



AK-CHIN ENERGY SERVICES (ACES)

PRESENTATION AT

TRIBAL RENEWABLE ENERGY BUSINESS DEVELOPMENT & FINANCING
WORKSHOP

TRIBAL UTILITIES: A PATH TO ENERGY SELF SUFFICIENCY

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AGENDA

- Why was ACES Formed?
- The Ak-Chin Indian Community
- ACES Formation Highlights
- Service Area
- ACES Plan Of Operation
- Mission
- ACES Operating Structure
- Current Board
- ACES Statistics – Then And Now
- Associations
- What Would You Tell Other Tribes Looking To Form A Tribal Utility Authority
- Questions
- Contact Information

WHY WAS ACES FORMED?

- Self governance
- Economic Development
- Service reliability
- Control energy costs on the Ak-Chin Indian Community Reservation (Reservation)

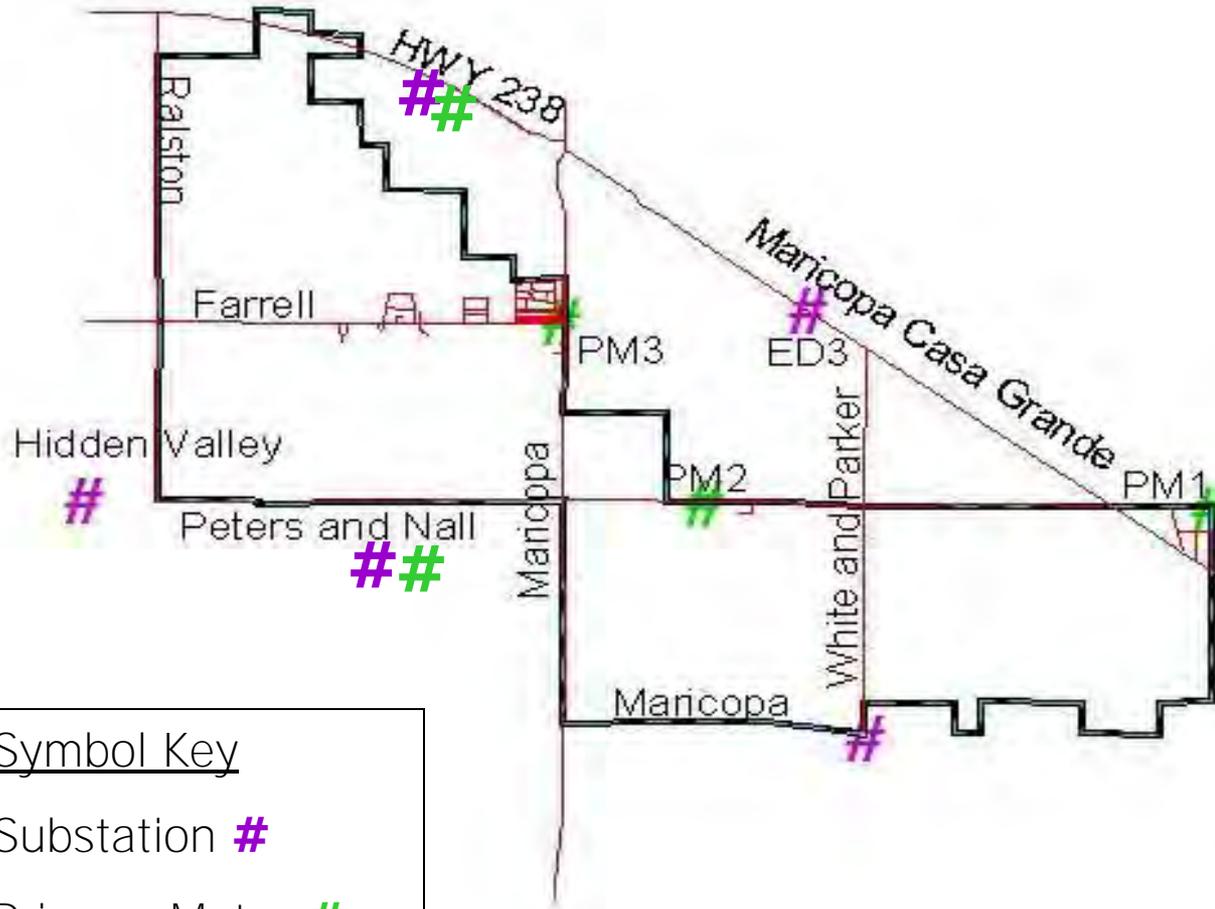
THE AK-CHIN INDIAN COMMUNITY (COMMUNITY)

- Community created in May 1912 by Executive Order of President Taft who initially signed for a 47,600 acre reservation. However, the following year he rescinded that order and reduced the Community to its current size of just under 22,000 acres.
- Community is comprised of the both Tohono O'odham and Pima people and has in the range of about 900 members.
- Lies 58 miles south of Phoenix in the northwestern part of Pinal County.
- Owns and operates a 109 acre industrial park which was constructed in 1971.
- AK-Chin Farms Enterprises manages the farming activities. At present, about 15,000 acres of AK-Chin land are under irrigation.
- Major employers are the AK-Chin Farms, Harrah's Casino/Resort, Hickman Egg Farm and the AK-Chin Tribal Government.

ACES FORMATION HIGHLIGHTS

- In 1970's - Ak-Chin Indian Community (Ak-Chin or Community) had a vision to own and operate the electric system on the Ak-Chin Indian Community Reservation (Reservation)
- In 1970's - Ak-Chin obtained an allocation of Federal hydropower through a contract with the Western Area Power Administration (Western) for power from the Colorado River Storage Project (CRSP).
- In the early 1990's - Ak-Chin Indian Community Council (Council) initiated efforts to evaluate forming a tribal utility and purchasing the existing electric facilities on-Reservation from Arizona Public Service (APS)
- In 1992 - Council passed a resolution creating the Ak-Chin Electric Utility Authority, whose name was changed in 2005 to Ak-Chin Energy Services (ACES).
- 1992 – 1993 - Ak-Chin determined that hiring a third party to perform Operation, Maintenance and Construction (OM&C) of the electric system was the prudent approach.
- From 1992 – 1997 - Ak-Chin and APS negotiated for the purchase of the electric facilities and for APS to perform OM&C services
- 1996 – Council approved Plan of Operation Approved On September 18, 1996
- November 1, 1997 – ACES began serving all electrical load on-Reservation

ACES SERVICE AREA



Symbol Key

Substation #

Primary Meter #

ACES PLAN OF OPERATION

- Established as an enterprise of the Community
- ACES “...To plan for, provide and furnish electric utility services to all areas within the Ak-Chin Indian Reservation ..”
- ACES to “...promote the use of electric utility services where available in order to improve the health and welfare of the residents of the **Reservation** and to support economic development on the **Reservation** of the Ak-Chin Indian Community in keeping with respect for the traditions and culture of the Ak-Chin People on the **Reservation.**”
- 5 Member Board of Directors of which 3 must be Community Members

ACES MISSION

- Provide electric utility service to the **Reservation** at the lowest possible cost consistent with prudent fiscal responsibility.
- Educate the **Reservation** in the proper, efficient and economical use of electric utilities.

ACES OPERATING STRUCTURE

- Operation, Maintenance and Construction (OM&C) Services
 - Services performed through a contract with Electrical District No. 3 (ED3)
 - ACES approves and coordinates all projects with ED3
 - ACES initiates with ED3 for investigation of customer service issues
 - ED3 provides outage restoration services
- Customer Billing
 - ACES installed AMR meters and ED3 provides the monthly meter data
 - ACES Computes and Issues Bills To Customers
- Wholesale Power Scheduling
 - ACES manages purchased power contracts
 - ACES forecasts and submits monthly hourly schedule
 - ACES performs energy accounting of purchase power

ACES ORGANIZATION

- Five (5) Member Board
 - Charles Carlyle, Chairman
 - Brandon Peters, Vice-Chairman
 - Maria Hernandez, Member
 - Adella Zabawa, Member
 - Terry Enos, Member
- Utility Manager/Power Consultant
 - Leonard S. Gold

ACES THEN AND NOW

Description	1997	2005	2011
Total Number of Employees	0	0	0
Number of Customers	233	374	396
Billing, Scheduling and Utility Management Done By	Power Consultant	Power Consultant	Power Consultant
Substations	0	0	2
Peak Load At Primary Meter Level	1.7 MW	5.4 MW	7.2 MW
ACES Owned Facilities O&M	APS Contract	APS Contract	ED3 Contract
Respond To Outages	APS Contract	APS Contract	ED3 Contract
Purchase Power Contracts	1	2	2

ACES ASSOCIATIONS

- Arizona Tribal Energy Association (ATEA)
- American Public Power Association (APPA)
- Irrigation & Electrical Districts Association of Arizona (IEDA)
- National Rural Electric Cooperative Association (NRECA)
- Southwest Public Power Resources Group (SPPR Group)
- Inter Tribal Council of Arizona Electric Utility Working Group

WHAT WOULD YOU TELL OTHER TRIBES LOOKING TO FORM A TRIBAL UTILITY AUTHORITY

- Obtain long term commitment of tribal leaders
- Requires capital investment
- Be responsive to customer needs
- Improve reliability and outage restoration
- Retain services of qualified individuals
- Operate as a business without political interference
- Establish relationships with adjacent electric utilities
- Create employment opportunities

QUESTIONS

CONTACT INFORMATION

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