

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

STRATEGIC PLANNING COMMITTEE

Thursday, May 9, 2024, 9:30 AM

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

Committee Members: Paul Rovey, Vice Chairman; and Kevin Johnson,
Kathy Mohr-Almeida, Krista O'Brien, Mark Pace, Larry Rovey, and Stephen Williams

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item VICE CHAIRMAN PAUL ROVEY

- Request for approval of the minutes for the meeting of February 8, 2024.

2. Key Strategic Planning Trends..... KAITLYN LIBBY

Informational presentation regarding the key strategic trends that will be considered and addressed in the Fiscal Year 2025 (FY25) six-year implementation plans for SRP's 2035 Corporate Goals.

3. Greenhouse Gas Inventory and Carbon Intensity Verification Results for FY23ANTHONY MIRABITO

Informational presentation regarding the results of SRP's third-party verified greenhouse gas inventory and carbon intensity verification for FY23.

4. SRP's Electric Vehicle (EV) Managed Charging Strategy..... KAITLYN LIBBY

Informational presentation regarding the results of SRP's process to develop a multi-year roadmap and implementation plan to shape and manage EV charging load.

5. Report on Current Events by the General Manager and Chief Executive Officer or DesigneesJIM PRATT

6. Future Agenda Topics..... VICE CHAIRMAN PAUL ROVEY

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

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.



**NOTICE WILL BE SENT REGARDING THE NEXT
STRATEGIC PLANNING COMMITTEE MEETING**

MINUTES
STRATEGIC PLANNING COMMITTEE MEETING

DRAFT

February 8, 2024

A meeting of the Strategic Planning Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 9:30 a.m. on Thursday, February 8, 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.

Committee Members present at roll call were A.G. McAfee, Chairman; P.E. Rovey, Vice Chairman; and K.J. Johnson, K.H. O'Brien, M.V. Pace, L.D. Rovey, and S.H. Williams.

Committee Member absent at roll call was K.L. Mohr-Almeida.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, R.J. Miller, J.M. White Jr., and L.C. Williams; Council Chairman T.M. Francis; Council Vice Chairman R.J. Shelton; Council Liaisons T.S. Naylor and R.W. Swier; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.G. Harrison, L.F. Hobaica, K.M. Libby, L.A. Meyers, and J.R. Schuricht; Messrs. J.D. Coggins, T. Cooper, H.A. Courtright, J.M. Felty, K.J. Lee, A.J. McSheffrey, B.A. Olsen, J.M. Pratt, and R.R. Taylor; and Gary Dirks of Arizona State University (ASU); Paul Kelley of SB Energy; Andy McCoy of the Arizona Attorney General's Office ; Christine McLeod of Arcadis; and Murphy Bannerman and Alex Routhier of Western Resources Advocates (WRA).

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 Strategic Planning Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, February 6, 2024.

Chairman A.G. McAfee called the meeting to order.

Consent Agenda

Chairman A.G. McAfee requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.V. Pace and seconded by Board Member S.H. Williams, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Strategic Planning Committee meeting on November 13, 2023, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.V. Pace's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members A.G. McAfee, Chairman; P.E. Rovey, Vice Chairman; and K.J. Johnson, K.H. O'Brien, M.V. Pace, L.D. Rovey, and S.H. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member K.L. Mohr-Almeida	(1)

SRP 2050 Strategic Vision

Using a PowerPoint presentation, Tom Cooper, SRP Senior Director of Future System Assets and Strategy, stated that the purpose of the presentation was to request approval of the key elements of the SRP 2050 Strategic Vision, including the mission statement, vision statement, and high-level strategic themes resulting from SRP's process to establish a strategic vision for 2050.

Mr. T. Cooper detailed the framework, process, and timeline for the 2050 Strategic Vision. He defined SRP's mission statement as follows: "SRP serves our customers and communities by providing reliable, affordable, and sustainable water and energy."

Mr. T. Cooper explained the following future-focused tradeoffs for framing SRP's 2050 Strategic Vision: customer experience/services, cost focus/affordability, community engagement, water management, power generation/grid, and technology pacing. He explained that the reviewing process resulted in the following high-level strategic themes: 1) secure water – serve as a regional leader in water infrastructure and strategic water policy partner; 2) net-zero, resilient power – deliver net-zero carbon power across a resilient, regionally connected grid, preserving affordability and reliability; 3) empowered customers – provide effortless, personalized customer products, services, and communications supported by modern systems and a dynamic grid; and 4) thriving communities – intentionally and meaningfully engage in and partner with our communities.

Mr. T. Cooper defined SRP's vision statement as follows: "A secure water and clean energy future empowers Arizona to thrive for generations to come." He concluded by requesting approval of the 2050 Strategic Vision, including the mission statement, the 2050 vision statement, and high-level strategic themes.

On a motion duly made by Board Member M.V. Pace, seconded by Board Member K.J. Johnson and carried, the Committee agreed to recommend Board approval as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.V. Pace's motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members A.G. McAfee, Chairman; P.E. Rovey, Vice Chairman; and K.J. Johnson, K.H. O'Brien, M.V. Pace, L.D. Rovey, and S.H. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member K.L. Mohr-Almeida	(1)

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

Board Member K.B. Woods; Customer Utility Panel (CUP) Chair M.T. Hutchinson; Mmes. V.P. Kisicki and K.R. Ramaley; Messrs. R.T. Judd and M.J. O'Connor; and Caryn Potter of Southwest Energy Efficiency Project (SWEEP) entered the meeting during the presentation.

SRP 2035 Corporate Goals and SRP 2035 Sustainability Goals

Using a PowerPoint presentation, Mr. T. Cooper stated that the purpose of the presentation was to request approval of updates to the SRP 2035 Corporate Goals, including the SRP 2035 Sustainability Goals. He said that the 2035 Corporate Goals are reviewed on an annual basis to ensure SRP's strategy remains relevant and appropriate amid changes within SRP's operating environment and to ensure that the SRP's strategic priorities remain in alignment with Board policy. Mr. T. Cooper noted that the 2035 Sustainability Goals are a subset of the 2035 Corporate Goals, which are reviewed and updated on a five-year basis through a comprehensive stakeholder and public engagement process to ensure the goals continue to meet the needs of SRP's customers and communities.

SRP 2035 Corporate Goals

Mr. T. Cooper highlighted the key updates to the 2035 Corporate Goals as follows: 1) alignment with the mission statement and 2050 Strategic Vision; 2) a clarified role of reliability; 3) simplified goal structure; and 4) updated 2035 Sustainability Goals. He said that the 2050 Strategic Vision framework aligns with SRP's mission to serve our customers and communities by providing reliable, affordable, and sustainable water and energy.

Mr. T. Cooper outlined the six strategic directions that serve as the overarching framework for the goals as follows: customers – understand value from our customers' perspective and continually improve their experience with SRP to meet their evolving expectations; community – be a collaborative community partner and thought leader on issues at the heart of SRP's mission; reliability – invest in the long-term resilience, flexibility, and security of our water and power systems; affordability – ensure continued affordability of the water and power SRP delivers by maintaining SRP's strong financial health and increasing SRP's financial flexibility; sustainability – embed sustainable principles and practices in all that SRP does to create a lasting, positive social and

environmental impact; and workforce – further develop an engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of SRP’s communities. He introduced Kaitlyn M. Libby, SRP Director of Corporate Strategy and Sustainability.

Ms. K.M. Libby reviewed updates to the goal framework, which now separates out goal language from target metrics, and reviewed recommended updates to the goals and metrics except for those pertaining to the sustainability goals. She introduced Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive.

Continuing, Mr. B.A. Olsen shared updates to the 2035 sustainability goals, which are a subset of the 2035 Corporate Goals.

2035 Sustainability Goals

Mr. B.A. Olsen reviewed the 2035 sustainability advisory group’s key feedback themes, including positive and negative sentiment from the open house and public comments. He said that open house attendees overall appreciated the opportunity to provide feedback and learn more from SRP experts.

Mr. B.A. Olsen summarized the proposed changes to the 2035 Sustainability Goals: 14 goals to revise, 4 goals to maintain, 2 goals to retire. He informed the Committee that the progress reports for goals in effect ending Fiscal Year 2023 (FY23) are available at SRP.net/2035. Mr. B.A. Olsen reviewed the current position and the proposed revisions for 2035 Sustainability Goals within the following pillars: carbon emissions reductions; water resiliency; supply chain and waste reduction; customer and grid enablement; and customer, community, and employee engagement.

Mr. B.A. Olsen stated that from 2005 through 2035, SRP’s growing customer demand for electricity is expected to more than double – over that same period, SRP will reduce carbon intensity by 82%.

Mr. B.A. Olsen provided an outline of SRP’s coal plant closure commitments through 2035. He highlighted that SRP is proactively managing emissions from the Coronado Generating Station (CGS) consistent with 2020 Board approvals for the Coronado Split selective catalytic reduction (SCR). Mr. B.A. Olsen explained that SRP is further assuming that both CGS and Springerville Generating Station Unit 4 (SGS4) will operate consistent with the constrained operations compliance pathway provided in the Environmental Protection Agency’s (EPA) Greenhouse Gas (GHG) rule proposal.

Mr. B.A. Olsen reported that SRP’s, Arizona Public Service’s (APS), and Tucson Electric Power’s (TEP) visions are in general alignment for decarbonization. He said that SRP is decarbonizing in an era of customer growth that far outpaces utility benchmarks outside of the Phoenix Metro area.

Mr. B.A. Olsen stated that the Public Service Company of Colorado (Xcel) has a target of reducing carbon emissions by 80% by 2030 relative to 2005 levels on a mass

basis. He further stated that if SRP experienced Xcel load growth between now and 2035, SRP's emissions in 2035 would be approximately 85% lower than 2005 levels on a mass basis.

Mr. B.A. Olsen outlined the key takeaways for updated 2035 Corporate Goal set including the sustainability goal subset. He concluded by requesting approval of the updated 2035 Corporate Goals, including the 2035 Sustainability Goals.

On a motion duly made by Board Member M.V. Pace, seconded by Board Member K.J. Johnson and carried, the Committee agreed to recommend Board approval as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.V. Pace's motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members A.G. McAfee, Chairman; P.E. Rovey, Vice Chairman; and K.J. Johnson, K.L. Mohr-Almeida, M.V. Pace, L.D. Rovey, and S.H. Williams	(7)
NO:	Board Member K.H. O'Brien	(1)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

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

Board Member K.B. Woods; CUP Chair M.T. Hutchinson; Paul Kelley of SB Energy; and Andy McCoy of the Arizona Attorney General's Office left the meeting during the presentation. Board Member K.L. Mohr-Almeida; Council Member M.R. Mulligan; and Ms. G.A. Mingura entered the meeting during the presentation.

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

Jim Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chairman A.G. McAfee asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Strategic Planning Committee, the meeting adjourned at 11:53 a.m.

Lora F. Hobaica
Assistant Corporate Secretary

Key Strategic Planning Trends

Strategic Planning Committee

Kaitlyn Libby, Director of Corporate Strategy & Sustainability

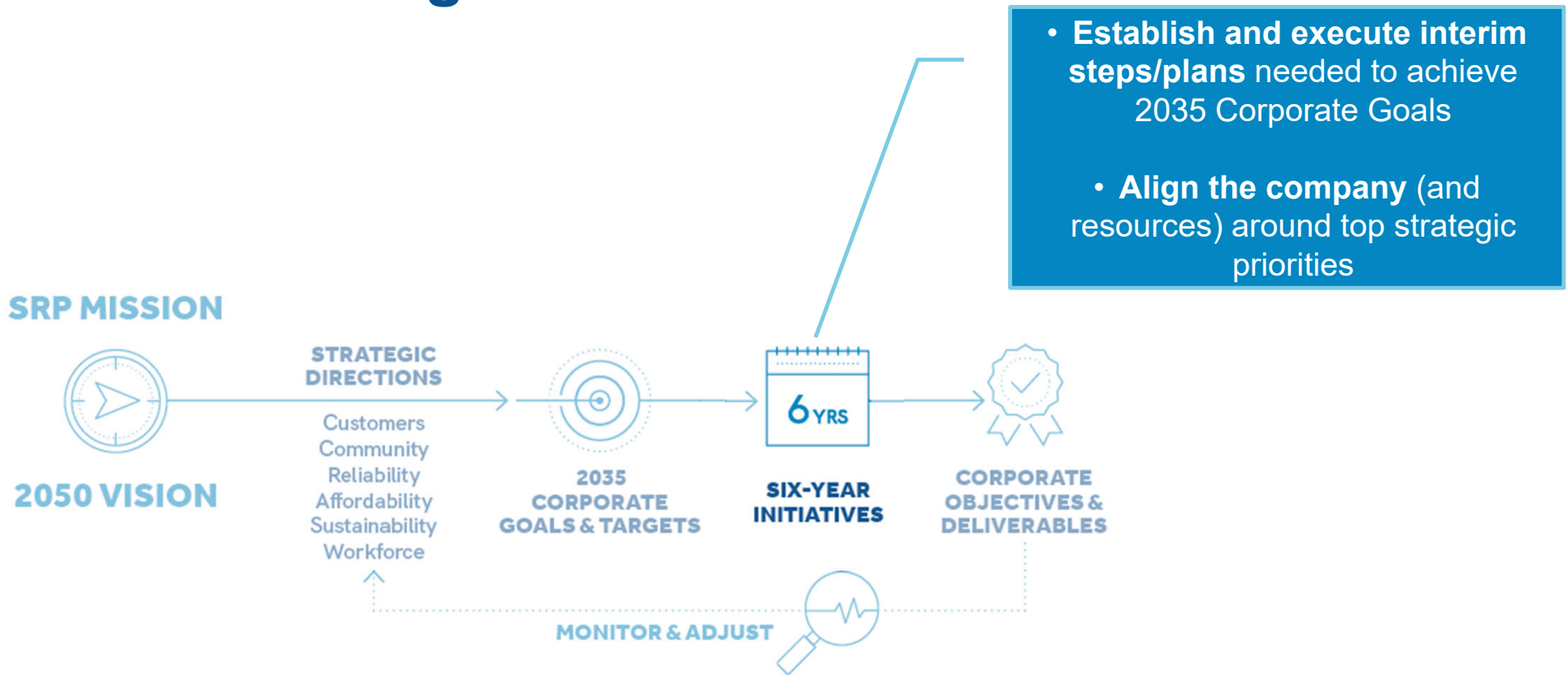
May 9, 2024

SRP's Strategic Framework

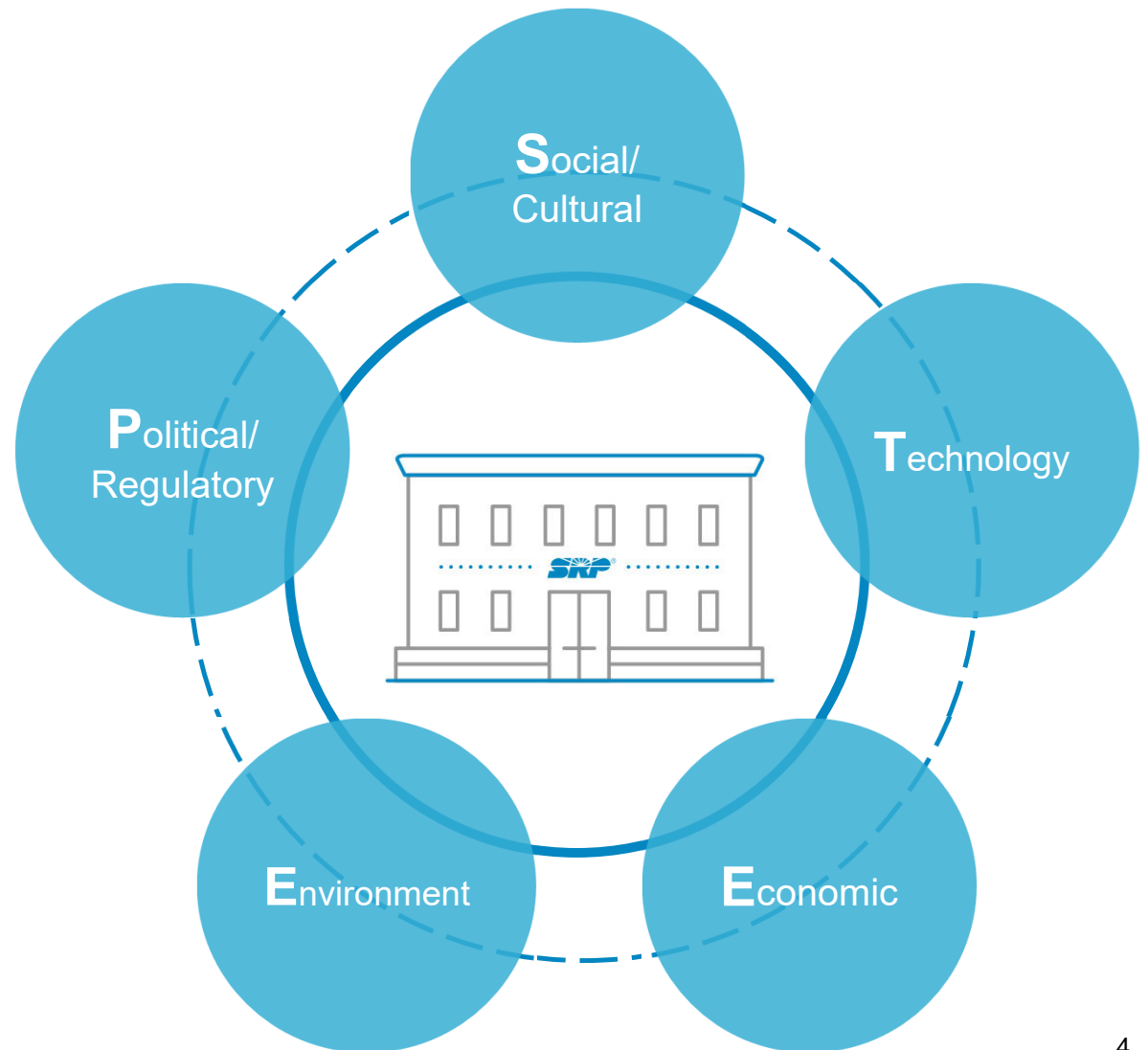
SRP MISSION



Six-Year Strategic Initiatives



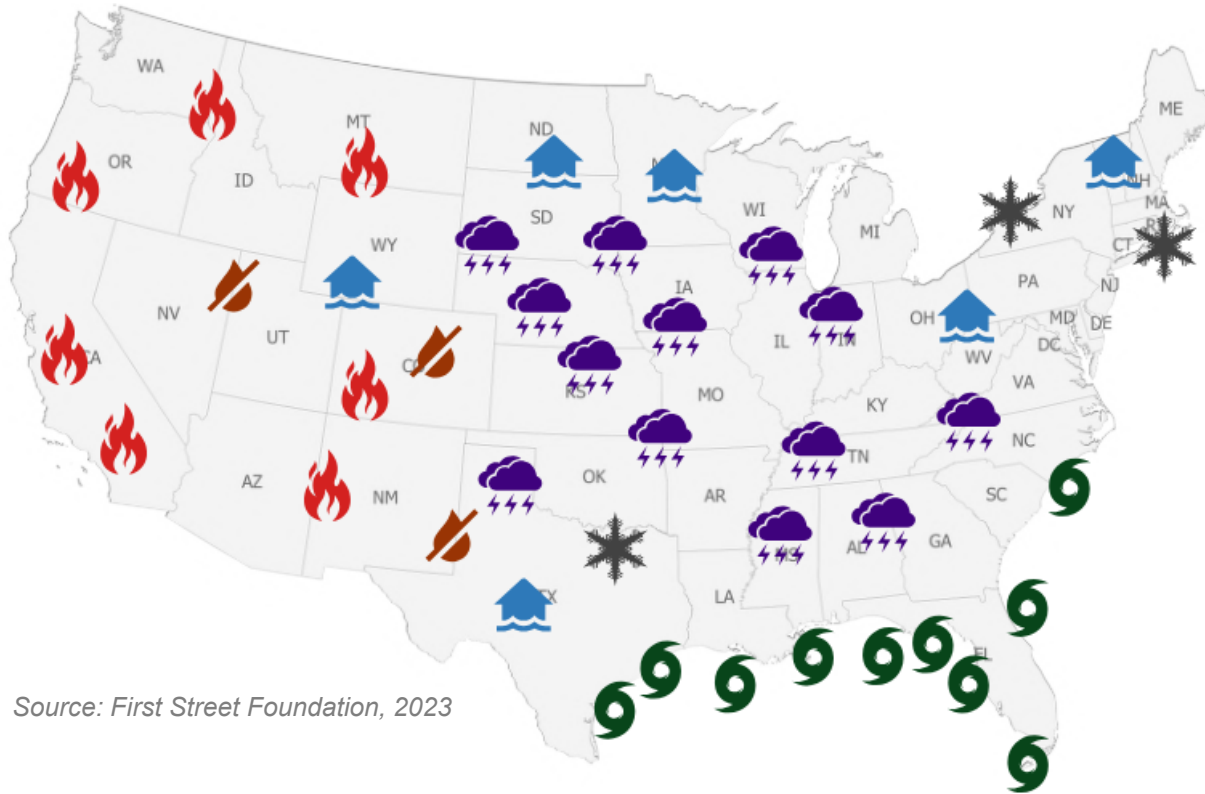
Resilient strategic plans anticipate changing market conditions



Representative planning trends



Climate concerns and impacts are significantly influencing market conditions



Source: First Street Foundation, 2023

Extreme weather events and climate disasters are increasing in frequency, severity, and cost.

Annual Average Number of Billion-Dollar Events

1980 – 2023 = 8.5 events

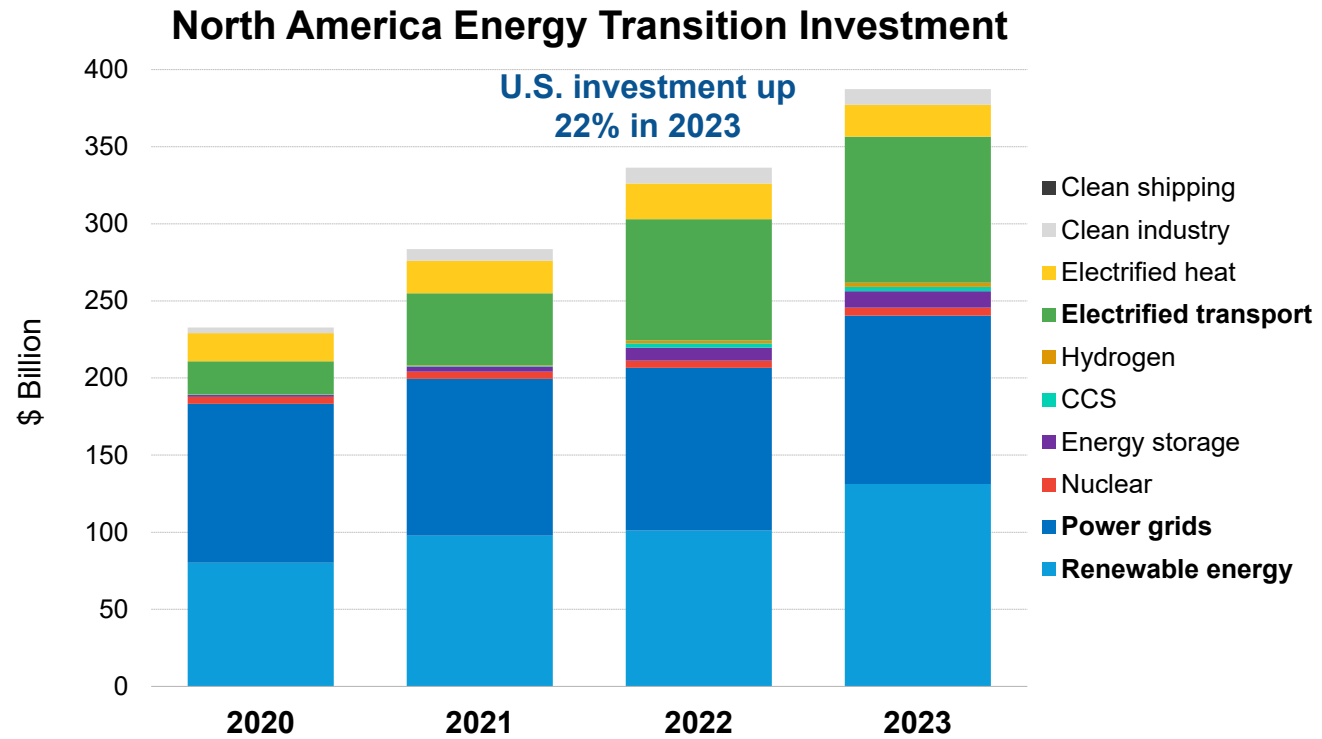
2019 – 2023 = 20.4 events

Source: National Oceanic and Atmospheric Administration (NOAA) National Centers for Environmental Information

Technology and policy initiatives are boosting economic growth, with all eyes on energy

WSJ
AI Is Ravenous for Energy. Can It Be Satisfied?
December 15, 2023

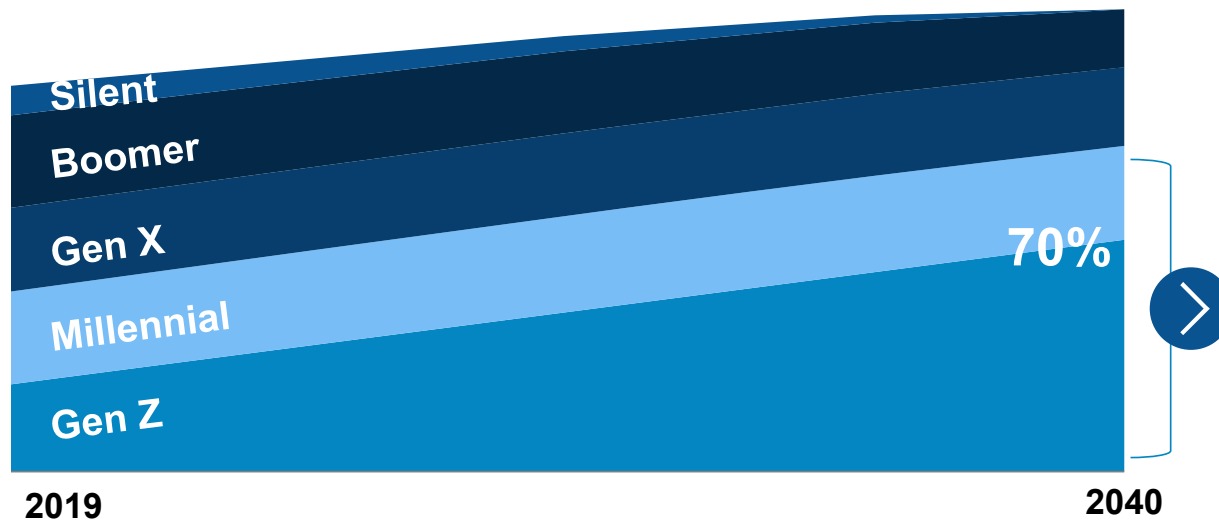
10x
 More energy used by ChatGPT vs. Google search



Source: BloombergNEF, 2024

Expectations are evolving

Projected US population mix by generation

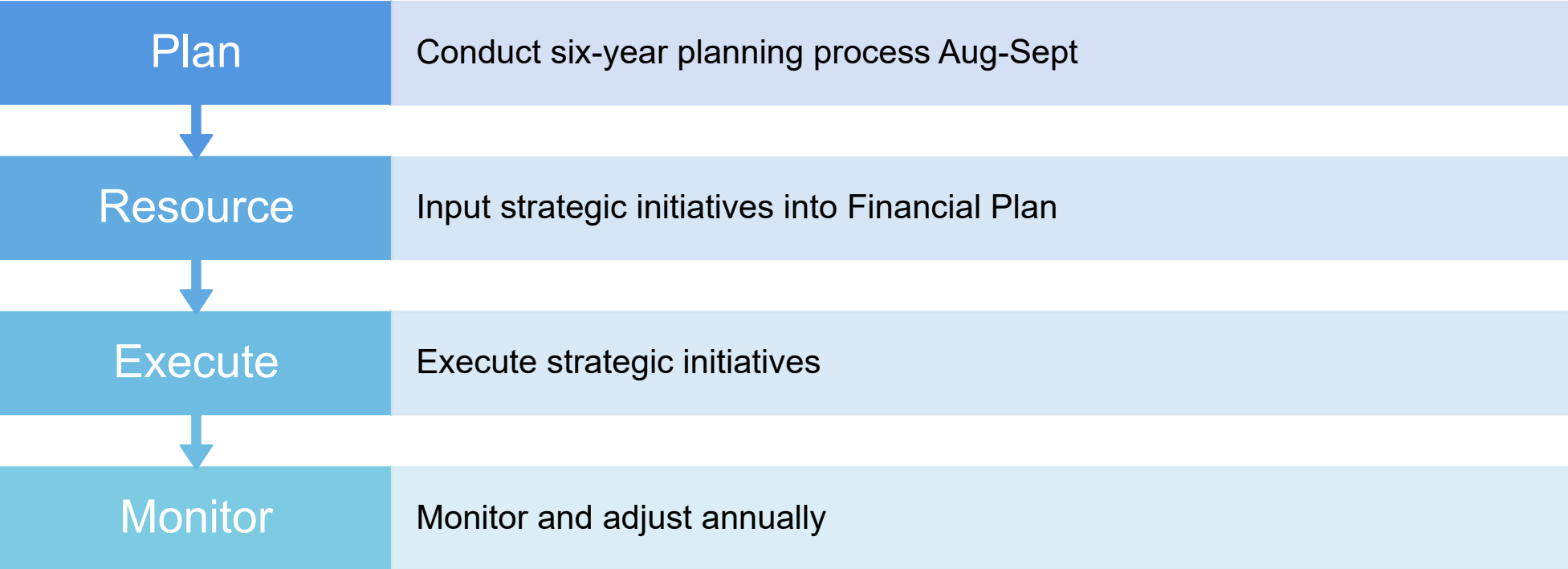


Source: Pew Research Center



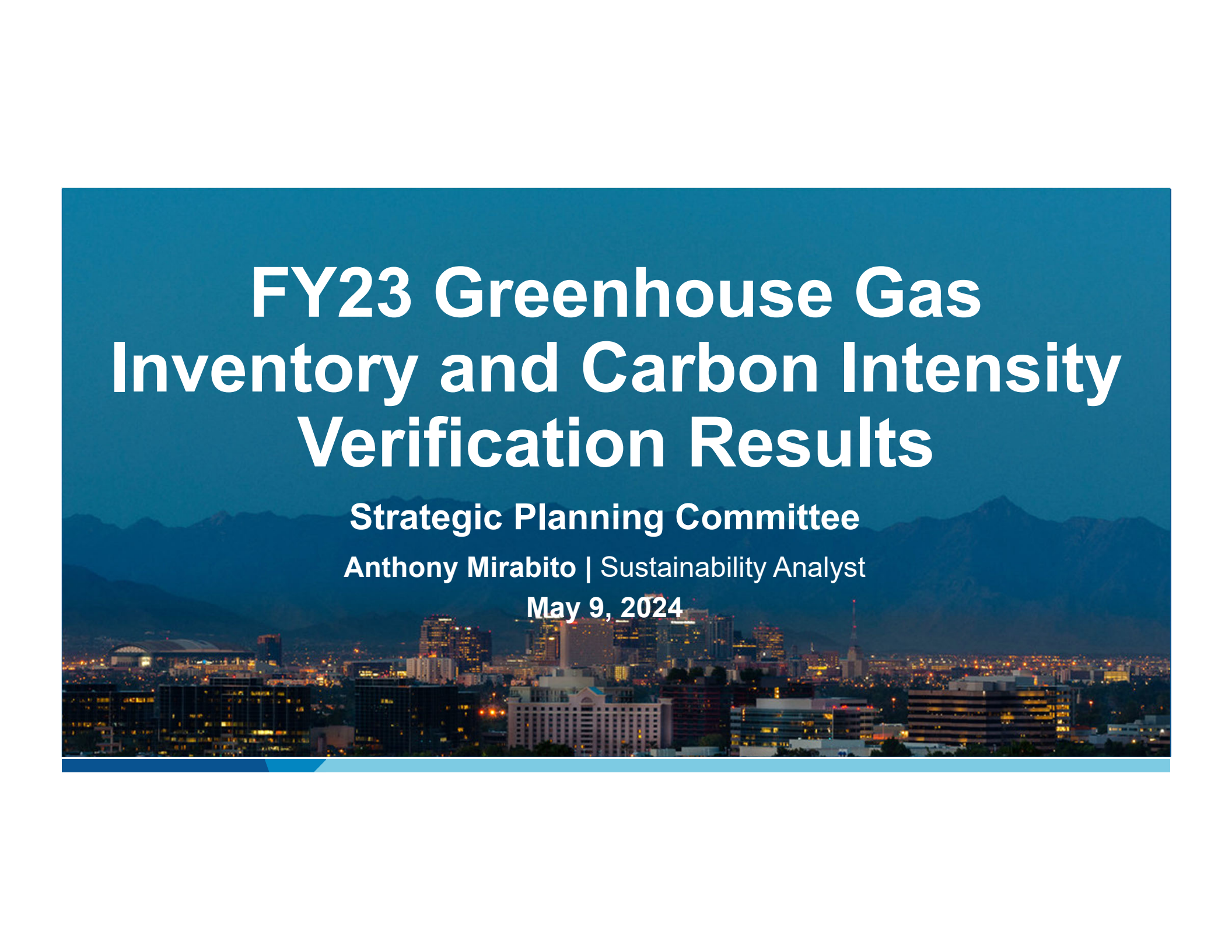
- *More technology & convenience*
- *More personalization*
- *More purpose*
- *More flexibility*

Next Steps



thank you!



A nighttime photograph of a city skyline with illuminated buildings and mountains in the background, serving as the background for the title slide.

FY23 Greenhouse Gas Inventory and Carbon Intensity Verification Results

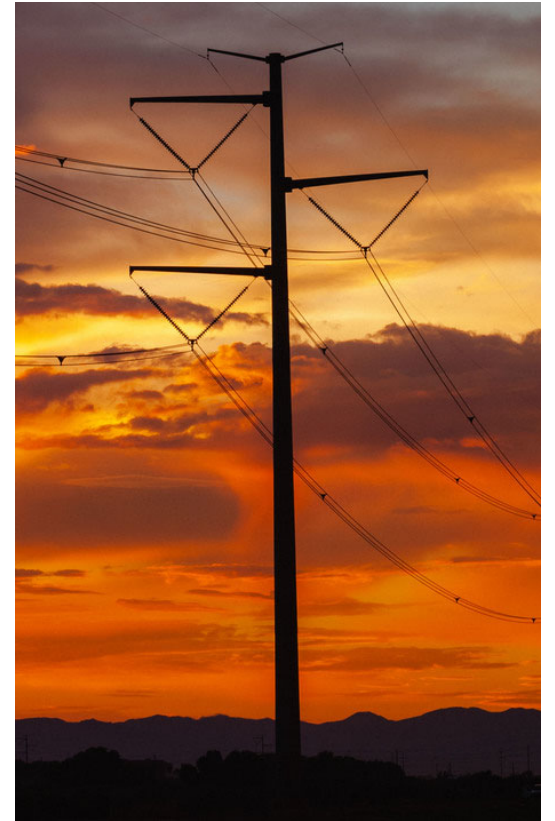
Strategic Planning Committee

Anthony Mirabito | Sustainability Analyst


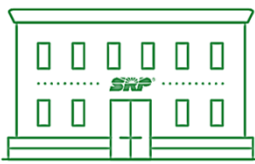

May 9, 2024

Why Does SRP Measure and Report GHG Emissions?

- **Demonstrate** a commitment to transparency
- **Meet** customer data requirements
- **Align** with industry standards
- **Support** attainment of SRP corporate goals

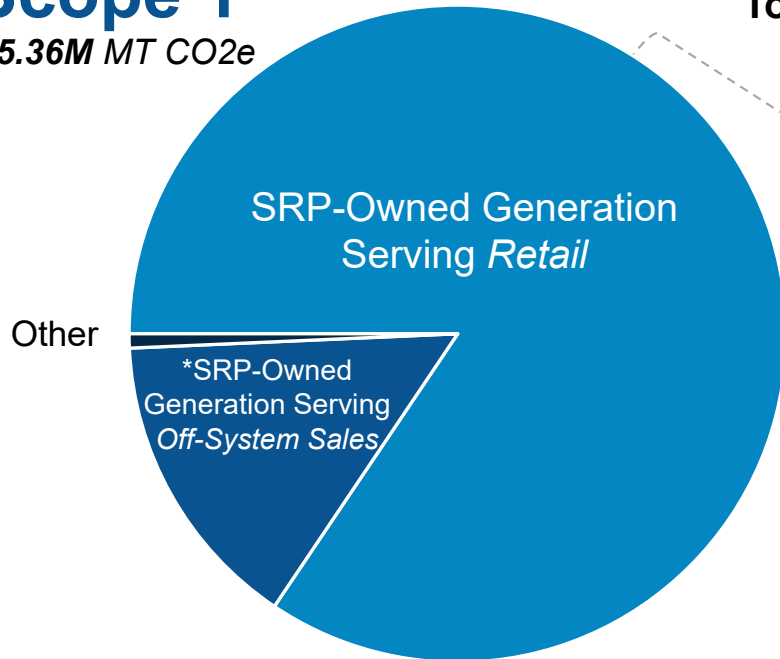


SRP's Greenhouse Gas Reporting Categories

	Definition	Example	FY23 Total Emissions
Scope 1	Emissions directly from company-owned assets or operations	 SRP-Owned Power Generation	15.36 million metric tons CO ₂ e
Scope 2	Emissions from electricity purchased and consumed in company operations	 Facility Purchased Electricity	0.1 million metric tons CO ₂ e
Scope 3	Emissions upstream of company-owned assets or operations	 Purchased Power Resold to Customers	4.8 million metric tons CO ₂ e

SRP Operations: Emissions in FY23

Scope 1 15.36M MT CO₂e

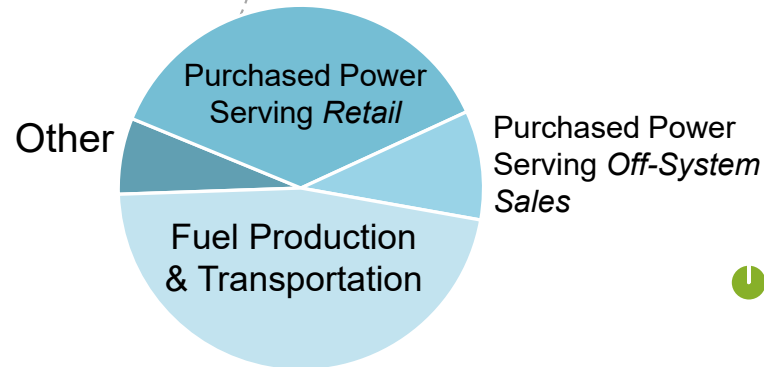


Other: fugitive emissions, fleet vehicles and other equipment

**SRP constructs and invests in generation for the sole purpose of serving retail requirements.*

Total Retail Mass Emissions 14.9M MT CO₂

Scope 3 4.8M MT CO₂e



Other: purchased goods and services, waste, employee travel

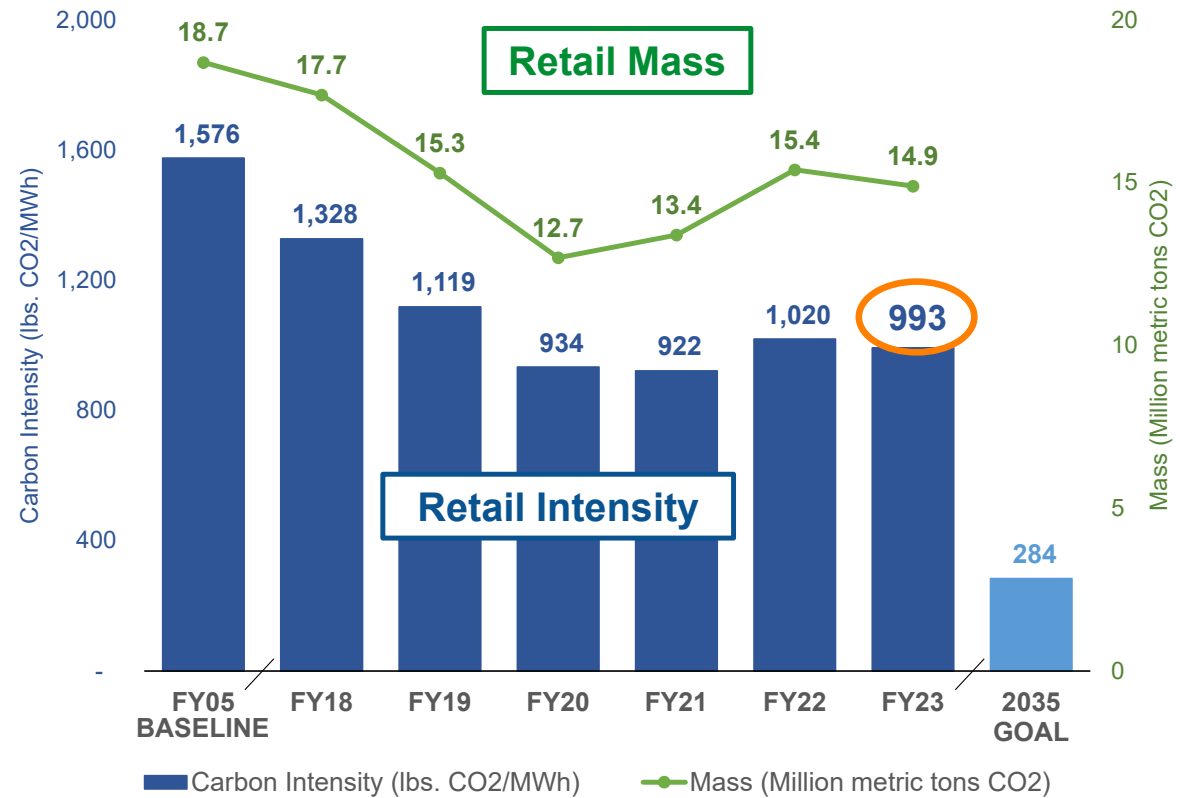
Scope 2 0.1M MT CO₂e

📌 Purchased Electricity for SRP Facilities

Other: T&D line losses

SRP's FY23 Retail Generation Carbon

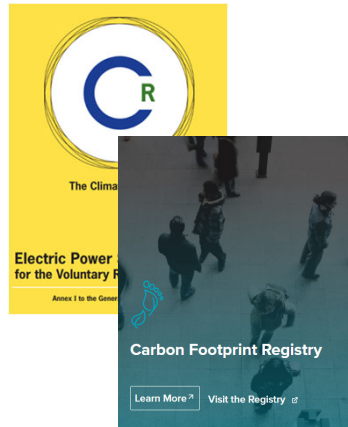
- SRP's FY23 retail generation carbon intensity is **993** lbs. CO₂/MWh
- 3rd consecutive year of Climate Registered™ Platinum status with The Climate Registry



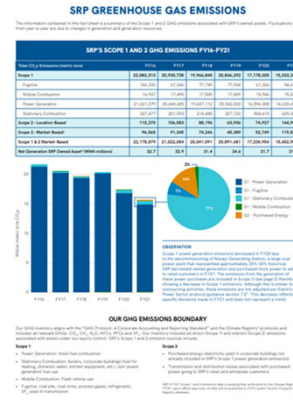
SRP Emissions Data Reporting



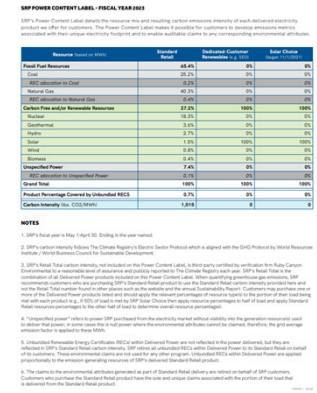
Sustainability Report
srp.net/2035



The Climate Registry
 Carbon Footprint Registry



GHG Fact Sheet
 on SRP's website



Power Content Label
 available to customers



NEW FEATURE
 Chart illustrating the portions of SRP's emissions addressed by 2035 Sustainability Goals

thank you!



SRP's Electric Vehicle (EV) Managed Charging Strategy

Strategic Planning Committee

Kaitlyn Libby, Director of Corporate Strategy & Sustainability

May 9, 2024

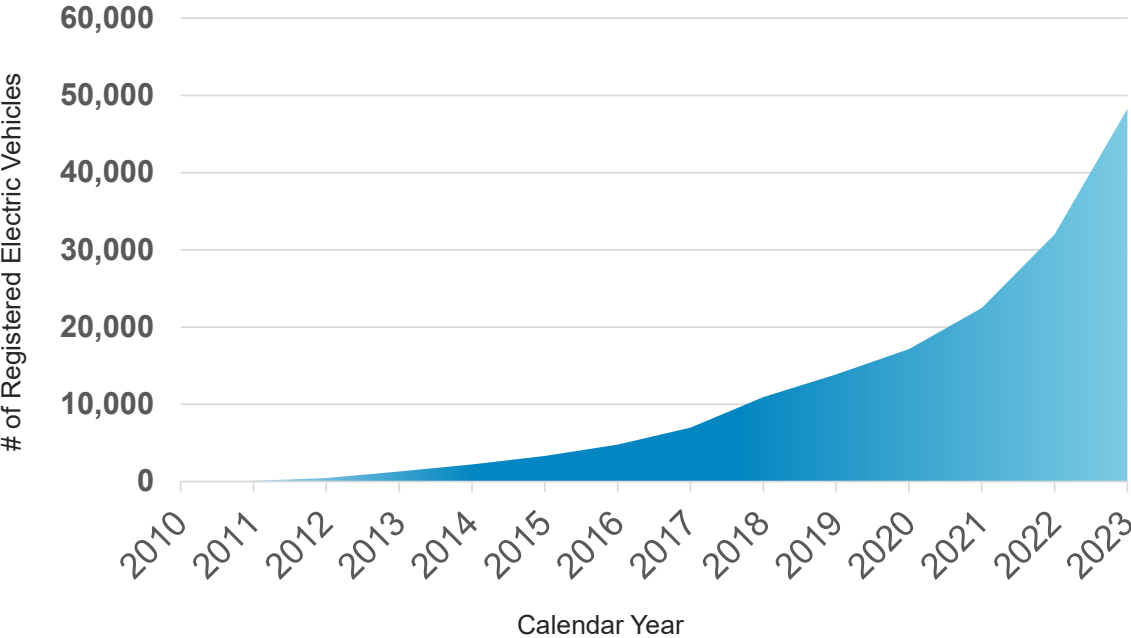


3 Key Takeaways

- 1 EV adoption is increasing
- 2 Unmanaged, EV charging has significant load impacts
- 3 SRP has a plan

EV adoption is increasing

ELECTRIC VEHICLES IN SRP'S TERRITORY



PRIMARY DRIVERS

- Federal Funding / Incentives
- Fast-Charging Deployment
- Vehicle Options & Range
- Sustainability Goals
- Vehicle Performance

EV adoption is increasing across multiple use cases



Emergency Vehicles



Fleet Vehicles

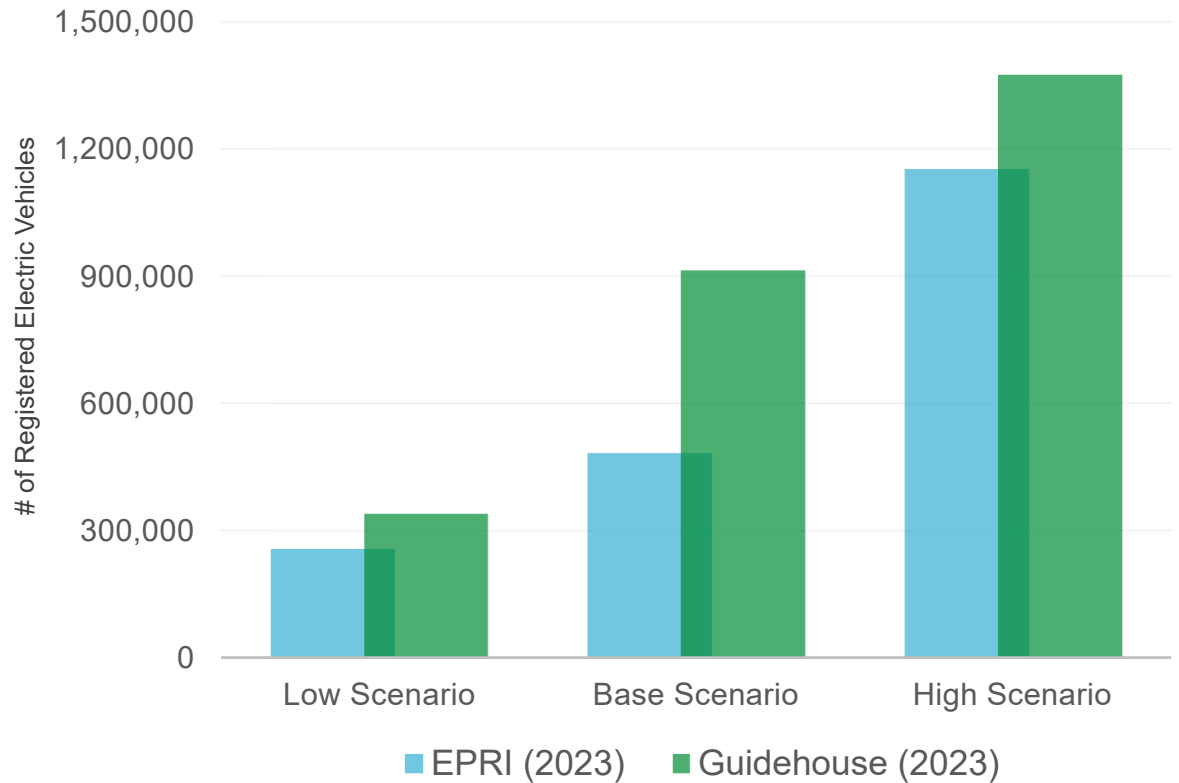


Transport & Trucking

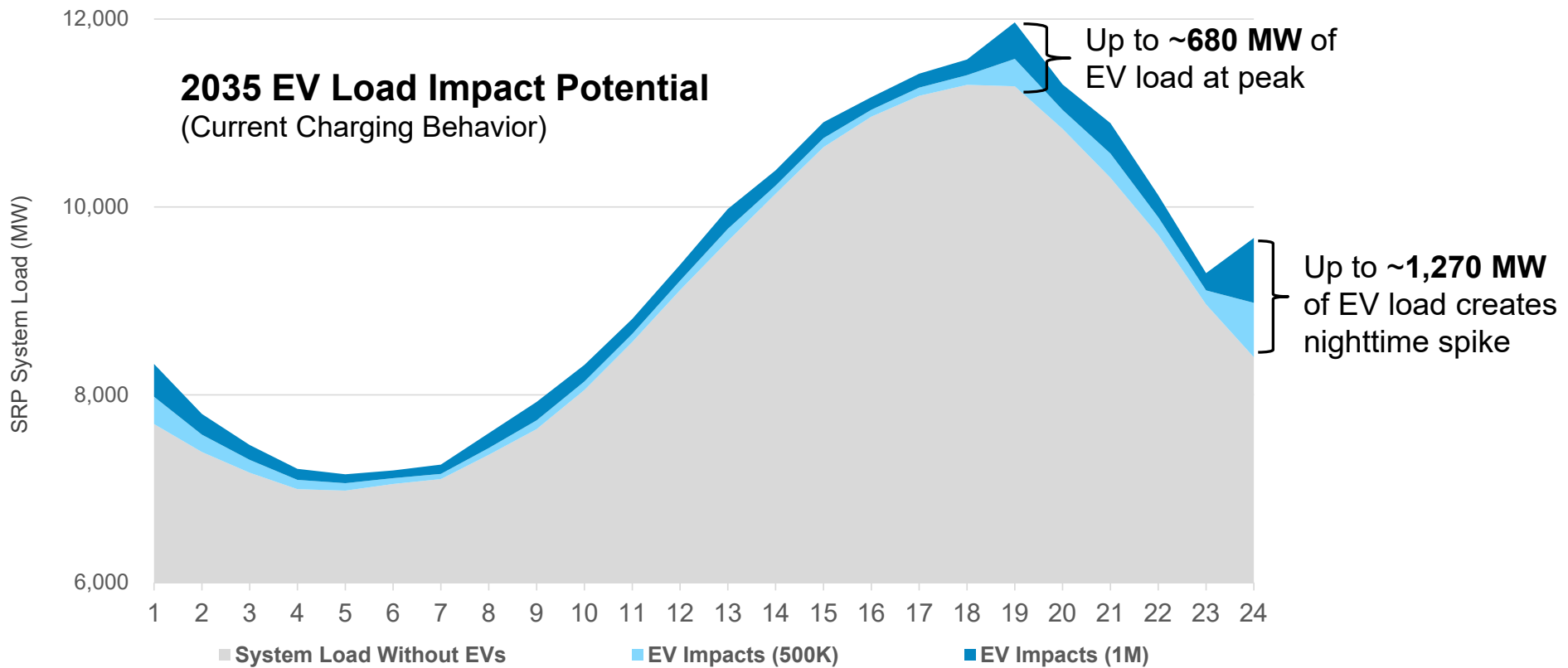
2035 Sustainability Goal

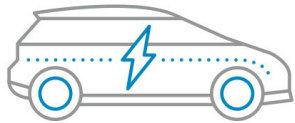
Support adoption of 1 million* electric vehicles (EVs) in SRP's service territory and manage 90% EV charging

PROJECTED EVs ON THE ROAD IN 2035 (SRP Service Territory)



Unmanaged, EV charging has significant load impacts





CUSTOMER AND
GRID ENABLEMENT

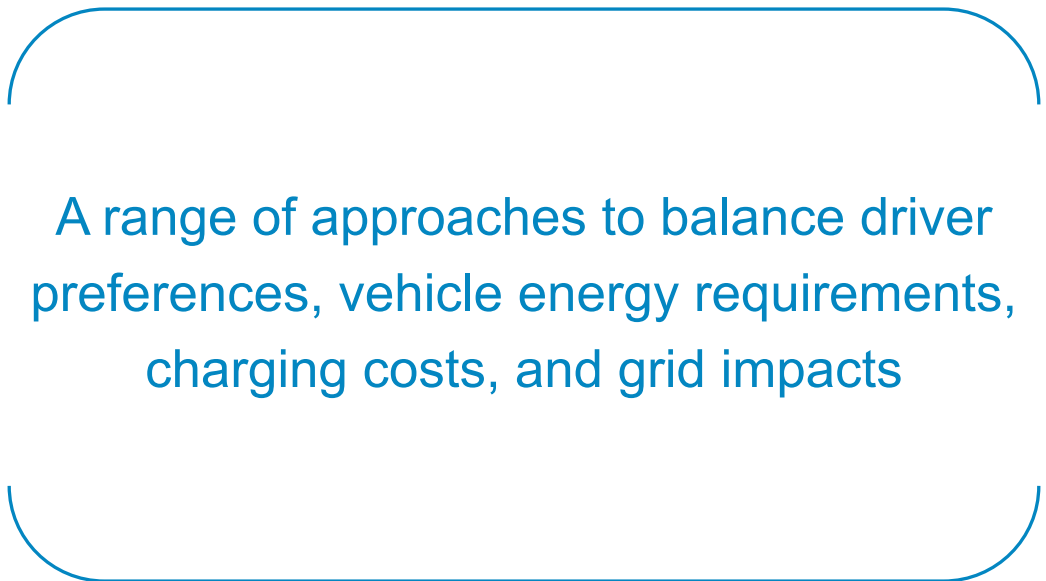
2035 Sustainability Goal

Support adoption of 1 million* electric vehicles (EVs) in SRP's service territory and **manage 90% EV charging**

**as forecasted by third-party industry consultants*



What is managed charging?



A range of approaches to balance driver preferences, vehicle energy requirements, charging costs, and grid impacts

SRP has a plan to manage charging

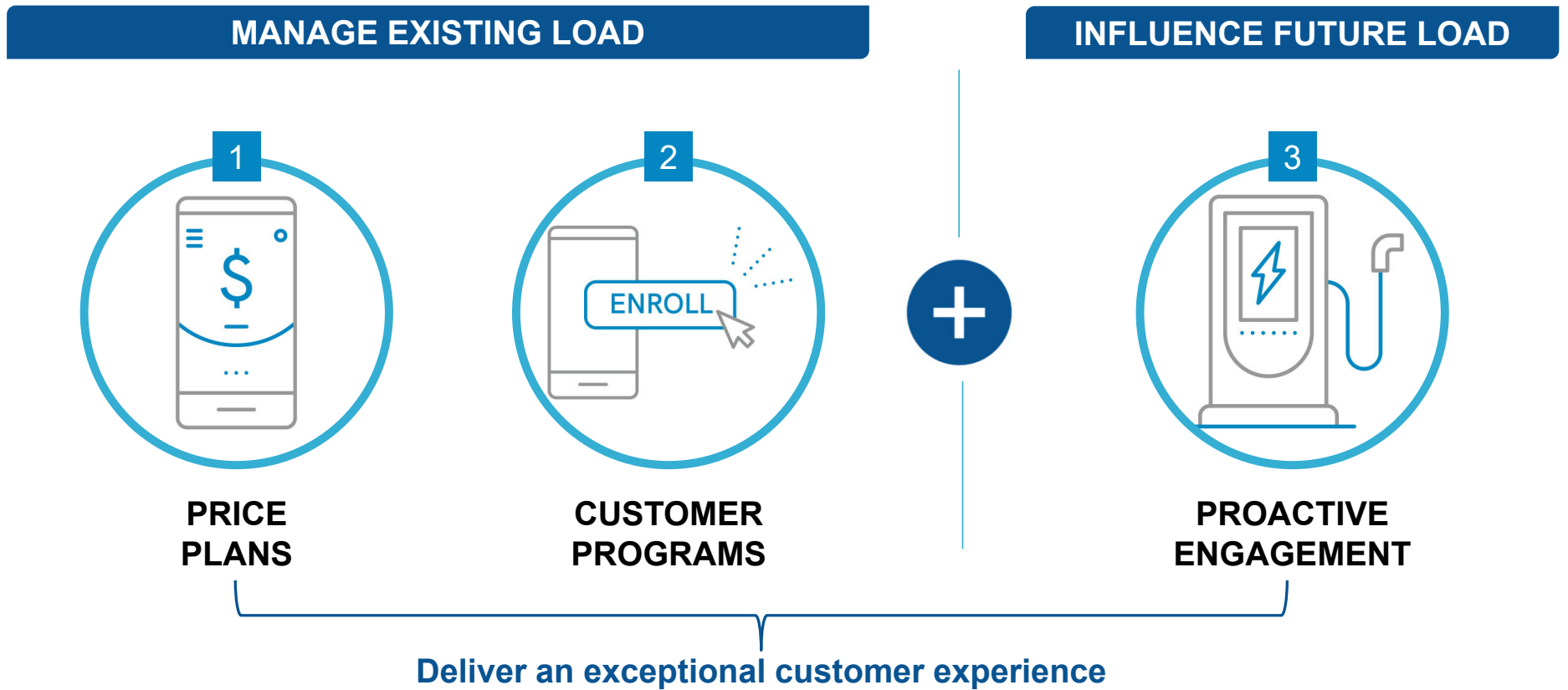


- 1 Market Landscape & Outlook
- 2 Managed Charging Techniques
- 3 Managed Charging Strategy
- ★ 10-Year Roadmap & Implementation Plan

Market Landscape Insights

- 1 Time-of-use (TOU) plans are the primary method used to manage charging today
- 2 Most managed charging programs currently target residential customers
- 3 Stacking multiple managed charging techniques increases the impact and shared benefit
- 4 Programs need to be simple so customers can plug it, forget it, and benefit from it

SRP's Managed Charging Strategy



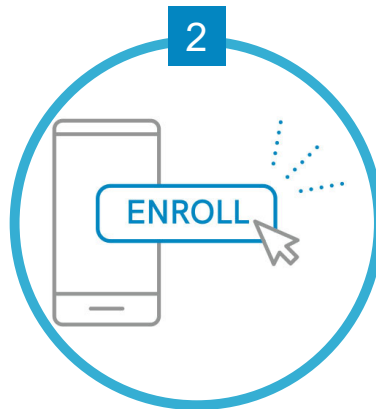
Near to Medium-Term Actions to

Shape & Shift Load



PRICE PLANS

- Influence daytime charging behavior through price signals
- Offer TOU/demand charge options for fleets and commercial charging
- Enroll ~90% of EV customers in time-of-use plans

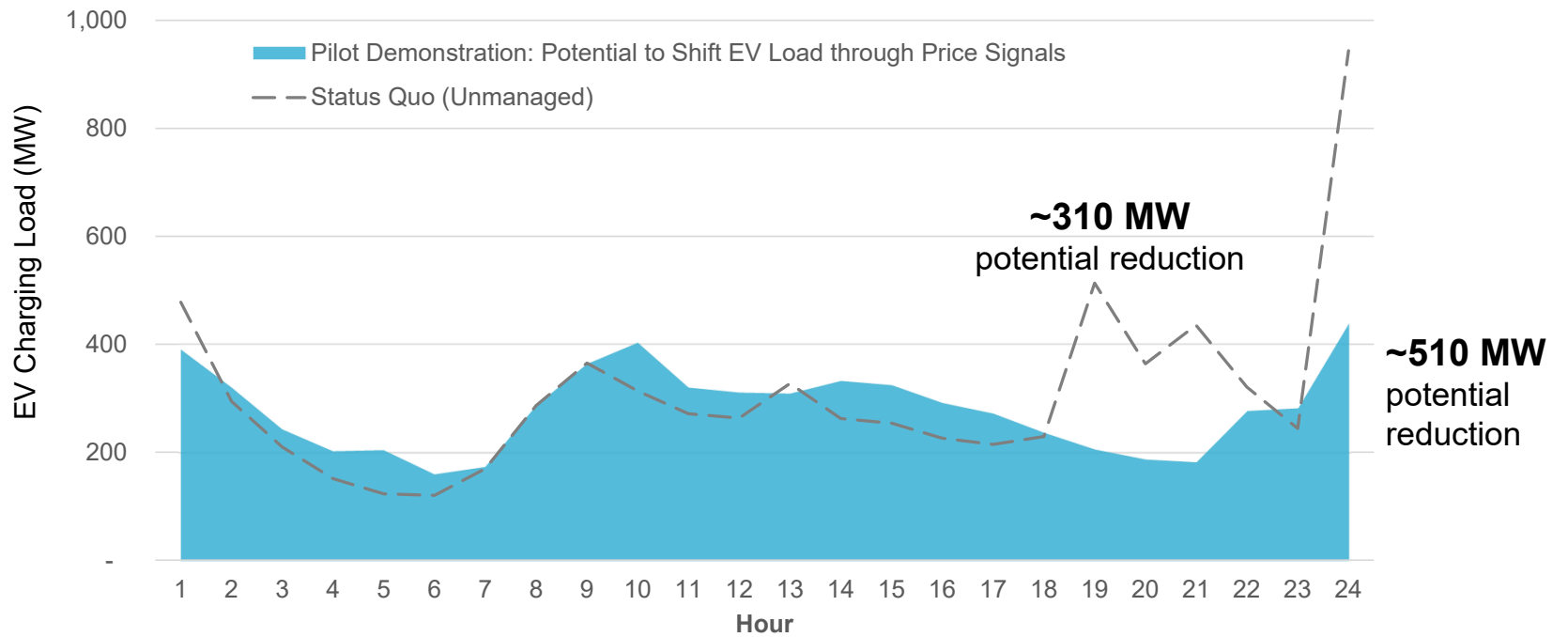


CUSTOMER PROGRAMS

- Expand current pilots that shift EV charging through active control and price signals
- Incent smart chargers and load management
- Implement Vehicle to Home (V2H) pilot, followed by Vehicle to Building (V2B) and Vehicle to Grid (V2G)

The right price plans and programs benefit customers and the grid

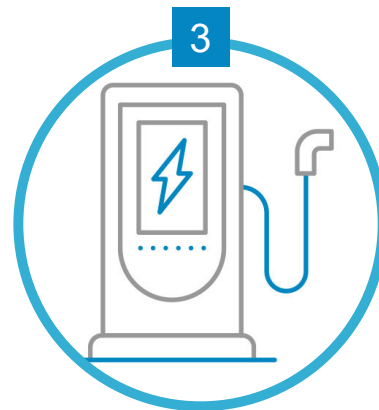
2035 EV Load Shifting Example (1 million scenario)



Results are based on SmartCharge AZ EV 2019 – 2022 pilot
Does not reflect assumptions of FP25 Load Forecast

Near to Medium-Term Actions

Influence Future Charging Load



PROACTIVE ENGAGEMENT

- Engage early and often with customers and EV ecosystem
- Serve as a fleet advisor and partner
- Gain early awareness of and input into future charging load
- Influence desired charging behavior proactively

Summary

- 1 EV adoption is increasing
- 2 Unmanaged, EV charging has significant load impacts
- 3 **SRP has a plan**

thank you!

