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

POWER COMMITTEE

Thursday, September 25, 2025, 9:30 AM

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

Committee Members: Robert Arnett, Chair; and Stephen Williams, Vice Chair; and Nicholas Brown, Mario Herrera, Kevin Johnson, Sandra Kennedy, and Kathy Mohr-Almeida
Association Board of Governors Observer: Larry 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 ROBERT ARNETT

   - Request for approval of the minutes for the meeting of August 21, 2025.

2. Springerville Generating Station Unit 4 Coal-to-Gas Conversion Considerations .....ANGIE BOND-SIMPSON and RON KLAWITTER

   Informational presentation regarding the consideration to convert Unit 4 at Springerville Generating Station from coal to gas.

3. 2024 All-Source Request for Proposals (RFP) Update .....WILL FIELDER

   Informational presentation regarding projects selected from the 2024 All-Source RFP.

4. 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 for Projects Selected from the 2024 All-Source RFP
   .....WILL FIELDER

5. 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 Amend the Power Exchange and Transmission Agreement with Western Area Power Administration and Ownership and Management of Financial Transmission Rights Associated with SRP's Rights to Transmission Through Southwest Power Pool (SPP) Regional Transmission Organization (RTO) Expansion
   .....PAM SYRJALA and RUSSELL MUELLER

6. 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 a Multi-Year Renewal Contract with Burlington Northern Santa Fe Railway Company (BNSF) .....JOE GIACALONE

7. SRP Intergovernmental Agreements (IGA) with Arizona Department of Public Safety and Maricopa County ..... ERICA TRAPP and DAVE MARSH

   Request for approval to update the IGAs with the Arizona Department of Public Safety and Maricopa County for SRP to install and operate equipment on shared sites.

8. Residential Battery Virtual Power Plant (VPP) Pilot Program .....DARRELL BEARDEN

   Informational presentation regarding SRP's Residential Battery VPP Pilot Program.

9. Report on Current Events by the General Manager and Chief Executive Officer or Designees.....JIM PRATT

10. Future Agenda Topics ..... CHAIR ROBERT ARNETT

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 23, 2025

09/18/2025

MINUTES
POWER COMMITTEE MEETING

DRAFT

August 21, 2025

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 21, 2025, 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 R.C. Arnett, Chair; S.H. Williams, Vice Chair; M.J. Herrera, K.J. Johnson, S.D. Kennedy, and K.L. Mohr-Almeida; and Association Board of Governors Observer L.D. Rovey.

Committee Member absent at roll call was N.R. Brown.

Also present were Vice President C.J. Dobson; Board Members P.E. Rovey and J.M. White Jr.; Council Chair J.R. Shelton; Council Vice Chair B.E. Paceley; Council Liaisons M.L. Farmer and M.C. Pedersen; Council Members G.E. Geiger, E.L. Gorsegner, M.R. Mulligan, C. Resch-Geretti, and N.J. Vanderwey; I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, J.D. Coggins, T. Cooper, D.W. Dreiling, J.M. Felty, L.F. Hobaica, C.N. Hunter, D.J. Jackson, V.P. Kisicki, B.J. Koch, K.J. Lee, B.J. McClellan, L.A. Meyers, N.P. Morey, M.J. O'Connor, B.A. Olsen, J.M. Pratt, J.R. Schuricht, R.R. Taylor, and J.C. Tucker of SRP; Emily Abbott of Invenergy; Giulio Fois and Eric Watson of Energy Dome US Inc. (Energy Dome); Kelly Goodman of ESS Tech, Inc. (ESS); Hunter Holman of Interwest Energy Alliance; Autumn Johnson of Tierra Strategy; Brian Reindl and Ty Sauer of Exus Renewables; Vincent Su of Strata Clean Energy; and Katy Wilson of TransAlta Corp.

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 19, 2025.

Chair R.C. Arnett called the meeting to order.

Consent Agenda

Chair R.C. Arnett 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 Power Committee meeting on June 24, 2025, as presented.

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

YES:	Board Members R.C. Arnett, Chair; S.H. Williams, Vice Chair; and M.J. Herrera, K.J. Johnson, S.D. Kennedy, and K.L. Mohr-Almeida	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N.R. Brown	(1)

Renewable Energy Credit (REC) Purchase Program

Using a PowerPoint presentation, Nathan P. Morey, SRP Director of Customer Programs, stated that the purpose of the presentation was to provide information regarding SRP's new REC Purchase Program for residential customers.

N.P. Morey provided background information regarding SRP's 2024 Price Process and Board-approved management recommendation to commit, separately from the pricing proceedings, to the development of a new REC Purchase Program for RECs from residential solar installations. They said that the program will be designed to provide a simple path for residential customers to realize a financial benefit for RECs, applicable to their solar generation, by selling those environmental attributes to SRP. N.P. Morey noted that the purchased RECs would support SRP's sustainability objectives.

N.P. Morey explained that a REC serves as proof that renewable energy was generated and is a tradable, nonphysical commodity representing the environmental attributes of 1 megawatt-hour (MWh) of electricity generated from a renewable energy source (e.g., solar, wind). They stated that RECs are also used to track and report a claim to the use of clean energy.

N.P. Morey discussed customer and stakeholder research, program REC valuation, and program cost and benefits. They reviewed the final program design parameters as follows: 1) customer eligibility – new and existing residential rooftop solar customers who own RECs (previously incented systems and/or leased systems will be ineligible); 2) customer incentive – $0.005 per kilowatt-hour (kWh) of metered generation applied as a monthly bill credit, to be reviewed prior to each program year that begins on May 1st; and 3) program term – open for customer enrollment and participation through April 30, 2035. N.P. Morey concluded with a discussion of next steps.

N.P. Morey 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.

President D. Rousseau; P.B. Sigl of SRP; Ian Calkins of Copper State Consulting Group; John Deese of Origis Energy; Gwen Farnsworth of Western Resource Advocates (WRA); Sasha Hupka of The Arizona Republic; Dylan Ikkala of Apex Clean Energy; and Samantha Salton of Strata Clean Energy entered the meeting during the presentation.

Solar Development Request for Proposals (RFP) Update

Using a PowerPoint presentation, Bill J. McClellan, SRP Senior Manager of Resource Development, stated that the purpose of the presentation was to provide information regarding an update on SRP's RFP seeking a developer with which to contract for the development of multiple solar resources to meet SRP resource needs.

B.J. McClellan reviewed the need for solar development, explaining that renewables are part of the Balanced System Plan supporting carbon and water reductions. They said that SRP targets 3000 megawatts (MW) for solar development to compliment the regular All Source RFP and self-build process. B.J. McClellan reviewed the following potential benefits of the proposed approach: 1) improve coordination in operations; 2) diversify resource procurement development methods; 3) utilize developer experience and resources; 4) improve community engagement; and 5) reduce financial risk.

B.J. McClellan detailed the solar development proposal process as follows: 1) RFP design and approach from March 2024 through July 2024; 2) issue and evaluate RFP from August 2024 through December 2024; 3) negotiate potential agreement in the first half of 2025; and 4) seek approval from SRP Board in the second half of 2025.

B.J. McClellan 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.

D.W. Dreiling, D.J. Jackson, N.P. Morey, and P.B. Sigl of SRP left the meeting during the presentation. A.Y. Gilbert of SRP; Lily Lockhart of Invenergy; and Ben Wostoupal of Apex Clean Energy entered the meeting during the presentation.

Closed Session: Solar Development RFP

Chair R.C. Arnett called for a closed session of the Power Committee at 10:05 a.m., pursuant to A.R.S. §30-805(B), for the Committee to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to the solar development RFP.

J.R. Schuricht of SRP; Emily Abbott of Invenergy; Ian Calkins of Copper State Consulting Group; John Deese of Origis Energy; Gwen Farnsworth of WRA; Giulio Fois and Eric Watson of Energy Dome; Kelly Goodman of ESS; Hunter Holman of Interwest Energy Alliance; Sasha Hupka of The Arizona Republic; Dylan Ikkala and Ben Wostoupal of Apex Clean Energy; Autumn Johnson of Tierra Strategy; Lily Lockhart of Invenergy; Brian Reindl and Ty Sauer of Exus Renewables; Samantha Salton and Vincent Su of Strata Clean Energy; and Katy Wilson of TransAlta Corp. left the meeting.

The Committee reconvened into open session at 10:34 a.m. with the following Members and others present: President D. Rousseau; Vice President C.J. Dobson; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, S.D. Kennedy, K.L. Mohr-Almeida, P.E. Rovey, J.M. White Jr., and S.H. Williams; Association Board of Governors Observer L.D. Rovey; Council Chair J.R. Shelton; Council Vice Chair B.E. Paceley; Council Liaisons M.L. Farmer and M.C. Pedersen; Council Members G.E. Geiger, E.L. Gorsegner, M.R. Mulligan, C. Resch-Geretti, and N.J. Vanderwey; and I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, J.D. Coggins, T. Cooper, J.M. Felty, A.Y. Gilbert, L.F. Hobaica, C.N. Hunter, V.P. Kisicki, B.J. Koch, K.J. Lee, B.J. McClellan, L.A. Meyers, M.J. O'Connor, B.A. Olsen, J.M. Pratt, R.R. Taylor, and J.C. Tucker of SRP.

J.R. Schuricht of SRP; Ian Calkins of Copper State Consulting Group; John Deese of Origis Energy; Giulio Fois and Eric Watson of Energy Dome; Kelly Goodman of ESS; Hunter Holman of Interwest Energy Alliance; Sasha Hupka of The Arizona Republic; Dylan Ikkala and Ben Wostoupal of Apex Clean Energy; Autumn Johnson of Tierra Strategy; Brian Reindl and Ty Sauer of Exus Renewables; and Samantha Salton of Strata Clean Energy entered the meeting.

2024 Long-Duration Energy Storage (LDES) Pilot RFPs Update

Using a PowerPoint presentation, Chico N. Hunter, SRP Manager of Innovation and Development, stated that the purpose of the presentation was to provide information regarding projects selected from the 2024 LDES Pilot RFPs.

C.N. Hunter said that LDES drivers include the following: 1) carbon goals; 2) high load growth; 3) storage resource diversity; and 4) longer duration needed for night-time customer loads. They presented the projected MW capacity from Financial Plan 2026 (FP26) through Fiscal Year 2035 (FY35) for solar, wind, 4-hour storage, and 8+ hour storage.

C.N. Hunter said that the energy storage pilots selected from the two 2024 LDES Pilot RFPs issued were with ESS Tech, Inc. (ESS) for an inverter-based pilot at Copper Crossing Energy and Research Center (CCERC) and Energy Dome US Inc. (Energy Dome) for a non-inverter-based pilot at Coronado Generation Station (CGS). They presented a project schedule from June 2024 through April 2028. They concluded by describing ESS's technology for the CCERC pilot and Energy Dome's technology for the CGS pilot.

C.N. Hunter 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.

Council Liaison M.C. Pedersen; V.P. Kisicki and L.A. Meyers of SRP left the meeting during the presentation. C.M. Sifuentes-Kohlbeck of SRP; and Emily Abbott of Invenergy entered the meeting during the presentation.

Closed Session: Project Selected from 2024 LDES Pilot RFPs

Chair R.C. Arnett called for a closed session of the Power Committee at 10:50 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 energy storage agreements and ground leases for projects selected from the 2024 LDES Pilot RFPs.

Vice President C.J. Dobson; J.R. Schuricht of SRP; Emily Abbott of Invenergy; Ian Calkins of Copper State Consulting Group; John Deese of Origis Energy; Giulio Fois and Eric Watson of Energy Dome; Kelly Goodman of ESS; Hunter Holman of Interwest Energy Alliance; Sasha Hupka of The Arizona Republic; Dylan Ikkala and Ben Wostoupal of Apex Clean Energy; Autumn Johnson of Tierra Strategy; Brian Reindl and Ty Sauer of Exus Renewables; Samantha Salton of Strata Clean Energy left the meeting.

The Committee reconvened into open session at 10:59 a.m. with the following Members and others present: President D. Rousseau; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, S.D. Kennedy, K.L. Mohr-Almeida, P.E. Rovey, J.M. White Jr., and S.H. Williams; Association Board of Governors Observer L.D. Rovey; Council Chair J.R. Shelton; Council Vice Chair B.E. Paceley; Council Liaison M.L. Farmer; Council Members G.E. Geiger, E.L. Gorsegner, M.R. Mulligan, C. Resch-Geretti, and N.J. Vanderwey; and I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, T. Cooper, J.M. Felty, A.Y. Gilbert, L.F. Hobaica, C.N. Hunter, B.J. Koch, K.J. Lee, B.J. McClellan, M.J. O'Connor, B.A. Olsen, J.M. Pratt, C.M. Sifuentes-Kohlbeck, R.R. Taylor, and J.C. Tucker of SRP.

Closed Session: Desert Blume Energy Storage Pilot Project

Chair R.C. Arnett called for a closed session of the Power Committee at 11:00 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 amend the energy storage agreement and ground lease for the Desert Blume Energy Storage Pilot Project.

The Committee reconvened into open session at 11:07 a.m. with the following Members and others present: President D. Rousseau; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, S.D. Kennedy, K.L. Mohr-Almeida, P.E. Rovey, J.M. White Jr., and S.H. Williams; Association Board of Governors Observer L.D. Rovey; Council Chair J.R. Shelton; Council Vice Chair B.E. Paceley; Council Liaison M.L. Farmer; Council Members G.E. Geiger, E.L. Gorsegner, M.R. Mulligan, C. Resch-Geretti, and N.J. Vanderwey; and I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, T. Cooper, J.M. Felty, A.Y. Gilbert, L.F. Hobaica, C.N. Hunter, B.J. Koch, K.J. Lee, B.J. McClellan, M.J. O'Connor, B.A. Olsen, J.M. Pratt, C.M. Sifuentes-Kohlbeck, R.R. Taylor, and J.C. Tucker of SRP.

Vice President C.J. Dobson; Ian Calkins of Copper State Consulting Group; Giulio Fois of Energy Dome; Kelly Goodman of ESS; Sasha Hupka of The Arizona Republic; Ben Wostoupal of Apex Clean Energy; Autumn Johnson of Tierra Strategy; and Ty Sauer of Exus Renewables 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.

C.N. Hunter and B.J. McClellan of SRP left the meeting during the report.

Future Agenda Topics

Chair R.C. Arnett asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Power Committee, the meeting adjourned at 11:08 a.m.

John M. Felty
Corporate Secretary

Springerville Generating Station Unit 4 Coal-to-Gas Conversion Considerations

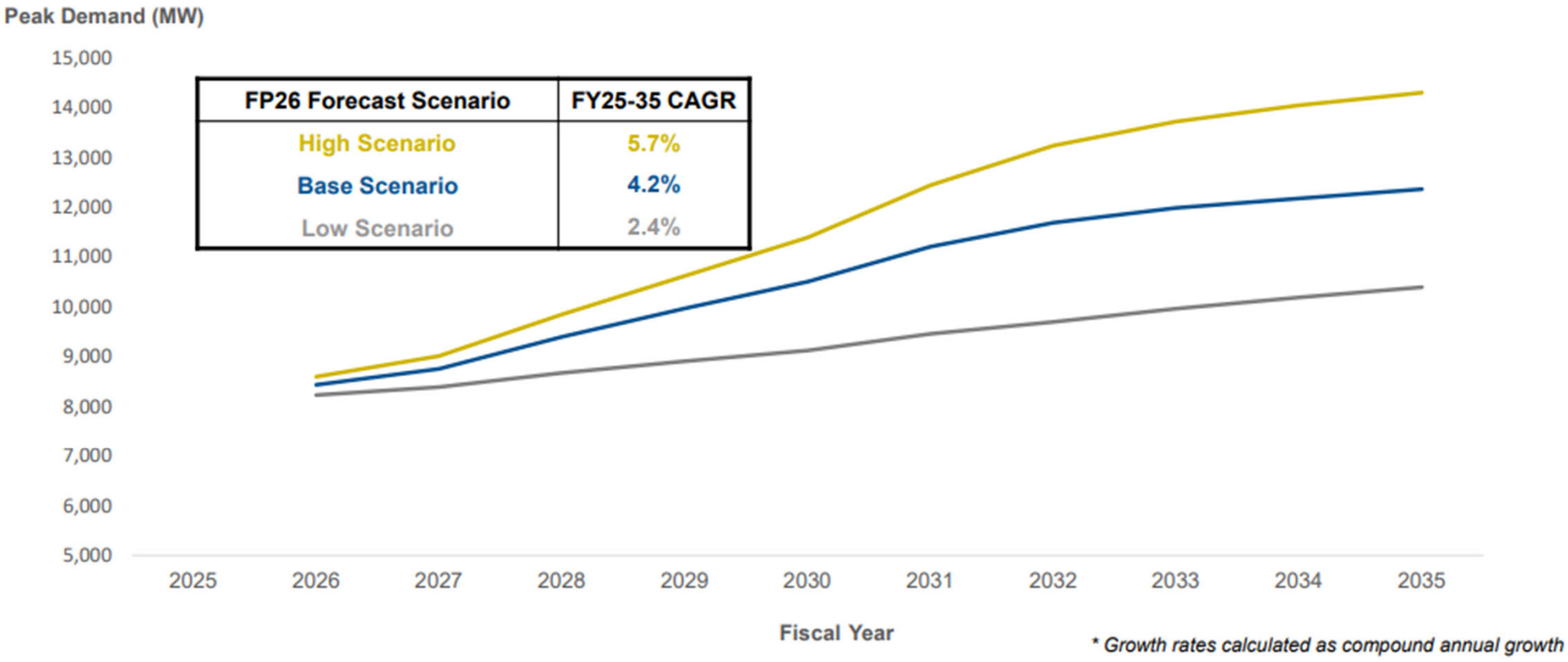
Power Committee

Angie Bond-Simpson & Ron Klawitter | September 25, 2025

Agenda

- Review of long-term capacity need & generation portfolio
- Springerville Generating Station (SGS) background
- SGS Unit 4 conversion and capacity alternatives analysis
- Timeline considerations
- Key takeaways

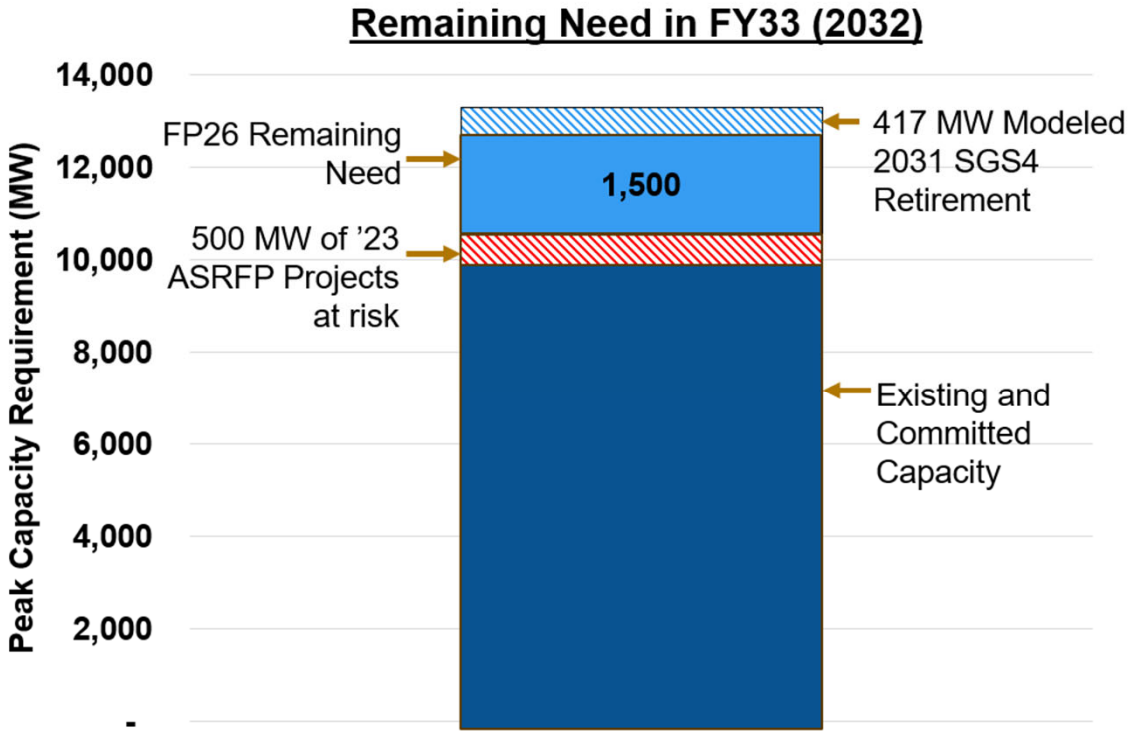
Significant Load Uncertainty in Early 2030s



FP26 Forecast Scenario	FY25-35 CAGR
High Scenario	5.7%
Base Scenario	4.2%
Low Scenario	2.4%

** Growth rates calculated as compound annual growth*

Significant Additional Capacity Need in Early 2030s



Key Takeaway: Resource need increased by 500 MW since February 2025 due to resource development and permitting challenges

Significant Uncertainty in Early 2030s

- Regulatory landscape for continued coal operations beyond 2031 is highly uncertain
- Requested capacity continues to grow resource need in early-2030s
  - Load Growth Uncertainty
  - Tariff Uncertainty
  - Tax Credits Changes
  - Developer supply chain and permitting challenges
- Expected cost of new resources for early 2030s have increased significantly in last year
- Capital needs across SRP continue to increase through early 2030s

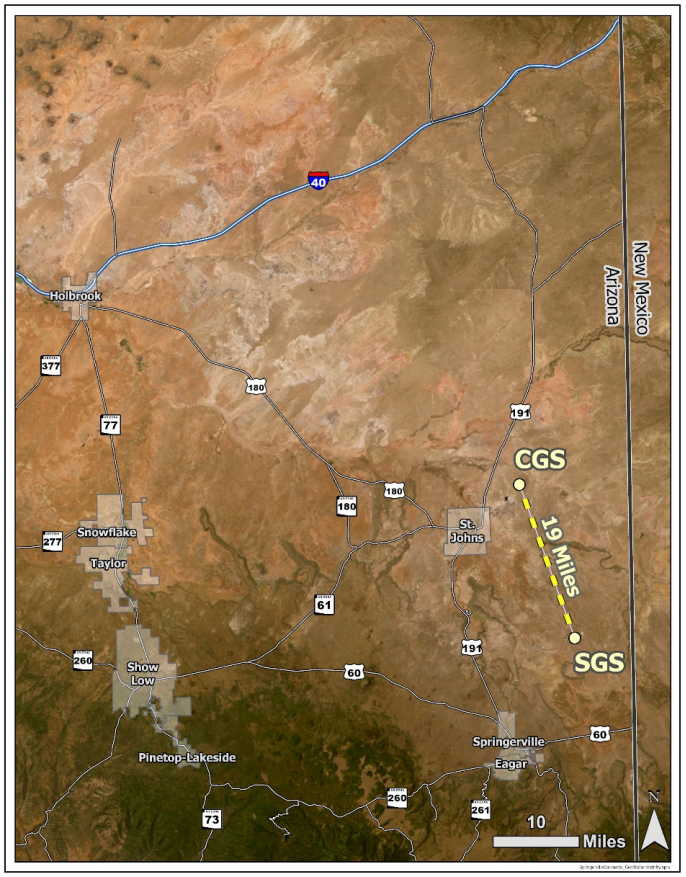
Springerville Generating Station Background

Springerville Generating Station is operated by Tucson Electric Power (TEP) and located in Apache County, AZ.

- Units 1 & 2 (390 MW each) are owned by TEP
- Unit 3 (417 MW) owned by Tri-State Generation and Transmission Cooperative
- Unit 4 (417 MW) owned by SRP

Considerations for Fuel Conversion of SGS Unit 4

- TEP announced coal to gas conversion of SGS Units 1 and 2 in July 2025
  - Changes economics of continued operations for Unit 4
  - More units operating to share plant operating cost
- Gas lateral to serve CGS is being sized to include SGS 1 & 2 for TEP
  - Sizing required by December 2025
- SGS 4 relatively new facility at time of conversion
- Conversion of an existing asset helps diversify supply chain, permitting, development risk in early 2030s
- Preserve transmission capacity for load-serving need



Strategies for Replacing SGS4 Capacity: *Resources Evaluated*

Strategy	Description	Benefits	Challenges
Manage Capital	Convert SGS4 boiler to combust gas by end of 2029	• Preserves generation capacity • Lower capital • Resource bridge	• Coordination with owners at SGS
Increase Firm Flexible Capacity	Replace SGS4 with new frame combustion turbines by end of 2031	• Long-duration operational flexibility • Longer service life	• Potential for development delay • High capital cost
Accelerate Long Duration Batteries	Replace SGS with lithium-ion batteries by end of 2031	• No direct emissions • More flexible resource	• Higher cost • Reliability risk • Development risk

Other options considered, but eliminated:

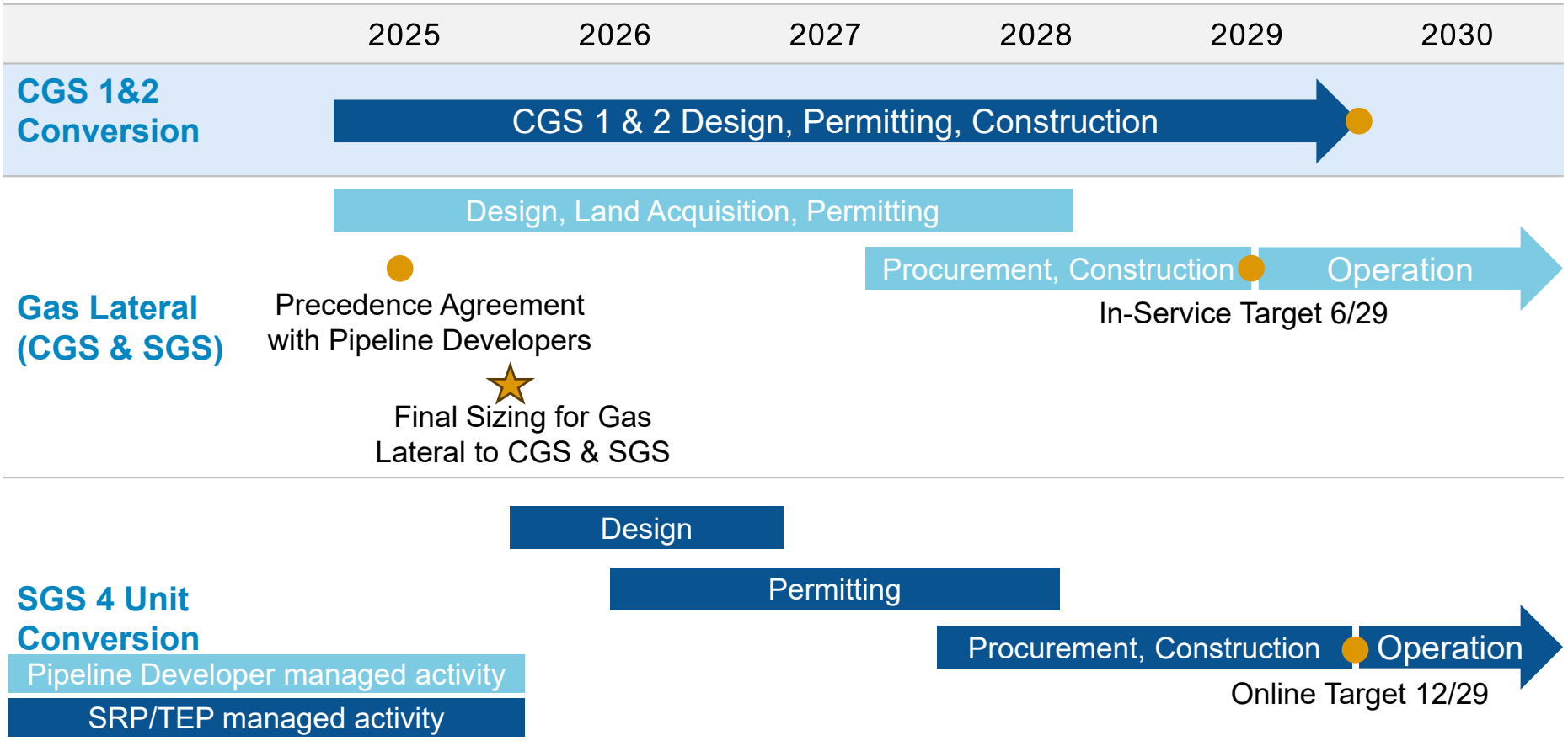
- **Extending coal operations beyond 2031**: does not provide reliability certainty beyond 2031
- **Increase combined cycle**: Significantly higher capital needs and unlikely to meet timing need

Strategies for Replacing SGS4 Capacity

SGS4 Capacity Replacement Strategy		Capital Cost ($)	Operating Cost ($)	Total Cost ($)	Total Carbon (metric tons)
			Annual	Net Present Value through 2049	through 2049
Manage Capital	Convert SGS4 boiler to combust gas by end of 2029	$60m	$89m[2]	$724m	2.5m
Increase Firm Flexible Capacity	Replace SGS4 with new frame combustion turbines by end of 2031	$750m	$23m	$769m	5.4m[1]
Accelerate Long Duration Batteries	Replace SGS4 with lithium-ion batteries by end of 2031	Not Applicable[3]	$219m	$1.55b	3.1m[1,4]

[1] Includes estimated emission from last two years of SGS4 operating as coal
[2] Includes annual cost for natural gas pipeline lateral capacity
[3] Least-cost battery alternative procured through purchased power agreements
[4] Assumes batteries are charged with zero-carbon resources

SGS4 Coal-to-Gas Conversion Timeline



Next Steps

- Opportunity at Springerville Generating Station is moving fast:
  - Limited time to act on SGS4 conversion without impacting CGS and SGS 1 & 2 timelines
  - Lateral sizing determined by December 2025
- SRP management plans to return in October to seek Power Committee approval to execute agreements for pipeline offtake and to convert SGS4 to gas

thank you!

Update on Projects Selected from the 2024 All-Source Request for Proposals

Power Committee Meeting

Will Fielder | September 25, 2025

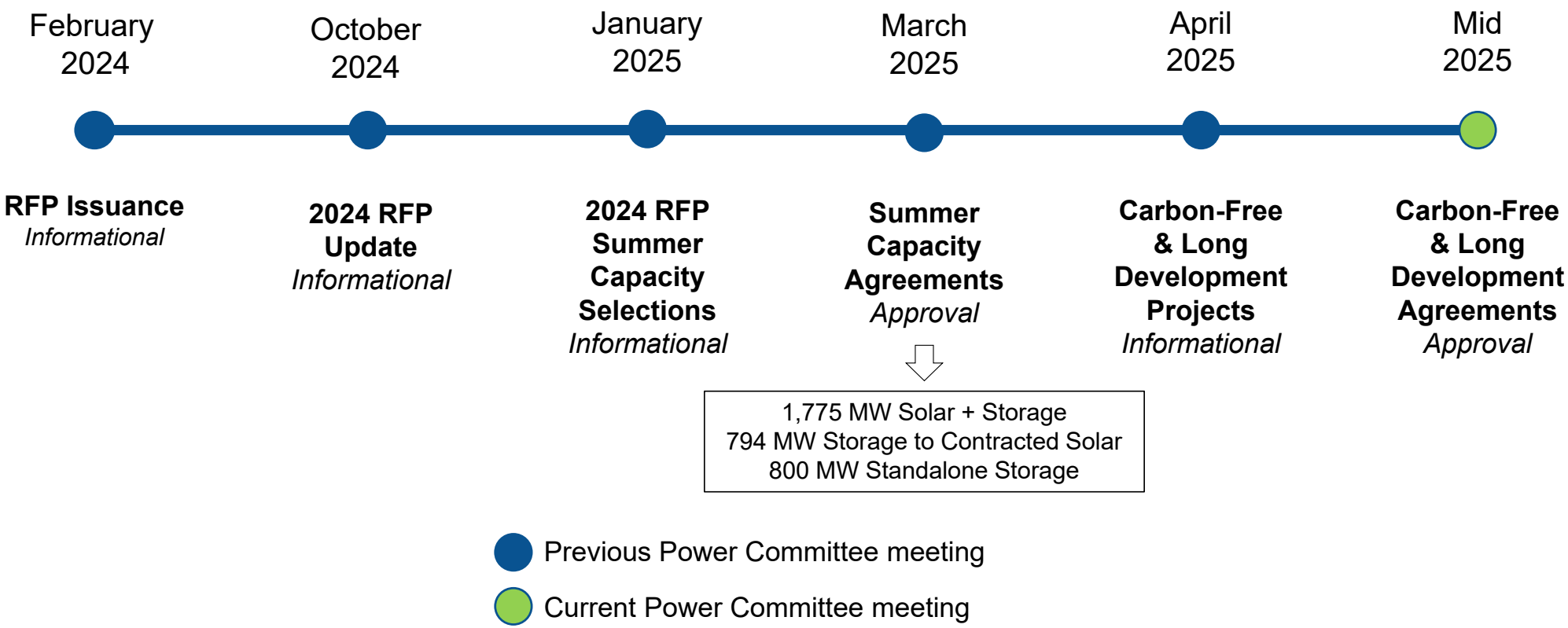
Recap of 2024 All-Source Request for Proposals (RFP)

The 2024 All-Source RFP supports making **Capacity and Energy Investments** to achieve an adequate and reliable power system and meet SRP's 2035 Sustainability Goals.

The 2024 All-Source RFP has three procurement categories:

- Summer capacity
- Carbon-free energy
- Long development

2024 RFP Timeline



Overview of Recommended Carbon-Free Energy Project

Project	Developer	Technology	Capacity (MW)	Location
SunZia Wind	Pattern	Wind	600	New Mexico

Benefits:

- High capacity factor (47%) wind that supports peak capacity
- Overnight output of carbon-free generation, increases resource diversity
- Supports geographic diversity of weather-dependent renewables
- High level of executability, near-term resource

Overview of Recommended Long Development Project

Project	Developer	Technology	Capacity (MW)	Location
Project Bella (Cazador del Sol)	Seguro Energy	Gas	480	Pinal County

Benefits:

- Firm resource that complements renewable resources
- Project has obtained air permit, Certificate of Environmental Compatibility, and required Pinal County approvals

Expansion Opportunity for Previously Approved 2024 All-Source RFP Capacity Project

Project	Developer	Technology	Previously Approved Capacity (MW)	Additional Capacity (MW)	Total Capacity (MW)
Ellsworth	NextEra	Storage	200	150	350

Benefits:

- Supports additional renewable energy integration
- Provides operational flexibility
- Enables SRP to meet increasing demand

Project Map


Henderson
Grand Canyon National Park
Santa Fe National Forest
Santa Fe
Avi Kwa Ame National Monument
Gallup
Mojave National Preserve
Flagstaff
Albuquerque
SunZia
Lake Havasu City
Prescott
Sitgreaves National Forest
New Mexico
Arizona
Cibola National Forest
Tonto National Forest
Apache National Forest
Chuckwalla National Monument
Phoenix
White Sands Missle Testing Center
Ellsworth
Gila National Forest
Sonoran Desert NM
Project Bella
Lincoln National Forest
Mexicali
Organ Mountains - Desert Peaks National Monument
Las Cruces
Cabeza Prieta National Wildlife
Tucson
0 30 60 120 Miles
N
Carto: ASRFP 2024.aprx

Summary

- Carbon free and long development projects contribute to 2035 sustainability goals and support capacity needs through a balanced system plan.
- Expansion of previously-approved 2024 RFP capacity project increases ability to meet growing demand.
- Competitively sensitive terms to be discussed in closed session.

thank you!

Intergovernmental Agreements with Arizona Department of Public Safety and Maricopa County

Erica Trapp and Dave Marsh | September 25, 2025

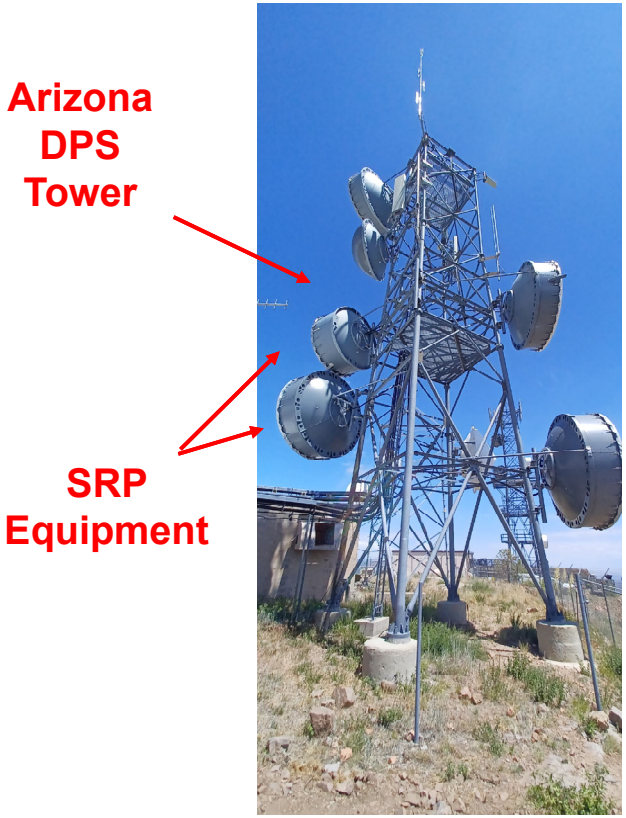
Overview

- SRP is upgrading wireless communications on mountaintop towers.
- These upgrades support communication with Eastern Arizona assets:
  - Coronado Generation Station
  - Springerville Generation Station
  - Sugarloaf Receiving Station
- Strategically placed radio towers on mountaintops ensure robust, uninterrupted communication links between facilities and enhance the reliability and performance of SRP's telecommunications network.

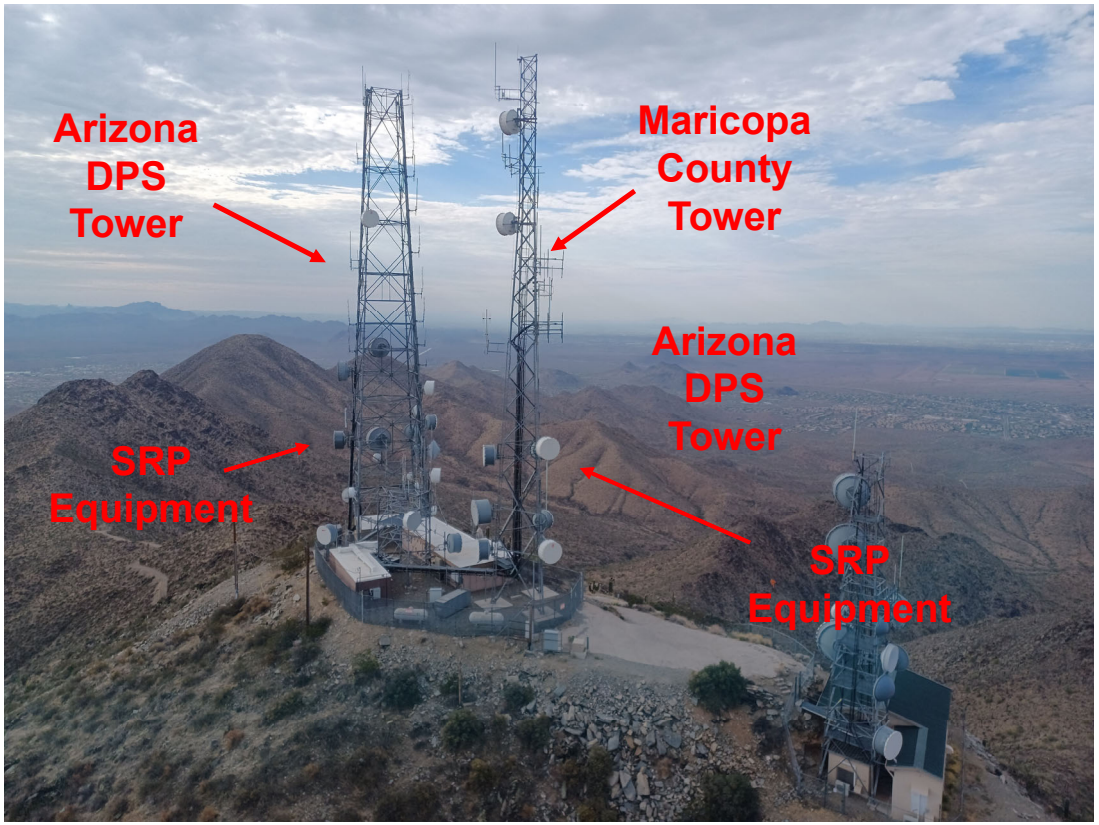
Intergovernmental Agreements (IGAs)

- IGAs with Arizona Department of Public Safety (AZDPS) and Maricopa County:
  - Set forth general terms for installing radio equipment on Maricopa County and AZDPS sites, and for Maricopa County/AZDPS to install equipment on SRP sites.
  - The Board previously approved IGAs with AZDPS and Maricopa County in 2013.
  - The IGAs are proposed to be amended and restated but remain conceptually similar to the existing agreements.
  - Details for each site are forth in site-specific Supplement Agreements that incorporate the terms of the IGAs.
- The IGAs facilitate seamless deployment of upgraded telecommunications equipment.
- Shared sites are critical for SRP's remote communication infrastructure.

Existing Site-Sharing Communications Towers



Carol Spring



Thompson Peak

Amended and Restated IGA Updates

- Unified IGA Form
  - The updated IGAs now use a more uniform format, which makes the steps easier to follow and helps ensure that all participating agencies are aligned and treated consistently.
- Cost-Sharing Provisions
  - Each party can charge the other in 30-minute increments for services/labor provided to the other.
  - The AZDPS IGA introduces new charges of $100 per radio or antenna per month to be paid by the benefitting party to the host party. The Maricopa County IGA permits a similar monthly charge, but the County has indicated that it does not intend for either party to implement them.
- Term and Renewal Structure
  - The IGAs continue until 2030 with options for four five-year renewals upon mutual agreement, providing stability and review opportunities. Either party can terminate the IGA with 60 days' notice.
- Expanded Agency Obligations
  - Host and Benefiting agencies have defined responsibilities to maintain equipment, provide services, and ensure site reliability.

Recommendation

In accordance with the terms discussed herein, request that the Committee recommend that the Board authorize the Director of Telecommunications Systems to execute the Amended and Restated Intergovernmental Agreements between SRP and the State of Arizona, Department of Public Safety and between SRP and Maricopa County, and any subsequent amendments of such agreements that do not materially modify the terms of those agreements.

thank you!

SRP Residential Battery VPP Pilot Program

Power Committee Meeting

Darrell Bearden, Sr. Manager of Distributed Energy Programs

September 25, 2025

Background

- 2024 Price Process – Board-Approved Management Recommendations

Details of Future Commitments

Management commits, separately from this pricing proceeding, to the following actions, which address many stakeholder comments and concerns raised in this proceeding:

3. Residential Battery VPP Pilot Program

At the Special Board meetings, Board members and stakeholders suggested that SRP explore utilizing residential battery systems as an additional component of SRP's existing demand response portfolio. Based on that feedback, Management will develop a pilot program to enroll and dispatch residential batteries for the purpose of peak load reduction and other potential system benefits. The program will be designed to leverage available incremental capacity within SRP customers' systems and provide performance-based incentives to participating customers. The customer program, if approved, will contribute to SRP's 2035 Sustainability Goals and further enable distributed energy resources.

Battery Program Benchmarking

- Conducted in-depth residential battery program benchmarking
  - Interviews conducted with:
    - Utilities in other markets with battery VPP experience
    - Neighboring utilities with programs in development
  - Explored numerous aggregation solution providers
- Key Takeaways:
  - Program designs are unique to each market and the needs of their grid
  - Most battery programs are pilots
  - Nascent aspects of aggregation industry:
    - Highly dynamic business partnerships, little experience at scale
    - Selling value propositions as a one-size-fits-all solution

Program Design Principles: Delivering Shared Value

- Customer-centric approach:
  - Offer a simple, bundled package that aligns customer motivations with utility value
- Performance-informed strategies:
  - Leverage telemetry data and customer price plan to provide optimization opportunities
  - Pilot events with targeted dispatch strategies and orchestration across Demand Response portfolio
  - Performance-based incentives for incremental capacity delivered during events
- Scalable framework:
  - Structured to validate value, refine strategies, and support VPP expansion

Customer / Stakeholder Research

- Customer Focus Group Research
  - Conducted initial focus group discussion to test program design concepts
  - Gathered feedback on messaging, event participation, incentive models, and enrollment intent
- Industry & Stakeholder Engagement
  - Presented program design concepts to industry stakeholders; feedback shaped final program structure
- Key Takeaways
  - Battery customers are knowledgeable; understand load shifting capabilities and system limitations
  - Overall positive response to program design, incentive structure, and advisory optimization approach
  - Requires data-informed design of dispatch strategies and diligent event execution

Battery Performance Research

- Typical battery system settings
  - Backup prioritization: Reserves all capacity for grid outage
  - Self-consumption: Prioritizes daily on-site solar consumption
  - Time-based schedule: Optimizes charge/discharge schedule with utility price signals
- Research findings in SRP Service Area*:

Backup	Self-Consumption	Time-based
0%	43%	50%

** 7% were unclassified; expect time-based control without TOU programming*

- Established unique program offering, coupled with event participation: Optimization Adviser
  - Aligns customer motivations with grid benefits through daily load shifting
  - SRP provides advisory service, monitoring telemetry data
  - Customer reprogramming through OEM interface

Final Program Design

Parameter	SRP Pilot Program
Device Control	Aggregator: EnergyHub
Customer Eligibility	Battery customers with participating technologies
Performance Incentive	$110/kW-year; paid out seasonally
Scheduling	Up to 80 events/year across two seasons Summer: May 1 – Oct 31 Winter: Nov 1 – Apr 30 Includes weekends and holidays; 4-hour max
Program Term	5-year pilot
Enrollment Cap	5,000 customers

Program Costs & Benefits

- Program Costs
  - Average annual cost estimated at $1.2 million
  - Customer’s expected performance incentive: ~$265/year
- SRP Benefits
  - Strengthens customer and market alignment while generating insights to scale VPP programs
  - Delivers 12MW of flexible capacity through targeted dispatch and cost-neutral performance incentives
  - Enhances daily load-shifting benefits through Optimizer Adviser service

Next Steps

- Complete integration with VPP solution provider EnergyHub
  - Configure to enable flexible dispatch strategies
  - Support onboarding of battery device partners
- Finalize Implementation Plans and Business Preparations
  - Develop, test, and standup monitoring tools and associated billing mechanisms
  - Refine messaging and web content for marketing channels
  - Inform and train Preferred Solar Installer network
- Launch Pilot by December 31
  - Open enrollment via OEM mobile app integrations
  - Marketing campaigns will launch soon after holiday season

thank you!