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

POWER COMMITTEE
Thursday, June 23, 2022, 9:30 AM
SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ  85281

This SRP District Committee meeting will be held in the Board Committee Room with an option to attend in-person or observe via Zoom. The public may receive the teleconference meeting access information by contacting the Corporate Secretary’s Office at (602) 236-4398. Supplemental materials will be posted on the SRP website.

Committee Members: Mario Herrera, Chairman; Keith Woods, Vice Chairman; and Robert Arnett, Nick Brown, Kevin Johnson, Kathy Mohr-Almeida, 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 MARIO HERRERA

   • Request for approval of the minutes for the meeting of May 19, 2022

2. Flexible Natural Gas Siting Overview......... JOHN COGGINS and BILL McCLELLAN
   Informational presentation regarding an overview of a siting study to determine suitable locations to install flexible natural gas resources.

3. Major Generation Projects Update.............................. KEVIN NIELSEN
   Informational presentation regarding the status of the Navajo Generating Station (NGS) Decommissioning Project, Near-Term Capacity Project, and Coronado Generating Station (CGS) Split Selective Catalytic Reduction (SCR) Project.

4. Open Access Transmission Tariff Revision ................................CHRS JANICK
   Request for approval of the revised Open Access Transmission Tariff (OATT) to maintain consistency with requirements recently imposed by the Federal Energy Regulatory Commission on jurisdictional utilities through Order 881 (see proposed resolution).

5. Closed Session, Pursuant to A.R.S. §30-808, to Consider Matters Relating to Competitive Activity, Including Trade Secrets or Privileged or Confidential Commercial or Financial Information, with Respect to Requests for Approval to enter into Power Purchase or Energy Storage Agreements for the Following Projects Selected from the SRP All-Source Request for Proposals: 1) a 300 Megawatt (MW) Solar and Battery Project; 2) a 250MW Grid-Charged Battery Project; 3) a 90MW Grid-Charged Battery Project; 4) a 200MW Battery Addition to a Solar Project Under Contract with SRP; and (5) a 200MW Grid-Charged Battery Project .................................................................GRANT SMEDLEY
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.

THE NEXT POWER COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY, AUGUST 23, 2022

06/17/2022
A meeting of the Power 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, May 23, 2022, 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 P.E. Rovey, Chairman; R.J. Miller, Vice Chairman; and A.G. McAfee, M.V. Pace, J.M. White Jr., and L.C. Williams.


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, May 17, 2022.

Chairman P.E. Rovey called the meeting to order.

Consent Agenda

Chairman P.E. Rovey requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Power Committee meeting on April 21, 2022, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Board Member L.C. Williams’ motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:
Summer Preparedness

Using a PowerPoint presentation, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, stated that the purpose of the presentation was to provide information summarizing SRP’s various activities completed in preparing to meet forecasted loads and requirements for Summer 2022. He introduced Pam L. Syrjala, SRP Director of Supply and Trading and Fuels.

Ms. P.L. Syrjala reviewed SRP’s electric service area and highlighted the electric service area served exclusively by SRP, the area where SRP makes direct sales to customers for all mining loads, and areas not served by SRP. She presented a map of SRP resources today, including battery storage, coal, natural gas, nuclear, and renewable energy.

Ms. P.L. Syrjala provided a peak hour retail load forecast in Megawatts (MW) for 2022 compared to actual peak hour retail load for 2020 and 2021. She reviewed planned capabilities to meet the forecasted need of 8,985 MW for Summer 2022. Ms. P.L. Syrjala provided a status for nuclear, coal, natural gas, and new resources. She introduced Chris R. Janick, SRP Senior Director of Power Delivery.

Continuing, Mr. C.R. Janick focused on the resiliency of generation, transmission, and distribution for Summer 2022. He described the grid resiliency as follows: define high-impact low frequency events; quantify probabilities and potential consequences; implement programs that prevent, respond, and recover; and measure SRP’s capabilities and increase SRP’s maturity over time.

Mr. C.R. Janick detailed events prevented by means of asset management, situational awareness, and wildfire mitigation. He concluded by describing how SRP responds to and recovers from events.

Ms. P.L. Syrjala and Mr. C.R. Janick 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 S.H. Williams and K.B. Woods; Council Member J.W. Lines; Messrs. R.T. Judd, H.D. Sauthoff, and G.M. Smedley; and Ian Calkins of Copper State Consulting Group entered the meeting during the presentation.
Quarterly Load Forecast Update

Using a PowerPoint presentation, Kelly J. Barr, SRP Associate General Manager and Chief Strategy, Corporate Services, and Sustainability Executive, stated that the purpose of the presentation was to provide a quarterly load forecast update. She introduced Harry D. Sauthoff, SRP Manager of Forecasting.

Mr. H.D. Sauthoff said that the key drivers that impact the forecast are as follows: economy and population outlook, economic development, SRP customer programs, electric vehicles, rooftop solar, customer-owned batteries, and weather. He provided a peak demand load forecast in MW for Fiscal Year 2023 as of January and April 2022, compared to peak demand from 2010 through 2021.

Mr. H.D. Sauthoff reviewed forecast updates as of April 2022 regarding economic development and economic outlook consensus. He described the expected cumulative new load growth by 2035. Mr. H.D. Sauthoff concluded with next steps.

Ms. K.J. Barr and Mr. H.D. Sauthoff 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. H.D. Sauthoff left the meeting. Council Member M.B. Brooks; Ms. S.M. Glover; and Messrs. G.A. DeLizio, B.J. Koch, A.S. Peterson, and J.I. Riggs entered the meeting during the presentation.

Closed Session: SRP All-Source Request for Proposals

Chairman P.E. Rovey called for a closed session of the Power Committee at 10:38 a.m., pursuant to A.R.S. §30-808, to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to renewable energy and battery storage project proposals selected as finalists from the SRP All-Source Request for Proposals.

Ian Calkins of Copper State Consulting Group; Jennifer Jachym of Plus Power; and Zach Nelson of Balanced Rock Power left the meeting.

The Committee reconvened into open session at 11:02 a.m. with the following Members and other present: President D. Rousseau; District Vice President C.J. Dobson; Association Vice President J.R. Hoopes, Board Members N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O’Brien, M.C. Pace, L.D. Rovey, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Liaison M.L. Farmer; Council Members M.B. Brooks and J.W. Lines; Mmes. K.J. Barr, M.J. Burger, S.M. Glover, L.F. Hobaica, G.A. Mingura, K.S. Ramaley, C.M. Sifuentes, and P.L. Syrjala; and Messrs. J.D. Coggins, A.C. Davis, J.M. Felty, M. Hummel,

Closed Session: Tolling Power Purchase Agreement

Chairman P.E. Rovey called for a closed session of the Power Committee at 11:02 a.m., pursuant to A.R.S. §30-808, to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval of the execution of an existing natural gas facility tolling Power Purchase Agreement (PPA) based on a proposal submitted in response to the SRP All-Source Request for Proposals.


Mr. G.M. Smedley left the meeting.

Executive Session: Proposed Long-Term Transmission Service Agreements with Pattern Energy

Chairman P.E. Rovey requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(3) and (4), to discuss or consult with attorneys for legal advice and for the Committee to consider its position and instruct its attorneys regarding its position regarding multiple proposed Long-Term Transmission Service Agreements with Pattern Energy that are the subject of negotiations.

On a motion duly made by Board Member M.V. Pace, seconded by Board Member J.M. White Jr. and carried, the Committee convened into executive session at 11:37 a.m.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.V. Pace’s motion to enter into executive session. The vote was recorded as follows:

Long-Term Transmission Service Agreements

Using a PowerPoint presentation, Mr. C.R. Janick stated that the purpose of the presentation was to request approval to enter into multiple long-term transmission service agreements with Pattern Energy in response to transmission service requests by Pattern Energy totaling 1500 MW, including filing a joint Section 211 request with the Federal Energy Regulatory Commission (FERC).

Mr. C.R. Janick provided an overview of transmission service. He said that the SunZia transmission project development work was initiated in 2006; two 500 kilovolt (kV) lines are planned; limited property permitting work remains for line one; construction will begin 2023 and it will be in service 2025; and the SunZia transmission project is owned by Southwestern Power Group (SWPG), which Pattern Energy is in process of acquiring.

Mr. C.R. Janick stated that the SunZia Wind project is a 3,200 MW wind development in central New Mexico, adjacent to Western Spirit Wind projects and 155-mile 345 kilovolt (kV) Western Spirit transmission line. He said that the SunZia transmission will be utilized to deliver into the Arizona grid, and there is a plan to deliver power to customers in Arizona and California via transmission service agreements. Mr. C.R. Janick provided a background of Pattern Energy, a privately-owned developer and operator of wind, solar, transmission, and energy storage projects. He introduced Greg. A. DeLizio, SRP Principal Analyst of Financial Planning and Pricing.

Continuing, Mr. G.A. DeLizio provided the following breakdown of the Pattern Energy transmission service request: 1,500 MW point-to-point (PTP) service from Pinal Central to Palo Verde; contains a 15-year term with option for up to four five-year rollovers;
price capped for the first 15 years at current tariff PTP rate; and SRP is addressing the
Recovery Time Objective (RTO) uncertainty in the agreement. He discussed the
financial analysis of the results of a 15-year term Transmission Service Agreement.
Mr. G.A. DeLizio stated that it is highly improbable that costs (if any) driven by this
Transmission Service Agreement reservation would exceed revenues collected in any
one year over the 15-year term.

Mr. C.R. Janick explained the effect on the SRP transmission system as follows: no
network upgrades are required; no direct impact to anticipated generation resources to
serve SRP’s load; and no new lines or major upgrades with significant resource
additions are required. He discussed the differences from the Transmission Service
Agreement to SRP tariff.

Mr. C.R. Janick concluded with Management’s recommendation for approval to
authorize the General Manager and Chief Executive Officer, Associate General
Manager and Chief Power System Executive, President or Vice President to proceed
with a joint Section 211 filing at FERC and, upon receiving a satisfactory decision from
FERC and the required bond counsel opinion, enter into the Transmission Service
Agreements with Pattern Energy, and to make changes or amendments to the
agreements that do not materially modify the terms of such agreements.

Messrs. C.R. Janick and G.A. DeLizio responded to questions from the Committee.

On a motion duly made by Board Member J.M. White Jr., seconded by Board Member
M.V. Pace and carried, the Committee agreed to recommend Board approval, as
presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member
J.M. White Jr.’s motion to recommend Board approval. The vote was recorded as
follows:

YES: Board Members P.E. Rovey, Chairman; R.J. Miller, Vice
Chairman; and A.G. McAfee, M.V. Pace, J.M. White Jr., and
L.C. Williams

NO: None

ABSTAINED: None

ABSENT: None

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.

Messrs. K.R. Nielsen, A.S. Peterson, and D.R. Politi left the meeting during the
presentation.
Major Generation Projects Update

At the request of Management, Chairman P.E. Rovey tabled the agenda item regarding Major Generation Projects Update.

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.

Future Agenda Topics

Chairman P.E. Rovey 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 12:02 p.m.

John M. Felty
Corporate Secretary
Flexible Natural Gas Siting

Overview

Power Committee

John Coggins and Bill McClellan | June 23, 2022
Recent SRP Resource Decisions To Support Carbon Reduction Goals

For perspective, the SRP system has a peak load of about 7,600 MW

- Completed shutdown of about 1000 MW of coal for a total of about 1300 MW shutdown
- Shutdown additional 1300 MW of coal by 2032
- Add 2,025 MW of new solar by 2025 for a total of about 2,500 MW
- Add 450 MW of battery storage by 2023; much more in future years
- Add 161 MW of AZ wind by 2024 for a total of about 300 MW
- Add 114 MW of nuclear generation by 2024
- Add about 100 MW of energy efficiency by 2025 for a total of 900 MW of peak reduction
- Add about 50 MW of demand response by 2025 for a total of 200 MW of peak reduction
- Add a little under 200 MW of flexible gas by this summer
- Pursue at least 1,000 MW of new pumped hydro resources by 2033
Key Challenge

As we continue this transformation, one challenge stands out among many others - reliability.

The challenge is how to maintain industry leading reliability for our customers while also lowering carbon emissions, meeting growth, and managing costs.
Importance of Reliability

Even short-term power outages over a wide portion of the SRP service territory can impact:

• Public safety and security
• Financial returns for small and large businesses
• Economic development in the Phoenix metro area
• Integrity of the western U.S. grid
Current Reliability Needs

There are three components of reliability that must be met:

- Meet peak customer demand as growth occurs
- Firm up and balance the intermittent renewable resources being added to the system
- Respond to unplanned outages and longer-term reliability events
Firm Flexible Resource Options

Flexible Natural Gas
- Mature technology
- Highly flexible
- Capable of 24/7 operation – can meet short or long term needs
- Moderate to high cost
- Can be constructed in time to meet current needs

Hydro Pumped Storage
- Mature technology
- Highly flexible
- Long term storage – 12 hours
- High cost but long duration
- Extremely long development timeline – not available to meet current needs

Batteries
- Early phases of deployment
- Highly flexible
- Short term storage – 2 to 4 hours
- Moderate to high cost for short duration, very high cost for long duration
- Lack of industry data and operating experience creates uncertainties
Current Uncertainties With Battery Technology

Reliability

• Continuing to see fires and thermal runaway events
• Battery life and performance degradation over time (State of Health, State of Charge)

Availability

• Charging scenarios
• Duration limits to serve multiple needs
• Longer term reliability events

Broader bulk power system operations

• Control system interoperability
• System inertia
Benefits of Flexible Natural Gas as a Reliability Backbone

- Allows SRP to adopt battery storage at a more measured pace, providing additional time to acquire data and operating experience
- Allows SRP to continue to integrate variable renewable resources to meet carbon goals
- Serves as an "insurance policy" to hedge against third party supply chain risks associated with planned solar and battery storage projects
- Can be converted to hydrogen over time as fuel becomes available and cost effective

We continue to pursue additional flexible natural gas to help ensure reliability and meet carbon goals while new technologies are deployed.
Overview

Site Selection Approach
Initial Screening
Siting Considerations
Preliminary Screening Results
Site Selection Approach

Recommendation
Site Selection Approach

- **Initial Screening**
  - Proximity to Infrastructure
    - Fuel Supply
    - Transmission
    - Land

- **Apply Criteria**
  - Key Criteria
    - Water Resources
    - Environmental
    - Surrounding Land Use/Zoning

- **Considered Sites**
  - Prioritize Sites
    - Schedule
    - Cost
    - Other factors
Initial Screening
## Siting Considerations

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Smaller Site</th>
<th>Larger Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Less than 100 MW</td>
<td>100 MW or greater, larger footprint</td>
</tr>
<tr>
<td>Siting</td>
<td>No CEC required</td>
<td>CEC required</td>
</tr>
<tr>
<td>Schedule</td>
<td>Shorter implementation schedule</td>
<td>Longer implementation schedule</td>
</tr>
<tr>
<td>Air Permit</td>
<td>• Minor Source</td>
<td>• Minor or Major Source</td>
</tr>
<tr>
<td></td>
<td>• Operational Flexibility</td>
<td>• May result in operational limitations</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Lower water use</td>
<td>May require upgrades to gas or transmission infrastructure</td>
</tr>
<tr>
<td>Cost</td>
<td>Higher cost per MW</td>
<td>Leverage economies of scale</td>
</tr>
</tbody>
</table>

*CEC – Certificate of Environmental Compatibility*
## Siting Considerations

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Existing Generating Site</th>
<th>New Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>SRP owned site</td>
<td>Acquire property</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Leverage existing infrastructure</td>
<td>Install new balance of plant equipment</td>
</tr>
<tr>
<td></td>
<td>• Gas pipelines</td>
<td>• Water treatment</td>
</tr>
<tr>
<td></td>
<td>• Transmission</td>
<td>• Evaporation ponds</td>
</tr>
<tr>
<td>Environmental</td>
<td>Reduced impacts</td>
<td>Undisturbed site</td>
</tr>
<tr>
<td>Impacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule</td>
<td>Faster implementation schedule</td>
<td>Longer implementation schedule</td>
</tr>
<tr>
<td>Operational</td>
<td>Utilize existing staff</td>
<td>Additional staff required</td>
</tr>
</tbody>
</table>
Preliminary Screening Results
Next Steps

• Complete evaluation to develop recommendations
• Complete detailed cost and schedule estimates for alternatives
• Seek approval to develop generation at recommended site(s)
Questions
Agenda

• Major Generation Projects Update
  • NGS Decommissioning
  • Near Term Capacity Project (LM6000’s at Desert Basin and Agua Fria)
  • CGS Split SCR
# Project: NGS Decommissioning Project

<table>
<thead>
<tr>
<th>Cost</th>
<th>Budget</th>
<th>Forecast</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$171.5M</td>
<td>$171.5m</td>
<td></td>
<td>Savings from reclamation are offset by several cost increases: asbestos landfill clean up, filter yard PCB remediation, circ water pipe PCB remediation, liner material cost increase and fill material costs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Required by</th>
<th>Forecast</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2024</td>
<td>April 2023</td>
<td></td>
<td>Only ongoing monitoring will remain.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risks/Issues</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fill material availability and costs</td>
<td>Exploring alternative local options.</td>
</tr>
</tbody>
</table>
Project: NGS Decommissioning Project

<table>
<thead>
<tr>
<th>Accomplishments</th>
<th>Upcoming Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional safety record 1.13 vs 2.8</td>
<td>Continue site restoration.</td>
</tr>
<tr>
<td>industry average (per 200k manhours).</td>
<td>Continue circ water pipe removal/remediation,</td>
</tr>
<tr>
<td>Demolition contractor has completed work</td>
<td>excavation complete, scheduling blast material</td>
</tr>
<tr>
<td>and demobilized.</td>
<td>removal.</td>
</tr>
<tr>
<td>EPA inspection, 1 finding pending.</td>
<td></td>
</tr>
</tbody>
</table>
NGS Site Work
## Project: Near Term Capacity (NTC) Project

### Cost

<table>
<thead>
<tr>
<th>Cost</th>
<th>Actual/Budget</th>
<th>Forecast</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$227M</td>
<td>$226M</td>
<td>Not to Exceed $254M</td>
</tr>
</tbody>
</table>

### Schedule

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Planned</th>
<th>Forecast</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 1, 2022</td>
<td>July 22 through July 31</td>
<td>Significant delays from key suppliers, average delay time is 48 days across all major components. Longest delay is over 100 days.</td>
</tr>
</tbody>
</table>

### Risks/Issues

<table>
<thead>
<tr>
<th>Risks/Issues</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Supply</td>
<td>• SRP is providing support with our manpower where we can (Relay, MCM).</td>
</tr>
<tr>
<td>Supply Chain Shortages</td>
<td>• Work arounds and collaborative problem solving.</td>
</tr>
</tbody>
</table>
## Project: Near Term Capacity (NTC) Project

<table>
<thead>
<tr>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major equipment deliveries</td>
</tr>
<tr>
<td>Transmission connection work</td>
</tr>
<tr>
<td>ZERO OSHA RECORDABLE INCIDENTS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Upcoming Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit commissioning</td>
</tr>
</tbody>
</table>

06/23/2022 Power Committee, K. R. Nielsen
Desert Basin: Before and Current
Agua Fria and Desert Basin
## Project: CGS Split SCR

### Cost Budget Forecast Comments

<table>
<thead>
<tr>
<th>Cost</th>
<th>Budget</th>
<th>Forecast</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$50m</td>
<td>$51m</td>
<td>Forecast includes preliminary construction estimate.</td>
</tr>
</tbody>
</table>

### Schedule Planned Forecast Comments

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Planned</th>
<th>Forecast</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec. 2025</td>
<td>Jan. 2025</td>
<td>Completion depends on actual outage dates.</td>
</tr>
</tbody>
</table>

### Risks/Issues Mitigation

<table>
<thead>
<tr>
<th>Risks/Issues</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost variation from the construction contractor</td>
<td>Issued RFPs for construction and foundation pilings in May 2022.</td>
</tr>
</tbody>
</table>
Project: CGS Split SCR

Accomplishments
Finalized material cost adjustments with Mitsubishi, within forecasted variance.

Upcoming Activities
Select contractor for construction, August 2022.
Construct pilings for foundations, FY23.
Questions?
WHEREAS, the Salt River Project Agricultural Improvement and Power District (District) is an agricultural improvement district, a political subdivision of the State of Arizona and a transmission provider;

WHEREAS, in 1996, the Federal Energy Regulatory Commission (FERC) promulgated Order 888 to require transmission providers to offer open and non-discriminatory access to their transmission systems under a FERC standard Open Access Transmission Tariff (OATT);

WHEREAS, the District, as a governmental entity, is not subject to all aspects of FERC jurisdiction, but the District must offer reciprocal service on its transmission system to ensure comparable access to the transmission systems of FERC-jurisdictional utilities;

WHEREAS, in 1998, the District submitted to FERC, and FERC approved, a Safe Harbor OATT comparable to the standard OATT required of FERC-jurisdictional transmission providers;

WHEREAS, in 2007, FERC issued Order 890, which modified the provisions of the FERC standard OATT;

WHEREAS, in response to Order 890, by Resolution dated March 3, 2008, the District adopted a modified OATT, effective March 31, 2008, which was modelled on the modified FERC standard OATT;

WHEREAS, by Resolution dated June 1, 2009, the District adopted certain modifications, clarifications and additions to its OATT that would improve customer service, increase efficiency and update terms for transmission services, while continuing to use the FERC standard OATT as a model to ensure comparable access to the transmission systems of FERC-jurisdictional utilities;

WHEREAS, also by Resolution dated June 1, 2009, the District authorized certain further revisions to the SRP OATT after SRP management notified potentially affected customers, sought stakeholder input and developed appropriate business practices and operating procedures;

WHEREAS, effective February 14, 2011, consistent with the Resolution dated June 1, 2009, the District revised its OATT after conducting a public comment period on proposed modifications to the OATT and related business practices and operating procedures;

WHEREAS, by Resolution dated February 1, 2016, the District adopted certain modifications, clarifications and additions to the OATT that would increase efficiency
and update terms for transmission services, while continuing to use the FERC standard OATT as a model to ensure comparable access to the transmission systems of FERC-jurisdictional utilities;

WHEREAS, effective February 15, 2016, consistent with the Resolution dated February 1, 2016, the District revised its OATT after conducting a public comment period on the proposed modifications to the OATT;

WHEREAS, on February 6, 2017, the District agreed to participate in the California Independent System Operator’s western Energy Imbalance Market (EIM) beginning in April 2020;

WHEREAS, in 2018 and 2019, FERC issued Order 845 and Order 845-A, amending the Large Generator Interconnection Procedures and the Large Generator Interconnection Agreement, which are attachments to the FERC standard OATT, to improve certainty, promote more informed interconnection, and enhance the interconnection processes;

WHEREAS, by Resolution dated December 10, 2019, in light of continued industry changes and the District’s participation in EIM and following a public comment period, the District adopted certain modifications, clarifications and additions to its OATT to expand the transmission services offered to eligible transmission customers, address operational practices for transmission service, and modify its large generator interconnection procedures and agreements, while continuing to use the FERC standard OATT as a model to ensure comparable access to the transmission systems of FERC-jurisdictional utilities; and

WHEREAS, in 2021, FERC issued Order 881, adding Attachment M to the FERC standard OATT to improve the accuracy and transparency of transmission line ratings, and requiring Commission-jurisdictional transmission providers to submit a compliance filing to FERC by July 12, 2022 and implement the Order 881 changes by July 12, 2025; and

WHEREAS, in response to Order 881, the District now proposes to provide the public a 30-day comment period and, following such comment period, adopt Attachment T, which is modelled on the FERC standard OATT Attachment M (the “Proposed Change”); and

WHEREAS, the District’s revised OATT incorporating the Proposed Change (the “Revised OATT”) will be posted on the District’s Open Access Same-Time Information System (OASIS) upon Board approval;

NOW, THEREFORE BE IT RESOLVED that provided there are no changes to Attachment T as a result of public comments during the comment period, the District adopts the Proposed Change, to be effective August 1, 2022;

BE IT FURTHER RESOLVED that the Revised OATT supersedes all previous District OATTs;
BE IT FURTHER RESOLVED that the District’s Board of Directors hereby determines that the District’s OATT, when and as modified as provided for herein, is consistent with or superior to the FERC standard OATT for purposes of ensuring comparable access to the transmission systems of FERC-jurisdictional utilities; and

BE IT FURTHER RESOLVED that the General Manager & Chief Executive Officer and Associate General Manager & Chief Power System Executive are, and each of them hereby is, authorized to take such actions and approve revisions to the OATT that do not materially change its provisions and such business and operating procedures as they may deem necessary or advisable to carry out the intent and purpose of the District’s OATT.
Open Access Transmission
Tariff Revision

Power Committee

Chris Janick | June 23, 2022
Topics

• Open Access Transmission Tariff (OATT) Background
• FERC Order 881
• Request
Open Access Transmission Tariff (OATT) Background

• FERC Order 888 and 889
  • Utilities provide comparable transmission service via OATT
  • Implement Open Access Same-time Information System (OASIS)
  • Standard of Conduct compliance

• FERC Goals
  • Remove impediments to wholesale competition
  • Bring lower cost power to electricity consumers
  • Comparable transmission service by non-jurisdictionals

• Addresses transmission service and interconnection requirements

• SRP OATT last updated in 2020
FERC Order 881

- Improve line rating accuracy by requiring Ambient Adjusted Ratings (AAR)
- Improve transmission line rating transparency
- Full implementation by August 2025
- Possible future rulemaking for Dynamic Line Ratings (DLR)
Implementation of FERC Order 881

- Hourly ratings for near-term transmission service and operations
- Seasonal ratings for long-term transmission service
- Documentation; make available upon request
- Incorporate requirements in OATT (new Attachment T in SRP’s OATT)
- Energy Management System (EMS) changes and coordination with CAISO & Reliability Coordinator
Request

• Resolution Summary
  • Add Attachment T to OATT
  • Revised OATT supersedes all previous District OATTs
  • Revised OATT is consistent with/superior to FERC standard OATT

• Management is requesting that the Power Committee recommend Board approval of the OATT revision, by adoption of the draft Resolution provided, provided no material changes are made to the proposed Attachment T as a results of public comment. Should material changes arise from public comment, management will return to the Power Committee for a new request for approval.