

Intentionally Created Surplus

- **Established in 2007 Interim Guidelines to create incentives for temporary storage of conserved in Lake Mead**
 - Created by Colorado River contractors through verified reductions in existing beneficial use of Colorado River water
 - Conserved water stored in Lake Mead for later release and use
 - Requires approved “Exhibit” describing the conservation project
 - Requires ICS delivery agreement with Reclamation and interstate forbearance by Lower Basin parties
- **Water Users in AZ with exhibits**
 - CAWCD
 - GRIC
 - CRIT
 - MVIDD
 - WMIDD

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Types of ICS

Extraordinary Conservation ICS – ICS created through extraordinary conservation measures such as fallowing, canal lining and desalination programs

System Efficiency ICS – ICS created when a contractor makes a capital contribution for use in funding projects designed to improve system efficiencies.

Tributary Conservation ICS – ICS created by leasing or purchasing pre-1929 documented water rights on the Colorado River system tributaries within the contractor’s state.

Imported ICS – ICS created by introducing non-Colorado River System water in that contractor’s state into the mainstem

Binational ICS – US parties provide funding for conservation projects in Mexico, helping to lower water demand and store more water in Lake Mead

DCP ICS – allows an entity to convert any other type of ICS into a DCP contribution, making ICS a tool that adds flexibility to how mandatory DCP contributions can be made to Lake Mead

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Limitations on Release of DCP-ICS

	Through 2026			2027 - 2057			
	Mead Projections ≥ 1110 on Jan 1	Mead ≥ 1025 but ≤ 1110	Mead ≤ 1025	Mead $\geq 1110'$ on Jan 1	Mead projections ≥ 1075 but ≤ 1110	Mead ≥ 1025 but ≤ 1110	Mead ≤ 1025
Delivery of DCP-ICS	✓			✓			
Borrow for 1 year, must repay by end of next year		✓				✓	
Borrow with 5 year repayment or recover with additional 20% deduction in account					✓		
Delivery of DCP-ICS not allowed			✓				✓

Release/Recovery of all ICS except DCP ICS authorized when Lake Mead above elevation 1025'



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Limits on ICS Creation, Delivery and Accumulation

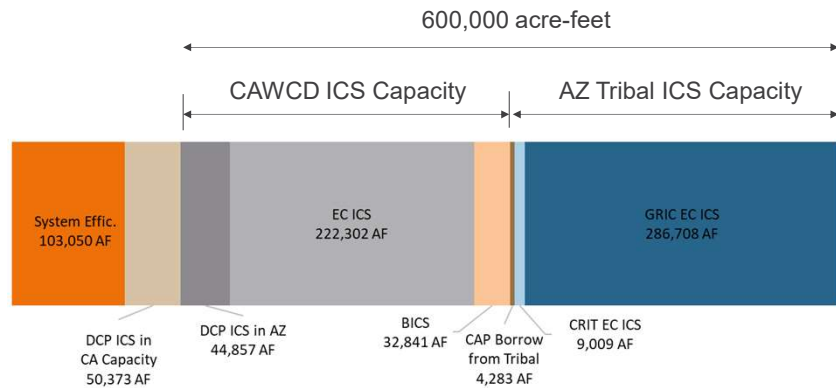
	Annual Creation	Delivery	Accumulation Limit (under DCP and Sharing Agreement)
Arizona	100 KAF	300 KAF	600 KAF
Nevada	125 KAF	300 KAF	450 KAF
California	400 KAF	400 KAF	1,650 KAF



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Arizona ICS Accumulation through 2022



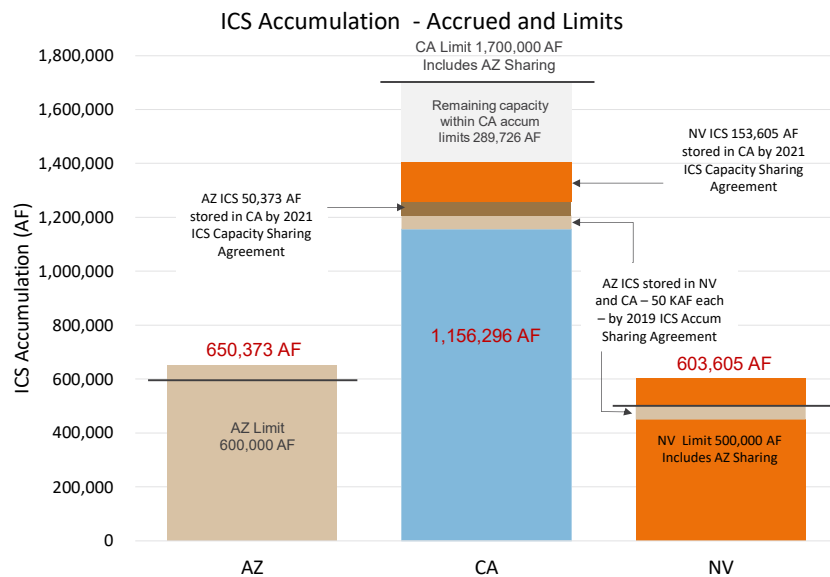
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2022 ICS Accumulations

- Accumulation limits per DCP and 2019 Accum Sharing Agreement (solid black lines)
- 2022 ICS accumulation total for each state **in red**
 - Accumulation total includes DCP ICS, EC ICS, and BICS.
 - Does not include System Efficiency ICS
- 2021 Capacity Sharing Agreement allows accum over limits if capacity exists
 - AZ is in the ICS shared capacity of CA and NV (AZ DCP and EC ICS)
 - NV is in the shared capacity of CA (NV DCP and EC ICS)
 - 289,726 af of capacity remains in CA



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