

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

POWER COMMITTEE

Thursday, September 26, 2024, 9:30 AM

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

Committee Members: Jack White Jr., Chair; and Leslie C. Williams, Vice Chair; and
Casey Clowes, Randy Miller, Kathy Mohr-Almeida, Mark Pace, and Paul Rovey

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 CHAIR JACK WHITE JR.

- Request for approval of the minutes for the meeting of August 22, 2024.

2. Evaluation of Day-Ahead Market Alternatives Using SRP's Energy Market Principles..... JOSH ROBERTSON;
and LAURA TROLESE, THE ENERGY AUTHORITY

Informational presentation regarding a comparison of two competing day-ahead market options against SRP's Energy Market Principles.

3. Western Electricity Coordinating Council (WECC) Audit Update
..... MATT WEBER and ISRAEL PEREZ

Informational presentation regarding the WECC audit scheduled for December 2, 2024 through December 13, 2024, including the audit purpose, the audit scope, and SRP's preparation activities.

4. Salt River Pumped Storage Project Transmission Update TOM COOPER

Informational presentation regarding a transmission update on the proposed Salt River Pumped Storage Project, including the current status of associated study work, project timeline, and general financial issues.

5. South Mountain Transmission Project..... RICK HERNANDEZ

Informational presentation regarding efforts to site and develop the South Mountain Transmission Project.

6. 2023 All-Source Request for Proposals (RFP)..... GRANT SMEDLEY

Informational presentation regarding projects selected from the 2023 All-Source RFP.

7. Closed Session, 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 a Request for Approval to Enter into Power Purchase Agreements or Energy Storage Agreements for the Following Projects Selected From the 2023 All-Source RFP: 1) a 400 Megawatt (MW) Grid-Charged Battery Project; 2) a 150 MW Solar and Battery Project; 3) a 130 MW Solar and Battery Project; and 4) a 200 MW Solar and Battery Project GRANT SMEDLEY
8. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
9. Future Agenda Topics CHAIR JACK WHITE JR.

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 THURSDAY, OCTOBER 24, 2024**

09/20/2024

MINUTES
POWER COMMITTEE MEETING

DRAFT

August 22, 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, August 22, 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 J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and R.J. Miller, K.L. Mohr-Almeida, M.V. Pace, and P.E. Rovey.

Committee Member absent at roll call was C. Clowes.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members M.J. Herrera, K.J. Johnson, L.D. Rovey, and S.H. Williams; Council Chairman J.R. Shelton; Council Liaisons D.B. Lamoreaux and G.E. Geiger; Council Members R.S. Kolb, C. Resch-Geretti, and W.P. Schrader III; Mmes. I.R. Avalos , A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, A.Y. Gilbert, L.F. Hobaica, L.A. Meyers, K.S. Ramaley, J.R. Schuricht, C.M. Sifuentes, and P.L. Syrjala; Messrs. L. Arthanari, J.D. Coggins, G.A. Delizio, J.M. Felty, J.V. Giacalone, C.R. Janick, B.J. Koch, M.J. O'Connor, B.A. Olsen, J.M. Pratt, R.R. Taylor, and J.C. Tucker; Murphy Bannerman of Western Resources Advocates (WRA); Leo Bird and Kam Richmond of Bright Night Power; Bruce Chapman of Christensen Associates; Stephen Land Jr. of Stellar Power; Amanda Ormond of Western Grid; and Joseph Verne Pace, a member of the public.

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, August 20, 2024.

Chairman J.M. White Jr. called the meeting to order.

Consent Agenda

Chairman J.M. White Jr. requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member K.L. Mohr-Almeida 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 June 20, 2024, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Board Member K.L. Mohr-Almeida's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members J.M. White Jr. Chairman; L.C. Williams, Vice Chairman; and R.J. Miller, K.L. Mohr-Almeida, M.V. Pace, and P.E. Rovey	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member C. Clowes	(1)

Proposed Revisions to the SRP District's
Open Access Transmission Tariff (OATT)

Using a PowerPoint presentation, Chris R. Janick, SRP Senior Director of Power Delivery, stated that the purpose of the presentation was to request approval of proposed revisions to the District's OATT to reflect the following: 1) terminology associated with the Western Energy Imbalance Market (WEIM); 2) improvements to SRP's Transmission Service Agreements; 3) removal of references to retail competition consistent with changes to state statutes; and 4) removal of Generation Integration Transmission Service (GITS) provisions to reflect the District's transition to flow-based transmission scheduling.

Mr. C.R. Janick explained that the Federal Energy Regulatory Commission (FERC) Order Nos. 888 and 889 require the following functions from public utilities: 1) provide non-discriminatory transmission service; 2) implement Open Access Same-time Information System (OASIS) and standards of conduct; and 3) adopt the FERC pro forma OATT. He said that the goals of OATT are to promote wholesale competition by removing impediments to open access and encourage reciprocal transmission service by non-jurisdictional utilities.

Mr. C.R. Janick summarized the reasons for the proposed changes to the OATT as follows: 1) maintain consistency with the WEIM and the California Independent System Operator (CAISO) tariff; 2) enhance and clarify long-term transmission service provisions; 3) address the removal of direct access provisions from state law and SRP's rules; 4) the modernization of SRP's approach to calculate transmission system capability; and 5) clarify SRP's generation replacement process. He indicated that the proposed OATT revisions posted on OASIS on May 6, 2024, comment due date was June 5, 2024, and one comment was received – a request for clarification on the impact of OATT changes on a pending transmission service request.

Mr. C.R. Janick stated that the revised OATT supersedes all previous District OATTs and is consistent with or superior to FERC pro forma OATT. He concluded with a request for approval of a resolution approving revisions to the SRP District OATT and authorizing the General Manager and Chief Executive Officer and Associate General Manager and Chief Power System Executive to approve revisions to the OATT that do not materially change its provisions and prepare and implement necessary business and operating procedures.

Mr. C.R. Janick responded to questions from the Committee.

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

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

YES:	Board Members J.M. White Jr. Chairman; L.C. Williams, Vice Chairman; and R.J. Miller, K.L. Mohr-Almeida, M.V. Pace, and P.E. Rovey	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member C. Clowes	(1)

Copies of the draft resolution, handout, and 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 N.R. Brown; Council Member E.L. Gorseger; Mr. B.G. Shoemaker; Wardah Abbasi of Clenera; Pete Ewen of Freeport-McMoRan; Sam Johnston of Interwest Energy; Caryn Potter of Southwest Energy Efficiency Project (SWEET); and Galen Wilson of Goldman Sachs & Co. LLC entered the meeting during the presentation.

Closed Session: Proposed Natural Gas Purchase Transaction
with JP Morgan for a Term of approximately 14 Years

Chairman J.M. White Jr. called for a closed session of the Power Committee at 9:51 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 a request for approval to enter into a proposed natural gas purchase transaction with JP Morgan for a term of approximately 14 years.

Ms. A.Y. Gilbert; Mr. G.A. Delizio; Wardah Abbasi of Clenera; Murphy Bannerman of WRA; Leo Bird and Kam Richmond of Bright Night Power; Bruce Chapman of Christensen Associates; Pete Ewen of Freeport-McMoRan; Sam Johnston of Interwest

Energy; Stephen Land Jr. of Stellar Power; Amanda Ormond of Western Grid; Caryn Potter of SWEEP; Galen Wilson of Goldman Sachs & Co. LLC; and Joseph Verne Pace, a member of the public left the meeting.

The Committee reconvened into open session at 10:16 a.m. with the following Members and other present: President D. Rousseau; Vice President C.J. Dobson; Board Members N.R. Brown, M.J. Herrera, K.J. Johnson, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, L.D. Rovey, P.E. Rovey, J.M. White Jr., L.C. Williams, and S.H. Williams; Council Chairman J.R. Shelton; Council Liaisons D.B. Lamoreaux and G.E. Geiger; Council Members E.L. Gorseigner, R.S. Kolb, C. Resch-Geretti, and W.P. Schrader III; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.F. Hobaica, L.A. Meyers, G.A. Mingura, K.S. Ramaley, J.R. Schuricht, C.M. Sifuentes, and P.L. Syrjala; and Messrs. L. Arthanari, J.D. Coggins, J.M. Felty, J.V. Giacalone, B.J. Koch, M.J. O'Connor, B.A. Olsen, J.M. Pratt, B.G. Shoemaker, R.R. Taylor, and J.C. Tucker.

Closed Session: Purchase of 52 Megawatts (MW)
Bonnybrooke Solar Facility from Apple Energy LLC

Chairman J.M. White Jr. called for a closed session of the Power Committee at 10:17 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 a request for approval to purchase the 52 MW Bonnybrooke Solar Facility from Apple Energy LLC and enter into a related transaction concerning the environmental attributes of that facility.

The Committee reconvened into open session at 10:34 a.m. with the following Members and other present: President D. Rousseau; Vice President C.J. Dobson; Board Members N.R. Brown, M.J. Herrera, K.J. Johnson, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, L.D. Rovey, P.E. Rovey, J.M. White Jr., L.C. Williams, and S.H. Williams; Council Chairman J.R. Shelton; Council Liaisons D.B. Lamoreaux and G.E. Geiger; Council Members E.L. Gorseigner, R.S. Kolb, C. Resch-Geretti, and W.P. Schrader III; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.F. Hobaica, L.A. Meyers, G.A. Mingura, K.S. Ramaley, J.R. Schuricht, C.M. Sifuentes, and P.L. Syrjala; and Messrs. L. Arthanari, J.D. Coggins, J.M. Felty, W.C. Fielder, J.V. Giacalone, B.J. Koch, M.J. O'Connor, B.A. Olsen, T.B. Perry, B.L. Petrey, J.M. Pratt, B.G. Shoemaker, G.M. Smedley, R.R. Taylor, and J.C. Tucker.

Closed Session: Proposed Amendments to the 400 MW CO Bar
and 394 CO Bar D Solar Power Purchase Agreements

Chairman J.M. White Jr. called for a closed session of the Power Committee at 10:35 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 proposed Amendments to the 400 MW CO Bar and 394 MW CO Bar D Solar Power Purchase Agreements.

The Committee reconvened into open session at 10:56 a.m. with the following Members and other present: President D. Rousseau; Vice President C.J. Dobson; Board Members N.R. Brown, M.J. Herrera, K.J. Johnson, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, L.D. Rovey, P.E. Rovey, J.M. White Jr., L.C. Williams, and S.H. Williams; Council Chairman J.R. Shelton; Council Liaisons D.B. Lamoreaux and G.E. Geiger; Council Members E.L. Gorsegrner, R.S. Kolb, C. Resch-Geretti, and W.P. Schrader III; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.F. Hobaica, L.A. Meyers, G.A. Mingura, K.S. Ramaley, J.R. Schuricht, C.M. Sifuentes, and P.L. Syrjala; and Messrs. L. Arthanari, J.D. Coggins, J.M. Felty, W.C. Fielder, J.V. Giacalone, B.J. Koch, M.J. O'Connor, B.A. Olsen, T.B. Perry, B.L. Petrey, J.M. Pratt, B.G. Shoemaker, G.M. Smedley, R.R. Taylor, and J.C. Tucker.

Murphy Bannerman of WRA; Leo Bird of Bright Night Power; Diane Brown of Arizona Public Interest Research Group Education Fund (PRIG); Bruce Chapman of Christensen Associates; Pete Ewen of Freeport-McMoRan; Joseph Natoli and Galen Wilson of Goldman Sachs & Co. LLC; and Amanda Ormond of Western Grid 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.

Joseph Verne Pace, a member of the public, entered the meeting.

Future Agenda Topics

Chairman J.M. White Jr. 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 10:57 a.m.

John M. Felty
Corporate Secretary

Day-ahead Market Options Comparison

Power Committee Meeting

Josh Robertson and Laura Trolese | September 26, 2024

Meeting Objectives

- Compare two competing day-ahead market options against SRP's Energy Market Principles, highlighting the most significant differences between the market options for meeting the SRP Energy Market Principles.
- Present day-ahead markets overview of an independent expert in energy markets.
- Prepare for future day-ahead market decision.



DAY-AHEAD MARKETS EVALUATION

LAURA TROLESE, THE ENERGY AUTHORITY

A BIT ABOUT TEA

A large, solid grey rectangular block is positioned at the bottom of the slide, spanning most of the width.

In the beginning...

Three original members saw the benefit of creating a new entity to trade in their region that ***proved more economical doing it TOGETHER***, rather than going it alone.

Today...

Over 70
Public
Power
Clients



30,000
MW



25,000 MW
of Generation
30,000 MW of
Peak Demand
>375 Bcf of NG/year
~75 Million
MWh/year

Over
\$5B in gross
revenues annually
~240 employees
Offices in
Jacksonville, FL
& Seattle, WA

\$>5B



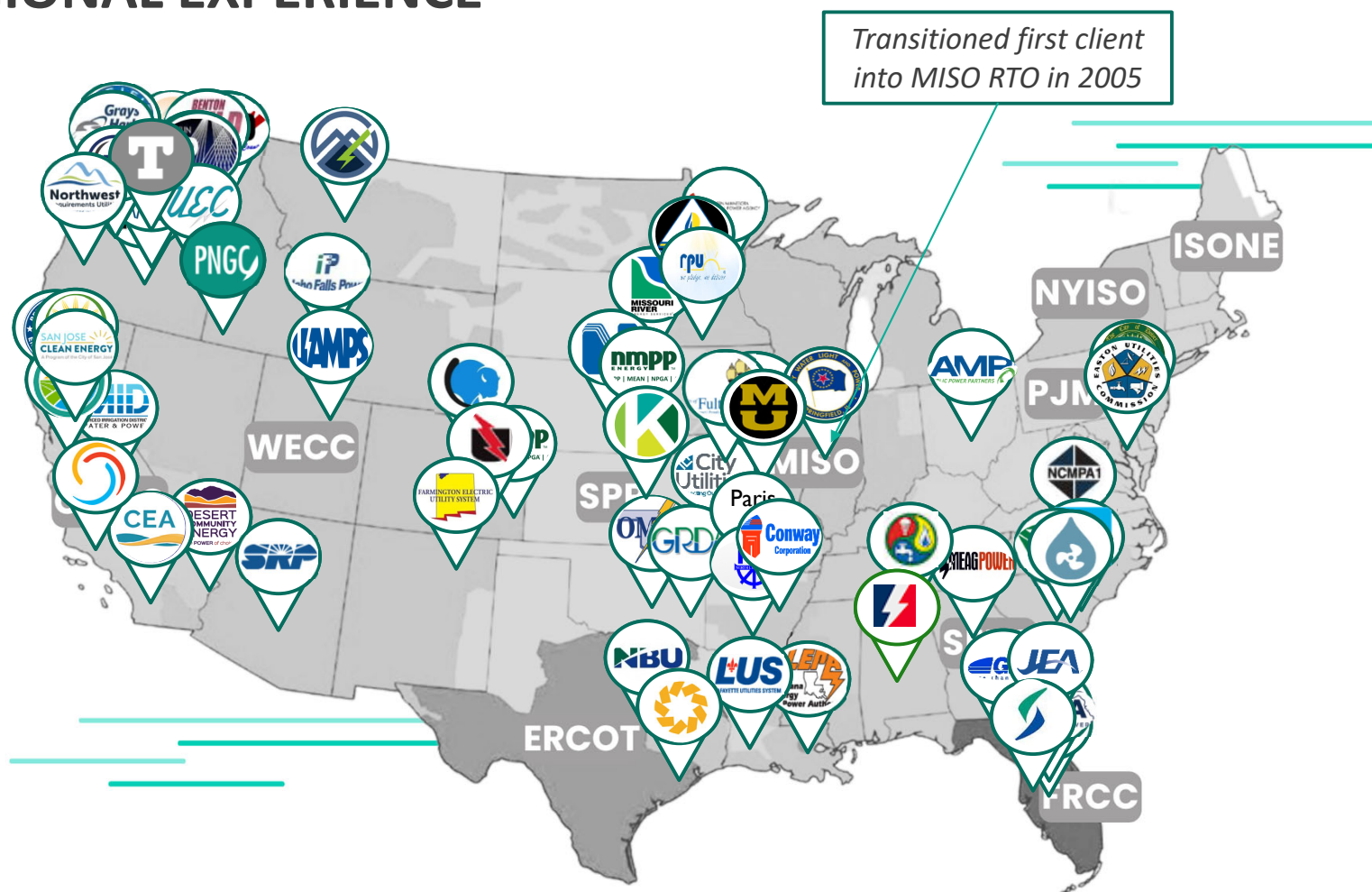
Over 300,000
transactions per year
#1 in volume among
community-owned
entities
Trade across
40 states

#1

TEA
THE
Energy Authority

FOUNDED ON ECONOMIES OF SCALE

TEA'S REGIONAL EXPERIENCE



OVERVIEW OF THE WESTERN MARKETS LANDSCAPE



- The West has been working on organized markets for nearly two decades, but this time is different.
- The changing resource mix drives need for greater sharing of resources across a broader footprint.
- Entities are not quite ready for full RTO and pursuing incremental RTO Services.
- CAISO and SPP are competing for day-ahead market footprints. CAISO EDAM is moving forward, while SPP Markets + depends on gaining critical mass.
- The presence of day-ahead markets in the West will impact all trade in the West.

TEA PERSPECTIVES

DAY-AHEAD MARKET EVALUATION

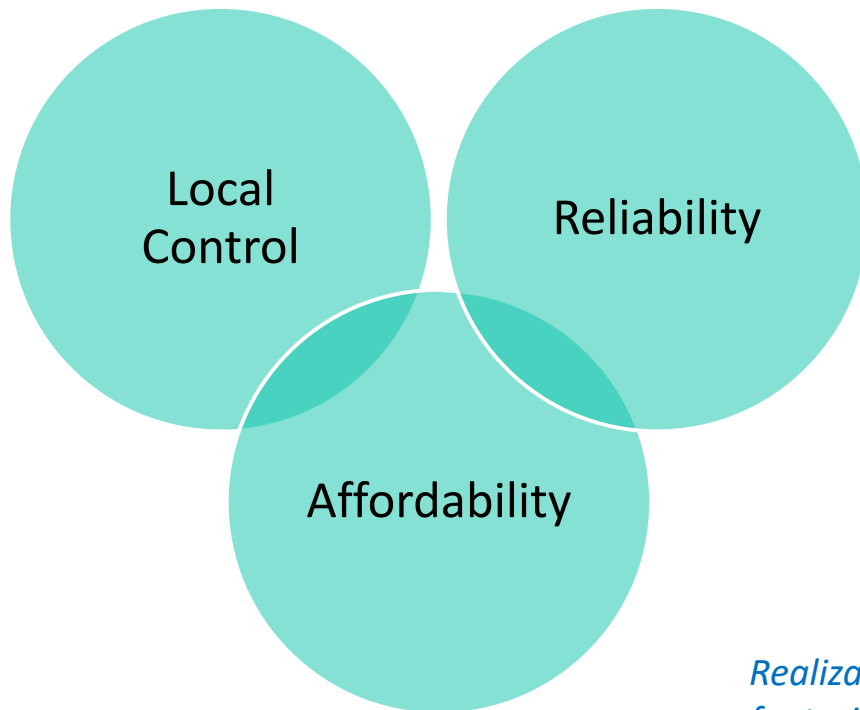


TEA PERSPECTIVES ON SRP'S EVALUATION

- SRP has requested TEA provide an independent assessment of its evaluation of day-ahead market options.
- TEA has not found inaccuracies in SRP's assessment of market design differences between EDAM and Markets +.
- TEA agrees that Markets + appears to best align with SRP principles for joining a day-ahead market.



CORNERSTONE PUBLIC POWER PRINCIPLES



Day-Ahead Market Benefits

- Operational Savings through more efficient dispatch
- Sharing of transmission to ensure most efficient use
- Proactive congestion management
- Increased visibility and situational awareness

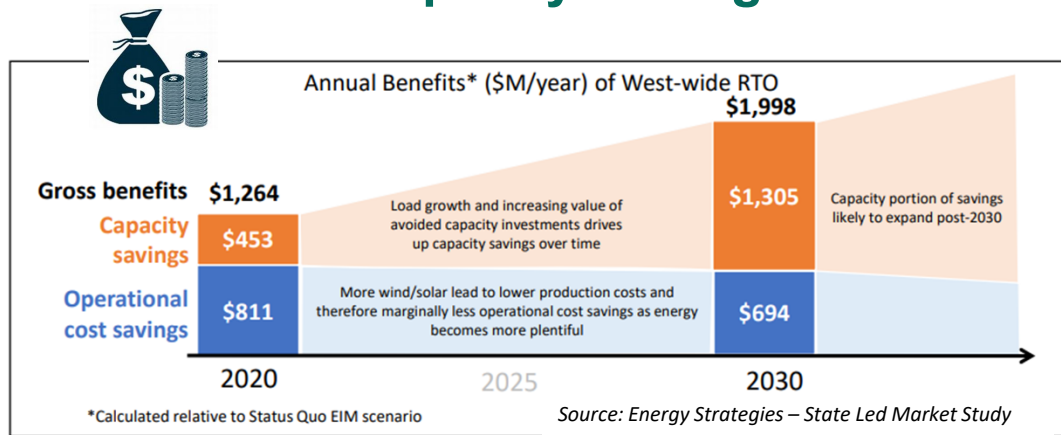
Realization of benefits depends upon the governance, market design, and footprint of the day-ahead market SRP joins.

LOCAL CONTROL: IMPARTIAL MARKET OPERATOR

- A day-ahead market will have a **large impact on SRP's day-ahead operations** and unit commitment.
- It is vital that the **market operator is an impartial partner**.
- With dual roles, CAISO regularly makes operational decisions that **prioritize reliability and economic outcomes for its own BA**.
- CAISO will **continue to make unilateral implementation and operational decisions**, even if a legislative change to enable California independent governance is successful.

AFFORDABILITY: CAPACITY SAVINGS AND FOOTPRINT

Capacity Savings



- A common resource adequacy standard is required to reliability and equitably realize capacity savings.

Footprint

- Important to study footprint that reflects EDAM announcements.
- Consider how assumptions drive benefits and how they reflect reality.



RELIABILITY: COMMON RESOURCE ADEQUACY



- Day-ahead and real-time resource sufficiency tests **do not provide enough time for utilities to cure** deficiencies.
- **Most RTOs require a common resource adequacy program** paired with a must offer obligation to ensure:
 - Reliable market outcomes
 - Equity amongst market participants

CONCLUSION

- TEA supports SRP's conclusion that the governance, SPP's impartial role in the market, and best practice market design policies of Markets + appears to best align with SRP's principles.
- TEA concludes that Markets + also best aligns with the cornerstone principles of the broader public power community.



SRP's Day-ahead Markets Comparison

Josh Robertson



Day-Ahead Markets

SRP Board Pre-Read Materials

September 2024

The purpose of this document is to provide Board members with context and background on Day-Ahead Markets options before Power Committee sessions taking place in the fall 2024 and the final day-ahead market participation recommendation to the Power Committee and the Board.

SRP's Energy Market Principles

Customer Benefits

- Net benefits
- Load and resource diversity
- Maintain or enhance reliability
- Path to RTO

Governance

- Independence / transparency
- Public Power representation
- Local resource decision making
- Utility input on grid operations









Transmission Cost Allocation

- New project cost allocated based on needs and measurable benefits
- Transmission costs recovered via “license plate” charge

Generation Resource Sufficiency

- Maintain vertically integrated utility structure
- Self scheduling of generation
- Resource adequacy construct

Viewing Day-Ahead Markets through SRP's Principles

	EDAM	Markets+
CUSTOMER BENEFITS	WMEG results 	WMEG results 
	Resource diversity 	Resource diversity 
	Maintain/enhance reliability 	Maintain/enhance reliability 
	Path to RTO 	Path to RTO 

WMEG - Western Markets Exploratory Group

Customer Benefits

Maintain/
enhance reliability











- WRAP participation required
- Must-offer obligation & Reliability “backstop”

SPP Markets+ Advantages

Path to RTO

- RTO characteristics met by SPP
- Easier design to transition to RTO

Viewing Day-Ahead Markets through SRP's Principles

	EDAM	Markets+
GOVERNANCE	Independent 	Independent 
	Transparent 	Transparent 
	Role for Public Power 	Role for Public Power 
	Local resource decision 	Local resource decision 
	Input on grid operation 	Input on grid operation 

Governance

Independent

- SPP/Markets+ Independent Board of Directors/Panel
- Checks and balances established

SPP Markets+ Advantages

Governance

Transparent

- Transparent stakeholder-led process
- Stakeholders designed approval structure

SPP Markets+ Advantages





Governance

Role for Public Power

- Public Power voting rights
- Sector-based voting

SPP Markets+ Advantages

Viewing Day-Ahead Markets through SRP's Principles

	EDAM	Markets+
GENERATION RESOURCE SUFFICIENCY	Self scheduling 	Self scheduling 
	Resource Sufficiency Test 	Single Resource Adequacy 

Resource Sufficiency

Generation Resource Sufficiency

- WRAP participation required
- Market design to prevent market leaning

SPP Markets+ Advantages

Next Steps

- Additional Future Presentations
 - October Power Committee Meeting
 - Day-Ahead Markets Benefits Overview & Request for Approval
 - November Board Meeting
 - Request for Board Approval for SRP's Day-Ahead Market Participation

thank you!

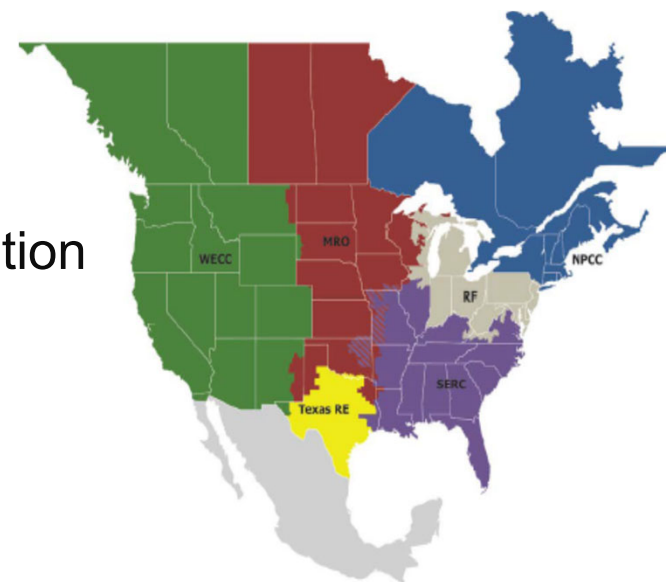


WECC Audit Update

Matt Weber/Israel Perez | September 26, 2024

Electric Reliability Authority FERC – NERC – WECC

- Federal Energy Regulatory Commission
 - Authority from Energy Policy Act of 2005
- North American Electric Reliability Corporation
 - FERC appointed Electric Reliability Organization
 - Develops and enforces reliability standards
- Western Electricity Coordinating Council
 - Authority delegated by NERC
 - Monitors and enforces standards in the West



Electric Reliability Compliance *Program/Department*

ERC Program

- Maintain a corporate culture that promotes reliability, security and compliance with NERC Reliability Standards

ERC Department

- Management of SRP's ERC Program
 - Coordinate, direct, develop, implement and monitor

Audit Purpose

- **Entities Subject to Audit**
 - Every 3 Calendar Years
 - Ensure Compliance for Audit Period and Evaluate Risk
- **SRP Notice of Audit Packet**
 - Noticed Received August 2, 2024 (August 7, 2021 – August 2, 2024)
 - Critical Infrastructure Protection (CIP) and Operations & Planning (O&P) Standards
 - Targeted Risk Areas – Physical Security, Remote Connectivity, Asset Management and Maintenance, Entity Coordination, and Power System Planning Studies
- **2024 WECC Audit – Offsite/Onsite**
 - December 2, 2024 – December 13, 2024
 - Offsite – Virtual Interviews and Electronic Data Requests
 - Onsite – Control Centers, Two or More Substations

2024 WECC Audit - Overview



Key Takeaways

- Notice of Audit Packet – August 2, 2024
 - Receive Official Audit Scope – Audit Period August 7, 2021 – August 2, 2024
- Notice of Audit Packet – Documentation Due October 3, 2024
 - Requested Evidence, Program, and Procedure Documents
- WECC Opening Presentation – December 2, 2024
 - Via Microsoft Teams
- 2024 WECC Audit – December 2, 2024 – December 13, 2024
 - Critical Infrastructure Protection (CIP)
 - Operations and Planning (O&P)
- Post Audit Report
 - Potential Noncompliance, Areas of Concerns, Recommendations

thank you!



South Mountain Transmission Project

Rick Hernandez, Power Delivery Program Manager
Strategic System Projects

Power Committee
September 26, 2024

South Mountain Transmission Project Overview

Presentation Topics:

- Purpose & Need
- Project Scope
- Project Financials
- Public Process
- Proposed Line Routes
- Next Steps

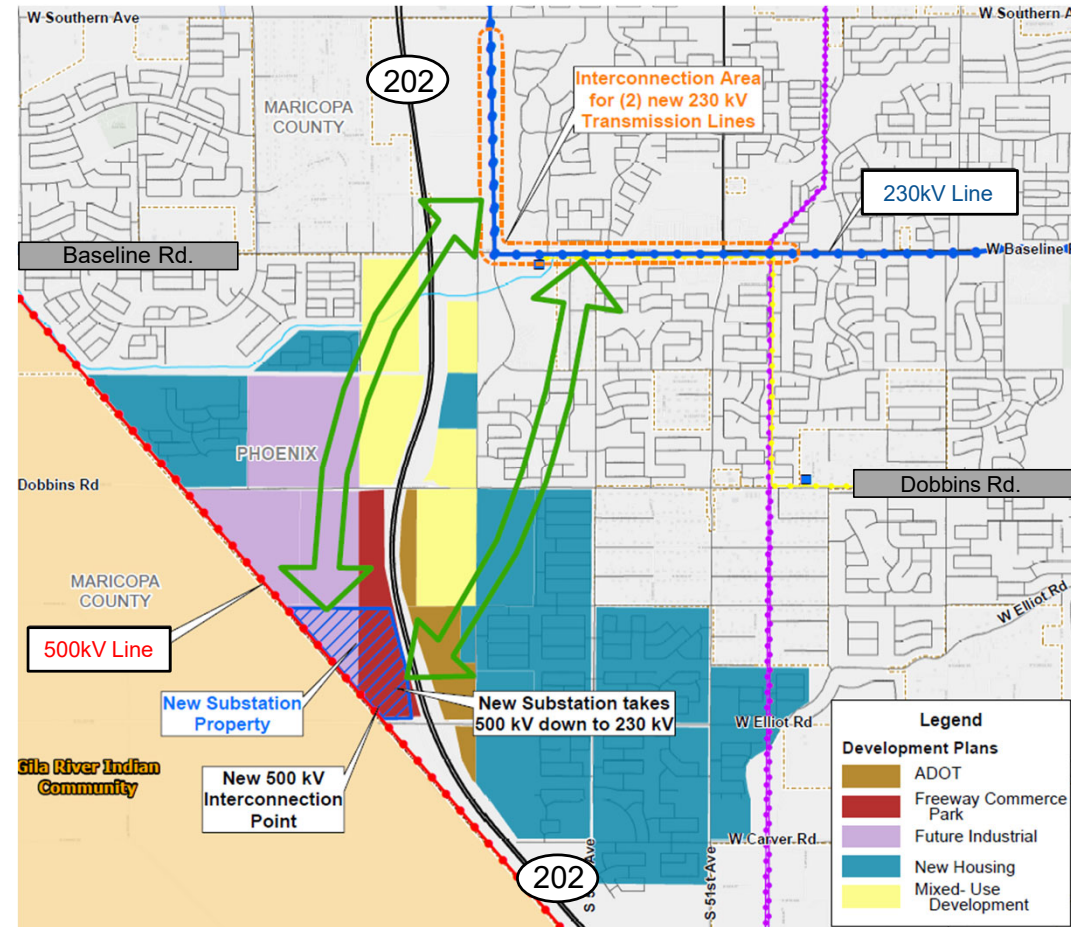


Purpose & Need

Purpose and Need

City of Phoenix High Growth Area

- Area planned for various uses
- Projected growth requires high level of reliability
- Current transmission and sub-transmission systems do not have capacity to serve projected load in Laveen



Project Scope

Project Scope

- 500kV/230kV/69kV receiving station
- Two single-circuit 500kV line ties at substation
- Two double-circuit 230kV pole lines
- Option for double-circuit 69kV underbuilt

***The 230kV transmission lines will require a Certificate of Environmental Compatibility (CEC)**



Project Financials

Project Financials

FP25 Budget

FY25	FY26	FY27
\$1.0M	\$1.2M	\$19.4M
<ul style="list-style-type: none">• Permitting• Preliminary Design	<ul style="list-style-type: none">• Design• Materials	<ul style="list-style-type: none">• Design• Materials• Construction

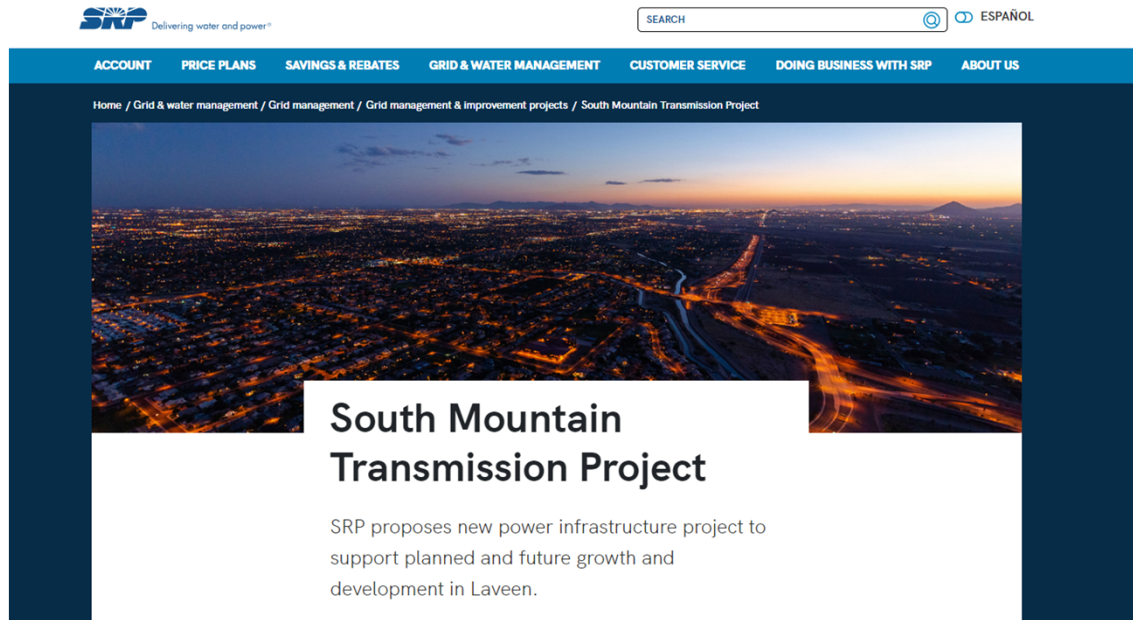
- Dollars are risk adjusted (majority included in risk portfolio)
- Full cost in base budget for FP26
- Does not include land rights acquisition

Public Process

Public Process Timeline



External Facing Website



- Launched in May 2024
- Feedback form available
- Public events information
- Project status updates

Public Outreach

Notifications:

- 34,232 mailers distributed
- 2 news releases
- 46,027 customer emails
- Social media circulation on Facebook, Instagram, Nextdoor



Salt River Project Sponsored

SRP's South Mountain Transmission Project

The City of Phoenix is planning for future development in Laveen, which may include a mix of land uses and development options. To support these future developments, SRP is proposing the South Mountain Transmission (SMT) Project, which includes new transmission lines and a substation. The next open houses will be held on Sept. 5 (virtual) and Sept. 10 (in person).



Open House Events Summary

Open House Events	Location	Registered	Attended	Questions/Comments
Phase 1	Virtual & Betty Fairfax HS	189	99	46
Phase 2	Virtual & Cesar Chavez Community Center	136	73	47



Stakeholder Engagement Examples

Community Groups

- Laveen Village Planning Committee
- Laveen Community Council

HOAs

- Silverado
- Laveen Multifamily Owner
- Laveen Park Place
- Village at Carver Mountain

Institutions

- Maricopa County Colleges
- Laveen Elementary School District

Agencies

- ADOT
- WAPA
- City of Phoenix
- Gila River Indian Community
- Maricopa Co. Flood Control District

Stakeholder Engagement Examples

Elected Officials

- Maricopa County Supervisor Chief of Staff
- Arizona Corporation Commissioners & Policy Advisors
- Governor's Office of Resiliency
- Arizona House of Representatives
- Area State Representatives and Senators

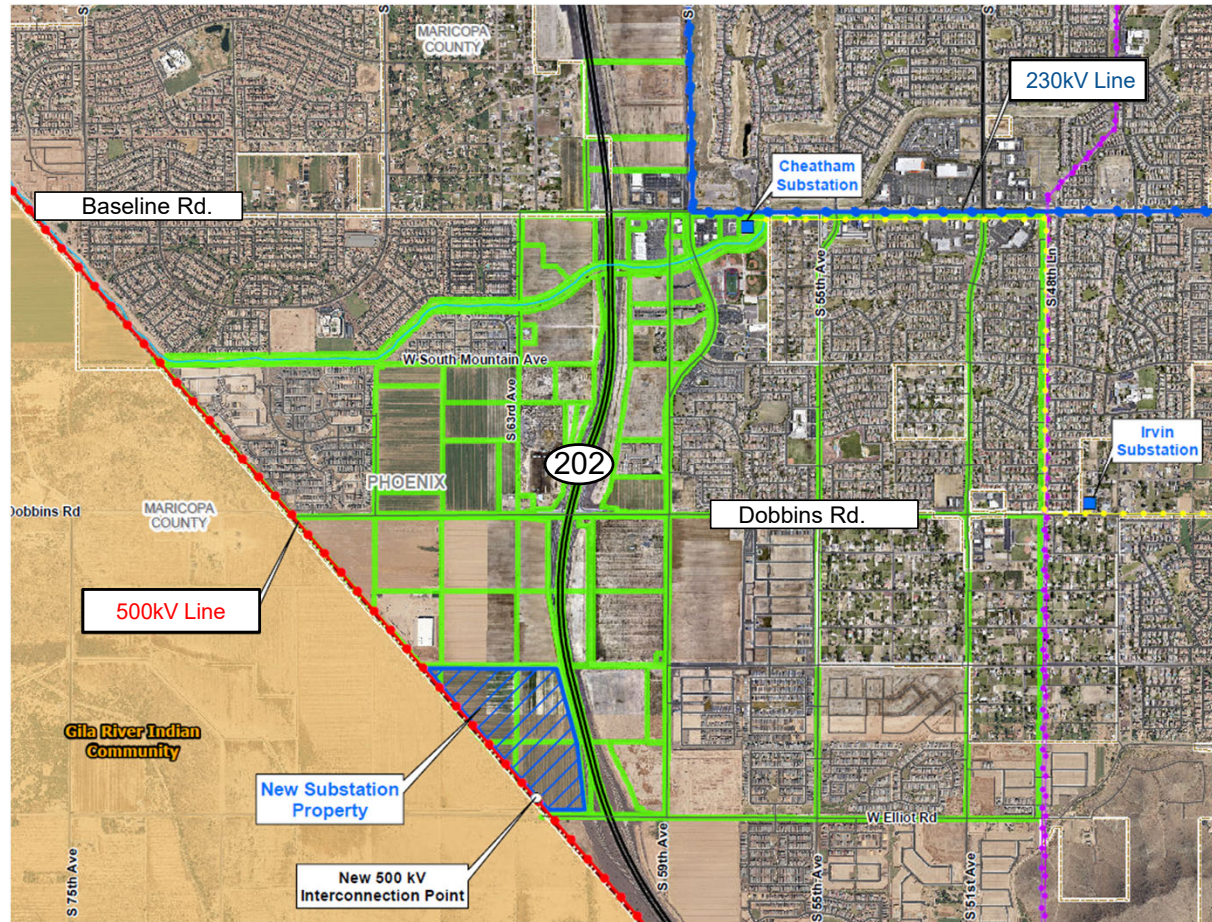
Stakeholder Engagement Examples

Additional Stakeholders

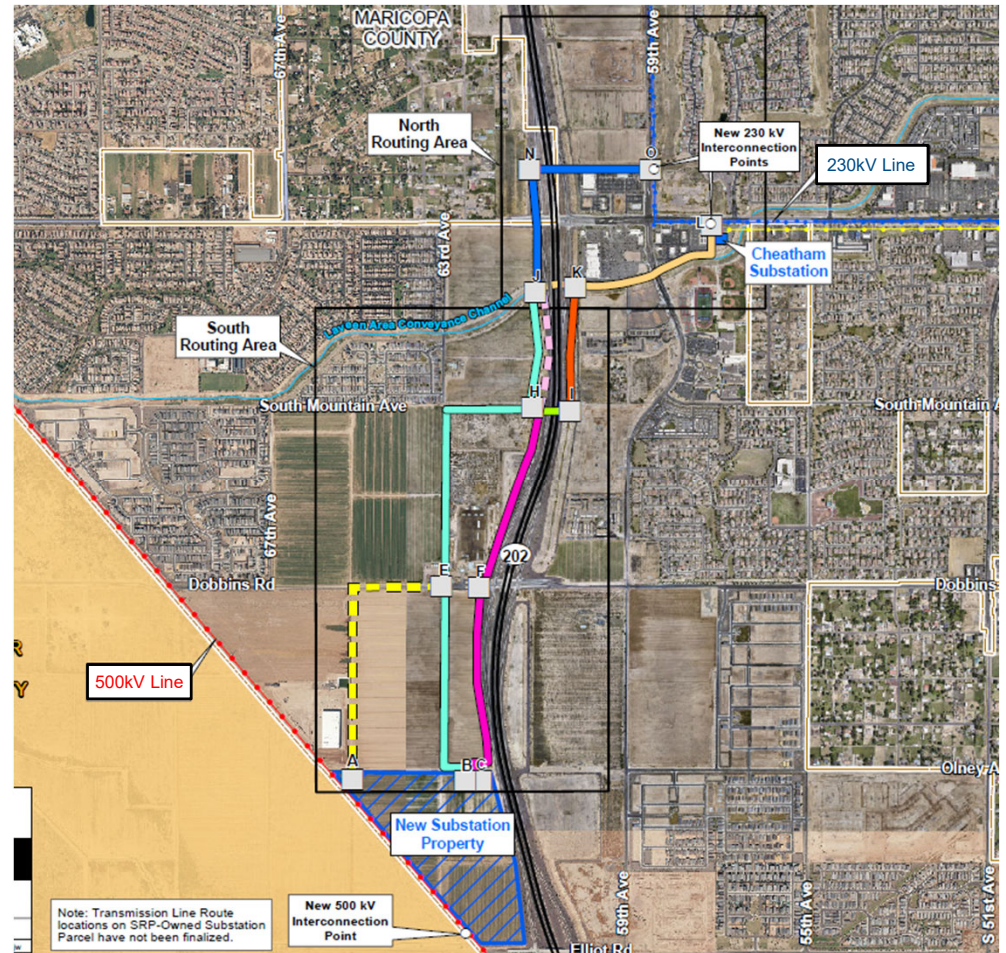
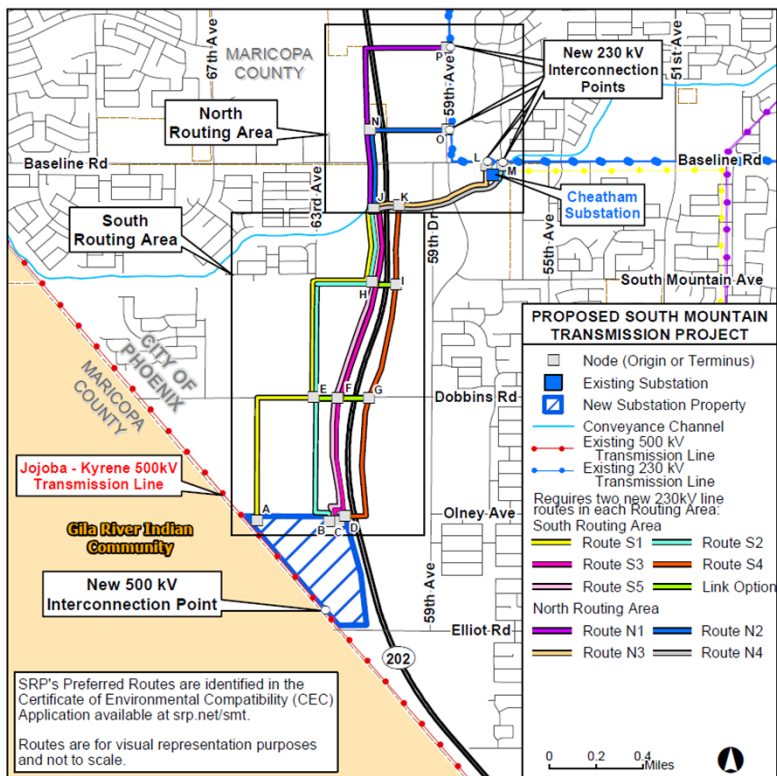
- Greater Phoenix Economic Council
- SW Valley Chamber of Commerce
- Greater Phoenix Chamber
- AZ Commerce Authority
- WESTMARC
- South Mountain Laveen Chamber of Commerce
- AZ Hispanic Chamber of Commerce
- Local landowners

Proposed Line Routes

Routing Opportunities



Line Routes Based On Project Purpose, Need, and Stakeholder Feedback



Next Steps

Next Steps

File CEC application

- Planned for this week

Present project before Arizona Power Plant & Transmission Line Siting Committee

- Hearing scheduled for 11/12/24 – 11/20/24 (weekdays)

Obtain CEC from Arizona Corporation Commission

- Planned for ACC January or February open meeting

thank you!





2023 All-Source Request for Proposals

Power Committee

Grant Smedley | September 26, 2024

Agenda

- 2023 All-Source RFP Summary
- Timeline
- Peak Capacity Procurement Targets
- Evaluation Criteria
- Recommended Projects
- Summary

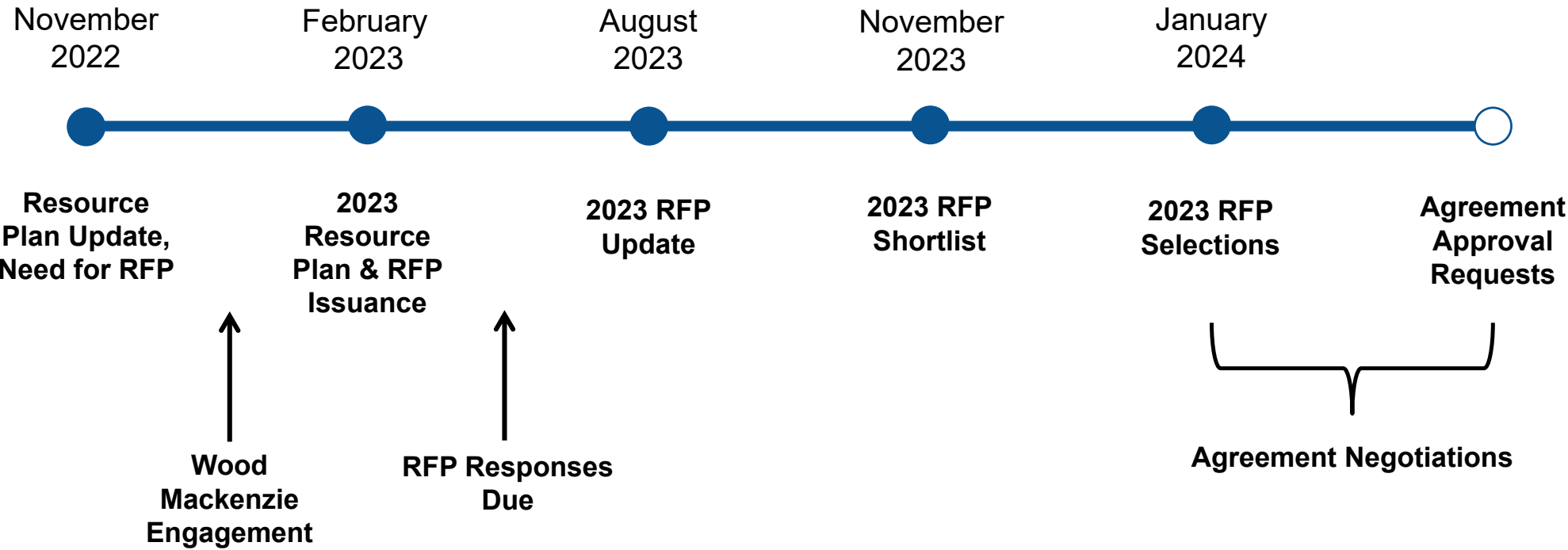
2023 All-Source RFP Summary

- Comprehensive process over 1.5 years
- Selection criteria based on reliability, sustainability, affordability, executability
- Meet SRP's capacity and carbon-free energy needs through summer 2028
- Incorporated terms reflecting lessons learned:
 - Commercial operation dates ahead of summer
 - Rigorous testing/commissioning requirements
 - Robust performance requirements



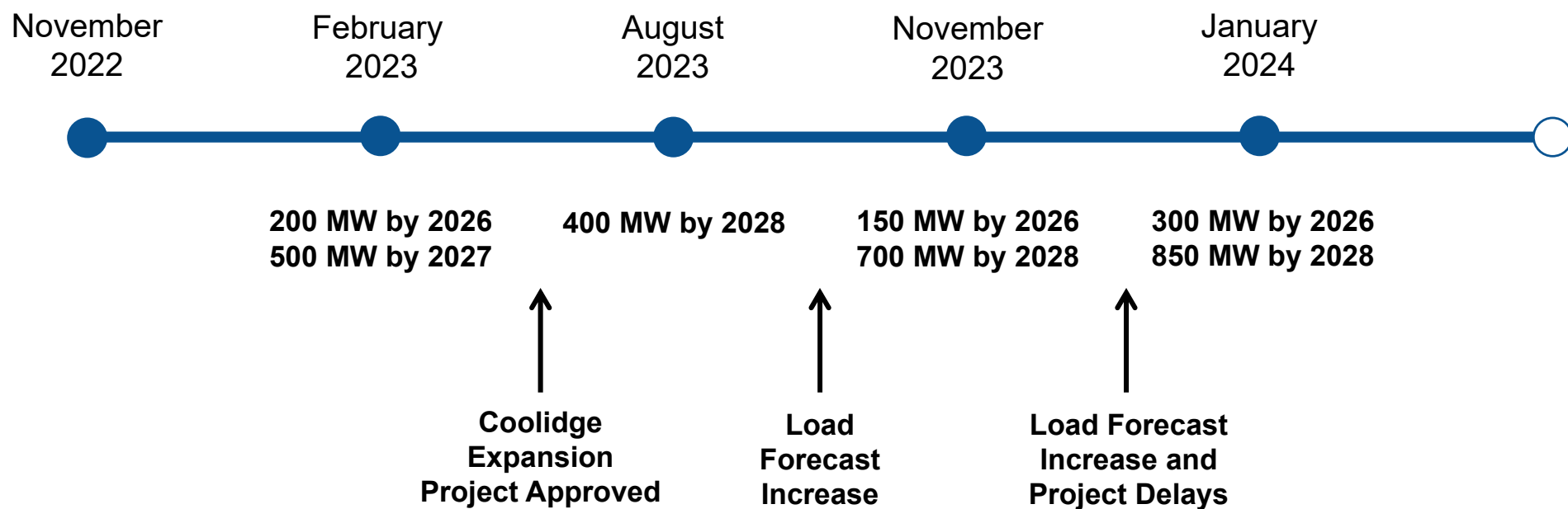
Timeline

● Power Committee Meetings



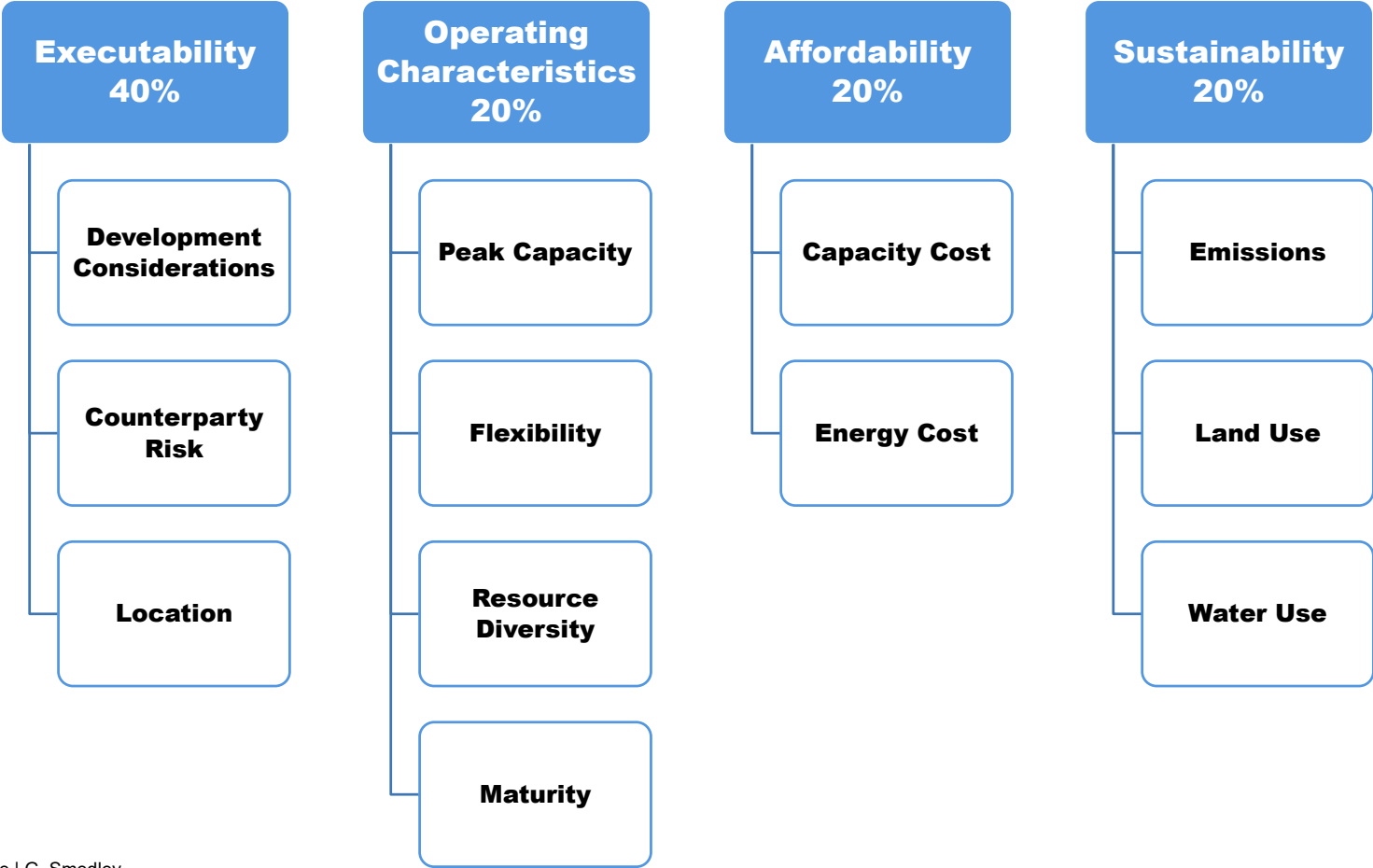
Peak Capacity Procurement Targets

● Power Committee Meetings

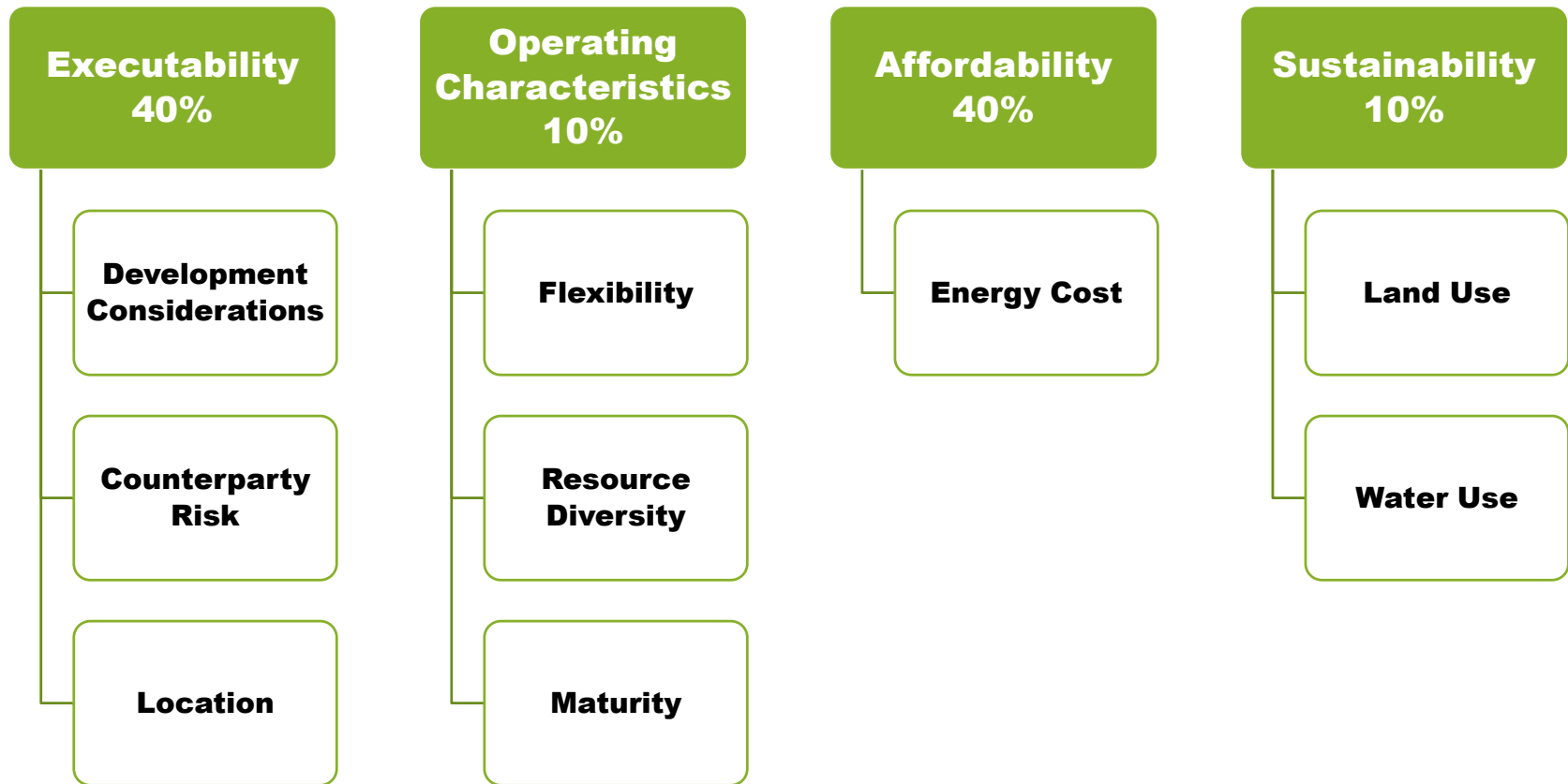


The 2023 RFP also sought new carbon-free resources for customer needs and 2035 sustainability goals.

Evaluation Criteria – Peak Capacity



Evaluation Criteria – Carbon-Free Energy



Current Resources In Construction, Development, or Active Contract Negotiations

 SRP Self Build

 PPA

* Competitively sensitive, projects in active negotiation

9/26/2024 Power Committee | G. Smedley

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Babbitt Ranch Wind	161									
Brittlebush Solar	200									
Copper Crossing Natural Gas	99									
Eleven Mile Solar	300									
Eleven Mile Battery Storage	300									
Sierra Estrella Battery Storage	250									
Superstition Battery Storage	90									
Coolidge Natural Gas Phase 1			288							
Desert Blume Long-Duration Storage			5							
Brittlebush/Flatland Battery Storage			200							
CO Bar 1 Solar			400							
Pediment (Signal Butte) Battery Storage			250							
Copper Crossing Solar			55							
CO Bar 2 Solar				394						
Coolidge Natural Gas Phase 2				287						
Self Build Solar					200					
Self Build Battery Storage					200					
2023 ASRFP Future Solar *					225					
2023 ASRFP Future Solar *					200					
2023 ASRFP Future Battery Storage *					200					
2023 ASRFP Future Solar *					130					
2023 ASRFP Future Storage*					130					
2023 ASRFP Future Battery Storage *					350					
2023 ASRFP Future Battery Storage *					40					
2024 LDES RFP Long-Duration Storage*					20					
2023 ASRFP Future Battery Storage *					150					
2023 ASRFP Future Solar *					150					
Pumped Storage										1,000
TOTAL	1,400		1,198	681	1,995					1,000

Recommended Projects

Project	Developer	Technology	Capacity (MW)	Expected Commercial Operation
Valley Farms	NextEra	Storage	400	April 2028
Selma	NextEra	Solar and storage	150	
Rainbow Valley	EDF	Solar and storage	130	
SunDog	Invenergy	Solar and storage	200	

Project Map



Summary

- Recommended projects meet capacity needs through 2028 and contribute to 2035 sustainability goals
- Agreements incorporate new requirements based on lessons learned
- Confidential terms to be discussed in closed session



thank you!

