the President, and then Confirmed by the Senate.
- Chair is the administrative head of the agency.
- Can never have more than 3 representatives from one party.

James Danly (R)  Allison Clements (D)  Willie Phillips (D)  Mark Christie (R)
Acting Chairman  TBD  ? (D)
Jurisdiction

**FERC**
- Reliability (NERC, WECC)
- Market Transparency (EQRs)
- Backstop Transmission Siting

**SRP Board**
- Generation, Distribution
- Retail Sales & Competition
- Open Access Transmission Tariff
- Cost Allocations
Major initiatives at FERC SRP is Watching

- Long-Term Transmission Planning and Cost Allocation and Generation Interconnection (RM21-17-000)
- Incentive Rate Treatment for Cybersecurity Investments (RD20-2-000)
- Stronger Reliability Standards for Monitoring Electric Grid Cyber Systems (RM22-3-000)
- Extreme Cold Weather Reliability Standards (RD21-5-000)
Expanded Market Footprints
Regional Transmission Organization (RTO)

- FERC jurisdictional tariff
- Reliability of bulk power system within footprint
- Ensure non-discriminatory access to transmission
- Administer wholesale energy markets
- Economically dispatch generation resources to match load
- Transmission planning
thank you!