

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

**CUSTOMER UTILITY PANEL
Thursday, October 31, 2024, 9:30 AM**

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

Members: Michael Hutchinson, Chair; Alton Washington, Vice Chair; Chris Clark, Roxanne Coleman, Christie Ellis, 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 August 29, 2024
..... CHAIR MICHAEL HUTCHINSON

2. President’s Office Update VICE PRESIDENT CHRIS DOBSON

3. Economic Development Activity in the East Valley KARLA MORAN

Informational presentation regarding the economic development activity in the east valley and implications for providing reliable, affordable, and sustainable power to existing and new SRP customers.

4. Pricing and SRP’s Fuel and Purchased Power Adjustment Mechanism (FPPAM) Process BRIAN KOCH

Informational presentation regarding a recap of SRP’s FPPAM process that resulted in SRP’s Board of Directors approving an overall increase of 3.9%, effective November 1, 2024.

5. Update on the Arizona Corporation Commission’s (ACC) Authorization of SRP’s Issuance of Revenue Bonds and Recent Bond Sale BRIAN KOCH

Informational presentation regarding the ACC’s authorization of SRP’s issuance of up to \$7 billion in tax-exempt revenue bonds to help finance new projects to support reliable, affordable, and sustainable power for SRP customers.

6. Potential Base Price Process BRIAN KOCH

Informational presentation regarding a potential base price increase and discussion to solicit CUP Member feedback to SRP Management and the Board of Directors.

7. CUP Member Update CHAIR MICHAEL HUTCHINSON

8. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT

9. Future Agenda Topics CHAIR 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, JANUARY 30, 2025**

**SAFETY MINUTE: HALLOWEEN HAZARDS
SRP CUSTOMER UTILITY PANEL**

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
OCTOBER 31, 2024**



Delivering water and power™

HALLOWEEN HAZARDS: WATCH FOR UNUSUAL SITUATIONS



Watch for Pedestrians
(Running kids, Scooters, Skateboards, Bikes)



Heat Precautions
(Fire Pits, Heat Stress)



Holiday Excitement
(Crowds, Carelessness)





SUSTAINABILITY MINUTE: SUSTAINABLE HALLOWEEN IDEAS SRP CUSTOMER UTILITY PANEL

**KARLA MORAN
MANAGER, ECONOMIC DEVELOPMENT
OCTOBER 31, 2024**



Delivering water and power™



SUSTAINABLE HALLOWEEN IDEAS

- **DON'T DUMP THOSE PUMPKIN SEEDS AFTER CARVING! CLEAN, SALT, AND ROAST THEM FOR A REAL HOMEMADE TREAT.**
- **PICK UP GARBAGE WHILE TRICK-OR-TREATING - THIS ONE IS TRULY A NO-BRAINER. IF YOU SEE A CANDY BAR WRAPPER ON THE STREET WHILE TRICK-OR-TREATING, PICK IT UP AND THROW IT AWAY FOR RECYCLING.**
- **MAKE YOUR OWN DECOR AND COSTUMES OUT OF RECYCLABLE MATERIALS - REUSING MATERIALS IS ALWAYS PREFERABLE TO BUYING NEW ONES REGARDING SUSTAINABILITY!**
- **LED THE WAY - USE SOLAR PANEL LIGHTS TO LIGHT UP THE PATH TOWARD YOUR HAUNTED MANSION!**



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

August 29, 2024

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, August 29, 2024, from the Hoopes 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.M. Ellis, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., M.A. Przybylski, J. Schlum, S. Stilgenbauer, and M. Westerhausen.

CUP Members absent at roll call were C.S. Clark, R.D. Coleman, and B.F. Powell.

Also present were Vice President C.J. Dobson; Board Liaison P.E. Rovey; Council Chairman J.R. Shelton; Council Liaison J.L. Miller; Council Members E.L. Gorsegner and C. Resch-Geretti; Mmes. I.R. Avalos, M.J. Burger, H.B. Cruz, M.K. Greene, L.F. Hobaica, V.P. Kisicki, S.C. McCoy, K.T. Moran, K.A. Munroe, and C.M. Sifuentes; and Messrs. T. Cooper, A. Crank, B. Davis, J.M. Felty, B.J. Koch, K.J. Lee, M.J. O'Connor, J.M. Pratt, B.G. Shoemaker, R.R. Taylor, and J.C. Tucker.

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, August 27, 2024.

Vice Chair A.J. Washington called the meeting to order.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding heat stress prevention.

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.

Sustainability Minute

Using a PowerPoint presentation, Kathleen A. Munroe, SRP Senior Principal Project Origination Consultant, provided a sustainability minute regarding sustainable wardrobe.

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.

Approval of Minutes

On a motion duly made by CUP Member S. Stilgenbauer and seconded by CUP Member M. Westerhausen, the CUP approved the minutes for the meeting of May 2, 2024, as presented.

Corporate Secretary J.M. Felty polled the CUP Members on CUP Member S. Stilgenbauer's motion to approve the minutes for the meeting of May 2, 2024. The vote was recorded as follows:

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

President's Office Update

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

Board Member S.D. Kennedy; and Ms. A.N. Bond-Simpson entered the meeting during the update.

Proposed Fuel and Purchase Power Adjustment Mechanism (FPPAM) Rate Increase

Using a PowerPoint presentation, Brandon G. Shoemaker, SRP Director of Corporate Pricing, stated that the purpose of the presentation was to provide information regarding the FPPAM rate increase proposed to SRP's Board of Directors.

Mr. B.G. Shoemaker provided an overview of the FPPAM and the responsibilities of SRP's Management and its Board with respect to the FPPAM. He explained that the FPPAM allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price outside of the formal pricing process with the intention of typically recovering the appropriate costs in a timely manner.

Mr. B.G. Shoemaker provided an overview of the FPPAM's collection balance mechanics; recent balance history from Fiscal Year 2021 (FY21) through FY25; historical pricing action from FY01 through FY24; prices versus expenses from FY10 through FY24 comparison; projected balance under current prices for FY25 and FY26; and Financial Plan 2025 (FP25) pricing assumptions. He detailed the considerations

contributing to the recommendation, collection projections through FY27, and collection balance recovery options.

Mr. B.G. Shoemaker provided a breakdown of the recommended FPPAM adjustment impacts to the average annual bill for different customer classes during summer/summer peak and winter months. He compared the financial impacts with and without the FPPAM adjustment.

Mr. B.G. Shoemaker summarized the Finance and Budget Committee's recommendation to the Board as follows: approve increasing the FPPAM prices by \$0.0070 per Kilowatt-hour (kWh) in the winter months (November-April) and \$0.0025 per kWh in the summer and summer peak months (May-October) across all customer classes for an overall average annual bill impact of 3.9%, effective with the November 2024 billing cycle. He concluded with a discussion of next steps.

Mr. B.G. Shoemaker 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.

Vice President C.J. Dobson left the meeting during the presentation.

SRP's Coal Communities Transition (CCT) Effort

Using a PowerPoint presentation, Buchanan Davis, SRP Director of Local Government Affairs, stated that the purpose of the presentation was to provide information regarding economic studies, power generation technology, and other efforts by SRP and the local communities.

Mr. B. Davis defined the CCT team mission as follows: "Support the communities impacted by Apache County coal plant closures as they develop sustainable and strategic economies." He explained that to achieve this goal the CCT team will conduct economic development studies; study the potential for the reuse of coal plant sites; and assist the communities in the development and implementation of strategies to diversify their economies.

Mr. B. Davis said that the CCT is comprised of the following four phases: studies and assessments; economic development strategies; implementation of economic development strategies; and post closure support. He highlighted that the CCT team has met with the communities impacted by coal plant closures, and the following six critical needs for diverse and strategic economies were identified: 1) broadband, 2) transportation infrastructure; 3) workforce development; 4) housing; 5) commercially viable sites; and 6) community beautification.

Mr. B. Davis discussed the goals, progress, and next steps of the economic development for Apache County and surrounding communities. He provided the

following overview of the Apache County Action Plan: 1) Pillar 1 – Infrastructure Development and Investment Readiness; 2) Pillar 2 – Entrepreneurship and Business Support; and 3) Pillar 3 – Industry Attraction and Development. Mr. B. Davis highlighted that these three pillars will focus on the following themes: marketing materials and tools; planning and development; community engagement; and collaboration, partnership, and advocacy. He detailed the cycle of utilities grants relating to project awards that align with Pillar 1. Mr. B. Davis concluded with a discussion of funding initiatives. He introduced Kathleen A. Munroe, SRP Senior Principal Project Origination Consultant.

Next, Ms. K.A. Munroe provided information regarding the Coronado Generating Station (CGS) repurposing studies. She explained that studies such as those done by the Arizona State University (ASU) Seidman Research Institute, Economic Impact of Coal Closure, and the Rounds Consulting Group on the impact of broadband were instrumental in securing a grant for broadband expansion. Ms. K.A. Munroe noted that the Kiewit Study and the Gateway for Accelerated Innovation in Nuclear (GAIN) studies (a U.S. Department of Energy initiative) focused on opportunities for repurposing the existing generating stations.

Ms. K.A. Munroe explained that the Kiewit study identified, screened, and evaluated all low to no-carbon technologies except for nuclear. She said that the primary objective of GAIN study process was to assess the feasibility of transitioning from coal to nuclear; and that based on the positive findings from the initial siting evaluation, SRP may want to consider nuclear as a viable replacement technology at CGS.

Ms. K.A. Munroe highlighted that the learnings can be applied to other coal units within commuting distance from CGS. She concluded with a discussion regarding the combined study results and key takeaways.

Ms. K.A. Munroe and Mr. B. Davis 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.

Messrs. M.J. O'Connor, B.G. Shoemaker, and J.C. Tucker left the meeting during the presentation.

CUP Member Update

CUP Vice Chair A.J. Washington presented an update.

CUP Members M.T. Hutchinson, Chair; and J.A. Graham; and Board Member S.D. Kennedy left the meeting.

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

Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of local topics, current peak loads, and provided a water update.

Future Agenda Topics

CUP Vice Chair A.J. Washington 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 11:16 a.m.

John M. Felty
Corporate Secretary

An aerial photograph of a large concrete dam situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock. A river flows through the center of the canyon, and the dam spans across it. The sky is clear and blue. The text is overlaid on the upper portion of the image.

Informational Briefing on Economic Development Activity in the East Valley

Customer Utility Panel

Karla Moran | October 31, 2024

SRP Economic Development Team



Karla Moran

- Economic Development Manager
- Phone: (602) 236-2396
- E-mail: Karla.Moran@srpnet.com



Marc Valenzuela

- Sr. Economic Development Project Manager
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- E-mail: Marc.Valenzuela@srpnet.com



Natalia Cuneo

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Erica Roelfs

- Sr. Economic Development Project Manager
- Phone: (602) 236-2567
- E-mail: Erica.Roelfs@srpnet.com



Matthew Laudone

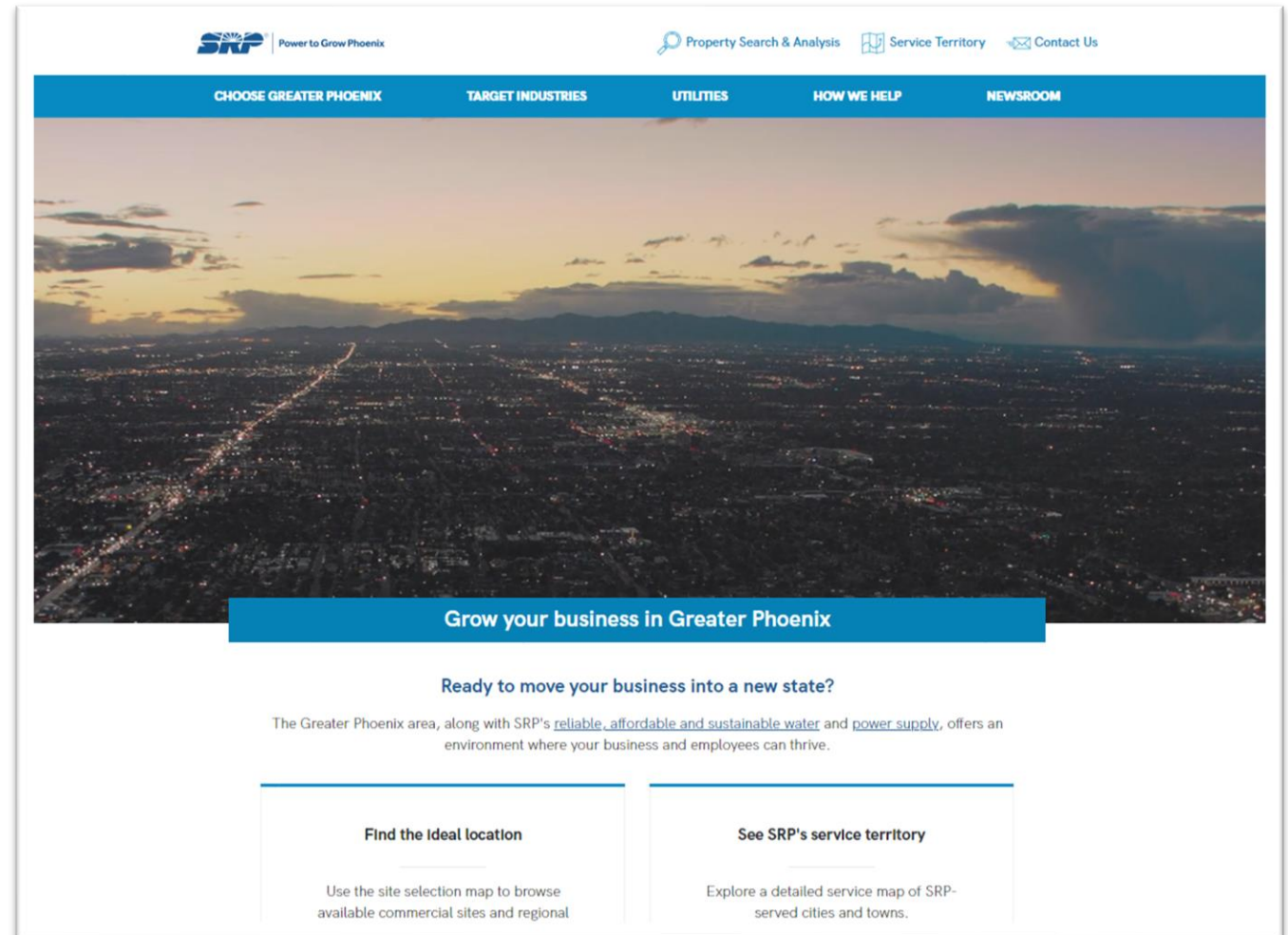
- Sr. Economic Development Project Manager
- Phone: (602) 236-5131
- E-mail: matthew.laudone@srpnet.com

SRP Economic Development

Purpose: SRP Economic Development is a service to support sustainable economic prosperity in the Valley and in partner communities.

Vision: Measurable, best-in-class utility economic development activity benefits SRP communities and all SRP customers.

Launched in August 2024:
Updated economic development website
PowertoGrowPHX.com



SRP Economic Development Initiatives

- Business Attraction

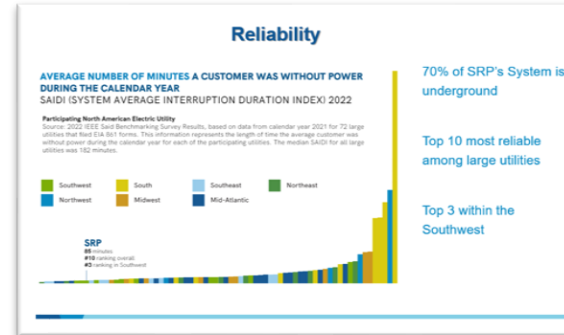
- Attract new businesses to the region by promoting the area's economic and infrastructure advantages. Work with partners to refine project power requirements ensuring appropriately sized infrastructure access.

- Business Retention & Expansion

- Engage with local municipal efforts to retain and expand local business. Develop programing to set up partner teams for success when engaging with existing business.

- Community Development

- Develop and maintain strong working relationships with community leaders as it relates to proactive strategy in economic development. Implement initiatives and support programs to enhance community competitiveness for economic development projects.



Rebates for Business

Explore the rebates SRP offers to commercial and industrial customers for energy-saving improvements.

Save with SRP business rebates

We're here to help you find ways to use energy smarter that can have a positive impact on your bottom line. That's why we offer rebates for energy-efficient upgrades for all types and sizes of businesses — so you can make facility improvements, including industry-specific projects, that will save your business energy and money.

See available rebates and find out how to cash in.

- Standard energy efficiency rebates
- Custom energy efficiency business

APACHE JUNCTION COMMERCIAL REAL ESTATE BREAKFAST

Thursday, Oct. 3, 7:30-9:15 a.m. | Multi-Generational Center, Multi-Purpose Room, 1035 N. Idaho Rd., Apache Junction

Come join SRP and City of Apache Junction representatives for breakfast to learn about the amazing amount of growth in Apache Junction. Throughout the event, attendees will be able to network with other commercial real estate professionals and learn about several development sites across the area. Best of all: The City of Apache Junction acquired a 10-acre property located in the downtown district in an established Opportunity Zone that will be coming up for sale in the near future.

Thursday, Oct. 3, 2024
7:30-9:15 a.m.

Multi-Generational Center, Multi-Purpose Room

1035 N. Idaho Rd., Apache Junction

To register, click on the registration link below. **Please RSVP by Friday, Sept. 20.**

AGENDA:

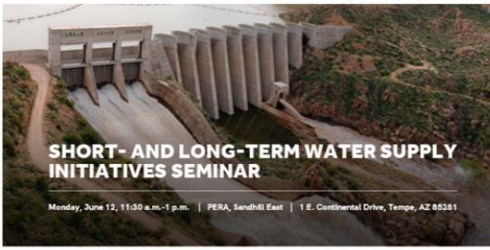
- 7:30-8:15 a.m. Registration/Check-in, Breakfast and Networking
- 8:15-8:45 a.m. Presentation
- 8:45-9:15 a.m. Networking

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2021250 08/24

SRP Economic Development Initiatives

- Entrepreneurship
 - Support local startups and foster an ecosystem to create, scale and retain new innovative business. Engage with entrepreneurial programs to support small business growth statewide.
- Marketing
 - Educate internal and external stakeholders, municipal partners, and business community on evolving power requirements and impacts to the power system.
 - Develop programming for partners on current water supply, and challenges and opportunities in water management.
- Site Development
 - Engage with community partners to identify, study, and market strategic sites within the region. This includes preliminary environmental work, power studies, and marketing material development.



SHORT- AND LONG-TERM WATER SUPPLY INITIATIVES SEMINAR

Monday, June 12, 11:30 a.m.-1 p.m. | PERA, Sandhill East | 1 E. Continental Drive, Tempe, AZ 85281

Please join SRP's Economic Development team for this upcoming seminar.


Careful planning and investment have produced a reliable and well-managed water supply, but further investment is necessary to support future growth. The goal of this seminar is to provide an overview of short- and long-term solutions for the water challenges in our region. Short-term solutions will focus on water conservation measures and recovering underground water that has been tapped to address events of declared shortage on the Colorado River. Long-term solutions could include desalination projects and other water supply augmentation initiatives.


To register, click on the registration link below. **Please RSVP by May 29.**

Monday, June 12, 11:30 a.m.-1 p.m.	PERA, Sandhill East	1 E. Continental Drive, Tempe, AZ 85281
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AGENDA

11:30-11:40 a.m.	Registration/Check-in
11:40-11:45 a.m.	Introduction
11:45 a.m.-Noon	Water Conservation Measures
Noon-12:15 p.m.	Lunch
12:15-12:40 p.m.	Overview of Water Infrastructure Finance Authority of Arizona
12:40-1 p.m.	SRP Water Supply Projects Updates

 Delivering water and power*



SRP'S INTEGRATED SYSTEM PLAN OVERVIEW SEMINAR

Thursday, June 13 | 11:30 a.m.-2 p.m. | PERA, Sandhill West, 1 E. Continental Drive, Tempe, AZ 85281

Please join SRP's Economic Development team for this upcoming seminar.

Power and water are key to the future growth of Greater Phoenix. SRP's mission is to provide reliable, affordable and sustainable water and energy to our more than 2 million customers across central Arizona. To ensure that SRP continues to carry out this mission, as we have for more than a century, we regularly perform long-term power and water planning to anticipate and meet future needs. We recently completed our Integrated System Plan (ISP), an industry-leading, multidisciplinary effort to identify strategies to help guide our power system planning through 2035. We are among the first utilities in the country to take this systematic approach to planning. Attendees will be provided with an overview of SRP's ISP and our plans for future system growth.

Thursday, June 13, 11:30 a.m.-1 p.m.	PERA, Sandhill West	1 E. Continental Drive, Tempe, AZ 85281
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To register, click on the registration link below. **Please RSVP by May 30.**

AGENDA:

11:30-11:35 a.m.	Registration/Check-in
11:35 a.m.-noon	Lunch
Noon-12:50 p.m.	Overview of SRP's Integrated System Plan
12:50-1 p.m.	Q&A

 Delivering water and power*

[RSVP TODAY](#)




Site Development

Let our team of experts help you develop your land into a profitable industrial site.

Land and site development services

Do you have an empty building or unused parcel of land you think might make an appealing industrial site? We have a team of professionals dedicated to identifying existing and/or developing new industrial sites.

To get started, [Contact Us](#).



Community Development Programs

- Mock Prospect Visit Program
- Sustainable Cities Program
- Strategic Planning Assistance Program
- Economic Development Scholarship Program
- Site Visit Assistance
- Growth Plan Engagement
- Seminar Series for Municipal Partners



Three Valley Cities Honored by SRP Sustainable Cities Program

May 03, 2023

Salt River Project has recognized Mesa, Phoenix, and Chandler for their commitment to sustainable environmental policies and goals.

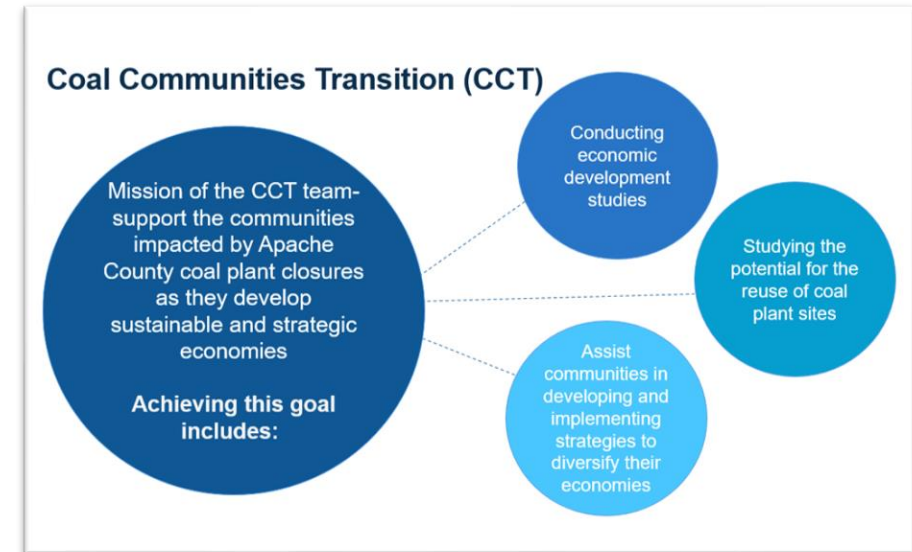
The pilot program, which is managed by Boyette Strategic Advisors (Boyette) and the SRP, provides a structure to assist cities in understanding and implementing efforts in the area of sustainability to ensure long-term success.

The cities worked with Boyette and SRP to develop a sustainable growth plan.



Coal Community Transition Support

- Economic Development supports SRP's Coal Community Transition strategy in Apache County, with concentrated efforts in St. Johns, Eagar and Springerville.
- Focus on entrepreneurship and business support, industry attraction, site development and tourism.
- Recent successes include:
 - Apache County Moonshot entrepreneurship competition in June with 5 participants.
 - Development of a Tourism Taskforce in June.
 - Upcoming Business Series through SBDC for small business owners in Sept.



Team Recognitions

Site Selection Magazine - Top Utilities in Economic Development


- 2024 (announced this Sept.), 2023, 2022, 2021, 2020

Consultant Connect - Top 50 Economic Developers

- Karla Moran (2021, 2019)
- Marc Valenzuela (2024)

AAED's Large Organization of the Year

- 2022, 2017



Marc Valenzuela named a Top 50 Economic Developer

Consultant Connect recently named **Marc Valenzuela**, Senior Economic Development Analyst, Customer Strategy, one of North America's Top 50 Economic Developers. The economic development professionals selected for this list were nominated for excellent practices, innovation and success in building the communities they serve.

Consultant Connect is a consulting agency designed to bridge the gap between economic developers and site consultants. Read the full announcement [here](#).



State, Regional & Local Partners

State Economic Development Partners

- Arizona Commerce Authority (ACA)
- Arizona Association for Economic Development (AAED)
- Workforce Arizona Council



Regional Partners

- Greater Phoenix Economic Council (GPEC)
- East Valley Partnership
- WESTMARC
- Pinal Partnership



Municipal & Local Economic Development Partners

- Apache Junction, Avondale, Chandler, Fountain Hills, Gilbert, Glendale, Guadalupe, Mesa, Peoria, Phoenix, Phoenix-Mesa Gateway Airport, Pinal County, Queen Creek, Scottsdale, Tempe, Tolleson



Industry Involvement

State/Regional Industry Organizations

- Phoenix Aero Club
- Arizona Technology Council
- AZ Bio
- Arizona SEMI Chapter
- Phoenix Sister Cities
- Phoenix Convention Visitors Bureau



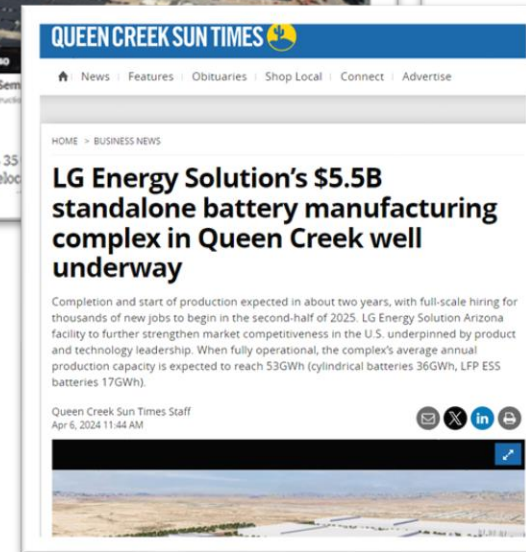
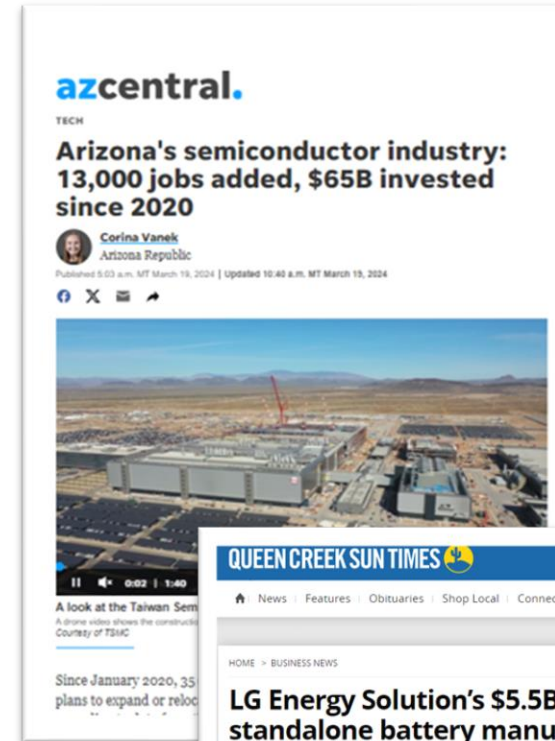
National & State Real Estate Organizations

- CoreNet Global – Arizona Chapter
- Industrial Asset Management Council

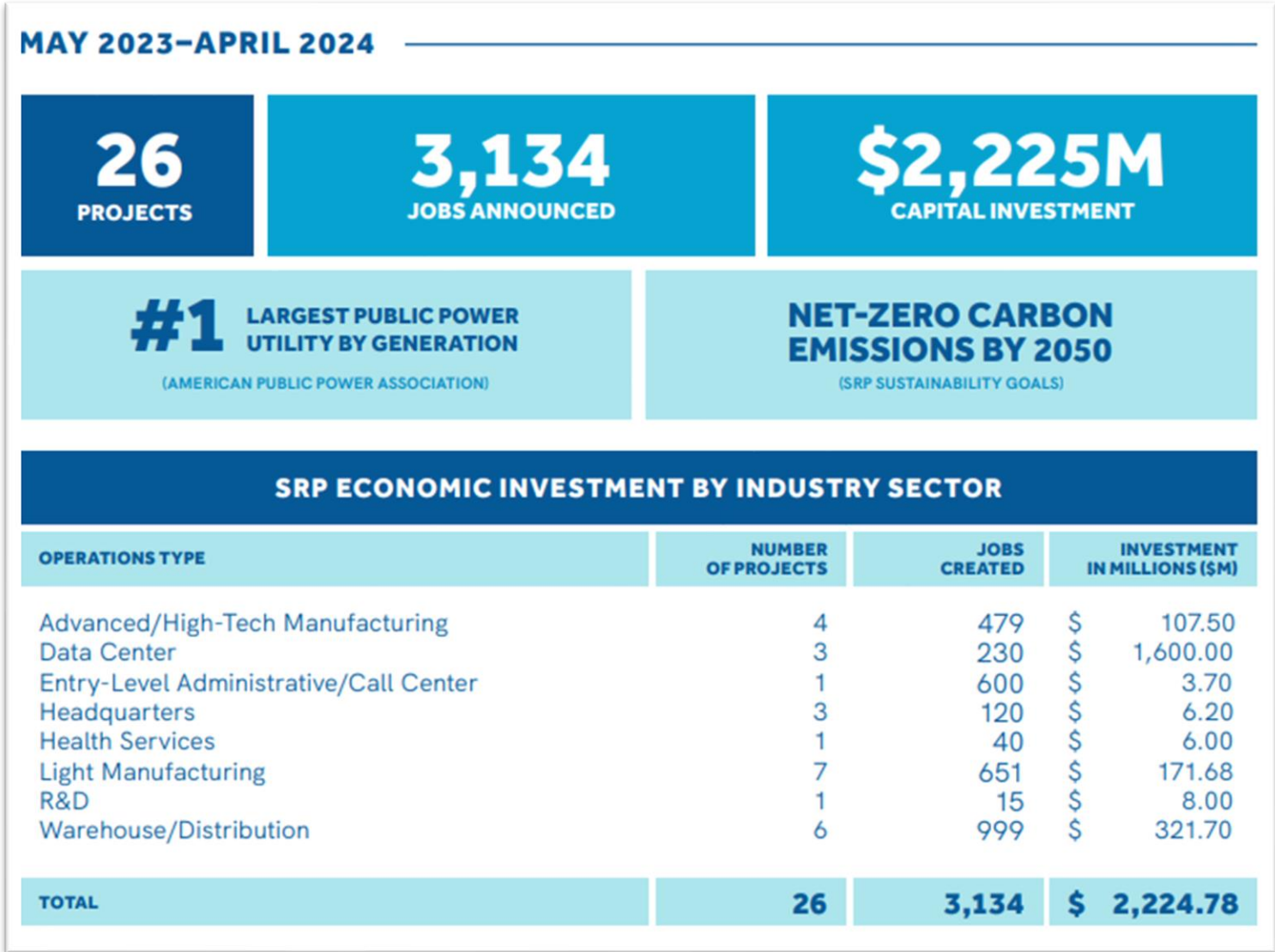


Strategic Economic Development Target Areas

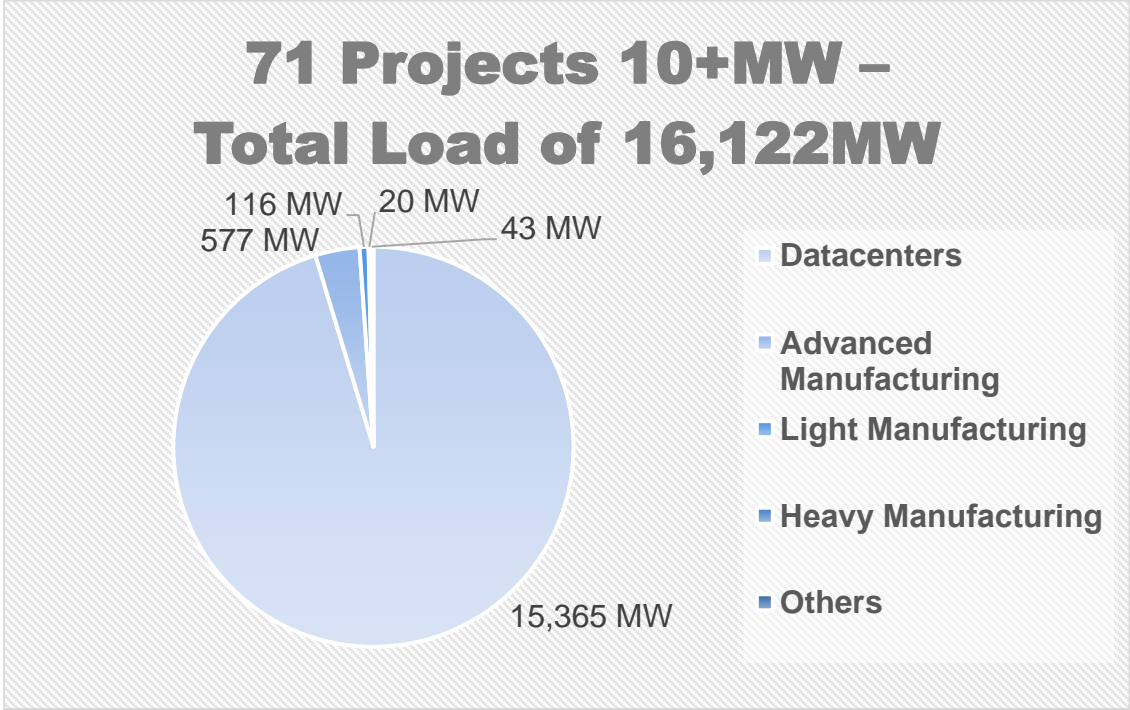
- Advanced Manufacturing
 - Semiconductors and Electronics
- Aerospace/Aviation
- Business Services/Information Technologies
- Energy Technologies
 - Batteries
 - Electric Vehicles
- Bioscience & Healthcare



Fiscal Year 2024 Results



Pipeline Companies with Utility Impacts



11 manufacturing projects, 500+ jobs = total load of 268 MW

Business Attraction Objective Progress

YTD Jobs and CapX Status



NEW JOBS

FY25 Goal: 5,300
 YTD Status: 2,204



CAPITAL INVESTMENT

FY25 Goal: \$1,200 million
 YTD Status: \$123 million

Projects in Pipeline

SRP Economic Development Pipeline	
# of Active Projects:	100
# of Jobs (potential):	26,687
Investment (potential):	\$20,123 Million
Load (potential):	14,845 MW
Accounted ED Load in SRP Load Forecast	
7,082 MW	
Projects by Operation Type:	
• Advanced Administrative/Back Office:	0
• Advanced/High Tech Manufacturing:	19
• Data Center:	54
• Heavy Manufacturing:	3
• Light Manufacturing:	20
• Other:	1
• R&D:	1
• Warehouse/Distribution:	2

Data Center Projects Update

Major Drivers for the Phoenix Markets

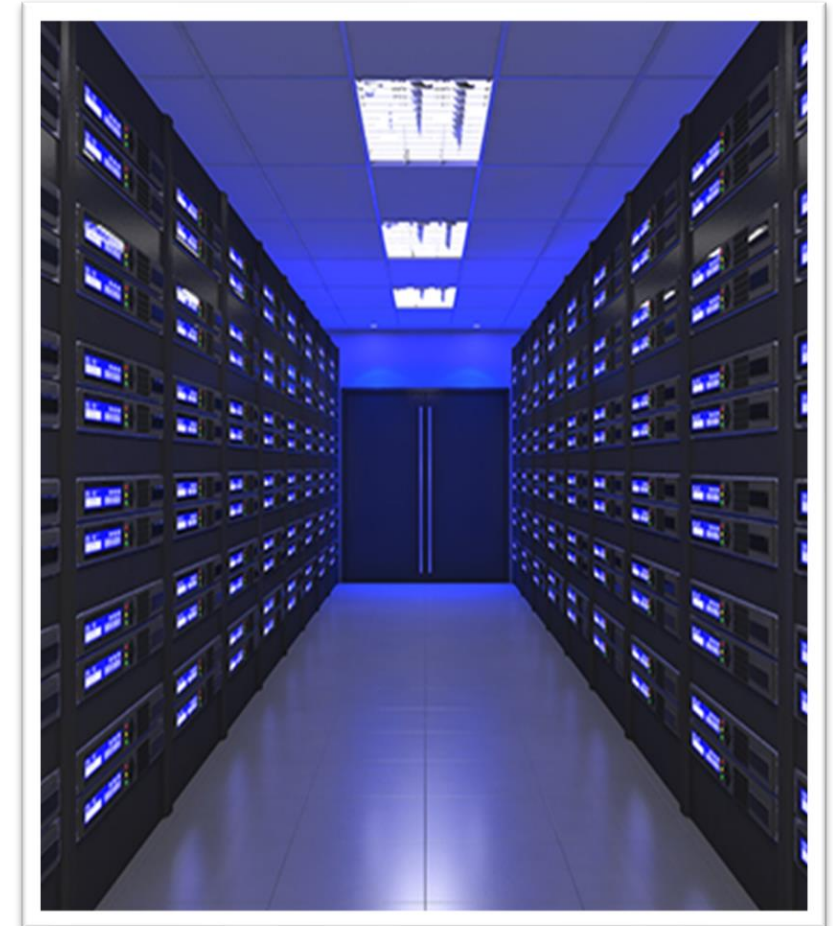
Connectivity/Proximity to other Data Center (Clusters)

Arizona Commerce Authority Incentives

- Computer Data Center Program
- Transaction Privilege Tax (TPT) and Use Tax exemptions at the state, county and local levels,

International Operations Center Program

- Invest \$1.2B in Facility
- \$100M in a Renewable Energy Facilities
- Exempt from Utility Sales Tax (State/County) 5.6%



Power Service Levels & Requirements

Standard Service

Projects with power demand > 5.7 MW

- Typically served by shared circuits if there is available power capacity.

Projects Require:

- Potential new or upgraded equipment, or nearby infrastructure work.

Customer Responsible for:

- Cost of any necessary equipment or infrastructure work (e.g., additional transformers, etc.)

Enhanced Service

Projects with power demand 5.7 MW - 10 MW

- Served by two dedicated distribution-level power circuits extended to the site.
- The ultimate power load is dependent on power study work.

Projects Require:

- Trenching & conduit to the nearest distribution substation with capacity.
- If required, a new bay may be added to nearest substation with capacity.

Customer Responsible for:

- Applied monthly facilities charge
- Cost of line extension to site, substation expansion (If required)
- Trenching and conduit
- Easements, permitting and acquisition

Dedicated Substation

Projects with power demand 10 MW - 149 MW

- Dedicated substation served by the 69kV transmission system.

Projects with power demand ≥ 149 MW

- Dedicated substation served by SRP's Bulk Electric System, transmission levels: 115 kV, 230 kV or 500 kV.

Projects Require:

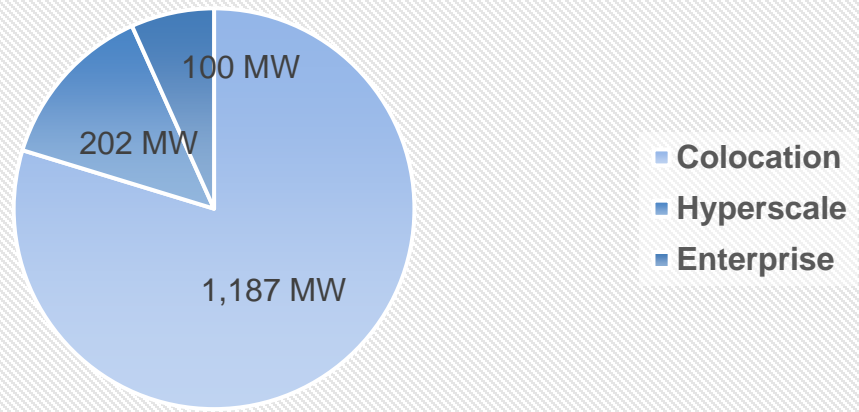
- Transmission analysis to review system impacts/capacity.
- Proximity to transmission lines (capacity not guaranteed).
- Substation constructed on site.
 - **Required footprint for 69kV substation:** ≥300 X 300 sq ft
 - **Required footprint for >115kV:** Size varies by equipment

Customer Responsible for:

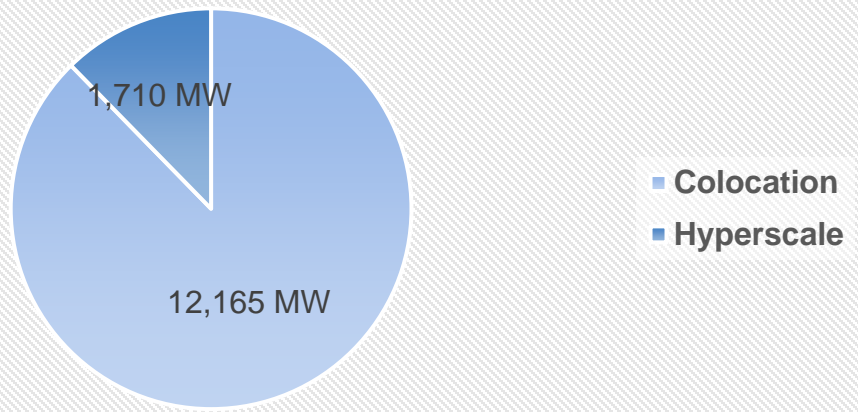
- **Cost of the dedicated substation.**
- **Transmission line extension to the site.**
- **Easement acquisition.**
 - **69kV line extension:** 30-ft. easement for each singular pole line or 80-ft. easement for double-pole installs to connection point.
 - **230kV line extension:** 100-ft. easement for each pole line to the connection point.

Pipeline Companies with Utility Impacts Data Centers at SRP

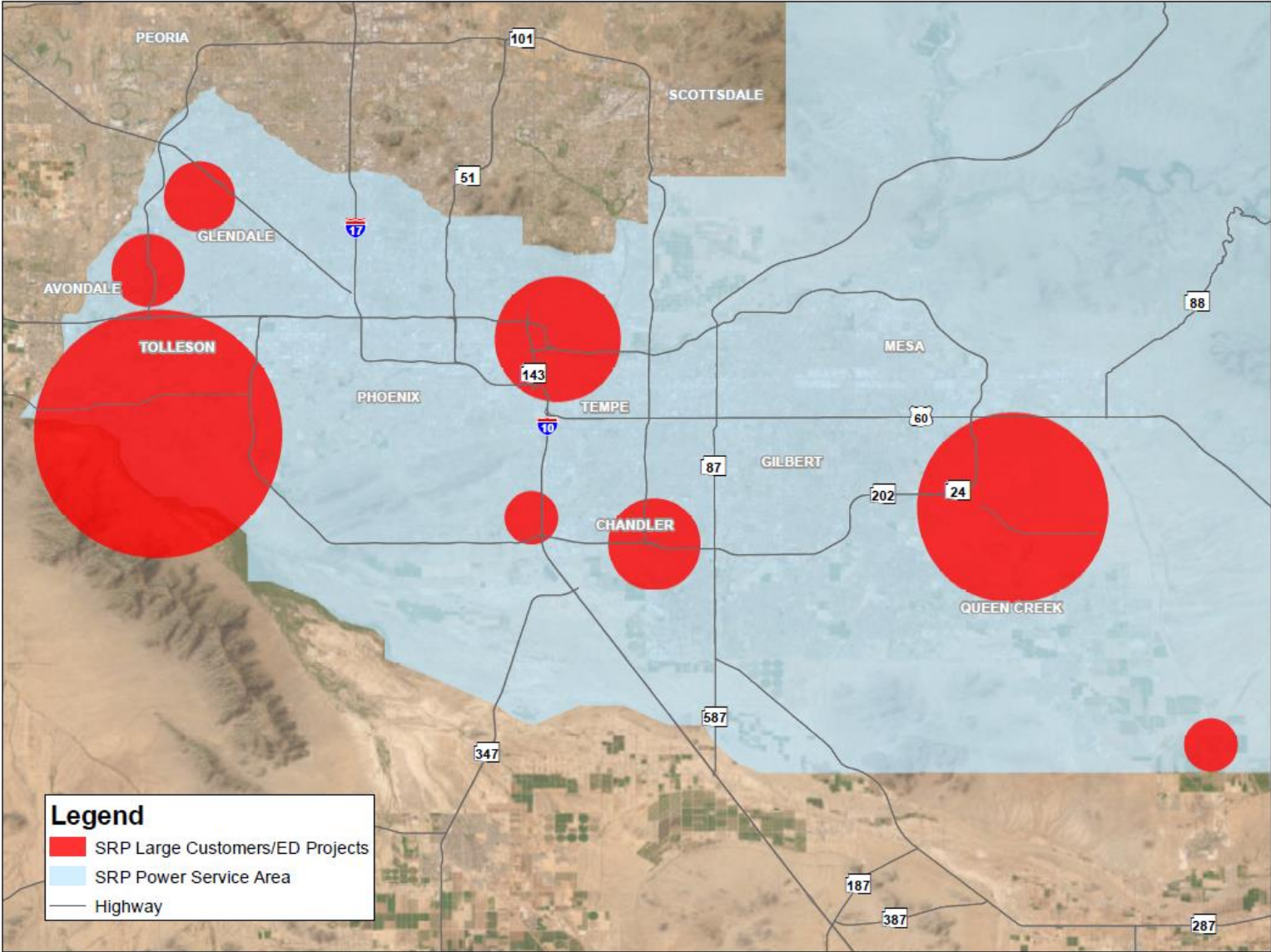
**21 Datacenters Projects
<150MW – Total Load of
1,489MW**



**37 Datacenters Projects
150+MW – Total Load of
13,875MW**



Large Power Projects in SRP Service Area



thank you!

Pricing presentation including a discussion of SRP's Purchased Power Adjustment Mechanism (FPPAM) process

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Update on Borrowing and Pricing at SRP

Financial Initiatives to Support SRP's Strategy

Costs to supply power, replace aging infrastructure, build new infrastructure to support customer growth, and implement new programs have increased and are forecasted to grow.

Board approved 3.9% increase to Fuel & Purchased Power Adjustment Mechanism (FPPAM) to recover appropriate energy costs.

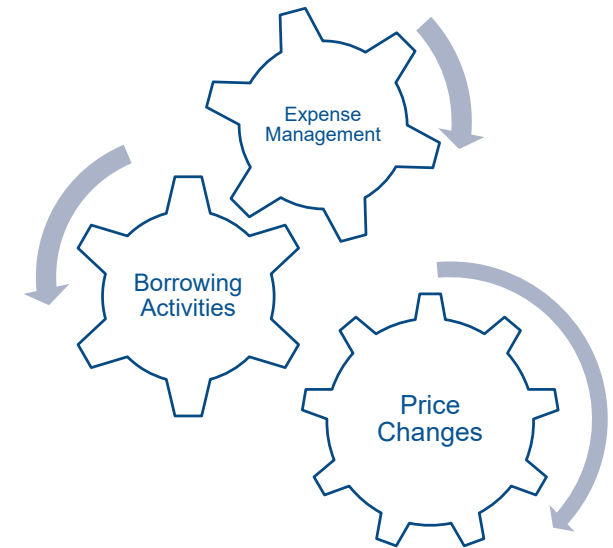
Board approved bond sale for \$791M in proceeds for SRP.

Upcoming Base Price Process

AA+ Aa1



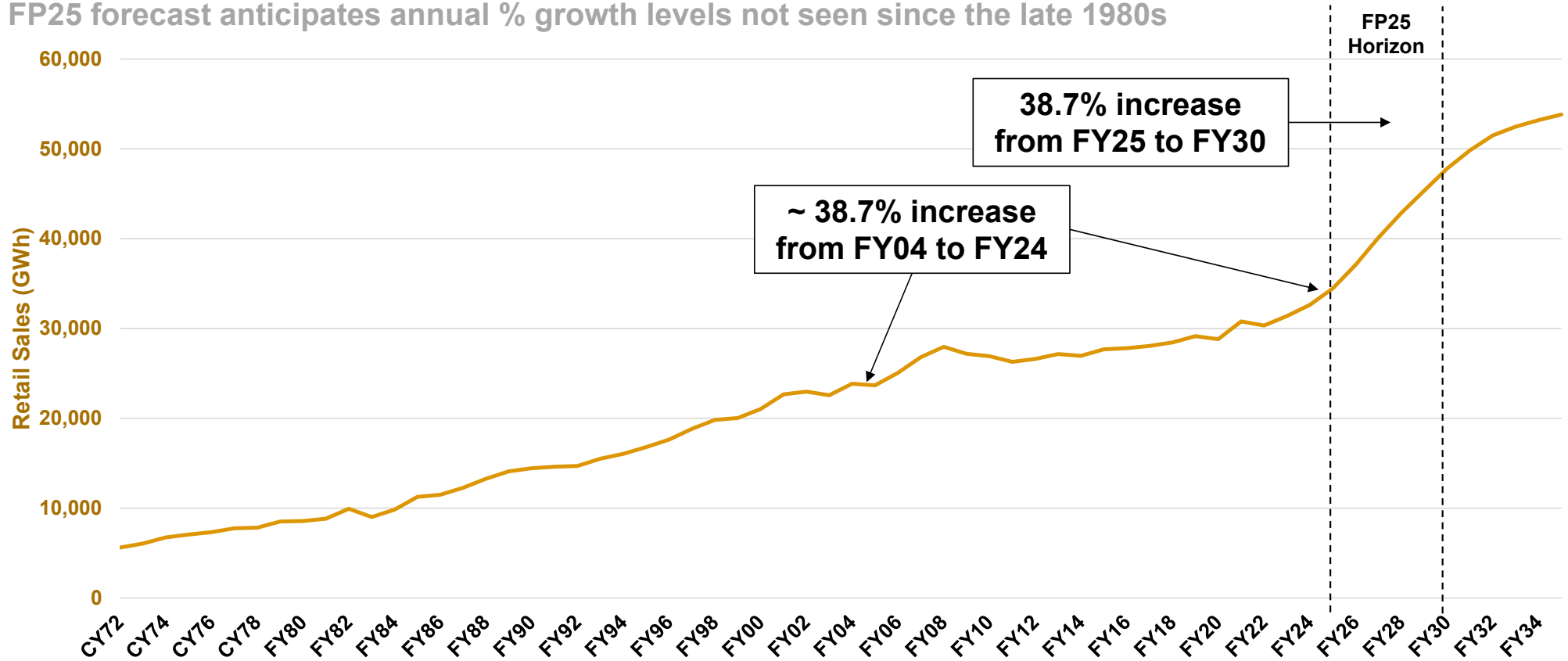
TBD



Current Financial Environment

Historical Retail Sales Plus FP25 Forecast

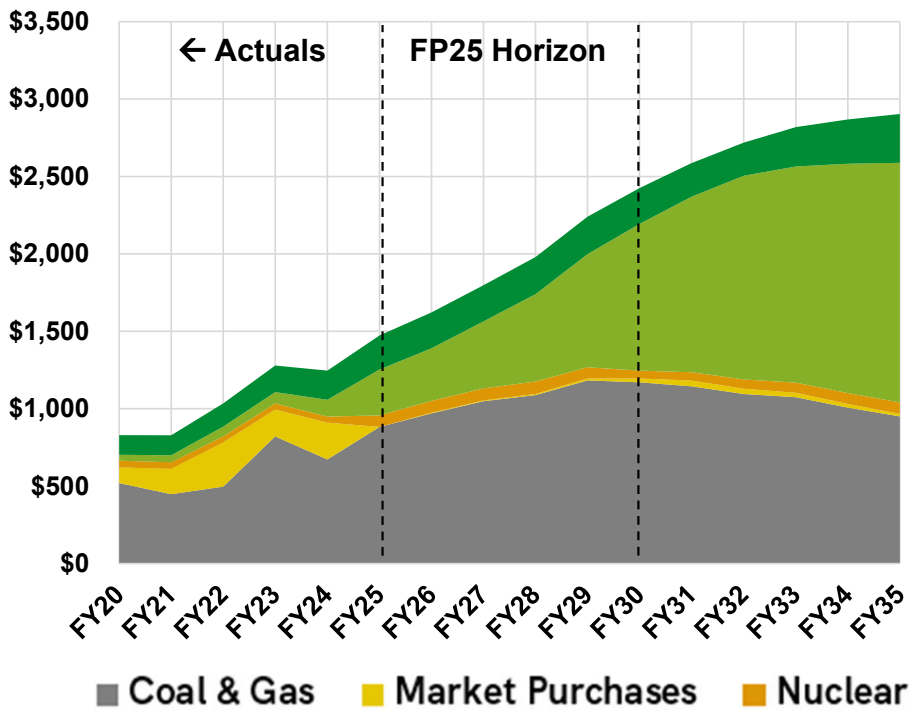
FP25 forecast anticipates annual % growth levels not seen since the late 1980s



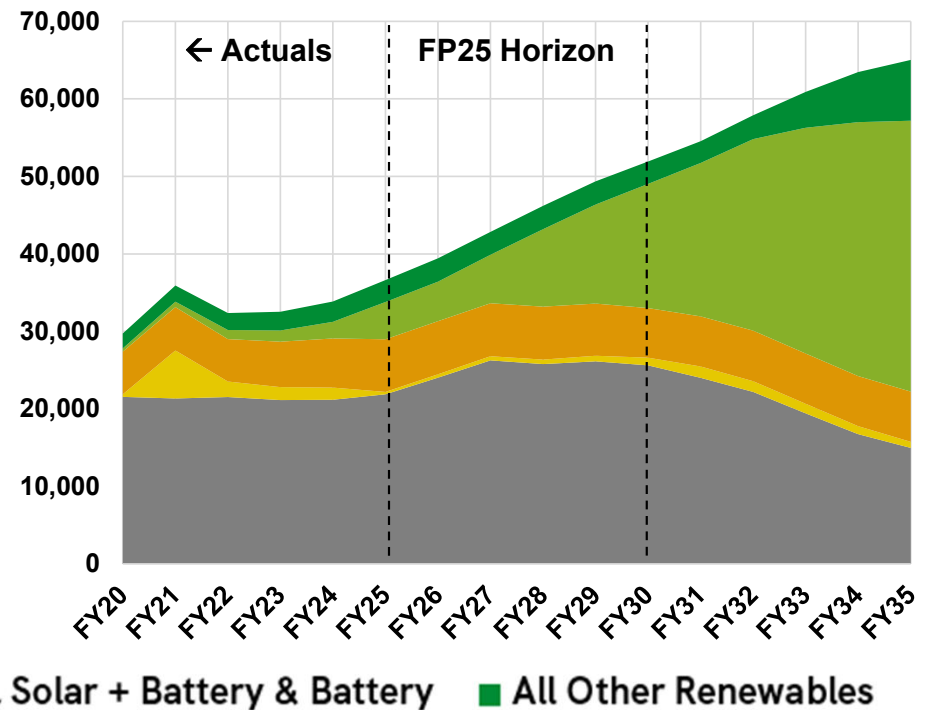
Retail Fuel & Purchased Power

Long-term load growth met from renewable & hydro production; thermal generation forecasted to decline

Actuals & FP25 (\$000)

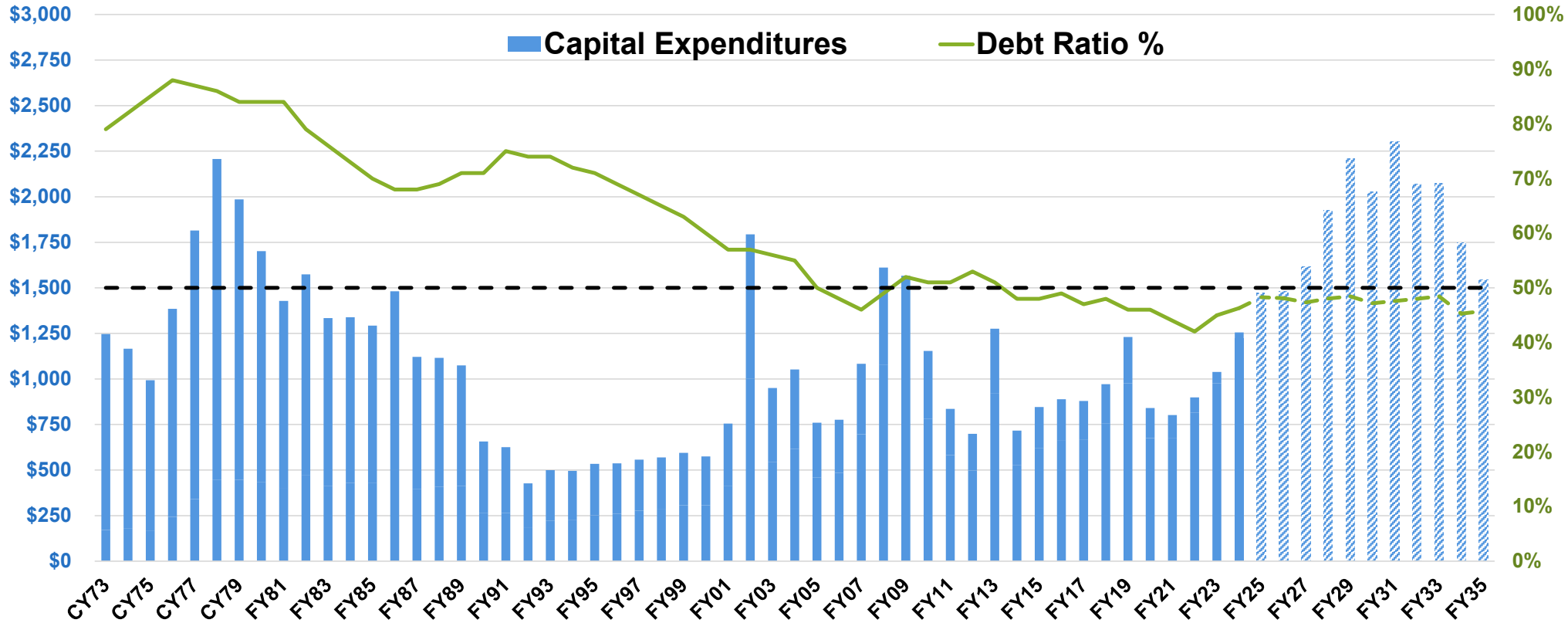


Actuals & FP25 (GWh)



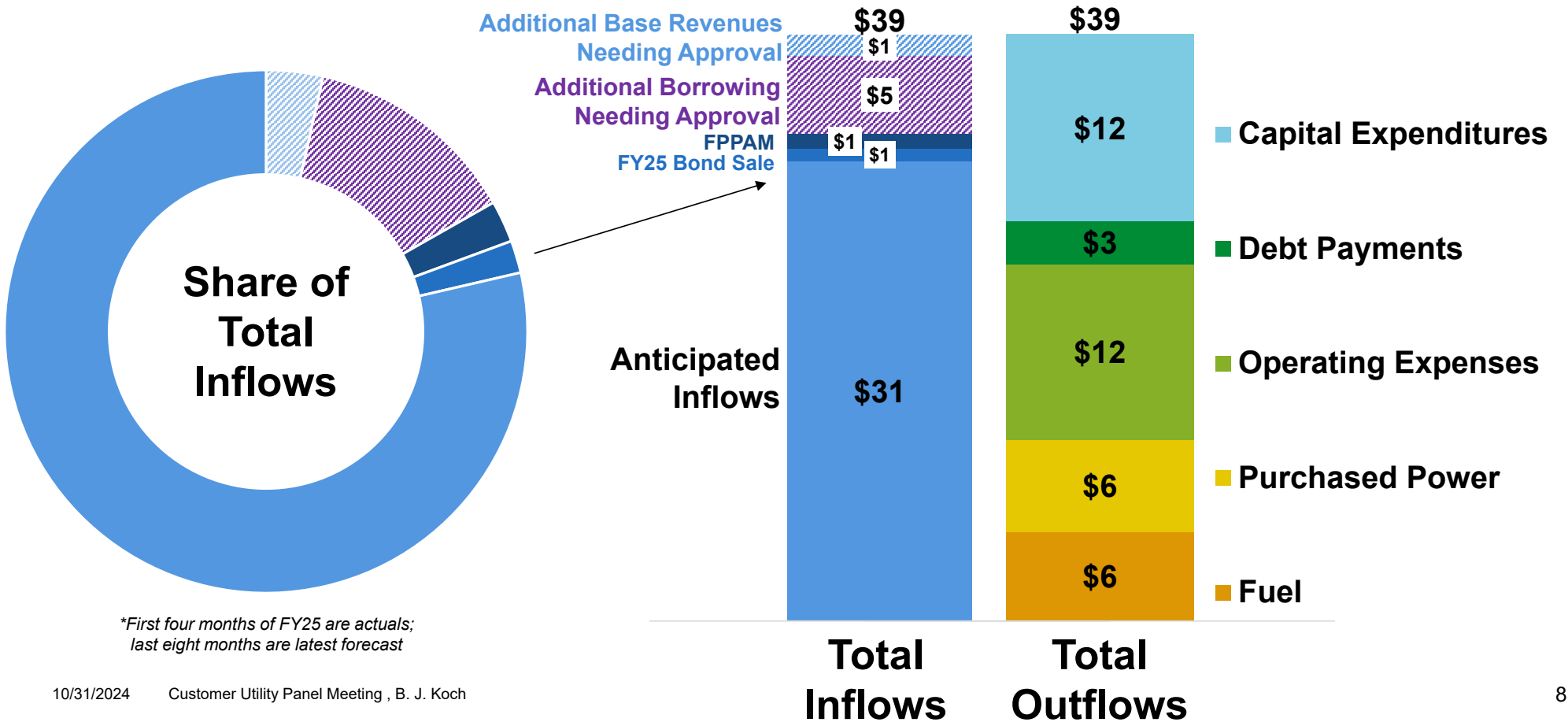
Capital Expenditures (Inflation Adjusted) & Debt Ratio

Projecting level of capital expenditures not seen since the 1970s when adjusted for inflation



Projected Cash Inflows and Outflows* (\$B)

To pay for latest financial estimates, there are still significant funds that need Board approval



Review of FPPAM Approval

Fuel & Purchased Power Adjustment Mechanism (FPPAM)

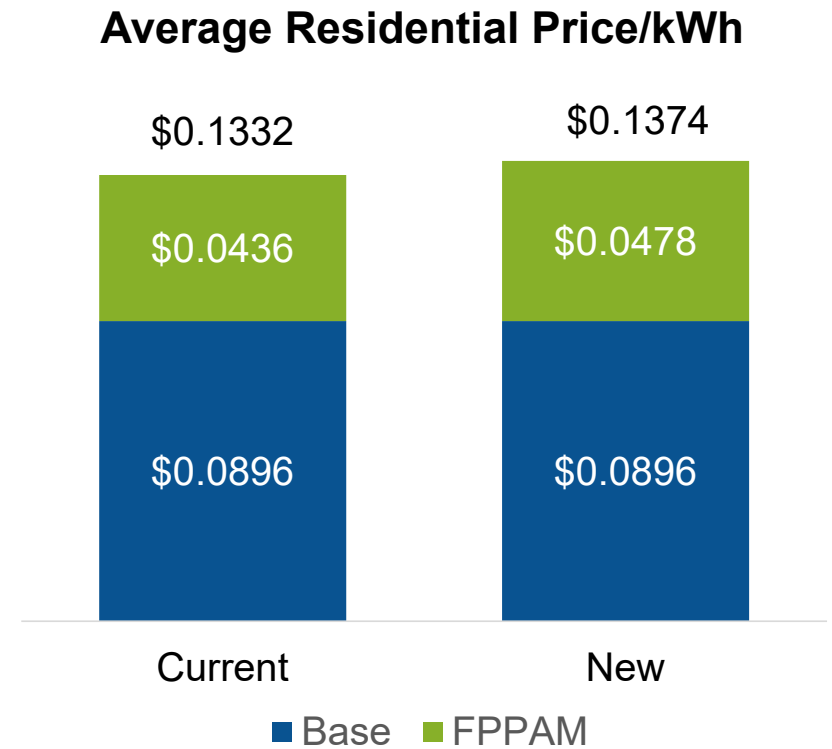
Mechanism allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price with the intention of recovering the appropriate costs over time (no more, no less)

Considerations Contributing to Recent Board Approval

- Address substantial, 3-year under-collection balance
- Maintain financial plan and budget metrics to reduce debt and borrowing costs
- Be responsive to credit rating agency concerns
- Keep SRP's prices among the lowest quartile in the region

Impact on Average Residential Customer Bill

- Average residential customer bill:
\$155.72/month
- Average bill increase:
\$4.93/month
- New average residential customer bill:
\$160.65/month



FPPAM Adjustment Impacts to Avg Annual Bill (Change from Current Prices)

	Summer/Summer Peak	Winter	Annual Bill Increase
Residential (E-10s/20s)	1.9%	5.6%	3.2%
General Service (E-30s)	2.3%	6.3%	3.8%
Large Industrial (E-60s)	2.7%	10.3%	5.6%
Pumping (E-40s)	2.1%	7.0%	4.0%
Lighting (E-50s)	1.2%	3.4%	2.3%
Total	2.2%	7.0%	3.9%

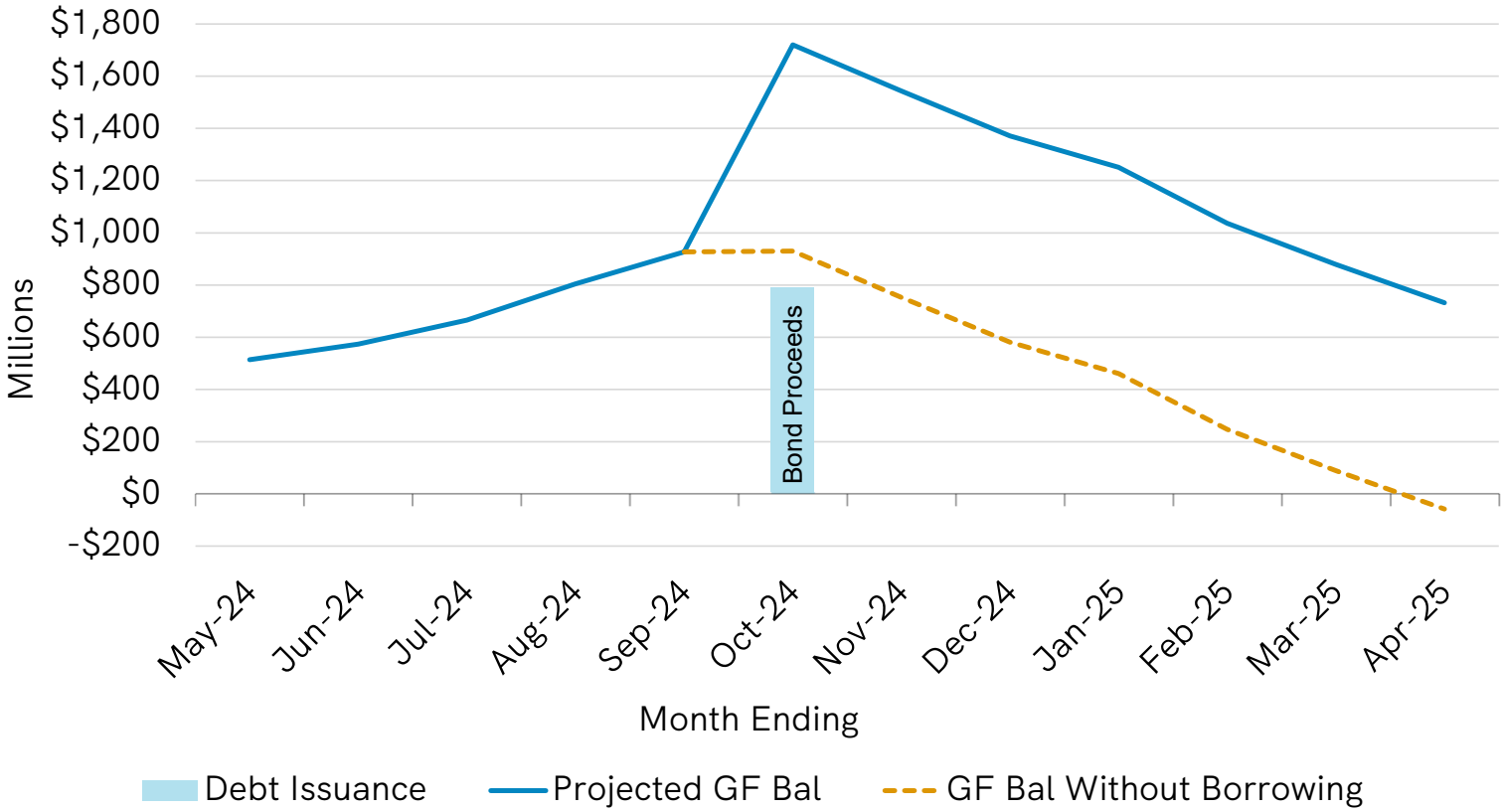


**Update with respect to the Arizona Corporation
Commission's authorization of SRP's issuance of
revenue bonds and recent bond sale**

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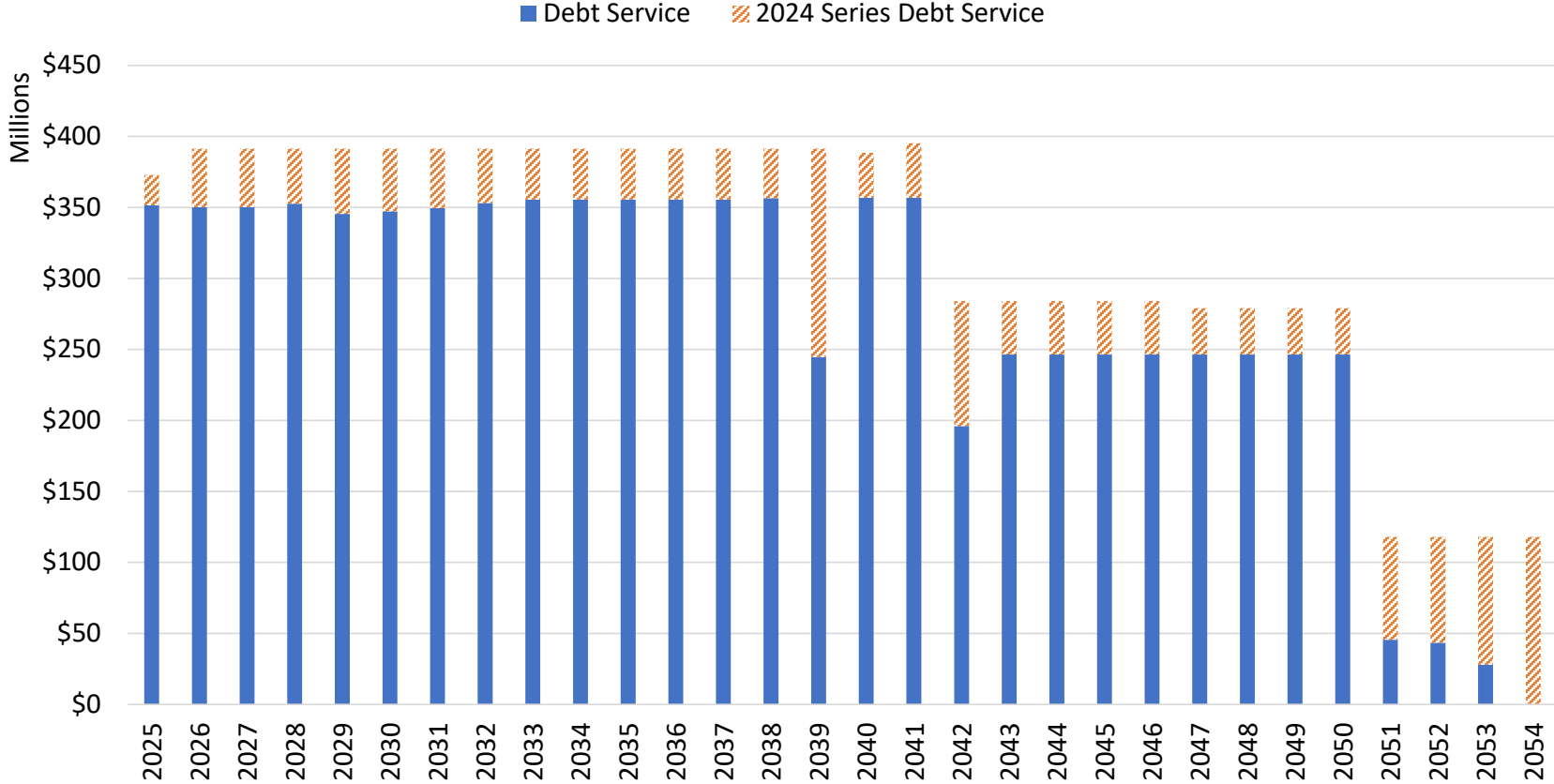
Bond Issuance Helps Achieve Corporate Objective



Bond Sale: Approved Parameters and Final Execution

1	2	3	4	5	6
Par Value	True Interest Cost	Final Maturity	Redemption Price & Timing	Underwriter's Compensation	Pricing Execution
<ul style="list-style-type: none"> • Not to exceed \$800,000,000 in par value 	<ul style="list-style-type: none"> • Not to exceed 5.5% 	<ul style="list-style-type: none"> • Not greater than 40 years 	<ul style="list-style-type: none"> • Not to exceed 100% • Not later than 10 years from date of issuance 	<ul style="list-style-type: none"> • Not to exceed \$2.00 per \$1,000 of bonds issued 	<ul style="list-style-type: none"> • Execute final pricing within by 12/31/2024
\$700,000,000 ✓	4.13 % ✓	30 years ✓	100% 10 years ✓	\$1.80 per \$1,000 ✓	9/25/2024 ✓
----- Final Revenue Bond Sale Results -----					

Debt Service After 2024 Series Bond Sale



SRP's Credit Affirmed As Part Of Recent Bond Sale

S&P Ratings

AA+	<ul style="list-style-type: none"> • Salt River Project • Colorado Springs Utilities
AA	<ul style="list-style-type: none"> • NYPA • Omaha PPD • Orlando Utilities Comm. • SMUD • Seattle City Light • Tacoma Public Utilities
AA-	<ul style="list-style-type: none"> • Austin Energy • CPS Energy • LADWP • Nashville Electric
A+ and Below	<ul style="list-style-type: none"> • Clark County PUD (A+) • JEA (A+) • Nebraska PPD (A+) • American Municipal Power (A) • LIPA (A) • Santee Cooper (A-) • TEP (A-) • APS (BBB+)

Moody's Ratings

Aa1	<ul style="list-style-type: none"> • Salt River Project • Nashville Electric • NYPA
Aa2	<ul style="list-style-type: none"> • CPS Energy • Colorado Springs Utilities • Omaha PPD • Orlando Utilities Comm. • Seattle City Light • LADWP • SMUD
Aa3	<ul style="list-style-type: none"> • Tacoma Power • Austin Energy • Clark County PUD
A1 and Below	<ul style="list-style-type: none"> • JEA (A1) • Nebraska PPD (A1) • American Municipal Power (A1) • LIPA (A2) • Santee Cooper (A3) • TEP (A3) • APS (Baa1)

	S&P	Moody's
Investment Grade	AAA	Aaa
	AA+	Aa1
	AA	Aa2
	AA-	Aa3
	A+	A1
	A	A2
	A-	A3
	BBB+	Baa1
	BBB	Baa2
BBB-	Baa3	

Below BBB- & Baa3 are not investment grade

Ratings as of 9/18/2024



**Informational presentation and discussion
regarding a potential base price process**

Customer Utility Panel

Brian J. Koch | 10/31/2024

SRP Board Pricing Principles

These are the pricing principles the Board follows when making pricing decisions

Gradualism

Changes should be evolutionary, not revolutionary (avoid large price adjustments)

Cost Relation

Prices need to reflect the cost of service

Choice

Pricing options should be provided to help customers manage their energy costs

Equity

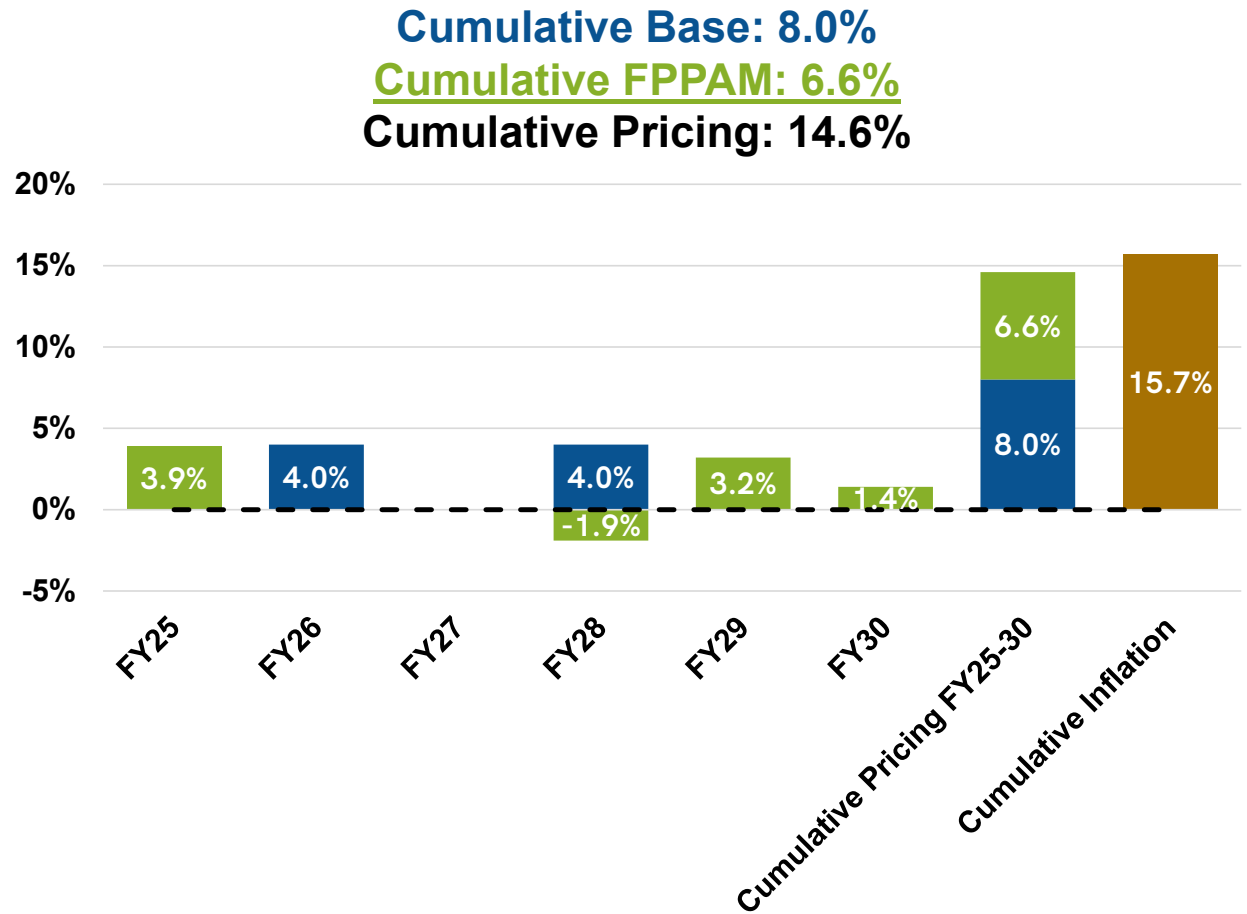
Customers should pay their share of the costs we incur on their behalf

Sufficiency

Prices need to maintain SRP's financial health

FP25 Pricing Assumptions

- Cumulative pricing action consistent with inflation



FY25 Financial Calendar – Key Dates

Final timing subject to financial performance, market conditions, & third-party preferences



FY 2025

- ✓ **Annual Year-End Financial Audit**
- ✓ **ACC Filing & Review for Bond Authorization**
- ✓ **Standard & Poor's (S&P) and Moody's Annual Reviews**
- ✓ **Customer/Stakeholder Feedback on Outlook, Goals & Customer Offerings**
 - ✓ **Fuel and Purchased Power Adjustment Mechanism (FPPAM) Process**
 - ✓ **Bond Issuance**
 - **Financial Plan 26 and Fiscal Year 26 Budget Process**
 - **Board/Council Work Study Session & CUP Meeting**
 - **Price Process**

Legend

- ✓ Completed
- In Progress
- Upcoming

Price Process Specifics: Initial Steps

Information Room kicks off public process; Open Houses allow public to make comments

Information Room

- Management proposes changes to prices in “price proposal”
- Public notice of meeting of Board on changes to standard electric rate schedules
- Information regarding the price proposal and public process at srpprices.com

Public Open Houses

- Two sessions to review comments and questions from the public
- Comments and questions can be submitted at srpprices.com

Price Process Specifics: Board Meetings

Board meetings commence after 60-day period for public review after Information Room opens

1st Board Meeting

- Described in A.R.S. sections 48-2334(D) and 30-802(B)(3)
- SRP management explains price proposal and can answer questions
- Board's consultant(s) can comment upon price proposal
- Interested persons can submit written comments and questions or make oral presentations of their views, questions, and comments

Conclusion

- Subsequent meetings to further review pricing proposal and respond to feedback
- Board will make its decision on price proposal following review of information and comments gathered under procedures set forth in public notice
- Concludes with final Board vote on pricing proposal

