

# SOUTHWEST PUBLIC POWER AGENCY, INC.



DATE: 3.4.24

TO: Board of Directors & Pooling Project Committee

THRU: Brian Yerges, Chair – Risk Management Committee

FROM: Frank McRae, SPPA General Manager

SUBJECT: Risk Management Committee Meeting Report – 3.4.24

The SPPA Pooling Project’s Risk Management Committee (RMC) convened its virtual meeting on March 4, 2024, at 3:00 p.m.

1. Call to Order

2. Roll Call

- Brian Yerges
- Glenn Steiger
- Robert VanHofwegen
- Dennis Delaney
- Frank McRae
- Daniel Herder
- Lisa Dowden
- Judy Spallino
- Jennifer Torpey
- Jerri Tso

3. Approval of Risk Management Committee Report(s)

- a. January 3, 2024, RMC meeting minutes
- b. February 5, 2024, RMC meeting minutes

RMC meeting minutes approval was moved by Mr. VanHofwegen and seconded by Mr. Steiger; all in favor.

4. SPPA Back-to-Back Fixed and Index Swaps April through September

April through September Fixed Swaps were initially executed; however, there was one member that requested to lower their amount, so Mr. Delaney worked with AEPCO to create another transaction to sell back the difference. A detailed report of the April through September Fixed Swaps will be sent out to the Board this week. Fixed prices were as follows: \$1.91 for April, \$1.89 for May, \$2.36 for June, \$3.31 for July, \$3.95 for Aug, \$3.15 for Sept. Index swaps have not been done yet, so there was no information to provide at this time.

5. Status of Mesquite “Capacity Sale Back”

SPPA has not received final numbers for February, but Mr. Delaney is expecting there to be a breakeven for February. Final numbers will be available after the board meeting so he will provide an update on the Capacity Sale Back for February once final numbers are available.

6. Review and approval:

- a. SPPA Energy Risk Management Policy and Guidelines

Mr. Herder informed the Committee that he updated the SPPA Energy Risk Management Policy and Guidelines to include items from the APECO EMS agreement as well as updating Appendix D to show the amended hedging agreement from June 2023. The Committee reviewed and approved the updated SPPA Energy

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Risk Management Policy and Guidelines. The Policy does not name a individual for the SPPA Compliance role; however, noted that Judy Spallino will be filling that position.

Acknowledgement and approval of the updated SPPA Energy Risk Management Policy and Guidelines was moved by Mr. VanHofwegen and seconded by Mr. Steiger; all in favor.

7. Miscellaneous topic (Frank and additional agenda items for the RMC)  
None.
8. Any other business that may come before the Committee.  
None.
9. Discussion of future agenda items  
None
10. Establishment of date of next SPPA Pooling Project's RMC Meeting  
Next RMC meeting will be May 6, 2024, at 3 pm
11. Public Comment  
There was no comment from the public.
12. Adjournment at 3:16 p.m.



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## ATTACHMENT 1

Pursuant to A.R.S. § 38-431.02, **NOTICE IS HEREBY GIVEN** that a meeting of the members of the SPPA Pooling Project Risk Management Committee will be held on March 4, 2024, at the offices of SPPA, located at 160 North Pasadena, Suite 160, Mesa AZ 85201. **The meeting will begin at 3:00 PM.**

The agenda for the meeting is as follows. All agenda items are for discussion and possible action. Items may be taken up in a different order than that shown. As indicated in the agenda, the RMC may vote to go into executive session to discuss certain matters. The voting member of the RMC may vote to hold an executive session for the purpose of obtaining legal advice from SPPA's attorney on any matter listed on the agenda, pursuant to A.R.S. § 38-431.03(A)(3). The meeting is open to the general public, except for the possible executive session(s). The meeting is anticipated to be held virtually; the virtual meeting information was sent via separate email.

Agenda Items	Attachments
1. Call to Order	
2. Roll Call	
3. Approval of Risk Management Committee Report(s): a. January 3, 2024 b. February 5, 2024	 1.3.24 Risk Management Commit  2.5.24 Risk Management Commit
4. Discussion a. SPPA Back-to-Back Fixed and Index Swaps April through September b. Status of Mesquite "Capacity Sale Back"	
5. Review and approval: a. SPPA Energy Risk Management Policy and Guidelines	
6. Manager Report (Frank)	
7. Discussion of future agenda items.	
8. Establishment of date on next Risk Management Committee	May 6, 2024
9. Public Comment	
10. Adjournment	