Salt River Project (SRP)
Integrated System Plan Advisory Group
Meeting #14- Summary

Prepared by Kearns & West

Advisory Group – Meeting #14 Overview

Meeting Objectives

- Share Final Balanced System Plan
- Share Final Integrated System Plan (ISP) Actions
- Request post-ISP public & customer education input
- Collect stakeholder process feedback
- Celebrate!

Topic: Moving Forward Together Part 2
Date: September 8, 2023
Time: 8:30 a.m. – 12:30 p.m.
Location: PERA Whitetail

Please see Appendix A for the Advisory Group member roster and attendance information. The [meeting agenda](#) and [presentation](#) are available at the [Integrated System Plan portal](#).

Welcome, SRP Updates, Opening Remarks and Meeting Orientation

Advisory Group members began convening in-person at 8:30 a.m. for breakfast and networking with the agenda content beginning at 9:00 a.m.

Bobby Olsen, Associate General Manager & Chief Strategy, Corporate Services & Sustainability Executive, welcomed members to the final meeting of the Advisory Group and expressed excitement at coming to the end of this journey together. He acknowledged the SRP Board and Council observers and thanked them individually for their attendance and engagement in the Integrated System Plan (ISP). Agenda

After presenting the safety and sustainability minute ([slide 5](#)), Olsen gave updates on SRP's long-duration energy storage project at Copper Crossing and the recent two-day work-study session on the ISP for SRP Board and Council members. In introducing Angie Bond-Simpson, Olsen noted her promotion to Senior Director of Resource Management at SRP.

Bond-Simpson began by reflecting on the two-year process for the ISP and thanking Advisory Group members for their commitment. She reviewed the meeting objectives, noting where Advisory Group feedback from the August meeting would be discussed ([slide 7](#)). She then previewed the upcoming Large Stakeholder Group meeting and commented that as one of the first ISPs in the nation, the project has generated interest from other utilities.

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Next, Bond-Simpson recognized leaders of organizations within SRP that worked on the ISP and asked them to introduce themselves and the role of their team in the ISP. Teams from distribution, operational readiness, product development, pricing, financial planning, transmission, load forecasting, customer programs, power delivery, legal counsel, system integration, and resource planning and analysis were present at the meeting. Bond-Simpson noted additional teams that contributed to the ISP and thanked everyone for their efforts.

Joan Isaacson, facilitator from Kearns & West, presented the agenda for this final Advisory Group meeting, emphasizing the updates to the final Balanced System Plan and the Advisory Group's role in informing future engagement processes both for SRP and other utilities (slide 8). After reviewing the guides for productive meetings and ISP roadmap (slides 9-10), Isaacson introduced Maria Naff, Manager of Integrated Planning at SRP.

Recap of August 11th ISP Advisory Group Meeting

Naff recapped discussion themes from the August 11, 2023, Advisory Group meeting (slide 12), Advisory Group members' noting residential customers concerns about affordability resulting from the Phase 3 residential customer research. She reviewed the other agenda items (e.g., ISP metrics, Balanced System Plan) and described how SRP's Board and Council heard the same information during the two-day work-study session and noted that SRP is beginning the approval process. She previewed where Advisory Group member feedback would be addressed during this meeting.

Final Balanced System Plan

Before presenting the final Balanced System Plan, Bond-Simpson described the multiple forecasts used to capture a range of possible futures and how the seven System Strategies led to creation of the Balanced System Plan. She described how the System Strategies each play an equal role in informing the tangible vision for the future represented by the Balanced System Plan (slide 14). She recapped the Balanced System Plan objectives (slide 15), noting that while the objectives remain constant, the Balanced System Plan must be flexible and responsive to changing conditions.

Bond-Simpson then recapped capacity additions (slide 16), explaining that the black diamond in the chart indicates the load requirement for the system (to meet energy demand and grid reliability) and highlighting how all natural gas additions are similar to the magnitude of coal retirements and natural gas toll expiration to sustain reliability. She presented the diversified resource additions (slide 17), noting that due to lack of proven technology and cost concerns there is no reliance on hydrogen or nuclear resources in the Balanced System Plan. Finally, she presented the energy mix side-by-side with the portfolios from all ISP scenarios (slide 18).

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Next, Bond-Simpson presented two elements of the Balanced System Plan that had not yet been shared with the Advisory Group: transmission and distribution. She presented transmission additions (slide 19) with upgrades and additions across a range of outcomes. She explained the potential for doubling the number of transformers and how that connects to the System Strategy for partnerships given long lead times for production, permitting and siting. On distribution additions (slide 20), Bond-Simpson presented a range of substation bay additions across the ISP scenarios with approximately 65 new substation bays anticipated in the Balanced System Plan. She added that this number considers both growth and evolving customer behaviors.

On affordability, Bond-Simpson showed a comparison across ISP study cases (slide 21) and explained how the team tried to identify how to reduce carbon emissions without increasing costs substantially, which results in an estimated average system cost of $121 per megawatt-hour (MWh) in 2035 as compared to a reference figure of $117 per MWh in 2025, both values being in nominal terms. She next presented a comparison of carbon emissions reductions by both mass and intensity (slide 22). She described how the Balanced System Plan projects an 82% reduction in carbon intensity from the 2005 baseline.

Bond-Simpson concluded by showing the Balanced System Plan for 2035 (slides 23-24), emphasizing that it aims to balance considerations for affordability, reliability, sustainability and customer-focus.

Q&A
Question: Where is SRP today on carbon emissions (slide 22)?
Response: On carbon intensity SRP is at about 1000 pounds per MWh. The reference figure for 2005 is based on conversations at that time around the Paris Climate Accord.

Final ISP Actions

Bond-Simpson continued by presenting the final ISP Actions and restated the objectives related to the Balanced System Plan (slide 26). She recapped the feedback the Advisory Group members provided and described how that input was incorporated into the final ISP actions (slide 27) while also noting suggestions for further exploration in a subsequent ISP.

As Bond-Simpson reviewed each action, she highlighted where Advisory Group input is reflected in bolded green text and the "potential to defer" icon, which indicates the possibility of deferring capacity investments (slides 28-37). She emphasized how the first six ISP Actions are more customer-focused and indicate a need to communicate effectively with customers, whereas the remaining ISP Actions are more focused on the bulk system. Bond-Simpson concluded by stating that the ISP Actions work together.

Question: Will SRP look at building out any electric vehicle infrastructure (ISP Action #4) themselves?
Response: At this time, we are more focused on enabling EV adoption and helping our customers understand the benefits and implications..

Question: What kind of strain has remote working placed on SRP in service delivery and reliability?
Response: We have looked at that and not seen a huge impact. The trend is now reversing with people returning to the office.

Question: Be transparent about the time-of-use pilot and include low-income people in that the pilot. For the most part, they work outside the home and if time-of-use shifts to times when they can't take advantage of programs, it's a problem. Who is involved in that pilot?
Response: We have 1000 participants in the pilot. I need to check the number of limited-income participants. We didn't specifically focus on recruitment of limited-income participants as their usage is very similar to that of other customers. (Follow-up post meeting: 9% of participants are limited income).

Question: How was the 3% growth rate (slide 23) determined?
Response: On annual growth rate, 3% is for the total system cost. We took the difference between 2025 and 2035 and then identified the annual increase. I can provide the 2025 and 2035 values in a follow-up.

Question: On transmission, how will the SunZia line from New Mexico affect SRP?
Response: We are not participating in that project. There may be options in the second proposed SunZia transmission line.

Question: The time-of-use pilot is important, but how do customers make a choice? They can't always figure out the best plan. SRP has data on customer use but the link to the customer isn't always clear. Consider tools for people to understand the plans so that they can make selection decisions with confidence.
Response: As a starting point, we have different price plan comparison tools and calculators online, and call center representatives are available and happy to walk through plans with people. We see varying levels of engagement and try to be responsive with different programs and tools.

Question: On the residential side, customers fear picking the wrong plan and ending up with a high bill. How do you incentivize the choice and behavior changes for a residential customer given this fear? It's important to ask how to price choices in this 10-year period and whether customers are willing to pay a premium.
Response: Communications and marketing are key to these efforts so customers understand the various options and the reasons behind the changing price plans as well as the shift in hours.
Comment: It's important to reflect on choices and track those impacts.

Question: The number of solar resources is so large ([slide 17](#)). How does it get developed, and what is my organization's contribution to developing it?
Response: We understand customers have strategic plans to add more renewables. We are trying to find options to assist in fulfilling those needs while also understanding pricing and development timeline constraints.

Question: On time-of-use, how does SRP evaluate the effectiveness of outreach? Does SRP involve customers in the development of materials? Do you do focus groups?
Response: It's a constant process and more complicated than one might imagine. For example, the 4% average savings doesn't catch customers' attention. We need more focus on the cause-effect of behavior changes and making messages resonate with people. We do use focus groups, but it's hard to find key messages that resonate with all segments of customers.

Question: Three ISP Actions focus on customer actions for load reduction. If customers install solar it's more affordable for them. How can SRP promote and support behind-the-meter solar? How will it impact capacity investments?
Response: The System Strategies are designed to consider an increase in customer participation. Our 2035 goal is to enable distributed energy for customers. Customers want to add solar to their systems and we will enable this through technology, but SRP can offer more affordable and efficient utility-scale solar.

Input on ISP Large Stakeholder Group Meeting and Public Education

Bond-Simpson began the next meeting section by sharing fast facts about the ISP planning process ([slide 39](#)) and then previewing the objectives for the final Large Stakeholder Group meeting on September 28, 2023 ([slide 40](#)). She explained that SRP was seeking the Advisory Group's assistance on communication to this larger group and for other outreach related to the ISP. Isaacson showed questions for input ([slides 41-44](#)) and invited Advisory Group members to respond. The project team captured comments with flipchart notes (see Appendix B), which are summarized below.

Recommendations for the Large Stakeholder Group Meeting

Advisory Group members made several recommendations for prioritizing and presenting information for the Large Stakeholder Group meeting. Multiple members suggested that while presenting a foundation for the ISP was important, it would be more productive to focus on outcomes, such as the ISP System Strategies and Actions. Some areas for providing context included the exponential growth in SRP's service territory and the capacity needs in a changing world. As part of those changes, Advisory Group members suggested highlighting factors such as how electric vehicle charging will require communication about customer behaviors and that natural gas will be used to ensure reliability during peak demand, not as a resource that is used all the time.

Other suggestions included targeting the message to the stakeholders that would be present at the meeting (e.g., residential vs. industrial customers), describing the transparent nature of the ISP process – perhaps through showing the "ISP Fast Facts" visual – and emphasizing how the three pillars of reliability, sustainability and affordability were balanced as a robust consideration of the ISP. One member suggested providing information about cost increases without creating undue worry.

Information to Convey to Customers and Other Community Members

When asked for the most important information to convey about the ISP, Advisory Group members described both big picture considerations and specific messages. On a broader scale, some members suggested making sure the ISP is part of the larger narrative about and continuation of SRP's 2035 Sustainability Goals and to highlight the trailblazing nature of the ISP. One member suggested creating visuals to convey aspects of the plan, such as land use for solar and transmission lines, to make the content more easily understandable. Advisory Group members also recommended specific communications, such as direct outreach to large customers who would prefer one-on-one meetings and to limited-income residential customers to show efforts to reduce costs.

For sharing information, Advisory Group members recommended varying strategies, including executive summaries and short videos to reach different types and ages of stakeholders and SRP customers. A few members talked about the importance of explaining the difference between the ISP and the previous Integrated Resource Plans. They emphasized telling the story of how the ISP represents both a challenge and a future path. One member suggested personalizing messages to community members so that they understand their role in the future of the energy system.

Stakeholder Process Feedback Collection

Bond-Simpson acknowledged the changes in the engagement process over time, beginning with the initial virtual meetings, then the addition of the Modeling Subgroup meetings, and the transition to fully in-person engagement. She explained how the project team was looking for

feedback to inform the next stakeholder process (slides 45-47). Isaacson reviewed three questions to seek feedback (slide 48) and invited Advisory Group members to discuss their ideas with a partner before sharing out to the group in a roundtable format. The project team captured input with flipchart notes (see Appendix C), which are summarized below.

Report Out

Some members commented on the large amount of information to absorb from the meetings and presentations and the challenges for those who joined the Advisory Group partway through the process. They noted it was difficult to catch up. Members also commented on scheduling conflicts due to the cadence and length of meetings, however, the addition of the Modeling Subgroup meetings was perceived as a positive change. One person asked whether the process could be shortened from 2 years. Another asked whether there would be a mid-cycle check in for the ISP.

Members also posed questions about the selection and makeup of the Advisory Group and meeting attendance. Suggestions included setting an expectation for attendance, being more direct in requesting feedback, including other stakeholder organizations in the group (e.g., military), and following up with any members who stopped attending the meetings. A member noted that participation in the ISP had helped them gain new perspectives for the communities they serve.

On what worked well in the process, members noted the presence of the project team members in the meetings and SRP's commitment to the process. One member added that the level of commitment and authenticity from SRP made it so the stakeholder engagement process didn't feel simply obligatory. A few Advisory Group members commented on how much they had learned from their participation.

Wrap Up and Next Steps

Bond-Simpson brought the meeting to a close by sharing the timeline and next steps (slides 51-52). She thanked the Advisory Group members for their commitment and recognized their efforts both in the meetings and in conversation with stakeholders in their organizations. Finally, she thanked the Board and Council observers, SRP leadership and staff, and the project consultants for their engagement in the process.

Appendix A
Meeting Attendance

Advisory Group Member Organizations (members in attendance on 9/8 are indicated in bold)
Arizona Hispanic Chamber of Commerce
A New Leaf
American Association of Retired Persons (AARP)
Arizona State University (ASU)
Arizona Public Interest Research Group (PIRG)
Building Owners and Managers Association (BOMA)
Chicanos Por La Causa
City of Phoenix
Common Spirit Health
CMC Steel Arizona
CyrusOne
Environmental Defense Fund (EDF)
Intel
Kroger
Local First
Mesa Public Schools
Pinal County
Profile Precision Extrusions
SRP Customer Utility Panel (CUP)
Salt River Pima-Maricopa Indian Community (SRPMIC)
Southwest Energy Efficiency Project (SWEEP)
United Dairymen of Arizona
Western Resource Advocates (WRA)
Wildfire

Key SRP Staff
Adam Peterson, Director of Corporate Pricing
Angie Bond-Simpson, Senior Director of Resource Management
Bobby Olsen, Senior Director of Corporate Planning, Environmental Services, and Innovation
Bryce Nielsen, Director of Transmission Planning, Strategy & Development
Chris Janick, Senior Director of Power Delivery
Chris Campbell, Senior Director of Distribution and Technology Operations
Dan Dreiling, Director of Customer Programs
Domonique Cohen, Integrated System Plan Communications Lead
Duncan Kraft, Planning Analyst for Integrated Planning
Grant Smedley, Director of Resource Planning, Acquisition and Development
Jed Cohen, Manager of Load Forecasting
Jon Hubbard, Director of Finance

Justin Lee, Manager of Transmission System Planning
Karilee Ramaley, Principal Managing Attorney (In house Legal Counsel)
Kyle Heckel, Senior Engineer of Integrated System Planning and Support
Maria Naff, Manager of Integrated Planning
Maxwell Burger, Senior Predictive Analytics Analyst for Integrated Planning
Melissa Martinez, Manager of Distribution Planning
Michael Reynolds, Manager of Resource Analysis and Planning
Nathan Morey, Manager of Product Development /Customer Programs
Nevida Jack, Manager of System Integration
Scott Anderson, Director of Operational Readiness

Key Facilitation Team
Joe Hooker, E3
Lakshmi Alagappan, E3
Brisa Aviles, Kearns & West
Karen Lafferty, Kearns & West
Joan Isaacson, Kearns & West

SRP Board and Council Observers
Anda McAfee, SRP Board Member
Larry Rovey, SRP Board Member
Mark Mulligan, SRP Council Member
Suzanne Naylor, SRP Council Member

Appendix B
Input on ISP Large Stakeholder Group Meeting and Public Education

What information about the ISP should be prioritized for sharing at the Sept. 28th Large Stakeholder Group meeting?

- Who are we addressing/targeting?
  - Residential - Want to know about cost and affordability.
  - Industrial - Want to know about reliability.
- Show the growth SRP is facing.
- Explain why we are planning for this process.
- Need a good foundation set.
- Spend more time on outcomes.
- Relate work to future story and actions.
- Show exponential growth of need.
- Electric vehicle demand will push out normal peak hours.
- Introduce customers on how and why we need to change behaviors.
- Describe reliability as important factor for the ISP.
- Balance of the three pillars as a robust consideration of the ISP.
- System Strategies and Actions make sense in the context; spend more time on this.
- Transparency and accountability in the process; focus on public, transparent process.
- Provide context of need with changing world and capacity needs.
- Highlight growth, projects and reliability piece; tell the real-world story.
- Explain how gas is not running all the time and show emissions reductions.
- Set up cost increases without creating undue worry.

What information about the ISP is most important to convey to customers and other community members?

- Larger customers want one-on-one meetings.
- Celebrate existing success.
- Show the ISP as a continuation of SRP's current sustainability efforts.
- Trailblazer mentality needs to be communicated and expanded.
- Share the ISP process Fast Facts (slide 39).
- Refresh on the 2035 Sustainability Goals.
- Show land use for solar and transmission lines; make impact more visually understandable.
- Time-of-use: For fixed-income customers, show efforts to hold down costs and be greener.

What would be helpful for Advisory Group Members to share information about the ISP process and recommendations?

- Compose an executive summary (2-3 pages/sheets)
  - What happened and where are we going?
- Explain ISP vs. IRP - What is the difference?
- Have a story of the challenge, success and future.
- To communicate with customers: What are you contributing to? As a participant in this process, what are you contributing?
- Use videos to reach different generations of customers and to tell the different stories of various customers.
- Use quick snippets.
- Communications need to be entertaining, less dry.
- Catch attention for the why and make it personal for customers.

Appendix C
Stakeholder Process Feedback Collection

What did SRP do well or could have done differently to create a dialogue that includes diverse perspectives around the Integrated System Plan?

- Got into a rhythm of presenting technical content and also managed hybrid and in-person transition.
- Early on the long days were very tough.
- A lot of information for people who come in the middle of the process.
- Good thing was technical subgroups being moved.
- Maybe set an expectation for number of meetings to attend.
- Appreciated having teams in the room.
- SRP's commitment and authenticity; process didn't feel obligatory and was driven by core values.
- Don't be so nice; ask people directly for feedback.
- Have expectation for full engagement.
- Consider other stakeholders to include (e.g., military).
- Provide more information on how organizations were selected and how follow-up was done.
- There is a lot of information to learn from people who dropped out.
- Curious about Advisory Group formation, interests, agencies, etc.
- Calendar flexibility and meeting inconsistency was difficult.

What were the most interesting, valuable, or exciting things you learned about the future system planning and the ISP?

- It was educational and impactful; one of the best panels I've been part of.
- Very interesting and fascinating.
- Gained new perspectives for the communities they serve.

What suggestions do you have for the timing and cadence of the next ISP cycle?

- Break up longer meetings.
- Is it possible to make the process shorter than 2 years?
- Will there be a mid-cycle ISP? Maybe 2030?