

**MINUTES OF THE MEETING OF
SPPA POOL MANAGEMENT COMMITTEE**

February 09, 2026

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

The following Committee or Member alternates were present:

Bill Van Allen—ED6

Ken Stock - GRICUA

Jeff Low – City of Safford

Brian Yerges – ED3

Joe Mease – TOUA

Logan Gernet – ED2

Noel Carter - BWCDD

Robert VanHofwegen – ED8

Glen Vortherms – MWD

Jeff Woner – OWCD

Elena Byrd – ED2

Scott Saline – AID, HVPD, TID, OWCD

Jason Moyes – AID, HVPD, TID, MVWCDD, ED8

Ed Gerak – Ak-Chin

Anthony Cadorin - NTUA

Derek McEachern – ED4

Heath Brown – Thatcher

Donovan Neese – RID

RD Justice – ED7

Taylor Howerter - RID

Also present:

Judy Spallino - SPPA

Daniel Pritchard – KRSA

Kim Polivka - SPPA

Daniel Herder – Clark Hill

Vedant Sahu – KRSA

Ken Saline - KRSA

Claude Lockhart, Jr. - Stifel

Ashley Blank – KRSA

Kent Simer - KRSA

Dennis Delaney - KRSA

Stephen Foster - KRSA

Lisa Dowden - Spiegel

Mark Reader – Stifel

The following Committee Member(s) were not present:

Town of Wickenburg

City of Williams

The meeting was called to order at 12:00 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 Committee Members to ensure there was a quorum present. Quorum being established; the business of the meeting proceeded.

5.) Ongoing Activities

a. Stiefel Public Finance – Presentation

Mr. Mark Lockhart, Jr., and Mr. Mark Reader – Stifel representative presented on investment grade ratings, how they may bring as a positive asset to SPPA, discussion of abandoning current rating, effect of a project-only rating, and services Stiefel can offer.

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

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

- a. Minutes from prior meetings of the SPPA Pool Management Committee.
 - i. 1-12-26 Pooling Mgmt. Meeting Minute
 - ii. Preliminary Report on Pool Operations
 - iii. Power Pooling Reports
 - iv. Summary of Oct 25 through Sep 26 Hedging

Mr. Brian Yerges presented the Consent Agenda for the Committee's review and approval. All items listed on the Consent Agenda may be enacted by a single motion unless a Committee Member requests otherwise.

Upon discussion, Mr. Glen Vortherms moved to approve the contents of the Consent Agenda as presented. Mr. Jason Moyes 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.

b. Update L& R Analysis

Mr. Daniel Pritchard of KR Saline and Associates provided an overview of SPPA Load & Resource Analysis.

- Will be reaching out to members that are short on resources by the end of the month
- Meeting with APS and SRP to be conducted later, more to come.

c. Update on BOCA – moved to the Board Meeting

d. Update on Box Canyon RECs

Mrs. Ashley Blank of K.R. Saline & Associates provided BOCA REC Updates:

- WREGIS account is active and operating
- Account is able to:
 - Receive RECs
 - Transfer RECs to members
 - Maintain auditable inventory records
- Entered the Box Canyon back logged RECs into the SPPS WREGIS account a total of 628,953.00 Recs were transferred through December 2025
- Created the transfers for SRP backlog and ED8 request for their REC's totaling 123,454.00
- Final a monthly Internal audit tool has been created for consistent reporting/monthly controls. tracking:
 - RECs received into WREGIS (source + quantity)
 - RECs transferred out (SRP and members)
 - Available balance by member after transfers
 - Validation against WREGIS registry reports
- Full visibility of all REC's by each member and total availability
- Will continue RECs as a standing Agenda item

Mr. Donovan Neese asked are they were being tracked inside the energy accounting software. Mr. Dennis Delaney answered they are not because of the difference in units between kW's and MW's.

Mr. VanHofwegen asks who is going to be authorizing to sell through the APA

The committee reached consensus that it would like to see RECs sold monthly if feasible with market conditions.

Mr. Antony Cadorin notes that brokers will look at how the RECs can be classified under the CA scheme, whether if

bundled RECs or can at least be paired with energy purchases. SPPA staff will continue working to obtain value for the RECs

e. Update on Invoice Reconciliation

Mr. Delaney gives an update on the invoice reconciliation

- July and August are done at 95% accuracy
- Sept – December 2025 should be done by the end of the month
- Output of what people would like to see, including individuals hourly
- BOCA BA Charges: SPPA does not have enough history to model what the charges will be, Invoicing not coming in on a timely manner.
- Once a year true up will be needed for BOCA BA costs
- The board discussed whether further guidance should be provided to management on how to treat BA cost true ups. Decision may be reached once SPPA has more experience with new system
- As hourly data is not available in all BA cases, it may be appropriate to spread applicable costs and benefits pro rata from transactions within the entire day
- Process to be in place with AEPSCO in the future to directly import data
- **Future Action:** Workshop to be done before April 2026 board meeting – Energy Accounting System
- **Direction:** SPPA staff to propose allocation of bill changes to the member

f. Update on AEPSCO Projects – Moved to Board Meeting

g. Risk Management Committee

The established date of the next Risk Management Committee meeting: March 2, 2026.

6.) ANY OTHER BUSINESS THAT MAY COME BEFORE THE MEETING

Mr. Delaney provided a management update about the DRW “SPPA Hedging Proposal CAP Alternative Structure and the ONWARD Email draft presented:

DRW “SPPA Hedging Proposal” / CAP Alternative Structure

Staff have reviewed the DRW hedging presentation and the potential power structure discussed at the CAP Board meeting.

Staff plan: Advise DRW that SPPA is not interested in proceeding under its proposed structure. Instead, provide a counterproposal modeled after the CAP framework. Proposed Counter Structure (25 MW Block – November through May):

- Capacity Rate: \$10/kW-month • Heat Rate: 7.9 MMBtu/MWh • Fuel Price Index: SoCal Gas Index • Gas Factor: 0.063 • Variable O&M: \$4.50/MWh for daily 25-MW call options, or \$6.50/MWh for shaped call options
- Start Costs: None

The 25-MW block would first be offered to SPPA Members, and thereafter to WSPP counterparties (including DRW).

Direction: Staff seeks Board future direction and, upon approval, will prepare a draft WSPP confirmation for review and further discussion.

ONWARD Email Draft

Staff shared the draft email to be sent out to ONWARD on proposed tolling agreement, energy contract, inconsistent with the buyers’ understanding of their contractual rights under the current PPA. Buyer request clarification of Onward position to ensure there has been no misunderstanding of prior statements on capacity value of PPA.

Direction: Pooling Committee concurred in providing directions to send proposed email to ONWARD.

7.) DISCUSSION OF FUTURE AGENDA ITEMS

No discussion of future agenda items.

8.) ESTABLISHMENT OF THE DATE OF THE NEXT SPPA POOL MANAGEMENT COMMITTEE MEETING

March 9, 2026; announced as the date of the next SPPA Pool Management Committee Meeting.

9.) PUBLIC COMMENT

There was no comment from the public.

10.) ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 1:24 p.m.

Respectfully submitted,

Kim Polivka

Kim Polivka
Admin/Accountant Assist

Approved: *Glen Vortlerms*