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 .......................................................... VICE CHAIRMAN STEPHEN WILLIAMS

   - Request for approval of the minutes for the meeting of February 10, 2022

2. **SRP 2035 Corporate Goals Review** .......................................................... KELLY BARR, TOM COOPER, and KAITLYN LIBBY

   Request for approval of refinements to the 2035 Corporate Goals, which are reviewed on an annual basis in light of the pace and scale of change within SRP’s operating environment.

3. **Report on Current Events by the General Manager and Chief Executive Officer or Designees** ........................................................................ MIKE HUMMEL

4. **Future Agenda Topics** .......................................................... VICE CHAIRMAN STEPHEN 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. §30-808, for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: All property in your possession, including purses, briefcases, packages or containers, will be subject to inspection.
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, February 10, 2022, via teleconference from the Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call via teleconference were S.H. Williams, Vice Chairman; and R.C. Arnett, V.M. Flores, M.J. Herrera, and K.J. Johnson.

Committee Members absent at roll call were R.J. Miller, L.D. Rovey, and K.B. Woods.

Also present via teleconference were President D. Rousseau; Vice President J.R. Hoopes; Board Members N.R. Brown, D.S. Hendrickson, A.G. McAfee, and P.E. Rovey; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Liaison A.S. Hatley; Council Member P.A. Van Hofwegen; and Mmes. K.J. Barr, M.J. Burger, G.A. Mingura, C.A. O'Brien, and A.H. Sierras; Messrs. M.C. Campbell, A.C. Davis, D.W. Dreiling, T. Cooper, J.M. Felty, M. Hummel, R.T. Judd, K.J. Lee, D.C. Roberts, and G. Saint Paul.

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, February 8, 2022.

Vice Chairman S.H. Williams called the meeting to order.

Consent Agenda

Vice Chairman S.H. Williams requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Strategic Planning Committee meeting on November 4, 2021, as presented

Corporate Secretary J.M. Felty polled the Committee Members via teleconference on Board Member M.J. Herrera’s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:
SRP’s Transportation Electrification Strategy

Using a PowerPoint presentation, Kelly J. Barr, SRP Associate General Manager and Chief Corporate Services and Sustainability Executive, stated that the purpose of the presentation was to present information regarding SRP’s Transportation Electrification Strategy now in its second year of formal implementation. She introduced Marc C. Campbell, SRP Manager of Sustainability Policy and Programs.

Continuing, Mr. M.C. Campbell said that SRP’s 2035 Electric Vehicles (EV) goal is to support the enablement of 500,000 EVs in SRP’s service territory and managing 90% of EV charging. He presented a forecast chart of EV adoption from 2010 through 2035, indicating that as of September 2021, there were 24,831 EV in operation. Mr. M.C. Campbell said that 80% of EV charging is managed at home, 15% at work, and 5% in the public.

Mr. M.C. Campbell stated that the drivers SRP has the most influence to change include awareness, education and outreach, charging infrastructure, total cost of ownership, and policy; and the drivers that SRP does not have direct influence over are vehicle range, model availability, and vehicle upfront cost. He reviewed SRP’s EV strategy in regards to single-family homes, commercial and multifamily, fleets, and public charging. Mr. M.C. Campbell introduced Daniel W. Dreiling, SRP Director of Customer Programs.

Continuing, Mr. D.W. Dreiling discussed the programs and initiatives that support the EV market. He said that the portfolio of programs and initiatives is diverse and includes home charging, work/fleet charging, public charging, research, policy regulations, partnership, and outreach and education. Mr. D.W. Dreiling reviewed priorities of future programs and initiatives and a customer programs’ six-year Transportation Electrification (TE) Plan for Fiscal Year 2023 (FY23) through FY28. He introduced Catherine A. O’Brien, SRP Electric Vehicle Lead of Sustainability Policy and Programs. Ms. C.A. O’Brien concluded with highlights of the EV community and SmartCharge AZ Pilot programs.


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.J. Miller, L.D. Rovey, and J.M. White Jr.; and Mr. A.J. McSheffrey entered the meeting during the presentation.
Report on Current Events by the General Manager and Chief Executive Officer or Designees

Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee. He reported that EV incorporates SRP's path to carbon reduction.

Future Agenda Topics

Vice Chairman S.H. Williams asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Strategic Planning Committee, the meeting adjourned at 10:51 a.m.

John M. Felty
Corporate Secretary
BACKGROUND:

 Amid increasingly disruptive and transformational change fueled further by a global pandemic and the rapid economic expansion of the Phoenix Metro area, our 2035 Strategic Framework serves as our north star— a guide for aligning today’s decisions with our future success. It is the foundation for determining and prioritizing near-term implementation actions and allocating the proper, and increasingly stretched, resources for such actions.

 Implemented in 2019, our 2035 Strategic Framework, including a comprehensive set of Corporate Goals, ensures the viability and success of SRP far into the future. A future that leaders envisioned to be defined by rising customer expectations, the increasing speed of technological advancement and a heightened focus on the impacts of climate change. The many issues that make up our view of the future are highly dynamic and require close monitoring to ensure our ambitions for 2035 and beyond remain appropriate in the midst of unprecedented change and growth.

 A recent comprehensive review of our current business environment confirmed that many of the same trends contemplated in our earlier view of the future persist today, though in some instances, the last several years have profoundly impacted their pace and influence within our business. Some of the material shifts in trends that have significant strategic implications for SRP and are driving proposed modifications to SRP’s Strategic Directions and 2035 Corporate Goals for the Board’s review and approval include:

 **Remarkable Growth Amid an Accelerated Energy Transition**

 The energy transition, further complicated by rapid and unprecedented local economic growth, is accelerating with more utilities, states, countries, and organizations pledging and accelerating net-zero carbon goals, with a heightened focus on ensuring a holistic, equitable, and just transition—a focus that will serve to be reinforced through federal policy.

 **Public Focus on Utilities**

 Public awareness of utilities has increased in recent years, triggered by major events making headlines and entering the public discourse: climate change, extreme weather events, wildfires, drought, etc. The occurrence of such events during a period of social and political upheaval has caused many to lose trust in the systems we operate in—including how utilities participate in and support such systems.

 **Rapid ESG Adoption**

 Environmental, social, and governance (ESG) programs have seen rapid adoption across sectors to demonstrate corporate accountability and guide measurable sustainability impact. As customers, employees, stakeholders, and regulators look to companies to address climate change responsibly and transparently, ESG adoption will only continue to accelerate.

 **Evolution of Customer and Workforce Expectations**

 Customer and employee engagement and loyalty has evolved as both groups no longer desire but expect to be understood, their wellbeing to be valued, and their experiences to be meaningful and authentic. In addition, local economic growth will cause a material shift in the overall makeup of the customer base, introducing an evolved set of needs, wants and aspirations for energy providers to meet.
The tables below describe the proposed changes to the Strategic Directions and 2035 Corporate Goals in response to the trend shifts. Changes also include better alignment of the 2035 Sustainability Goals within the six Strategic Directions.

- **Blue** indicates a proposed modification
- **Green** indicates alignment of the 2035 Sustainability Goals. No changes are proposed to the 2035 Sustainability Goals.

### Strategic Directions

<table>
<thead>
<tr>
<th>Strategic Directions</th>
<th>Former</th>
<th>New</th>
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<tbody>
<tr>
<td>Customers</td>
<td>Understand value from our customers’ perspective and offer choices that meet the customers’ needs, wants and aspirations</td>
<td>No change</td>
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<tr>
<td>Community</td>
<td>Develop and enhance partnerships and engagements with cities, communities and Native American nations and tribes</td>
<td>No change</td>
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<tr>
<td>Sustainability*</td>
<td>Demonstrate SRP’s commitment to sustainability and deliberately increase, and effectively manage, the pace of our transformation toward more sustainable and technologically advanced grids</td>
<td>Embed sustainable principles and practices in all that we do to deliberately increase the pace of our transformation and create a lasting, positive social and environmental impact</td>
</tr>
<tr>
<td>Workforce</td>
<td>Further develop our workforce with the skills required to address the challenges and opportunities of the future and to reflect the diversity of the communities in which we live and work</td>
<td>Further develop an engaged, inclusive and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities</td>
</tr>
<tr>
<td>Leadership</td>
<td>Provide public policy and thought leadership on issues at the heart of SRP’s mission, including water, energy and economic development</td>
<td>No change</td>
</tr>
<tr>
<td>Finances</td>
<td>Maintain SRP’s strong financial health and increase our financial flexibility</td>
<td>No change</td>
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*Previously called Innovation & Sustainability*
## 2035 Corporate Goals

<table>
<thead>
<tr>
<th>Customers</th>
<th>Former</th>
<th>New</th>
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</table>
| 1. Better understand customers’ needs and continually improve satisfaction and loyalty.  
   A. Ensure methods to measure customer satisfaction remain meaningful and actionable.  
   B. Increase customer satisfaction by 10% relative to FY19 SRP Customer Perspectives metrics.  
   C. Achieve an SRP Brand Health Index of 65 or greater. | 1. Continually improve the customer experience, satisfaction and loyalty.  
   A. Ensure methods to measure customer satisfaction remain meaningful and actionable.  
   B. Increase customer satisfaction by 10% relative to FY19 SRP Customer Perspectives metrics.  
   C. Achieve and maintain an SRP Brand Health Index of 65 or greater.  
   D. Achieve at least 80% of customers who give SRP a positive rating for its sustainability efforts. |
| 2. Provide products, services and communication platforms that align with our customers’ needs and wants.  
   A. Expand the portfolio of pricing options to meet changing customer demand for clean energy and market-based pricing.  
   B. 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.  
   C. Develop personalized customer experiences for all customer segments through all direct communication and customer contact platforms. | 2. Personalize the customer experience by providing segment-specific products, services and communications.  
   A. Provide customers with convenient solutions to manage their energy usage and environmental impact.  
      i. Refine the portfolio of pricing and program options to meet changing customer needs and demand for clean energy, market-based pricing and energy affordability.  
      ii. Deliver over 3 million MWh of annual aggregate energy savings.  
      iii. Deliver at least 300 MW of dispatchable DR and load management programs.  
      iv. Expand the portfolio of Electric Technology (non-EVs) programs to deliver 300,000 MWh of annual aggregate energy impact.  
   B. Enable unified and enhanced customer interactions supported by holistic, data-driven insights that allow us to better serve and guide our customers.  
   C. 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. |
<p>| 3. Manage SRP’s water portfolio to ensure a reliable, sustainable water supply to serve the needs of shareholders. | 3. Manage SRP’s water portfolio to ensure a reliable, sustainable water supply to serve the needs of shareholders. |</p>
<table>
<thead>
<tr>
<th><strong>Community</strong></th>
<th><strong>Sustainability</strong></th>
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</thead>
<tbody>
<tr>
<td>A. Ensure a 2.5 acre-feet per acre allocation, including 2 acre-feet of stored water per acre, while providing supplemental water supplies as needed.</td>
<td>A. Ensure a 2.5 acre-feet per acre allocation, including 2 acre-feet of stored water per acre, while providing supplemental water supplies as needed. B. Store 1 million acre-feet of water supplies underground. C. Achieve a lost and unaccounted for water rate of less than 5% on a 10-year rolling average.</td>
</tr>
<tr>
<td>1. Proactively partner with communities and Tribal Nations on economic development initiatives and also on programs related to water, energy and sustainability.</td>
<td>1. Take meaningful action to address climate change and our environmental impact. A. Transition to less carbon- and water-intensive generation. i. Reduce SRP’s carbon emissions by 65% from 2005 levels as measured on a pounds of CO2 per MWh of energy basis. ii. Eliminate or offset power generation groundwater use in Active Management Areas (AMAs). iii. Achieve 20% reduction in generation-related water use intensity across all water types. B. Implement sustainable best practices and efficiencies across internal operations. i. On a mass basis, reduce carbon emissions from facilities by 30% and water use by 45%. ii. Reduce carbon emissions from fleet by 30% on a mass basis. iii. Incorporate sustainability criteria into sourcing decisions for 100% of managed spend.</td>
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<tr>
<td>2. Be a positive presence and create strong partnerships in our communities through corporate outreach, contributions, educational programs and employee giving. A. Achieve an SRP Community Index score of 62 or greater.</td>
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### Workforce

1. **Advance SRP’s strong commitment to safety**, increase safety performance, and achieve a top 10% ranking for safety as benchmarked against appropriate industries with the aspirational goal of zero incidents.

2. **Attract and maintain a diverse and flexible workforce** with the range of skills necessary to be successful and innovative in a dynamic environment.

### Leadership

1. **Engage in public policy** to advocate for, educate and influence on issues at the heart of SRP’s mission and that improve the quality of life for Arizonans, including water, energy, sustainability, education and economic development.

2. **Hold key positions at relevant regional and industry organizations** to shape water- and energy-related decisions.

3. **Provide thought leadership** on emerging climate change policies.

### Key Actions

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<th><strong>Innovation captured in Workforce</strong></th>
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<td>iv.</td>
<td>Divert 75% of municipal solid waste (MSW).</td>
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<tr>
<td>v.</td>
<td>Divert 95% of non-hazardous industrial solid waste sent to Investment Recovery.</td>
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<tr>
<td>vi.</td>
<td>Engage 100% of employees in efforts that contribute to SRP’s sustainability goals.</td>
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2. **Manage SRP’s sustainability performance through an Environmental, Social and Governance (ESG) framework** that prioritizes and aligns our actions with the present and future needs of our customers, communities, employees and stakeholders.

3. **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.**

1. Achieve a top 10% ranking for safety culture as benchmarked against appropriate industries and continually improve safety performance with the aspirational goal of zero incidents.

2. Attract, **develop and retain a high-performing workforce** with the range of skills and competencies necessary to be successful in a dynamic environment.

3. **Maintain and foster a strong company culture** that embeds diversity and inclusion across the organization and inspires an engaged, innovative and committed workforce to achieve SRP’s mission.

A. **Hold key positions at relevant regional, industry and community organizations and demonstrate leadership** to shape and implement water- and energy-related decisions and solutions and to advance the mission of public power.
A. Increase SRP’s leadership role in forest restoration treatments through partnerships, influence, education and support for the industry to thin 50,000 acres per year or 500,000 acres total.

B. 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. *(Moved to Sustainability)*

*Goals consolidated into new Leadership Goal 1.*

2. Employ SRP’s unique leadership, expertise and influence to enhance the resiliency and operational flexibility of our water system to ensure a sustainable water supply for our shareholders and customers and to address local and state water challenges.

3. Integrate and operate emerging clean technologies and engage in industry and regional efforts to advance decarbonization and address growing energy demand.
   
   A. Participate in coalitions and industry partnerships to conduct research and demonstration projects that support and prepare SRP for the deployment of emerging technologies and infrastructure.
   
   B. Take a proactive role in the development and operation of regional Western electric markets that provide value for SRP and our customers.

<table>
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<tr>
<th>Finances</th>
<th>1. Have retail electric prices that are in the lowest quartile, on average, in the region.</th>
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<td>2. Maintain a strong yet flexible financial position as measured by key financial indicators.</td>
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Agenda

- SRP’s Strategic Framework & Reaffirmation Process
- 2035 Corporate Goal Updates- Approval Request
- FY23 Near-Term Implementation Actions
- Looking Ahead to Future Board Engagement
SRP’s 2035 Strategic Framework - What we aim to achieve over the long term

- Amid disruptive and transformational change, our 2035 Strategic Framework serves as our north star— a guide for aligning today’s decisions with our future success.

- When our strategy was implemented in 2019, our future was envisioned to be defined by:
  - Rising customer expectations
  - Increasing speed of technological advancement
  - Heightened focus on the impacts of climate change

Mission: We serve our customers and communities by providing sustainable, reliable and affordable water and energy.
Reaffirming our Strategy

MISSION → PLANNING FUTURE → 2035 STRATEGIC DIRECTIONS & GOALS → SIX-YEAR INITIATIVES → ANNUAL CORPORATE OBJECTIVES

MONITOR & ADJUST
2021-2022 Strategy Update Process

- Identified key trend shifts and refreshed the 2040 Strategic Scenarios developed in 2017
- Updated SRP’s Planning Future established in 2018 based on the refreshed scenarios
- Recommended refinements to the existing 2035 Corporate Goals to respond to significant trend shifts
Updated Trends within the Planning Future

The trends contemplated in the earlier view of SRP’s Planning Future persist today, though some have shifted or accelerated and have significant strategic implications for SRP:

- Remarkable Growth Amid an Accelerating Energy Transition
- Public Focus on Utilities
- Rapid ESG Adoption
- Evolution of Customer and Workforce Expectations
2035 Corporate Goals
Recommended Updates for Approval
Strategic Directions

Further develop an engaged, inclusive and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities.

Embed sustainable principles and practices in all that we do to deliberately increase the pace of our transformation and create a lasting, positive social and environmental impact.
Customers

Focus on the overall customer experience

Convenient, personalized solutions that empower customers to manage:

- Energy use and affordability
- Environmental impact
Sustainability

Elevated, singular focus on sustainability

Transition to Environmental, Social and Governance (ESG) Framework

Public Focus on Utilities

Rapid ESG Adoption

Remarkable Growth Amid an Accelerated Energy Transition

Evolution of Customer and Workforce Expectations
Workforce

Develop and retain a high-performing, future-ready workforce

Focus on culture:

Safety
Diversity & Inclusion
Innovation & Engagement
Leadership

Active leadership in water and energy decisions and solutions

Enhanced water system resilience and flexibility

Industry and regional engagement to advance decarbonization and address load growth
Recommendation

Management requests that the Strategic Planning Committee recommend that the Board approve the 2035 Corporate Goals.
FY23 Corporate Objectives
Ensuring Near-Term Progress

Customer Experience Modernization - Roadmapping Customer Technology Platforms

Customer Sustainability Initiatives - Targeted Offerings & Partnerships

Smart Economic Development - Strategic Engagement & Impact Consideration

Water Leadership - Enhancing Infrastructure & Partnerships

05/05/2022 Strategic Planning Committee, K. Libby
FY23 Corporate Objectives - Ensuring Near-Term Progress

Near-Term Capacity & Flexibility - Reliable Generation & Operational Readiness

Federal Infrastructure Funding - Project Prioritization & Coalition Forming

Integrated Planning - Publish SRP’s first Integrated System Plan

Sustainability Maturation - ESG Framework & Climate and Sustainability Assessment

Workforce Attraction, Retention & Engagement - Leadership Strategy, Compensation Alignment & Safety Culture Benchmarking

05/05/2022 Strategic Planning Committee, K. Libby
Looking Ahead: Board Engagement

- In 2023, reopen and extend our view of the Planning Future.
- Extended view will look out to and set goals for 2050, while maintaining a set of goals for 2035.
- Extensive review to occur on a five-year cadence, with the Planning Future to be monitored/refreshed annually to support Board approval of the goals.

### Planning Future Extensive Review

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<th>Year</th>
<th>2022</th>
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- **SRP Planning Future Extensive Review**
- **2035 Corporate Goals Approval**
- **Six-Year Implementation Plans Review**
- **Sustainability Goal Progress Review**
- **Sustainability Goal Approval**
- **Budget Approval**
- **Integrated Systems Plan (ISP)**
- **ISP Outcomes Approval**