



Integrated System Plan Large Stakeholder Group Meeting #1- Summary

Prepared by Kearns & West

Large Stakeholder Group – Meeting #1 Overview

Meeting #1 of the Large Stakeholder Group took place virtually on November 30, 2021, from 9:00 a.m. to 11:00 a.m. Of the 119 organizations invited, 54 organizations represented by 64 individuals attended. Appendix A contains the list of attendees. The [meeting agenda](#) and [presentation](#) are available at the [Integrated System Plan portal](#).

The objectives of the first meeting for the Large Stakeholder Group were to:

- Inform on progress made since the last Summer Stakeholder Series meeting
- Level set on what to expect from the first Integrated System Plan
- Discuss stakeholders' vision for the future

This summary includes an overview of content from presentations about the Integrated System Plan, key topics from Q&A and discussion, and key themes from the roundtable discussions. Detailed reporting on the Q&A and discussion are available in Appendices B and C and on the roundtable discussions in Appendices D and E.

Welcome, Introductions, and Agenda Overview

Kelly Barr, Associate General Manager & Chief Strategy, Corporate Services & Sustainability Executive at SRP, welcomed stakeholders to the first meeting for the Large Stakeholder Group. She said she was thrilled they had joined for the meeting. Noting that safety and sustainability are core values at SRP, Barr asked Arefeen Ahmed, Senior Engineer at SRP, to share the Safety and Sustainability Minutes for the meeting.

Barr then introduced the SRP Board and Council observers who will be attending all of the meetings with the stakeholders. She noted that they take this job seriously and report stakeholder input back to the Board. Barr invited SRP Board Vice President John Hoopes to say a few words.

Vice President Hoopes welcomed the stakeholders and expressed appreciation for their participation. Commenting on how SRP's planning has become more complex, especially the balancing of affordability, reliability, and sustainability, he reminded stakeholders that SRP operates as a nonprofit utility with its sole interest in meeting the needs of customers and that the stakeholders were there to help SRP understand those needs. He thanked SRP staff for attending the meeting to answer questions and said he hoped the stakeholders found their participation valuable.

Barr recognized the presence of Board President David Rousseau and invited Joan Isaacson, facilitator from Kearns & West, to review the [agenda](#), available at the [Integrated System Plan portal](#). Isaacson shared the objectives of the first Large Stakeholder meeting and described how the meeting would include both presentations and opportunities for Q&A with facilitated small group discussion occurring in breakout rooms.

Major Drivers and Vision of the Integrated System Plan

Angie Bond-Simpson, Director of Integrated System Planning & Support at SRP, thanked the stakeholders for attending and said she was excited to hear their priorities. She began by describing factors driving the need for an Integrated System Plan, citing growth in the Phoenix area, evolutions in customer expectations, advances in digital technology and impacts due to climate change. She explained that SRP wants to balance opportunities to partner with neighboring utilities while planning for reliability.

Bond-Simpson then described SRP's 2035 Sustainability Goals and how the energy mix will shift to include more renewables, which influences planning for generation and transmission. In reference to planning, she outlined how SRP forecasts for the future and how this first Integrated System Plan will serve as a pilot for system-level optimization. More detail on this segment of the presentation is available in the [meeting presentation](#) at the [Integrated System Plan portal](#).

Q&A and Discussion

Bond-Simpson then asked for stakeholder questions and called on SRP subject matter experts to assist in responding. Stakeholders posed questions on several topics, which are summarized below. For more detailed reporting, please see Appendix B.

A stakeholder asked about the graphic showing the energy mix (slide 22) and Bond-Simpson explained that the gray area indicates market energy. Another stakeholder asked if SRP's ownership structure is common across the U.S. and Bond-Simpson replied that SRP is the third largest public power utility in the nation. Public power utilities are community-owned, not-for-profit electric utilities. Bond-Simpson mentioned a few other public power utilities that operate in the Western U.S.

A stakeholder asked about SRP's carbon reduction goal of 90% by 2050 and whether there would be options, such as community solar, to help customers reach carbon neutrality by 2040. Dan Dreiling, Customer Programs Director, said that SRP is actively pursuing solar options for its residential, small business and large business customers. He added that community solar is designed to offset energy use and can use solar and other green resources. Another stakeholder commented in the chat about that definition of community solar differing from others in the industry.

Stakeholders also made comments in the chat about the carbon reduction goal being set for intensity, not for total carbon reduction by 2050. Bond-Simpson replied by stating that the carbon reduction goal is intensity based and represents a reduction of 65% from the 2005 level. Noting that the goals help SRP accommodate growth, she said it's expected demand will grow through electrification of buildings and transportation. On this topic, a stakeholder added in the chat that there is growing consensus across the US that net-zero emissions are essential in the mid-century time frame to limit risks of climate change.

A stakeholder then asked about regional transmission organizations (RTO) and when SRP plans to join one. Bobby Olsen, Supply & Trading and Fuels Director, responded that SRP sees potential benefits in organized markets and RTOs and is already participating in the California ISO (Independent System Operator) Energy imbalance Market (EIM). He said SRP is currently engaged in multi-utility efforts looking at an RTO in the West but one does not currently exist. Adding that RTOs are touted for improving reliability and sustainability, he said SRP is not sure they would see benefits as its system could see reduced reliability to help others in the region. In response to a follow-up question from another stakeholder on costs of joining an RTO, Olsen responded that an RTO adds incremental costs with operations. He noted that RTOs spread transmission costs across the region and because SRP has one of the lowest transmission costs in the region these could go up for customers. A stakeholder added a comment in the chat about how participation in an EIM has already created incremental costs that won't be duplicated in an RTO.

Engagement Opportunities

Bond-Simpson then described the stakeholder and customer engagement framework for the Integrated System Plan. The four Large Stakeholder Meetings are where stakeholders will be informed about the Integrated System Plan, have opportunities to ask questions and receive answers from SRP subject matter experts, and provide input through surveys, polls and discussion. The engagement framework also includes the Advisory Group, a smaller group composed of diverse stakeholders for focused discussion. During Technical Working Sessions stakeholders will meet with subject matter experts on specific topics. Engagement will also include customer research and public outreach conducted through videos, social media and public events.

Q&A and Discussion

Bond-Simpson again paused for Q&A. A stakeholder asked about representation of healthcare organizations in the Advisory Group. Bond-Simpson responded that the smaller format of the Advisory Group does not necessarily allow inclusion of every individual customer type, but that people's voices can be heard through other engagement methods, such as via the Large Stakeholder Group, the Technical Working Sessions and the dedicated email address.

Another stakeholder asked whether all the slides from each of the stakeholder groups will be available on the [Integrated System Plan website](#). Bond-Simpson affirmed that [presentation slides](#) will be available for the Advisory Group and Large Stakeholder Group with the planning for the Technical Working Sessions still in development. She said SRP will also share results from customer research.

Roundtable Discussions

Isaacson next described how stakeholders would be meeting in small groups, using the Zoom breakout room feature, for facilitated discussion where there would be more opportunity to share perspectives. Each small group had a facilitator from Kearns & West, an SRP notetaker and SRP observers. She explained that all six groups would be discussing the same two questions, which had been designed to yield input for the Integrated System Plan project team's study plan.

1. How do you think your expectations and needs for electricity service will change in the future?
2. How do you think that SRP can help our customers and communities to reach their energy and sustainability goals?

Key Discussion Themes for Question 1

A stakeholder from each of the six discussion groups reported back on three themes for question 1 in the plenary session. The themes are summarized first by group and then by tabulating frequencies of topics across all groups. For detailed reporting on responses for question 1, please see Appendix D.

In the first discussion group, stakeholders cited the increase in load growth, especially for cooling, and the need to be prepared for events like wildfires. Stakeholders also identified the role customers play with demand response programs and renewable energy. A related theme was the need for SRP to have a variety of offerings for new programs while maintaining affordability.

The second discussion group identified the need for reliable, low carbon and affordable electricity and for customers to be able to track and plan around those characteristics. Stakeholders also cited helping customers who want to accelerate low-carbon goals by providing equitable access. They noted the importance of engagement, education and empowerment of a diverse array of customers and providers and how SRP needs to be transparent and comprehensive in communications.

Discussion group three reported back on the expectations around electrification of vehicles and planning for optimal charging patterns. Another identified theme was the expectation of customers being able to control costs through interactive, smart-building technologies. Stakeholders also cited the need for customers to have choice on sources of energy to meet their low carbon goals.

The fourth discussion group stated the need to meet increased load and manage capacity. They also noted the need to maintain reliability as renewable sources are added to the system, with healthcare cited as a specific concern. Stakeholders added that carbon neutral goals need to keep pace with public demand.

Discussion group five also reported back on the need to meet increased electrification of transportation and buildings while maintaining reliability and cost-effectiveness. Stakeholders also raised the issue of air quality impacts due to emissions. They added that in the transition to renewables, it's important not to forget about communities that rely on SRP.

The sixth discussion group identified the need for responsible siting of new infrastructure with a system that needs to be flexible and adaptable for new technology. Stakeholders also cited consideration of regional markets to sustain affordability and reliability. A final theme was that acceleration to low carbon to be equitable so everyone can move together on this continuum

Themes from the question 1 discussions were then identified by tabulating frequency of topics, with the themes higher in the list below being repeated more frequently than the ones lower in the list.

Top five themes from roundtable discussions of question 1:

- Increased load from economic and land development, electrification, and climate change impacts
- Substantial growth in distributed/onsite solar, storage, demand response, and energy efficiency
- Reliability in the face of renewable energy fluctuations, extreme weather, and disruptions such as wildfires
- Growing corporate and organizational goals for decarbonization and grid integration
- More affordability and equity concerns for low-income community members and small businesses

Key Discussion Themes for Question 2

Themes from the discussion of question 2 were identified by tabulating the frequency of topics from the detailed meeting notes. Six key themes were identified. Themes higher in the list below were repeated more frequently than the ones lower in the list. Detailed reporting for question 2 can be found in Appendix E.

Top six themes from roundtable discussions of question 2:

- Decarbonize the power system to help customers achieve their goals, address climate change and improve air quality
- Support on-site generation, demand response, storage, energy efficiency, grid integration and interactive technologies
- Provide a wide range of customer programs that address varying energy-related needs and goals and varying affordability needs
- Focused programs for low-income and vulnerable customers for affordability and equitable access to energy programs and technologies
- Expand community education and outreach so that customers better understand options, benefits of the programs and factors that must be balanced by SRP; consider community input
- Grow the electric vehicle (EV) charging infrastructure, including in apartment developments

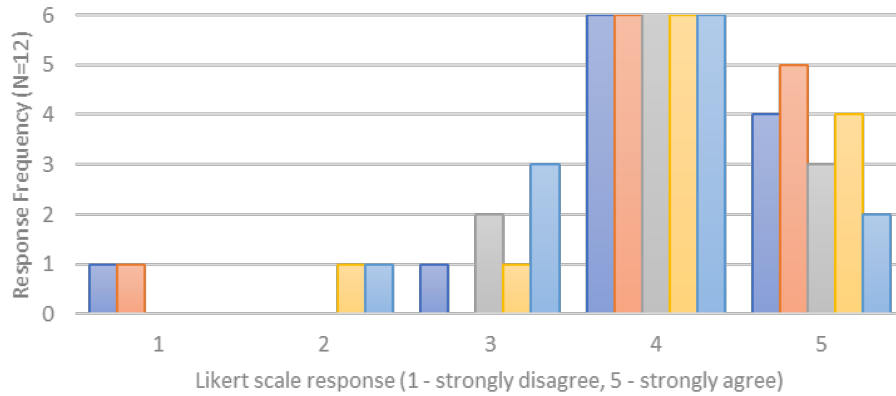
Wrap-up and Next Steps

Bond-Simpson wrapped up the meeting by thanking stakeholders for sharing their perspectives and presenting the tentative schedule for upcoming Large Stakeholder Group meetings. She said stakeholders will be receiving save-the-date emails for the March 2022 meeting and that in the interim they could send questions and comments to the stakeholder communication email address: IntSysPlan@srpnet.com. She also reminded of the Integrated System Plan [information portal](#). She concluded by saying she is excited to be moving forward together in this process.

A post-meeting survey was sent out to all attendees immediately following the meeting. SRP received 12 responses to this survey. Diagram 1 shows the Likert scale (1 – *strongly disagree*, to 5 – *strongly agree*) response frequency to the five satisfaction questions included in the survey. Overall, survey respondents indicated satisfaction with the meeting, with an average Likert scale response of 4 (*Agree*) or greater to four of the five questions relating to satisfaction with the breakout sessions, presentations and time available for Q&A. The lowest ratings received related to the question “I have a better understanding of SRP’s Integrated System Plan and the complexity of planning for the future power system than I did before the meeting,” with an average rating of 3.75.

Responses to the open-ended questions indicated the interest of some stakeholders for deeper, more technical conversations, which may help improve the perceptions around increased understanding. Two additional open-ended questions in the follow-up survey showed diverse stakeholder priorities with mentions of reliability, equity concerns and sustainability as important in energy services, with the future energy system seen as reliable, low-carbon and cooperatively involving customers.

Diagram 1: Post-Meeting Survey Responses to Satisfaction Questions



- There was enough time for question-and-answer sessions.
- The breakout session was interesting and engaging.
- The breakout session input will be useful in developing SRP's plan for the future power system.
- The presentations were interesting and relevant.
- I have a better understanding of SRP's ISP and the complexity of planning for the future power system than I did before the meeting.

Appendix A Meeting Attendance

Large Stakeholder Group Organizations (groups represented on 11/30/21 are shown in **bold**)

AARP

ACLP

Advanced Energy Economy

AEPCO

AES Clean Energy

Air Products

Amazon

American Lung Association

AMPUA

AMWUA

Apache County Economic Development

Apex Clean Energy

Apple Inc.

Arizona Cattle Growers Association

Arizona Center for Law in the Public Interest

Arizona Chamber of Commerce

Arizona Commerce Authority

Arizona Competitive Power Alliance

Arizona Cotton Growers

Arizona Energy Policy Group

Arizona Farm Bureau

Arizona Hispanic Chamber of Commerce

Arizona Lodging and Tourism Association

Arizona Power Authority

Arizona Public Service

Arizona Residential Utility Customer Office (RUCO)

Arizona Solar Deployment Alliance

Arizona Solar Energy Industries Association
(AriSEIA)

Arizona State Land Department

Arizona State University

Avangrid Renewables

AzCPA

AZ PIRG

AZ Strategies

AZ Sustainability Alliance

AZ Thrives

Basha's

Beatitudes Campus

Boeing

Bureau of Land Management

Candela Renewables

Casa Grande

Chicanos Por La Causa

Christina Care, Inc.

City of Apache Junction

City of Chandler

City of Mesa

City of Phoenix

City of Tempe

Commercial Metals Company

CommonSpirit Health

Coolidge

Copper State Consulting Group

Cushman & Wakefield

Cyrus One

Digital Realty

DMB

East Valley Chamber of Commerce

East Valley Partnership

Enel Green Power North America, Inc.

Environment America

Environmental Defense Fund

EPRI

Facebook

First Solar

Forest Service U.S. Department of
Agriculture

Fort McDowell Yavapai Nation

Freeport-McMoRan Copper and Gold

Gamage & Burnham Attorneys at Law

General Electric

Gila Bend
Gilbert
Glendale

Google

Greater Phoenix Economic Council
Greater Phoenix Leadership
Greenlots

HoHoKam Irrigation & Drainage District

Home Builders Association of Central
Arizona
Hospice of the Valley
Intel

Interwest Energy Alliance

Kroger Co. (Ralphs and Food4Less)

Kyl Center for Water Policy
Leeward Energy

Local First Arizona

Mercy Gilbert Medical Center/Dignity
Health
Mesa Community Action Network
Mesa Gateway Airport
Microchip Technology

Mitsubishi Hitachi Power Systems

Americas, Inc.

Nature Conservancy/ Arizona Thrives

Navajo County
New Leaf/Mesa-CAN
New Life Christian Center, Coolidge
NextEra Energy Resources

Northern Arizona University

NREL
Onward Energy

PAC WORLDWIDE

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Pattern

Phoenix Chamber of Commerce

Pinal County

Pinal County Board of Supervisors District

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Queen Creek

Queen Creek Unified School District

Roosevelt Water Conservation District
Salt River Pima-Maricopa Indian Community
Scottsdale

Sierra Club

Southwest Energy Efficiency Project
(SWEEP)

SRP Customer Utility Panel

St. Johns

St. Paul Church, Randolph

Strata Solar

Sustainable Energy Power Alliance

TEP

Tierra Strategy

Town of Florence

Town of Springerville

Tucson Electric Power

Turn a New Leaf

United Dairymen of Arizona

University of Arizona

Valle Del Sol Strategic Initiatives: The Real
Arizona Coalition
Valley Partnership

Veregy

Walmart

West Marc

Western Grid Group

Western Resource Advocates

Wildfire

Key SRP Staff

Kelly Barr, ISP Project AGM Sponsor
Mike Jones, ISP Project SRP Planning Coordination Council Sponsor
Angie Bond-Simpson, ISP Project Lead
Bobby Olsen, Director Supply and Trading & Fuels, SRP Subject Matter Expert
Dan Dreiling, Director Customer Programs, SRP Subject Matter Expert
Jed Cohen, ISP Project Co-Lead
Kyle Heckel, ISP Project Manager
Domonique Cohen, ISP Communications Lead
Arefeen Ahmed, ISP Project Support

Key Facilitation Team

Joe Hooker, E3
Lakshmi Alagappan, E3
Ben Duncan, Kearns & West
Christian Mendez, Kearns & West
Debbie Schechter, Kearns & West
Eunice Lee, Kearns & West
Jack Hughes, Kearns & West
Jason Gershowitz, Kearns & West
Jenna Tourjé, Kearns & West
Joan Isaacson, Kearns & West
Karen Lafferty, Kearns & West
Maria Doerr, Kearns & West
Taylor York, Kearns & West

Board & Council Observers

David Rousseau, SRP Board President
John Hoopes, SRP Board Vice President
Anda McAfee, SRP Board Member
Jack White, SRP Board Member
Larry Rovey, SRP Board Member
Randy Miller, SRP Board Member
Rocky Shelton, SRP Council Member
Suzanne Naylor, SRP Council Member

Appendix B

Roundtable Discussion Question 1 Detailed Notes

How do you think your expectations and needs for electricity service will change in the future?

Discussion Group 1

Key Themes

- Load growth will increase, especially for cooling; need to be prepared for hazards like more prevalent fires
- Customers play a role with renewables and customer programs like demand response
- Affordability and variety are important as is staying competitive to regional and national utilities; important for SRP to have a suite of offerings for new programs

Detailed Notes

- Seeing a lot of growth from additional customers and as the climate warms you will see more energy needs in the future. Need to prepare for more advanced heat storms like in 2020 and increased wildfires. If you cannot import the power from outlying generators, you will need to find ways to get energy to the load pocket.
- Another important thing that goes on the back side of that is certain consumers and customers may be able to use on-site battery and generation. Being collaborative with customers to find opportunities not only for transmission, but solar, demand response and batteries are some things customers are willing and able to adopt to contribute and help as well.
- Affordability is also important to consumers and a variety of those sources. Availability of that electricity is also important so we do not experience what other states are experiencing with rolling blackouts. Important to have a variety of customer programs (energy efficiency, demand response, rooftop solar, batteries etc.) and the availability and reliability of power. Apache Junction has people with lower incomes given the demographics of the city. As Apache Junction experiences growth that income level will increase, but it will take time.
- Affordability is important. Incentives to put on-site generation and affordability of standby riders and surcharges for added technology to your site. See that SRP has the sustainability objective. Want to help consumers of all sizes to achieve sustainability.
- With improvements and enhancements that SRP has made to the distribution system, we can project that customers will like to have different energy packages to choose from. Given a suite of electricity packages, some may decide they want to curtail access to the grid during certain times of the year, week or day. There will need to be creativity at SRP to customize and meet the needs of different customers as their needs will be

influenced by affordability. This is a combination of rates, customer programs, customer technology options and participation option.

- From Pinal County's standpoint there are going to be quite a few large power suppliers and we will see more development heading south. Certainly, there will be a need for more power, but also in manufacturing and technology there is a need for redundancy. It costs millions of dollars when the machines are running, for example with advanced manufacturing. Affordability is highly important for economic development growth in the Valley. It is going to be a challenge in Pinal County because there is so much state land and reservation land. It may be difficult to implement new transmission given constraints on land ownership.
- It will be interesting to see alternate generation packages. Have seen advertisement for Generac's machines that switch on automatically. SRP must consider that customers implement self-generation on the system separate from the utility.
- A lot of large users are looking into those self-generation options. Small commercial or small business may bypass the system with their own natural gas small resource and could try to game the system as [another stakeholder] mentioned.

Discussion Group 2

Key Themes

- Reliable, low carbon and affordable electricity and for customers to be able to track and plan around those characteristics
- Help customers who want to accelerate low-carbon goals as well as low water use and social impact by providing equitable access to diverse energy technologies and services; ensure different implications of the energy transition are fully accounted for in communities and with regard to jobs
- Importance of engagement, education and empowerment of a diverse array of customers and providers; need to be transparent and comprehensive in communications

Detailed Notes

- Our organization takes for granted that utilities will provide reliable service, and then goes deeper into the source of energy and tracking the attributes behind the reliability, low-carbon, no-carbon, renewables, etc. We have similar challenges when it comes to sustainability.
- Our organization has two components. The first is our own energy needs, which require reliability and the ability to track the characteristics of the sources of energy that are being provided. We have taken steps to provide low-carbon electricity for ourselves. We have a commitment to long-term carbon neutrality, which includes commuting in a carbon neutral fashion and will require a lot of electric vehicle (EV) charging. The second component is the charter to inclusively serve all Arizona residents and do research that improves economic, social and cultural health. We see this mission as being impacted by

climate change, and we need to make sure that low-income, indigenous and disadvantaged groups have their needs met and are not left behind by the change. An additional recommendation to SRP is an effort to disaggregate customers, especially within the residential changes because customer experiences are going to be very different across different groups with different impacts.

- Our organization is not a customer of SRP. We expect greater integration of new and emerging technologies. We want to understand how these new technologies are perceived by customers and how these technologies integrate with SRP's system.
- Our organization expects electricity will come from carbon-free sources, not use too much water, won't pollute the air and that SRP will help people to reduce their electricity use and empower people in relation to their electricity use. We have very high expectations of SRP and think that due to its ownership structure SRP should be one of the faster utilities to decarbonize instead of one of the slowest. SRP's carbon goal is the least ambitious of the major utilities, compared to TEP (Tucson Electric Power) and APS (Arizona Public Service).
- Our organization thinks about customer experience with new technology. Utilities will become the gas station of the future for EVs and helping customers understand their energy use and options. Utility bills will include what was formerly going to the gas station, and getting people to understand the timing of EV charging is critical. Empowering the customers to make better decisions and break down their bill to understand how they can improve their bottom line.

Discussion Group 3

Key Themes

- Electrification of vehicles; timing of charging
- Interactive, smart building technologies; customers being able to control costs
- Choice on sources of energy; meeting customers' low carbon goals

Detailed Notes

- Have the ability to have good control of energy use in buildings and being interactive with the grid rather than it being a one-way conduit. Being able to produce and place energy back onto the grid and reduce overall energy use. As our organization electrifies, particularly in transportation and as people start driving EVs, we will need to have everyone be able to charge and have some insight on optimal charging patterns.
- Adding to [previous stakeholder comment], with smart grid integration and having really effective vehicle-to-grid integration there is a lot of opportunity.
- Question - speaking to business owners, they are curious about the ability of having a selection of clean energy. What is SRP doing to offer a selection of clean energy offerings to customers?
- Our organization has the goal of fully decarbonizing. We don't know how we will do it but recognize it needs to be in partnership with a local utility.

- Energy service providers in California have tariffs for customers who want choice in the percentage of renewables.
- SRP does have a green energy tariff offering, at least for corporate customers.

Chat Comments

- One manner that can be effective to avoid cost shifting is the development of specific tariffs for different customer classes that enable customers to select specific energy choices.
- One very specific suggestion of innovative DSM [demand side management] programming that AEE is following is the development of distributed demand side resource aggregation. Currently, APS is working on developing a pilot program/tariff that looks at compensation for bringing solar and storage resources on the grid and appropriate compensation for locational value and ancillary services.
- +1 on regional collaboration/markets
- +2 on joining an RTO

Discussion Group 4

Key Themes

- Increased usage and loads and the need to manage additional capacity
- Ensuring reliability as SRP pushes toward renewables; how to make sure energy stays reliable for healthcare customers
- Customer-centric issues: Carbon neutral goals need keep pace with public demand, rooftop solar integration, options for customers so they have education and information to manage power

Detailed Notes

- The trend is more electricity will be needed and how you manage it is important. Realistic view of a combination of various sources to meet needs: wind, solar, gas. You have to have and on and off switch for some of your generation to meet demand 24/7.
- Ensuring reliability is the focus. What are the main difficulties that need to be overcome as we leverage renewables?
- Coolidge expansion operates at a 10% capacity factor so you only burn it when needed; good solution.
- But SRP will bid Coolidge to the EIM (energy imbalance market), so we really don't know what capacity factor there will be at the end. Some big factors – variability, cloud, wind not blowing, daily variation of solar – this is the difficulty with renewables. That's why we encourage utilities to join EIM, etc. to spread the footprint over the region.
- We need to serve peak, at 6:00-7:00 p.m., when solar is not available. Batteries need to have greater storage and longer duration. When it is not summer, we need to find places to use this electricity. How much would it cost if you could only use them part of the time?

- Customers are using electricity as they used to. Now they have so many tools, such as with controlling thermostats. We will see much more engagement from customers meeting those demands. Customers will help to reduce with supply, adjusting thermostats, using their own batteries, EVs, etc.
- Carbon neutrality is number one. It is unacceptable that SRP is not moving into any goals that are not 100% net-zero. Technical issues with integrating rooftop solar is a joke in 2021. Other utilities have done this already; it is 2021 and this should be embarrassing for SRP. Transparency is an issue – Coolidge, for example, was "stuffed" in everyone's throat unexpectedly with zero notice. TEP and APS could have never done what SRP did given how they are regulated. It's 2021 and you are talking about technical issues with 2-way power flow. In the next 4-5 years you see an additional 4-5 gigawatts (GW) of additional capacity (from 7600MW peak now). No one has seen it until now? Why? Are you making a mistake? Is it an error in calculations? Without seeing any inputs/outputs, it is hard to trust the analysis.
- Likely will see more usage, more EVs; all electricity stays reliable. As a consumer and a planner, reliable electricity is very important. If not, we would have real trouble with economic development and healthcare here in Arizona. Reliability!!!

Discussion Group 5

Key Themes

- Increased electrification of transportation and buildings with reliability and cost-effectiveness
- Air quality impacts and a desire to reduce emissions for health
- In the transition to renewables, can't forget about communities that rely on SRP

Detailed Notes

- Needs of healthcare continue to increase. At least one healthcare organization has announced carbon reduction goals, moving more to electrification. EVs will be put strain on hospitals. What is SRP doing for the health care industry? Reliability is key. Interesting that SRP is not following Paris Climate Accord goal of zero by 2050. Why is that?
- In health, looking at air quality. Arizona has fifth worst air quality. Looking at EVs and different ways to ensure better health outcomes connected to our electric output. How do we all move forward? How can we align those for the greater good of public health? Really looking at increase in renewable energy resources, reducing carbon footprint and bringing in any technology that replaces carbon emitting technology with the goal of improving health outcomes.
- Echo comments of [previous stakeholder] with big concern of air quality and carbon reductions. Asked about changing needs, electrification, using EVs and how integrating those into the grid can save money for rate payers. Transportation electrification is huge.

- Power plants are major players for us as major employers and the tax benefits for the small communities in the north east. Not as worried about carbon emissions; more worried about surviving economically and bringing in business that can provide jobs and income into the area. Trying to prepare for the phasing out of the large plants, hoping to get the word out that we want to partner with others who want to make a life up here in the White Mountains. There are three main employers: the county, the school and the power plant. No one pays as well as the power plant. Understand that there is a dark cloud hanging over us all when SRP and TEP shut down. Hoping to prepare for that day by having other businesses to support the economy. What can we do to be ready to take care of our families?
- Can identify with [previous stakeholder]. An important consideration is what happens to those communities where those power plants are located. The goal is to get to zero emissions, but we need to do it in a cost-effective way. It comes down to what kind of customer programs we are putting together that relieve some of the customer constraints and put downward pressure on rates. One of the keys is better utilization of our current system, not just throwing more money at things. Also, many SRP customers have goals that are more aggressive than SRP's; will need to coordinate those.

Discussion Group 6

Key Themes

- New infrastructure being responsibly cited with a system that needs to be flexible and adaptable for new technology
- Consider role of regional markets to sustain affordability and reliability
- Acceleration to low carbon to be equitable so everyone can move together on this continuum

Detailed Notes

- Expectation of transition to more distributed renewable energy; SRP needs to continue to adapt and evolve to help the future grid adapt more effectively.
- Our organization expects a transition to low carbon in about a decade time frame without losing reliability or increasing costs. The 2030/2040/2050 are goals without specifics on how we get there. Would like to see incremental progress reports. No preference/strategy for site specific solar or the path SRP takes to achieve goals.
- An expectation is that SRP view its role through an equitable lens, that the widening wealth gap doesn't leave our vulnerable communities behind. Access to knowledge, tools and resources not just affordability. Broader question about access for the community. SRP has a responsibility to ensure equitable building of infrastructure.
- Have access to markets for virtual power purchase agreements (PPAs) or real PPAs in some territories for solar and wind, but not at SRP/APS. Would like to see more options at SRP to facilitate the market and SRP coming together to make the options available to customers. Ownership of renewable energy credits (RECs) is also a problem; SRP is

reporting the RECs are a problem for companies achieving their goals. Desire for flexibility, transparency and access to markets. Desire to move faster but utilities are slow. SRP makes it difficult for customers that have a reach over multiple territories to develop strategies for decarbonization.

- Responsible siting with respect to land and water impacts. Ensure biodiversity and be thoughtful of scale/location. Identify sites that have already been impacted and build there first.

Appendix C

Roundtable Discussion Question 2 Detailed Notes

How do you think that SRP can help our customers and communities to reach their energy and sustainability goals?

Discussion Group 1

- The sooner SRP decarbonizes its system they will be helping others to achieve their goals. The faster SRP gets to zero the better. Helps their customers meet their goals of decarbonization.
- SRP can develop relationships for home builder associations and planning and zoning to interact with SRP to understand capabilities and determine the appropriate structure for both the customers and SRP. For zero emissions, you have to start with who has all the money first and fast and the planning and zoning people first and fast to decide the construct. Collaboration is needed on land use, policy and zoning.
- Agree decarbonizing the system is a good way to get to sustainability goals, but we also have a focus on renewable generation attached to our facilities. It makes most sense to put solar in Arizona. Standby rider does cause concern and in limiting on-site generation for solar there are extra costs associated to that. Standby limits the amount of capacity for industrial and large customers/cities, shifts capital cost away from SRP and helps the entire grid.
- Concerned about, especially in Pinal County, the whole line siting process and the length of time it takes (about 18 months). That may affect economic development in the future. In terms of serving customers in the future, I hope line siting could be streamlined and to the extent SRP can affect that process that would be helpful.
- Important for consumers to know where renewable energy comes from. Communicating that story and the timeline during the Summer Stakeholder Series helped me see that. In sharing that story, customers will realize the benefits of that and can outwardly share that with their consumers.
- Important for consumers to understand the duck curve and the impacts to reliability. In a more public dissemination of information for people to come to understand that if you have battery storage of 2-4 hours, some other kind generation (stored gas, coal etc.) has to pick up quickly to meet system needs and reliability. SRP has done a marvelous job so far by balancing all their priorities: affordability, reliability and sustainability. May receive criticism, even when they are doing the best job at balancing all these elements.
- SRP isn't experiencing duck curve issues today from what I understand so that should not be an issue.

Discussion Group 2

- Our organization thinks that SRP can follow our lead to tie sustainability to all aspects of the business. This includes education programs in schools that have the social and governance piece. Our organization has generation assets in communities that could benefit from education programs and its expertise.
- Our organization knows that there are customer groups and low-income communities who have lagged in their ability to access new energy technologies. These communities will be unable to increase energy efficiency and create resilience to blackouts. Very important going forward to help those communities find ways to access the benefits of those technologies. Think about community solar initiatives.
- Our organization would be interested in seeing efforts to facilitate large customers in sourcing electrical generation for their own load, such as the green tariff that APS recently passed. This is a framework for bringing large customer and independent power producers to the table to work out a plan.
- Our organization wants to make it easier and cheaper to have 100% clean energy, instead of having a premium on clean energy, to include the societal costs of air pollution, etc.

Discussion Group 3

- Our organization's goal is to get to zero carbon. What we would love is if SRP could provide zero carbon electricity. Would also like experts from SRP that could sit down with us to strategize and collaborate on achieving zero carbon goals.
- Would like SRP to invest more in DSM programs and communicate with customers on how to more effectively manage their load. Really critical when talking about energy goals to look at the demand side, not just the supply side. Want Aerograms and more integrated technology programs.
- SRP can help by providing more opportunity for customers to express their opinions on what they would like SRP to do. Families would like to be more involved by not just listening, but following up with how SRP is implementing what SRP has heard; critical for trust building.
- Joining RTO to share clean energy across the region. Could bring down the cost significantly and increase competitiveness of renewables.
- Have smart meters to get information online. Typical customers don't know what to do with that. Help utilities to take advantage of this information; customers would appreciate that and it would help the utility, too.

Discussion Group 4

- Appreciated [stakeholder] comments on the education piece.
- SRP can provide education on when to use energy to ensure it is the cheapest and greenest is a big piece. Most of the time customers want to do the right thing. What are their priorities? Customers are aware of time-of-use; help them to get to the level of engagement where they want to be. Some may want to be very engaged; some set it and forget it.
- Enabling rooftop solar helps customers. Have a closure date for Springerville as soon as possible. Disappointing that Angie had coal in 2035 on her slide. Charging capabilities for EV. [Another stakeholder] made a great point with time-of-use plans. In APS's rate case they had super off peak rate. If we can get people to charge EVs during the most solar hours and incentivize those hours, it would be great.
- Education and options. Ranking the highest priority goals, customers understand reliability, affordability and rates. Letting people know what is available to them.

Discussion Group 5

- One of the things SRP is doing well is taking a lead on transportation electrification, not only with own fleet, but also communicating out to the public. This is an important step that SRP is already taking. Hope this continues and with educating the public to help individuals make wiser choices.
- SRP can help others find ways to green the grid. Would like to see enhanced rebates, more community solar and PPAs.
- Has SRP looked into other ways of creating energy here (at Coronado Power Plant)? Would be great if SRP could shift from coal to natural gas or other options. SRP has done wonderful things for us in the past. Look at our beautiful high school auditorium. We are deeply appreciative of SRP and the impact on our community. SRP and TEP often help financially to assist our community. This kind of assistance moving forward would be much appreciated. Apache County is the third poorest county in the US. If we can do anything to keep SRP in our communities, that would be fantastic.
- Echoed [stakeholder] comments on transportation electrification. SRP could work with businesses to install EV charging stations. It is hard for folks in apartments to have EV charging stations. Is there a way SRP could help expand the ability of people to access charging? Also, continue to work with cities, towns and counties to further their climate goals. Be a strong advocate for adoption of policies that will further the adoption of transportation electrification.

- Liked [previous stakeholder] comment on equity. With things like workplace charging, SRP has done well, and could work to make that more available to others. Continue to be innovative and consider equity.

Discussion Group 6

- SRP can invest in education resources and incentives. Work with multilingual small businesses that need those resources. Small businesses get left behind because they lack the capital to pursue their energy/sustainability goals. Create a low interest loan fund specifically for small businesses.
- SRP is lacking programs with only real focus on community solar. Lack of net metering or incentives for behind-the-meter (BTM) resources. Need to make it more accessible to the broader community. APS and ACC just went through a rate case to challenge grid access charges; APS did not provide sufficient proof that the charge was justified. SRP has the same bill adjustment. Solar offsets of water usage have been shown. Lack of insight on saturation level of distributed solar, which causes reliability problems. Technical review is a bottleneck, too. Agree with other stakeholder comments on transparency.
- Can SRP accommodate the speed customers want to move at? Are there enough options and projects to get through the bottleneck (e.g., small utility scale projects available to customers)? Transparency is important so the decision-making is best informed. Have fewer bureaucratic hurdles.