Arizona Tribal Energy Association
2022 Annual Meeting

Scott R. Lund
February 17, 2022
Leadership Changes at DSW

• August 2021, Tracey LeBeau selected as WAPA’s Administrator

• Currently filling the DSW Senior Vice President and Regional Manager position

• In the interim, Jack Murray then Scott Lund selected as Acting Senior Vice President and Regional Managers
2021 Accomplishments and Events

• Study and decision to join CAISO’s Energy Imbalance Market (EIM)

• Interconnected a 425 MW wind farm with 250 MW of transmission service

• Prevented outages from wildland fires such as the Backbone Fire

• Performed critical maintenance for grid reliability – Mead Breaker 998
2021 Accomplishments and Events

• Rate Stability:
  • Boulder Canyon Project  +3%
  • Central Arizona Project  N/C
  • ED5-PVH Project         N/C
  • Intertie Project        N/C
  • Parker-Davis Project Gen  +11%
  • Parker-Davis Project Tran  +5%
What’s Ahead in 2022?
Energy Imbalance Market

• Implementation agreements with CAISO signed Fall of 2021
• Participation beginning April of 2023
• Engaged Utilicast and other contract support to assist with implementation

• Tasks:
  - Network Model
  - Metering Upgrades
  - Energy Accounting Systems
  - Scheduling Systems
  - Outage Submission Systems
  - Rate Schedules
  - OATT Revisions
  - Staffing/Training
Other Market Activities

- CAISO’s Extended Day-Ahead Market (EDAM)
- SPP’s Markets+
- SPP’s Regional Transmission Organization (RTO)
- Western Markets Exploratory Group (WMEG)
Parker-Davis Project Marketing

- Current power contracts expire 2028
- Considering:
  - How much to market?
  - Changes to service?
  - How it will be marketed?
- Difficult decisions that are further complicated by poor hydrology
- Renewed engagement in 2022
Combined Transmission Rate

• One Transmission Rate (OTR)

• Single price applicable to all DSW transmission systems:
  • Central Arizona Project
  • ED5-PVH Project
  • Intertie Project
  • Parker-Davis Project

• Increases efficiency, reduces pancaked service, encourages additional sales, enhances financial and rate stability
Drought Mitigation

• Continued dialogue regarding ideas

• Three-fold approach with Reclamation and WAPA:
  • Improve value of products
  • Increase revenues
  • Decrease costs

• Many successes to date, but we need to do more

• Drought impact estimate available
Customer Visits

- When it is safe to do so, we would like to visit your offices
- Introduce you to new members of our management team and meet your new staff
- Renew our partnerships and learn how we can better serve you
Other Leadership Updates

• Jack Murray is working on special projects WAPA-wide

• Michelle Fink selected as DSW Program and Regulatory Advisor

• Mike Simonton is DSW’s Acting VP of Transmission System Assets

• Ron Klinefelter is Acting General Counsel
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