



CAP's Portfolio

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CAP Resources



Long Term Resources —Hoover

- Balancing Resource: Fill the energy needs in hours where power is extremely costly or difficult to purchase on the hourly market.
- Arizona – Roughly 19% of the 4 million MWh Annual Generation
- CAP – 133,300 MWh in 2021, Estimated 120,500 MWh in 2022.



Long Term Resources —Solar Phase 1

- 32.5 MW Capacity, Interconnects at Existing 115-kV Transmission Line
- 20-year Power Purchase Agreement (PPA)
- Set Rate, \$24.99/MWh
- 3.7% of CAP's Annual Energy Needs



Long Term Resources —Heat Rate Option

- 5-year, 35 MW Power Purchase Agreement (January 2020 - December 31, 2024)
- Daily Option – Contiguous Hours
- SoCal Border Natural Gas Pricing, But From SRP's Fleet of Generation Resources
- Primary Use: March-December, Dependent on Pricing
- Approximately 9% of CAP's Annual Energy Needs



Future Resources

—Natural Gas Option

- AEPCO-CAWCD PPA: 35MW, Daily Option, SoCal Border natural gas index.
- 10-year Contract, With Option to Renew – Replaces Expiring SRP PPA
- Commercial Operation Date: June 1, 2025.
- The option has more intra-day flexibility than the SRP option, allowing any quantity on an hourly basis.



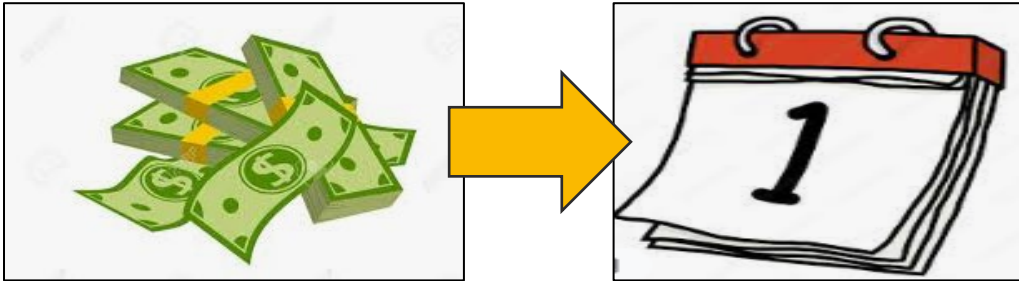
Future Resources

—Solar plus Storage

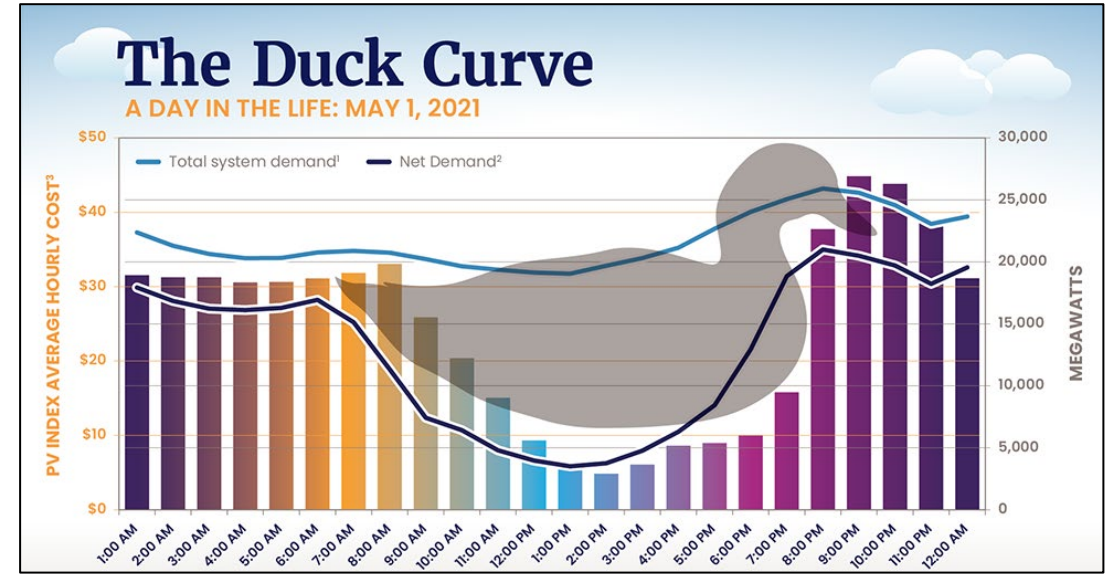
- AZ Solar Phase II: 20 MW, with 60MWh Battery Energy Storage System (BESS)
- Commercial Operation Date: December 31, 2023
- Batteries Allows Shifting Energy Use to Most Expensive Evening Hours



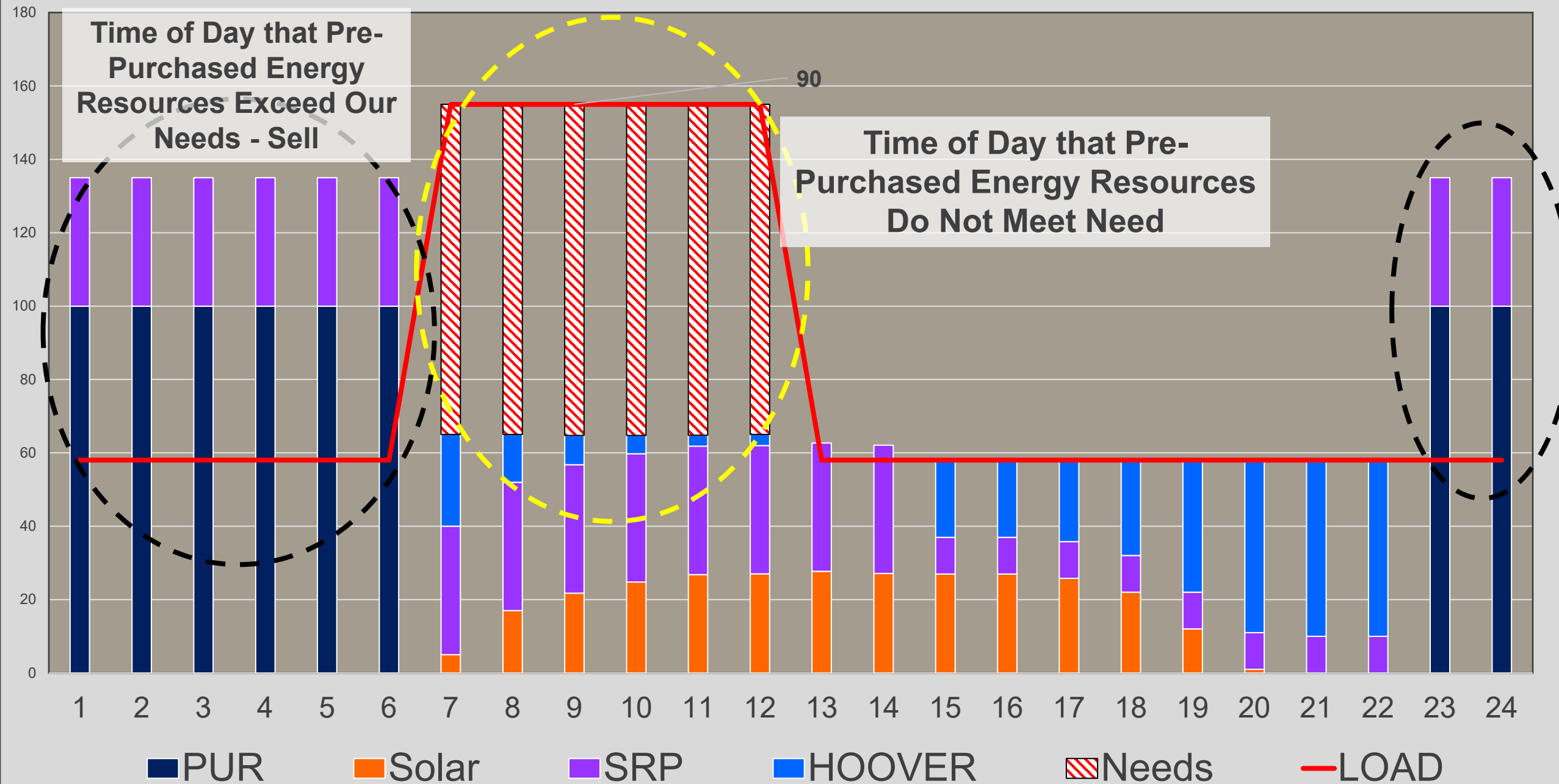
Market Purchases



- Roughly 80% of CAP's Energy Needs
- Market Auctions – Large Season Blocks of Energy
- Daily Purchases:
 - Match Daily Energy Needs From Water Orders
 - Obtains Lowest Cost “Duck Curve” Energy



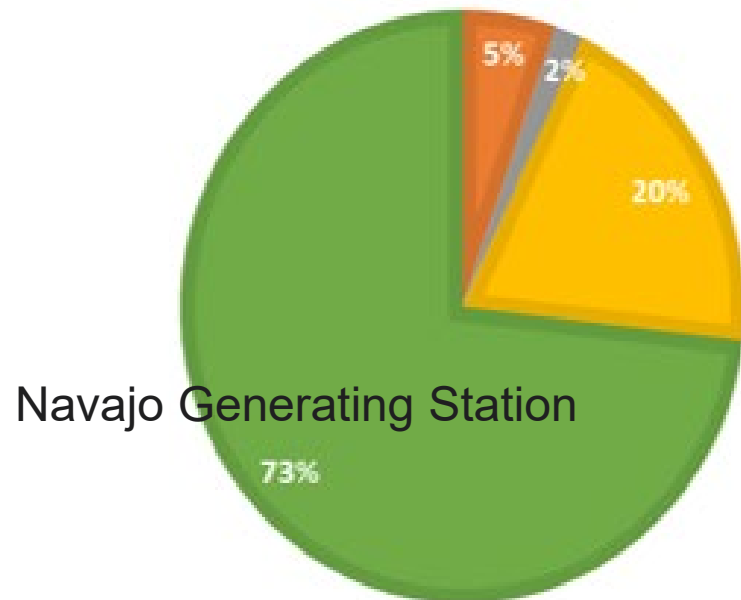
July 2022 Mon-Sat CAWCD Hourly Position



CAP's Energy Use & Mix

2017

- Solar Power Purchase Agreement
- Hydroelectric - Hoover
- Hydroelectric - Waddell
- Market (eGRID: AZNM)
- Salt River Project Purchases
- Navajo Generating Station (Coal)



2.2 million MWh

2020

- Solar Power Purchase Agreement
- Hydroelectric - Hoover
- Hydroelectric - Waddell
- Market (eGRID: AZNM)
- Salt River Project Purchases
- Navajo Generating Station (Coal)



2.46 million MWh

Key Takeaways

- CAP Uses a Wide Variety of Energy Sources
- Long Term Resources and Market Purchases
- Significant Transition from NGS Reliance
- Expanding Renewables

