

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

STRATEGIC PLANNING COMMITTEE

Thursday, September 14, 2023, 9:30 AM

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

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

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIRMAN ANDA McAFEE
 - Request for approval of the minutes for the meeting of June 8, 2023.
2. SRP 2035 Sustainability Goal Progress and Fiscal Year 2024 (FY24) Priorities LEAH HARRISON and VARIOUS

Informational presentation regarding SRP 2035 sustainability goal progress made in FY23 and key goal priorities identified for FY24.
3. SRP 2035 Sustainability Goals Update Process LEAH HARRISON

Informational presentation regarding the proposed process for updating and reviewing SRP's suite of 2035 sustainability goals.
4. SRP 2050 Strategic Vision Update TOM COOPER and KAITLYN LIBBY

Informational presentation regarding the status of SRP's development of a strategic vision for 2050.
5. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT
6. Future Agenda Topics CHAIRMAN ANDA McAFEE

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.



THE NEXT STRATEGIC PLANNING COMMITTEE MEETING
IS SCHEDULED FOR MONDAY, NOVEMBER 13, 2023

09/07/2023

MINUTES
STRATEGIC PLANNING COMMITTEE MEETING

DRAFT

June 8, 2023

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, June 8, 2023, from the Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were A.G. McAfee, Chairman; P.E. Rovey, Vice Chairman; and N.R. Brown, R.J. Miller, M.V. Pace, J.M. White Jr., and L.C. Williams.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Board Members R.C. Arnett, M.J. Herrera, K.L. Mohr-Almeida, L.D. Rovey, S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis; Council Vice Chairman R.J. Shelton; Council Liaisons M.G. Rakow and P.A. Van Hofwegen; Mmes. M.J. Burger, A.P. Chabrier, L.F. Hobaica, K.M. Libby, L.A. Meyers, G.A. Mingura, K.S. Ramaley, and C.M. Sifuentes; and Messrs. J.D. Coggins, T. Cooper, K.J. Lee, A.J. McSheffrey, R. Navarro, B.A. Olsen, J.M. Pratt, G. Saint Paul, and R.R. Taylor.

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, June 6, 2023.

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

Consent Agenda

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

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

- Minutes of the Strategic Planning Committee meeting on February 9, 2023, as presented

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

YES:	Board Members A.G. McAfee, Chairman; P.E. Rovey, Vice Chairman; and N.R. Brown, R.J. Miller, M.V. Pace J.M. White Jr., and L.C. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

2050 Strategic Plan Process Review

Using a PowerPoint presentation Kaitlyn M. Libby, SRP Manager of Strategic Planning, stated that the purpose of the presentation was to provide a preview of the process and timeline by which SRP will establish a strategic vision and plan for 2050.

Ms. K.M. Libby reviewed SRP's strategy-driven organizational milestones from 2016 through 2022 and reminded the Committee that SRP's goal is to create a resilient strategic plan that positions SRP for long-term success amid significant industry disruption and transformation. She explained that SRP is contemplating the broader and lasting impacts of climate change, electrified economy, rapidly advancing technologies, and the fully evolved role of the customer.

Ms. K.M. Libby said that SRP continues to position itself for long-term investment decisions and reinforcing its role as an industry leader to ensure long-term customer and community value. She detailed the following aspects of the OneSRP strategy process: identify major trends; create 2050 scenarios; and develop a strategic plan.

Ms. K.M. Libby concluded with a discussion of next steps and responded to questions from the Committee.

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

Mr. M.J. O'Connor entered the meeting during the presentation.

SRP Climate Risk Management

Using a PowerPoint presentation Tom Cooper, SRP Director of Corporate Strategy, Sustainability, and Economic Services, stated that the purpose of the presentation was to provide an overview of SRP's efforts around climate risk management.

Mr. T. Cooper said that SRP's approach to understanding climate risk is informed by and consistent with the commonly used Intergovernmental Panel on Climate Change (IPCC) framework for assessing vulnerability to climate change. He explained that climate change affects, among other things, temperatures, storm frequency and intensity, precipitation, and wildfires. Mr. T. Cooper discussed the potential impacts that climate change can have on power generation, power delivery, water supply, employees, customers, and supply chains.

Next, Mr. T. Cooper referenced Electric Power Research Institute, Inc.'s (EPRI) *Climate Resilience and ADaption Initiative (Climate READi)* and explained that Climate READi conducts industry-wide study work and publishes reports dedicated to developing a comprehensive approach to assessing physical climate risk to power industries. He said that the work is broken up into the following three workstreams: physical climate hazard, vulnerability assessment, and response prioritization. Mr. T. Cooper noted members who comprise and participate in the Climate READi reports and indicated that SRP is a member.

Mr. T. Cooper concluded with a discussion of SRP's climate risk management structure and Fiscal Year 2024 (FY24) priorities. He responded to questions from the Committee.

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

Mr. A.V. Mirabito; and Dan Sobrinski of WSP USA entered the meeting.

SRP Greenhouse Gas Reporting Overview

Using a PowerPoint presentation, Anthony V. Mirabito, SRP Sustainability Analyst, stated that the purpose of the presentation was to provide an overview of the Greenhouse Gas (GHG) reporting protocols that SRP follows along with the results of SRP's FY22 third-party verified GHG inventory. He introduced Dan Sobrinski of WSP USA.

Continuing, Mr. D. Sobrinski stated that in 2020, Arizona's largest GHG emission sources were as follows: power generation at 37%; transportation at 36%; and commercial, industrial, agricultural, and residential at 27%. He said that SRP's objective for measuring and reporting GHG emission is as follows: to support attainment of SRP corporate goals; to understand emissions impact of resource decisions; to meet customer data requirements; to demonstrate a commitment to transparency; and to align with best practices.

Mr. D. Sobrinski said that SRP calculates corporate-wide GHG emissions in an annual GHG Inventory and SRP's power generation carbon intensity using two industry standards, the World Resources Institute's GHG Protocol and The Climate Registry's Electric Power Sector Protocol. He explained how GHG inventory emissions are reported in three categories called scopes, with respect to SRP's operations, and outlined the scopes as follows: Scope 1 – owned power generation, fleet vehicles, miscellaneous leaks, and other equipment; Scope 2 – electricity purchased for use in SRP facilities and transmission and distribution losses; and Scope 3 – wholesale purchased power, fuel mining and transportation, goods and services, travel and commuting, and waste disposal.

Next, Mr. A.V. Mirabito reviewed SRP's emissions for operations in FY22; emissions from FY16 through FY22; carbon intensity of power sold to SRP customers in FY22; and total power sold to SRP customers from FY18 through FY22. He concluded with a discussion of where SRP reports its emissions data.

Mr. A.V. Mirabito; and Dan Sobrinski of WSP USA responded to questions from the Committee.

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

Board Members R.C. Arnett, M.J. Herrera, and S.H. Williams; Council Member P.A. Van Hofwegen; and Ms. K.M. Libby left the meeting during the presentation. Association Vice President J.R. Hoopes; Ms. L.G. Harrison; and Mr. B.G. Kilmer entered the meeting during the presentation.

SRP's Electric Vehicle (EV) Strategy

Using a PowerPoint presentation, Mr. T. Cooper stated that the purpose of the presentation was to provide an overview of key market drivers and trends affecting SRP, status of EV adoption versus goals, current view on EV adoption forecast in SRP territory, status on key SRP EV activities and initiatives, and priorities for FY24. He introduced Burrell G. Kilmer, SRP Manager of Electric Vehicle Strategy.

Continuing, Mr. B.G. Kilmer stated that at the end of 2022, the US nationwide average of the market share of EVs hit 7.4%. He said that increasing types of EVs are coming into the US market and that by 2024, the average driving range of fully-electric vehicles will be approximately 270 miles.

Mr. B.G. Kilmer reviewed the EV market and EV charging market for the first quarter of 2023 and the status of SRP EV adoption versus targets from 2011 through 2022. He concluded with a discussion on the status of preparing for the growth in EVs and FY24 priorities.

Mr. B.G. Kilmer responded to questions from the Committee.

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

Board Member K.L. Mohr-Almeida; Ms. L.A. Meyers; Messrs. J.D. Coggins and A.V. Mirabito; and Dan Sobrinski of WSP US left the meeting during the presentation.

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

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

Mr. B.G. Kilmer left the meeting during the report.

Future Agenda Topics

Chairman A.G. McAfee asked the Committee if there were any future agenda topics. Board Member J.M. White Jr. requested a future discussion on the closure of Navajo Generating Station (NGS) and whether or not there have been any measured improvements in visibility in the Grand Canyon since the closure of NGS. Board Member R.J. Miller requested an update on SRP's electric vehicle fleet and how the size of the fleet has impacted SRP's maintenance and operation costs.

There being no further business to come before the Strategic Planning Committee, the meeting adjourned at 11:50 a.m.

Lora F. Hobaica
Assistant Corporate Secretary



SRP 2035 Sustainability Goal Progress and FY24 Priorities

Strategic Planning Committee

Leah Harrison and Sustainability Goal Owners | September 14, 2023

2035 Sustainability Goals



CARBON EMISSIONS REDUCTIONS

- 1.1 Generation Carbon
- 1.2 Facilities Carbon
- 1.3 Fleet Carbon



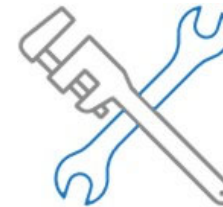
WATER RESILIENCY

- 2.1 Facilities Water
- 2.2 Lost & Unaccounted For Water
- 2.3 Generation Groundwater
- 2.4 Generation Fleet-Wide Water Reduction
- 2.5 Water Storage
- 2.6 Water Conservation



SUPPLY CHAIN & WASTE REDUCTION

- 3.1 Supply Chain
- 3.2 Municipal Waste
- 3.3 Industrial Waste



CUSTOMER & GRID ENABLEMENT

- 4.1 Energy Efficiency
- 4.2 Demand Response
- 4.3 Transportation Electrification
- 4.4 Electric Technologies
- 4.5 Grid Enablement



CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

- 5.1 Customer Sustainability Rating
- 5.2 Employee Engagement
- 5.3 Forest Restoration

2035 Sustainability Action Plans

- Third full year of implementation
- FY23 progress update, highlights and key activities
- FY24 projects and initiatives

FY23 Goal Progress Highlights



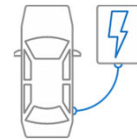
GENERATION CARBON

Implementing new, additional carbon-free resources under contract and coming online by 2025:

1,697 MW of solar

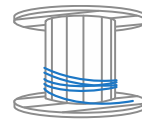
1,088 MW of storage

161 MW of wind



TRANSPORTATION ELECTRIFICATION

enabled **40,585** Electric Vehicles (EV) in SRP service territory through FY23



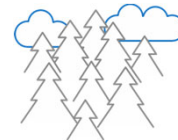
INDUSTRIAL WASTE

15,000 items totaling a value of **\$750,000** reclaimed, refurbished, and returned to warehouse



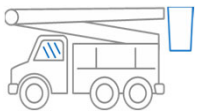
ENERGY EFFICIENCY

616,847 MWh of incremental energy savings



FOREST RESTORATION

Restored over **68,000** acres of forest through collaborative partnerships



FLEET CARBON

61% reduction in diesel use in fleet vehicles from FY22 levels



WATER STORAGE

stored a total of **992k** acre-feet of water underground from CY15 through CY22

2035 Sustainability Goal Updates

Angie Bond-Simpson

FY23 Progress — Carbon Emissions Reductions



1.1 Generation Carbon — Pending verification

FY23 Highlights

- *Added 104 MW of carbon-free generation from Palo Verde and 100 MW of solar at West Line Solar bringing SRP's solar additions to 400 MW since "2,025 MW of solar by 2025" commitment*
- *Continued to work with developers to implement an additional 1,697 MW of solar, 1,088 MW of storage, and 161 MW of wind under contract to be online by 2025*
- *Deployed strategies to preserve progress on power purchase agreements for renewable energy and storage despite supply chain challenges*

Renewable Project Updates

- SRP continues to experience delays with bringing new resources online
 - Ongoing supply chain constraints
 - Lengthy interconnection process
 - Summer commissioning challenges
- Status of 9 renewable energy projects under contract and in development:
 - 903 MW on schedule or less than 6 months behind
 - 555 MW delayed more than 6 months
 - 600 MW delayed more than 12 months
 - 200 MW canceled
- SRP is working diligently with developers to minimize delays



Angie Bond-Simpson

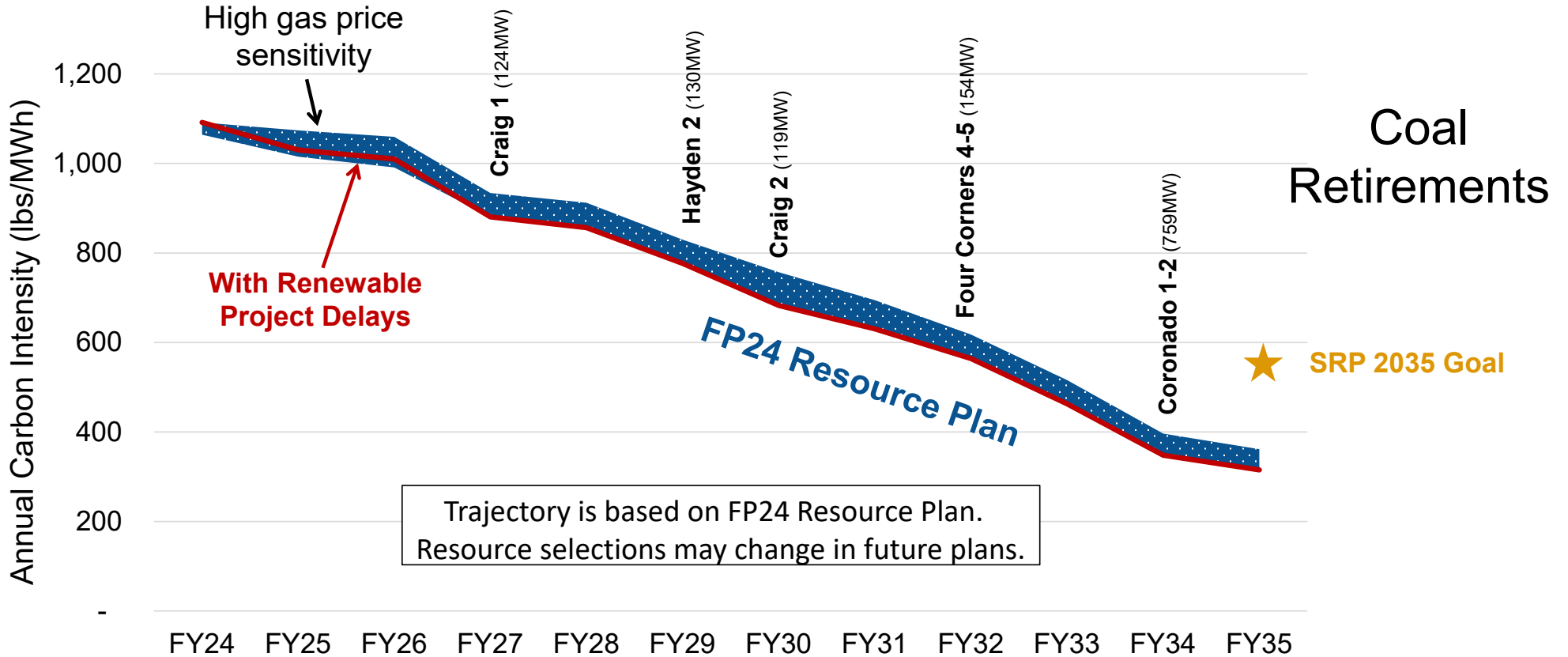
FY24 Priorities — Carbon Emissions Reductions



1.1 Generation Carbon

- Add 448 MW of solar and storage nameplate capacity from Saint (100 MW), Sonoran (260 MW), and Storey (88 MW)
- Award contracts for new carbon-free resources from 2023 All-Source Request for Proposals
- Continue to develop first SRP-owned solar installation at Copper Crossing Energy and Research Center
- Work with partners to develop a demonstration of long-duration energy storage as a phase of the Copper Crossing Energy and Research Center
- Continue early site development efforts for Pumped Storage Hydrogeneration on the Salt River

Potential Renewable Project Delay and Gas Price Risk Impacts Toward Carbon Goal Achievement

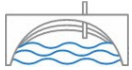


Michael Mendonca

FY23 Progress — Water Resiliency



2.4 Generation Water — Intensity reduced to 436 gallons/MWh



2.5 Water Storage — 992,505k acre-feet stored CY15–CY22



2.6 Water Conservation — 55.8M gallons of cumulative water savings achieved

FY23 Highlights

- *Installed lower water use generation resources, increasing MW production with reduced water intensity*
- *Stored all 2,160 acre-feet available through Non-Indian Agriculture CAP Subcontract; worked with the Army Corp of Engineers to temporarily allow a deviation from the dam control manual*
- *Hosted 2,275 attendees at Water Conservation expos; attendees purchased a total of 1,445 smart controllers*

Michael Mendonca

FY24 Priorities — Water Resiliency



2.4 Generation Water

- Implement turbine upgrades at Gila River and Santan to improve efficiency of water usage



2.5 Water Storage

- Attempt to store underground additional water made available from the Roosevelt Flood Control Space once the planned deviation is fully approved and in place



2.6 Water Conservation

- Increase Waterfluence program participation; expand reach to commercial, industrial and institutional customers for checkup programs; complete assessments for HOAs, xeriscape conversion and advanced technologies

Dan Dreiling

FY23 Progress — Customer and Grid Enablement



4.1 Energy Efficiency (EE) — Generated 616,847 MWh of annual incremental energy savings



4.2 Demand Response (DR) — Subscribed a total of 128 MW of dispatchable capacity



4.3 Transportation Electrification (TE) — Supported the enablement of 40,585 EVs in operation

FY23 Highlights

- *Over 1,200 EE rebate projects implemented by business customers, certified 7,800 ENERGY STAR Homes and issued over 17,000 Efficient Homes EE rebates*
- *Launched limited time offer program providing 3,063 limited income customers free energy savings kits*
- *Added 17,701 devices to Residential Bring Your Own Thermostat (BYOT) program which grew subscription to 76,143 smart thermostats*
- *Increased participation in Business EV Charger program by 114% and Smart Charger program by 131% year over year*

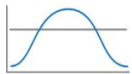
Dan Dreiling

FY24 Priorities — Customer and Grid Enablement



4.1 Energy Efficiency

- Add new program offerings and promote Inflation Reduction Act rebates and credits
- Develop and launch the updated Energy Scorecard offering



4.2 Demand Response

- Leverage multiple channels to continue expansion of Residential BYOT program
- Support SRP's Strategic Energy Management team in targeted commercial customer outreach
- Expand DR portfolio to subscribe a combined total of 150 MW of dispatchable capacity



4.3 Transportation Electrification

- Collaborate with inter-departmental team and outside consultant to develop an enterprise-wide managed charging roadmap
- Expand and refine Transportation Electrification programs to include turnkey installation services, Direct Current Fast Charging (DCFC) rebates, and test managed charging solutions

Questions?

SRP 2035 SUSTAINABILITY GOALS: FY23 UPDATES

Fall 2023



SUPPLY CHAIN & WASTE REDUCTION

- 3.1** Incorporate sustainability criteria into sourcing decisions for 100% of managed spend
- 3.2** Divert 75% of municipal solid waste (MSW) – FY30 target: Divert 100% of MSW
- 3.3** Divert 95% of non-hazardous industrial solid waste sent to Investment Recovery

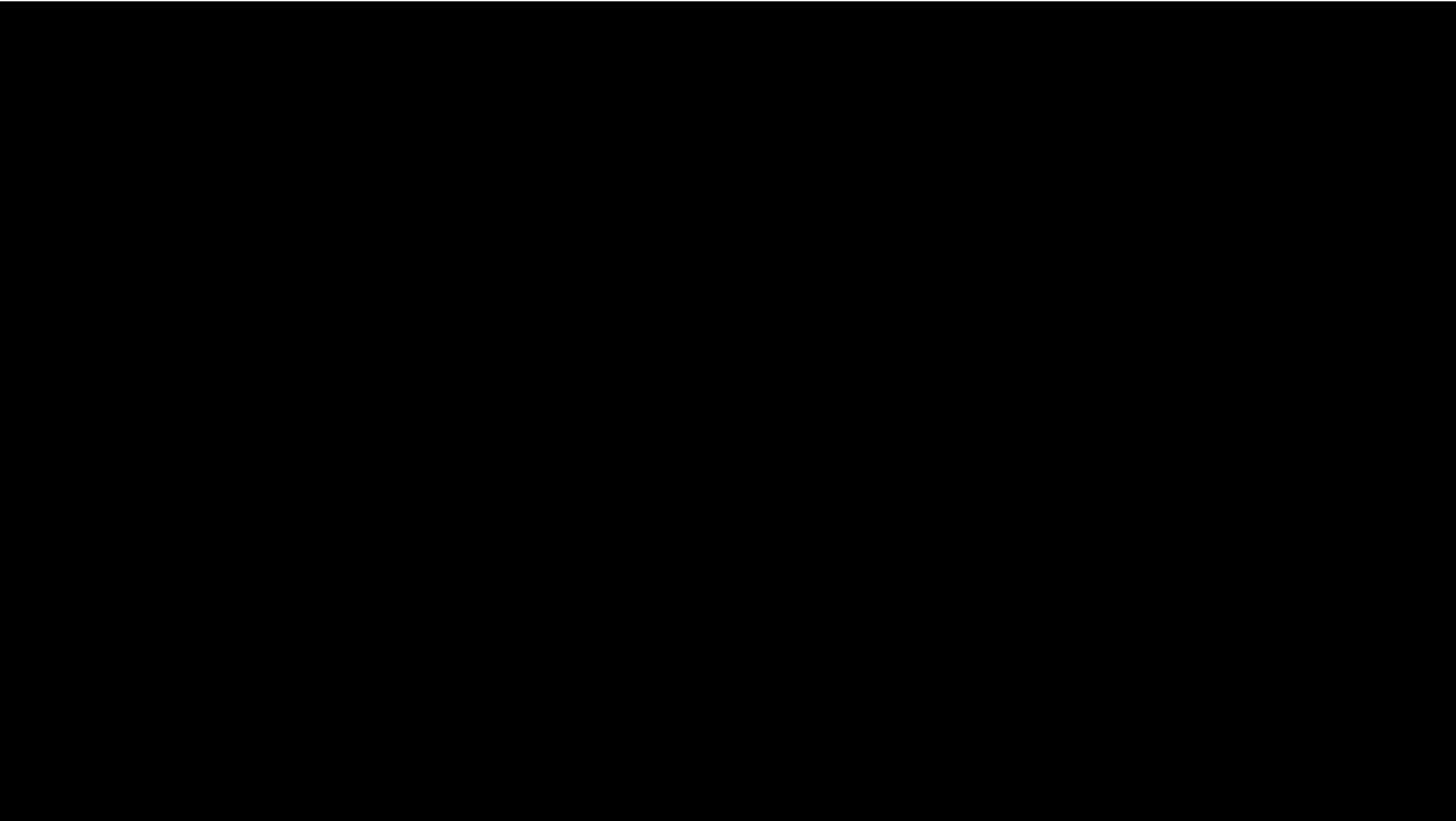
CUSTOMER & GRID ENABLEMENT

- 4.1** Energy Efficiency [E] – Deliver over 3 million MWh of annual aggregate energy savings
- 4.2** Demand Response [DR] – Deliver at least 300 MW of dispatchable DR and load management programs
- 4.3** Electric Transportation – Support the enablement of 500,000 electric vehicles (EV) in SRP's service territory and manage 90% of EV charging through price plans, dispatchable load management, OEM integration, connected smart homes, behavioral and other emerging programs
- 4.4** Electric Technologies – Expand portfolio of Electric Technology (non-EV) programs to deliver 300,000 MWh of annual aggregate energy impact
- 4.5** 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

CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

- 5.1** Achieve at least 80% of customers who give SRP a positive rating for its sustainability efforts
- 5.2** Engage 100% of employees in efforts that contribute to SRP's sustainability goals
- 5.3** Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 80,000 acres per year or 800,000 acres total





SRP 2035 SUSTAINABILITY GOALS: FY23 UPDATES

Fall 2023

INTRODUCTION

In FY19, SRP initiated a multi-phase stakeholder and Board engagement process (see Figure 1) to invite open dialogue about SRP's 2035 Sustainability Goals, receive feedback about them, and determine collaboratively how they might be improved. That successful six-month process resulted in a revised and expanded set of 20 sustainability goals that SRP's Board approved unanimously at the beginning of FY20 on June 3, 2019.

FIGURE 1 | SRP 2035 Sustainability Goals Action Plans Timeline



The 20 goals that constitute the SRP 2035 Sustainability Goals are detailed in the next section. In FY21, SRP created a five-year action plan for each goal covering FY21–FY25, outlining the major components of making meaningful progress toward goal achievement. Those action plans, which are available [here](#), set five-year milestones and created strategic roadmaps for reaching them. Although the action plans established a fixed 5-year planning horizon, the operational realities of implementing work activities and understanding their outcomes each year requires annual plan review to examine progress and make necessary refinements to ensure continued success. A key component to the transparency about each of the goals is the annual progress reporting. This FY23 update document captures the progress achieved during the third year of those FY21–25 action plans.

2035 SUSTAINABILITY GOALS

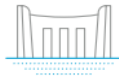


1. CARBON EMISSIONS REDUCTIONS

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

1.2 Reduce carbon emissions from facilities by 30% on a mass basis

1.3 Reduce carbon emissions from fleet by 30% on a mass basis



2. WATER RESILIENCY

2.1 Reduce water use at SRP facilities by 45% on a mass basis

2.2 Achieve lost and unaccounted for water rate of less than 5% on a 10-year rolling average

2.3 Eliminate or offset power generation groundwater use in Active Management Areas (AMAs)

2.4 Achieve 20% reduction in generation-related water use intensity across all water types

2.5 Store 1 million acre-feet (af) of water supplies underground

2.6 In partnership with Valley cities, support municipal water conservation goal achievements by creating and executing programs to identify 5 billion gallons (~15,300 af) of potential water conservation by 2035



3. SUPPLY CHAIN & WASTE REDUCTION

3.1 Incorporate sustainability criteria into sourcing decisions for 100% of managed spend

3.2 Divert 75% of municipal solid waste — 2050 target: Divert 100% of municipal solid waste

3.3 Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery



4. CUSTOMER & GRID ENABLEMENT

4.1 Energy Efficiency (EE) — Deliver over 3 million MWh of annual aggregate energy savings

4.2 Demand Response (DR) — Deliver at least 300 MW of dispatchable DR and load management programs

4.3 Electric Transportation — Support the enablement of 500,000 electric vehicles (EVs) in SRP's service territory and manage 90% of EV charging through price plans, dispatchable load management, OEM integration, connected smart homes, behavioral and other emerging programs

4.4 Electric Technologies — Expand portfolio of Electric Technology (non-EVs) programs to deliver 300,000 MWh of annual aggregate energy impact

4.5 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



5. CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

5.1 Achieve at least 80% of customers who give SRP a positive rating for its sustainability efforts

5.2 Engage 100% of employees in efforts that contribute to SRP's sustainability goals

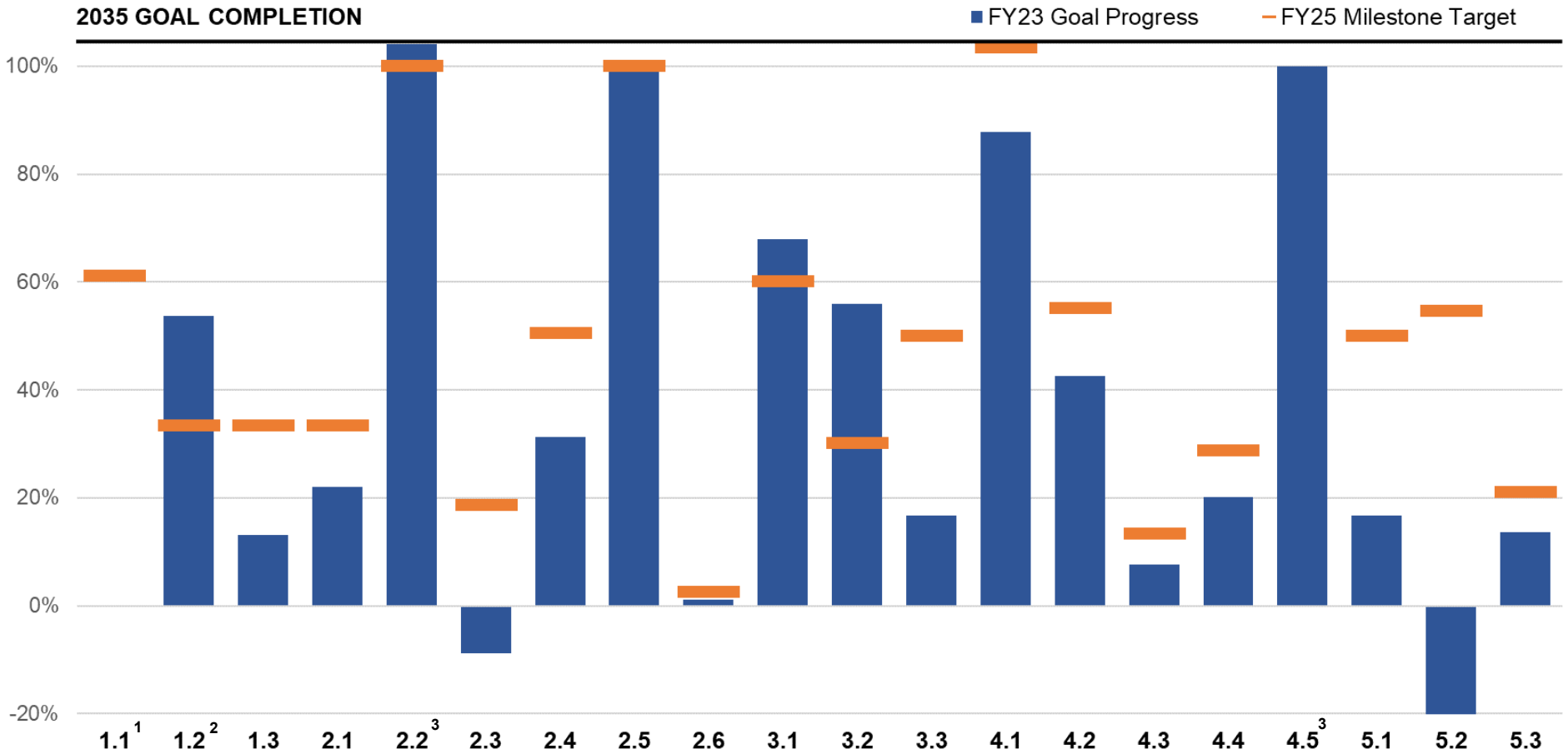
5.3 Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 50,000 acres per year or 500,000 acres total

FY23 GOAL PROGRESS HIGHLIGHTS

Below are some of the key highlights from SRP's FY23 efforts. More details on the highlights for each goal area, along with FY24 priorities, are provided in the individual goal descriptions on the following pages.

- **Generation Carbon:** contracted for additional 1,763 MW of solar, 1,088 MW of storage, and 161 MW of wind in SRP's portfolio over the next two years.
- **Facilities Carbon:** reviewed sites to expand Photovoltaic systems to reduce overall energy use and identified locations at 8 SRP facilities.
- **Fleet Carbon:** converted diesel tanks at Crosscut to B20 biodiesel, reducing diesel use in fleet vehicles from over 210k gallons in FY22 to under 81k gallons in FY23 from bulk fuel sites.
- **Facilities Water:** completed construction designs for East Valley Service Center, Southside Water, and Credit Union Building in accordance with newly developed landscape standards.
- **Generation Groundwater:** launched ongoing initiative to offset all groundwater use at Agua Fria, Santan, and Coolidge Generating Stations.
- **Water Storage:** stored a total of 992,505 acre-feet from CY15 through CY22, representing 99% goal completion.
- **Supply Chain:** achieved a 26% year-over-year increase in the percentage of managed spend that factored sustainability criteria into sourcing decisions, representing 68% progress to 2035 target.
- **Industrial Waste:** reclaimed, refurbished and returned to warehouse 15,000 items with a total value of \$750,000, including 3,000 tons of scrap metal and 770 tons of old concrete transformer pads.
- **Energy Efficiency:** generated 616,847 MWh of incremental energy savings (103% of annual plan); primary program contributors included Efficient Homes, ENERGY STAR Homes, Standard Business Solutions, and M-Power programs.
- **Transportation Electrification:** supported the enablement of 40,585 EVs within SRP's service territory through FY23, 104% of the year-end target of 30,000 EVs.
- **Grid Enablement:** approved 100% of customer distributed energy resources interconnection applications.
- **Forest Restoration:** restored cumulative total of over 68,000 acres of forest.

2035 Sustainability Goal Progress - FY23



1 FY23 carbon intensity metric pending third-party verification.

2 FY23 facilities carbon metric pending data validation.

3 2.2 and 4.5 goals are annual targets to be maintained year-over-year.

Carbon Emissions Reductions

Goal Name

Key Updates

1.1 Generation Carbon



FY23 Progress: Pending data verification

FY23 Accomplishments: Added additional 104 MW of carbon-free generation from Palo Verde; added 100MW from West Line Solar bringing SRP's solar additions to 400MW since SRP committed to add 2,025 MW of solar by 2025; contracted for additional 1,763 MW of solar, 1,088 MW of storage, and 161 MW of wind in SRP's portfolio over the next 2 years; renegotiated several power purchase agreements for renewable energy and storage to preserve progress despite supply chain challenges.

FY24 Initiatives: Expect to add 448 MW of solar and storage nameplate capacity from Saint (100 MW), Sonoran (260 MW), and Storey (88 MW); work with partners to develop a demonstration of long-duration energy storage as a phase of the Copper Crossing Energy Center; continue early site development efforts for Pumped Storage Hydrogeneration on the Salt River.

1.2 Facilities Carbon



FY23 Progress: 38M–39.5M lbs. of CO₂e in FY23, a slight increase from the previous year due to employees returning to the office post-pandemic (final metric pending data validation).

FY23 Accomplishments: Reviewed sites to expand Photovoltaic systems to reduce overall energy use and identified locations at 8 SRP facilities; utilized the Nantum software within the Credit Union Building to monitor and reduce energy consumption in FY23 while occupancy increased; partnered with Customer Innovation and Programs to participate in 10 commercial demand response events over the summer to reduce peak consumption.

FY24 Initiatives: Continue efforts to decommission several properties due to aging infrastructure (16th Street Groundwater, 27th Street, Foothills Training Facility, Information Systems Building); upgrade building automation controls to Tridium-Niagara for a comprehensive visualization of building performance across all valley facilities.

1.3 Fleet Carbon



FY23 Progress: 32.5M lbs. CO₂, representing a decrease in fuel consumption from FY22; higher number of take-home vehicles in the fleet in FY23 from carryover of pandemic related policies.

FY23 Accomplishments: Converted diesel tanks at Crosscut to B20 biodiesel, reducing diesel use in fleet vehicles from over 210k gallons in FY22 to under 81k gallons in FY23 from bulk fuel sites; ordered battery electric vehicles to convert fleet vehicles (delivery pending due to continued supply chain challenges); completed additional analysis of fleet operating duty cycles to assess potential for electrification and charging infrastructure requirements.

FY24 Initiatives: Accelerate fleet electrification with 1/2 ton pickups and SUVs with target of 90–95% electrification of light duty fleet by 2035; collaborate with Facilities on testing and upgrading to higher capacity EV chargers to meet future fleet charging requirements; continue pilot testing and data evaluation of the APU equipped trucks and Class 6 EV truck to drive potential fleet vehicle options.

Water Resiliency

Goal Name

Key Updates

2.1 Facilities Water



FY23 Progress: Water usage totaled 66.5M gallons in FY23, a 14% increase from the previous year due to employees returning to the office post-pandemic.

FY23 Accomplishments: Installed a secondary water loop and sub-metering at East Valley Service Center (EVSC) to monitor water consumption for specific uses as additional metering provides better data, allowing for improved decision making; completed construction designs for EVSC, Southside Water, and Credit Union Building in accordance with newly developed landscape standards.

FY24 Initiatives: Continue efforts to decommission several properties across the valley due to aging infrastructure; author a water reduction plan that includes submetering for buildings and specific uses to allow for faster response to water issues; begin implementing updated landscaping standards at identified sites.

2.2 Lost & Unaccounted For Water



FY23 Progress: Rate of 3.8% in CY22; this goal is unique because it must be maintained year-over-year (YoY).

FY23 Accomplishments: Reached first-year goal of installing at least 10 automated lateral headgates and placing them into production; completed second year of the 2-year program inspecting all 3,000 SRP distribution delivery structures for leaks and other damage leading to water waste.

FY24 Initiatives: Install additional 10–12 remotely operated lateral head gates resulting in more consistent water delivery volumes; begin agile design and development of new water scheduling system that will allow for greater scheduling flexibility, thereby improving the efficiency of field routes and associated water deliveries to shareholders.

2.3 Generation Groundwater



FY23 Progress: Groundwater offsets equaled 654 acre-feet in FY23—more than 213 million gallons—bringing the 3-year average to 46.8% and closer to the 2025 milestone target of 35%.

FY23 Accomplishments: Performed effluent water supply cost evaluation for Mesquite Generating Station; launched initiative to offset all groundwater at Agua Fria, Santan, and Coolidge Generating Stations for water use in CY 2023/FY24.

FY24 Initiatives: Work with Palo Verde Nuclear Generating Station and other stakeholders to explore alternative sources of water for Mesquite Generating Station.

Water Resiliency (cont.)

Goal Name

Key Updates

2.4 Generation Fleet-Wide Water



FY23 Progress: Reduced to 436 gallons/MWh, a .68% decrease year-over-year, representing 31% progress toward 2035 goal.

FY23 Accomplishments: Added new, lower water use generation resources, including renewable resources, increasing MW production while supporting long-term reduction of water intensity.

FY24 Initiatives: Implement turbine upgrades at Gila River and Santan Generating Stations to improve efficiency of water usage; complete various cooling tower repair and upgrade projects to maintain efficient water usage.

2.5 Water Storage



FY23 Progress: Stored a total of 992,505 acre-feet from CY15 through CY22, representing 99% of goal completion; projected accomplishment by FY25.

FY23 Accomplishments: Stored all 2,160 acre-feet available through Non-Indian Agriculture CAP Subcontract; worked with the Army Corp of Engineers to temporarily allow a deviation from the dam control manual to lengthen the time water can be held to allow such water to be released in a scheduled manner allowing it to be recharged at underground storage facilities.

FY24 Initiatives: Resume Gila River Indian Community storage if the condition of the Colorado River continues to improve; attempt to store underground any water made available from the Roosevelt Flood Control Space once the planned deviation is fully approved and in place.

2.6 Water Conservation



FY23 Progress: 55.8M gallons of cumulative water savings achieved, a 150% YoY increase.

FY23 Accomplishments: Hosted 1,475 customers via 3 virtual Water Expos distributing 1,004 smart irrigation controllers; welcomed 800 customers at in-person Expo distributing 441 controllers; Hydro-Rain Pilot Program with Town of Gilbert achieved 3,340,000 gallons of water savings; hosted a commercial, industrial and institutional training for 36 participants from a total of 14 water agencies and municipalities at Grand Canyon University.

FY24 Initiatives: Increase Waterfluence program participation; expand reach to commercial, industrial and institutional customers for checkup programs; complete assessments for HOAs regarding components, xeriscape conversion and advanced technologies.

Supply Chain & Waste Reduction

Goal Name

Key Updates

3.1 Supply Chain



FY23 Progress: Achieved a 26% YoY increase in the percentage of managed spend that factored sustainability criteria into sourcing decisions, representing 68% progress to 2035 target.

FY23 Accomplishments: Collaborated with the Sustainable Supply Chain Alliance to identify enhancements to the sustainability criteria in the vendor onboarding process; submitted 41 tickets to enhance functionality of SRP's external-facing tool (Aravo) used to onboard suppliers and manage existing data.

FY24 Initiatives: Continue to incorporate sustainability-related questions into all formal RFPs; prepare to expand the Aravo tool to facilitate the pre-qualification of suppliers based on sustainability and other criteria.

3.2 Municipal Waste

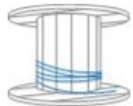


FY23 Progress: Overall landfill diversion increased 112% YoY from 25% in FY22 to 53% in FY23; FY23 total waste increased by 22%, with recycled/reuse material increasing by 54%.

FY23 Accomplishments: Launched a major effort in FY23/FY24 to expedite the paper shred bin deployment and increase the bin change out schedule; paper disposal totals increased more than 70% in FY23 as many organizations cleaned out documentation in preparation for moving to new locations.

FY24 Initiatives: Research and socialize circular supply chain training and opportunities, such as Electric Power Research Institute circular economy user group; pilot zero-waste events; increase waste diversion partnerships with municipalities; increase bin audits to help identify opportunities for increased education and landfill diversion.

3.3 Industrial Waste



FY23 Progress: Overall landfill diversion decreased from 82% in FY22 to 70% in FY23, a decline in YoY progress toward goal.

FY23 Accomplishments: Reclaimed, refurbished, and returned to warehouse 15,000 items totaling a value of \$750k and reducing the strain on SRP's supply chain; 3K tons of scrap metal including 670 tons of chopped aluminum and copper sold, 770 tons of old concrete transformer pads and 150 vehicles ready for recycle/reuse; launched initiative to recycle clean wood previously sent to landfill.

FY24 Initiatives: Expand site visits to identify bin right sizing, signage standardization and opportunities to increase diversion; research best practices and socialize circular supply chain opportunities with our supply chain teams and internal partners.

Customer & Grid Enablement

Goal Name

Key Updates

4.1 Energy Efficiency

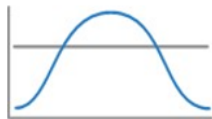


FY23 Progress: Generated 616,847 MWh of incremental energy savings, concluded year at 103% of annual plan; primary program contributors included Efficient Homes, ENERGY STAR Homes, Standard Business Solutions, and M-Power programs.

FY23 Accomplishments: Business customers implemented over 1,200 energy savings rebate projects over the last year; over 7,800 Energy Star Homes were constructed by home builders and certified; expanded energy efficiency programs targeting underserved communities by launching limited time offer program in partnership with Techniart and offering limited income customers energy savings kits while growing demand response program participation within this customer segment.

FY24 Initiatives: Grow portfolio to deliver 620,000 MWh of annual incremental energy savings by year-end; launch an updated Energy Scorecard offering; offer new residential measures and coordinate with AZ Governor's Office of Resiliency to promote Inflation Reduction Act rebates and credits.

4.2 Demand Response



FY23 Progress: Subscribed Demand Response (DR) Program capacity totaling 128 MW, representing 85% of the 150 MW FY23 milestone target.

FY23 Accomplishments: Residential Bring Your Own Thermostat (BYOT) saw 76,143 subscribed thermostats and 87 MW of dispatchable capacity, an increase of 17,701 net new thermostats; in the Business DR Program, enrolled 494 commercial customer sites and 41 MW of dispatchable capacity, an increase of 40 customer sites.

FY24 Initiatives: Expand DR portfolio and grow smart thermostat enrollment in the Residential BYOT DR program by optimizing existing programs and using marketing outreach via the SRP Marketplace e-commerce platform and multifamily program; leverage SRP's Strategic Energy Management group to conduct targeted customer outreach with multiple offers.

4.3 Transportation Electrification



FY23 Progress: Enabled 40,585 EVs, or 104% of the year-end target of 39,000 EVs; Transportation Electrification Activator initiative held the inaugural Arizona Electric Fleet Day; launched a new, residential turnkey EV charging installation service with Qmerit.

FY23 Accomplishments: Rebated 2,020 charging ports through the residential Smart Charger program including 802 sold via SRP Marketplace; 763 EV-ready ENERGY STAR Homes rebated; customer participation in the Business EV Charger program was 114% higher than a year ago; customer participation in the Smart Charger program was 131% higher than a year ago.

FY24 Initiatives: Implement and expand SRP's portfolio of residential and commercial EV adoption programs to enable a total of 52,600 EVs within SRP's service territory by FY24 year-end; work with an outside consultant and inter-departmental team to develop our enterprise-wide EV managed charging roadmap.

Customer & Grid Enablement (cont.)

Goal Name

Key Updates

4.4 Electric Technologies



FY23 Progress: Delivered 15,897 MWh of incremental energy impact, surpassing the annual target of 14,000 MWh and achieving a cumulative aggregate total of 60,524 MWh.

FY23 Accomplishments: Provided incentives for over 120 standard projects including forklifts, rapid chargers, scissor lifts and truck refrigeration units; completed 13 custom electrification projects, delivering 1,672 MWh of incremental load growth for the program.

FY24 Initiatives: Expand portfolio of electrification programs to deliver 15,300 MWh of annual incremental energy impact; continue to drive customer and trade ally engagement in the Electric Technologies portfolio; focus on the development of custom electrification projects to drive market development and provide additional customer value.

4.5 Grid Enablement



FY23 Progress: approved 100% of customer distributed energy resources interconnection applications; began construction of the Distribution Enablement (DE) Lab to serve as a test environment for evaluating various technologies at the distribution level, including peak shaving, microgrids, EV charging, voltage control and more.

FY23 Accomplishments: Completed all 3 phases of factory acceptance testing in preparation for the Advanced Distribution Management System (ADMS) Foundation go-live in FY24; Distribution and Customer Programs teams partnered to implement year 3 of the 4-year Distribution Interconnection Improvement Roadmap.

FY24 Initiatives: Complete the ADMS Foundation implementation with successful go-live by March 2024; complete the 3-year upgrade of line capacitor controllers used to manage system voltage; continue interconnection improvements project with EVs, with a focus on direct current fast charging installations; complete the build out of the DE Lab.

Customer, Community & Employee Engagement

Goal Name

Key Updates

5.1 Customer Sustainability Rating



FY23 Progress: Brand Health Study shows a Sustainability Index score of 70, a 4% dip from FY22, despite a dramatic decline in consumer confidence in the economy/business conditions since 2020 as evidenced through the US Consumer Sentiment Index.

FY23 Accomplishments: Released the Sustainability & Innovation (S&I) Campaign including 1 new and 2 updated TV and radio spots, digital ads, social media posts and email communications; executed relaunch of srpnet.com with new copy and images.

FY24 Initiatives: S&I Campaign continuation and evolution; expand the SRP Solar Choice program to residential and business customers to support utility-grade solar and contribute to carbon reduction goal 1.1; launch FY23 sustainability report on the newly redesigned srpnet.com to better highlight our goal progress.

5.2 Employee Engagement



FY23 Progress: Completed 2nd year with a Sustainability Engagement Index score of 73%, down 5% from prior year; launched redesigned Local Roots program partnering with 12 local businesses at 3 employee events with over 1,000 employees participating.

FY23 Accomplishments: Hosted more than 600 SRP employees and contractors in the first post-pandemic Sustainability Fair; implemented a gamification pre-pilot with employees submitting over 1,500 entries which informed the development of pilot program.

FY24 Initiatives: SIA Connect, launched in summer 2023, will feature monthly campaigns to encourage employees to lead more sustainable lives at work and at home; a sustainability resource guide catered towards new employees will provide a summary of the 2035 sustainability goals, how to get involved with SRP's Green Team, and other available employee programs such as vanpool.

5.3 Forest Restoration



FY23 Progress: Achieved a 43% YoY increase in goal progress, bringing cumulative total to over 68,000 acres of forest restored; worked closely with AZ Department of Forestry and Fire Management and the U.S. Forest Service to help execute two supplemental Project Agreements for Cragin Watershed and Tonto National Forest.

FY23 Accomplishments: Secured \$3.6M in partner funding in addition to SRP's funding match of \$1.3M, as well as commitments from 5 Valley cities and Novo Biopower to participate in the Biomass Power Partnerships; city commitments total \$1.8M every year for 10 years.

FY24 Initiatives: Complete 8,000 acres of SRP partner projects; secure \$7M in partner investments; finalize water and carbon benefit scaling initiative to develop forest health investment strategy.

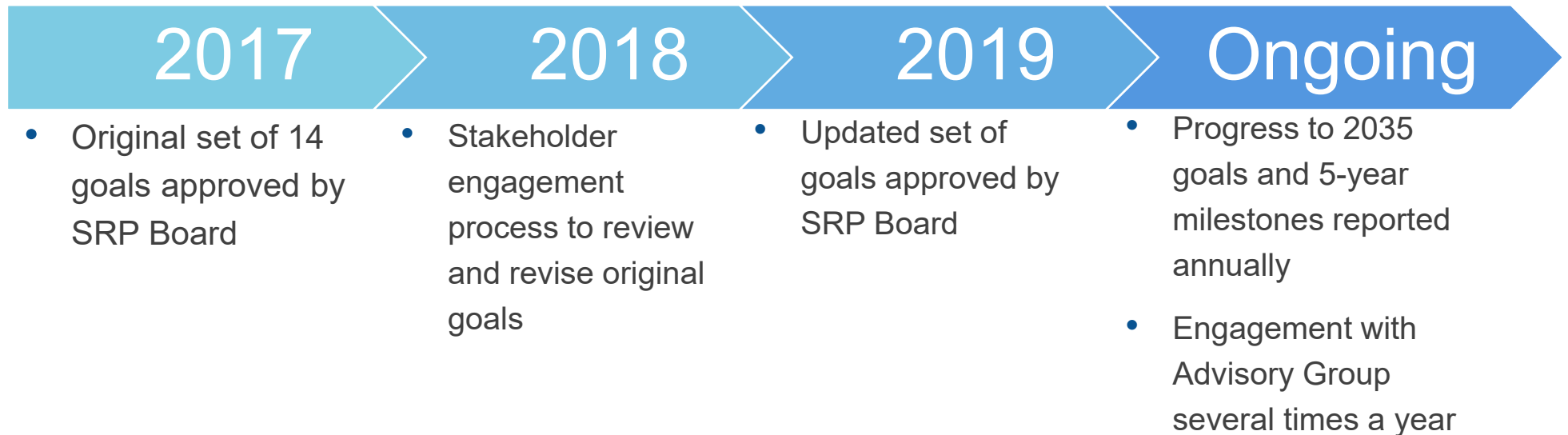


SRP 2035 Sustainability Goal Update Process

Strategic Planning Committee

Leah Harrison | September 14, 2023

SRP Sustainability Goals Journey



2035 Goal Update Process

- **Key Drivers:**

- SRP's customers and community have encouraged SRP to review goals.
- We committed to completing a review every 5 years as part of 2019 goal setting process.

- **Objective:**

- Update SRP's 2035 Sustainability Goals based on progress to date, giving consideration to current trends and incorporating lessons learned since implementation.

2035 Sustainability Goals



CARBON EMISSIONS REDUCTIONS

- 1.1 Generation Carbon
- 1.2 Facilities Carbon
- 1.3 Fleet Carbon



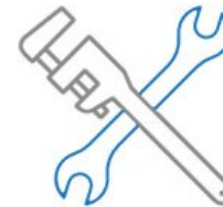
WATER RESILIENCY

- 2.1 Facilities Water
- 2.2 Lost & Unaccounted For Water
- 2.3 Generation Groundwater
- 2.4 Generation Fleet-Wide Water Reduction
- 2.5 Water Storage
- 2.6 Water Conservation



SUPPLY CHAIN & WASTE REDUCTION

- 3.1 Supply Chain
- 3.2 Municipal Waste
- 3.3 Industrial Waste



CUSTOMER & GRID ENABLEMENT

- 4.1 Energy Efficiency
- 4.2 Demand Response
- 4.3 Transportation Electrification
- 4.4 Electric Technologies
- 4.5 Grid Enablement



CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

- 5.1 Customer Sustainability Rating
- 5.2 Employee Engagement
- 5.3 Forest Restoration

Engagement Timeline



2035 Sustainability Advisory Group



Board and Council Observers



John Hoopes
SRP Association Vice
President



Chris Dobson
SRP District Vice
President



Robert Arnett
SRP Board Member



Mario Herrera
SRP Board Member



Nick Brown
SRP Board Member



Rocky Shelton
SRP Council Member

thank you!



Update on SRP's 2050 Strategic Vision

Strategic Planning Committee

Kaitlyn Libby | September 14, 2023



STRATEGIC VISION PURPOSE

Position SRP for long-term success within potentially different business environments

so that we can...

Fulfill our mission to deliver reliable, sustainable, and affordable water and energy, **now and into the future.**



WHAT IT IS

- ✓ Future-focused, north star
- ✓ Aspirational

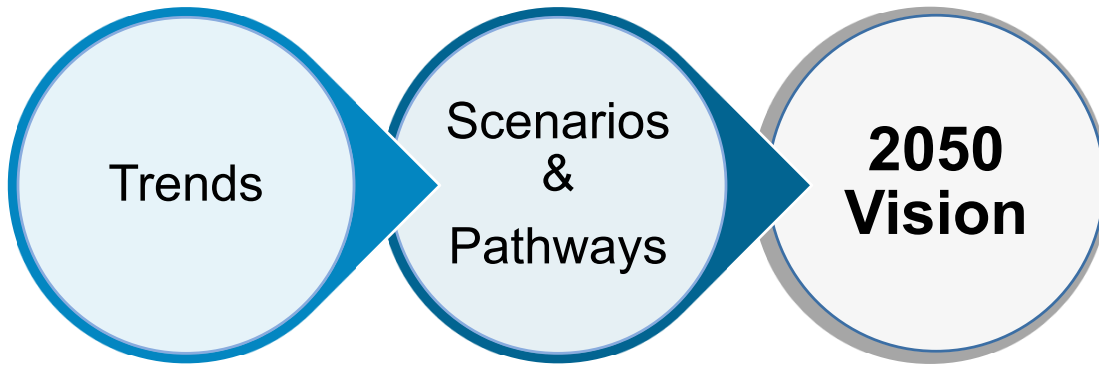
2050 STRATEGIC VISION

WHAT IT IS NOT

- ✗ An action plan
- ✗ Specific goals

DEVELOPING THE VISION

PROCESS



TEAM

ENVISIONING 2050



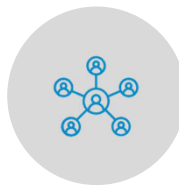
FRAMING THE VISION: FUTURE-FOCUSED CHOICES



CUSTOMER
EXPERIENCE /
SERVICES



COST FOCUS /
AFFORDABILITY



COMMUNITY
ENGAGEMENT



WATER SUPPLY
AVAILABILITY



POWER
GENERATION /
GRID



TECHNOLOGY
ADOPTION



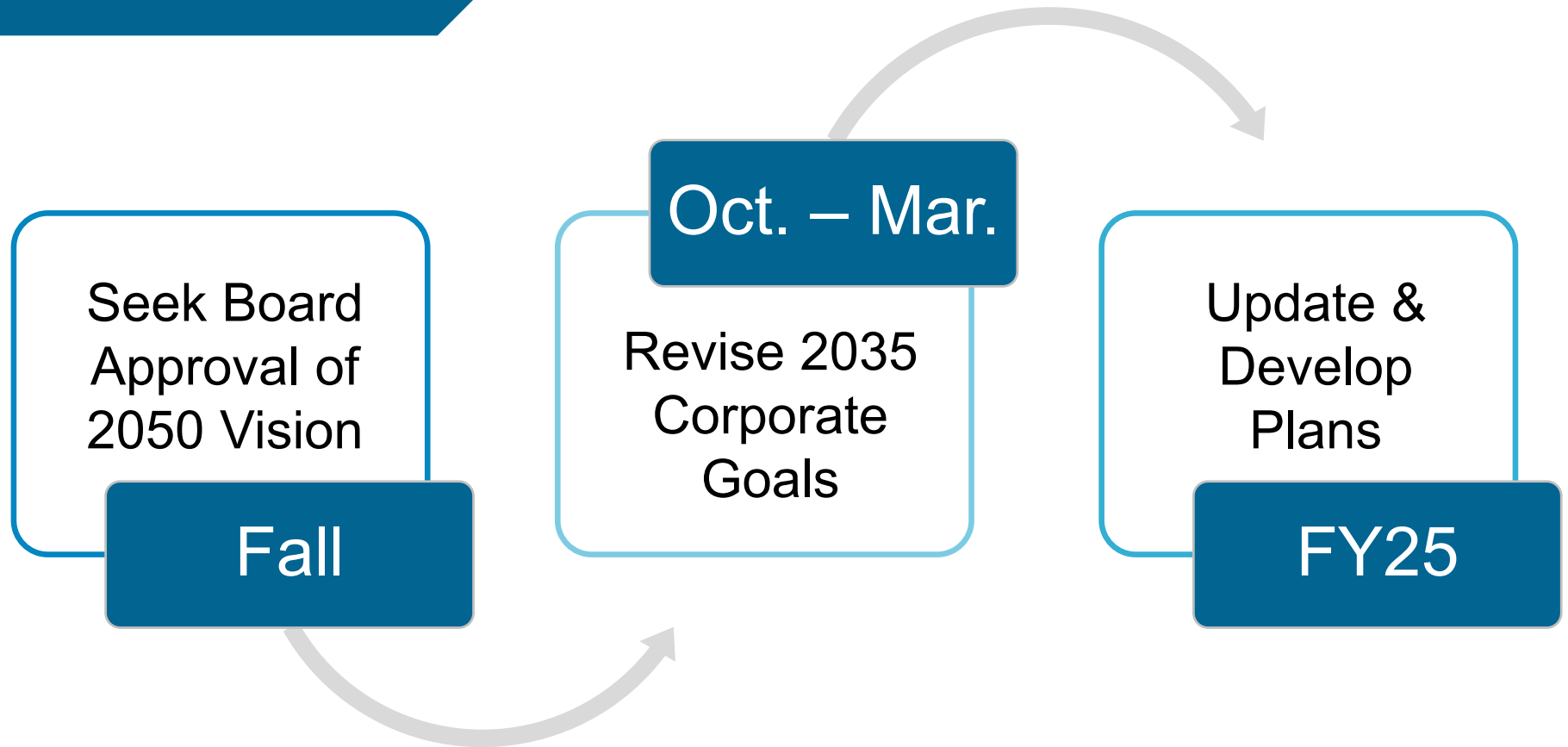
2050 VISION PREVIEW

09/14/2023 Strategic Planning Committee, K. Libby

MAJOR THEMES

- **PARTNERSHIP & COLLABORATION**
Customers, community, regional, industry, and more
- **SUSTAINABILITY, RELIABILITY, & AFFORDABILITY**
All part of SRP's value proposition out to 2050
- **TECHNOLOGY TRANSFORMATION & INNOVATION**
Modern customer and employee experiences; increased operational efficiency and security
- **RESILIENCE**
Power system and water supplies

NEXT STEPS



thank you!

