

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
SOUTHWEST PUBLIC POWER AGENCY, INC.**

**May 12, 2025**

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on May 12, 2025, at the offices of Maricopa County Municipal Water Conservation District No. 1, located at 14825 W Grand Avenue, Surprise AZ 85374.

**The following Board Members or Member alternates were present:**

Ken Robbins – ED2	Ed Gerak – Ak- Chin
Elena Byrd – ED2	Derek McEachern – ED4
Bill Van Allen – ED6	Ron McEachern – ED4
Glenn Steiger – NTUA	Glen Vortherms - MWD
Noel Carter – BWCCD	Michael Curtis – Town of Wickenburg
Brian Yerges – ED3	Ken Stock – GRICUA
Joe Mease – TOUA	Jim Downing - MVWCDD
Jeff Woner – OWCD	Donovan Neese - RID
Jason Moyes – AID, HVPD, TID	Taylor Howerter—RID
Heath Brown - THAT	Arnold Mejia – GRICUA
Robert VanHofwegen - ED8	Scott Saline – AID, HVPD, TID
Greg Ellis – ED2	Bill Van Allen—ED6
Matt Ogden - MWD	
RD Justice – ED7	

**Also present:**

Judy Spallino	Amanda DeWeese – Constellation Energy
Kim Polivka	Matt Ogden - MWD
Daniel Herder	Daniel Pritchard
Dennis Delaney	Ken Saline – KR Saline
	Ashley Blank

**The following SPPA Member(s) were not present:**

**Full Attendance**

The meeting was called to order at 12:07 p.m. Mr. Brian Yerges chaired the meeting while Ms. Kim Polivka functioned as secretary.

**ROLL CALL**

Mr. Brian Yerges called on the role of the Directors to ensure there was a quorum present. Quorum being established; the business of the meeting proceeded.

**3.) Consideration and approval of Consent Agenda (Possible Action Item)**

All items on the Consent Agenda are considered to be routine matters and will be enacted by one motion of the Board of Directors. A Board Member may request removal of any item(s) or part(s) thereof without debate or vote.

- a. Minutes from prior meetings of the SPPA Board of Directors.
  - 04-14-2025 SPPA BOD Minutes
  - 04-14-2025 Confidential Executive Session SPPA BOD Minutes
  - 04-14-2025 PPA Project Committee Minutes
  - 04-14-2025 Confidential Executive Session PPA Project Committee Minutes
- b. Ratification of approval items, if any, from the SPPA Pool Management Committee.
- c. SPPA policy for Reimbursement of Maintenance Margin Interest
  - The written Policy of Reimbursement of Maintenance Margin Interest posted on the website.

Mr. Yerges presented the (3.a.) Consent Agenda for the Board’s review and approval and (3.c.) SPPA Policy for Reimbursement of Maintenance Margin Interest approval. All items listed on the Consent Agenda may be enacted by a single motion unless a Board Member requests otherwise.

Upon discussion, Mr. Jason Moyes moved to approve the contents of the Consent Agenda as presented and SPPA Policy for Reimbursements of Maintenance Margin Interest as presented. Mr. Ken Stock seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

#### **4.) Item(s) removed from Consent Agenda (Possible Action Item).**

No items were removed from the Consent Agenda.

#### **5.) Financial matters:**

- a. Financial Update & Treasurer’s Report including disbursements (Possible Action Item).

Ms. Judy Spallino presented the Disbursements Reports for the Board’s review and approval. All items presented on the Consent Agenda may be enacted by a single motion unless a Board Member requests otherwise.

Mr. Noel Carter has moved to approve the Disbursements as presented. Mr. Glen Vortherm seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

- i. Balance Sheet Highlights
    - February Finals & March Preliminary
    - Discussed the impact of GM change. Ms. Spallino and Mr. Delaney explained that KRSA profit sharing policy means that
  - ii. Profit & Loss Highlights
  - iii. Deposits Reports
    - There was discussion about recirculating the deposit requirements for new projects for next month’s meeting - Apache II and Pinal County
  - iv. Other Item(s) to Highlight
- b. 2024 Baker Tilly Audit

- i. Unqualified Audit Opinion will be issued for the 2024 – 2023 audited financial Statements.
- ii. Baker Tilly will give a presentation at the June 9<sup>th</sup> Board of Direct Meeting
- iii. Contract with Baker Tilly is being considered for the future.

## **6.) Risk Management Meeting**

Meeting on May 5, 2025

## **7.) Legal/regulatory matters:**

Legal Updates in Executive Session

## **8.) Ongoing Activities:**

- a. Update on Energy Accounting Conversion Project
- b. Onward/Mesquite PPA.
- c. Updates on Financial Gas Hedging

Executive session #1 at 12:25 p.m.

During the SPPA Board of Directors meeting an Executive Session for agenda items 7., 8.b, Legal Updates. Legal On the agenda, pursuant to A.R.S. § 38-431.03 (A) (3)) for discussion or consultation with the attorneys of SPPA for legal advice, regarding the Legal/Regulatory Matters and Onward/Mesquite PPA.

Mr. Noel Carter called for a motion to go into Executive Session for the above; and seconded by Mr. Robert Van Hofwegen and the motion passed unanimously at 12:25 p.m.

Executive session #1 ended at 12:35 p.m.

Motion to give Mr. Dennis Delaney authority to seek bids from AEPCO and ACES to evaluate Onward proposal. Work will include obtaining scopes, study, data requirements, reaching out and getting a bid from others as warranted.

Mr. Michael Curtis moved to approve the motion and Mr. Brian Yerges seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

### **d. AEPCO**

- i. Apache II Resale Agreements, and AEPCO PPA/ESA update. The Board may vote to discuss these matters in executive session pursuant to A.R.S § 38-431.03(A) (3), and (4) for the discussion or consultation with the attorney of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiation and for legal advice
- ii. Pinal Co Resale Agreements – Update on execution of agreements
- iii. EDAM Study  
The Board may vote to discuss this matter in an executive session pursuant to A.R.S § 38-431.03 (A) (2), (3), and (4) for the discussion or consultation with the attorney of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject negotiation and for legal advice, and for the discussion or consideration of records exempt by law from public inspection

### **e. Box Canyon Solar Project**

The Board may vote to discuss these matters in executive session pursuant to A.R.S § 38-431.03(A) (3) and (4) for discussion or consultation with the attorney of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiation and for legal advice.

- i. Status of BrightNight/SPPA/SRP BA discussions.
- ii. SRP term Sheet regarding SRP project participations share in exchange for BA opportunity (Approval Item)
- iii. 10 MW capacity exchange (Approval Item) time periods to discuss:
  - a. Test Energy (through June 2, 2025) – 300 MW as of 4-9-2025
  - b. Commercial Operation beginning June 2, 2025
  - c. BA Operations
- iv. Letter to BN regarding provision of BA products (Approval Item)
- v. Recs

Executive Session #2 at 12:40 p.m.

During the SPPA Board of Directors meeting an Executive Session for agenda items 8.d., 8.e. Legal Updates on AEPCO item and Box Canyon Solar Project Updates. Legal On the agenda, pursuant to A.R.S. § 38-431.03 (A) (2) and (3) and (4) as applicable for the discussion or consultation with the attorney of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject negotiation and for legal advice, and for the discussion or consideration of records exempt by law from public inspection, regarding the Apache II, Box Canyon Solar Project Updates,

Mr. Robert Van Hofwegen called for a motion to go into Executive Session as stated above; and seconded by Mr. Noel Carter and the motion passed unanimously at 12:40 p.m.

Executive session #2 ended at 1:25 p.m.

After exiting executive session, the board took action with each of the following motions:

SRP BOCA Term Sheet:

Move that the Board approves for SPPA management to proceed to negotiate and execute a Participation Agreement for SRP to take and pay for its Box Canyon share, in alignment with the Term Sheet provisions, and also a short-term WSPP agreement on the same material terms. SPPA management may make those changes to provisions as management deems appropriate under the circumstances, in consultation with SPPA counsel adding in, including any changes appropriate to address impacts of delays of reserve sharing group certification.

BOCA BA Products Exercise Letter:

Move that the Board approves that SPPA management execute the Products Exercise Letter as provided, in order for BrightNight to secure its tax equity financing. SPPA management is directed at taking any additional actions appropriate in furtherance of this arrangement, as may arise.

BOCA RECs:

Move that SPPA proceeds to set up the ongoing transfer of BOCA RECs. SPPA is directed to skip intermediate transactions as possible to avoid additional WREGIS transaction charges and identify the last WREGIS account that RECs are going to. Those who have their own WREGIS accounts will take them or have the option for APA to sell. Those without WREGIS accounts may direct APA to sell on their behalf into the market. SPPA will coordinate with APA.

BOCA Bidding into SRP RFP:

Move that SPPA cooperate with BOCA to allow BrightNight to bid a BOCA battery into SRP's all source RFP, at 100MW and 300MW capacities in the alternative. SPPA will issue the letter presented to the board in support of the arrangement. SPPA representatives are authorized to take all appropriate actions in furtherance of this arrangement.

Day ahead call options of the 10 Megawatts:

Move that SPPA representatives are authorized to proceed final negotiation and execution of the day ahead call option WSPP arrangement with SRP to effectuate the delivery of reserves to the BOCA BA. SPPA representatives may make any modifications to the WSPP confirm as deemed advisable, in consultation with SPPA counsel.

Mr. RD Justice moved to approve the motions (5) as presented by Mr. Herder and Mr. Ron McEachern seconded the motion. Upon the taking of a voice vote, the motions were unanimously approved in one vote.

- f. Participation in "Pre-Pay Energy Supply" Opportunities – NDA and Updated Fees to be discussed.

Mr. Herder explained that SPPA discussed a potential pre-payment structure with BP, and Goldman Sachs has shown interest in offering a similar arrangement. They have done this type of deal before, especially with joint action agencies in California, and have experience with non-solar projects in the West.

They have worked with SRP before and are currently negotiating another deal with them, making them a strong potential partner.

SPPA sent back redlines to the proposed NDA. In our conversations, Goldman noted the structure is familiar to them. The bank may be able to offer support in increasing SPPA credit profile and/or reducing credit support obligations.

**9.) Any other business that may come before the meeting.**

*No additional business was discussed*

**10.) Discussion of Future Agenda Items**

No additional business was discussed.

**11.) Establishment of the date of the next SPPA Board Meeting: June 9, 2025**

The established date of the Board of Directors Management Meeting: June 9, 2025

**12.) Public Comment**

None

**13.) Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.

Respectfully submitted,

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Kim Polivka  
Admin/Acct Assistant

Approved: \_\_\_\_\_