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*Via Electronic Submission*

The Honorable Doug Burgum  
Secretary of the Interior  
U.S. Department of the Interior  
Washington, D.C. 20240

CC:  
Bureau of Reclamation  
Attn: BCOO-1000 P.O. Box 61470  
Boulder City, NV 89006  
[crbpost2026@usbr.gov](mailto:crbpost2026@usbr.gov)

**Re: Comments of Arizona Public Service Company to the Draft Environmental Impact Statement for Post-2026 Operational Guidelines and Strategies for Lake Powell and Lake Mead.**

Dear Secretary Burgum:

Arizona Public Service Company (“APS”) appreciates the opportunity to comment on the Bureau of Reclamation’s (“Bureau”) Draft Environmental Impact Statement for Post-2026 Operational Guidelines and Strategies for Lake Powell and Lake Mead, dated January 16, 2026 (“DEIS”).

APS is the largest and longest-serving electric utility in the State of Arizona. It serves more than 1.4 million customers, including critical infrastructure, advanced manufacturing, mining, military installations, healthcare systems, and data center operations that are integral not only to Arizona’s economy, but to the national economy. APS operates power plants in multiple locations throughout Arizona, as well as the Four Corners coal-fired generating station in New Mexico. Reliable water policy is directly linked to electric system reliability and regional economic stability. APS has actively participated for more than 30 years in litigation concerning subflow issues in Arizona’s General Stream Adjudications for the Gila River system and source and the Little Colorado River system and source and utilizes water rights that are subject to the San Juan River Basin Adjudication in New Mexico. Given the geographic location of APS’s service territory and generators, APS has interests in both the Upper and Lower Colorado River Basin (collectively the “Basin”).

Arizona's economic growth can be viewed through the lens of APS's system load. In 2025, the APS electric grid hit a peak system load of 8.6 gigawatts ("GW") of electricity. As of the end of 2025, APS has another 4.5GW of committed load and an estimated 20GW of uncommitted load seeking to locate within its service territory. This unprecedented increase in demand for electricity is indicative of a growing economy, including 2.1-2.5% residential customer growth through each of the past five years; investments of industries critical to the nation's economy and national defense, including mining of critical minerals, advanced microchip manufacturing, defense contractors, and data center demand, all of which are critical to the Administration's America First priorities.

APS acknowledges that the DEIS is a substantial report that wrestles with how to best manage one of the most significant water resources in Western United States; however, the DEIS fails to recognize the existing legal framework within which the proposed alternatives must function. APS writes to advocate for the withdrawal of the DEIS and the study and consideration of management alternatives that respect the principles of the Law of the River, including the Colorado River Compact of 1922, subsequent compacts, federal statutes, Supreme Court decrees, and established operating guidelines. Any federal action that departs from this framework introduces significant legal uncertainty, which in turn undermines long-term infrastructure planning and capital investment decisions throughout the Basin.

The proposed alternatives in the DEIS also lack sufficient gradualism in implementation, certainty in execution, and fairness in the allocation of impacts. While certainty in water policy and legal water rights are important to growth in the Basin, they are also the keystone that the states, tribal communities, businesses, and residents depend on today. APS plans today for the next ten or more years of changes to its customer base and operating conditions. APS is the operating agent of Palo Verde Nuclear Generating Station, the second largest nuclear plant in the country, which provides power across the Southwest, spanning from California to Texas. This 4GW facility is the only nuclear plant in the United States that is not located adjacent to a river, lake or other major body of water, instead relying on a highly engineered reclaimed water system for cooling. While this reduces freshwater demand, long-term system planning, regional water allocation stability, and infrastructure coordination remain directly tied to broader Colorado River management and Basin water policy. Uncertainty in long-term Colorado River operations introduces planning risk not only for APS customers, but for one of the nation's most strategically important baseload generation assets. Federal policy affecting the Basin must account for the stability requirements of nuclear generation, including potential new nuclear generation, which operates on multi-decade licensing, financing, and infrastructure investment cycles. Absent these considerations, the nation's energy dominance is threatened.

Water supply certainty directly affects generation availability, cooling capability, and system dispatch planning for the western region. Abrupt or uncertain operational changes at Lake Powell and Lake Mead create cascading reliability risks during extreme heat events, when electric service is essential to public health and safety. Dramatic annual changes and declarations will negatively affect

the people and organizations that live and operate throughout the Basin. The people and businesses of Arizona rely on predictable water and energy policy to plan investments, hire employees, build homes, and maintain essential services. Sudden operational shifts without durable legal footing will disproportionately impact communities already managing growth, drought, and economic transition.

APS respectfully urges the Bureau to reengage with Basin stakeholders to develop alternatives that:

- Adhere to the Law of the River,
- Provide phased and predictable implementation,
- Equitably allocate impacts across Basin states,
- Preserve operational certainty necessary for critical infrastructure planning, and
- Plan and construct augmentation infrastructure to introduce new water supplies for the entire Basin thereby strengthening its water security.

APS stands ready to work constructively with the Bureau and Basin partners to achieve durable, legally sound, and operationally practical solutions.

Sincerely,



Jose Esparza, Senior Vice President  
Public Policy