

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
SOUTHWEST PUBLIC POWER AGENCY, INC.
March 09, 2026**

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on March 09, 2026, at the offices of Clark Hill, located at 3200 North Central Avenue, Suite 1600, Phoenix, Arizona 85012.

The following Board Members or Member alternates were present:

| | |
|----------------------------|---|
| Bill Van Allen—ED6 | Scott Saline – AID, HVPD, TID, OWCD |
| Arnold Mejia - GRICUA | Jason Moyes – AID, HVPD, TID, MVWCDD, ED8 |
| Jeff Low – City of Safford | Taylor Howerter - RID |
| Brian Yerges – ED3 | Anthony Cadorin - NTUA |
| Joe Mease – TOUA | Derek McEachern – ED4 |
| Logan Gernet – ED2 | Heath Brown – Thatcher |
| Donovan Neese – RID | |
| Robert VanHofwegen – ED8 | |
| Glen Vortherms – MWD | |
| Jeff Woner – OWCD | |
| Elena Byrd – ED2 | |

Also present:

| | |
|-----------------------------|-----------------------|
| Judy Spallino - SPPA | Kent Simer - KRSA |
| Kim Polivka - SPPA | Dennis Delaney - KRSA |
| Daniel Herder – Clark Hill | Brian Bennet - ACES |
| Quinne Daoust – Clark Hill | Graham Bennet - ACES |
| Vedant Sahu – KRSA | Ashley Blank – KRSA |
| Ken Saline - KRSA | Cassie Fry – ACES |
| Katie Hardman – ACES | Erin Winters - AEPCO |
| Sheryl Sweeney – Clark Hill | |

The following Board Member(s) were not present:

Town of Wickenburg
City of Williams
Ak- Chin
Electrical District ED7

The meeting was called to order at 1:14 p.m. Mr. Robert VanHofwegen chaired the meeting while Ms. Kim Polivka functioned as secretary.

ROLL CALL

Mr. Robert VanHofwegen called on the role of the Board Members 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. (As minutes from prior meeting were not made available to board, approval of minutes was removed from consent agenda)
- b. Ratification of approval items, if any, from the SPPA Pool Management Committee.

Mr. VanHofwegen presented the (3.a.) Consent Agenda for the Board's review and approval. All items listed on the Consent Agenda may be enacted by a single motion unless a Board Member requests otherwise.

Upon discussion, Mr. Glen Vortherms moved to approve the contents of the Consent Agenda as presented; Mr. Logan Gernet seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

4.) Item(s) removed from Consent Agenda:

02-09-2026 SPPA BOD Meeting Minutes

02-09-2026 Confidential Executive Session

5.) Financial matters:

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

Ms. Judy Spallino presented financial matters

- i. Balance Sheet Highlights
 - ii. Profit & Loss Highlights
 - iii. Other Item (s) to highlight
- b. Test energy allocation to members. Including possible approval resolution 2026-03-002 (Possible Action Item)

Mr. Logan Gernet raised whether ED2 would receive test energy sales revenue. Mr. Delaney clarified that because ED2 is not part of the SPPA Pool, ED2 was treated differently, but did still receive its proper allocation.

Upon discussion of the Board of Directors, Mr. Glen Vortherms moved to approve and authorize the Resolution regarding approving allocation of refund to members in connection with Box Canyon Test Energy and to approve the execution; Mr. Logan Gernet seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

Mr. Logan Gernet asked whether selling WREGIS Account RECs in bundled with energy would have an additional value. Mr. Logan Gernet also proposed the possibility of a member selling bundled RECs through a forward contract or other mechanism to increase REC value. Mr. VanHofwegen offered that some members are retaining discretion to use their anticipated future RECs for other uses.

- c. Bell Bank Deposit Proposal (Possible Action Item)

Mr. Daniel Herder presented that there has been a meeting with SPPA staff, and Bell Bank is still providing more information He has reviewed contract agreements, onboarding documents, and application. It is possible for the BOD to approve SPPA to submit application to continue forward with the costs coming in that they are acceptable.

Direction: Ms. Judy Spallino to contact Mr. Craig Deslauriers from Bell Bank on a complete listing of all costs.

Mr. Anthony Cadorin moved to approve and authorize management to take action for the on boarding of Bell Bank for Southwest Public Power Agency, including submitting an application and opening an account with Bell Bank once the application is approved; Mr. Logan Gernet seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

6.) Risk Management Meeting

Next meeting to be held on May 4, 2026.

7.) Legal/regulatory matters:

- a. APS Transmission Project update regarding large loads. – No update for this month.
- b. Markets – Update regarding recent meetings with SPP and utilities joining Markets+.

Mr. Delaney update on Markets+:

- SPPA will have to be engaged on both APS transmission and SRP transmission issues relating to Markets+
- SPP Seams Symposium did not provide specific details regarding seams transactions
- SPPA will have the responsibility to get onboard.
- Suggested subgroups that work on Markets+, with SPPA having oversight
- Suggested subgroups within SRP/APS/TEP BAs to organize and meet together outside of SPPA

Mr. Ken Saline alluded to possible FERC-level engagement to resolve Markets+ issues if resolution cannot be achieved through negotiation

c. Prepay Update

Mr. Herder give an update on Prepay:

- BrightNight is okay with the PPA being shared with prepay partners
- Entities contacted – BP and Citi Group, what value is under these structures and their views
- Reaching out to SRP in the near future for their collaborative role in the transaction

d. Box Canyon updates.

The Board may vote to discuss this matter 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 negotiation and for legal advice.

- ii. Discussion and possible approval of Resolution approving contracting with AEPCO for provision of reserves for project

Mr. Herder explains AEPCO-SPPA capacity exchange confirmation for Box Canyon Resolution:

- Resolution will authorize SPPA to sign agreements with AEPCO to secure reserves for Box Canyon instead of through SRP, resulting in anticipated cost savings.
- Reserve requirement is 3% of generation
- No standby fee

Upon discussion, Mr. Glen Vortherms moved to approve and authorize the Execution of the AEPCO-SPPA Capacity Exchange Confirmation of Box Canyon Resolution; Mr. Logan Gernet seconded the motion. Upon the taking of a voice vote, the motion was carried. Mr. Anthony Cadarin – NTUA - Abstains

- iii. Curtailment discussions and cost allocation and possible approval of resolution

Mrs. Quinne Daoust – Box Canyon Resale Amendments some are still missing signed copies needed, will be emailing members for their signed amendments.

e. AEPCO project updates, including the below.

i. Update on Apache II

Mr. Herder updates on Apache II:

- Federal New Era dollars are not available as of today, AEPCO believes they are forthcoming
- Possible further deposit requirements may be needed should the federal dollars not become available

ii. Update on Pinal County Project.

f. Credit Rating Considerations

- i. Cancellation of S&P rating
- ii. Project Only Rating
- iii. Stiefel – Project Only rating assistance

Mr. Delaney updates on Stifel:

- Stifel proposed assisting to obtain a project only rating with no charge
Mr. Herder - Stifel - has sent over an engagement letter. While it discusses helping with project rating, adjustments are needed to scope

Based on board directions, Mr. Delaney would like to go back to Stifel and let them know and be clear that they would be doing this with no fees charged to SPPA and no guarantee of a future relationship.

Mr. VanHofwegen would like to see if they could get SPPA an investment grade level rating, which could prove worthwhile. It could be worth it.

The board left the question of whether to dissolve the S&P rating, contrast against potential costs, to be revisited at future meetings.

Item will be left on Agenda for next month's meeting with a more detailed Stifel proposal

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: April 13, 2026.

Workshop for Energy Account Software is at 10:00 a.m.

12.) Public Comment

No additional business was discussed.

13.) Adjournment

There being no further business to come before the Board, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,

Kim Polivka

Kim Polivka
Admin/Acct Assistant

Approved: *Alan Vontherms*