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ARIZONA POWER AUTHORITY'S BOULDER CANYON PROJECT FY2023 FORMULA RATES AND BASE CHARGE June 29, 2022 Comments

The Arizona Power Authority provides the following comments related to the treatment of Renewable Energy Credits (RECs) in the Boulder Canyon Project (BCP) FY2023 Formula Rates and Base Charge.

The Arizona Power Authority would like to thank the Western Area Power Administration (Western) for their willingness to address the proper treatment of RECs, as they relate to the Base Charge. Western's interim solution to remove the \$800,000 for FY 2022 REC revenues projection in FY 2023's Base Charge is an equitable first step, which is consistent with the language of the contracts and serves to further build trust with BCP Contractors. We support this action by Western. With the uncertainty surrounding the future generation of power because of drought, keeping rates as low as possible should be the goal for all involved. We encourage Western to consult with BCP Contractors on any future treatment of REC revenues in the Base Charge and stand ready to work with Western on this issue.

Thank you for the opportunity to comment.

Jordy Fuentes

Jordy Fuentes
Executive Director
Arizona Power Authority