

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

CUSTOMER UTILITY PANEL

Thursday, April 27, 2023, 9:30 AM

**SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288**

Members: Michael Hutchinson, Chairman; Alton Washington, Vice Chairman; Chris Clark, Roxanne Coleman, Christie Ellis, Mary Gloria, Julie Graham, Audra Koester Thomas, Monte Nevitt Sr., Bryant Powell, Mary Ann Przybylski, Jay Schlum, Scott Stilgenbauer, and Mari Westerhausen

Roll Call

Safety Minute

Sustainability Minute

1. Request for Approval of the Minutes for the Meeting of January 26, 2023
.....CHAIRMAN MICHAEL HUTCHINSON
2. President's Office UpdateVICE PRESIDENT CHRIS DOBSON
3. SRP Buy-Through Program Offerings..... GREG DeLIZIO

Informational presentation regarding the development of SRP Buy-Through program offerings.
4. SRP Sustainable Cities Program PilotTOM COOPER

Informational presentation regarding SRP's work with four Valley cities to pilot a Sustainable Cities Program, which was initiated by SRP Economic Development to work with and assist communities in identifying and promoting their sustainable assets and emphasizing their commitment to sustainable growth.
5. CUP Member ISP Liaison Report CHRIS CLARK
6. CUP Member Update.....CHAIRMAN MICHAEL HUTCHINSON
7. Report on Current Events by the General Manager and Chief Executive Officer or Designees ROB TAYLOR
8. Future Agenda Topics.....CHAIRMAN MICHAEL HUTCHINSON

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



**THE NEXT CUSTOMER UTILITY PANEL MEETING IS
SCHEDULED FOR THURSDAY, AUGUST 24, 2023**

04/20/2023

SAFETY MINUTE: SECURED WORKPLACE SRP CUSTOMER UTILITY PANEL

**JAY SPRADLING
DIRECTOR, SECURITY SERVICES
APRIL 27, 2023**



Delivering water and power™

SAFETY MINUTE: SECURED WORKPLACE

SRP SOC
602-236-5305
Call or text

Potential Hazards:

- Individuals
- Vehicles
- Personal threat of harm
- Damage
- Active shooter / hostage



Safety Tips:

- Situational awareness
- Keep your badge secure
- Badge in/out of doors
 - Every person, every time
- Don't allow tailgating into facilities
 - Ensure the door is *closed*
- Visitors must always be escorted
- Report suspicious persons or packages



MINUTES
CUSTOMER UTILITY PANEL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
DRAFT

January 26, 2023

A meeting of the Customer Utility Panel (CUP) of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Thursday, January 26, 2023, from the Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

CUP Members present at roll call were M.T. Hutchinson, Chair; A.J. Washington, Vice Chair; and C.S. Clark, R.D. Coleman, C.M. Ellis, M.A. Gloria, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., and M. Westerhausen.

CUP Members absent at roll call were B.F. Powell, M.A. Przybylski, and S. Stilgenbauer.

Also present were District Vice President C.J. Dobson; Board Liaison P.E. Rovey; Council Vice Chairman R.J. Shelton; Mmes. A.N. Bond-Simpson, E.M. Gould, L.F. Hobaica, S.C. McCoy, L.A. Meyers, and C.M. Sifuentes; Messrs. A.C. Davis, J.M. Felty, E.T. Hallock, J.S. Hetrick, R.J. Klawitter, K.J. Lee, M.J. O'Connor, G. Saint Paul, R.R. Taylor, and A.C. Whiting; April Smith of Bellomy; and Doug Coleman, a member of the public.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the CUP meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, January 24, 2023.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding aggressive driving behaviors and the practice of polite driving habits.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Ms. S.C. McCoy left the meeting.

Sustainability Minute

Ronald J. Klawitter, SRP Senior Principal of Water System, presented a sustainability minute regarding water use efficiency/conservation and referenced srpnet.com for tips.

Approval of Minutes

On a motion duly made by CUP Member A.J. Washington and seconded by CUP Member R.D. Coleman, the CUP approved the minutes for the meeting of October 27, 2022, as presented.

Corporate Secretary J.M. Felty polled the CUP Members on CUP Member A. J. Washington's motion to approve the minutes for the meeting of October 27, 2022. The vote was recorded as follows:

YES:	CUP Members M.T. Hutchinson, Chair; A.J. Washington, Vice Chair; and C.S. Clark, R.D. Coleman, C.M. Ellis, M.A. Gloria, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., and M. Westerhausen	(10)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	CUP Members B.F. Powell, M.A. Przybylski, and S. Stilgenbauer	(3)

President's Office Update

District Vice President C.J. Dobson provided a President's Office update.

Integrated System Plan (ISP) Research Insights Phases 1 and 2

Using a PowerPoint presentation, April Smith of Bellomy stated that the purpose of the presentation was to provide information regarding research conducted by Bellomy, SRP's selected independent research firm, regarding SRP's Integrated System Plan (ISP). She said that a phased research approach was conducted, which consisted of virtual focus groups (Phase 1) and a quantitative online survey (Phase 2).

Ms. A. Smith said that SRP is preparing its first ISP, which is focused on planning the power system through 2035. She stated that the goal of the research was to bring the voice of SRP's residential customers into the planning of the future power system. Ms. A. Smith explained the methodology of the ISP and noted that lower income customers demonstrated affordability concerns.

Ms. A. Smith stated that customers evaluated an illustrative SRP energy mix. She said that while two-thirds of the customers surveyed rated the energy plan positively, only one-fourth rated the plan as excellent, demonstrating an opportunity for improvement. Ms. A. Smith reported that the majority of customers responded positively to the illustrative plan, but respondents cited varying thoughts on which renewable sources SRP should prioritize.

Continuing, Ms. A. Smith said that while a majority of customers ranked reliability first in the focus groups, they discussed a tough tradeoff between reliability and affordability.

She noted that over four-fifths rated their experience with SRP positively and cited outstanding customer service and reliability. Ms. A. Smith reported that over half of the customers expressed interest in ways to save and over one-fourth were interested in topics related to SRP's environmental efforts and/or climate change. She concluded with the following insights: 1) affordability and reliability were top priorities for the future; 2) a majority agreed that the plan should be prioritized by SRP; and 3) customers wanted to continue to hear about ways to save.

Ms. A. Smith responded to questions from the CUP.

Copies of the handout distributed and the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Verde Reservoirs Sediment Mitigation Project

Using a PowerPoint presentation, Ronald J. Klawitter, SRP Senior Principal of Water System, stated that the purpose of the presentation was to provide information regarding the Verde Reservoirs Sediment Mitigation Project and options to modify Bartlett Dam to improve sediment and water management on the Verde River.

Mr. R.J. Klawitter provided a map depicting SRP's Watersheds, and reviewed SRP's reservoir conservation storage data for the Verde River and Salt River. He indicated that the Verde conservation storage is at 276,467 Acre Feet (AF) and the Salt conservation storage is at 2,004,287 AF, for a total of 2,292,904 AF.

Mr. R.J. Klawitter provided a diagram of the Modified Bartlett Dam Proposal. He reviewed the options available to Bartlett Dam as follows: Option 1 – increase dam height by 97 feet for a 628,000 AF reservoir capacity; and Option 2 – increase dam height by 62 feet for a capacity of 422,000 AF reservoir capacity.

Mr. R.J. Klawitter presented a climate adjusted forecast from 2031 to 2130 for the Verde River water yield with Modified Bartlett Dam. He concluded with a discussion of the Verde Reservoirs Sediment Mitigation Project feasibility study integrated timeline.

Mr. R.J. Klawitter responded to questions from the CUP.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Mmes. A.N. Bond-Simpson and E.M. Gould; and April Smith of Bellomy left the meeting during the presentation.

Selection of CUP Chair and Vice Chair for Calendar Year 2023

CUP Chairman M.T. Hutchinson announced that the appointment of the Chair and Vice Chair of the CUP for Calendar Year 2023 (CY23) was in order. He recommended the nomination of Michael T. Hutchinson to the office of CUP Chair and Alton J. Washington to the office of CUP Vice Chair for CY23.

On a motion duly made by CUP Vice Chair A.J. Washington and seconded by and CUP Member C.M. Ellis, Michael T. Hutchinson was nominated to the office of CUP Chair for CY23.

Corporate Secretary J.M. Felty polled the CUP Members on CUP Vice Chair A.J. Washington's motion to approve the nomination of Michael T. Hutchinson as CUP Chair for CY23. The vote was recorded as follows:

YES:	CUP Members M.T. Hutchinson, Chair; A.J. Washington, Vice Chair; and C.S. Clark, R.D. Coleman, C.M. Ellis, M.A. Gloria, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., and M. Westerhausen	(10)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	CUP Members B.F. Powell, M.A. Przybylski, and S. Stilgenbauer	(3)

On a motion duly made by CUP Member J.A. Graham and seconded by and CUP Chairman M.T. Hutchinson, Alton J. Washington was nominated to the office of CUP Vice Chair for CY23.

Corporate Secretary J.M. Felty polled the CUP Members on CUP Member J.A. Graham's motion to approve the nomination of Alton J. Washington as CUP Vice Chair for CY23. The vote was recorded as follows:

YES:	CUP Members M.T. Hutchinson, Chair; A.J. Washington, Vice Chair; and C.S. Clark, R.D. Coleman, C.M. Ellis, M.A. Gloria, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., and M. Westerhausen	(10)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	CUP Members B.F. Powell, M.A. Przybylski, and S. Stilgenbauer	(3)

Mr. R.J. Klawitter left the meeting during the appointments.

Annual Legal Update

Open Meeting Law

Using a PowerPoint presentation, Ken J. Lee, SRP Senior Director of Legal Services, stated that the purpose of the presentation was to provide information regarding the Arizona Open Meeting Law (OML) requirements for the CUP. He discussed the overall purpose and interpretation of OML and said that the OML is intended to ensure that the public can observe the open deliberative process undertaken by their elected/appointed representatives.

Mr. K.J. Lee stated that the public has the right to attend, listen and scrutinize what elected/appointed official do, and that the OML prohibits public bodies from making decisions in secret. He defined "public body" within meaning of the OML as follows: multi-member governing bodies of a political subdivision, such as the District's Board and Council; and all standing, special or advisory committees of, or appointed by, the Board or Council, including the CUP.

Mr. K.J. Lee said that a meeting could occur in person or through technological means. He stated that when a quorum of a public body discusses, proposes, or takes legal action, it is considered a meeting and must meet the requirements of the OML.

Mr. K.J. Lee stated that per the OML, public meetings can occur through a one-way electronic communication by one member sent to a quorum of the CUP that proposes legal action. He concluded with an overview of the possible consequences of noncompliance.

Mr. K.J. Lee responded to questions from the CUP.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Conflict of Interest

Using a PowerPoint presentation, Mr. K.J. Lee stated that the purpose of the presentation was to provide information regarding Conflict of Interest disclosures as it relates to the CUP.

Mr. K.J. Lee reviewed the statutory requirements and defined the meaning of relatives and substantial interest. He outlined the procedures of what to do if there may be a conflict and the potential sanctions for violating the law.

Mr. K.J. Lee responded to questions from the CUP.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Public Records Act

Using a PowerPoint presentation, Mr. K.J. Lee stated that the purpose of the presentation was to provide information regarding Public Records Act requirements. He described Arizona's version of the Freedom of Information Act as it relates to the CUP.

Mr. K.J. Lee stated that any document a CUP Member creates related to their position on the CUP could be made public, and provided examples as follows: emails, text messages, voicemail messages, etc.

Mr. K.J. Lee responded to questions from the CUP.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

CUP Member ISP Liaison Report

The CUP Member ISP Liaison Report was tabled to the next CUP meeting.

CUP Member Update

CUP Member A. Koester Thomas updated the CUP on transportation infrastructure and water matters. CUP Member R.D. Coleman updated the CUP on JustServe.org helping the homeless. CUP Member M.A. Nevitt Sr. updated the CUP on NextEra solar matters.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the CUP. He said that a tour is scheduled for November at Copper Crossing.

Future Agenda Topics

CUP Chairman M.T. Hutchinson asked the CUP if there were any future agenda topics. None were requested.

There being no further business to come before the CUP, the meeting adjourned at 11:07 a.m.

John M. Felty
Corporate Secretary

Sustainability Minute

Buy-Through Informational Session

Customer Utility Panel Meeting

Greg DeLizio | April 27, 2023

Agenda

- Legislation
- Overview of Buy-Through
- Other Buy-Through Programs
- The Market
- Project Calendar/Next Steps

Buy-Through Legislation

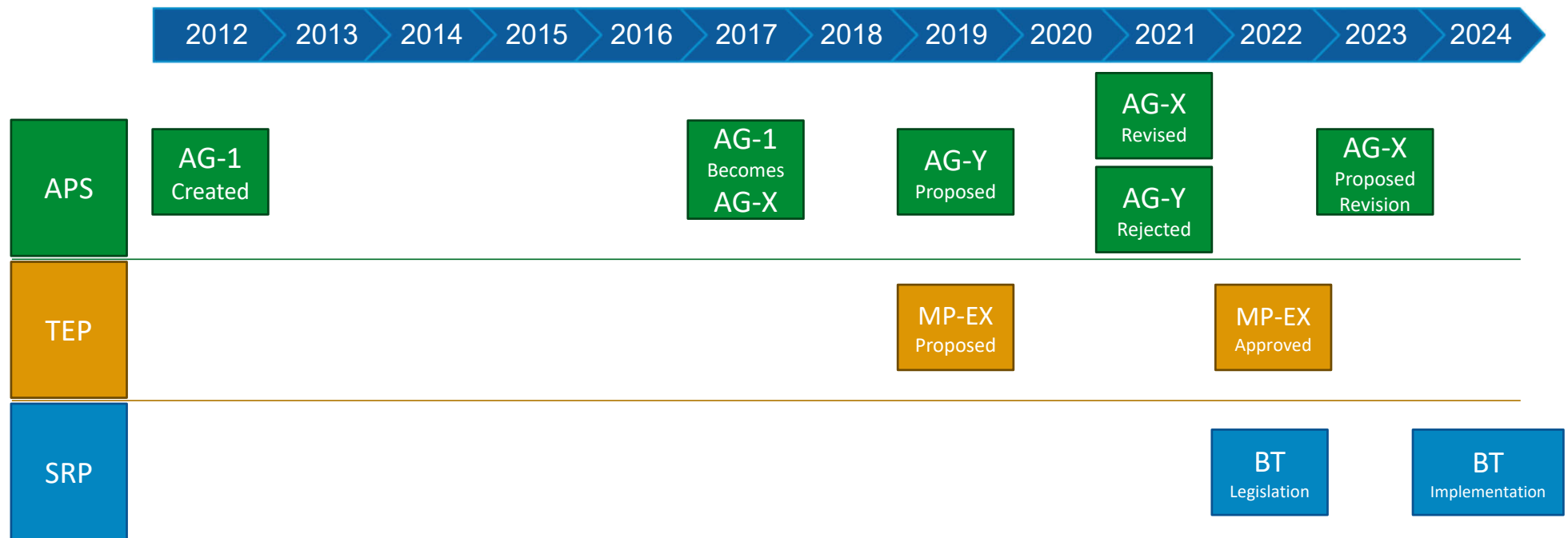
30-810. Buy-through program; terms, conditions, limitations; definition

- A. ON OR BEFORE JANUARY 1, 2024, A PUBLIC POWER ENTITY THAT IS AN AGRICULTURAL IMPROVEMENT DISTRICT ESTABLISHED PURSUANT TO TITLE 48, CHAPTER 17 SHALL OFFER A BUY-THROUGH PROGRAM THAT BOTH:
 - 1. INCLUDES TERMS, CONDITIONS AND LIMITATIONS, INCLUDING A MINIMUM QUALIFYING LOAD AND A MAXIMUM AMOUNT OF PROGRAM PARTICIPATION.
 - 2. IS STRUCTURED TO MAINTAIN SYSTEM RELIABILITY AND TO AVOID A COST SHIFT TO NONPARTICIPATING CUSTOMERS.
- B. FOR THE PURPOSES OF THIS SECTION, "BUY-THROUGH" MEANS A PURCHASE OF ELECTRICITY BY A PUBLIC POWER ENTITY AT THE DIRECTION OF A PARTICULAR RETAIL CONSUMER, SUBJECT TO THE TERMS OF THE PROGRAM.

Overview

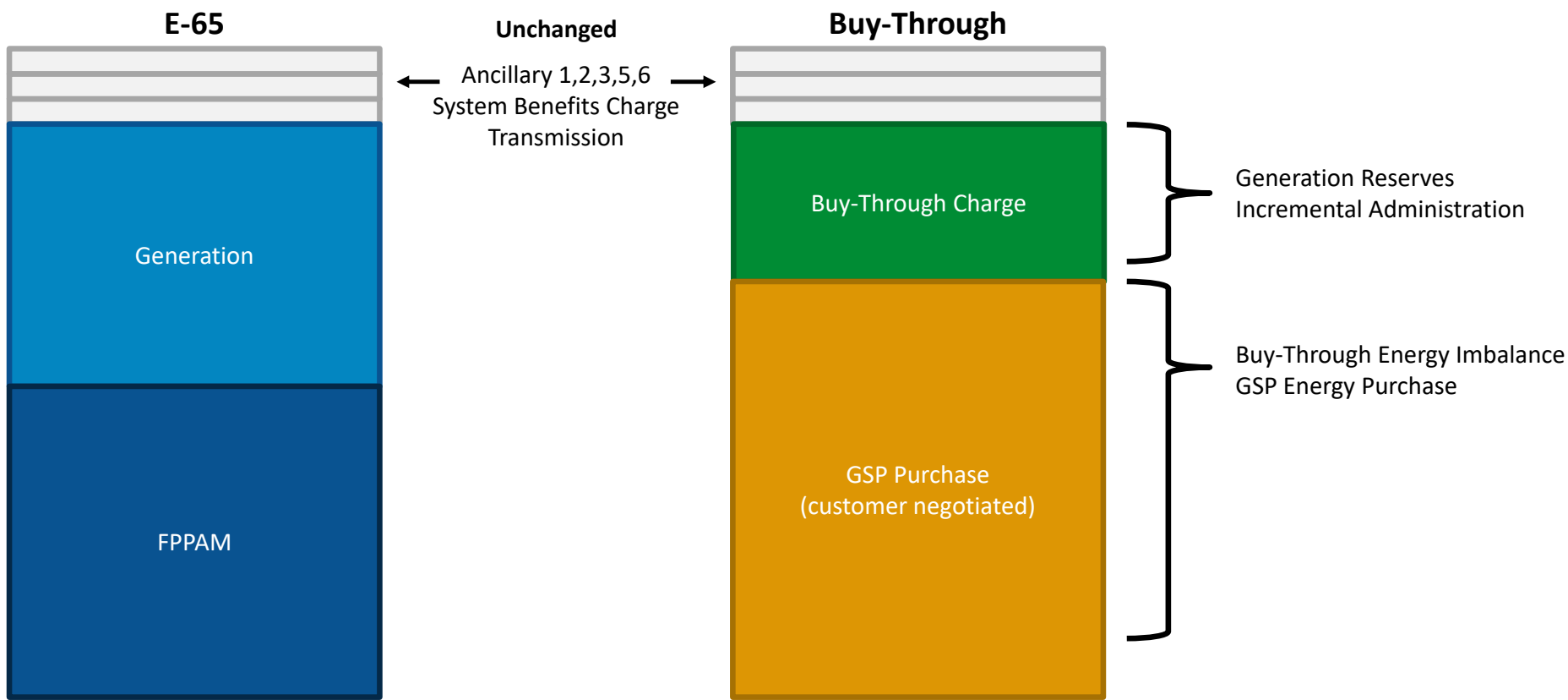
- Allows customers to access power from the market
- Utility, Customer, and GSP each hold own responsibilities
- In Arizona, APS and TEP have a buy-through program

History of Buy-Through in Arizona



AG-1: Alternative Generation Pilot
 AG-X: Alternative Generation Experimental
 AG-Y: Alternative Generation Experimental (medium and large business)
 MP-EX: Market Pricing Experimental

Conceptual Buy-Through Price Structure



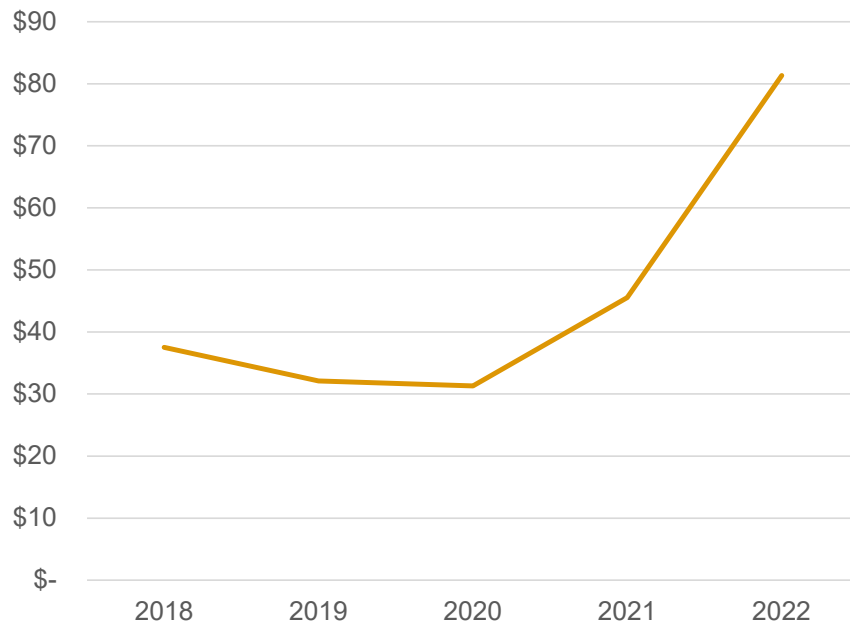
Fixed Monthly Service Charge, Meter Charge, EE Discount, Aggregation Discount, and Dedicated Distribution charges also apply to buy-through

Other Buy-Through Programs

	APS AG-X	TEP MP-EX
Rider Size	200MW	75 MW Program 1: 25MW reserved for Medium/ Large General Svc. Program 2: 50MW reserved for LG Power Svc./ LG Power Svc.-High Voltage
Customer Size	10 MW+ aggregate, 70% minimum load factor	Minimum 3 MW aggregated peak, 60% minimum load factor, multiple applications per customer allowed
Bill Components	Includes fixed generation charge and administrative charge Delivery services per retail rate schedule	Includes administrative charge All service charges per retail rate schedule except base power charge and PPFAC
Generation & Transmission Costs	APS will settle with generation service provider (GSP) for Imbalance Service and other relevant costs per the Open Access Transmission Tariff (OATT)	Customer options include market price index charge and/or a 24x7 block power purchase via trilateral arrangement not to exceed 50% of customer load
Return to Standard Service	Customers must give 1 year notice to return to retail	Customers must remain on MP-EX for a minimum of 1 year, 1 year notice to return to retail

Buy-Through and Power Prices in the West...

Average Hourly Power Prices
CAISO Day-Ahead Market
2018-2022
\$ per MWh



Source: California Independent System Operator Day-Ahead Market @ Palo Verde Node LMP

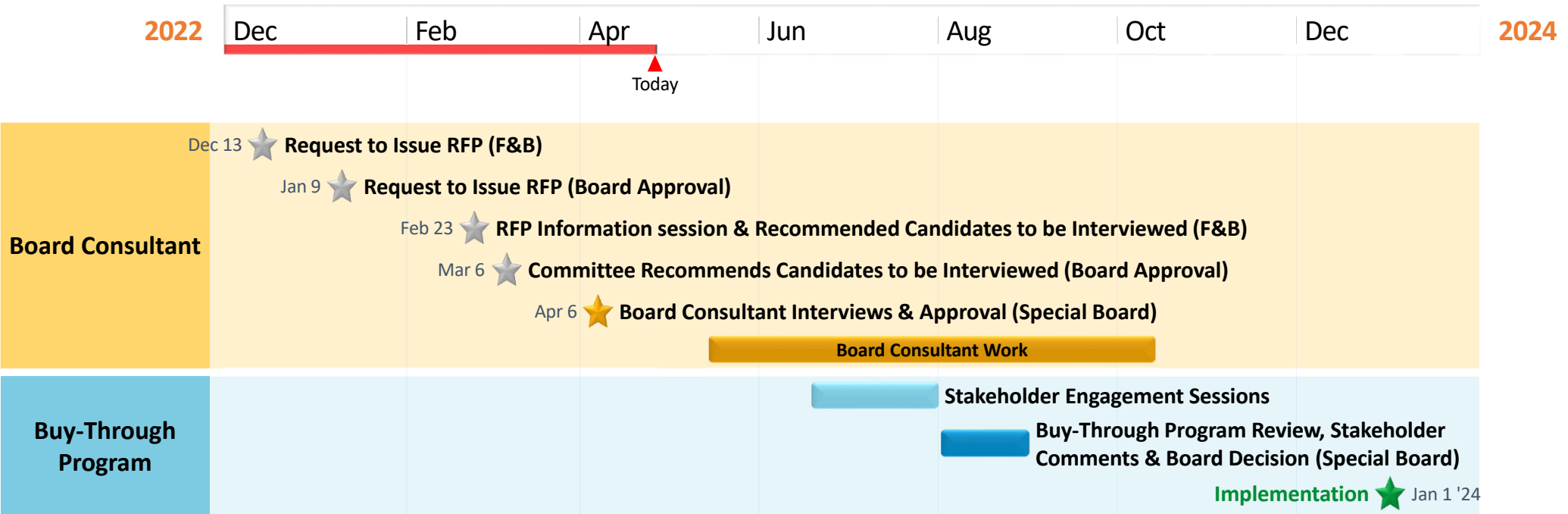
US Wholesale power prices are easing year-over-year except in the West, where on-peak power prices tripled in 2022.

Average on-peak power prices (\$/MWh) DAM

	CAISO	West	Total US
Jan. 2023	144.49	135.23	61.48
Dec. 2022	260.88	267.91	114.66
MOM change (%)	-44.61	-49.53	-46.38
Jan. 2022	53.07	45.24	68.07
YOY change (%)	172.25	198.89	-9.68

Data compiled Feb. 1, 2023.
DAM = day-ahead market.
Source: S&P Global Market Intelligence.
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Buy-Through Program Calendar



thank you!





Sustainable Cities Program Pilot

Customer Utility Panel

Tom Cooper | April 27, 2023

Promoting Smart and Sustainable Economic Growth

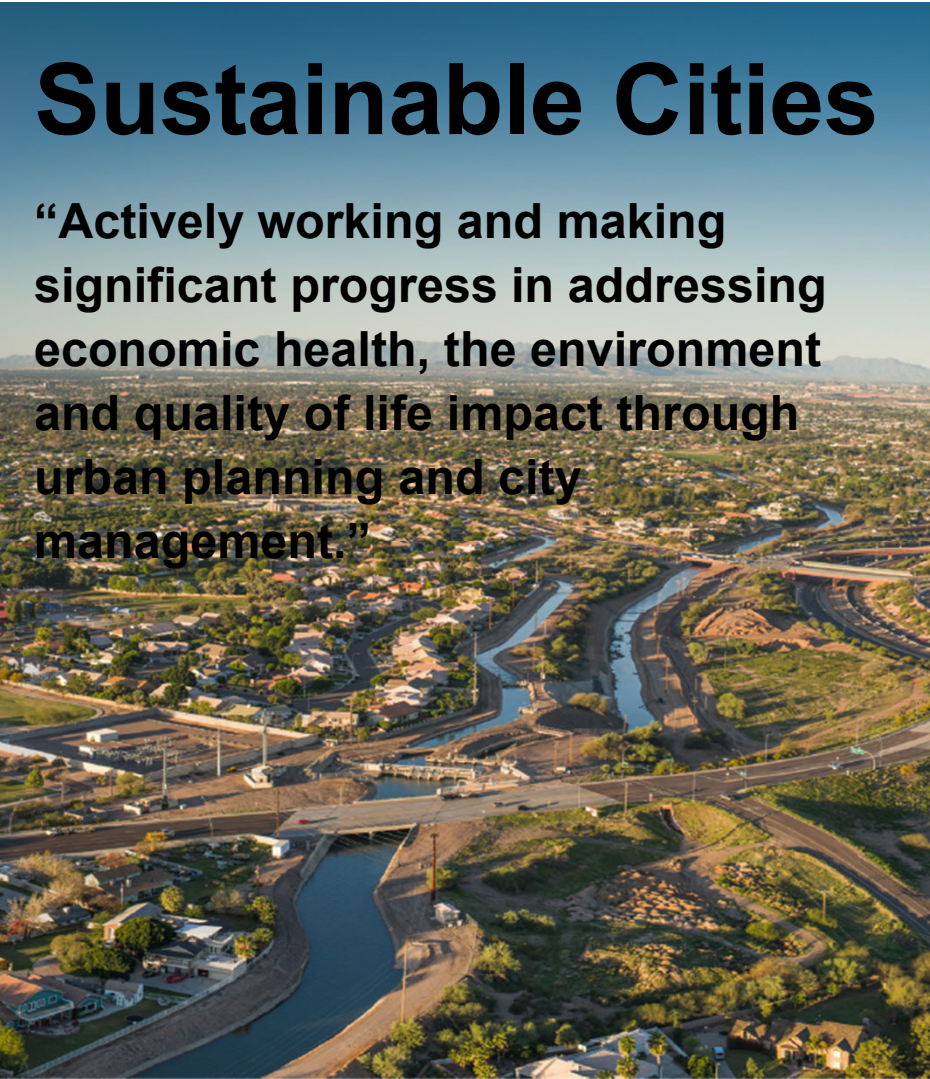


2035 Corporate Goal: Proactively partner with communities and Tribal Nations on economic development initiatives and also on programs related to water, energy and sustainability.

FY23 Corporate Objective: Develop and implement a Sustainable City certification program to help participating communities promote their commitment to sustainable growth.

Sustainable Cities

“Actively working and making significant progress in addressing economic health, the environment and quality of life impact through urban planning and city management.”



- ✓ **Environmentally Responsible**
- ✓ **Resilient**
- ✓ **Prepared for Change**
- ✓ **Inclusive**
- ✓ **Competitive**

Program Objective

Work with and assist participating cities in **identifying and promoting their sustainable assets**, as well as **emphasizing their commitment to sustainable growth**, in order to ensure they are most **competitive for talent, investment and jobs**

Pilot Program Overview

Objective

To work with and assist participating cities in identifying and promoting their **sustainable assets**, as well as emphasizing their commitment to **sustainable growth**, in order to ensure they are most competitive for **talent, investment and jobs**.

Program Eligibility

- Led by Economic Development
- Required to seek support from city management
- Establishment of a working Sustainability Team

Participating Municipalities



Pilot Program Components

Program's three main components allow communities to meet economic, environmental, and quality of life goals to be more competitive for investment long-term.

Economic

- Business Competitiveness
- Land Use and Zoning
- Local Economies

Environmental

- Energy Efficiency
- Transportation
- Natural Resources
- Waste Management
- Water Conservation
- Climate Protection/ Air Quality
- Green Design/ Construction

Quality of Life

- Safety
- Health and Wellness
- Education
- Arts, Culture and Historic Preservation
- Housing
- Community Participation and Education
- Diversity, Equity & Including (DEI)

Program Implementation: Questionnaire / Inventory



SRP Sustainable Assets Questionnaire
Environmental - Waste Management

Activity Number	Activity, Program or Initiative
	Does your city provide recycling containers at all public parks and facilities?
45	If yes, please describe.
	Does your city offer curbside recycling to all residents?
46	If yes, please describe.
	Does your city offer single-stream recycling to all residents?
47	If yes, please describe.
	Does your city operate recycling drop-off locations for electronics, batteries, and cell phones?
48	If yes, please describe.

Designation Level	Score
Platinum	471 – 605
Gold	336 – 470
Silver	200 - 335

Program Deliverables and Benefits

Sustainable
Inventory

Marketing
messages for
assets

Observations for
future initiatives

Designation as
an SRP
Sustainable City

Serving as a
model for other
communities

Press release
from SRP and
listing on website



Timeline and Current Status

SRP Sustainable Cities Program	
Monday, October 31, 2022	Official Program Launch for Select Cities by Zoom
Friday, December 16, 2022	Completion of Sustainable Assets Questionnaire
Week of January 16, 2023	Individual Community Meetings by Zoom
Week of February 27, 2023	Delivery of Sustainable Inventory In Person – Designation Provided
April 2023	Designation Announcements <ul style="list-style-type: none">▪ News Release▪ Social Media Posts▪ Listed on SRP Economic Development website as a Sustainable City

thank you!

