



Public Meeting:

Discussion Regarding the Distribution of AWBA Long-term Storage Credits for Firming CAP Municipal and Industrial (M&I) Priority Subcontract Supplies

Phoenix AZ, 85007

May 2, 2023



Agenda

1. Welcome

2. Feedback from Stakeholders

- a. Comments on Alternative Firming Method 1
- b. Comments on Alternative Firming Method 2
- c. Alternatives Submitted by Stakeholders
- d. Other Comments

3. CAP Update on Recovery

4. Call to the Public

5. Next Steps

This meeting is only to discuss distribution of credits for CAP M&I. There will be no discussion regarding the firming of MCWA or any other entities. Additionally, Tribal firming is subject to agreement terms.

Second Stakeholder Meeting: Distribution of AWBA LTSCs for firming CAP M&I Subcontract Supplies

May, 02 2023 10:00 am 

Agenda

[Notice & Final Agenda](#)

Meeting Materials

[Comment letter from Arizona Water Company](#)

[Comment letter from City of Phoenix](#)

[Comments from AMWUA](#)

[Comments from CAGR D](#)

[Comments from City of Chandler](#)

[Comments from City of El Mirage](#)

[Comments from Town of Gilbert](#)

[Comments from Headwaters Consulting](#)

[Comments from City of Mesa](#)

[Comments from City of Surprise](#)

[Comments from City of Tempe](#)

[Comments from City of Peoria](#)

waterbank.az.gov/meetings/second-stakeholder-meeting-distribution-awba-ltscs-firming-cap-mi-subcontract-supplies

2a. Feedback on Alternative Firming Method 1 Phased Approach

Scenario 1A		Scenario 1B		Scenario 1C	
Firming decreases by 5% every 5 years, from 20% of demand to 5%, with 1% decreases every 5 years thereafter		Firming decreases by 5% every 5 years, from 20% of demand to 5%, and is maintained at 5% thereafter		Firming decreases by 5% every 10 years, from 20% of demand to 5%, and is maintained at 5% thereafter	
AMA	Years of Firming	AMA	Years of Firming	AMA	Years of Firming
Phoenix	>100	Phoenix	48.8	Phoenix	25.5
Pinal	>100	Pinal	84.5	Pinal	54.6
Tucson	26	Tucson	24.9	Tucson	15.1

Table 1: Summary of the Phased Approach's three scenarios and the results by AMA

2a. Feedback on Alternative Firming Method 1 Phased Approach

Feedback received:

- Reasonable approach
- Concerns about the value of LTSCs
- Complex method
- Arbitrary method

2b. Feedback on Alternative Firming Method 2 Incentive-based

Firming 5% of Projected Demand

AMA	Years of Firming
Phoenix	74.8
Pinal	> 100
Tucson	54.5

Table 2: Summary of Incentive-based Method. Years of firming at 5% of projected demand, starting in 2024.

Firming 20% of Projected Demand

AMA	Years of Firming
Phoenix	20.5
Pinal	28.7
Tucson	13.9

Table 3: Summary of Incentive-based Method. Years of firming at 20% of projected demand, starting in 2024.

2b. Feedback on Alternative Firming Method 2 Incentive-based

Feedback received:

- Reasonable approach
- Question of the AWBA's authority
- Unachievable for CAGR
- Difficult for ACC-regulated systems
- Complex requirements

2c. Alternatives Submitted by Stakeholders

Percentage-based

Up to 20% pro rata firming of M&I cuts starting in 2024 and thereafter

AMA	Years of Firming
Phoenix	20
Pinal	28
Tucson	14

Table 4: LTSC availability results with 20% demand firming, starting in 2024.

2c. Alternatives Submitted by Stakeholders

Percentage-based

Minimum of 10% firming, starting in 2024

AMA	Years of Firming
Phoenix	32
Pinal	49
Tucson	20

Table 5: Years of firming 20% of demand for 5 years, 15% for 5 years, and 10% thereafter

AMA	Years of Firming
Phoenix	25
Pinal	42
Tucson	15

Table 6: Years of firming 20% of demand for 10 years, 15% for 10 years, and 10% thereafter

2c. Alternatives Submitted by Stakeholders

Time-based

Distribution for 25-30 years to allow for recovery infrastructure

AMA	25 years (2024-2048)	30 years (2024-2053)
Phoenix	16%	13%
Pinal	23%	19%
Tucson	11%	9%

Table 7: Percentages of CAP M&I annual demand for planned depletion by 2048 and 2053

Distribution until 2097

AMA	74 years (2024-2097)
Phoenix	5%
Pinal	8%
Tucson	4%

Table 8: Percentages of CAP M&I annual demand for planned depletion by 2097

2c. Alternatives Submitted by Stakeholders

Other Proposals

- Distribution as a function of recovery capacity
- Distribution based on need (WTPs, separate policies for customer demand vs. accrual of credits)
- Establishment of a maximum firming percentage for planning purposes
- Distribution methods vary by AMA
- Distribution based on the relative amount of property tax dollars each subcontractors' rate-payers contributed to the accumulation of LTSCs available for firming
- Requiring subcontractors to use a matching amount of their own LTSCs

2d. Other Comments

- AWBA's authority to distribute LTSCs "to the extent necessary"
- Need to take AWBA's future LTSC acquisitions into account
- Rescind DCP Firming Policy
- Consider the impact to the aquifer when recovering (hydrologic disconnect)
- Request for more information about Tonopah Desert Recharge Project from CAP

3. CAP Update on Recovery



Tonopah Desert Recharge Project | Photo credits: CAWCD

4. Call to the Public

- We have reserved time for comments from the audience, both in person and online.
- For those attending in person, please raise your hand.
- For those joining us online, please raise your hand or post your comment in the chat box.

5. Next Steps

- Report to the AWBA Commission
- Feedback may be sent through our [google form](#) or to Rebecca Bernat rbernat@azwater.gov by May 9, 2023
- Today's PowerPoint and recording will be posted on the AWBA website