

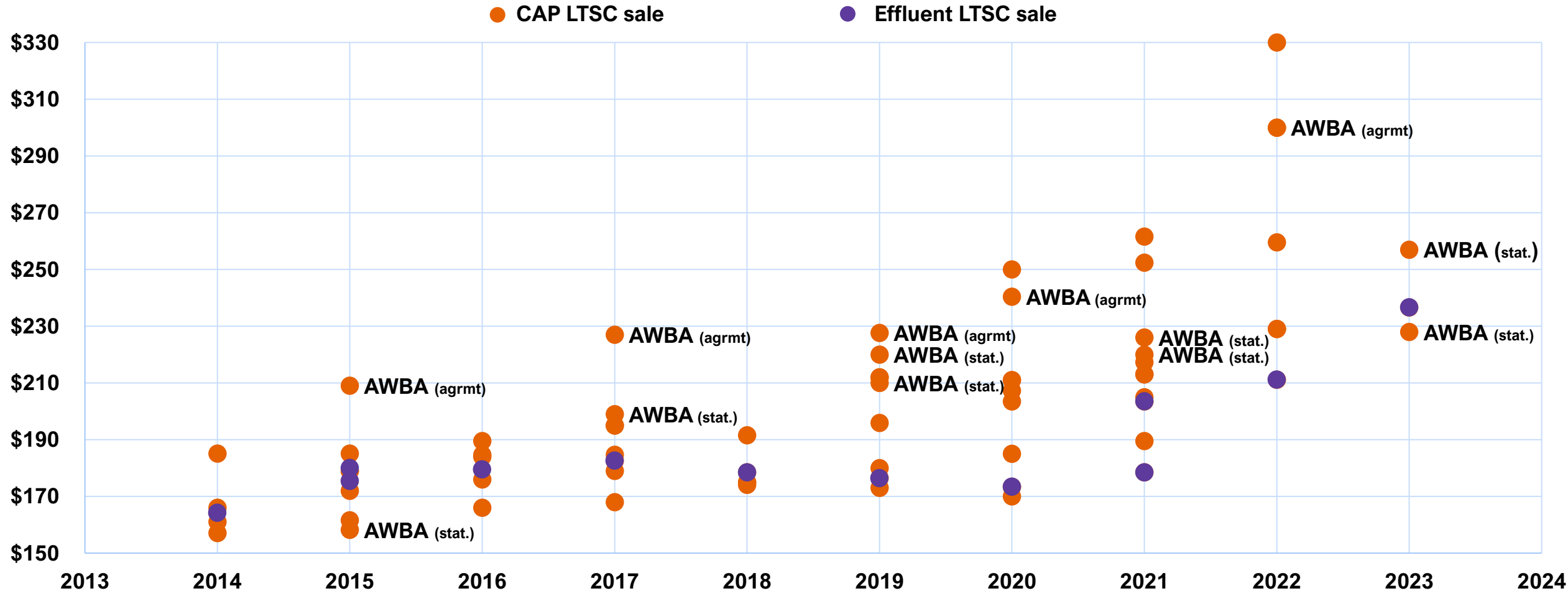


Presentation of the Market for Long-Term Storage Credits

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December 5, 2023

Tucson AMA LTSC Prices



Data collected by the AWBA in October-November 2023. Values represent 94% of the total LTSCs sold and 77 transactions.

AWBA Price vs. Market Price

AWBA vs. Market¹ Comparison of the Cost of LTSCs by Transaction in the Tucson AMA

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|---------------|--------|---------------|--------|---------------|---------------|---------------|---------------|---------------|
| All Entities Average Transaction Cost ¹ | \$ 167 | \$ 178 | \$ 180 | \$ 190 | \$ 180 | \$ 198 | \$ 200 | \$ 212 | \$ 259 | \$ 240 |
| AWBA Average Transaction Cost | | \$ 184 | | \$ 213 | | \$ 219 | \$ 240 | \$ 223 | \$ 300 | \$ 243 |

¹According to data collected by the AWBA in October-November 2023. Values represent 94% of the total LTSCs sold and 77 transactions.

AWBA vs. Market² Comparison of the Cost of LTSCs by Transaction in the Phoenix AMA

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| All Entities Average Transaction Cost ² | \$ 218 | \$ 236 | \$ 288 | \$ 302 | \$ 317 | \$ 321 | \$ 326 | \$ 422 | \$ 386 | \$ 429 |
| AWBA Average Transaction Cost | | | \$ 250 | \$ 220 | \$ 232 | \$ 226 | \$ 238 | \$ 240 | \$ 300 | |

²According to WestWater Research data presented at the CAWCD Board of Director Meeting on June 1, 2023. "All entities" include CAGR and others.

Conclusion

LTSC market in the Tucson AMA:

- Limitations: The in-house analysis of the market for LTSCs in the Tucson AMA includes 77/88 monetary transactions from 2014 to 2023.
- There are a few instances in which other entities purchased LTSCs at a cost higher than the cost of storage.
- Historically, the AWBA has been purchasing LTSCs at a reasonable rate in the Tucson AMA.
- However, other factors might impact the cost of LTSCs in the future

LTSC market in the Phoenix AMA:

- Limitations: The AWBA vs. market comparison for the Phoenix AMA relies on secondary data collected from a WestWater Research slide presented at the CAWCD Board of Director Meeting on June 1, 2023. We assume 42 transactions are included in these results from 2014 to 2023.
- Since 2017, the AWBA has been purchasing LTSCs at a low rate in the Phoenix AMA.