

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

POWER COMMITTEE
Thursday, February 22, 2024, 9:30 AM

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

Committee Members: Leslie C. Williams, Chairman; Keith Woods, Vice Chairman; and Nick Brown, Randy Miller, Krista O'Brien, Jack White Jr., 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 LESLIE C. WILLIAMS
 - Request for approval of the minutes for the meeting of January 25, 2024.
- 2. Amendments to CO Bar Solar Power Purchase Agreements (PPAs)BARRY PETREY
Request for approval to amend two solar PPAs to facilitate longer project development timelines due to interconnection process reforms.
- 3. Financial Plan 2025 (FP25) Resource PlanGRANT SMEDLEY
Informational presentation regarding the FP25 Resource Plan.
- 4. 2024 All-Source Request for Proposals (RFP).....WILL FIELDER
Informational presentation regarding issuance of a new All-Source RFP to be issued for resources to meet peak capacity and carbon-free energy needs in the late 2020s.
- 5. Report on Current Events by the General Manager and Chief Executive Officer or DesigneesJIM PRATT
- 6. Future Agenda Topics.....CHAIRMAN 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.



THE NEXT POWER COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY, MARCH 26, 2024

MINUTES
POWER COMMITTEE MEETING

DRAFT

January 25, 2024

A meeting of the Power Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Thursday, January 25, 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. The District and Salt River Valley Water Users' Association (the Association) are collectively known as SRP.

Committee Members present at roll call were L.C. Williams, Chairman; and R.J. Miller and J.M. White Jr.

Committee Members absent at roll were K.B. Woods, Vice Chairman; and N.R. Brown, K.H. O'Brien, and S.H. Williams.

Also present were Vice President C.J. Dobson; Board Members R.C. Arnett, M.J. Herrera, A.G. McAfee, K.L. Mohr-Almeida, M.V. Pace, and P.E. Rovey; Council Vice Chairman J.R. Shelton; Council Liaison J.W. Lines; Council Members M.R. Mulligan and N.J. Vanderwey; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, L.A. Meyers, G.A. Mingura, K.S. Ramaley, E.J. Roelfs, J.R. Schuricht, and C.M. Sifuentes; Messrs. J.D. Coggins, J.J. Cohen, T. Cooper, J.M. Felty, J.W. Hubbard, R.J. Klawitter, B.J. Koch, A.J. McSheffrey, M.J. O'Connor, B.A. Olsen, J.M. Pratt, P.B. Sigl, G.M. Smedley, and R.R. Taylor; Ian Calkins of Copper State Consulting Group; Paul Kelley of SB Energy; Steve Lowe of NextEra Energy, Inc.; Christian Martinez of Clearway Energy Group; Andy McCoy of AZ AG; Rick Miller of HDR, Inc.; Michael Sheehan of Bright Night Power; and Mark Smith of Calpine.

Chairman L.C. Williams appointed Board Member R.C. Arnett to serve as an ex-officio member of the Committee.

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 Power Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, January 23, 2023.

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

Consent Agenda

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

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

- Minutes of the Power Committee meeting on December 12, 2023, as presented

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

| | | |
|------------|---|-----|
| YES: | Board Members L.C. Williams, Chairman; and R.C. Arnett, R.J. Miller, and J.M. White Jr., | (4) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Board Members K.B. Woods, Vice Chairman; and N.R. Brown, K.H. O'Brien, and S.H. Williams | (4) |

Salt River Pumped Storage Project Update

Using a PowerPoint presentation, Grant M. Smedley, SRP Director of Resource Planning, Acquisition and Development, stated that the purpose of the presentation was to provide information regarding SRP's ongoing efforts to assess the development of a pumped hydro energy storage facility on the Salt River.

Mr. G.M. Smedley explained how pumped storage hydropower facilities generate electricity by moving water between two reservoirs at different elevations. He detailed the resources needed to meet summer peak demands from 2024 through 2035.

Mr. G.M. Smedley reminded the Committee that the pumped storage hydropower is included in the Integrated System Plan (ISP) and highlighted the benefits of pumped storage. He introduced Ronald J. Klawitter, SRP Manager of Water System Projects.

Continuing, Mr. R.J. Klawitter provided maps of the transmission routes to the existing pumped storage sites and discussed alternatives. He reviewed project milestones for Calendar Year 2024 as follows: 1) complete necessary engineering and geotechnical investigation to initiate federal permitting under the National Environmental Policy Act (NEPA); 2) initiate NEPA; 3) submit transmission interconnection application and associated studies; and 4) develop plans for major equipment procurement.

Mr. R.J. Klawitter reviewed outreach activities, milestones, and a timeline of project development. He concluded with a discussion of key takeaways.

Messrs. R.J. Klawitter and G.M. Smedley 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 N.R. Brown, K.H. O'Brien, L.D. Rovey, and S.H. Williams; Council Chairman T.M. Francis; Council Members M.L. Farmer, A.A. Freeman, and I.M. Rakow; Murphy Bannerman of Western Resource Advocates (WRA); and Bridget Sidwell of Strata Clean Energy entered the meeting during the presentation.

Financial Plan 2025 (FP25) Load Forecast

Using a PowerPoint presentation Jed J. Cohen, SRP Manager of Forecasting, stated that the purpose of the presentation was to provide information regarding the FP25 load forecast, which will be the baseline for the Phase 2 resource and financial plans covering Fiscal Year 2025 (FY25) and beyond. He said that key drivers that impact the forecast include economy and population outlook, economic development, SRP customer programs, electric vehicles, rooftop solar, customer-owned batteries, and weather.

Mr. J.J. Cohen reported that since 2023, large customers have become the main driver of growth and that data center and semiconductor industries are the key trends in the driving growth with a boom in AI shocking the industry into further growth. He presented headlines stating that the U.S. economy is performing better than expected; population growth is outpacing expectations; and that economic development pipeline continues to grow while some projects experience delays.

Mr. J.J. Cohen explained how customer growth and warmer temperatures caused a record 543 megawatt (MW) year-over-year increase in peak demand. He concluded with FP25 forecasts for peak and energy demands and key takeaways.

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. R.J. Klawitter left the meeting during the presentation. Board Member K.B. Woods; Messrs. W.C. Fielder, R.T. Judd, and B.L. Petrey; and Megan Kaverman of NextEra Energy, Inc. entered the meeting during the presentation.

New Resource Development and Implementation Update

Using a PowerPoint presentation, Mr. G.M. Smedley stated that the purpose of the presentation was to provide information regarding the development status of new generation resources under contract to meet capacity and carbon-free energy needs.

Mr. G.M. Smedley provided media excerpts with respect to continuing resource development delays across the U.S. He said that SRP also continues to experience delays with bringing new resource online, and that SRP is working diligently with developers to minimize delays.

Mr. G.M. Smedley highlighted that SRP is adding new resource projects at an unprecedented pace and that SRP continues to make progress towards its 2025 MW solar goal. He concluded with a discussion of remaining capacity needs and next steps.

Mr. G.M. Smedley 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; and Messrs. T. Cooper and J.J. Cohen left the meeting during the presentation.

Closed Session: 2023 All-Source Request for Proposals

Chairman L.C. Williams called for a closed session for the Power Committee at 10:42 a.m., pursuant to A.R.S. §30-805(B), for the Committee to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to the 2023 All-Source Request for Proposals.

Mmes. E.J. Roelfs and J.R. Schuricht; Murphy Bannerman of WRA; Ian Calkins of Copper State Consulting Group; Paul Kelley of SB Energy; Megan Kaverman and Steve Lowe of NextEra Energy, Inc.; Christian Martinez of Clearway Energy Group; Andy McCoy of AZ AG; Rick Miller of HDR, Inc.; Michael Sheehan of Bright Night Power; Bridget Sidwell of Strata Clean Energy, and Mark Smith of Calpine left the meeting.

The Committee reconvened into open session at 11:06 a.m. with the following members and other present: Vice President C.J. Dobson; Board Members R.C. Arnett, N.,R. Brown, M.J. Herrera, K.H. O'Brien, L.D. Rovey, P.E. Rovey, S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Liaisons J.W. Lines and I.M. Rakow; Council Members M.L. Farmer, A.A. Freeman, M.R. Mulligan and N.J. Vanderwey; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, L.A. Meyers, G.A. Mingura, K.S. Ramaley, and C.M. Sifuentes; and Messrs. J.D. Coggins, J.M. Felty, W.C. Fielder, J.W. Hubbard, R.T. Judd, B.J. Koch, A.J. McSheffrey, M.J. O'Connor, B.A. Olsen, B.L. Petrey, J.M. Pratt, P.B. Sigl, G.M. Smedley, and R.R. Taylor.

Ms. E.J. Roelfs; Murphy Bannerman of WRA; Ian Calkins of Copper State Consulting Group; Christian Martinez of Clearway Energy Group; Megan Kaverman of NextEra Energy, Inc.; and Michael Sheehan of Bright Night Power entered the meeting.

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.


Mmes. K.A. Heth and S.A. Perkinson; and Messrs. J.D. Hovis and J.A. Wright entered the meeting.

Future Agenda Topics

Chairman L.C. Williams asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Power Committee, the meeting adjourned at 11:09 a.m.

John M. Felty
Corporate Secretary

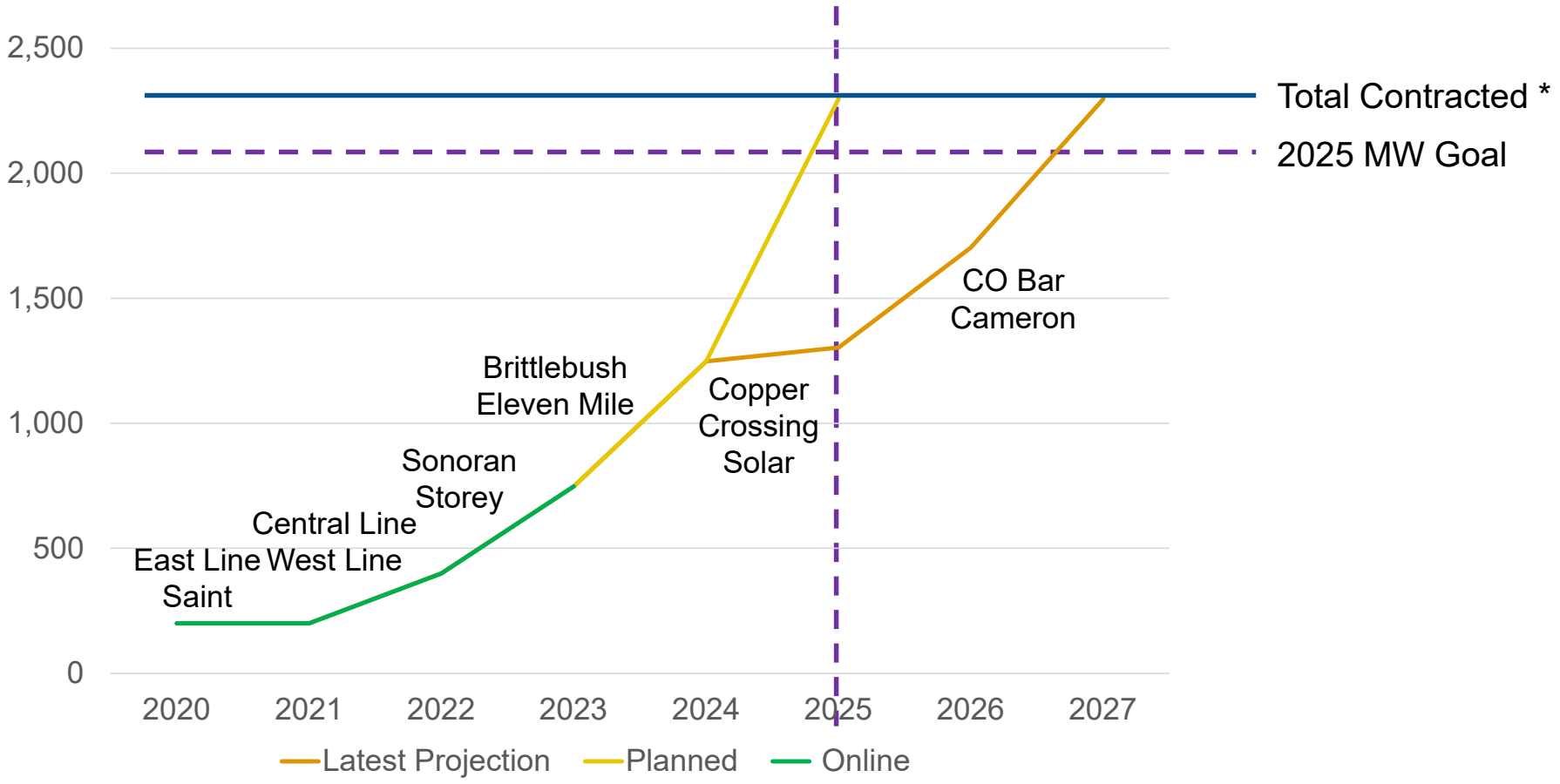


Proposed Amendments to CO Bar Solar Power Purchase Agreements

Power Committee Meeting

Barry Petrey | February 22, 2024

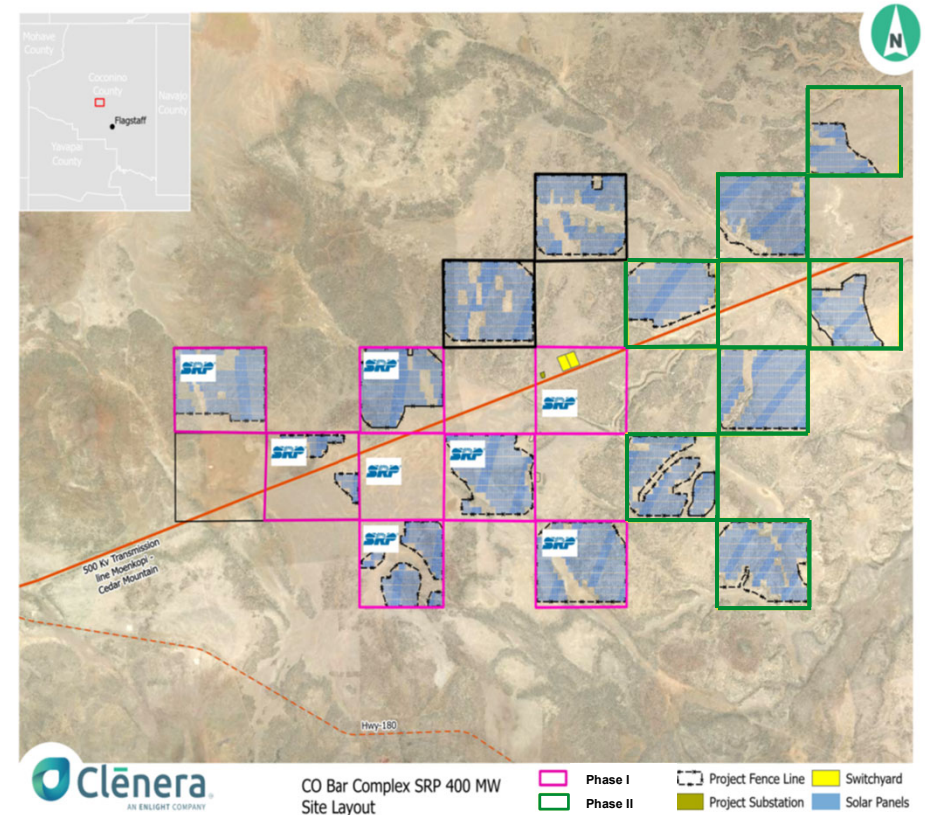
Progress Towards 2025 MW Solar Goal



* Excludes 200 MW canceled

CO Bar Solar

- **CO Bar (Phase I):** 400 MW
- **CO Bar D (Phase II):** 394 MW
- **Developer:** Clenera
- **Technology:** Solar photovoltaic, single axis
- **Location:** Coconino County, northwest of Flagstaff
 - 2,400 acres of private land per phase
- **Interconnection:** Moenkopi – Cedar Mountain 500kV Transmission Line



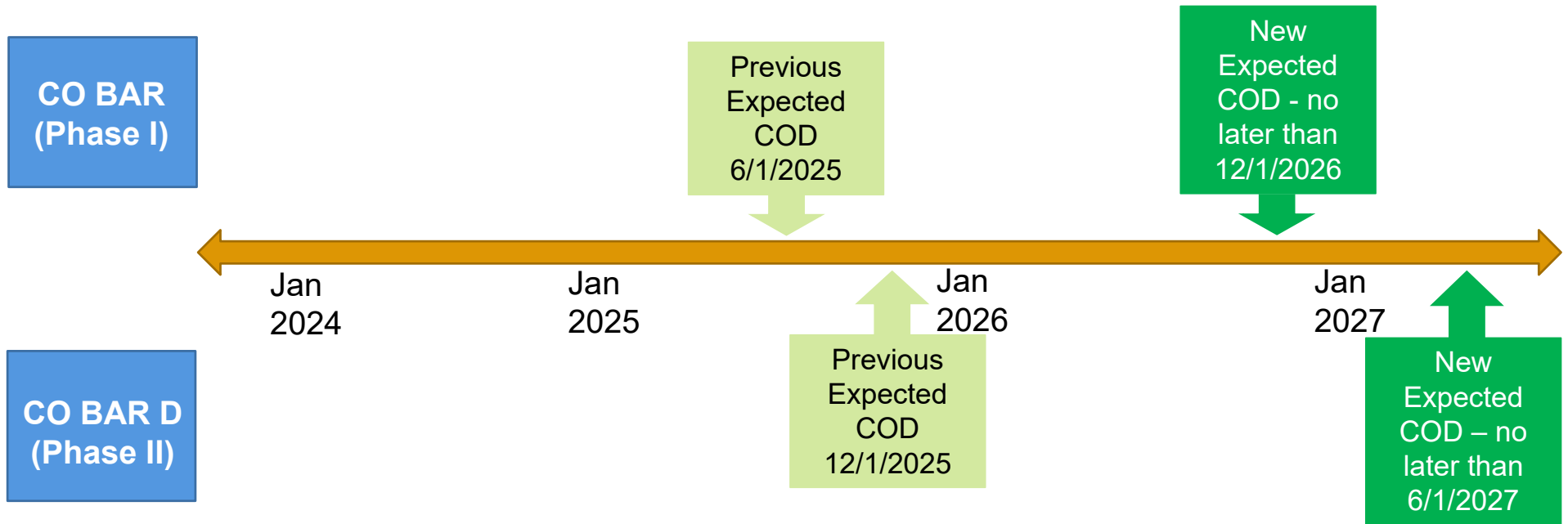
Interconnection Delay Mitigation Effort

APS Interconnection process reform requires restudy of project

| Event | Date |
|--|----------|
| Clenera notified project will have to enter new process | 10/5/23 |
| Clenera meets with APS to discuss options | 10/10/23 |
| APS reinforces that restudy is required by tariff | 12/7/23 |
| Clenera confirms new schedule with APS and proposes PPA amendment to extend excused transmission delay | 12/12/23 |
| Clenera receives approval from its board for the proposed amendments | 1/24/24 |

CO Bar Development Timeline

Expected Commercial Operation Date (COD) delayed up to 18 months



Assessment

- CO Bar projects are well-developed and have low executability risk
- Provide significant addition of solar capacity (794 MW)
- Help meet long-term carbon reduction goals
- Supports customer dedicated programs (Solar Choice Select)
- Provides geographic diversity
- Project delay preferred over replacement options (scale, timing, overall assessment)

CO Bar Amendments

Proposed changes to both agreements:

| Provision | Current | Proposed Amendment |
|--|-----------------------------------|--------------------------|
| Excused Transmission Delay | Not to exceed 180 days | Not to exceed 18 months |
| Interconnection Agreement Condition Date | June 1, 2024 | Extended up to 18 months |
| Project Milestone Dates <ul style="list-style-type: none">• Permitting• Interconnection Studies• Equipment procurement• Financing• Construction | Scheduled to achieve previous COD | Extended up to 18 months |

Recommendation

In accordance with the terms discussed herein, request that the Committee recommend that the Board authorize the Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, President, Vice-President, or General Manager and Chief Executive Officer, to execute the following:

- (A) Amendment of the power purchase agreement with CO Bar Solar LLC
- (B) Amendment of the power purchase agreement with CO Bar Solar D LLC
- (C) Any subsequent amendments to such agreements that do not materially modify the terms of the agreements.



An aerial photograph of a large concrete dam situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock formations. A river flows through the center of the canyon, and the dam spans across it, creating a reservoir. The sky is clear and blue. The text is overlaid on the upper portion of the image.

FP25 Resource Plan

Power Committee Meeting

Grant Smedley | February 22, 2024

Agenda

- Purpose and Relationship to Integrated System Plan (ISP)
- Changes since FP24
- Updated Resource Needs
- FP25 Resource Plan
- Implementation Priorities
- Key Takeaways



Purpose and Relationship to ISP

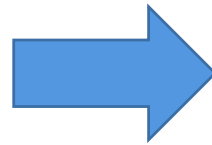
Integrated System Plan

System Strategies:

- Guidance and Direction
- High-Level Priorities

Balanced System Plan:

- Illustrative Path
- Tangible Vision



Annual Resource Plan

- Update Inputs Annually
- Defines Actions and Priorities
- Informs Financial Plan

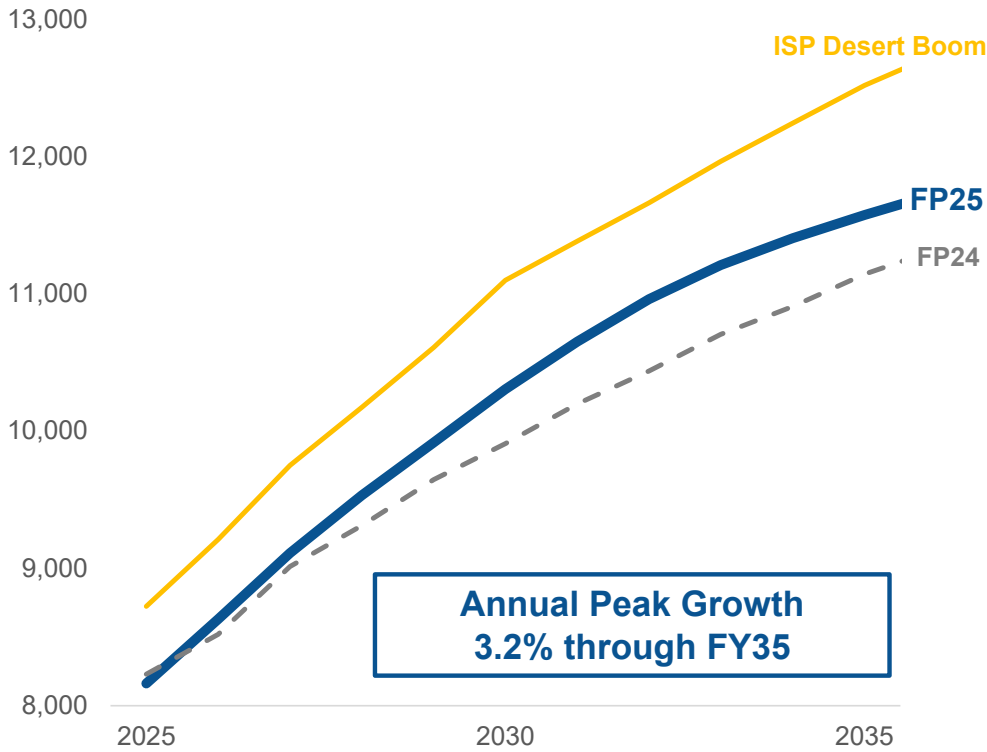
Changes Since FP24

- ISP System Strategies
- Load Forecast Increase
- Resource Delays
- 2023 All-Source Request for Proposals (RFP)
- EPA Proposed Greenhouse Gas Rules

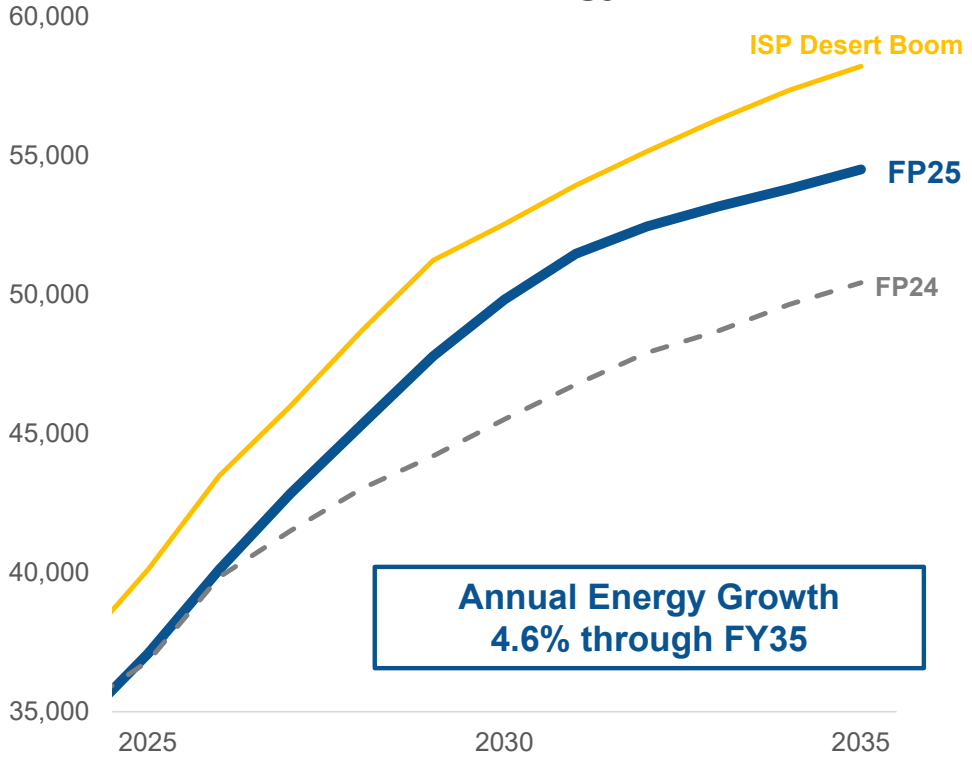


Load Forecast Continues to Trend Higher

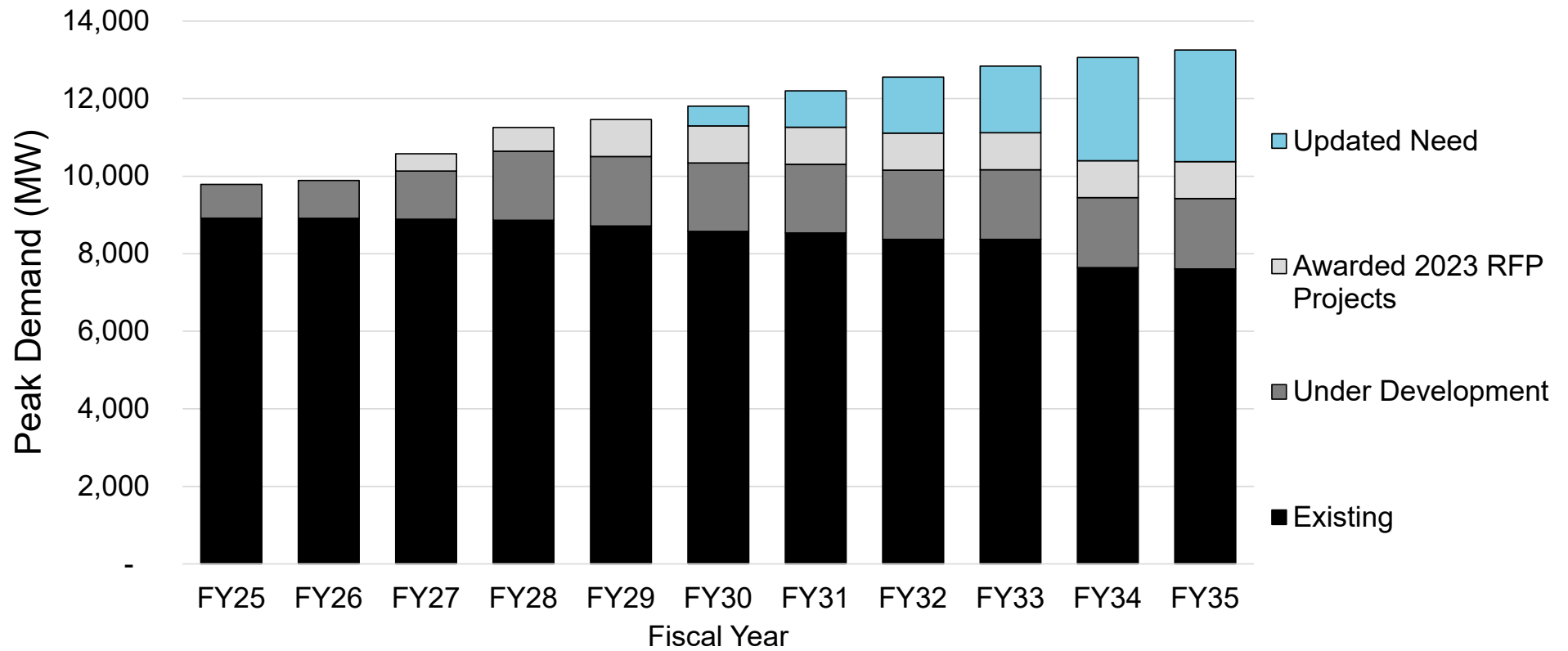
Peak Demand (MW)



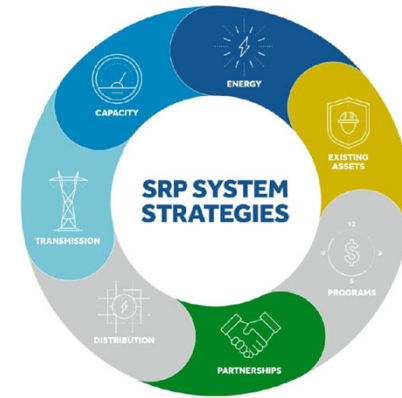
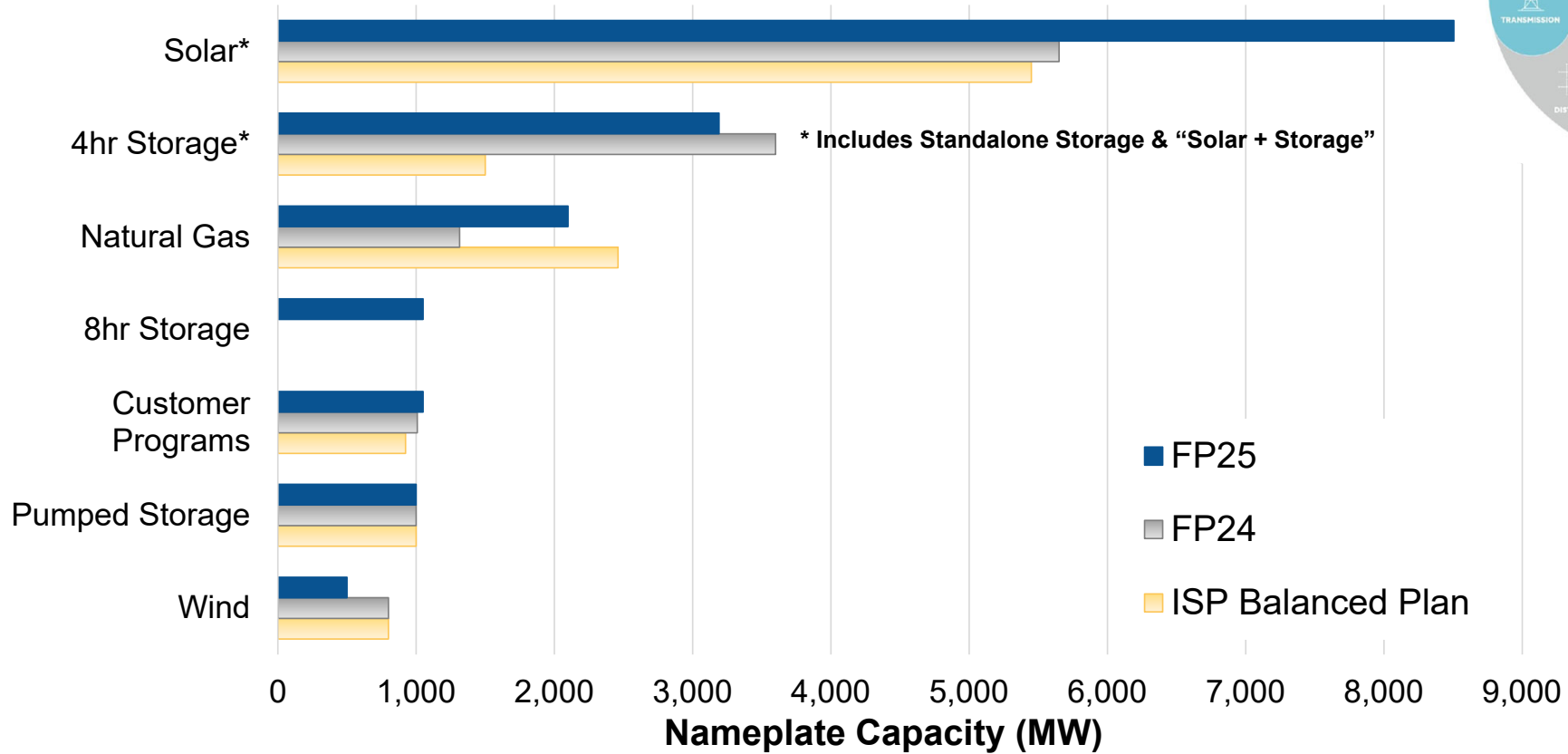
Annual Energy (GWh)



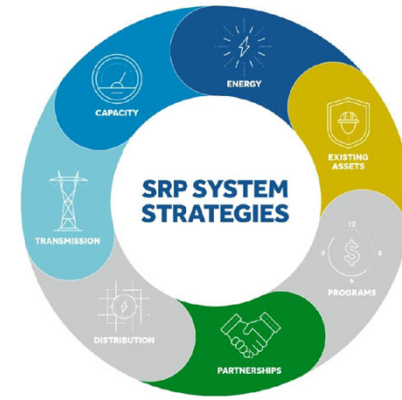
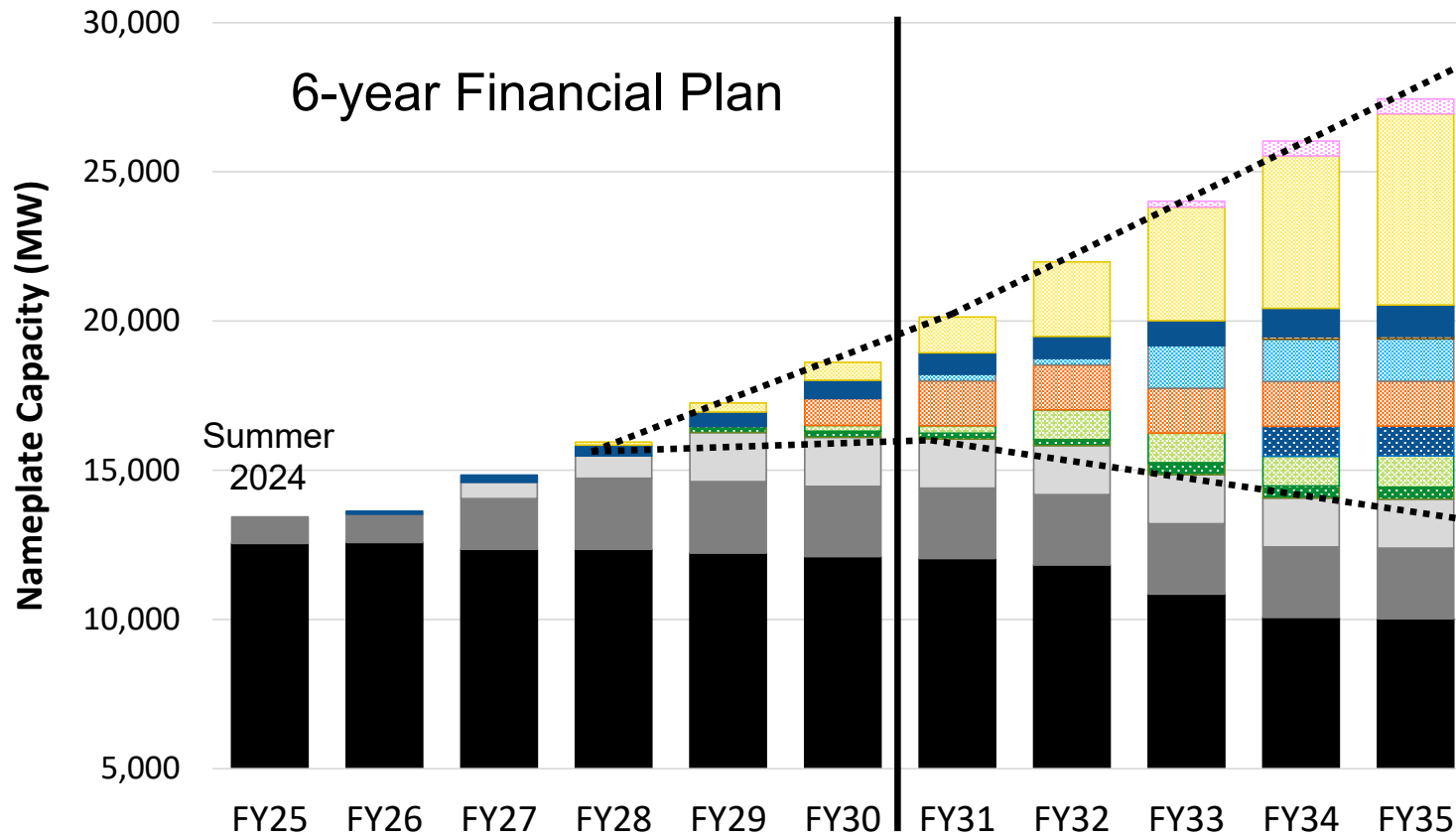
Updated Resource Needs to Serve Peak Demand



FP25 Plan - New Resources through FY35



FP25 Plan - All Resources



- Wind
- Solar
- Customer Programs
- Biomass
- Gas
- Solar & Storage
- Pumped Storage Hydro
- 8hr Standalone Storage
- 4hr Standalone Storage
- 2023 ASRFP
- Contracted/Approved Resources
- Existing Resources

Resource Capital Expenditures

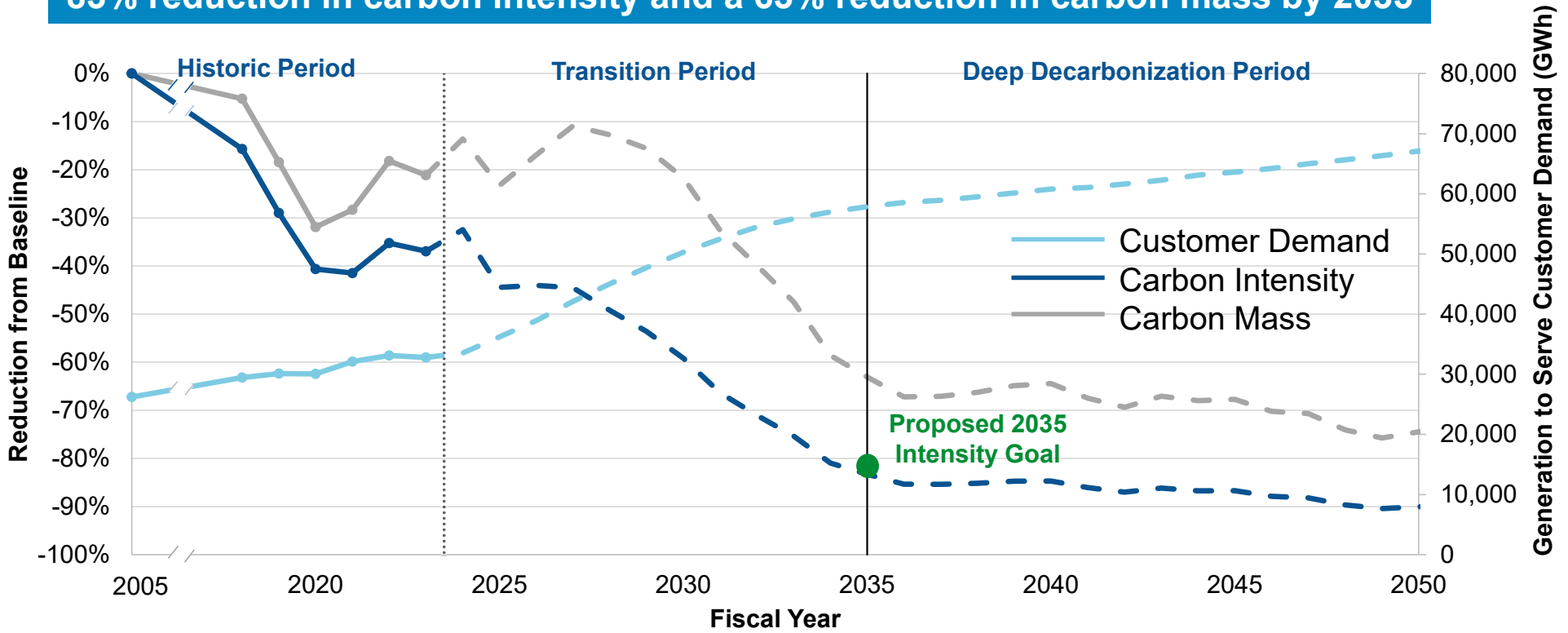
SRP-Owned Resources in FP25

| | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 |
|-----------------------|------|------|------|------|------|------|------|------|------|-------|------|
| Solar | | 55 | | | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Storage | | | | | 200 | | | | 200 | | |
| Natural Gas | 99 | | 288 | 288 | | | 225 | | 225 | | |
| Pumped Storage | | | | | | | | | | 1,000 | |

- FP25 includes early land acquisition, resource development, transmission, and community support costs
- Total resource capital is \$4.5 billion over the 6-year Financial Plan

SRP's Lower Carbon Trajectory

Even with customer demand doubling, the FP25 Resource Plan achieves an 83% reduction in carbon intensity and a 63% reduction in carbon mass by 2035



Highest Implementation Priorities

- 2023 All-Source RFP
- 2024 All-Source RFP
- Solar Development Partnership
- Proactive Transmission Strategy
- Self-Build Options
- Pumped Storage Project
- Coronado Repurposing Study



Key Takeaways

- FP25 Resource Plan calls for over 15,000 MW of new resources, more than doubling the capacity of SRP's resource portfolio over the next decade
- FP25 Plan meets proposed 2035 carbon intensity goal and achieves significant carbon mass emission reductions
- Implementation of this plan will require bold, proactive actions and internal/external collaboration







2024 All-Source Request for Proposals

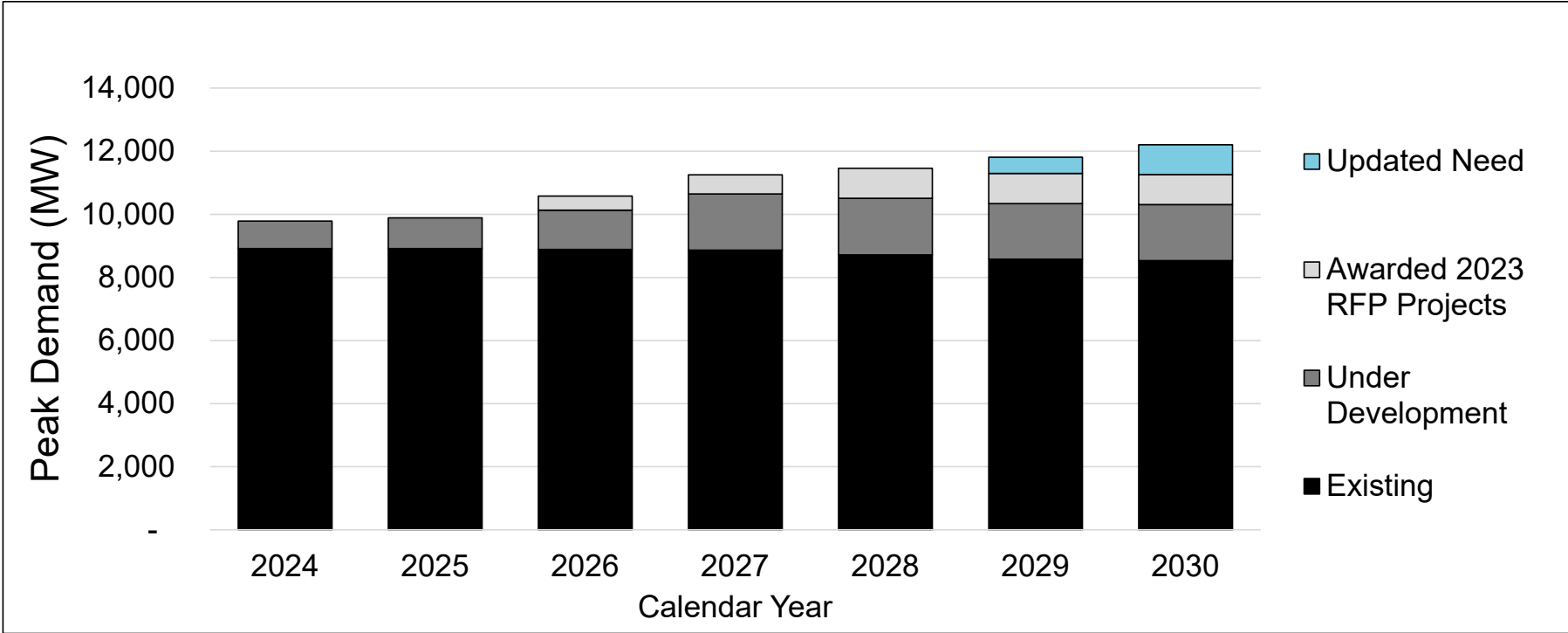
Power Committee

Will Fielder | February 22, 2024

Agenda

- Updated resource needs
- Solicitation
- Evaluation criteria
- Timeline and next steps

Updated Resource Needs



Based on latest load forecast

2024 All-Source Request for Proposals (RFP)

- Resources that provide capacity at summer peak
 - At least 700 MW by December 2028
 - At least an additional 500 MW for a total of 1,200 MW by December 2029
- Planned carbon-free resource additions
 - Up to 2,500 MW of carbon-free energy by December 2029
- Long-development projects with commercial operation dates after 2030
- SRP self-build options will be compared to RFP alternatives
- SRP retained Wood Mackenzie to administer RFP and support evaluation



Evaluation Criteria

The 2024 All Source RFP evaluation criteria is consistent with the evaluation criteria from the 2023 All Source RFP.

| | Operating Characteristics | Affordability | Sustainability | Executability |
|--------------------|----------------------------------|----------------------|-----------------------|----------------------|
| Peak | 20% | 20% | 20% | 40% |
| Carbon-Free | 10% | 40% | 10% | 40% |

Timeline and Next Steps



thank you!

