

An aerial photograph of a large dam and reservoir situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock formations. The reservoir is a deep blue color, and the dam structure is visible in the lower center of the image. The sky is a clear, pale blue.

# SRP 2035 Sustainability Goals

## 1.1 Generation Carbon Follow Up Discussion

December 8, 2023

# Welcome

**Bobby Olsen**

**Associate General Manager & Chief Planning, Strategy,  
and Sustainability Executive**

# Agenda

## Discussion Framework:

- What we heard on 10/27
- Clarifying information based on Advisory Group feedback
- Risks considered in achieving the goal
- Additional discussion and considerations

# Meeting Protocol

- Be present
- Active engagement
- Inclusive
- Respectful
- Open and curious
- Chatham House Rule



# 1.1 Generation Carbon

Angie Bond-Simpson, Senior Director, Resource Management



# Goal 1.1 — Generation Carbon

## Proposed Direction

### Updated Goal:

Reduce the amount of CO2 emitted by generation (per MWh) by 75% from 2005 levels — 2050 goal: net zero carbon emissions

### Original Goal:

Reduce the amount of CO2 emitted by generation (per MWh) by 65% from 2005 levels — 2050 target: 90% intensity reduction from 2005

## What We Heard

- About half the group was satisfied with proposed direction, half was not satisfied
- Some appreciated the proposed goal, some asked for more aggressive targets
- Desire for mass-based target
- Importance of safety and reliability

## Recommended Direction

### Maintain Direction:

Reduce the amount of CO2 emitted by generation (per MWh) by 75% from 2005 levels — 2050 goal: net zero carbon emissions

# Integrated System Plan: System Strategies

## Energy Investments

Invest in renewable resources and storage to manage fuel consumption, and drive carbon and water reductions.

## Capacity Investments

Invest in firm generation, including natural gas, to support reliability and manage affordability, while also supporting advancement of emerging firm technologies.

## Proactive Transmission

Proactively plan to expand transmission infrastructure to enable generator interconnections and load growth.

## Distribution Innovation

Ensure distribution grid readiness to maintain reliability and enable customer innovations to drive carbon reductions.



## Strategic Investment & Reinforcement of Existing Assets

Reinforce and maximize value of existing infrastructure with strategic investments to manage affordability, and ensure future performance, grid security and resilience.

## Evolution of Customer Programs & Pricing

Evolve pricing and customer programs to improve economy-wide carbon reductions and pace infrastructure development, while recognizing customers' diverse needs.

## Partnerships & Suppliers

Explore partnerships, supply chain and development solutions that manage cost and availability to meet the pace of transformation.

# Carbon Reduction/Renewable Goals



**2030** 45% renewables,  
65% clean energy

**2035** *Proposed: 75%  
carbon intensity  
reduction from 2005*

**2035** 80% carbon  
reduction from 2005,  
70% renewable  
energy for retail load

**2050** 100% clean and  
carbon free

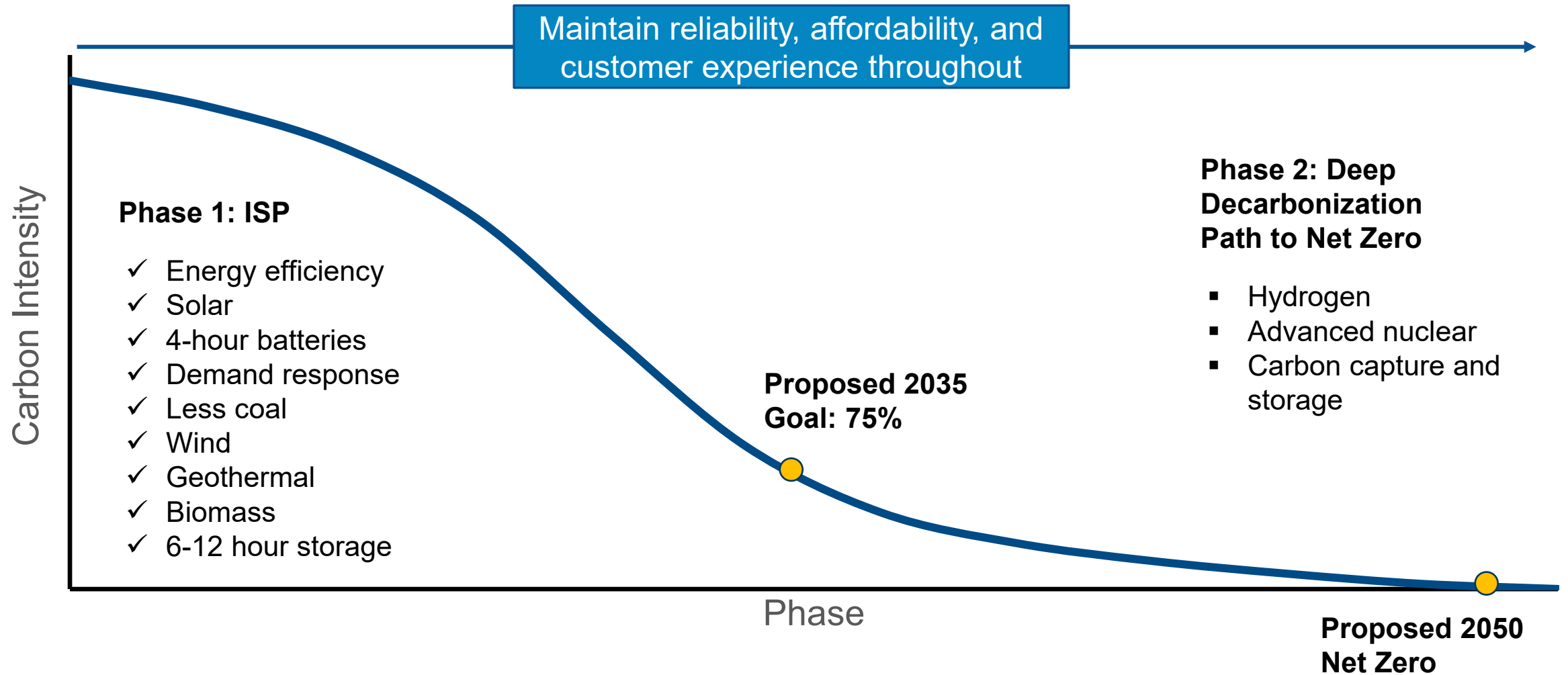
**2050** *Proposed: Net-zero  
CO2 emissions*

**2050** Work toward net zero  
direct greenhouse  
gas emissions by  
2050.

Key Takeaway: There is general alignment between Arizona utilities' visions for decarbonization.



# The Path to Net Zero



# Closing Poll

# Wrap Up and Next Steps