

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

STRATEGIC PLANNING COMMITTEE
Thursday, November 14, 2024, 9:30 AM

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

Committee Members: Leslie C. Williams, Chair; Nicholas Brown, Vice Chair; and Robert Arnett, Casey Clowes, Mario Herrera, Sandra Kennedy, and Jack White Jr.

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 CHAIR LESLIE C. WILLIAMS

- Request for approval of the minutes for the meeting of September 12, 2024.

- 2. SRP 2035 Sustainability Goals Five-Year Action Plans and Milestones KAITLYN LIBBY and VARIOUS

Informational presentation regarding an overview of the five-year action plans and associated Fiscal Year 2030 (FY30) progress milestones for the updated set of 2035 Sustainability Goals.

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

- 4. Future Agenda Topics..... CHAIR LESLIE C. WILLIAMS

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

September 12, 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, September 12, 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 L.C. Williams, Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, and J.M. White Jr.

Committee Members absent at roll were N.R. Brown, Vice Chair; and C. Clowes.

Also present were Board Members K.L. Mohr-Almeida, M.V. Pace, L.D. Rovey, P.E. Rovey, and S.H. Williams; Council Chair J.R. Shelton; Council Members E.L. Gorsegner and C. Resch-Geretti; I.R. Avalos, J.J. Beauregard, A.N. Bond-Simpson, J. Broadbent, M.J. Burger, T. Cooper, A.P. Douglas, D.W. Dreiling, J.M. Felty, M.K. Greene, L.G. Harrison, L.F. Hobaica, B.R. King, B.J. Koch, K.J. Lee, K.M. Libby, S.J. Lopez, M.M. Martinez, G.A. Mingura, M.J. O'Connor, B.A. Olsen, J.M. Pratt, C.M. Sifuentes, J.W. Tiedmann, and K.J. Tilghman of SRP; Annie Kaefer of Balanced Rock Power; and Alex Routhier of Western Resource 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, September 10, 2024.

Chair L.C. Williams called the meeting to order.

Consent Agenda

Chair L.C. Williams requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera and seconded by Board Member R.C. Arnett, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Strategic Planning Committee meeting on May 9, 2024, as presented.

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

YES:	Board Members L.C. Williams, Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, and J.M. White Jr.	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members N.R. Brown, Vice Chair; and C. Clowes	(2)

SRP 2035 Sustainability Goals Fiscal Year 2024 (FY24) Progress

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, stated that the purpose of the presentation was to provide information regarding the progress made in FY24 toward the achievement of SRP's 2035 Sustainability Goals and a preview of key actions identified for FY25. They introduced Leah G. Harrison, SRP Manager of Sustainability Policy and Programs.

L.G. Harrison reminded the Committee of the following SRP 2035 Sustainability Goal pillars: 1) carbon emissions reductions; 2) water resiliency; 3) supply chain and waste reduction; 4) customer and grid enablement; and 5) customer and community engagement. They provided an overview of the sustainability goal process and reporting timeline from March 2024 through Spring 2025 and explained that the 2035 Sustainability Goals are evaluated every five years to make sure that they continue to meet the evolving needs of the Valley. L.G. Harrison stated that the reporting for FY23 is available online at SRP.net/2035. They introduced Angie N. Bond-Simpson, SRP Senior Director of Resource Management.

Carbon Emissions Reductions: Generation Carbon (for retail energy)

A.N. Bond-Simpson reminded the Committee that SRP's goal is to reduce the amount of carbon dioxide (CO₂) emitted by generation per Megawatt-hour (MWh) by 82% from 2005 levels by 2035, approximately 284 pounds per MWh, and reach net-zero carbon emissions by 2050. They stated that the pre-third party verified FY24 results reflected a reduction in SRP's retail generation carbon intensity to 873 lbs. of CO₂/MWh, a 44% reduction from 2005, which resulted in 13.3 million metric tons of CO₂ emissions on a mass basis. A.N. Bond-Simpson listed the following FY24 carbon reduction actions by SRP: commissioned 348 MW of solar energy plus 438 MW of battery storage; added zero carbon baseload power; fuel diversity – low natural gas prices resulted in natural gas generation displacing coal generation; and active development and procurement pipelines.

Water Resiliency: Generation Fleet-Wide Water Reduction

Next, A.N. Bond-Simpson reminded the Committee that the goal is to achieve 30% reduction in generation-related water use intensity across all water types from the 2005 baseline. They stated that the FY24 results reflected a reduction in SRP's generation-related water use intensity to 425 gallons per MWh, a decrease of 11 gallons per MWh from FY23. A.N. Bond-Simpson introduced Brendan R. King, SRP Senior Manager of Engineering.

Carbon Emissions Reductions: Transportation Fleet Carbon

B.R. King reminded the Committee that the goal is to reduce carbon emissions from fleet by 30% on a mass basis from the 2016 baseline. They stated that the FY24 results reflected a production of 33.3 million lbs. of carbon dioxide equivalent (CO_{2e}) from operating SRP fleet vehicles, an increase of 0.7 million lbs. of CO_{2e} from FY23. B.R. King introduced Dan W. Dreiling, SRP Senior Director of Customer Strategy.

Customer and Grid Enablement: Energy Efficiency

D.W. Dreiling reminded the Committee that the goal is to deliver over four million MWh of annual aggregate energy savings. They highlighted that the FY24 results reflected an achievement of 2,927,356 MWh of cumulative aggregate energy savings, an increase of 295,062 MWh from FY23. D.W. Dreiling said that the portfolio exceeded the annual target by delivering 626,020 MWh of incremental savings.

Customer and Grid Enablement: Demand Response (DR)

Continuing, D.W. Dreiling reminded the Committee that the goal is to deliver at least 300 MW of dispatchable DR and load management programs. They said that the FY24 results reflected that SRP subscribed a combined total of 165 MW of dispatchable DR and load management programs, an increase of 37 MW from FY23. D.W. Dreiling introduced Elvy N. Barton, SRP Senior Manager of Water and Forest Sustainability.

Water Resiliency: Community Water Conservation

E.N. Barton reminded the Committee that the goal is to achieve 5 billion gallons (approximately 15,300 acre-feet) of water conservation by 2035 through partnership. They stated that the FY24 results reflected that 118 million gallons of water were saved through SRP programs, more than double the annual water savings in FY23.

L.G. Harrison concluded with a discussion of next steps.

A.N. Bond-Simpson, D.W. Dreiling, L.G. Harrison, and B.R. King responded to questions from the Committee.

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 N.R. Brown; Council Member W.W. Sheely; and E.N. Barton and R.T. Judd of SRP entered the meeting during the presentation.

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

There was no report on current events by Jim M. Pratt, SRP General Manager and

Chief Executive Officer.

Future Agenda Topics

Chair L.C. Williams asked the Committee if there were any future agenda topics. Board Member S.D. Kennedy requested more detailed presentations.

There being no further business to come before the Strategic Planning Committee, the meeting adjourned at 10:43 a.m.

Lora F. Hobaica
Assistant Corporate Secretary

BOARD AGENDA MEMO

Request Date: 10/17/2024

Title: 2035 Sustainability Goals Five-Year Action Plans and Milestones

Meeting Date: 11/14/2024

District:

Association:

Affiliate:

Board Committee:

- Audit
- Community Relations
- Compensation
- Facilities & Support Services
- Finance & Budget
- Governance
- Power
- Strategic Planning
- Water

Agenda Item:

- Informational
- Approval
- Resolution (attached)

Session Type:

- Open
- Closed
- Executive

Budgeted: Yes No

Executive Summary

Informational presentation providing an overview of the five-year action plans and associated fiscal year (FY) 2030 progress milestones for the updated set of 2035 Sustainability Goals.

SRP Management creates five-year action plans for each 2035 Sustainability Goal to outline key actions, resources, and milestones required to achieve the goals. This presentation will include an overview of the key focus areas and milestones for the next phase of goal execution (FY26-FY30).

Informational presentation in support of a future request for approval:


Approval item supported by presentations at previous meetings:

Name of Presenter(s): Kaitlyn Libby, 2035 Sustainability Goal Owners

Reviewed by Attorney:  PowerPoint: Handout: Est. Time: 60 Mins.
Ken Lee

Recommended by AGM:  Date: 10/29/2024
Bobby Olsen

Approved by GM & CEO:  Consent Agenda: Date: 10-29-24
Jim Pratt

Approved by President's Office:  Date: 10/31/24
David Rousseau / Christopher J. Dobson

Corporate Secretary's Office:  Date: 10/31/2024
John M. Felty / Lora F. Hobaica

2035 Sustainability Goals Five-Year Action Plans and Milestones

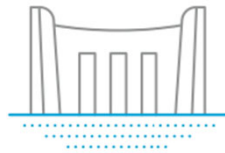
Kaitlyn Libby and 2035 Sustainability Goal Owners
Strategic Planning Committee | November 14, 2024

2035 Sustainability Goals



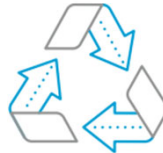
CARBON EMISSIONS REDUCTIONS

Generation Carbon
Facilities Carbon
Transportation Fleet Carbon



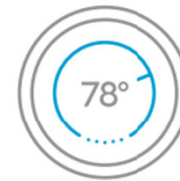
WATER RESILIENCY

Facilities Water
Generation Groundwater
Generation Fleet-Wide Water Reduction
Water Storage
Community Water Conservation



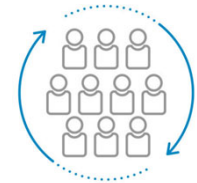
SUPPLY CHAIN & WASTE REDUCTION

Supply Chain
Municipal Waste
Industrial Waste



CUSTOMER & GRID ENABLEMENT

Energy Efficiency
Demand Response
Transportation Electrification
Electric Technologies
Grid Enablement



CUSTOMER & COMMUNITY ENGAGEMENT

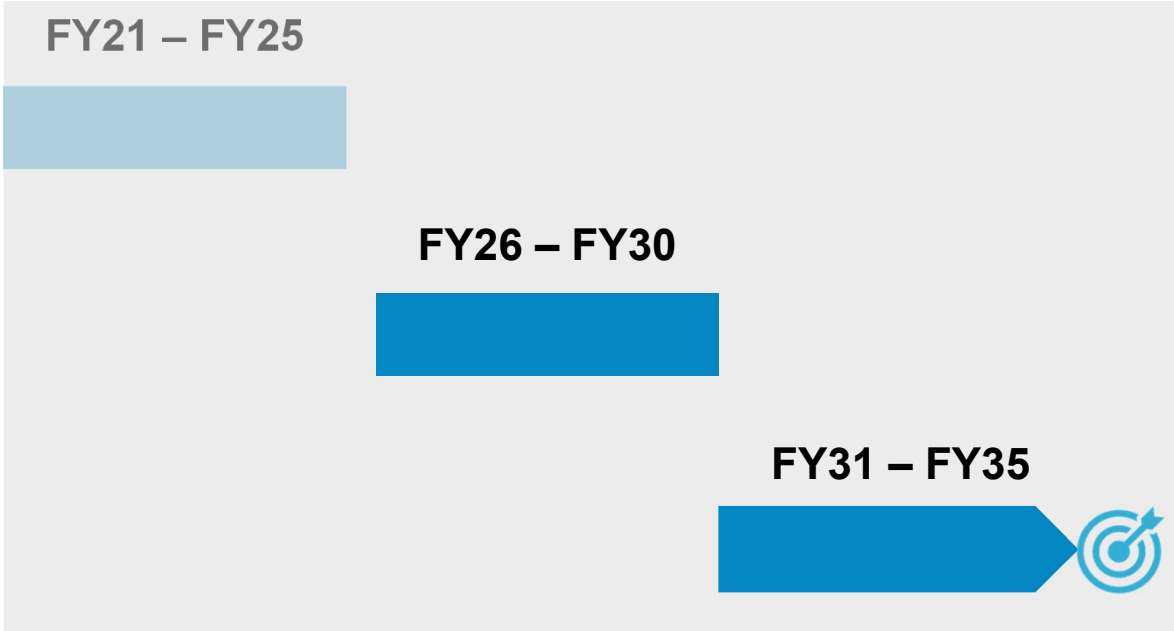
Customer Sustainability Sentiment Rating
Forest Restoration

Phased Execution and Action Planning

FOUNDATIONAL EXECUTION
PHASE 1 ACTION PLANS

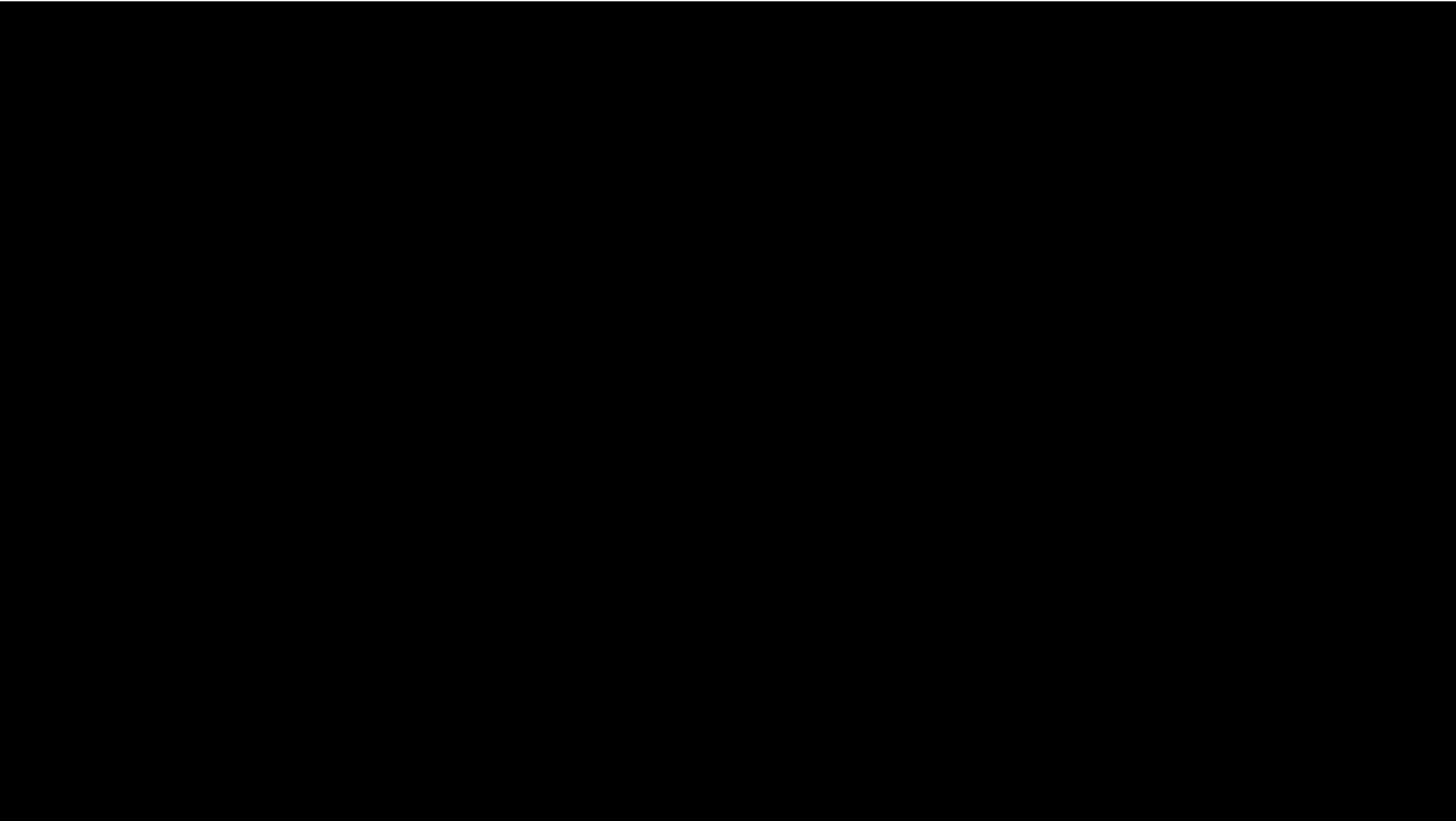
★ STRATEGIC EXECUTION
PHASE 2 ACTION PLANS

REALIZE GOALS
PHASE 3 ACTION PLANS



Phase 2 Action Plans: Priority Areas of Focus

- 1 Add low-carbon, low-water use generation resources
- 2 Implement new technologies and efficiencies across internal operations
- 3 Evolve and tailor SRP's portfolio of customer programs and service offerings
- 4 Expand community partnerships and education

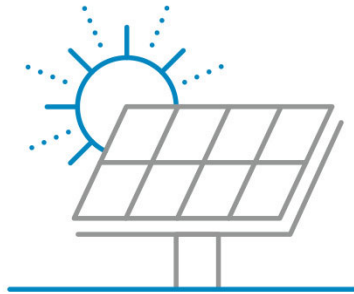




Add low-carbon, low-water use generation resources

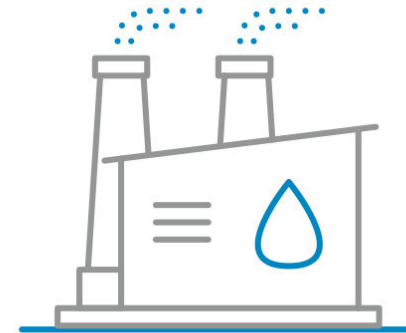
Angie Bond-Simpson, Senior Director of Resource Management

2035 Sustainability Goals



Generation Carbon *(for retail energy)*

Reduce the amount of CO₂ emitted by generation (per MWh) by 82% from 2005 levels by 2035
2050 goal: Net-zero carbon emissions



Generation Fleetwide Water

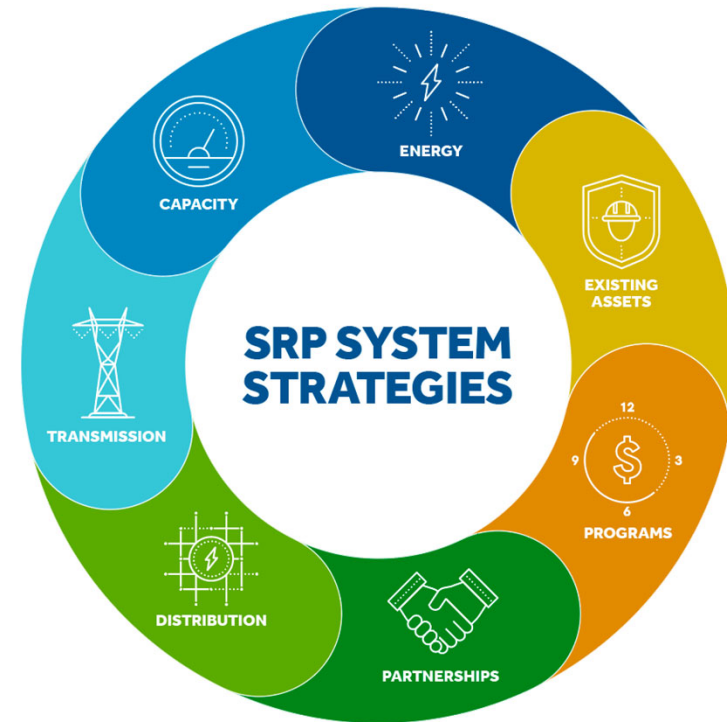
Achieve 30% reduction in generation-related water use intensity across all water types from 2005 baseline

Key Initiatives through FY30

- Continue big investments in carbon-free and low-water generation; diversify development pathways
- Reliably retire Craig and Hayden participation coal assets; prepare for more
- Advance net zero engineering

Risks to successful implementation of the above strategies:

- Pace and magnitude of load growth
- Availability of scalable, deployable carbon-free technology
- Access to siting and renewable supply chain



Adding Renewable Generation and Storage

FY21 – FY25

- Energized more than 2500MW of renewables/ storage
- Managed 13 individual projects



Adding Renewable Generation and Storage

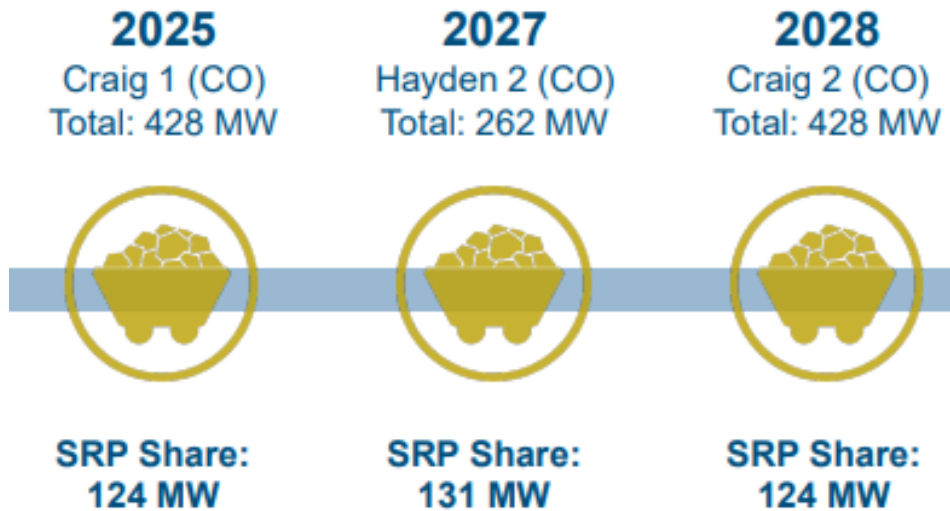
FY26 – FY30

- Actively developing or negotiating more than 9200MW renewables/storage
- 25+ individual projects

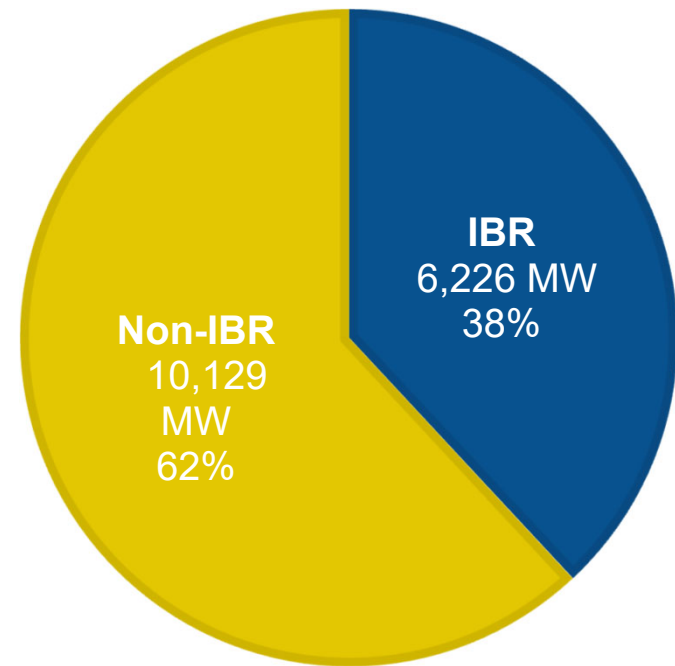
Scaling up requires diversity of development methods:

- Annual request for proposals
- Self-development
- Solar development partnership
- Potential front of the meter connections on 12kV system
- Proactive siting

Reliably Retire Coal

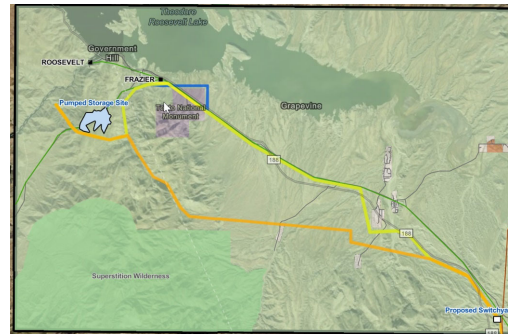


FY30 Inverter-Based Resources (IBR) Nameplate (MW)

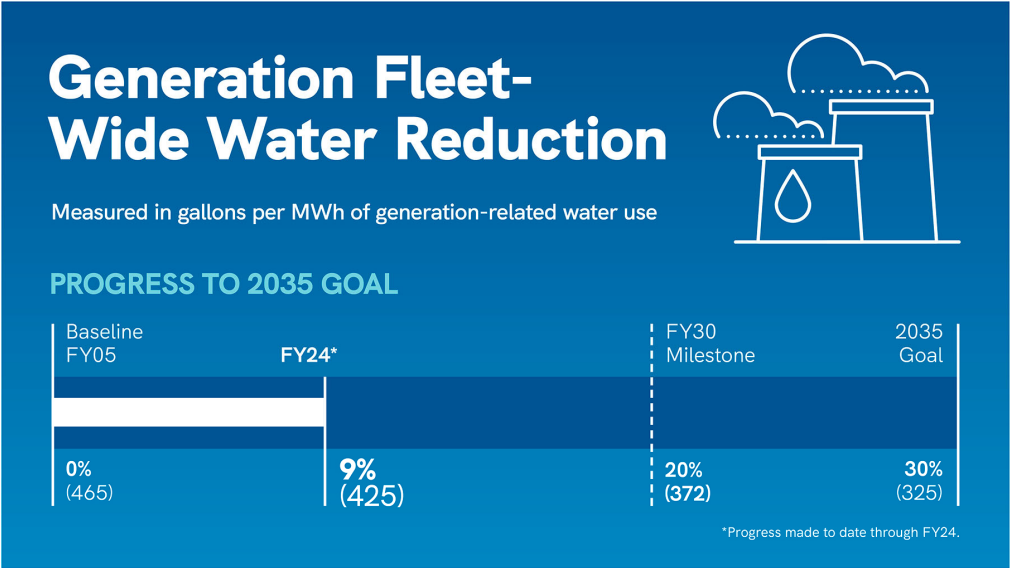
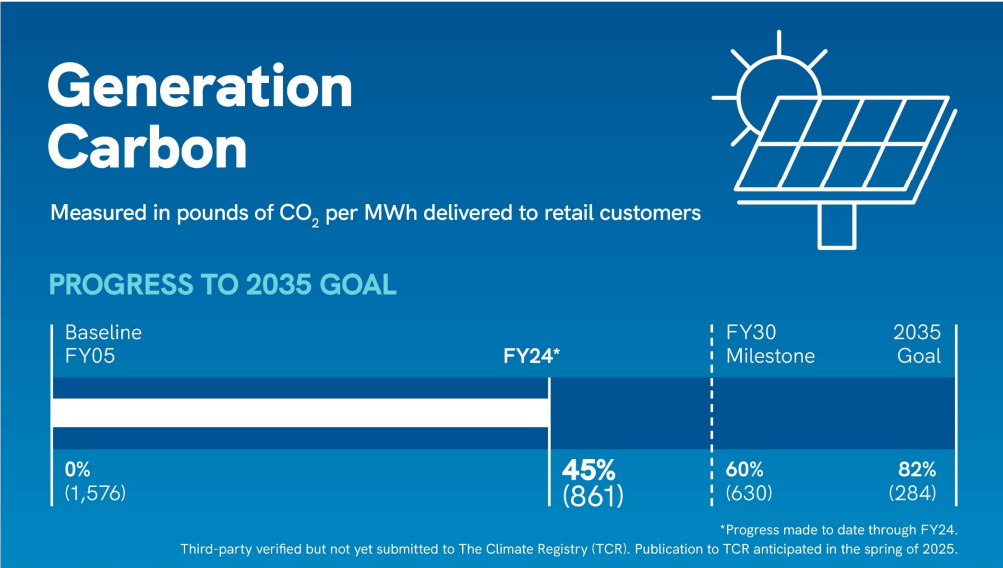


Advance Net Zero Engineering

- Energize, test, and monitor pilot technologies for scalable applications
- Develop Salt River Pumped Storage project
- Partner on nuclear, hydrogen, and carbon capture research
- Move forward on proactive transmission



Goal Spotlight: FY30 Progress Milestones



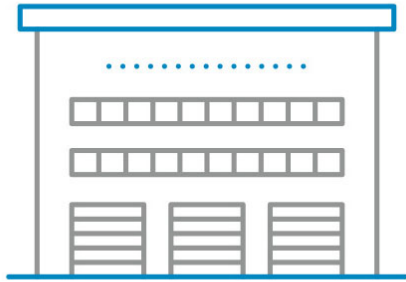




Implement new technologies and efficiencies across internal operations

Brian Heath, Senior Director of Facilities, MCM, & Transportation Services

2035 Sustainability Goals



Facilities Carbon

Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline



Facilities Water

Reduce water use at SRP facilities by 45% on a mass basis from 2016 baseline

Key Initiatives through FY30

Key Strategies

Building Portfolio Reductions

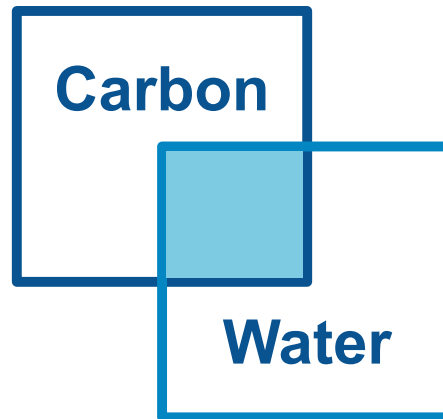
- Decommission four valley properties
- 16th Street Groundwater, 27th Street, Foothills Training Facility, and the Information Systems Building

Building Automation Controls

- Upgrade building automation controls
- Provide comprehensive visualization of building performance across valley sites

Chiller Plant and EVAP Cooling Upgrades

- Strategic conversions of water-cooled chiller systems to air-cooled chiller systems
- Replacement plan implementation over next five-to-ten years



Risks to Successful Implementation

Building Portfolio Reductions

- Current conditions of real estate market
- Corporate growth
- Hybrid work
- Understanding consolidated facility usage

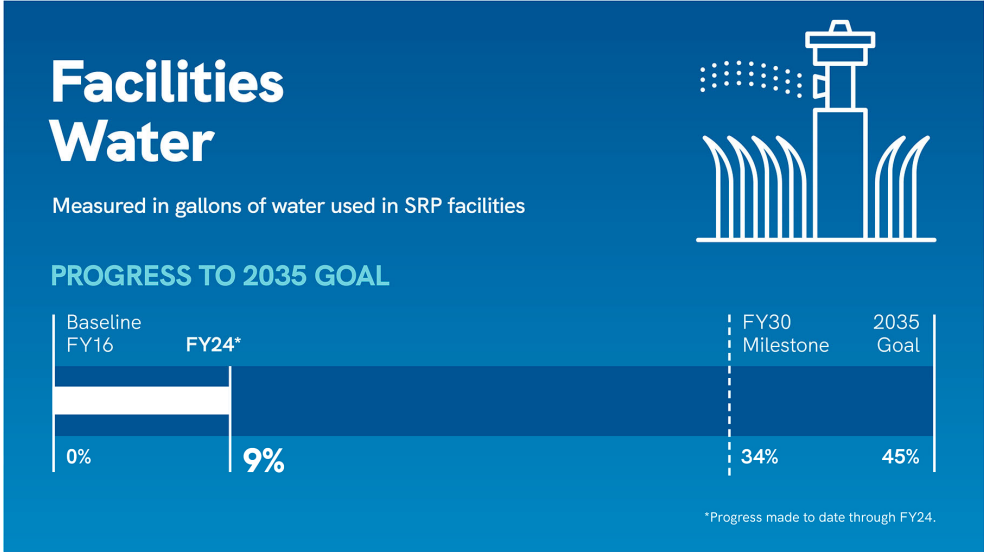
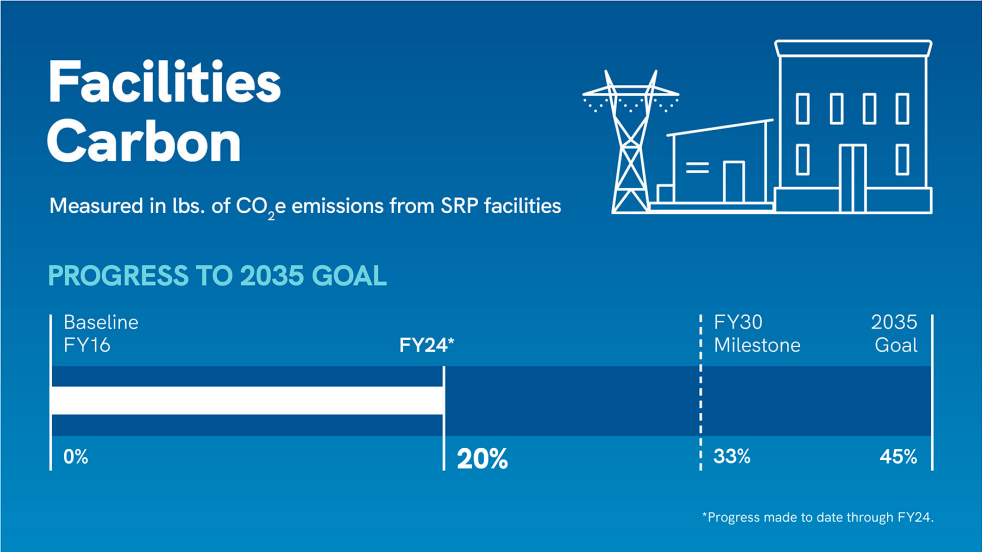
Building Automation Controls

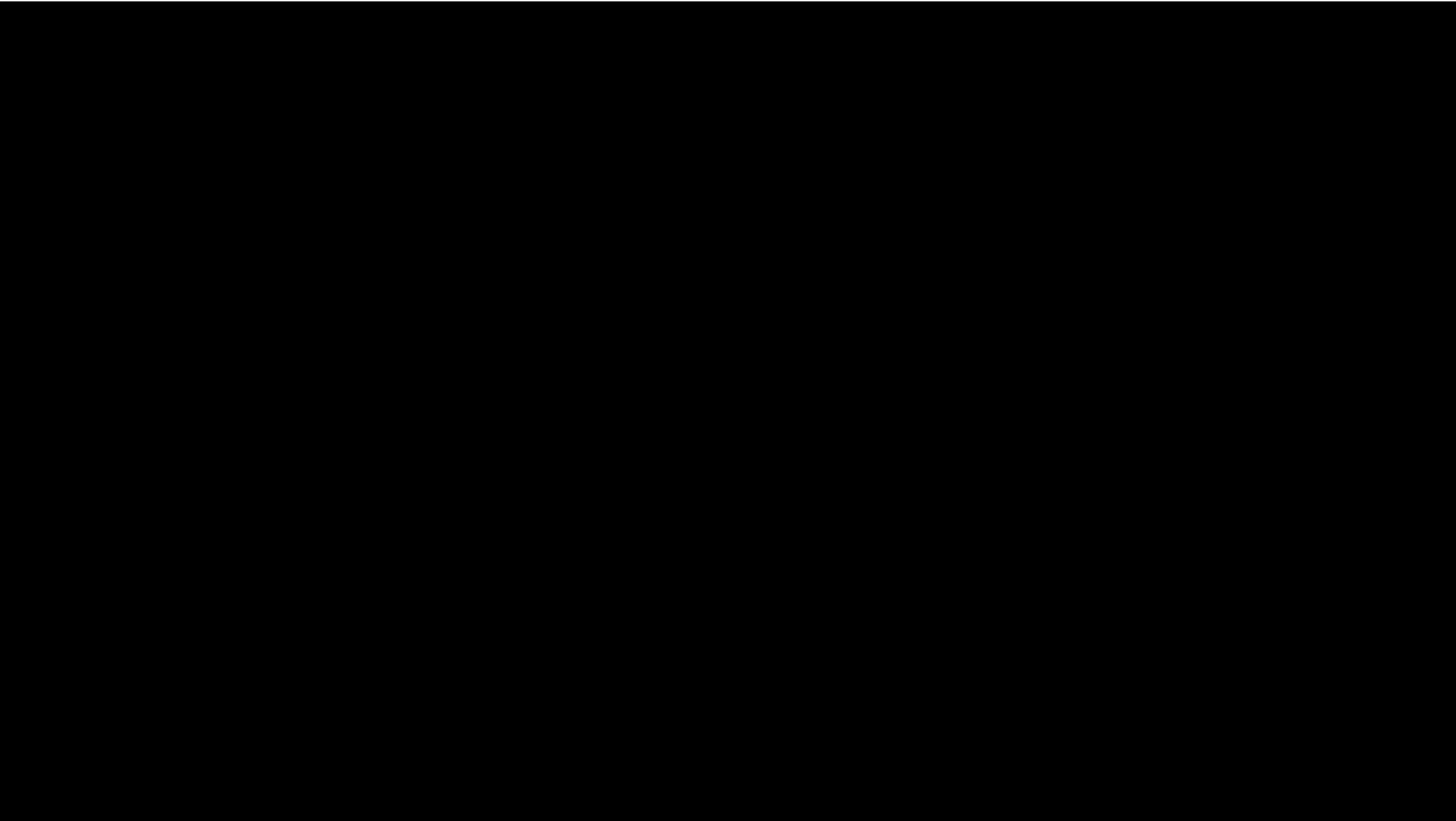
- Keeping up with technological advancements
- Complex and costly upgrades
- Personnel and contract support

Chiller Plant and EVAP Cooling Upgrades

- Supply chain availability
- Technological maturity
- Competing corporate goal priorities

Goal Spotlight: FY30 Progress Milestones







Evolve and tailor SRP's portfolio of customer programs and service offerings

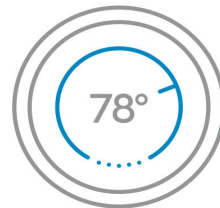
Dan Dreiling, Senior Director of Customer Strategy

2035 Sustainability Goals



Energy Efficiency

Deliver over 4 million MWh of annual aggregate energy savings



Demand Response

Deliver at least 300 MW of dispatchable DR and load management programs



Transportation Electrification

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

**As forecasted by third-party industry consultants.*

Key Trends and Assumptions

Customers

- Moving beyond early adopters of programs will require targeted value propositions, engagement strategies
- Tech, AI will change customer expectations and behavior
- Customers continue to grow their knowledge and understanding of electrification

Policy

- Federal and state policy and support remains in place
- State agencies will align and implement programs that leverage federal funding (e.g., IRA, IJJA)

Technology

- Battery tech continues to improve, enabling EV price competitiveness
- Continued improvements in tech maturity and scale of DR solutions
- DERMS platforms will enable integration of aggregators

Market

- EV manufacturers remain committed to EV goals
- Device, vehicle OEMs will enable control functionality, coordination
- Public charging infrastructure growth occurs at a rate that enables the EV marketplace



SRP System Needs

- Need to evolve programs to align with ISP System Strategies and Actions

Energy Efficiency 5-Year Initiatives through 2030

- Build and offer an increasingly diverse portfolio of EE programs and services to meet unique needs of SRP customers.
- Evolve programs to align with 2023 ISP findings and SRP's overall system needs by targeting peak reduction and shifting loads to periods of abundant renewable generation.
- Enhance engagement with underserved customers by offering additional ways to participate in EE programs.
- Align programs to leverage state and federal (IRA) rebates and tax incentives.



Demand Response 5-Year Initiatives through 2030

- Continue to grow and expand the residential and commercial DR programs to serve multiple customer segments and increase capacity nominations in the programs.
- Evolve capabilities of the DR portfolio to provide greater dispatch flexibility and enhanced value to SRP's grid.
- Focus on attracting and retaining customers in DR programs by meeting their evolving needs.
- Research, test, and expand pilots around additional DR tech to develop new and innovative programs and solutions.
- Integrate current and future DR aggregators into DERMS platform to expand VPP solutions.



Transportation Electrification 5-Year Initiatives through 2030

- Offer a portfolio of residential and commercial TE programs and initiatives that serve various customer segments.
- Evolve programs to align with overall SRP system needs by shifting EV charging during periods of high renewable generation.
- Evaluate and implement pricing and charging strategies identified in the SRP Managed Charging Roadmap.
- Leverage the TE Activator initiative to engage an ecosystem of TE community partners and stakeholders to further spur EV adoption.
- Align programs to leverage state and federal (IRA) rebates and tax incentives.



Key Risks & Challenges

- Changes in federal climate policy and funding impact on Energy Efficiency and Transportation Electrification goals.
- Changing resource and system needs coupled with weak price signals may limit ability to scale programs and optimize value.
- The scale of the BYOT Demand Response program carries with it the risk of program churn and customer saturation.
- Lack of technological maturity, price competitiveness, and scale in EV market and managed charging solutions may limit SRP's ability to manage load in-line with 90% managed charging commitment.

Goal Spotlight: FY30 Progress Milestones

Energy Efficiency

Measured in MWh of annual aggregate energy savings



PROGRESS TO 2035 GOAL



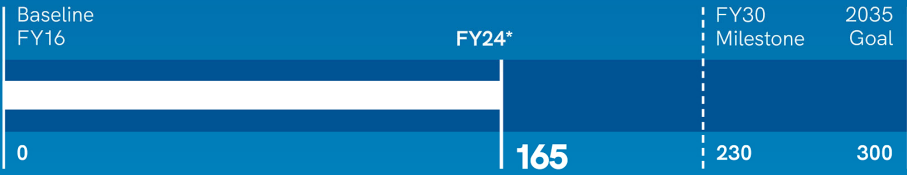
*Progress made to date through FY24.

Demand Response

Measured in MW of dispatchable DR and load management programs

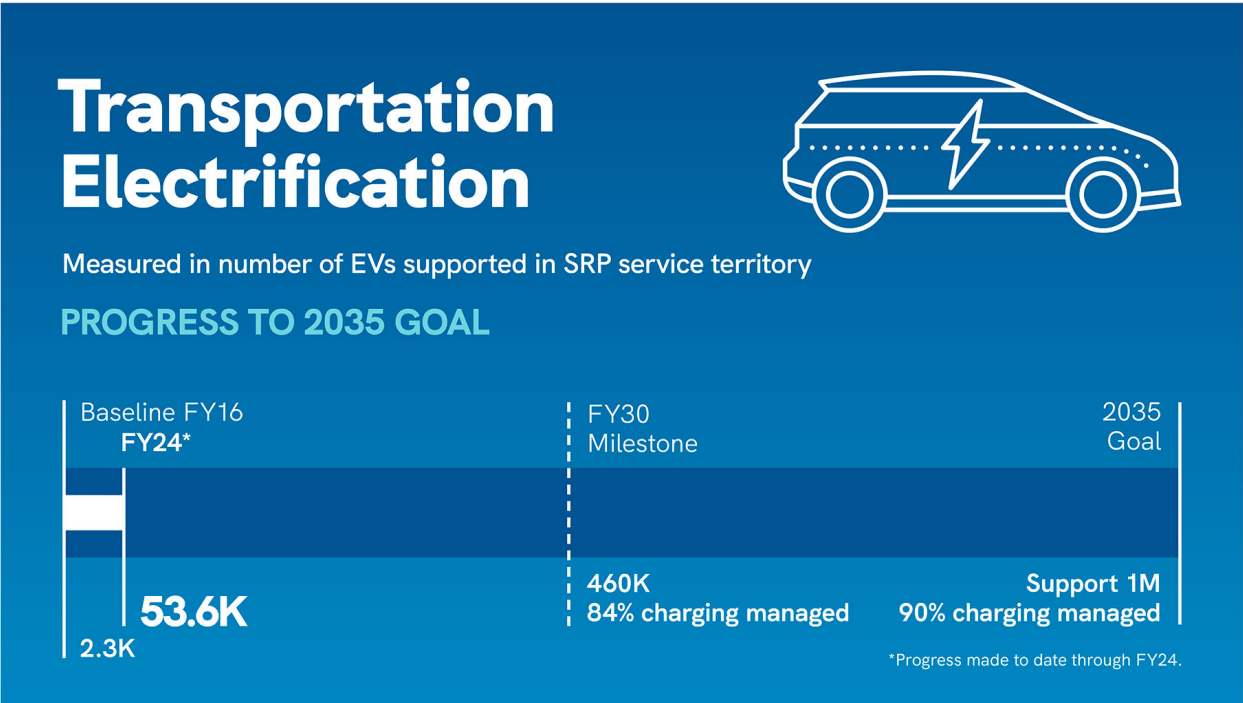


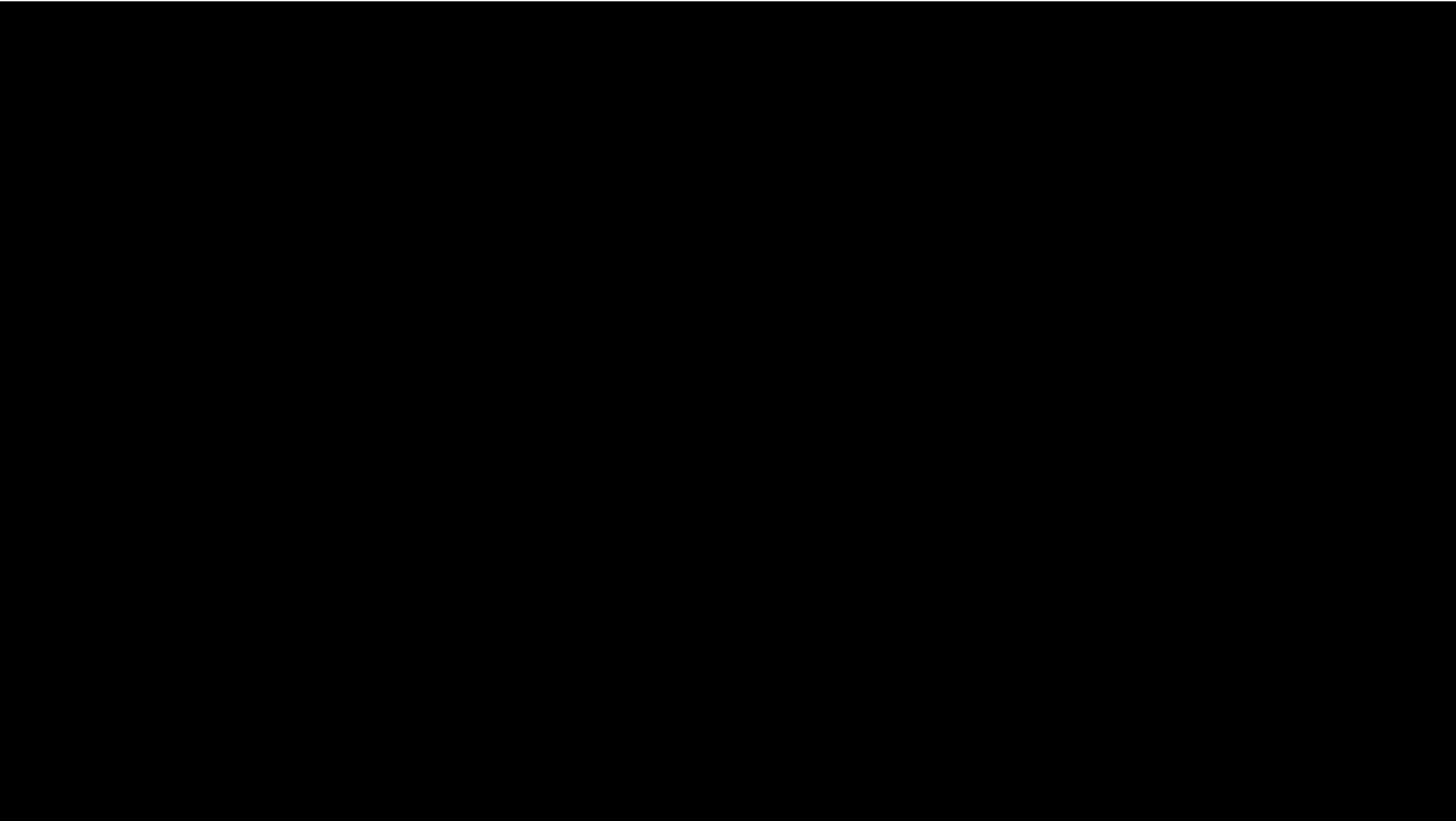
PROGRESS TO 2035 GOAL



*Progress made to date through FY24.

Goal Spotlight: FY30 Progress Milestones



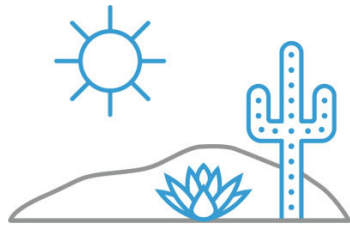




Expand community partnerships and education

Michael Mendonca, Senior Director of Water Strategic Services

2035 Sustainability Goals



Community Water Conservation

Achieve 5 billion gallons (~15,300 acre-feet) of water conservation by 2035 through partnership



Forest Restoration

Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 800,000 acres total by 2035

Key Initiatives through FY30

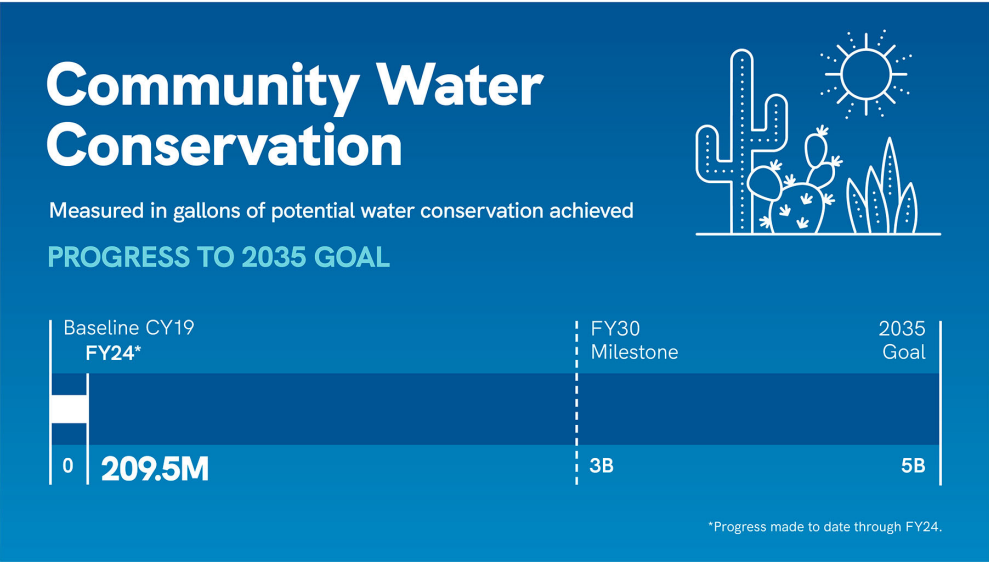
- **Partnerships:** Establish new and grow existing partnerships
- **Innovative Funding:** Strategically leverage SRP funding to be more impactful
- **Education and Advocacy:** Continue to educate our customers and partners of SRP goals and partnership opportunities



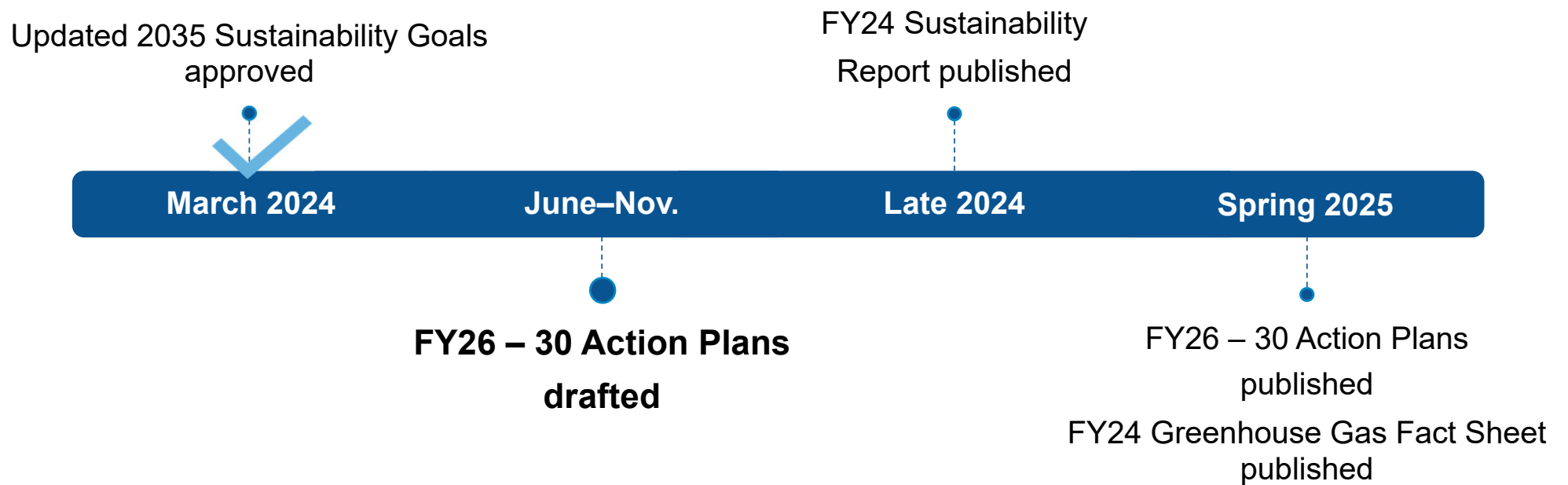
Key Risks & Challenges

- **Partner Capacity:**
 - Many partners have limited capacity to implement programs/ projects
 - Takes time to establish new partnerships and grow existing partnerships
- **Decreased Funding:**
 - USFS is currently experiencing funding challenges for staff
 - Unlikely to see any new or increased federal or state funding next couple years
- **Goal Measurement and Benefit Quantification:**
 - Aligning our goal measurements to best available guidance and data availability
 - Scaling innovative benefit quantification is time intensive and expensive

Goal Spotlight: FY30 Progress Milestones



Sustainability Reporting Timeline:



Public Reporting: [SRP.net/2035](https://www.srp.net/2035)

thank you!





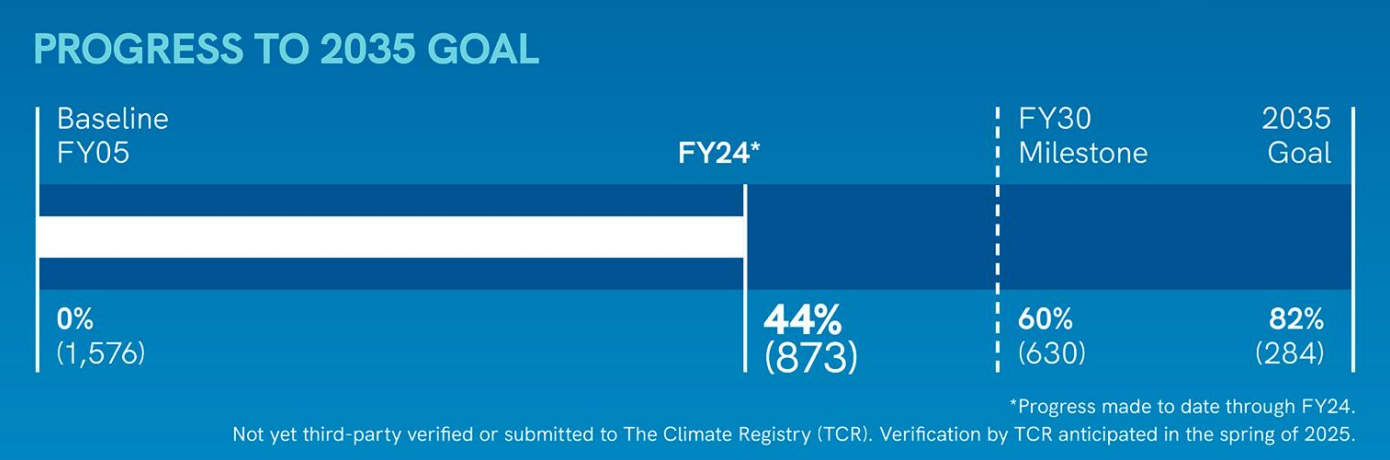
Delivering water and power™

2035 Sustainability Goals Fiscal Year 26–30 Action Plans and Milestones

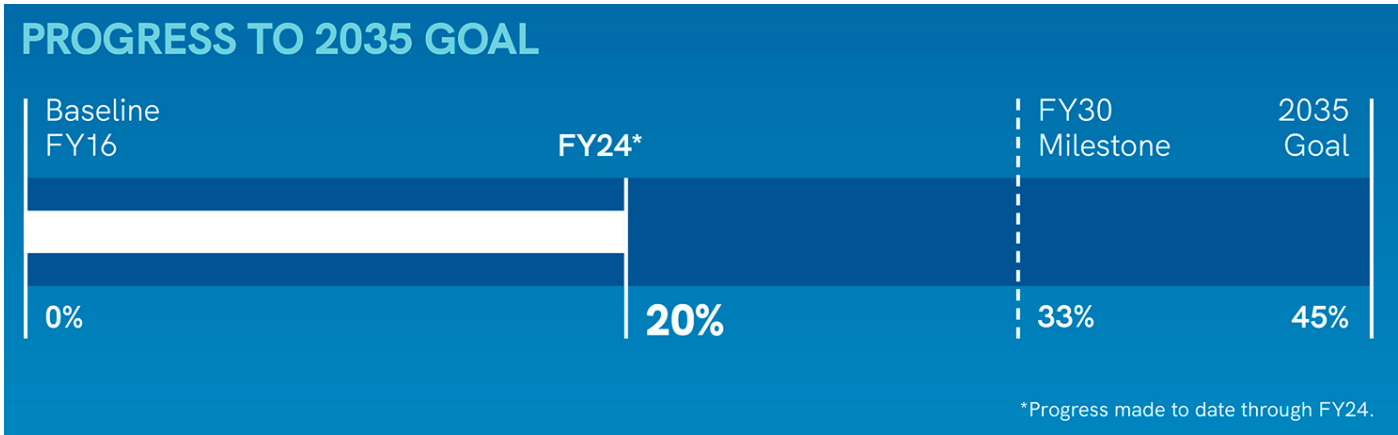
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Generation Carbon (for retail energy)	Reduce the amount of CO ₂ emitted by generation (per MWh) by 82% from 2005 levels by 2035 (~284 lbs/MWh) — 2050 goal: Net-zero carbon emissions
Scope of Goal	Retail carbon intensity includes all energy sales allocated to serve our retail load and does not include energy sales allocated to wholesale
5-year Milestone Value	Projected to be 60% reduction of CO ₂ emitted by generation (per MWh) by FY30 (~630 lbs CO ₂ /MWh) from 2005 levels.
Pace of Progress	<p>The FP25 Final resource plan shows that SRP is expected to meet the goal of 82% (284 lbs/MWh) carbon intensity reduction for retail needs by 2035. It is expected that SRP makes continued progress toward reduction through FY30 as follows:</p> <ul style="list-style-type: none"> • FY26: 44% (882 lbs/MWh) • FY27: 46% (874 lbs/MWh) • FY28: 49% (800 lbs/MWh) • FY29: 54% (731 lbs/MWh) • FY30: 60% (630 lbs/MWh) <p>The actual carbon intensity achieved in these years may vary from projections due to changes in fuel prices, technology costs, and generation resource implementation timelines. SRP has experienced resource development delays due to global supply chain constraints, permitting delays, and other factors. SRP will strive to continue to make meaningful progress towards our carbon intensity goals while providing reliable and affordable electricity to our customers.</p>
Key Initiatives	<ul style="list-style-type: none"> • Implement 1500 MW of solar projects selected from the 2021 and 2023 All-Source Request for Proposals (RFP), including SRP's first self-built solar resource at Copper Crossing. • Negotiate agreements for 2,500 MW of carbon-free resources from the 2024 All-Source RFP. SRP plans for these resources to be online by December 1, 2029. • Select and negotiate an agreement with a renewable development partner to implement 3,000 MW of solar generation by 2035. • Continue to issue annual All-Source RFPs, with a target to procure additional carbon-free resources and meet system needs defined by the annual resource plan. • Retire over 370 MW of coal resources and replace retired capacity with lower carbon or carbon-free energy sources. • Explore opportunities to install additional solar and/or storage on the 12kV distribution system in front of the meter. • Continue to develop options for up to 2,000 MW of new pumped storage hydropower by advancing design and progressing through the federal environmental compliance process, with a target for completion of this compliance process in FY27. • Explore the performance of emerging long duration energy storage (LDES) technologies through demonstration pilots to create options for a more diverse energy storage portfolio. Pilots include the 5MW/10hr flow battery project with CMBlu and potentially two more technologies from two LDES requests for proposals issued in 2024. • ISP Action #8—Develop coal transition action plan: <ul style="list-style-type: none"> • Coordinate with co-owners to develop a transition plan for the Springerville Generating Station. • Prepare a plan or plans for repurposing the Coronado Generating Station site after shutdown of Units 1 and 2. • Develop solutions that preserve transmission following the retirement of SRP coal generation resources. • Test strategies for minimizing emissions from coal generation resources during remaining operating years. • ISP Action #9—Develop and initiate a collaborative community engagement, land, resources and transmission siting research process to proactively identify, prepare and preserve options for feasible sites for future system infrastructure: <ul style="list-style-type: none"> • Pursue site control of public and private land to support development of new renewable generation. • Identify and initiate development of required upgrades for transmission infrastructure.

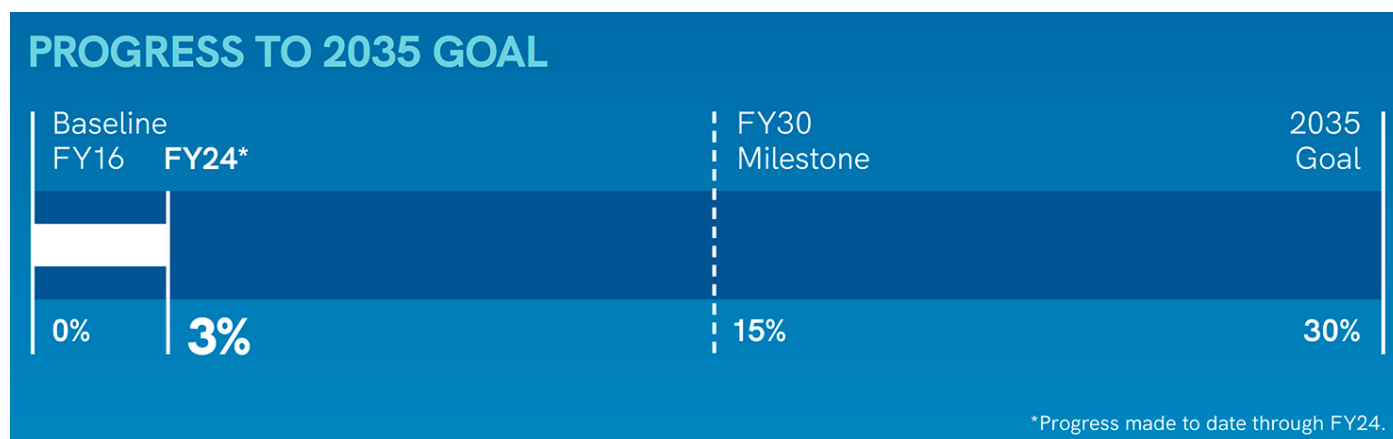
	<ul style="list-style-type: none"> • Develop plan to engage with communities located near potential generation and infrastructure sites. • ISP Action #10—Pursue transmission projects that would enable SRP to access diverse renewable resource options beyond solar, such as wind and geothermal, and engage with project developers as appropriate. • Continue to evaluate and adjust the resource implementation plan to identify viable resources, initiate infrastructure upgrades and mitigate risk. • Pursue participation in the CarbonSAFE II project to characterize the geology of the Harquahala basin west of Phoenix for both hydrogen and CO₂ storage. • Initiate early assessment activities for new nuclear generation. • Launch, scope, and complete SRP's next Integrated System Plan
Resources Required to Achieve Milestone	To help meet SRP's 2035 Sustainability Goals, SRP is planning to spend a total of \$5.3B between FY26–FY30 on new resources to make progress on the carbon reduction goal. This includes spending an anticipated \$4.2B on new SRP-owned resources and \$1.1B in new purchased power contracts. SRP will also need to make additional investments in transmission system upgrades to enable the interconnection of new generation resources.



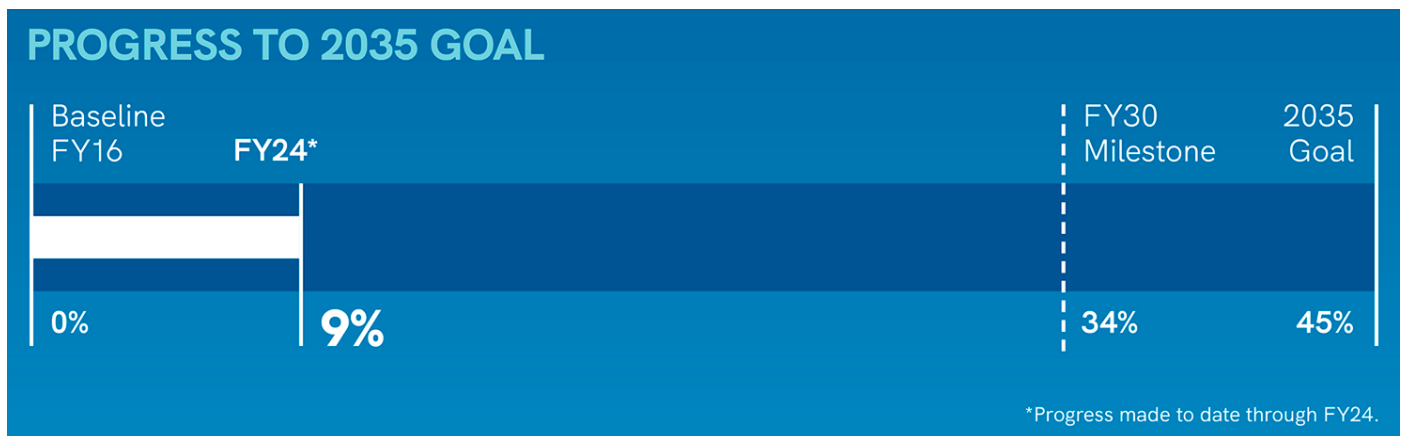
Facilities Carbon	Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline
Scope of Goal	“SRP Facilities” represents all SRP-owned non-generating sites in the valley.
5-year Milestone Value	33% (15.3 million pounds of CO ₂ e) reduction in carbon emissions from facilities by FY30 from the 2016 baseline.
Pace of Progress	<p>Facilities Services continues to implement carbon reduction projects, steadily decreasing overall carbon emissions. Certain projects may contribute larger year-to-year swings in reduction, but overall, the department anticipates reaching the 45% reduction by 2035.</p> <ul style="list-style-type: none"> • FY26: 25% • FY27: 27% • FY28: 29% • FY29: 32% • FY30: 33%
Key Initiatives	<ul style="list-style-type: none"> • Continue efforts to decommission and sell several properties across the valley due to aging infrastructure, including 16th Street Groundwater (16ST), 27th Street (27ST), Foothills Training Facility (FTF), and the Information Systems Building (ISB). • Leverage findings of comprehensive photovoltaic (PV) audit across the sites managed by Facilities Services to explore and capitalize on numerous opportunities to enhance these renewable initiatives. • Meet short-, mid- and long-term Facilities requirements by addressing comprehensive building renovations, building infrastructure, and sustainability needs that will focus efforts on renovations that incorporate holistic building upgrades while incorporating sustainability guidelines, landscaping standards, and more efficient building systems. • Continue to upgrade building automation controls to Tridium-Niagara for a comprehensive visualization of building performance across all valley facilities. The platform provides the opportunity to identify and correct alarms quickly, as well as adjust building systems to create usage savings.
Resources Required to Achieve Milestone	<p>Facilities Services will need additional support to help achieve the carbon reduction goal, which could include additional full-time employees, interns, contractors, or vendors and consultants to help take a deeper dive into solutions.</p> <p>Facilities Services has a \$2.5M annual capital program budget, which is used to support sustainability-driven projects such as lighting upgrades, solar unit implementations, and electric vehicle charging infrastructure. Facilities Services will need to invest significant capital funding into upgrading aging infrastructure and building renovations, which will vary based on the nature of the project.</p>



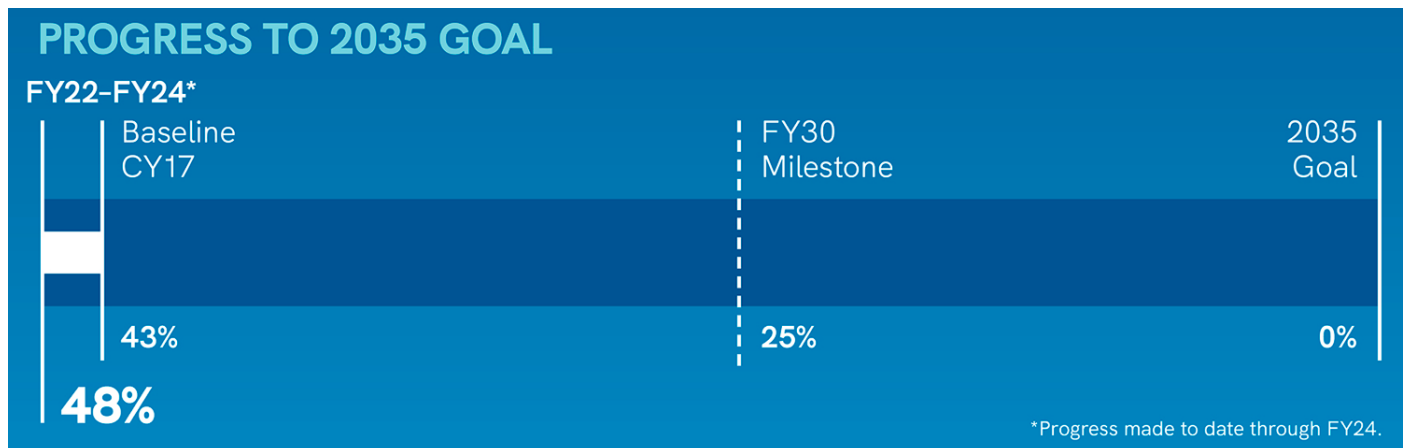
Transportation Fleet Carbon	Reduce carbon emissions from fleet by 30% on a mass basis from 2016 baseline
Scope of Goal	Fleet includes all vehicles and equipment assets owned by SRP that are managed by Transportation Services. This includes all on-road vehicles, off-road equipment and construction equipment. The goal does not include auxiliary on-board equipment or tools, equipment procured by other departments, rental assets, site generators, or participation-owned assets.
5-year Milestone Value	15% (5.1 million pounds of CO ₂ e) reduction in carbon emissions from the transportation fleet by FY30 from the 2016 baseline.
Pace of Progress	<p>Transportation fleet electrification is expected to provide 75% of the carbon emission reductions, with the other 25% from idle reduction and vehicle efficiency improvements. Progress is anticipated as follows:</p> <ul style="list-style-type: none"> • FY26: 3% • FY27: 6% • FY28: 9% • FY29: 12% • FY30: 15%
Key Initiatives	<ul style="list-style-type: none"> • Electrify the fleet with a focus on light-duty vehicles (up to 1 ton class) and equipment such as forklifts and utility carts. The target is for 90% electrification of the light-duty fleet by 2035. • Expand fleet electric vehicle (EV) charging infrastructure by deploying additional chargers with higher charge rates in strategic locations to support fleet operations. • Pilot zero-emission vehicles in the medium- and heavy-duty classes to assess feasibility to meet SRP fleet requirements. • Continue to assess the feasibility of alternative fuel types and sources as options for carbon reduction, primarily in the medium- and heavy-duty vehicle classes. • Pilot other technologies in the fleet like electrified power take-off and climate control. • Improve overall fleet efficiency from capital lifecycle replacement, fleet optimization (quantity and types of vehicles) and implementation of operational best practices. • Provide employee development opportunities to support the expanded use and maintenance of electric vehicles and charging infrastructure. • Introduce communications about the impacts of non-productive engine idle in the fleet on the environment, vehicle downtime, and operational costs with the development of corporate idle reduction initiatives.
Resources Required to Achieve Milestone	Continued capital funding to offset the initial cost premium of zero-emission vehicles as compared to traditional vehicles. Funding of Facilities efforts to increase fleet vehicle charging infrastructure across SRP sites. Organizational Change Management support for efforts to increase employee awareness, provide training, and adopt industry best practices.



Facilities Water	Reduce water use at SRP facilities by 45% on a mass basis from 2016 baseline
Scope of Goal	“SRP Facilities” represents all SRP-owned non-generating sites in the valley.
5-year Milestone Value	34% (24.9 million gallons) reduction in water use at SRP facilities by FY30 from the 2016 baseline.
Pace of Progress	<p>Facilities Services continues to implement water reduction projects, steadily decreasing overall water usage. Certain projects may contribute larger year-to-year swings in reduction, but overall, the department anticipates reaching the 45% reduction by 2035.</p> <ul style="list-style-type: none"> • FY26: 25% • FY27: 27% • FY28: 29% • FY29: 32% • FY30: 34%
Key Initiatives	<ul style="list-style-type: none"> • Continue efforts to decommission and sell several properties across the valley due to aging infrastructure. This includes 16ST, 27ST, FTF, and ISB. • Develop and implement a replacement/upgrade plan that includes implementing strategic conversions of water-cooled chiller systems to air-cooled chiller systems (where feasible). • Complete landscaping standards implementations across the valley, including upgraded irrigation systems in order to reduce water usage by upgrading to more efficient irrigation lines and using draught-tolerant plants and xeriscape when appropriate. • Continue to upgrade building automation controls to Tridium-Niagara for a comprehensive visualization of building performance across all valley facilities.
Resources Required to Achieve Milestone	<p>Facilities Services will need additional support to help achieve the water reduction goal, which could include additional full-time employees, students, contractors, or vendors and consultants to help take a deeper dive into solutions.</p> <p>Facilities Services has a \$2.5M annual capital program budget, which is used to support sustainability-driven projects such as water metering systems and landscape upgrades. This financial investment will vary based on the nature of the project.</p>

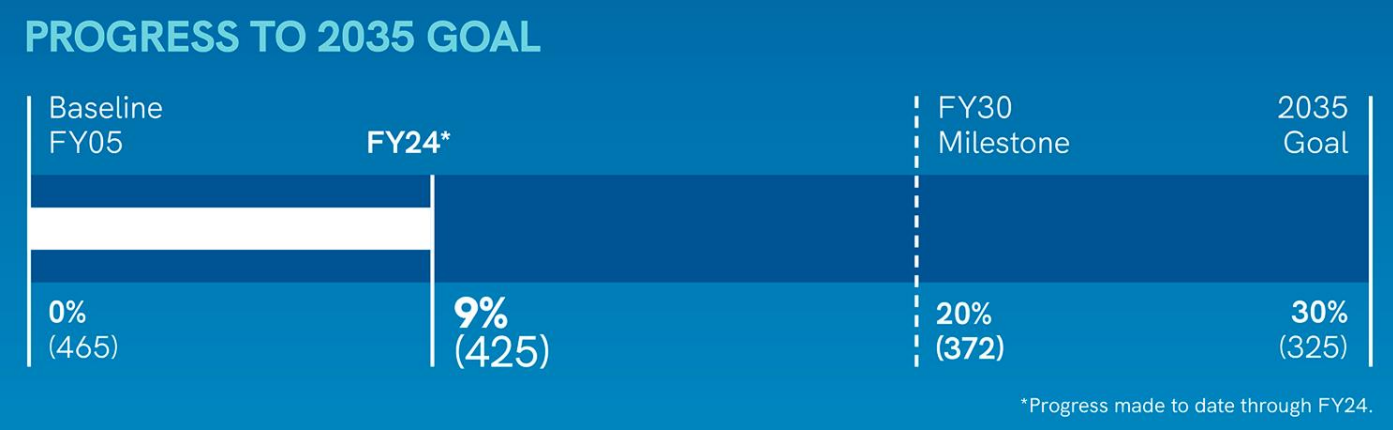


Generation Active Management Area Groundwater	Eliminate or offset power generation groundwater use in Active Management Areas (AMAs)
Scope of Goal	Eliminate or offset power generation groundwater use in AMAs. This only pertains to groundwater and only affects the water used in two AMAs: Phoenix and Pinal. The impacted power generation facilities are Mesquite, Agua Fria, Kyrene, Santan, Desert Basin, Copper Crossing, and Coolidge. The goal is based on the aggregate groundwater use of the AMA plants listed.
5-year Milestone Value	The FY30 milestone for this goal is 25% or less pumping from groundwater (as measured by a rolling three-year average of groundwater pumping) as a percentage of total pumping required to meet the aggregated generation requirements with AMAs.
Pace of Progress	<p>Projected Values have been calculated based on the resource plan and are as follows:</p> <ul style="list-style-type: none"> • FY26: 38% • FY27: 29% • FY28: 29% • FY29: 29% • FY30: 25%
Key Initiatives	<ul style="list-style-type: none"> • Store Colorado River water at New Magma Irrigation District in CY25 in order to generate long-term storage credits (LTSC). Utilize these LTSCs to offset all groundwater use at Copper Crossing Energy Research Center starting in CY26. • Starting in CY26, offset or eliminate groundwater use at all generating stations within AMAs (where LTSC's are available) using surface water or effluent that has been stored underground (LTSC). • Identify generating stations where there are challenges with alternative water sources, develop a strategy for these sites, and begin implementation efforts to continue to incrementally make progress toward the goal. • Continue to utilize our Integrated System Plan and Resource Plan to estimate power generation requirements within AMAs to determine the LTSCs utilization rate and develop a strategy for LTSC acquisition and accrual as necessary.
Resources Required to Achieve Milestone	Financial and staff resources are required to identify and implement a strategy for SRP's generating stations outside areas where surface water and effluent are readily available, as well as to identify and implement a resource strategy for LTSC acquisition and utilization.

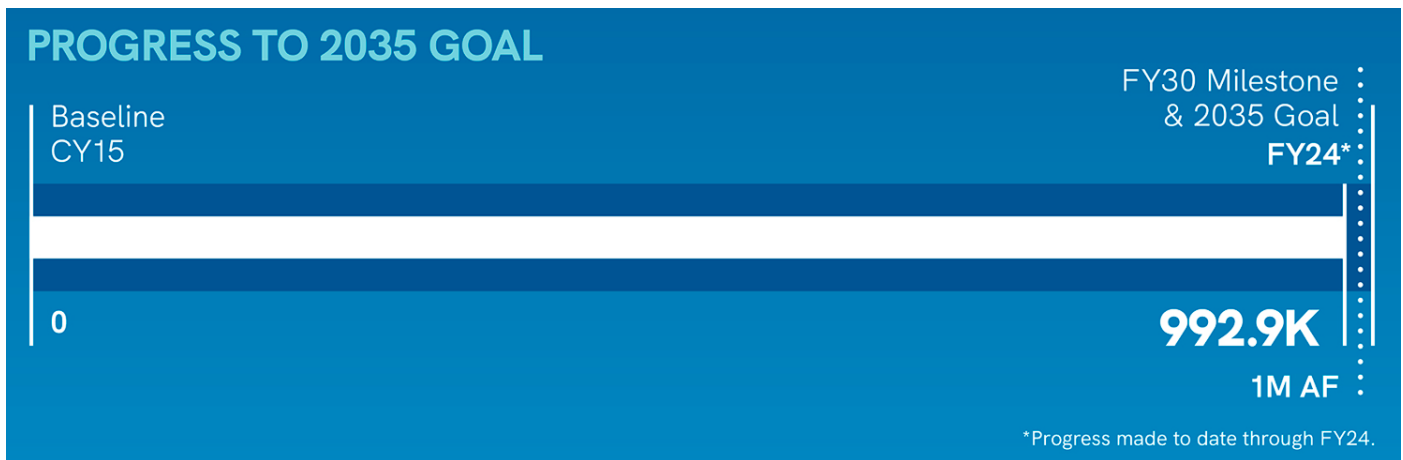


Generation Fleetwide Water	Achieve 30% reduction in generation-related water use intensity across all water types from 2005 baseline by 2035 (~325 gal/MWh)
Scope of Goal	Water intensity includes all consumed water and energy sales to serve system load.
5-year Milestone Value	20% reduction from 2005 levels by FY30 (372 gal/MWh). SRP's latest resource plan identified expected water intensity of 350–370 gal/MWh in FY30 and is on track to meet the goal.
Pace of Progress	<p>Projected Values have been calculated based on the FP25 Final resource plan* and show progress toward the 2035 water intensity reduction goal and meeting the interim goal of 20% reduction by FY30:</p> <ul style="list-style-type: none"> • FY26: 10% • FY27: 12% • FY28: 15% • FY29: 18% • FY30: 20% <p>*Note, all values are from FP25 Final resource plan and are in-terms of system-wide generation water demand. These values are slightly lower than retail-only generation; however, retail-only water intensity is expected to meet the 2030 and 2035 water intensity thresholds as currently defined</p> <p>The actual water intensity from SRP's generation portfolio achieved in these years may vary from projections due to changes in fuel prices, technology costs, and resource implementation timelines. SRP has experienced generation resource development delays due to global supply chain constraints, permitting delays, and other factors. SRP will strive to continue to make meaningful progress towards our water intensity goals while providing reliable and affordable electricity to our customers.</p>
Key Initiatives	<p>As SRP's generation fleet transitions away from coal to resources like natural gas, battery storage, solar, and wind, there will be water use reductions since all of these resources use less water than coal. The following are the key initiatives that SRP is pursuing to advance this resource transition from FY26–FY30:</p> <ul style="list-style-type: none"> • Implement 1500 MW of solar projects selected from the 2021 and 2023 All-Source Request for Proposals (RFP), including SRP's first self-built solar resource at Copper Crossing. • Negotiate agreements for 2,500 MW of carbon-free, low-water-use resources from the 2024 All-Source (RFP). SRP plans for these resources to be online by December 1, 2029. • Select and negotiate an agreement with a solar partner to develop up to 3,000 MW of solar generation by 2035. • Continue to issue annual All-Source RFPs, with a target to procure additional low-water use carbon-free resources and meet system needs defined by the annual resource plan. • Retire over 370 MW of coal resources and replace retired capacity with lower water intensity energy sources. • Explore opportunities to install additional solar and/or storage on the 12kV distribution system in front of the meter. • Continue to develop options for up to 2,000 MW of new pumped storage hydropower by advancing design and progressing through the federal environmental compliance process, with a target for completion of this compliance process in FY27. • Explore the performance of emerging long duration energy storage (LDES) technologies through demonstration pilots to create options for a more diverse energy storage portfolio. Pilots include the 5MW/10hr flow battery project with CMBlu and potentially two more technologies from two LDES requests for proposals issued in 2024. • ISP Action #8—Develop coal transition action plan: <ul style="list-style-type: none"> • Coordinate with co-owners to develop a transition plan for the Springerville Generating Station.

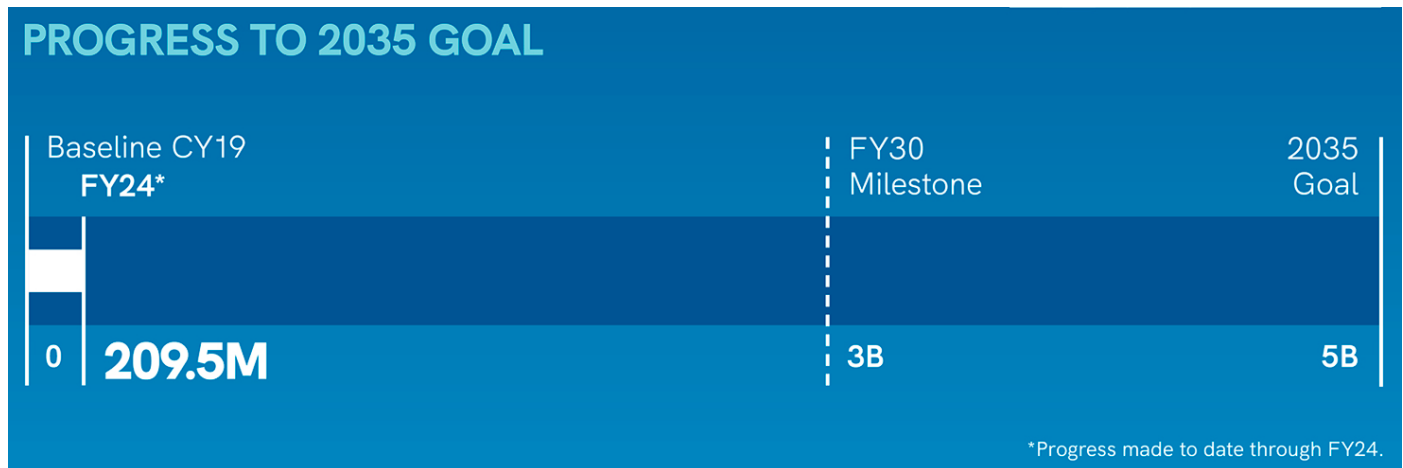
	<ul style="list-style-type: none"> • Prepare a plan or plans for repurposing the Coronado Generating Station site after shutdown of Units 1 and 2. • Develop solutions that preserve transmission following the retirement of SRP coal generation resources. • Test strategies for minimizing emissions from coal generation resources during remaining operating years. • ISP Action #9—Develop and initiate a collaborative community engagement, land, resources and transmission siting research process to proactively identify, prepare and preserve options for feasible sites for future system infrastructure <ul style="list-style-type: none"> • Pursue site control of public and private land to support development of new renewable generation. • Identify and initiate development of required upgrades for transmission infrastructure. • Develop plan to engage with communities located near potential generation and infrastructure sites. • ISP Action #10—Pursue transmission projects that would enable SRP to access diverse renewable resource options beyond solar, such as wind and geothermal, and engage with project developers as appropriate. • SRP will continuously seek water use reduction methods at existing SRP generation facilities including: chemistry management, alternatives to groundwater use, preventative maintenance, and participation in Electric Power Research Institute (EPRI) research.
<p>Resources Required to Achieve Milestone</p>	<p>To help meet SRP’s 2035 Sustainability goals, SRP is planning to spend a total of \$5.3B between FY26–FY30 on new resources to make progress on the carbon reduction goal (Generation Carbon). Water reductions benefit from the reduction in fossil fuel energy making total costs reflective of the progress in both goals. This includes spending an anticipated \$4.2B on new SRP-owned & operated resources and \$1.1B in new purchased power contract costs for various renewable and storage resources.</p>



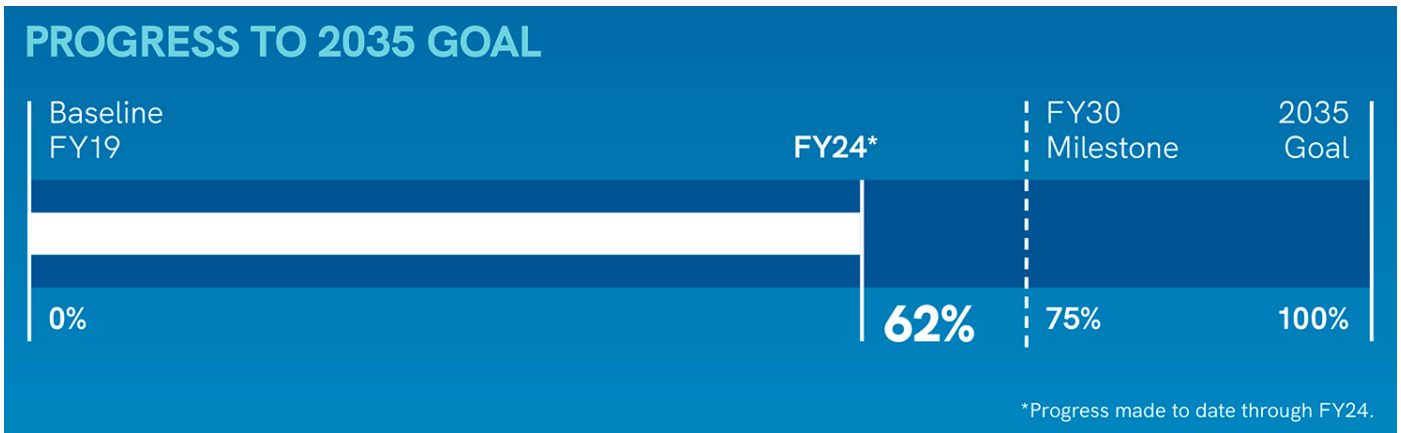
Water Storage	Lead efforts in water storage and drought resiliency by storing at least 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to 100,000 acre-feet (AF)
Scope of Goal	Continue to be an active partner in the Gila River Water Storage LLC (GRWS) with the Gila River Indian Community (GRIC) to store GRIC's Central Arizona Project (CAP) water supply underground. In addition, utilize the approved Flood Control Space (FCS) Deviation pilot project from the US Army Corps of Engineers to put to beneficial use the water that enters flood control space in Roosevelt Dam in lieu of unscheduled releases.
5-year Milestone Value	Storing 1 million AF of water underground is achievable by FY30, assuming there are no restricted future uses of Colorado River water. Achieving at least one and up to three flood storage events of up to 100,000 AF each under the FCS Deviation pilot project at Roosevelt Dam and utilizing that water for beneficial use, via direct water delivery to customers or creating water credits for pilot project partners.
Pace of Progress	Projected progress is outlined below: <ul style="list-style-type: none"> • FY25: 992.9K AF • FY26: 998.5K AF • FY27: 1.0M+ AF • FY28: 1.0M+ AF • FY29: 1.0M+ AF • FY30: 1.0M+ AF
Key Initiatives	<ul style="list-style-type: none"> • Continue to work with the GRIC to plan and manage recharge deliveries of GRIC's CAP water supplies. • Manage SRP's Groundwater Savings Facility and Granite Reef Underground Storage Project storage opportunities. • Develop Roosevelt flood control space storage strategy in support of maximizing storage opportunities during the pilot phase. • Implement a beneficial use strategy of SRP Shareholder water made available from the Roosevelt Dam Flood Control Space.
Resources Required to Achieve Milestone	No additional resources or financing are needed to achieve this goal.



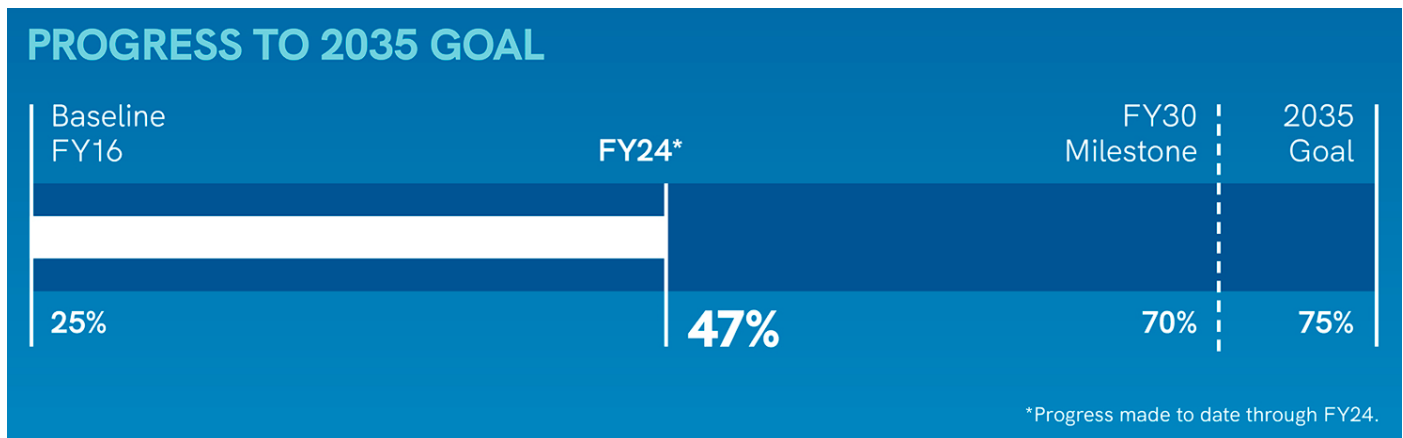
Community Water Conservation	Achieve 5 billion gallons (~15,300 acre-feet) of water conservation by 2035 through partnership
Scope of Goal	The updated goal language allows SRP water conservation initiatives to expand beyond municipalities to include water efficiency partnerships with other organizations, such as projects with non-profits, universities and directly with water users. However, many programs will continue to be focused on the goals of our ten municipal water partners. SRP water conservation programs must be consistent with municipal goals for water conservation, water resource management, sustainability, economic development, quality of life and financial impacts to municipal water utilities.
5-year Milestone Value	3 billion gallons of water conserved through partnership by FY30
Pace of Progress	Actual water-savings of current and developing water conservation programs can vary significantly based on external factors; however, high-level projections/estimates suggest the pace of progress towards the FY30 milestone may follow the below annual benchmark trajectory: <ul style="list-style-type: none"> • FY26: 850,000,000 gallons • FY27: 1,250,000,000 gallons • FY28: 1,800,000,000 gallons • FY29: 2,400,000,000 gallons • FY30: 3,000,000,000 gallons
Key Initiatives	<ul style="list-style-type: none"> • Fund Waterfluence (an interactive water budgeting software) for commercial and public landscapes in the cities of Avondale, Chandler, Goodyear and Tempe with the potential to expand the program to additional municipalities. • Conduct landscape water efficiency assessments for high-water-use Homeowners Associations, commercial and public sites. • Partner with Commercial, Industrial and Institutional (CII) water users to provide water efficiency assessment trainings for conservation professionals and implement water-saving improvement projects. • Strengthen municipal water conservation incentives by providing matching funds for grass-to-xeriscape (low-water-use landscape) conversion rebates.
Resources Required to Achieve Milestone	Additional full-time employees focused on field-based elements of irrigation and CII projects could increase program scope to accelerate goal progress and decrease reliance on contractors. An estimated \$5 million in financial support is required to achieve the Five-Year Milestone, based on an estimated \$1,000,000/year. \$1,000,000/year will allow SRP to scale and expand the water conservation partnerships that are needed to achieve the milestone.



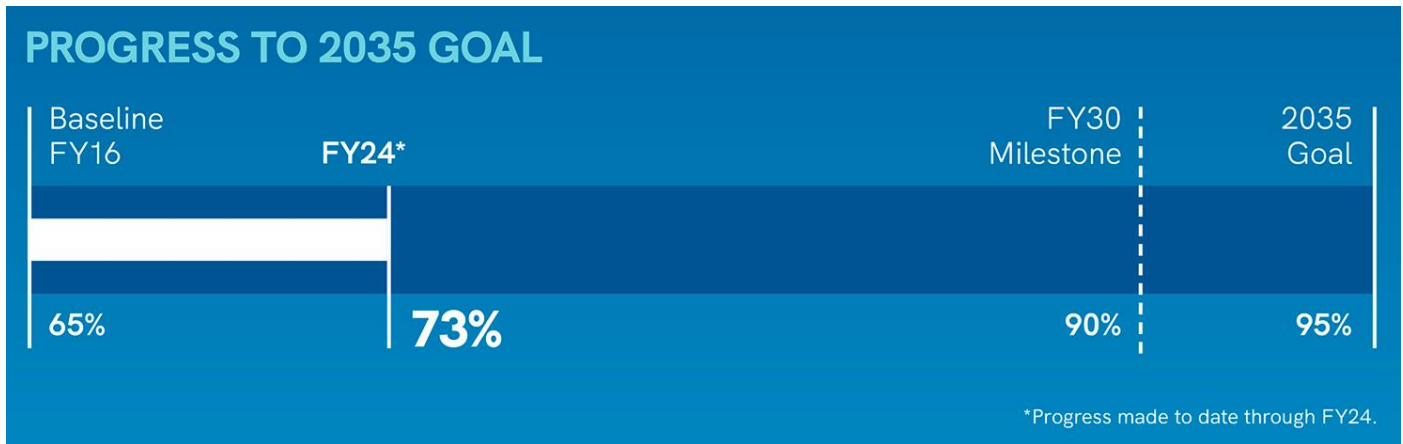
Supply Chain	Incorporate sustainability criteria into sourcing decisions for 100% of SRP’s managed spend* and integrate sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers (<i>*defined as spend managed by SRP’s Purchasing Services</i>)
Scope of Goal	<p>Incorporate sustainability criteria into sourcing decisions for 100% of SRP’s managed spend:</p> <ul style="list-style-type: none"> In Scope—Managed spend includes the expenses managed through SRP’s purchase order process and Purchasing organization Out of Scope—Corporate card spend, non-Purchase Order (PO) spend <p>Integrate sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers:</p> <ul style="list-style-type: none"> In Scope—All PO suppliers Out of Scope—Non-PO suppliers, corporate card suppliers
5-year Milestone Value	Sustainability criteria is incorporated into sourcing decisions for 75% of managed spend by FY30
Pace of Progress	Significant progress will not be possible until we have a process and technology in place to begin pre-qualifying suppliers on sustainability criteria. The RFP is being prepared now but don’t anticipate implementation until next FY or later depending on the responses and solution. However, the percent of spend and criteria will accelerate after that. This is effectively a backloaded success on this goal.
Key Initiatives	<ul style="list-style-type: none"> An RFP will be issued to identify a third-party service provider or technology that will facilitate the pre-qualification of SRP suppliers on sustainability criteria. Purchasing will coordinate with Enterprise Applications Support (EAS) to evaluate and implement the optimal solution. Purchasing Services will implement supplier pre-qualification requirements for all new suppliers and will initiate a program to systematically evaluate all existing suppliers.
Resources Required to Achieve Milestone	<p>Technology to facilitate pre-qualification of suppliers will be required and must integrate with SRP’s vendor management system and be supported by SRP Enterprise Applications Support (EAS). The cost of this technology has yet to be determined and will be identified during FY25.</p> <p>Although it is not anticipated that additional staff will be needed for direct support of this process, this additional requirement will increase the administrative workload for all purchasing agents, for EAS, and for the Vendor Master Team; which combined with other regulatory, market-related, and/or company initiatives may result a need for additional staff resources. These staffing needs can more accurately be quantified after a technology solution and processed is selected.</p>



Municipal Waste	Divert 75% of Municipal Solid Waste (MSW) by 2035; 100% diversion by 2050
Scope of Goal	Municipal Solid Waste (MSW) consists of waste items normally generated at SRP office facilities. Examples include general office, bathroom, food packaging, paper, cardboard, plastics, etc.
5-year Milestone Value	Achieve a diversion rate of 70% of MSW sent to Investment Recovery by FY30
Pace of Progress	<p>Progress benchmarks are as follows:</p> <ul style="list-style-type: none"> • FY26: 54% diverted • FY27: 60% diverted • FY28: 65% diverted • FY29: 68% diverted • FY30: 70% diverted
Key Initiatives	<ul style="list-style-type: none"> • Adjusting waste services based on business needs • Implement processes to promote waste reduction • Providing guidance on the implementation of design-to-recycle goods and materials • Promotion of employee education, engagement, and participation • Proactively seeking alternative disposal methods that minimize environmental impact for “hard to recycle” materials
Resources Required to Achieve Milestone	To achieve the milestone of diverting 70% of municipal solid waste (MSW) from landfills, SRP needs broad support and active participation across the enterprise. This involves engaging the community, implementing effective diversion strategies, and promoting sustainable waste management practices.



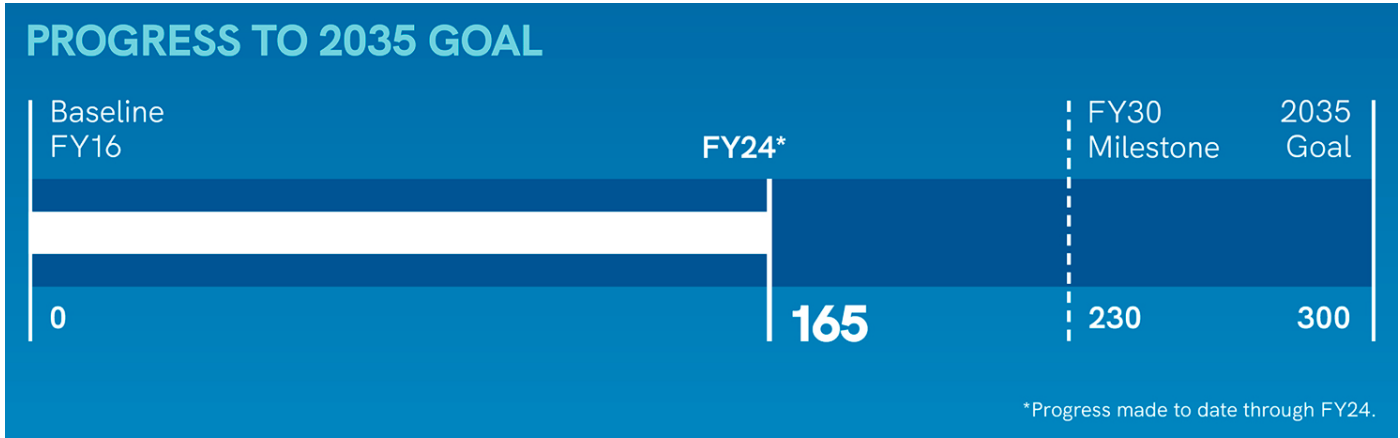
Industrial Waste	Divert 95% of Non-Hazardous Industrial Solid Waste (NHISW) sent to Investment Recovery (IR); 100% by 2050
Scope of Goal	The scope includes all NHISW that is managed by SRP's IR group.
5-year Milestone Value	Achieve a diversion rate of 90% of NHISW sent to SRP's IR group by FY30
Pace of Progress	<p>Progress benchmarks are as follows:</p> <ul style="list-style-type: none"> • FY26: 77% diverted • FY27: 81% diverted • FY28: 85% diverted • FY29: 88% diverted • FY30: 90% diverted
Key Initiatives	<ul style="list-style-type: none"> • Adjusting waste services based on business needs • Implement processes to promote waste reduction • Providing guidance on the implementation of design-to-recycle goods and materials • Promotion of employee education, engagement, and participation • Proactively seeking alternative disposal methods that minimize environmental impact for "hard to recycle" materials
Resources Required to Achieve Milestone	The resources required to achieve the milestone of diverting 90% of NHISW sent to Investment Recovery include involvement in expanded recycling and commodity markets and SRP-wide support and participation in diversion efforts.



Energy Efficiency	Deliver over 4 million MWh of annual aggregate energy savings
Scope of Goal	The 2035 Energy Efficiency (EE) goal is to deliver over 4 million MWh of annual aggregate energy savings through a portfolio of programs offered to SRP customers
5-year Milestone Value	3.7 million MWh of annual aggregate energy savings by FY30 <i>Based on SRP's 2023 Integrated System Plan and resource planning needs.</i>
Pace of Progress	To reach this 5-year milestone, SRP has set annual incremental saving targets for each year: <ul style="list-style-type: none"> • FY26: 647,000 MWh • FY27: 663,000 MWh • FY28: 677,000 MWh • FY29: 683,000 MWh • FY30: 690,000 MWh
Key Initiatives	<ul style="list-style-type: none"> • Build and offer an increasingly diverse portfolio of EE programs and services to meet unique needs of SRP customers. • Evolve programs to align with 2023 Integrated System Plan findings and SRP's overall system needs by targeting peak reduction during periods of low or no renewable generation. • Enhance engagement with underserved customers by offering them ways to participate in EE programs. • Align programs to leverage state and federal (Inflation Reduction Act) rebates and tax incentives.
Resources Required to Achieve Milestone	<p>During this time, the proposed annual EE budget will grow from \$52 million in FY26 to \$59 million in FY30, totaling roughly \$279 million over the five-year planning horizon.* This represents SRP's overall budget for its EE initiatives and comprises rebates, program administration, marketing costs, program evaluation, and labor costs.</p> <p>Securing and maintaining the resources of multiple third-party implementation partners and consultants is also a key resource requirement as is retaining and expanding the internal SRP staff with relevant experience and skillsets.</p> <p>* Based on FP25 budget and subject to SRP Board approval of budget each year.</p>

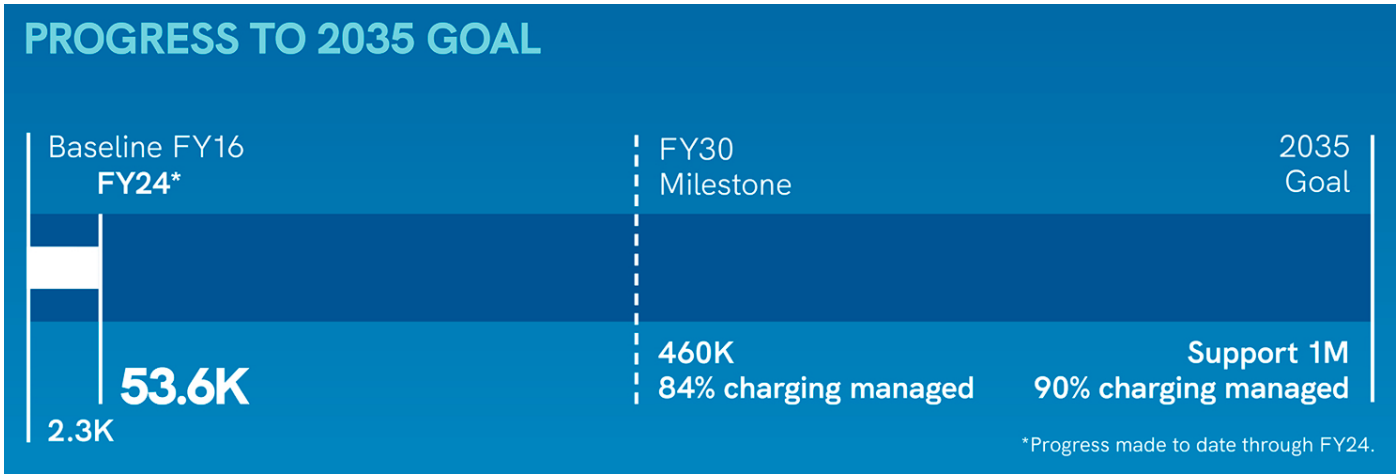


Demand Response	Deliver at least 300 MW of dispatchable Demand Response and load management programs
Scope of Goal	The 2035 DR goal is to deliver at least 300 MW of dispatchable DR and load management programs offered through a portfolio of programs to SRP customers.
5-year Milestone Value	At the conclusion of FY30, the DR program plan is estimated to provide 230 MW of cumulative subscribed DR capacity.
Pace of Progress	To reach this 5-year milestone, SRP also sets annual year-end cumulative DR capacity targets: <ul style="list-style-type: none"> • FY26: 180 MW • FY27: 193 MW • FY28: 205 MW • FY29: 218 MW • FY30: 230 MW
Key Initiatives	<ul style="list-style-type: none"> • Continue to grow and expand the residential and commercial DR programs to serve multiple customer segments and increase capacity nominations in the programs. • Evolve the capabilities of the DR portfolio to provide greater dispatch flexibility and enhanced value to SRP's grid and overall system. • Focus on attracting new large business customers and retaining residential customers in the DR programs by meeting their varied and evolving needs to provide an equal distribution of future program capacity. • Research, test, and expand pilots around additional DR technologies to develop new and innovative programs and solutions. • Integrate current and future DR aggregators into SRP's DERMS platform to expand scalable Virtual Power Plant (VPP) solutions.
Resources Required to Achieve Milestone	<p>Over the FY26 to FY30 planning timeframe, the DR program portfolio will provide a diverse and growing range of program offerings to address our customers' expectations and SRP's capacity needs. This will require resources in terms of a program budget to fund the initiatives.</p> <p>During this time, the proposed annual DR budget will grow from \$11 million in FY26 to \$13 million in FY30, totaling roughly \$60 million over the five-year planning horizon.* This represents SRP's overall budget for its DR initiatives and comprises program administration, rebates, marketing costs, program evaluation, and internal labor costs.</p> <p>Securing and maintaining the resources of multiple third-party aggregators and consultants is also a key resource requirement as is retaining and expanding the internal SRP staff with relevant experience and skillsets.</p> <p>* Based on FP25 budget and subject to SRP Board approval of budget each year.</p>



Transportation Electrification	Support adoption of 1 million* electric vehicles (EVs) in SRP's service territory and manage 90% of EV charging. <i>*As forecasted by third-party industry consultants.</i>
Scope of Goal	The Transportation Electrification (TE) goal is focused on SRP enabling EV adoption within its service territory and preparing the grid for growing EV loads. The level of EV adoption is dependent upon several external factors, including EV technology, pricing, policy, and customer acceptance. Managed charging includes both passive and active managed charging through price plans, dispatchable load management, OEM integration, connected smart homes, behavioral and other emerging programs.
5-year Milestone Value	At the conclusion of FY30, SRP's TE initiatives are estimated to bring the total number of EVs supported in SRP's service territory to 460,000 and SRP managing 84% of EV charging
Pace of Progress	<p>To reach this 5-year milestone, SRP also sets annual cumulative EV targets as outlined below:</p> <ul style="list-style-type: none"> • FY26: 100,000 • FY27: 160,000 • FY28: 240,000 • FY29: 340,000 • FY30: 460,000 <p>Managed Charging is currently at 79%, with EV customers participating predominantly in TOU price plans. This will continue as we transition to our future pricing structures, and over the longer term, will begin seeing more active managed charging opportunities as the industry, communications, and devices advance. To reach the 5-year milestone, SRP anticipates Managed Charging will progress as follows:</p> <ul style="list-style-type: none"> • FY26: 80% • FY27: 81% • FY28: 82% • FY29: 83% • FY30: 84%
Key Initiatives	<ul style="list-style-type: none"> • Offer a portfolio of residential and commercial TE programs and initiatives that serve various customer segments. • Evolve programs to align with overall SRP system needs by shifting EV charging to periods of high renewable generation. • Evaluate and implement pricing and charging strategies identified in the SRP Managed Charging Roadmap. • Leverage the TE Activator initiative to engage an ecosystem of TE community partners and stakeholders to further spur EV adoption. • Align programs to leverage state and federal (Inflation Reduction Act and Infrastructure Investment and Jobs Act) rebates and tax incentives.
Resources Required to Achieve Milestone	<p>Over the FY26 to FY30 planning period, the TE program portfolio will provide a diverse and growing range of program offerings to address our customers' expectations and SRP's needs. This will require resources in terms of a program budget to fund the initiatives.</p> <p>During this time, the proposed annual TE budget is \$11 million to \$12 million each year and totals approximately \$57 million over the five-year planning horizon.* This represents SRP's overall budget for TE initiatives and comprises planning and strategy, program administration, rebates, marketing, program evaluation, and research and testing costs.</p> <p>Securing and maintaining the resources of multiple third-party implementation partners and consultants is also a key resource requirement as is retaining and expanding internal SRP staff with relevant experience and skillsets.</p> <p><i>* Based on FP25 budget and subject to SRP Board approval of budget each year.</i></p>

(Transportation Electrification Continued)



Electric Technologies	Expand portfolio of Electric Technology (non-EV) programs to deliver 320,000 MWh of annual aggregate energy impact
Scope of Goal	The Electric Technologies (E-Tech) goal will include a portfolio of programs and measures that focus on displacing and/or converting fossil fuel-powered (non-EV) systems and devices to electric within SRP service territory.
5-year Milestone Value	At the conclusion of FY30, the E-Tech program plan is estimated to bring SRP to 248,000 MWh of annual aggregate energy impact.
Pace of Progress	To reach this 5-year milestone, SRP also sets annual incremental energy impact targets: <ul style="list-style-type: none"> • FY26: 24,000 MWh • FY27: 27,000 MWh • FY28: 30,000 MWh • FY29: 32,000 MWh • FY30: 34,000 MWh
Key Initiatives	<ul style="list-style-type: none"> • Diversify portfolio by offering a variety of E-Tech measures that meet customers' unique needs. • Evolve E-Tech programs to target load growth during mid-day hours with abundant renewable generation. • Continue to provide technical guidance and solutions to business customers to help evaluate and understand electrification opportunities and market needs. • Provide options to support adoption of residential heat pumps, heat pump water heaters, and other electric measures through our existing residential rebate and new construction programs. • Align programs to leverage state and federal (Inflation Reduction Act) rebates and tax incentives.
Resources Required to Achieve Milestone	<p>The E-Tech program portfolio will provide a diverse and growing range of program offerings to address our customers' expectations and SRP's needs. This will require resources in terms of a program budget to fund the initiatives.</p> <p>During the FY26 to FY30 planning period, the annual E-Tech budget is \$3 million to \$4 million each year and totals \$17 million over the five-year planning horizon.* This represents SRP's overall budget for E-Tech initiatives and comprises program administration, rebates, marketing costs, and program evaluation costs.</p> <p>Securing and maintaining the resources of multiple third-party implementation partners and consultants is also a key resource requirement as is retaining and expanding the internal SRP staff with relevant experience and skillsets.</p> <p>* Based on FP25 budget and subject to SRP Board approval of budget each year.</p>



Grid Enablement	Enable the interconnection of all customer-sided resources, including solar photovoltaic (PV) and battery storage, without technical constraints while ensuring current levels of grid integrity and customer satisfaction
Scope of Goal	The goal includes the interconnection of all customer-sided resources, including solar PV, battery storage and EV charging infrastructure, and the ability to integrate these resources into the real-time operation of SRP's electrical system.
5-year Milestone Value	The milestone is an annual rolling target representing 100% of customer interconnection agreements approved.
Pace of Progress	Progress is achieved by maintaining the annual rolling target representing 100% of customer interconnection agreements approved.
Key Initiatives	<ul style="list-style-type: none"> • Continue to assist SRP's residential and business customers with the interconnection of solar PV and battery storage systems in SRP's service territory. • Collaborate among SRP's internal organizations to plan and coordinate activities to further refine the customer interconnection processes to ensure grid integrity and customer satisfaction. • Continue to refine and execute the Distribution Enablement Roadmap to optimize the value of DER on the grid and advance design standards and operational capabilities needed to ensure grid integrity and customer satisfaction.
Resources Required to Achieve Milestone	<p>The current FY26 DE Roadmap update which covers FY26–31 is estimated to require the following to support Distribution 'Grid' Enablement:</p> <ul style="list-style-type: none"> • Total Number of Projects: 51 • Total Capital Budget Requirement: \$16.1M • Total O&M Budget Requirement: \$13.0M • Total Resource Hour Requirement: 177k



Customer Sustainability Sentiment Rating	Maintain above industry average in performance in the J.D. Power Sustainability Index
Scope of Goal	The Sustainability Index evaluates electric utility residential and business customer awareness, support, engagement and advocacy for their local utility's sustainability programs and goals. SRP is leveraging this Index to monitor our scores, as compared to peer utilities and the study average.
5-year Milestone Value	Maintain above industry average in performance in the J.D. Power Sustainability Index each reporting year through FY30.
Pace of Progress	Progress is achieved by maintaining above industry average performance in the J.D. Power Sustainability Index each year.
Key Initiatives	<ul style="list-style-type: none"> • Provide exceptional customer experiences by delivering more integrated sustainability-related solutions, services and interactions. • Create need-based campaign journeys and personalized sustainability content to meet customers where they are, with information they're looking for in ways they want to consume it. • Leverage data-backed communication and research to strategically impact progress. • Optimize our sustainability web experience in relation to the SRPnet.com redesign. • Collaborate with internal communications and public relations teams to leverage improved crisis communications plans and execution. • Continue to support customer community engagement teams with sustainability-related educational materials.
Resources Required to Achieve Milestone	Reaching the milestone will require full-time employees for communications, customer research and design support, as well as dedicated investment for sustainability campaigns to increase customer awareness of our goals, progress towards those goals and enrollment in energy, water and money-saving programs



Forest Restoration	Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 800,000 acres total by 2035
Scope of Goal	<p>Our updated goal of 800,000 acres by 2035 includes the original metric of 4FRI commercially thinned 4FRI acres and adds the metrics of non-commercially thinned 4FRI annual acres and non-4FRI thinning acres, both commercial and non-commercial.</p> <p><i>Commercial thinning</i> is the thinning and removal of merchantable-sized trees (typically ≥ 5" DBH*) typically using conventional ground-based machinery to meet resource objectives. Commercial thinning is accomplished using commercial timber sales, stewardship contracts, or agreements. (*Diameter Breast Height, or DBH, is the standard for measuring trees and refers to the tree diameter measured at 4.5 feet above the ground.)</p> <p><i>Non-commercial thinning</i> or mastication is the thinning of non-merchantable sized trees (typically < 5" DBH*) or shrubs. This work is often completed with chainsaw crews or with masticators. Non-commercial hazardous fuels reduction is typically accomplished with service contracts or with Forest Service crews.</p> <p><i>4FRI</i> is a landscape-level effort to restore 2.4 million acres of ponderosa pine and mixed conifer forests on portions of the Apache-Sitgreaves, Coconino, Kaibab, and Tonto National Forests in northern Arizona.</p> <p><i>Non-4FRI</i> acres are located outside of the 4FRI footprint but within SRP's Salt and Verde River watersheds.</p>
5-year Milestone Value	500,000 acres of forest thinned by FY30
Pace of Progress	<p>Actual thinned acres can vary based on external factors; however, high-level projections/estimates suggest the pace of progress towards the FY30 milestone may follow the below annual benchmark trajectory:</p> <ul style="list-style-type: none"> • FY26: 286,000 acres • FY27: 339,000 acres • FY28: 396,000 acres • FY29: 453,000 acres • FY30: 500,000 acres
Key Initiatives	<ul style="list-style-type: none"> • Execute new implementation partnerships: Red Rock Ranger District (Coconino National Forest), Apache-Sitgreaves National Forests, The Nature Conservancy, AZ Elk Society, and Prescott National Forest. Pursue additional potential partnerships with organizations such as White Mountain Apache Tribe, San Carlos Apache Tribe, and Kaibab National Forest. Through these valuable implementation partnerships, we strive to collectively implement 200,000 to 250,000 acres of forest restoration over the next 10 years. • Implementation of the Forest Health Investment Strategy to attract investment partners to increase the pace and scale of forest restoration in Northern Arizona. Grow the Healthy Forest Initiative and the Resilient Water and Forest Initiative. Pursue other innovative financing mechanisms. • Pursue and execute biomass utilization partnerships including issuing contracts for biochar creation. Release a biochar Request for Proposal to diversify and strengthen the forest product industry.
Resources Required to Achieve Milestone	<p>\$12.5 to \$15 million are needed over the next five years to achieve the milestone.</p> <p>As implementation ramps up, an increase in operations and maintenance budget allocations for SRP's forest health contributions will be necessary. Based on projected implementation timelines and project estimates, the amount is an additional \$2 million in our budget per year. Additionally, we will need another \$500,000 to \$1 million to scale up our biomass utilization efforts. Additional full-time employees will be required to support the anticipated growth (project and partner portfolio expansion and management, data analysis and management, etc.) in the Forest Health program.</p>

(Forest Restoration Continued)

PROGRESS TO 2035 GOAL



*Progress made to date through FY24.

