



Jason Bowling, CEO
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Understanding power supply costs and your bill

One of our priorities at SSVEC is helping members understand what drives their electric bill. As we head into the summer months, I want to walk through an important piece of that picture: power supply costs.

Power supply is the largest component of your bill. It reflects the cost of generating and purchasing the electricity we deliver to your home or business. These costs are passed directly through to members without markup. On your bill, you see this as the Wholesale Power and Fuel Cost Adjuster.

Right now, those costs are increasing. Based on current forecasts, the adjuster is expected to be about 1 cent per kilowatt-hour starting in June, rising to around 1.5 cents in September, and potentially reaching 2 cents by January. That represents a worst-case outlook, and we are actively working to reduce that impact through excess capacity sales and other strategies.

There is also some immediate good news.

In March, the Arizona Corporation Commission approved the elimination of the Renewable Energy Standard Tariff, or REST. This charge was typically about \$1 per month for residential members, with higher amounts for commercial and industrial accounts. That charge has now been removed, resulting in permanent savings on your bill. It may seem small, but we know every dollar matters.

Even more important is what happens next.

Over time, REST collected funds to support renewable energy programs. After setting aside a portion to fund a new grant program for community-serving projects, we will return the majority of those funds to members through the same power supply adjustment mechanism.

This summer, that return will show up directly on your bill.

In June, members will see a 1 cent per kilowatt-hour credit. That fully offsets the power supply adjuster for the month. In July, August, and September, the credit increases to 2 cents per kilowatt-hour, which more than covers the projected adjuster during that period. In total, about \$7 million will be returned to members over the summer.

Power supply costs are still trending upward, and that remains a challenge we are managing closely. At the same time, this refund provides meaningful, near-term relief when energy use is typically at its highest.

Affordability is central to our mission. It guides our decisions because we serve the same communities where we live and work. Our employees and their families are members too.

We will continue to look for ways to manage costs, return value to our members, and keep your power reliable and your bills as low as possible.

Sincerely,
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