
Potential Options for CAP Pumping Energy
Power Task Force
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PROTECT LAKE MEAD
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Alternative Forms of Supply

- Full requirements agreement
  - From a utility that has a fleet of generators
- Purchase power agreements
  - Sourced from one generator (each contract no more than 20% of CAP load)
  - From a utility that has a fleet of generators
- Market purchase of electricity
- Ownership of generation
  - Probably not feasible/desirable

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Timing for Agreements

Options	Time to Develop
Market purchase - Day ahead	Immediate
Market purchase - Forward purchase - a few months	Immediate
PPA - Energy	Up to six months
PPA - Cost plus fuel	Up to six months
PPA - Unit entitlement	Up to six months
Purchase an existing generation plant	Up to one year
Full requirements agreement	Up to one year
Build a new generation plant	Five-seven years

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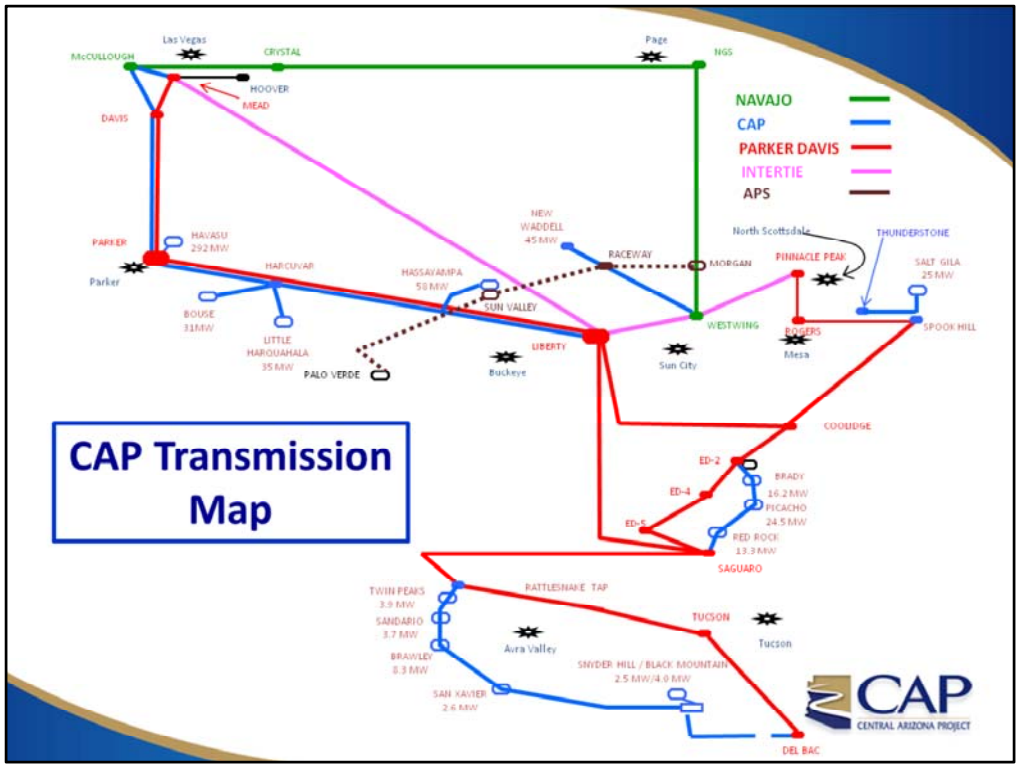
CAP Transmission Portfolio

- Navajo Transmission
- CAP Transmission
- Contract rights
  - Intertie
  - Parker-Davis
- Network Service
  - APS
  - SRP
  - Western


CAP Transmission Map
NAVAJO
CAP
PARKER DAVIS
INTERTIE
APS
Las Vegas
McCULLOUGH
CRYSTAL
HOOVER
MEAD
DAVIS
Page
NGS
PARKER
Parker
HAVASU
292 MW
HARQUVAR
BOUSE
31MW
LITTLE
HAROUAHALA
35 MW
PALO VERDE
HASSAYAMPA
58 MW
SUN VALLEY
NEW
WADDELL
45 MW
RACEWAY
MORGAN
WESTWING
LIBERTY
Buckeye
Sun City
North Scottsdale
THUNDERSTONE
PINNACLE PEAK
SALT GILA
25 MW
ROGERS
Mesa
SPOOK HILL
COOLIDGE
ED-2
ED-4
ED-5
BRADY
16.2 MW
PICACHO
24.5 MW
RED ROCK
13.3 MW
SAGUARO
TWIN PEAKS
3.9 MW
SANDARIO
3.7 MW
BRAWLEY
8.3 MW
SAN XAVIER
2.6 MW
RATTLESNAKE TAP
Avra Valley
TUCSON
Tucson
SNYDER HILL / BLACK MOUNTAIN
2.5 MW/4.0 MW
DEL BAC
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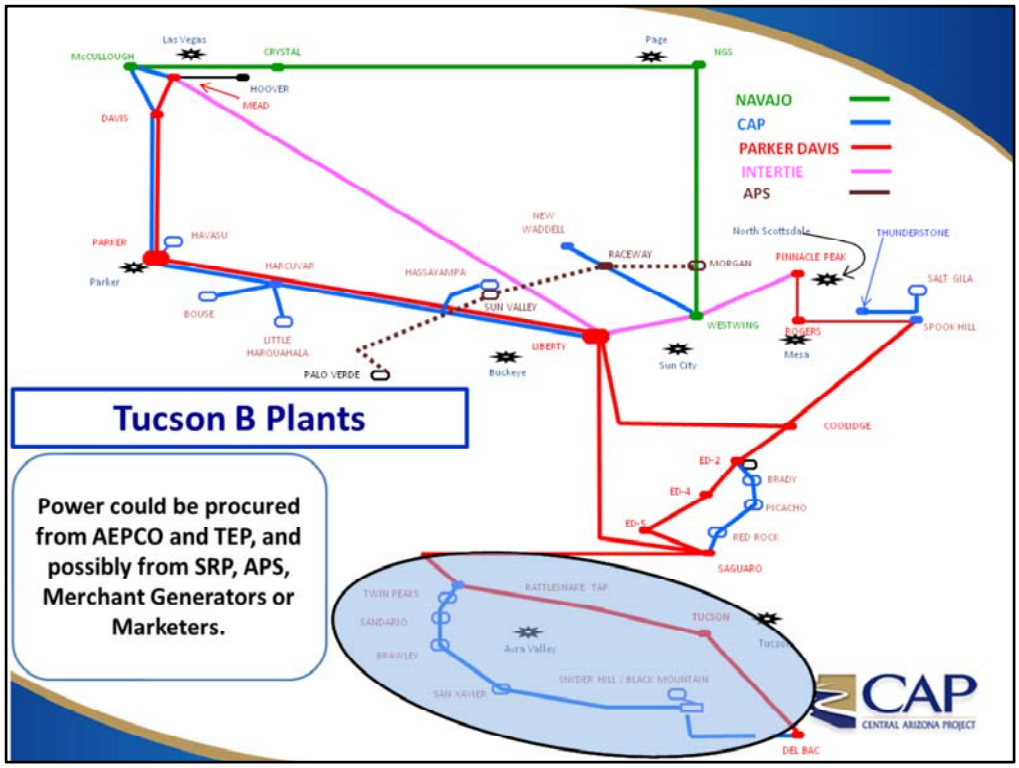
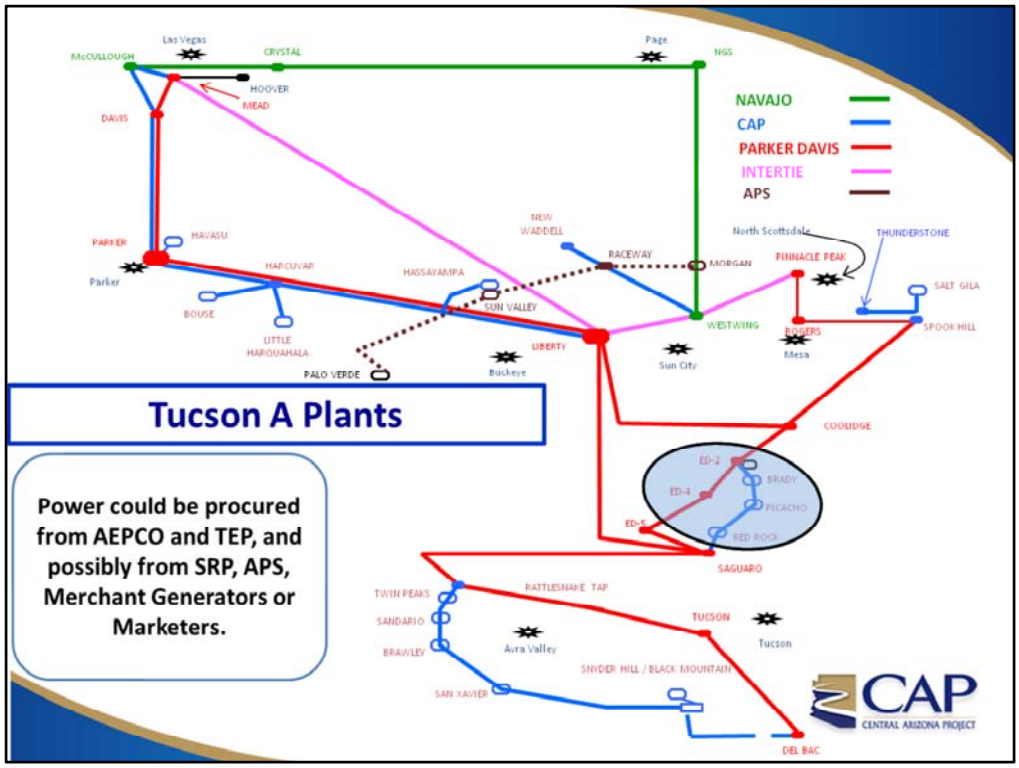
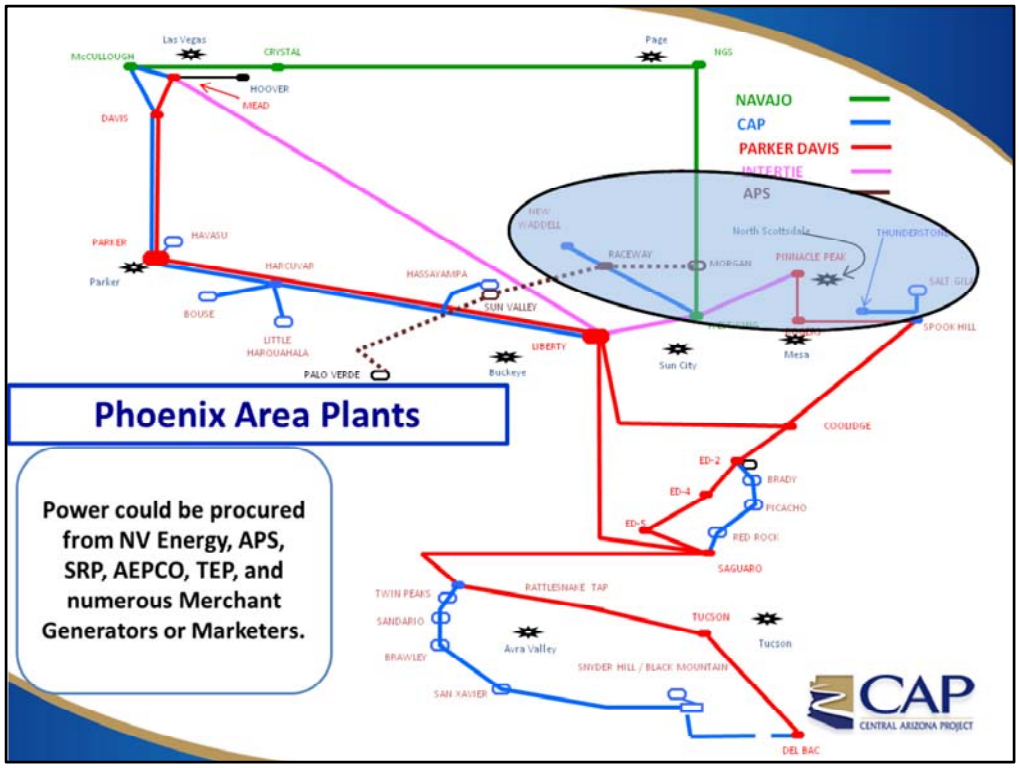


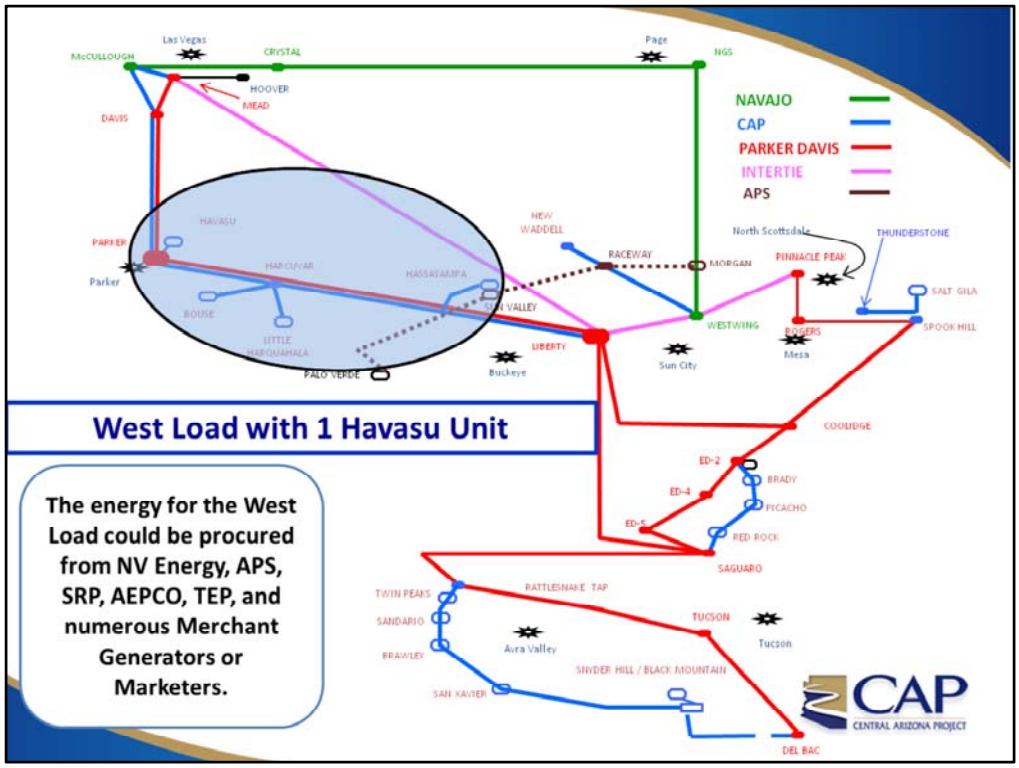
Twin Peaks, Sandario, Brawley, San Xavier, Snyder Hill, and Black Mountain PP are connected to the Parker Davis and local utility transmission systems.



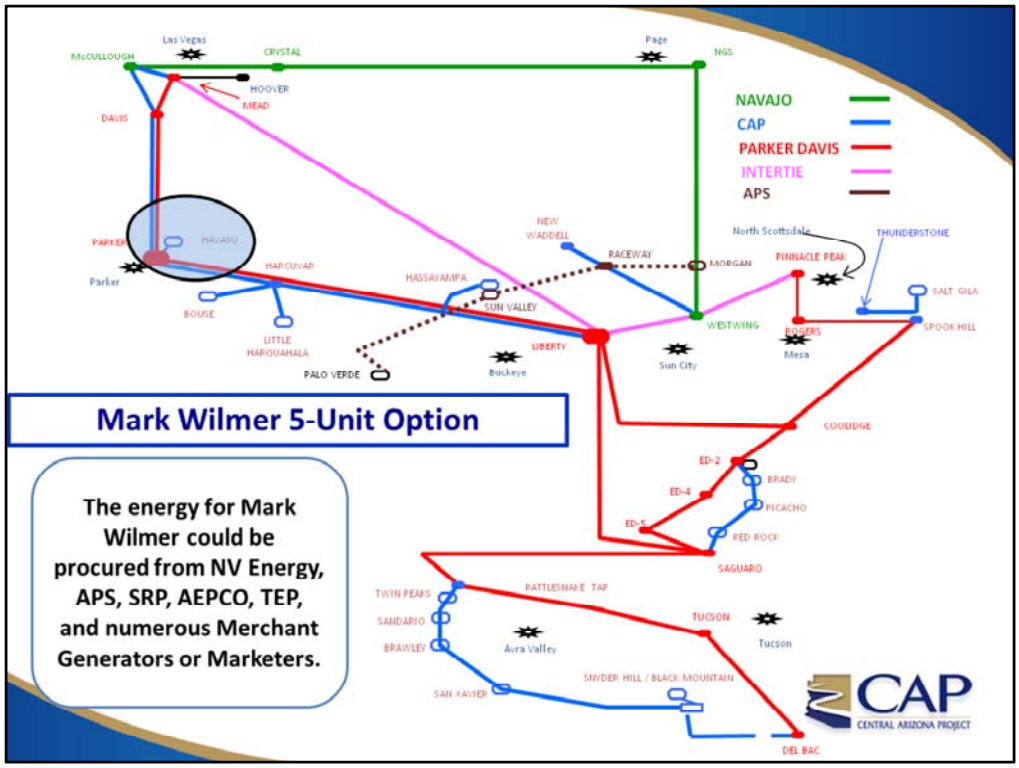
Brady, Picacho, and Red Rock PP are connected to the Parker Davis and local utility transmission systems.



Salt Gila and New Waddell are connected to Westwing Switchyard which has transmission paths from the Navajo Project, Palo Verde, Parker Davis Project, Intertie Project as well as local utility transmission systems.



Havasu, Harcuvar, and Hassayampa PP are connected to transmission paths from the Navajo Project, CAWCD (Palo Verde), CAP system, Parker Davis Project, Intertie Project as well as local utility transmission systems. The 173 is the full load rating of the West Load, actual Base Load is approximately 65 mw.



Power for 5 units of the Mark Wilmer (Havasu) PP could be split from the rest of the CAP load as it is schedulable and can be primarily operated during off-peak periods to minimize the costs.

Summary

- Multiple options are available to serve CAP pump loads
- Power costs projections, both current and near future, are very favorable and should allow CAWCD to procure energy for the CAP load at very attractive prices
- A number of entities have contacted us with interest in serving all or part of the CAP load
- Staff intends to conduct a competitive process that provides the lowest cost option(s) to serve CAP load reliably

Potential Procurement Process

Based on responses to a Request For Qualifications/Request For Proposal to interested suppliers, CAWCD could:

- Execute one agreement for full CAP load (all plants)
  - May not realize value of Mark Wilmer flexibility
- Execute one agreement for all plants except Mark Wilmer
- Execute a portfolio of agreements based on geography and load profiles
  - Could reduce transmission pancaking
- Leave a portion of the supply open to the market

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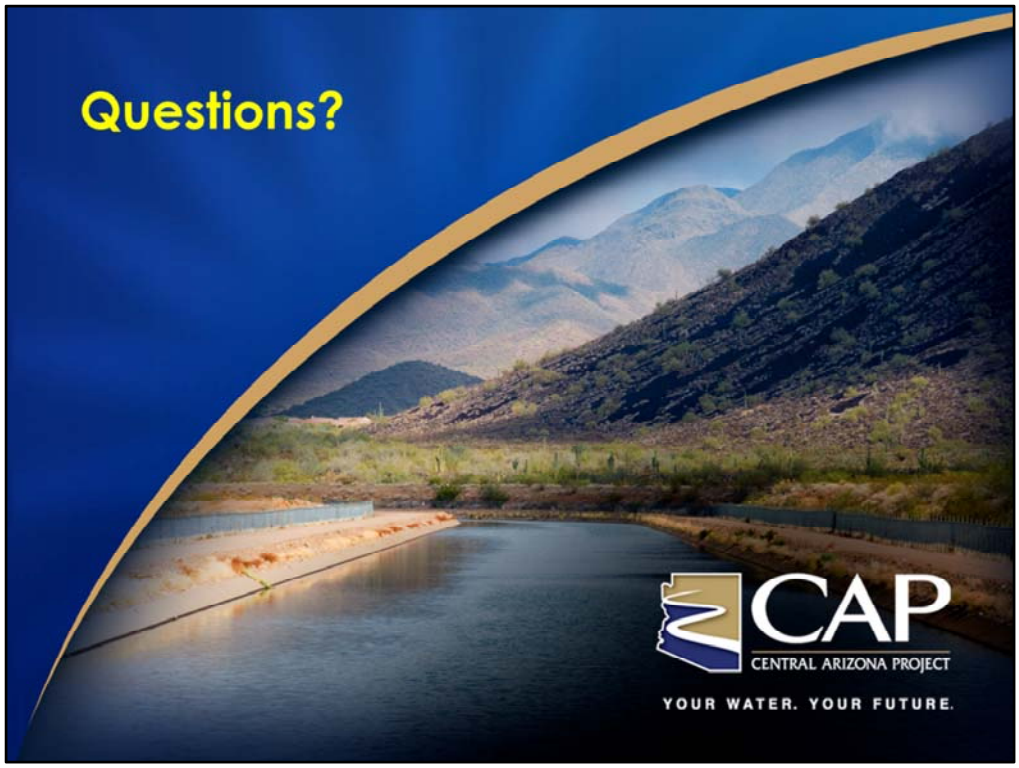
Questions?
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