

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

## POWER COMMITTEE Thursday, January 22, 2026, 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 November 20, 2025.
2. Long-Lead-Time Equipment for the Pumped Storage Project  
..... CRAIG LARSON and ANGIE BOND-SIMPSON  
  
Request for approval to enter into agreements to procure critical long-lead-time equipment necessary for the Pumped Storage Project.
3. Financial Plan 2027 (FP27) Load Forecast.....JED COHEN  
  
Informational presentation regarding the FP27 Load Forecast, which will be the baseline for the Resource and Financial Plans covering Fiscal Year 2027 and beyond.
4. Report on Current Events by the General Manager and Chief Executive Officer or Designees .....JIM PRATT
5. 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.





MINUTES  
POWER COMMITTEE MEETING

DRAFT

November 20, 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, November 20, 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. Arnett, Chair; M. Herrera, K. Johnson and S. Kennedy.

Committee Members absent at roll call were S. Williams, Vice Chair; N. Brown, K. Mohr-Almeida; and Association Board of Governors Observer L. Rovey.

Also present were President D. Rousseau; Vice President C. Dobson; Board Members R. Miller, K. O'Brien, M. Pace, P. Rovey, J. White Jr., and L. Williams; Council Chair R. Shelton; Council Vice Chair B. Pacey; Council Liaisons M. Farmer and M. Pedersen; Council Members G. Geiger, E. Gorseger, and C. Resch-Geretti; A. Bond-Simpson, M. Burger, C. Campbell, A. Chabrier, J. Felty, C. Hallows, L. Hobaica, J. Hubbard, R. Judd, B. Koch, J. Leavitt, K. Lee, M. Maser, B. McClellan, N. Mullins, M. O'Connor, B. Olsen, D. Patterson, J. Pratt, C. Sifuentes-Kohlbeck, and J. Tucker of SRP; Kaitlyn Cavallaro and Alyssa Menzel of Longroad Energy; Ian Calkins of Copper State Consulting Group; John Deese of Origis Energy; Allison George of Western Resource Advocates (WRA); Roger Halbakken of Arevia Power; Hunter Holman of Interwest Energy Alliance; Autumn Johnson of Tierra Strategy; Cathy Kim and Maddison McMullen of Copia Power; Jack Moe of Applied Energy Services (AES); and Katy Wilson of TransAlta Corporation.

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, November 18, 2025.

Chair R. Arnett called the meeting to order.

Consent Agenda

Chair R. Arnett requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M. Herrera and seconded by Board Member

S. Kennedy, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Power Committee meeting on October 23, 2025, as presented.

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

YES:	Board Members R. Arnett, Chair; and M. Herrera, K. Johnson, and S. Kennedy	(4)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members S. Williams, Vice Chair; and N. Brown and K. Mohr-Almeida	(3)

### Marigold Energy Center Overview

Using a PowerPoint presentation, Bill McClellan, SRP Director of Resource Planning, Acquisition, and Development, stated that the purpose of the presentation was to provide information regarding an overview of plans to develop generating resources, such as solar, storage, and natural gas, at the Marigold Energy Center, located near Stanfield, Arizona.

B. McClellan discussed the Integrated System Plan (ISP) proactive siting initiative, highlighting the following: 1) development of a geographic information system (GIS) tool for strategic siting; 2) advancement in land acquisition; and 3) transmission expansion studies.

B. McClellan reviewed the proposed Marigold site and provided an aerial view of the site with various details related to the project. They discussed the remaining Financial Plan 2026 (FP26) summer capacity needs, action to meet those needs, and contribution made to meet those needs.

B. McClellan provided an overview of the development plan and reviewed the public engagement. They concluded with a summary and discussion of next steps.

B. 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.

Board Members N. Brown, K. Mohr-Almeida, and S. Williams; Association Board of Governors Observer L. Rovey; I. Avalos, A. Gilbert, S. Glover, V. Kisicki, M. Klein, and P. Sigl of SRP; Remy Franklin of Interwest Energy Alliance; Beck Mayberry of CC Renew; Kelly Saber of Epic Star Energy; Ty Sauer of Exus Renewables; Ben

Wostoupal of Apex Clean Energy; and Anne Delmarre and Astrid Jouret of EDF Renewables entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

There was no report on current events by Jim Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chair R. 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 10:08 a.m.

John Felty  
Corporate Secretary



# **Request or Approval to Procure Long-Lead Equipment for Pumped Storage Project**

**Power Committee Open Session | January 22, 2026**

**Craig Larson & Angie Bond-Simpson**

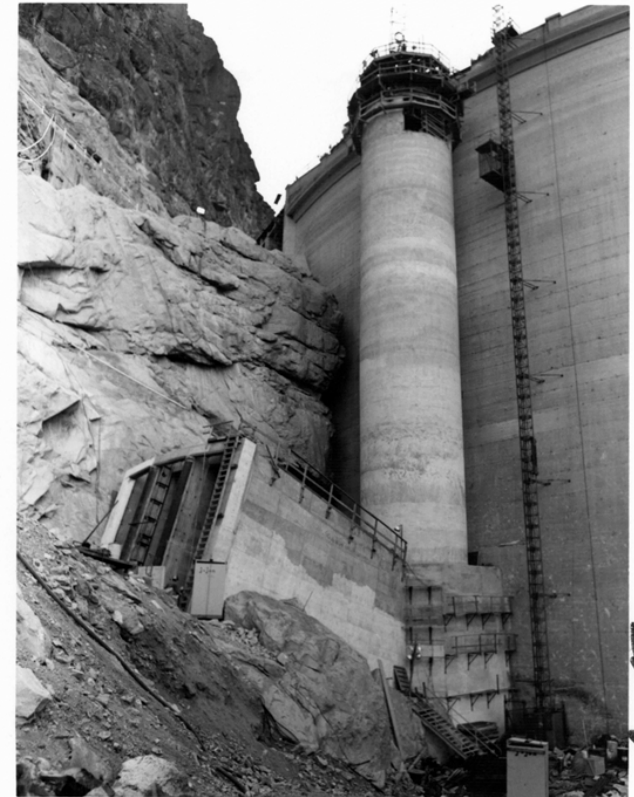
# Objective

Secure Board approval to authorize procurement of critical long-lead equipment necessary for the Pumped Storage Project.

- Retains timeline for critical capacity to support growing customer demand
- Reduces exposure from rising cost of more expensive replacement options
- Secures critical equipment before prices potentially increase

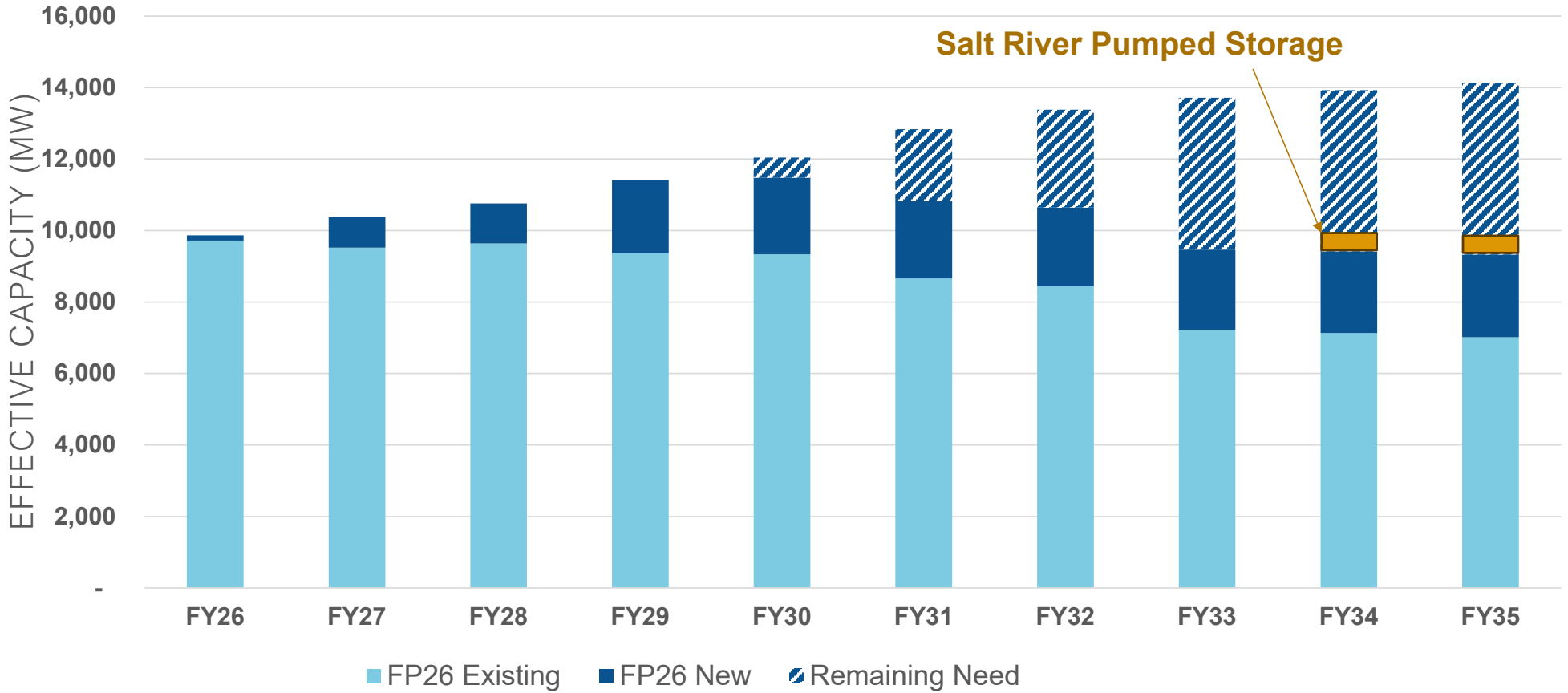
# Pumped Storage Background

- SRP operates two Pumped Storage Units today at Morman Flat and Horse Mesa dams contributing over **150 MW** of capacity
- Future Pumped Storage has been identified as a strategic part of SRP's generation portfolio as **selected** in **all 42 cases** of 2023 ISP
- SRP has initiated an extensive due diligence effort to assess and advance additional Pumped Storage on the Salt River system. Board updates include
  - [Power Committee Informational](#) January 2024 (Smedley & Klawitter)
  - [B&C Work Study Session](#) September 2025 (Larson & Bond-Simpson)

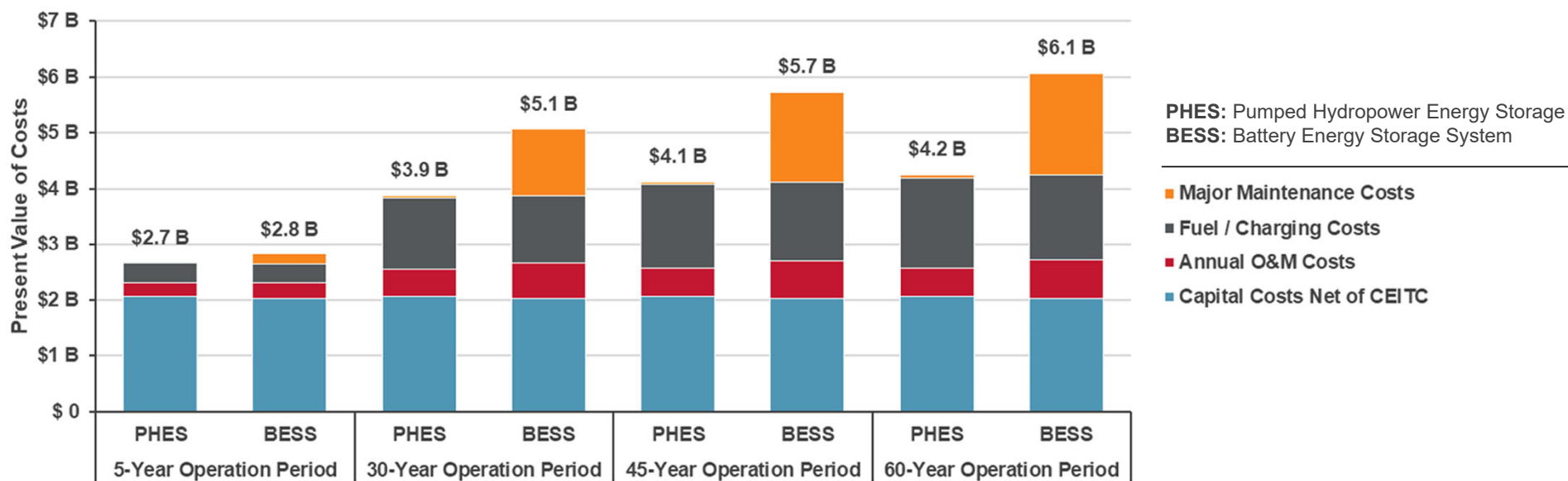


*H.M. 12-3-71 Intake Pump back*

# FP26 System Capacity Requirements & Future Need



# Pumped Storage Delivers Lower Lifetime Costs than Alternative 10 Hour Storage



Source: Long Duration Energy Storage Lifecycle Cost Analysis from HDR

## Key Takeaways:

- Pumped Hydro Energy Storage has the lowest lifetime cost across all operation periods.
- Cost gap widens over time, driven by major maintenance and augmentation of lithium-ion cells.

# Salt River Pumped Storage Project Benefits

Pumped Storage is a strategic investment to meet SRP's long-term resource needs and maintain system reliability. Benefits and attributes include:

- **Reliable, proven technology** to meet growing capacity and resource adequacy needs
- **Supports** firming **renewable energy** with 10+ hours of storage duration and fast start, fast ramping capability
- **Maintains reliable and stable grid operations** by providing system inertia, frequency, and voltage support
- Demonstrates technology **cost stability**, provides **fuel diversity** benefits, and long-term value from a **long asset life**

# Project Status

Project is advancing toward a May 2033 completion date.

Upcoming Milestones:

- Generation 60% design complete (May 2026)
- Geotechnical Investigations (Fall 2026)
- Transmission 30% design complete (Spring 2027)
- Agency reviews are in progress
- Permitting
  - NEPA – USBR working toward publishing Notice of Intent (NOI) Spring 2026
  - Cultural surveys complete (Summer 2026)

# Long-Lead Equipment Procurement

- **Why now?**

- We have an opportunity to reduce cost and to increase likelihood of Summer 2033 in service date.
  - Lead times for major components are currently 36-54 months.
  - Acting now reduces risk of equipment cost and schedule escalation.
  - Procuring now saves 8 months of project schedule and prevents procuring other less optimal resources to meet demand.

# Long-Lead Equipment Procurement

## Major Components:

- Generator Step Up (GSU) Transformers
- 500/230kV Transformers
- High Voltage Breakers and Shunt Reactors
- Gas Insulated Switchgear (GIS)

**Total Cost \$195.5M**

# Early Procurement Mitigation Measures

- Standard high voltage breakers can be used on other projects, if project doesn't move forward.
- Transformer manufacturing slots can be used to purchase similar transformers if this project does not move forward.
- Estimated cancelation charge owed prior to full project approval is \$30.6M
  - Full project approval will be sought based on refined estimates Summer of 2026

# Project Next Steps

- Execute Early Procurement for long lead equipment
- Notice of Intent (NOI) published by USBR Spring 2026
- Complete 60% design of storage facility by May 2026
- Solicit proposals to construct based on 60% design
- Seek full project approval based on refined estimates in Summer of 2026.

## Recommendation

In accordance with the terms discussed herein, management requests that the Committee recommend that Board authorize the Associate General Manager and Chief Power System Executive to enter into purchase agreements for long-lead-time equipment for the Pumped Storage Project, provided the cost shall not exceed \$200 million.

**thank you!**



# Financial Plan 2027 Load Forecast

Jed Cohen | January 22, 2026

Power Committee

# Forecast Key Drivers

- Economic Outlook
- Price Plans
- Weather
- Distributed Solar and Batteries
- Energy Efficiency
- Electric Vehicles (EVs)
- Large Business Customer Projects



# Major FP27 Updates Outside of Large Business Customers



Local economy growing, but outlook weaker than last year;  
Employment, income, population growth expectations lower



Board-approved changes to price plans



Distributed solar outlook down 21% in FY35

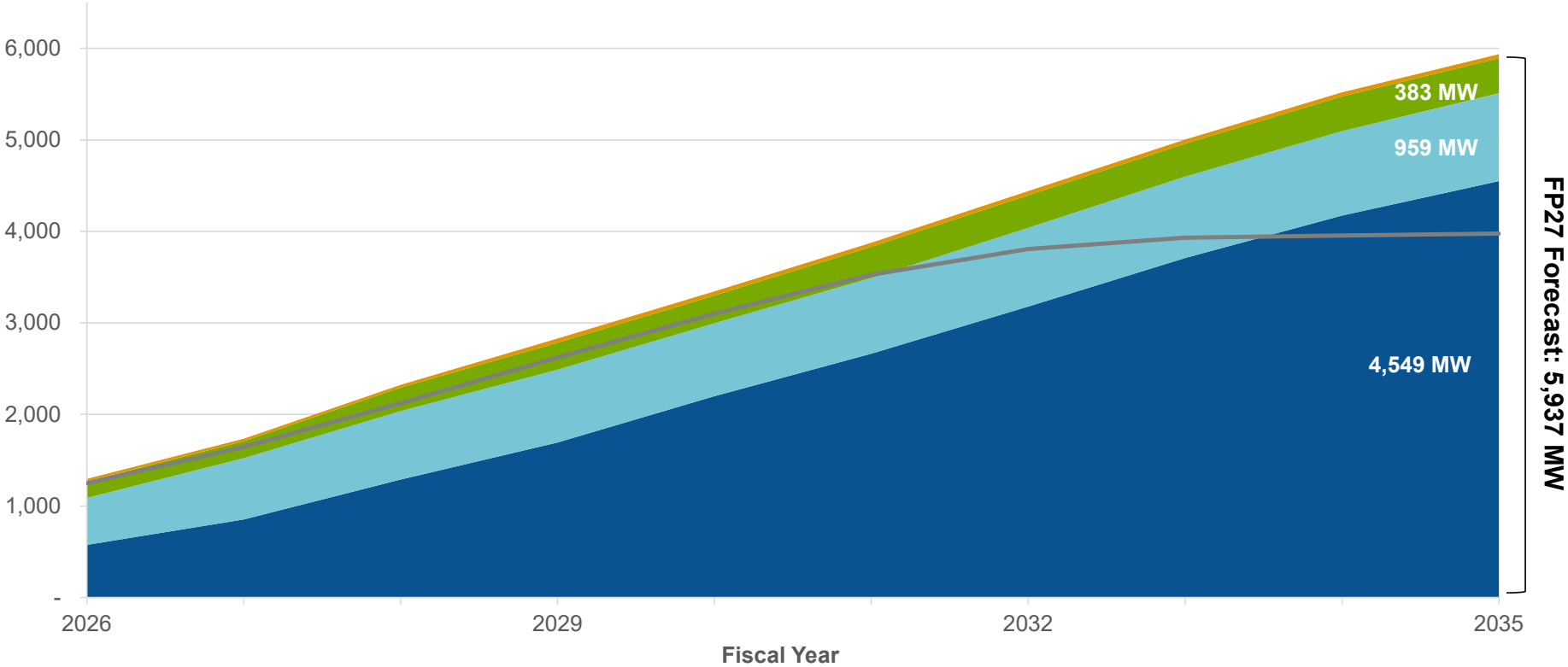


Electric Vehicle (EV) outlook down 24% in FY35

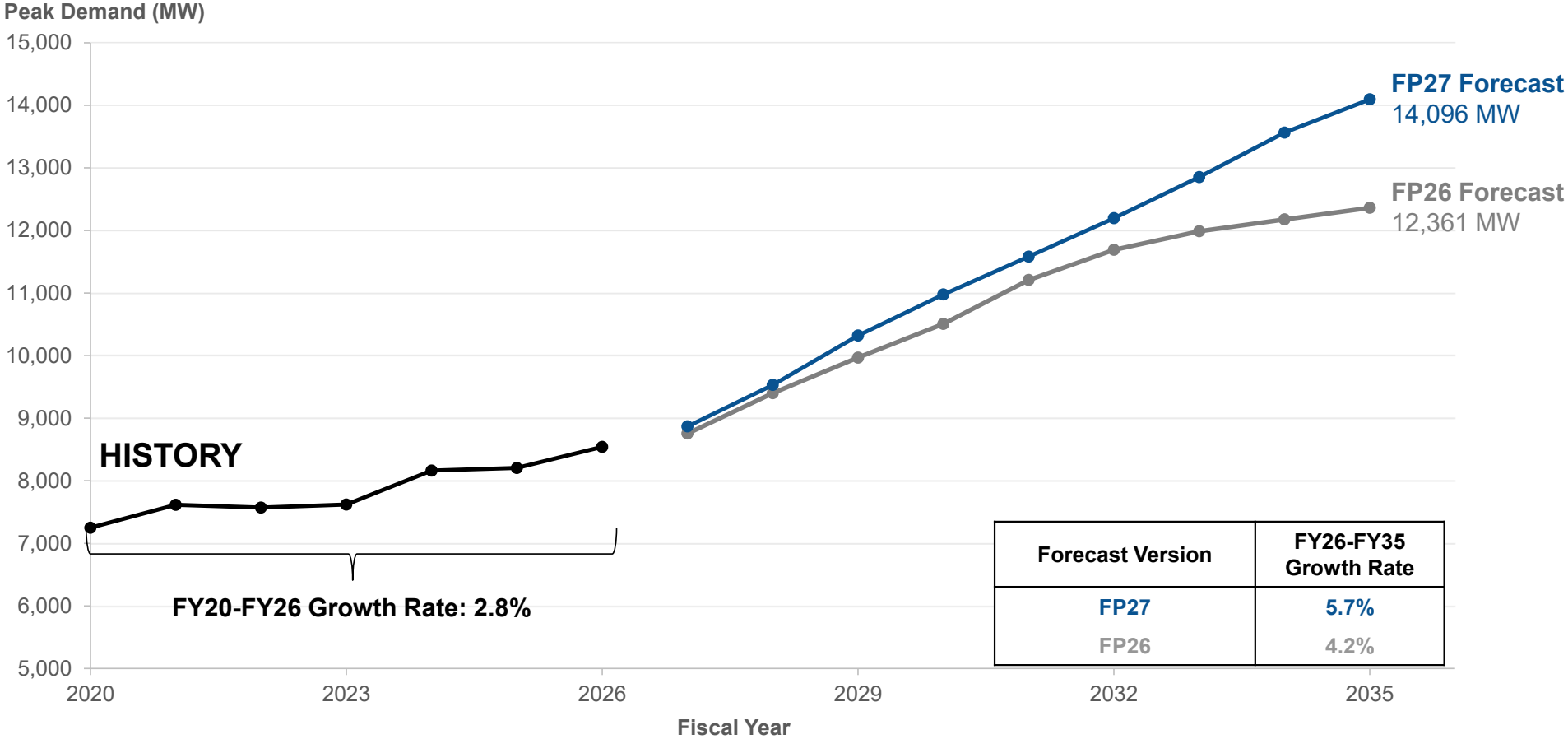
# FP27 Large Business Customer Forecast

Megawatts (MW)

■ Data Centers    
 ■ Advanced Manufacturing    
 ■ Mining    
 ■ Other    
 — FP26 Forecast

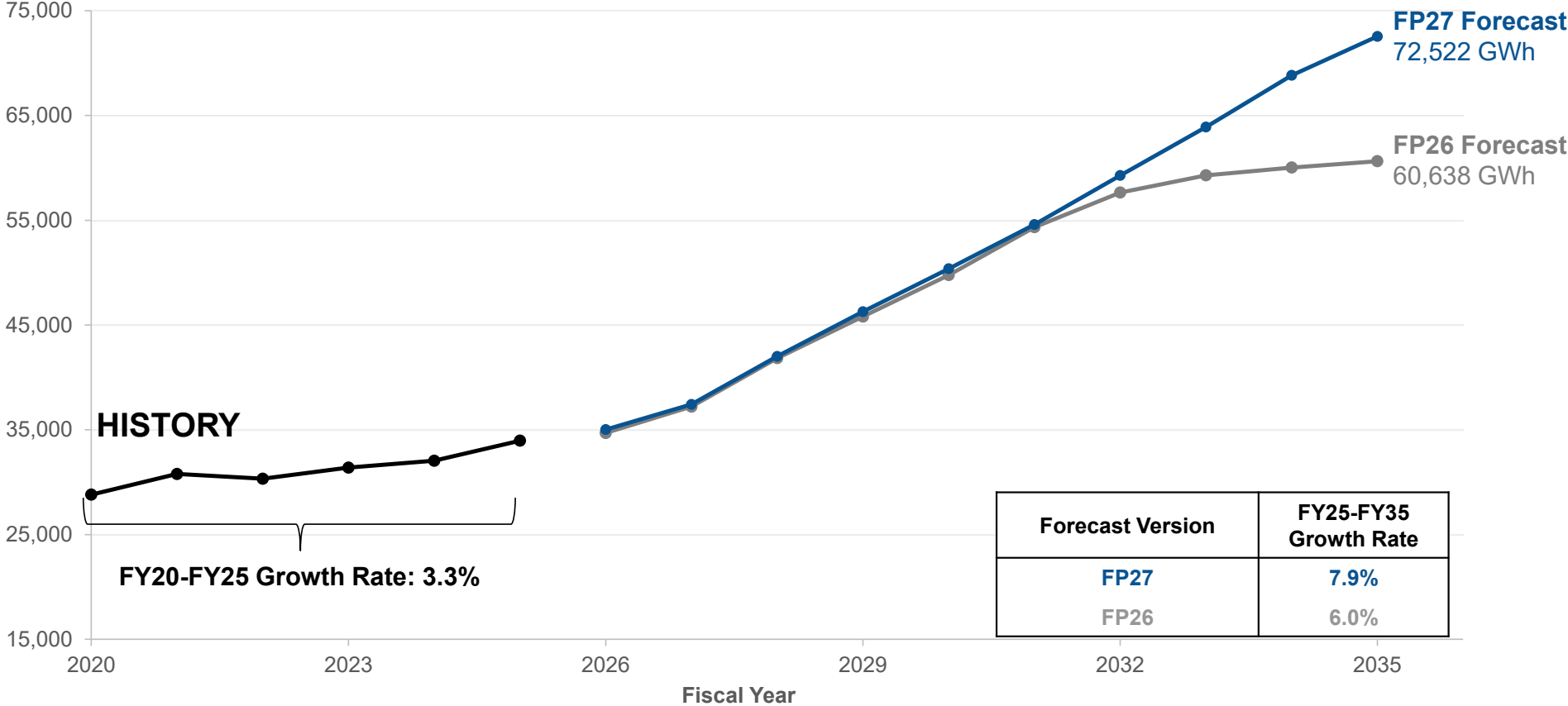


# FP27 Peak Load Forecast

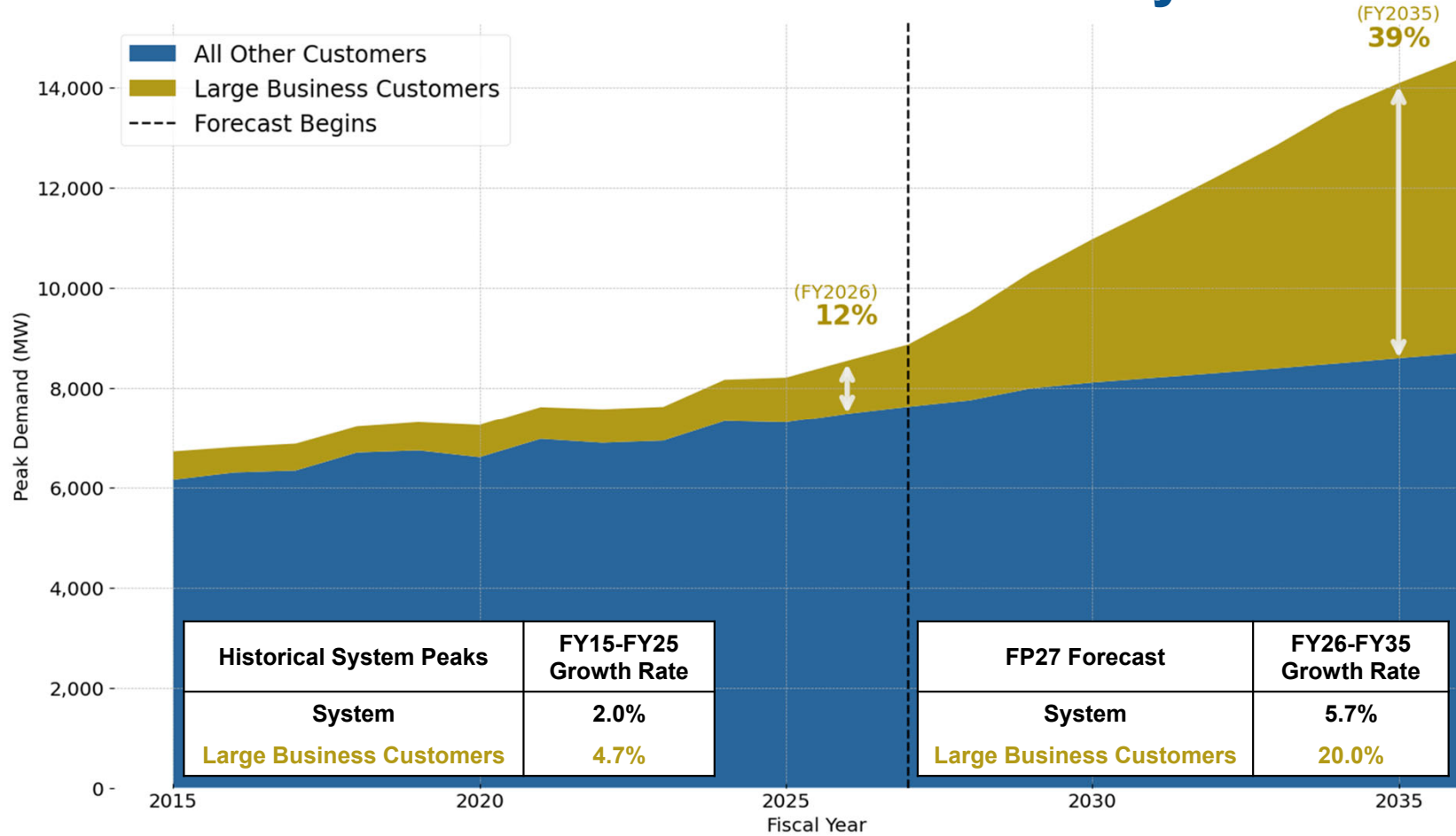


# FP27 Energy Forecast

Retail Energy Sales (GWh)



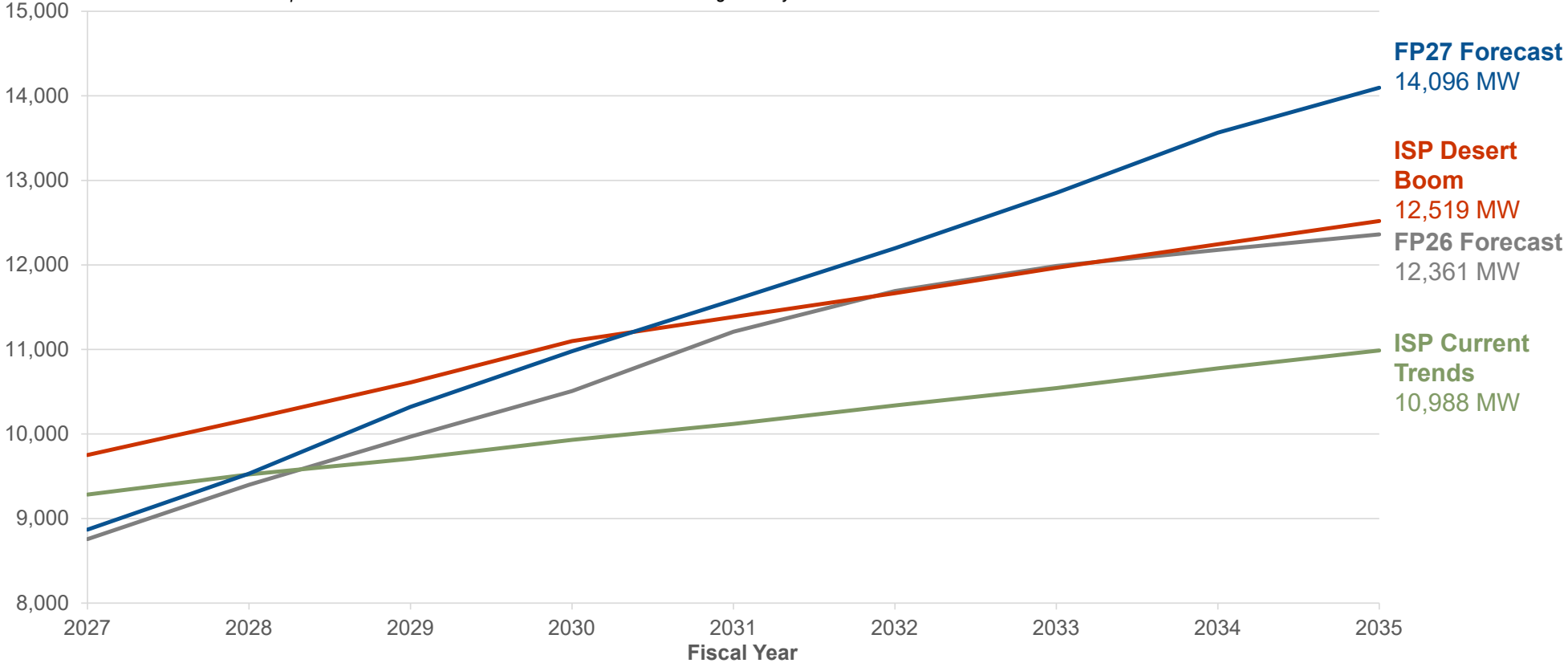
# Large Business Customer Contribution to System Peak



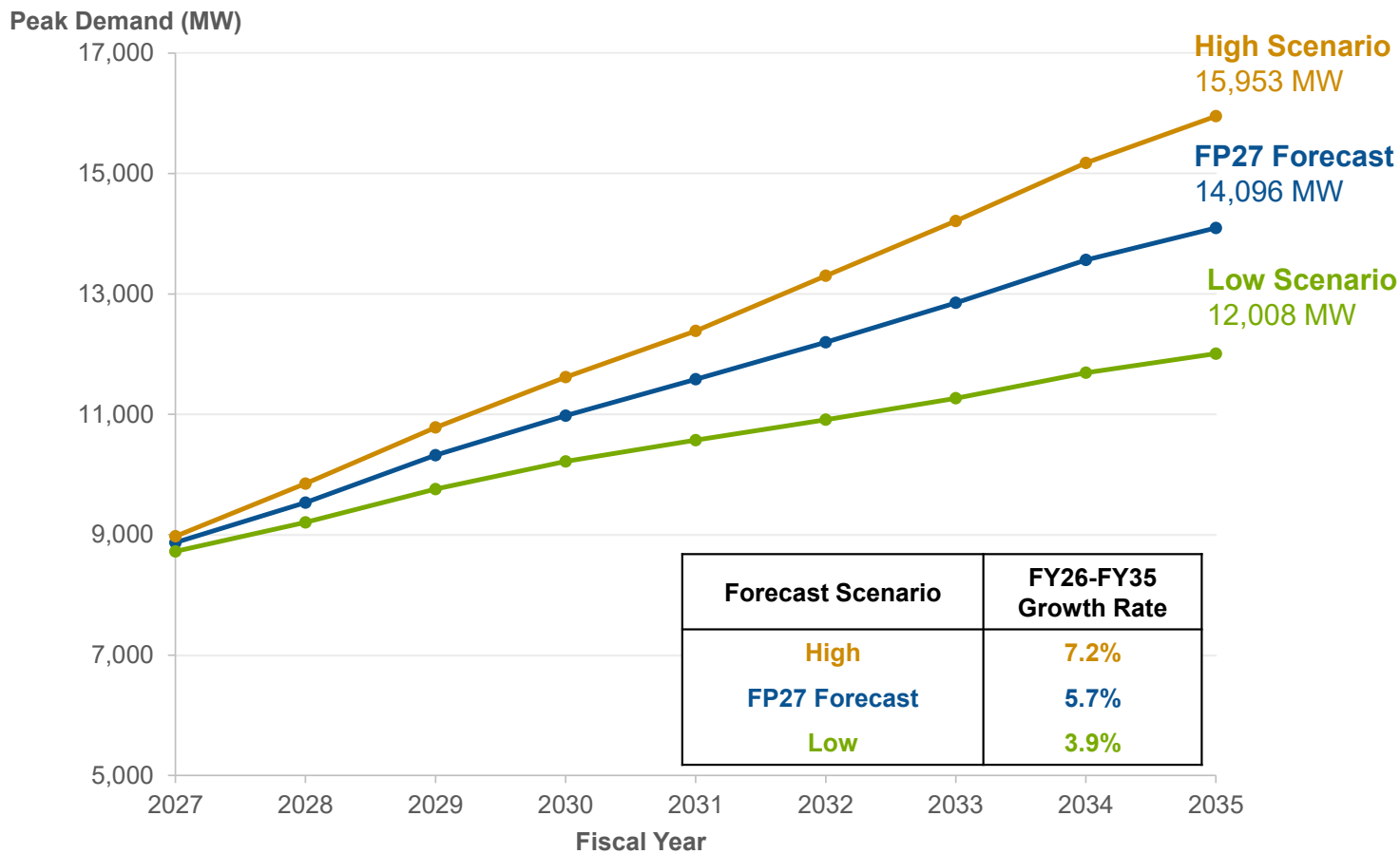
# FP27 Forecast Surpasses Desert Boom Scenario

Peak Demand (MW)

*Desert Boom was a plausible future scenario characterized in the 2023 Integrated System Plan.*



# Modeling Uncertainty – FP27 Forecast Scenarios



## Data Center Industry Uncertainties:

- State and local policy changes
- Technology and power usage efficiency
- Supply chains
- Success of AI business models

# Key Takeaways

- Growth rates for electricity demand through 2035 were revised upwards for the FP27 Forecast primarily due to increased data center projections
- The loss of federal incentives reduces the customer adoption outlooks for electric vehicles and distributed generation
- Energy sales outlook is strong, driven primarily by large customers which creates additional uncertainties in magnitude of growth

**thank you!**

