

Key Points From Public Information and Comment Draft Plan

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Preliminary Process

- Workshops
- Conferences
 - A.A.C. § R12-14-601.



Formal Process—First Step

- See A.A.C. § R12-14-201(A).
- Initiated by the Authority’s decision that a supply of Long-term Power is available.
- At the same time, the Authority issues a “preliminary proposal.”
- The Authority sets deadline for receiving applications for electric service.



Formal Process—Next Steps

- See A.A.C. § R12-14-201(B)-(H).
- Public information Conference.
- Public comment Conference.
- Notice of eligibility to enter into Power Sales Contract and proposed allocation.
- Contract negotiations.
- Power purchase certificates, if necessary.



Ex Parte Policy and Procedure

- Adopted by Commission on March 18, 2014.
- Ex parte communications are ALLOWED during the Preliminary Process, subject to optional disclosure.
- Ex parte communications are PROHIBITED during the Formal Process.
- If an ex parte communication occurs during the Formal Process, disclosure is mandatory.



Application Requirements

- Information required by regulation.
 - See A.A.C. § R12-14-202.
- Additional information will be required.
 - E.g., load data for past five years; percentage of load used for different purposes.
- All information **must be substantiated** with proper documentation.



Redbook

- The Redbook is an administrative action, not a rule or adjudicatory order.
- The Authority will not be giving the Redbook precedential effect for post-2017 Hoover power allocations.



First Preference for Schedule A—Districts

“Districts” include:

- Power Districts
- Electrical Districts
- Agricultural Improvement Districts
- Drainage Districts -or- Drainage and Flood Protection Districts
- Irrigation Water Delivery Districts
- Irrigation Districts -or- Irrigation and Water Conservation Districts
- Flood Control Districts -or- Flood Prevention Districts
- Multi-County Water Conservation Districts



Second Preference for Schedule A— Cities, Towns, and Cooperatives

- Eligible entities include:
 - (1) an incorporated city,
 - (2) town, or
 - (3) a cooperative serving its own members only.
- An entity fitting within one of the three categories receives preference for the amount of power equal to 17,500,000 kWh minus existing contracts for federal power generated from the main stream Colorado River.



Allocating Within a Preference Class

- Allocate in an equitable manner to render greatest public service and encourage the widest possible use. A.R.S. § 30-124(B).
- Allocate equitably in same class based on needs of the entities and type of use of Long-term Power. A.A.C. § R12-14-201(J).



Schedule B Power—Eligibility

- Municipalities
 - Any incorporated city or town or other corporation organized for municipal purposes.
- Districts
 - Any irrigation district, power district, electrical district, agricultural improvement district, or water users association directly engaged in sale, distribution, or delivery of water or electric power or energy.
- Other Public Bodies
- But not groundwater replenishment districts established under Title 48, chapter 27



Schedule D Power—Federal Law

- Schedule D power must go to “new allottees.”
- The term “new allottees” means “entities not receiving contingent capacity and firm energy under subparagraphs (A) and (B) of paragraph (1).”
- The phrase “subparagraphs (A) and (B) of paragraph (1)” refers to Schedules A and B.



Schedule D Power—State Law

- The Authority must allocate power under its jurisdiction according to state law.
- Title 45 controls the sale of power and energy from the Hoover uprating project.
- Schedule D power must be subdivided for allocation under Title 30 (“D-2/A”) and Title 45 (“D-2/B”).



Issues Submitted For Comment

- Excess energy from Schedule C
 - Allocate during this process? Or use a more short-term process?
- Length of Contract Term
 - 25 year term? 30 year term?
- Minimum Allocation Requirement
 - Should the Authority adopt a minimum at all? If so, should the minimum requirement be 100 kW?