MINUTES OF THE MEETING OF THE RISK MANAGEMENT COMMITTEE
SOUTHWEST PUBLIC POWER AGENCY, INC.

June 1, 2026

A meeting of the RISK MANAGEMENT COMMITTEE (RMC) of the Southwest Public Power Agency, Inc. ("SPPA") was held June 1, 2026, via Teams meeting.

The following Committee Members were present:

Derek McEachern – ED4
Brian Yerges— ED3
Ken Stock – GRICUA
Jason Moyes

Also present:

Dennis Delaney	Daniel Pritchard
Judy Spallino	Daniel Herder
Kim Polivka	Casey Fry - ACES

The meeting was called to order at 2:00:00 p.m. Mr. Dennis Delaney chaired the meeting while Ms. Kim Polivka functioned as secretary.

ROLL CALL

Mr. Dennis Delaney called the roll of the Committee Members to ensure there was a quorum present. Quorum being established; the business of the meeting proceeded.

3.) Approval of Risk Management Committee Minutes(s):

None

4.) Discussion:

Ms. Casey Fry presented her deck to the committee. The following items were covered in the discussion:

- **Hedging Instruments**
- **Future Swap Options**
- **Natural Gas Swap Types:**
    - **Fixed Price Swap**

Done with a counterparty. Specified tenor and quantity. Buyer and counterparty both assume floating price and risk
The Floating Price for each contract month will be equal to the fixed price minus the Platts Inside FERC Monthly Index for the corresponding contract month.
If you buy a Fixed Price Swap, you are buying the Fixed Price and selling the Inside FERC Monthly Index.
The objective is to lock in the difference between a Fixed Price, and a specific Monthly index will settle. Does Not Provide Intra-Month Protection If Not Paired with an Index Swap

    - **Index Swap**

Done with a counterparty. Specified tenor and quantity. Buyer and counterparty both assume floating price and risk
The Floating Price for each contract month will be equal to the arithmetic average of the Platts Gas Daily Midpoint minus the Platts Inside FERC Monthly Index for the corresponding contract month. If you buy an Index Swap, you are buying the IFERC/NGI Monthly Index and selling Platts Gas Daily. The objective is to lock in the difference between where a specific Monthly index will settle and where a specific Daily index (average for the month) will settle.

    - **Swing Swap**

Done with a counterparty. Specified tenor and quantity. Buyer and counterparty both assume floating price and risk
The Floating Price for each contract day is equal to the Platts Gas Daily Midpoint.
If you buy a Swing Swap, you are buying a fixed price determined at the time of execution and selling Platts Gas Daily.
The objective is to lock in fixed price now at current market pricing for a specific location and protect against volatility in a specific Daily index (average for the month).
Mr. Brian Yerge suggests that this option be brought to the Board of Directors meeting June 8, 2026.

a. Gas Hedge Update

Gas Hedging Update October 2025 – March 2026:
Mr. Dennis Delaney gave an update on historical values, fixed final positions.

b. Potential all source RFP to secure firm capacity to replace a portion of the CRSP and Hoover capacity. 80% of CRSP and 70% of Hoover.

- Preliminary discussions have commenced, and supporting data is being assembled
- Key areas of focus include resource capacity needs and operational flexibility requirements (ramping, dispatch flexibility, regulation, and ancillary services)
- Resource and siting evaluations are being performed under the following planning assumptions:
    - Potential loss of up to 80% of CRSP capacity (~110 MW)
    - WAPA would be obliged to provide replacement capacity if requested under existing contractual provisions
    - Replacement capacity may result in reduced customer influence over pricing and resource characteristics
    - Potential loss of up to 70% of Hoover capacity (~131 MW)

c. Apache II/AEPCO Invoice issues

Mr. Yerges - AEPCO possibility of starting a new Gas Program and had requested L&R be completed first.
Mr. Derek McEachern asked if there was any member short on power, Mr. Dennis Delaney explained that we have some ideas; The possibly to work from within (NTUA is short in the winter), more to come from Mr. Daniel Herder and Mr. Dennis Delaney.

5.) Action Item:
Mr. Brian Yerges requests the L&R report be completed and at the June 8, 2026, BOD Meeting.

6.) Any other business that may come before the meeting.
None

7.) Discussion of future agenda items
None

8.) Establishment of date of next SPPA Pooling Project's RMC Meeting
Next RMC – August 3, 2026

9.) Public Comment
There was no comment from the public.

10.) Adjournment at 2:43 p.m.

There being no further business to come before the Risk Management Committee, the meeting was adjourned at 2:43PM

Respectfully submitted,

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Ms. Kim Polivka

Approved: _____