

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT BOARD MEETING NOTICE AND AGENDA

JOINT MEETING OF THE BOARD OF DIRECTORS AND COUNCIL WORK STUDY SESSION

Thursday, May 4, 2023, 9:30 AM

**PERA Training and Conference Center
1 E. Continental Drive, Tempe, AZ 85288**

Roll Call
Safety Minute

1. Call to OrderPRESIDENT DAVID ROUSSEAU
2. Federal, State, and Regulatory Affairs Overview
..... ROB TAYLOR, ROBERT COGAN,
JASON BARAN, and DELIA PATTERSON

Informational presentation to provide an overview of Federal, State, and Regulatory Affairs, and policy matters that impact SRP at the Federal and State level.

3. AdjournPRESIDENT DAVID ROUSSEAU

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.



**NOTICE WILL BE SENT REGARDING THE NEXT JOINT
MEETING OF THE BOARD OF DIRECTORS AND COUNCIL
WORK STUDY SESSION**

04/27/2023

**SAFETY MINUTE: MYLAR BALLOONS
SRP BOARD AND COUNCIL
WORK STUDY SESSION**

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
MAY 4, 2023**



Delivering water and power™

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



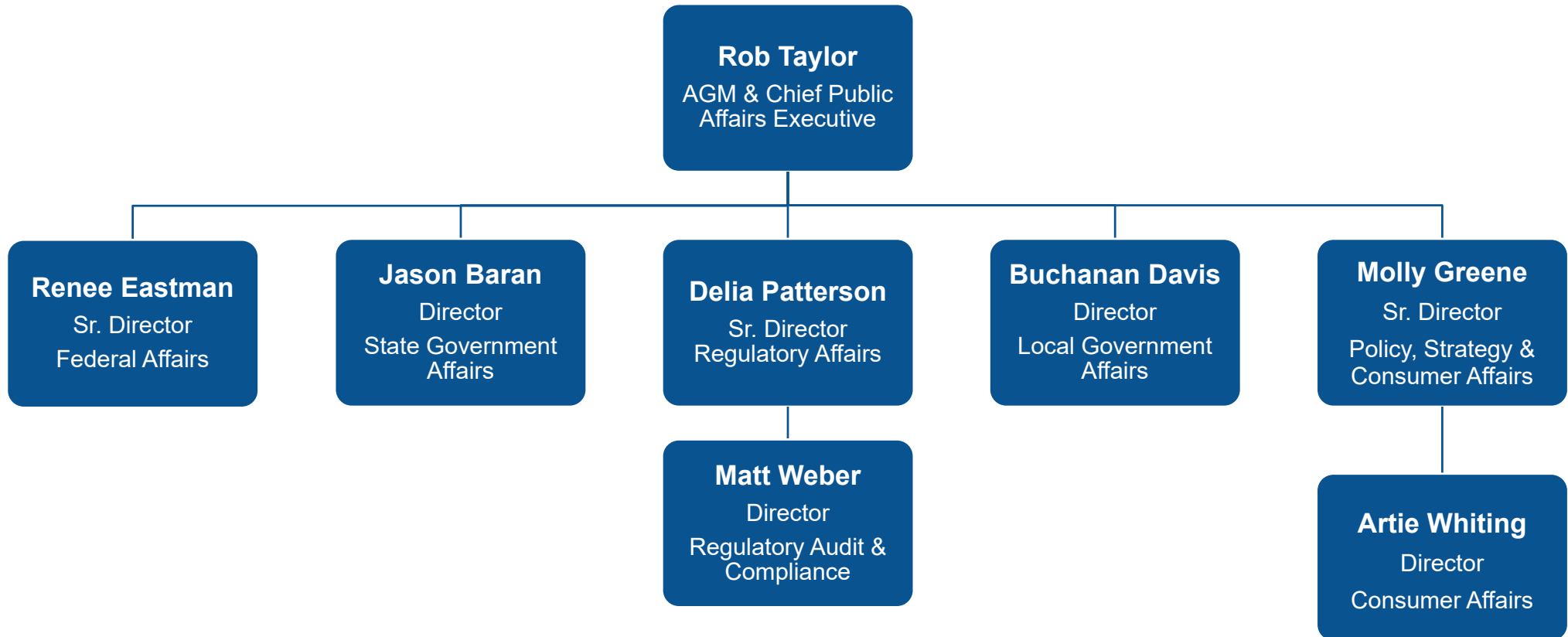


Federal, State & Regulatory Affairs Overview

Work Study Session

Rob Taylor | May 4, 2023

Public Affairs



Federal Affairs

Robert Cogan, Senior Manager, Federal Affairs

Federal Affairs

- **U.S. House & Senate**
- **Executive Branch**
- **Intergovernmental Affairs**
 - *22 Federally-Recognized Arizona Tribes*



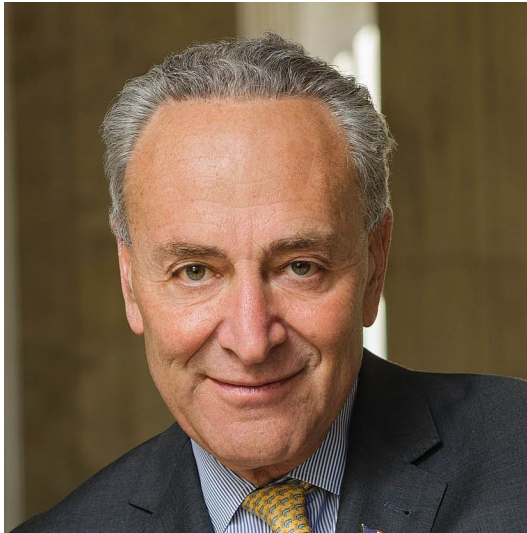
By The Numbers

- **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

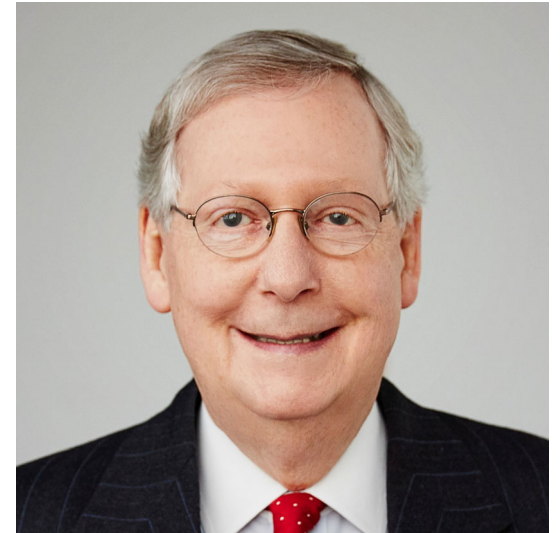


United States Senate

51 / 49
Democrat Republican



Sen. Chuck Schumer (D-NY)
Majority Leader



Sen. Mitch McConnell (R-KY)
Minority Leader

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




Rep. David Schweikert (R-1st)

- ◆ Ways & Means
- ◆ Joint Economic



Rep. Juan Ciscomani (R-6th)

- ◆ Appropriations
- ◆ Veterans' Affairs



Rep. Ruben Gallego (D-3rd)

- ◆ Natural Resources
- ◆ Armed Services



Rep. Eli Crane (R-2nd)

- ◆ Homeland Security
- ◆ Small Business
- ◆ Affairs
- ◆ Veterans



Rep. Debbie Lesko (R-8th)

- ◆ Energy & Commerce



Rep. Greg Stanton (D-4th)

- ◆ Transportation & Infrastructure
- ◆ Foreign Affairs




Rep. Andy Biggs (R-5th)

- ◆ Judiciary
- ◆ Oversight



Rep. Paul Gosar (R-9th)

- ◆ Natural Resources
- ◆ Oversight



Rep. Raul Grijalva (D-7th)

- ◆ Natural Resources
- ◆ Education & Workforce

Congressional Committee Leadership



Senate Energy & Natural Resources Committee

Chairman Joe Manchin (D-WV)



Senate Energy & Natural Resources Committee

Ranking Member John Barrasso (R-WY)



House Natural Resources Committee

Chairman Bruce Westerman (R-AR)



House Natural Resources Committee

Ranking Member Raul Grijalva (D-AZ)



House Energy & Commerce Committee

Chair Cathy McMorris Rodgers (R-WA)



House Energy & Commerce Committee

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



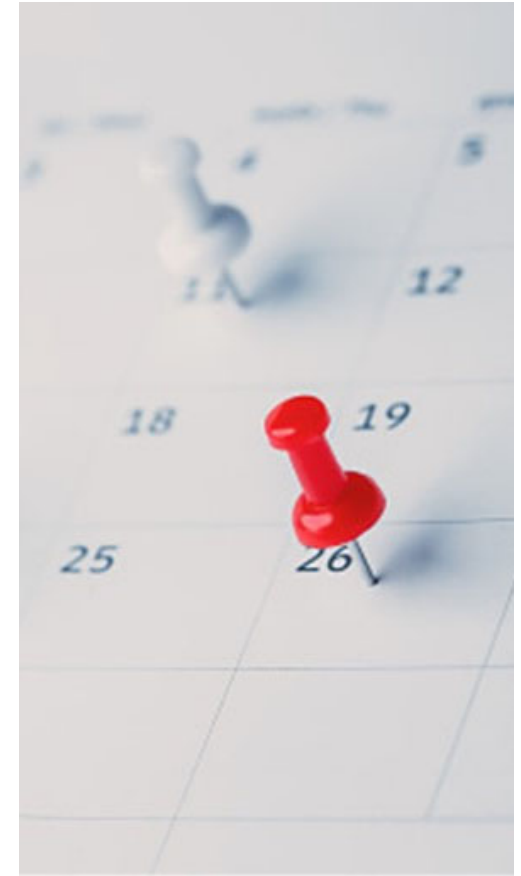
Looking Ahead

- **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

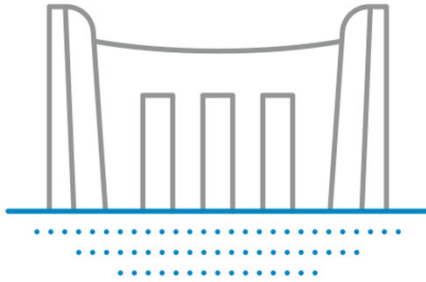
State Government Affairs



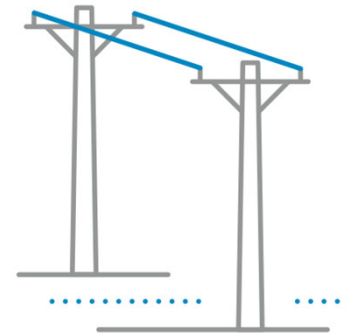
- Arizona Legislature
- Governor's Office & Executive Branch
- Public Power Relations

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



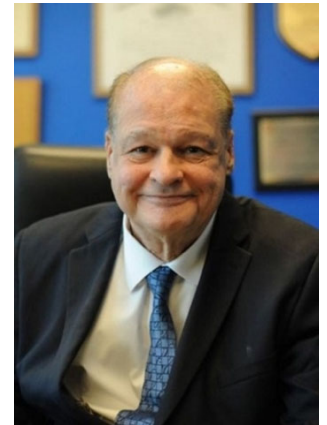
Kris Mayes (D)

Treasurer



Kimberly Yee (R)

Public Instruction



Tom Horne (R)

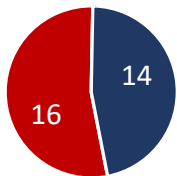
2023 Session

Legislative



Senate President
Petersen (R – Gilbert)

Senate

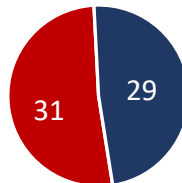


■ Republican ■ Democrat



House Speaker
Toma (R – Peoria)

House



■ Republican ■ Democrat



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



Bargaining Power



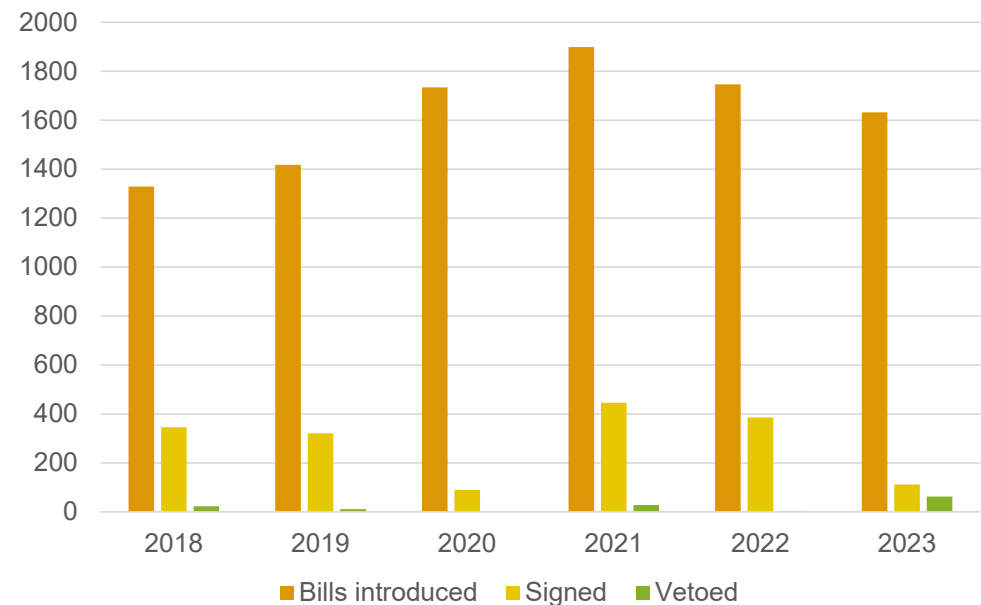
SRP Priorities



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)
Acting Chairman



Mark Christie (R)



? (D)

Jurisdiction

FERC

Reliability (NERC, WECC)

Market Transparency (EQRs)

Backstop Transmission Siting

SRP Board

Generation, Distribution

Retail Sales & Competition

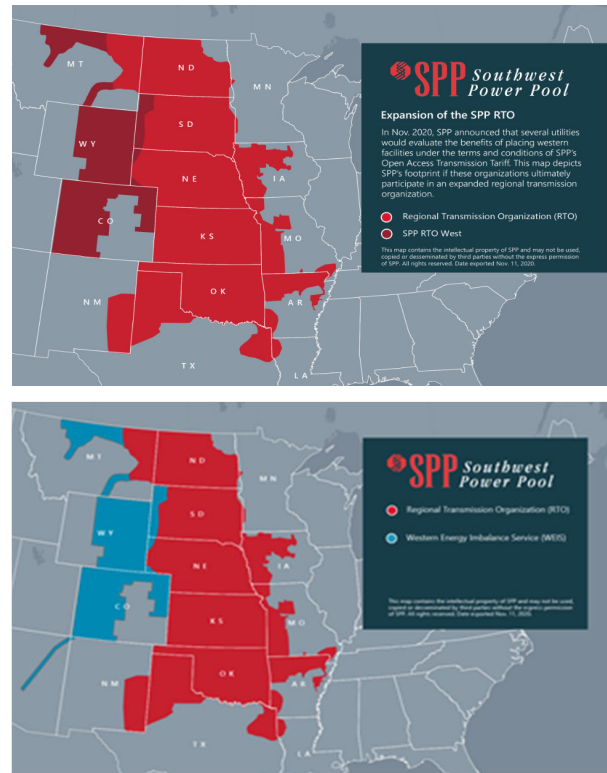
Open Access Transmission Tariff

Cost Allocations

Major initiatives at FERC SRP is Watching

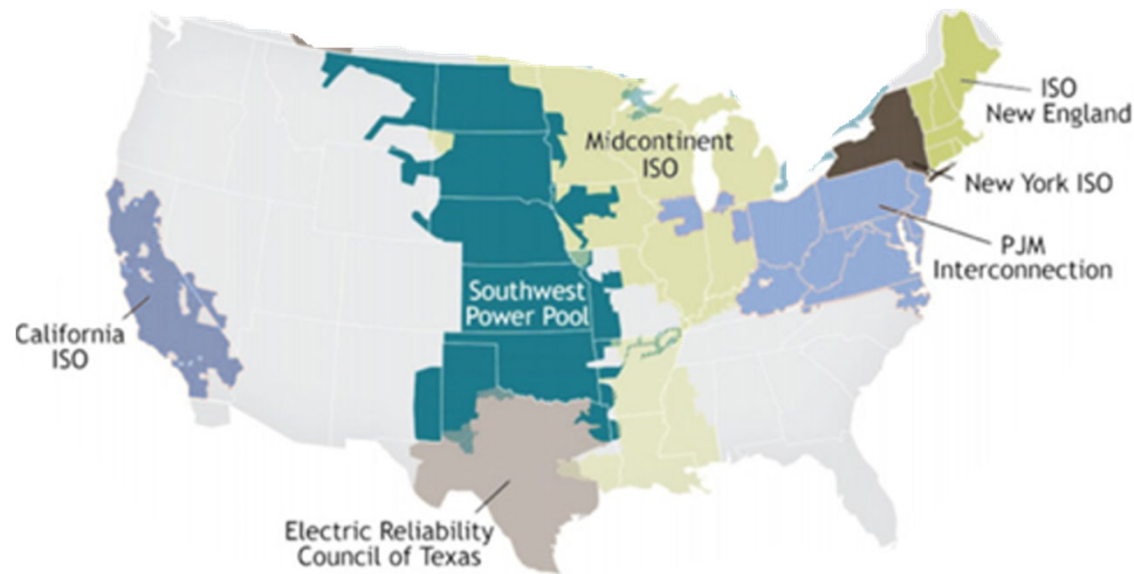
- Long-Term Transmission Planning and Cost Allocation and Generation Interconnection (RM21-17-000)
- Incentive Rate Treatment for Cybersecurity Investments (RD20-2-000)
- Stronger Reliability Standards for Monitoring Electric Grid Cyber Systems (RM22-3-000)
- Extreme Cold Weather Reliability Standards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

