

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

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## FINANCE AND BUDGET COMMITTEE Thursday, May 21, 2026, No Sooner Than 10:20 AM

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

Committee Members: Kathy Mohr-Almeida, Chair; Mario Herrera, Vice Chair; and Robert Arnett, Nicholas Brown, Kevin Johnson, Sandra Kennedy, 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 ..... CHAIR KATHY MOHR-ALMEIDA
  - Request for approval of the minutes for the meeting of April 23, 2026.
  
2. Bonds and Bond Sale Process.....MIKE MACE, PFM FINANCIAL ADVISORS  
  
Informational presentation regarding tax exempt bonds, the bond market, and terms related to the sale of bonds.
  
3. Upcoming Proposed Revenue Bond Sale .....JON HUBBARD  
  
Informational presentation regarding an update on the upcoming proposed revenue bond sale.
  
4. Per Exported Kilowatt-Hour (kWh) Credit for E-16 and E-28 Price Plans  
.....BRANDON SHOEMAKER  
  
Informational presentation regarding Management's responses to questions from Board and Council members that arose out of the April 23, 2026, Finance and Budget Committee presentation on the annual update of the Per Exported kWh Credit under the E-16 and E-28 Price Plans.
  
5. Report on Current Events by the General Manager and Chief Executive Officer or Designees.....JIM PRATT
  
6. Future Agenda Topics ..... CHAIR KATHY MOHR-ALMEIDA

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 FINANCE AND BUDGET COMMITTEE MEETING  
IS SCHEDULED FOR THURSDAY, JUNE 18, 2026**



MINUTES  
FINANCE AND BUDGET COMMITTEE

**DRAFT**

April 23, 2026

A meeting of the Finance and Budget 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 10:18 a.m. on Thursday, April 23, 2026, 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.

Committee Members present at roll call were K. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and N. Brown, K. Johnson, S. Kennedy, L. Rovey, and S. Williams.

Committee Member absent at roll call was R. Arnett.

Also present were Vice President C. Dobson; Board Members K. O'Brien, P. Rovey, J. White Jr., and L. Williams; Council Chair R. Shelton; Council Vice Chair B. Paceley; Council Liaison G. Geiger; Council Members E. Gorseger, A. Hatley, R. Kolb, M. Mulligan, and C. Resch-Geretti; I. Avalos, A. Bond-Simpson, M. Burger, A. Chabrier, D. Dreiling, S. Erickson, J. Felty, J. Fry, C. Granados, Z. Guccione, K. Heth, L. Hobaica, V. Kisicki, B. Koch, C. Larson, K. Lee, M. O'Connor, B. Olsen, J. Pratt, M. Purnell, J. Robertson, K. Sandstrom, B. Shoemaker, P. Sigl, Z. Thompson, and J. Tucker of SRP; Ian Calkins of Copper State Consulting Group; Ty Sauer of Exus Renewables North America; and Laura Wickham of Southwest Energy Efficiency Project (SWEEP).

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 Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, April 21, 2026.

Vice Chair M. Herrera called the meeting to order.

Consent Agenda

Vice Chair M. Herrera requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member S. Williams and seconded by Board Member K. Johnson, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- A. Minutes of the Finance and Budget Committee meetings on March 10, March 24, and March 26, 2026, as presented.

B. Approval of the District and Association Monthly Cash Statement for March 2026.

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

YES:	Board Members K. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and N. Brown, K. Johnson, S. Kennedy, L. Rovey, and S. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member R. Arnett	(1)

Copies of the handouts distributed are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Per Exported Kilowatt-Hour (kWh) Credit for E-16 and E-28 Price Plans

Using a PowerPoint presentation, John Tucker, SRP Senior Director of Financial Strategy, stated that the purpose of the presentation was to provide information regarding the annual recalculation of the Per Exported kWh Credit, effective as of the May 2026 billing cycle, for the E-16 and E-28 price plans, which recalculation is required under the price plans approved by the Board in the 2025 pricing process.

J. Tucker provided background information regarding the Board approval in the 2025 pricing process. They broke down the value of energy by price plan used on-site and exported. J. Tucker presented a graph depicting the historical trend in market price from 2021 through 2025, highlighting key events.

J. Tucker presented data on market conditions in relation to the average California Independent System Operator (CASIO) weighted daily price and export. They reviewed changes in market prices from 2021 through 2025, noted that there were no changes in customer export shape, and explained how average yearly prices from 2021 through 2025 and the value of hourly export timing had declined. J. Tucker concluded with an overview of recent customer outreach.

J. Tucker 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.

A. Hancock of SRP entered the meeting during the presentation.

Review of the Financial Results for the Month of March 2026

Jeremy Fry, SRP Director of Financial Reporting, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of March 2026. Using a PowerPoint presentation, they presented liquidity funds balance and compared the actual versus budgeted figures for categories such as year-to-date (YTD) CNR, system sales, and customer accounts. J. Fry concluded by reviewing the financial summary, key financial indicators, and capital expenditures for the month of March 2026.

J. Fry responded to questions from the Committee.

Copies of the handout distributed and 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. The financial information in the handouts and PowerPoint slides is unaudited and non-Generally Accepted Accounting Principles (GAAP).

Board Member L. Williams; Council Member E. Gorsegner; Z. Guccione of SRP; and Ian Calkins of Copper State Consulting Group left the meeting during the presentation.

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

Jim Pratt, 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

Vice Chair M. Herrera asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 10:49 a.m.

John Felty  
Corporate Secretary





# SRP Bonds and Bond Sale Process pfm

**PFM Financial Advisors**

*presentation to the*

***SRP Finance & Budget Committee***

**Mike Mace, Senior Director**

May 21, 2026

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PFM

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New York, NY  
Philadelphia, PA  
Charlotte, NC  
Chandler, AZ

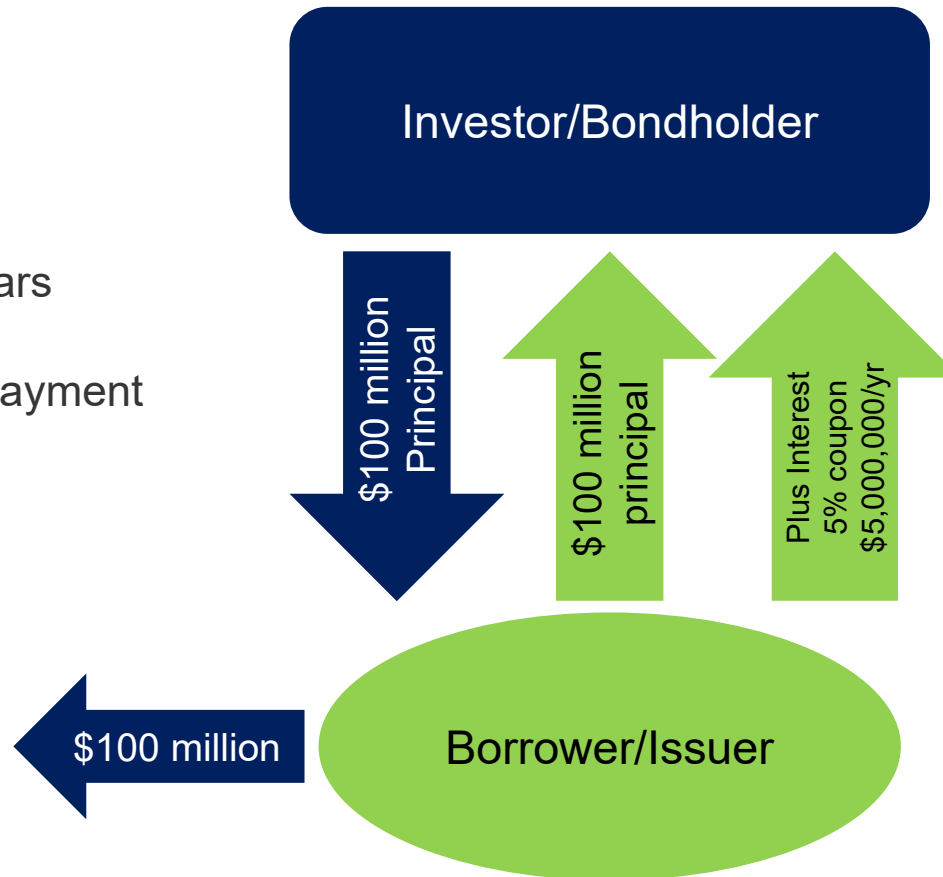
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[pfm.com](http://pfm.com)



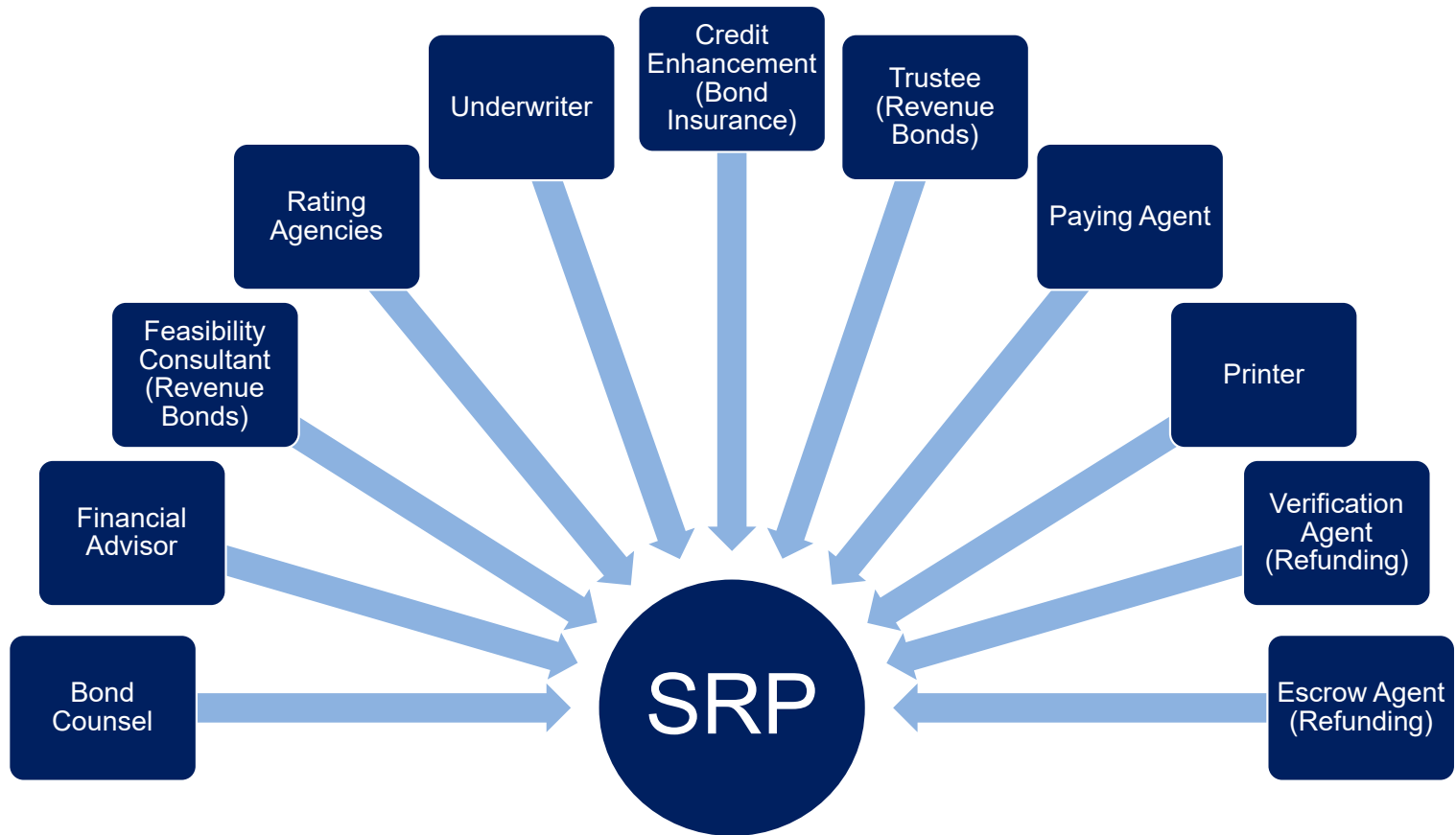
## What are the key elements of a bond (loan)?

- ◆ Par, Principal, or Face
- ◆ Coupon or Interest Rate
- ◆ Maturity Date – 1 to 40+ years
- ◆ Call Provisions – early prepayment



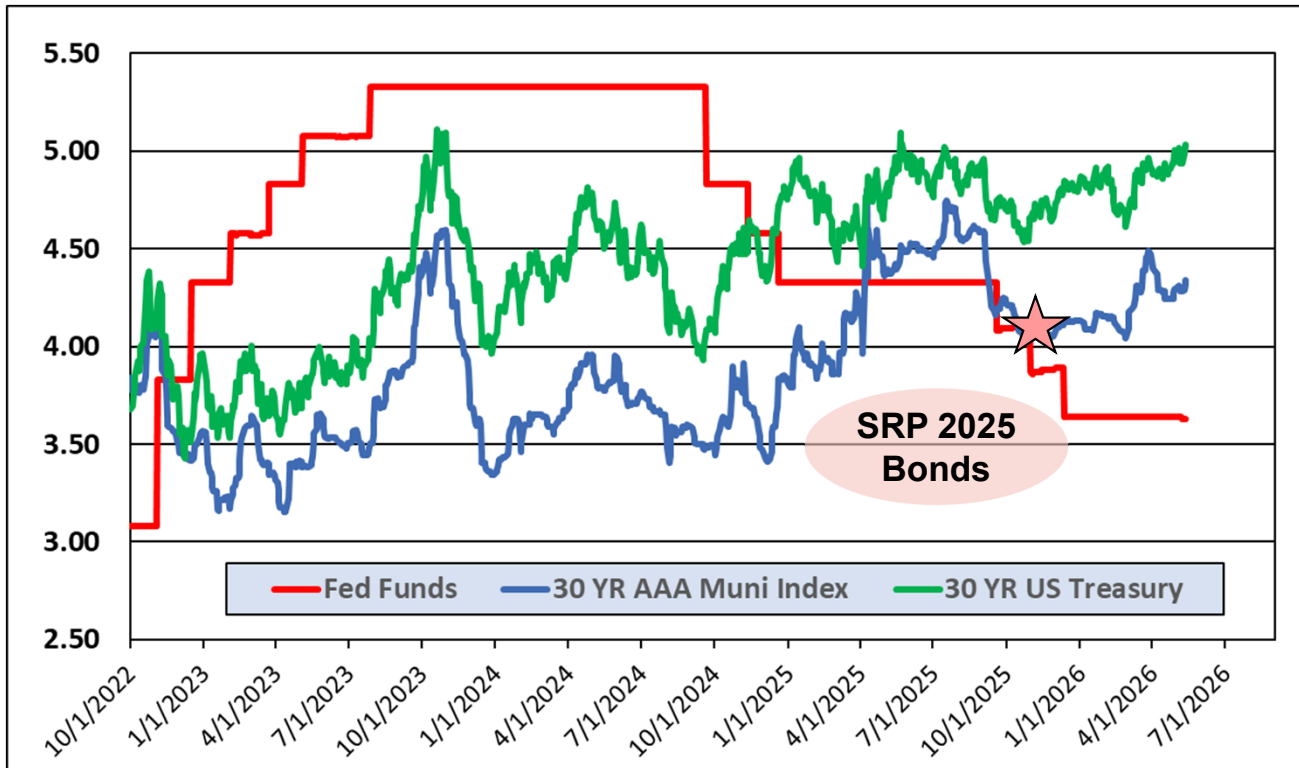


## Bond issuance process participants





## SRP 2026 Bonds – Recent Long-Term Interest Rate (%) Trends



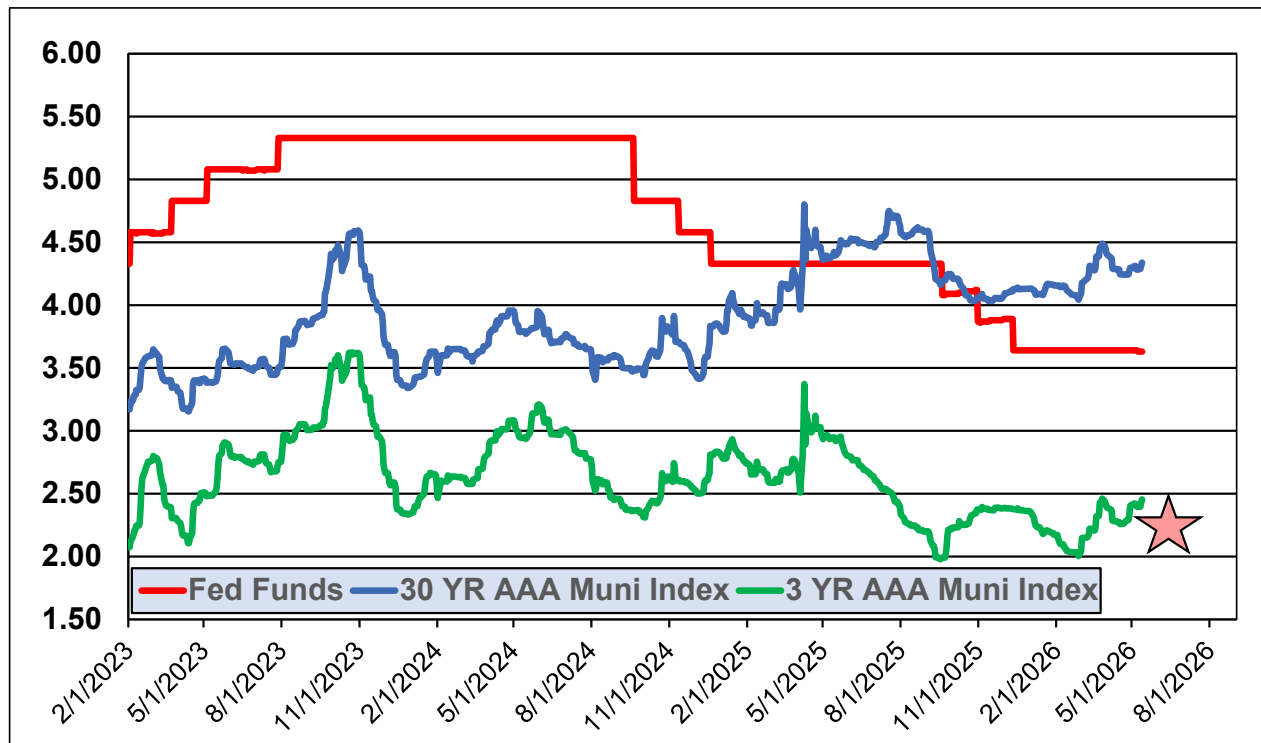
### ◆ Functional market at higher rates

- 30 Yr UST rates of 5%+ are the highest in 19 years
- Muni rates still deliver mid 4% financing to strong credits
- Large public power financings keep coming to market
- Most have been well received
- Except during a couple of rough weeks, or for CA transmission financing (TANC, SCPPA)



## SRP 2026 Bonds – Shorter Term Muni Market is Strong

◆ Shorter market (1 mo. to 5 yrs.) more affected by Fed moves

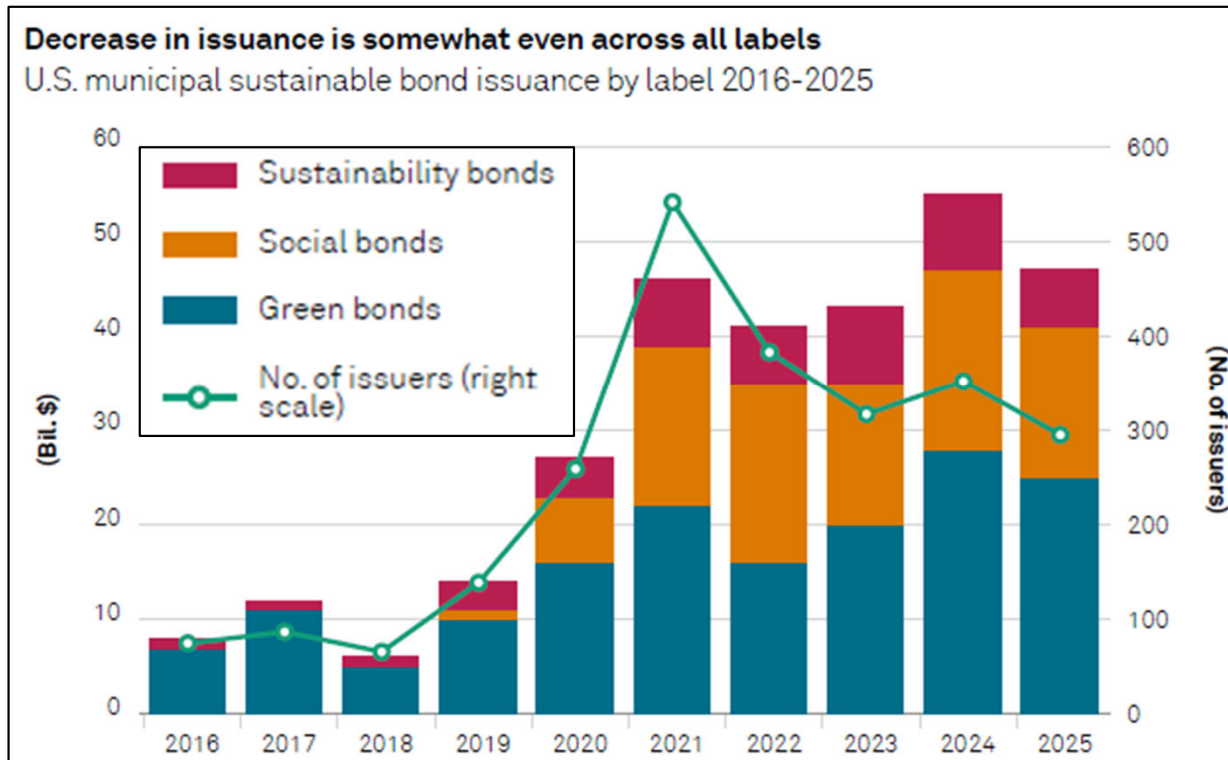


- ◆ Many borrowers use the shorter market for a portion of their needs
  - 3 Yr TE bonds selling in the mid 2% range.
  - Even if rates rise 1-2% in the future, near-term savings can outweigh future higher costs
  - Accessing different investors provides flexibility to respond to challenging markets
  - Several public power issuers sell 15-25% in the 3-5 year range



## SRP 2026 Bonds – Trends in Green and ESG Muni Bonds

### ◆ “Labeled” bond issuance declined in 2025



### ◆ Still over 10% of the market

- Still no clear interest rate benefit
- Less about “reward” for green, and more about general investor avoidance of unique ESG risks
- All rating agencies evaluate and discuss ESG risks – climate, transition, governance, sustainability ...
- Many public power transmission financings seek green label



## SRP 2026 Bonds – Considerable Utility Capital Programs

- The utility industry is projecting record high levels of capital needs
  - *Debt funding is an essential component of meeting these needs*
  - *Reasonable amounts of debt funding help allocate costs across generations of customers*

**Public Power Balance Sheet and Cap Ex Plan Info (\$Billions)**

Utility	Mdys	S&P	Fitch	Net Plant	Assets	Debt	Cap Plan	Years	Ann Avg	3 Yr Avg as % of Net Plant	Debt
<b>Salt River Project</b>	Aa1	AA+		11.4	17.3	6.2	<b>12.9</b>	6	2.2	<b>57%</b>	40%
Orlando Util Comm	Aa2	AA	AA	3.0	4.5	1.8	<b>1.9</b>	5	0.4	<b>39%</b>	~50%
Omaha PPD	Aa2	AA		4.3	7.7	3.8	<b>2.8</b>	3	0.9	<b>64%</b>	50+%
Sacramento Muni Util		AA	AA	4.6	8.4	3.4	<b>3.0</b>	5	0.6	<b>39%</b>	60%
Seattle City Light	Aa2	AA		5.0	6.4	3.0	<b>3.1</b>	6	0.5	<b>31%</b>	60%
San Antonio CPS	Aa2	AA-	AA-	11.0	16.5	8.4	<b>6.7</b>	5	1.3	<b>37%</b>	69%
Los Angeles DWP	Aa3	A	AA-	16.9	25.4	13.6	<b>18.5</b>	5	3.7	<b>66%</b>	64%
JEA (Jacksonville)	A1	A+	AA	2.7	4.3	1.5	<b>2.5</b>	4	0.6	<b>69%</b>	70%
Long Island Power	A2	A	A+	10.9	15.1	9.6	<b>3.9</b>	4	1.0	<b>27%</b>	60%

Sources: most recent Official Statements and published reports



## SRP 2026 Bonds – The Energy Wave Continues

- ◆ Several recent utility bond pricings with strong investor demand
  - *Investor “books” ranging from 3X to 5X+ amount of bonds available*
  - *Some CA utility bond sales still meet investor resistance, but CA retail investors help*
- ◆ Timing, structure and sizing flexibility has been critical to achieving best execution
- ◆ PFM encourages borrowers to develop Plan B and Plan C to prepare for volatile markets
  - *Plan A can usually get done, but sometimes at higher rates*

2026 Large Muni Utility Bond Sales			
Bond Issuer	State	Issue Par (\$MM)	Sale Date
Cal Prepay	CA	1,245	01/16/26
San Antonio CPS	TX	672	01/21/26
Lansing, MI	MI	124	02/19/26
DC Water & Sewer	DC	674	02/12/26
Santee Cooper	SC	460	02/19/26
Cal Prepay	CA	929	03/09/26
Cal Prepay	CA	687	03/10/26
Minn Prepay	MN	803	03/26/26
Texas Prepay	TX	1,159	04/14/26
NPPD	NE	825	04/21/26
TANC	CA	128	04/28/26
Energy Northwest	WA	1,131	04/30/26
IMPA	IN	393	05/19/26
SCPPA	CA	589	05/07/26
OPPD	NE		Upcoming
Lincoln Elec	NE		Upcoming
NC Power	NC		Upcoming
Bonneville Power	OR		Upcoming
JEA	FL		Upcoming
LIPA	NY		Upcoming
Santee Cooper	SC		Upcoming
FMPPA	FL		Upcoming



## SRP 2026 Bonds – New Money & Refunding Could Exceed \$1 Bn

- There is typically strong demand for the best structures and credits
- SRP's 2026 sale will offer a variety of bond maturities
- There is no better public power credit at Aa1 and AA+ ratings
- Strong demand for recent SRP bond offerings
  - 2025 C                      \$727mm bonds                      \$3,841mm orders
  - 2025 B                      \$635mm bonds                      \$1,306mm orders
  - 2024 B                      \$115mm bonds                      \$ 792mm orders
  - 2024 A                      \$555mm bonds                      \$2,100mm orders
  - 2023 B                      \$650mm bonds                      \$3,435mm orders
  - 2023 A                      \$500mm bonds                      \$ 859mm orders
- Excess demand allows interest rate reductions on bond pricing day



## SRP 2026 Bonds – The “SRP Advantage” Benefits Customers

- SRP pays among the lowest interest rates and lowest issuance costs of any public power utility in the US
  - AA+ rates are often 0.20% below even those of strong A rated borrowers  
Translating to over \$300 million in interest savings on an \$8 Bn debt program*
  - SRP ~0.175% up-front underwriting fees are less than ½ the muni average*
- SRP rates and fees are much lower than those of IOUs

\$600,000,000



**Arizona Public Service Company**

**5.10% Notes due 2036**

**Underwriting fee of 0.65%**

Mar of 2026 APS Bond Sale

**SRP 10 yr bond interest  
rate would have been  
under 3.0%**



# 2026 Series Revenue Bond Sale

May 21, 2026 | SRP Finance & Budget Committee Meeting

Jon Hubbard | Treasurer & Senior Director, Financial Operations & Compliance

# Agenda

- Historical Perspective on Prior Tax-Exempt Revenue Bond Sales
- Need to Address FY27 Cash Shortfall
- Options Considered to Address Budgeted Cash Shortfall
- Recommended Path: Issue Tax-Exempt Revenue Bonds
- Tax-Exempt Revenue Bond Considerations and Timing
- Opportunity to Refinance Existing Tax-Exempt Revenue Bonds
- Use of Proceeds from Proposed Tax-Exempt Revenue Bond Sale
- Market Update
  - Market and Interest Rates | Green Bonds
- Proposed Transaction
  - Proposed Parameters and Calendar

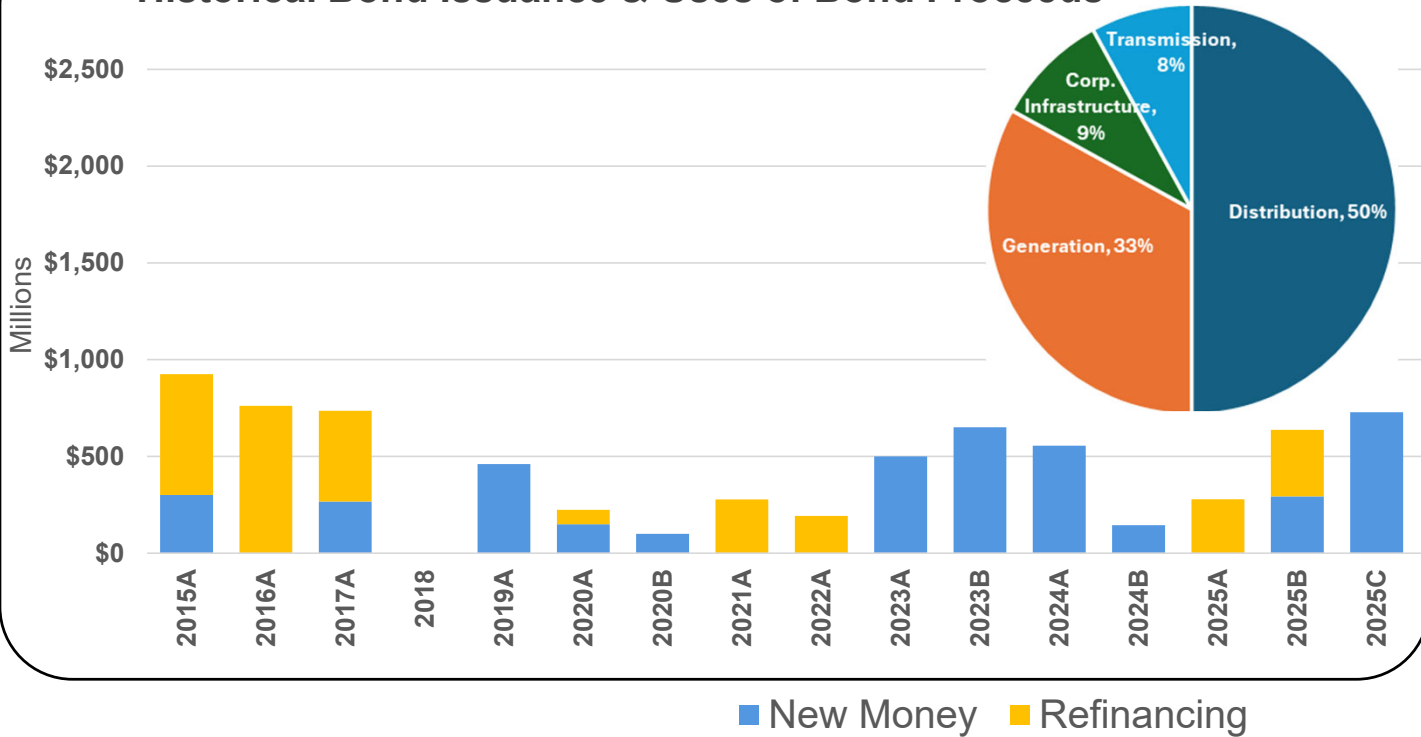
# Historical Perspective on Prior Tax-Exempt Revenue Bond Sales

# Historical Perspective & FP27 Outlook

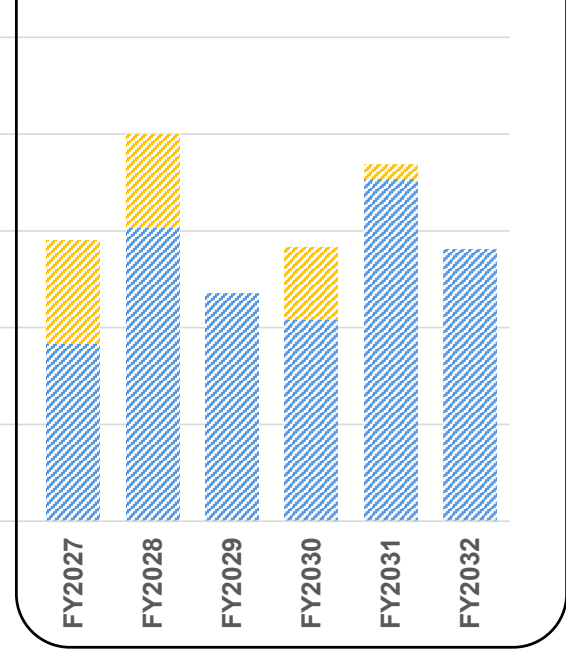
Effective Rate on Bond Portfolio = 3.97% | Total Long-Term Debt \$6.6 Billion

ACC Bonding Authority Balance  
 New Money - \$5.8B  
 Refinancing - \$11.2B

### Historical Bond Issuance & Uses of Bond Proceeds

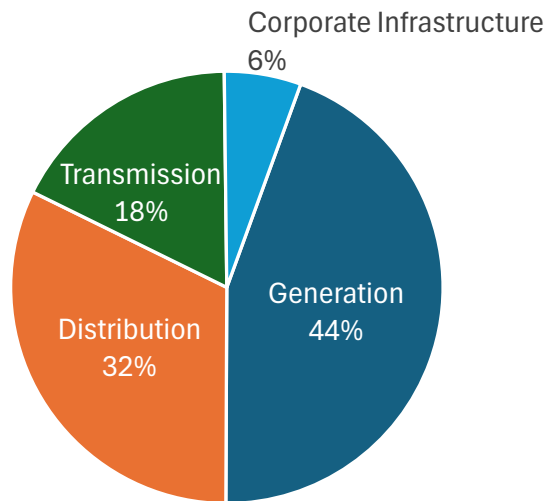


### FP27 Bond Issuance



# Review of 2025 Bond Sale

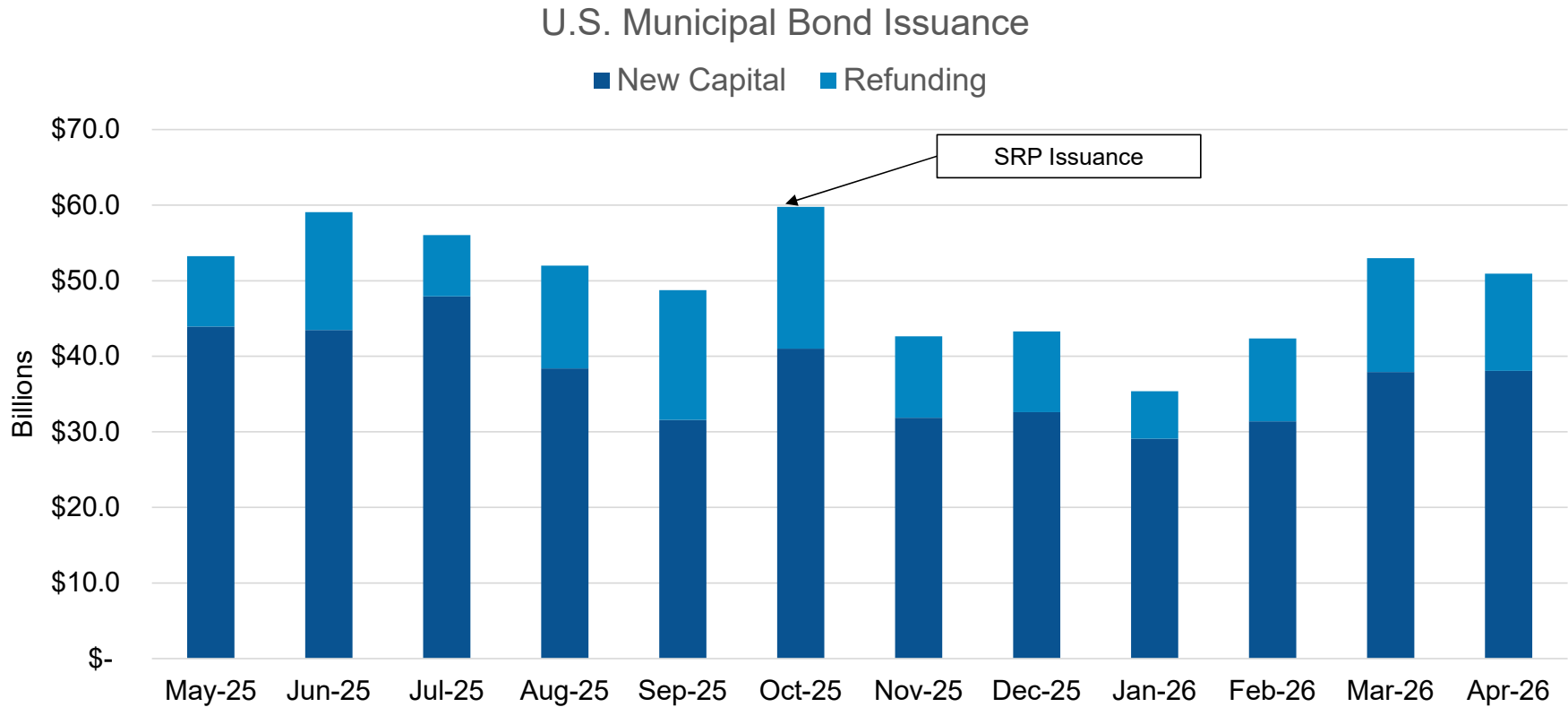
- Board & Council Parameter approval allowed for flexibility that led to favorable execution
- Sale executed on 10/14/25 (closed 11/4/2025) with \$778M in proceeds
- Proceeds allocated to capital projects approved in FY26 budget



## Uses of Bond Proceeds

Project	\$Millions
Coolidge Expansion Project	\$119.0
Distribution Substation New Business	80.0
SRP Pumped Storage	54.1
Palo Verde Capital Projects	52.1
Transmission Stations Additions/Upgrades	46.5
Distribution Underground Cable Replacement	31.4
Customer Modernization IT Upgrade	31.0
Gila River Capital Projects	28.6
Mesquite Capital Projects	26.2
Distribution Transformers	23.9
Kyrene Capital Projects	20.1
Distribution Stations Additions/Upgrades	18.4
Transmission Pole Asset Management	17.3
Transmission Substation Maintenance	17.0
Distribution Residential & Commercial Services	16.3
Coolidge Plant Improvement	15.7
New Meters	13.7
Transmission Line Additions	12.3
Distribution - System Replacements	11.9
Distribution Station Capital Maintenance	11.6
Transmission Substation New Business	11.5
Distribution Wood Pole Asset Management Project	10.9
Distribution Residential New Business	10.7
Desert Basin Capital Projects	10.2
Distribution Lines - System Plan	9.6

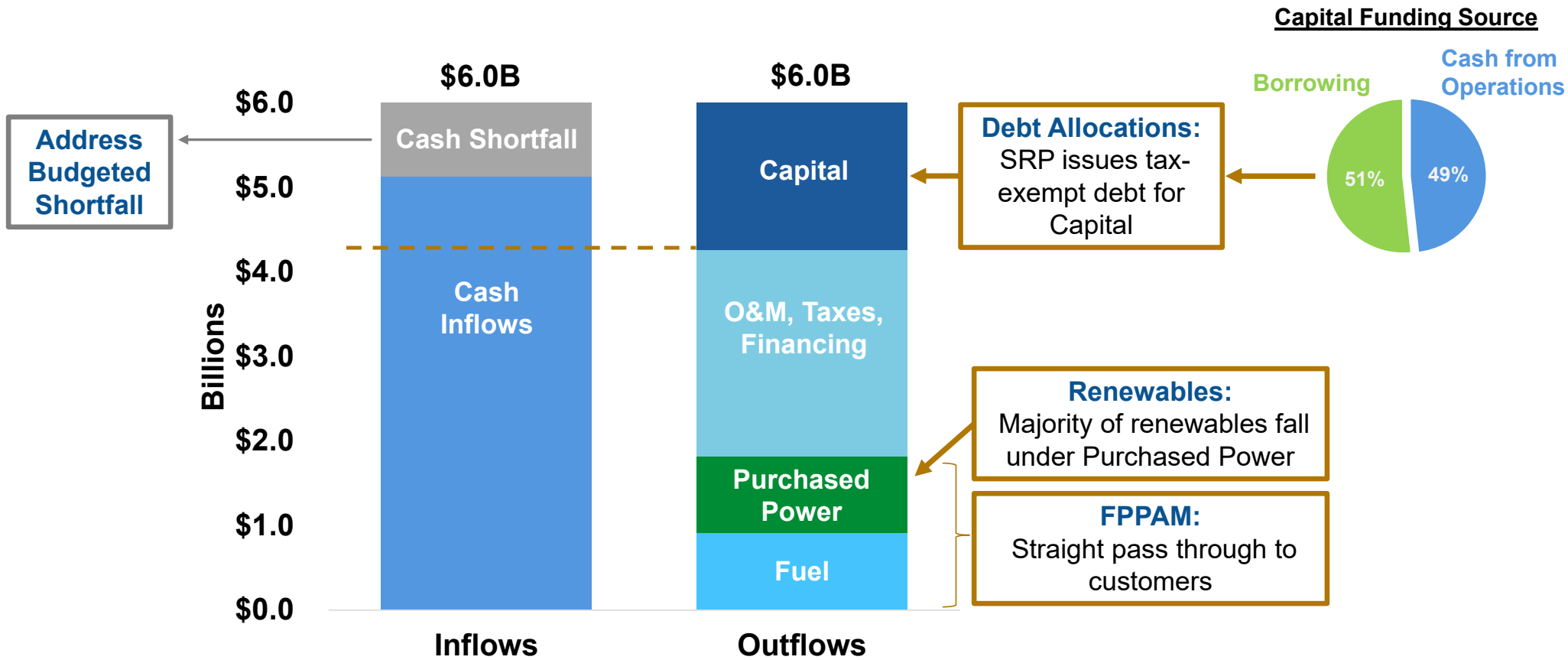
# Timing of Last Bond Sale



Source: SIFMA, U.S. Municipal Bond Issuance Statistics

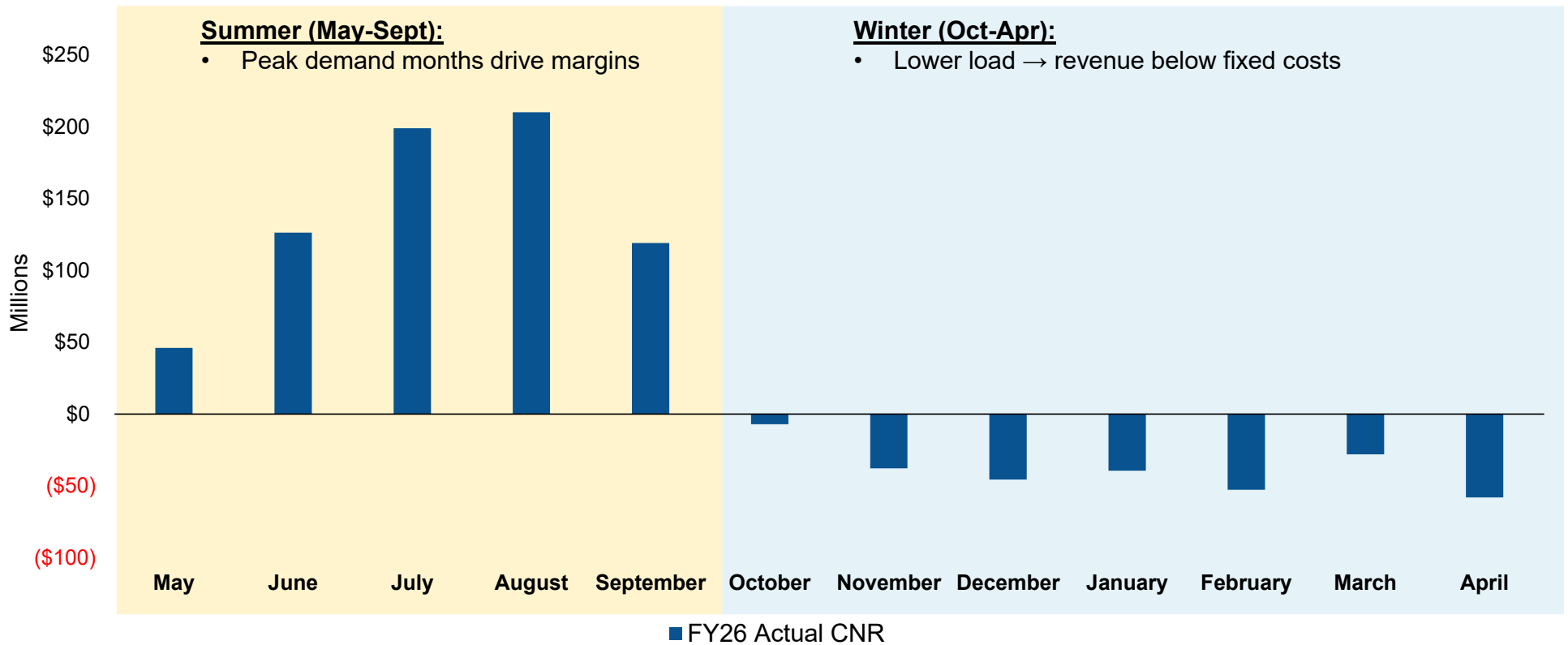
# **Need to Address FY27 Cash Shortfall**

# FY27 Cash Inflows & Outflows



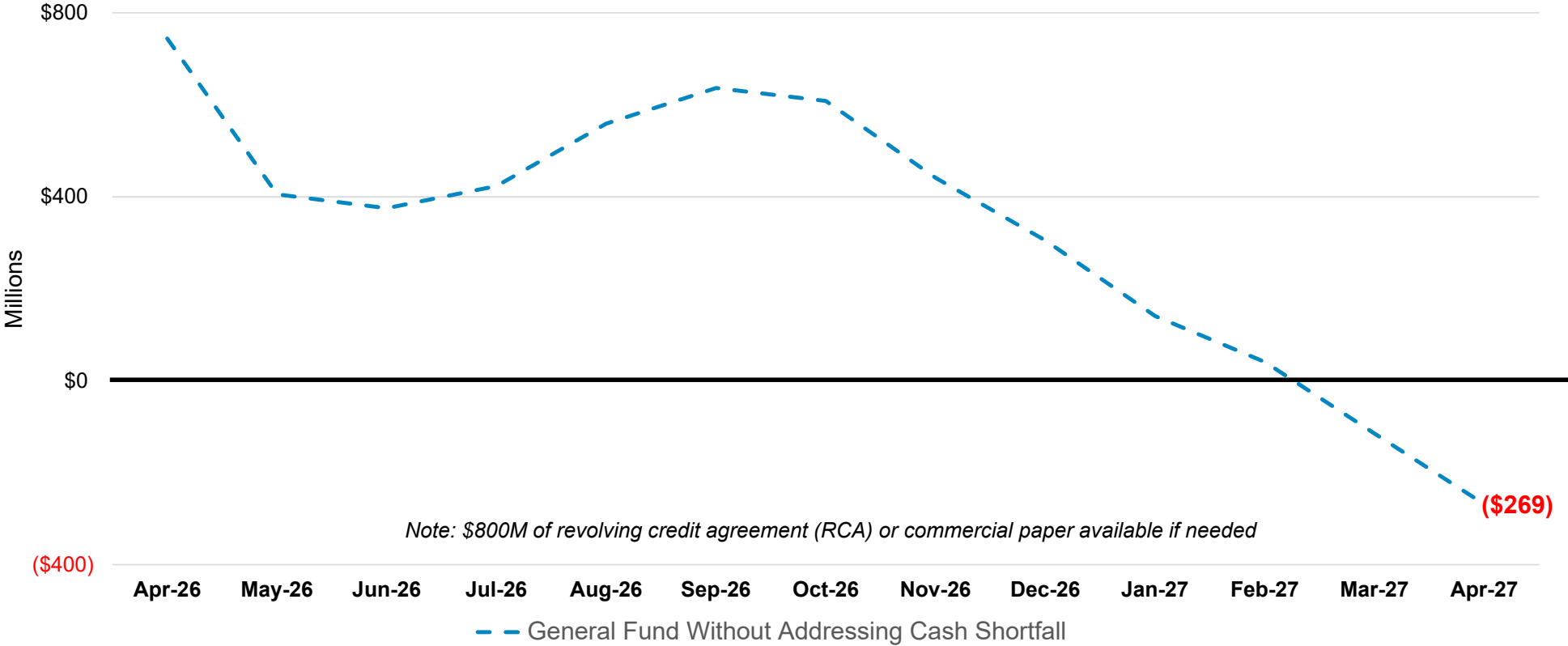
# Seasonal Combined Net Revenue (CNR) Patterns

Budgeted winter losses (Oct-Apr) are offset by summer performance (May-Sept)



*Note: Monthly variability is an expected feature of the budget; full-year CNR remains positive*

# FY27 Forecasted Monthly Liquidity Without Action



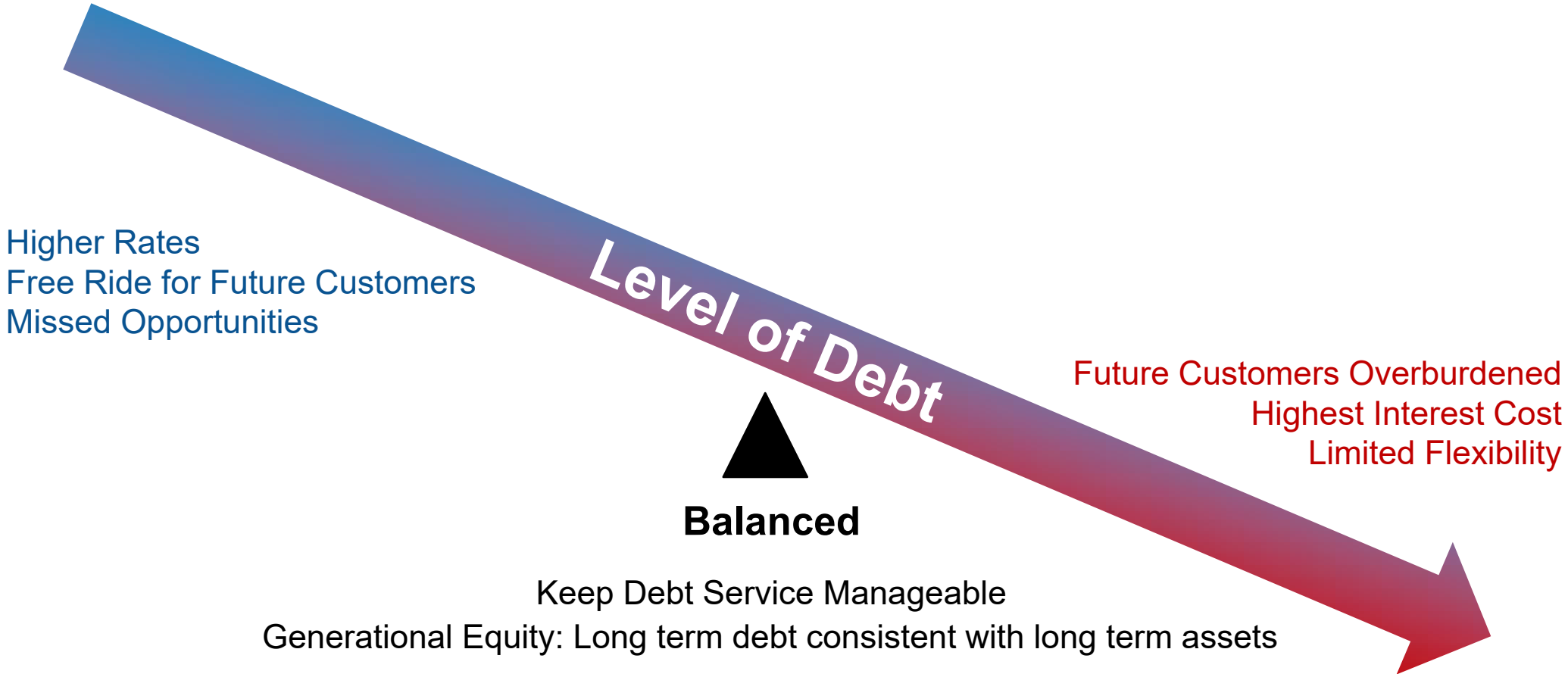
# **Options Considered to Address Budgeted Cash Shortfall**

# Options Considered for Meeting Budgeted Cash Shortfall

- **Issue tax-exempt revenue bonds**
  - Consistent with approach SRP has utilized for 50+ years
  - Consistent with plan outlined in FY27 Budget approved by SRP Board in March
  - Matches long term capital investments with long term fixed debt
  - Balances generational customer equity, consistent with Board approved Pricing Principle of equity
- **Utilize \$800M of Revolving Credit Agreements (RCA)/Commercial Paper (CP)**
  - Introduces variable rate volatility
  - Liquidity risk as RCA would be fully utilized (e.g. removes risk management protection for unforeseen events)
  - General Fund would drop below year end target of \$650M
  - Need to eventually issue debt to pay off the CP
- **Bridge financing or other short-term loans were not seriously considered (higher cost than CP). Additional debt still requires Board and Council approval. Need to eventually issue debt to pay off bridge loan.**
- **Rate increase for customers was not seriously considered given it would entail ~21% increase for full year or ~55% for winter**

# Leverage: An Issue of Balance

SRP's historical debt ratio demonstrates a healthy balance of debt

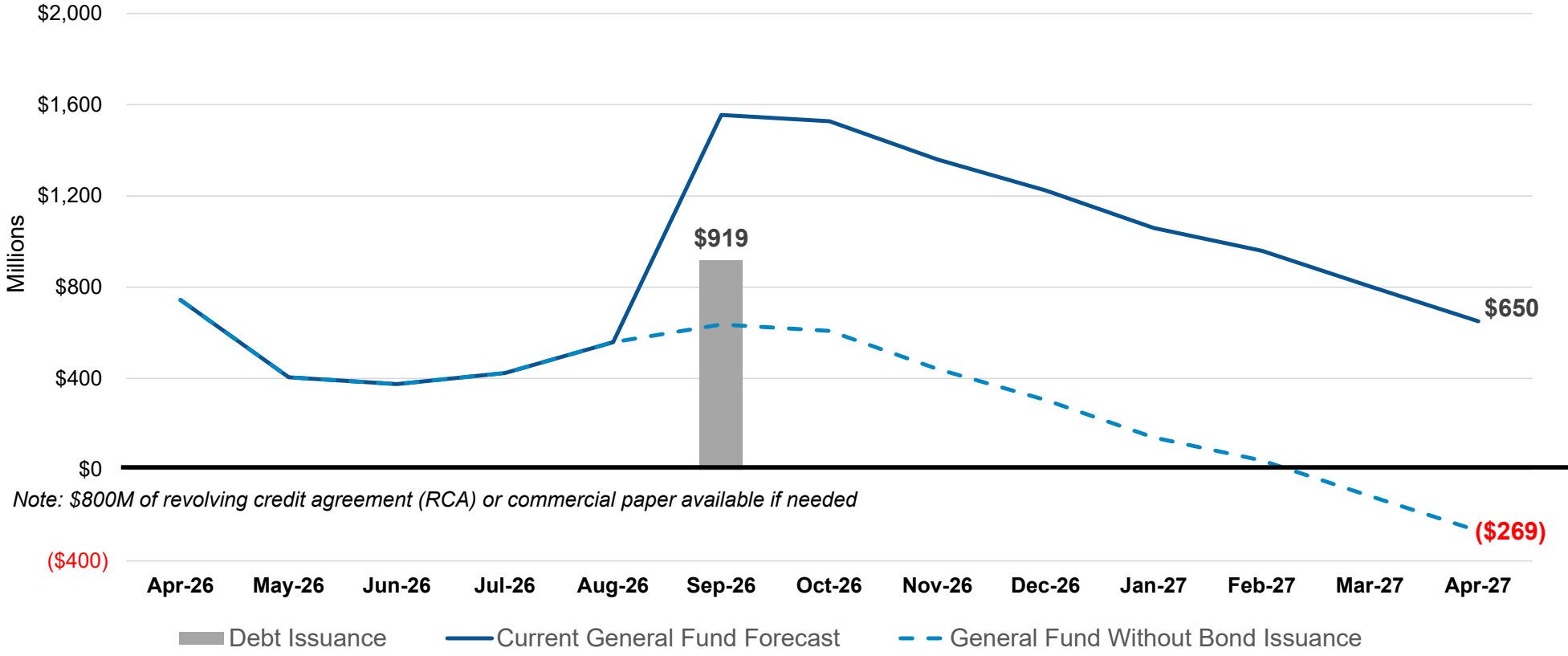


**Recommended Path:  
Issue Tax-Exempt  
Revenue Bonds**

# New Tax-Exempt Revenue Bond Objectives

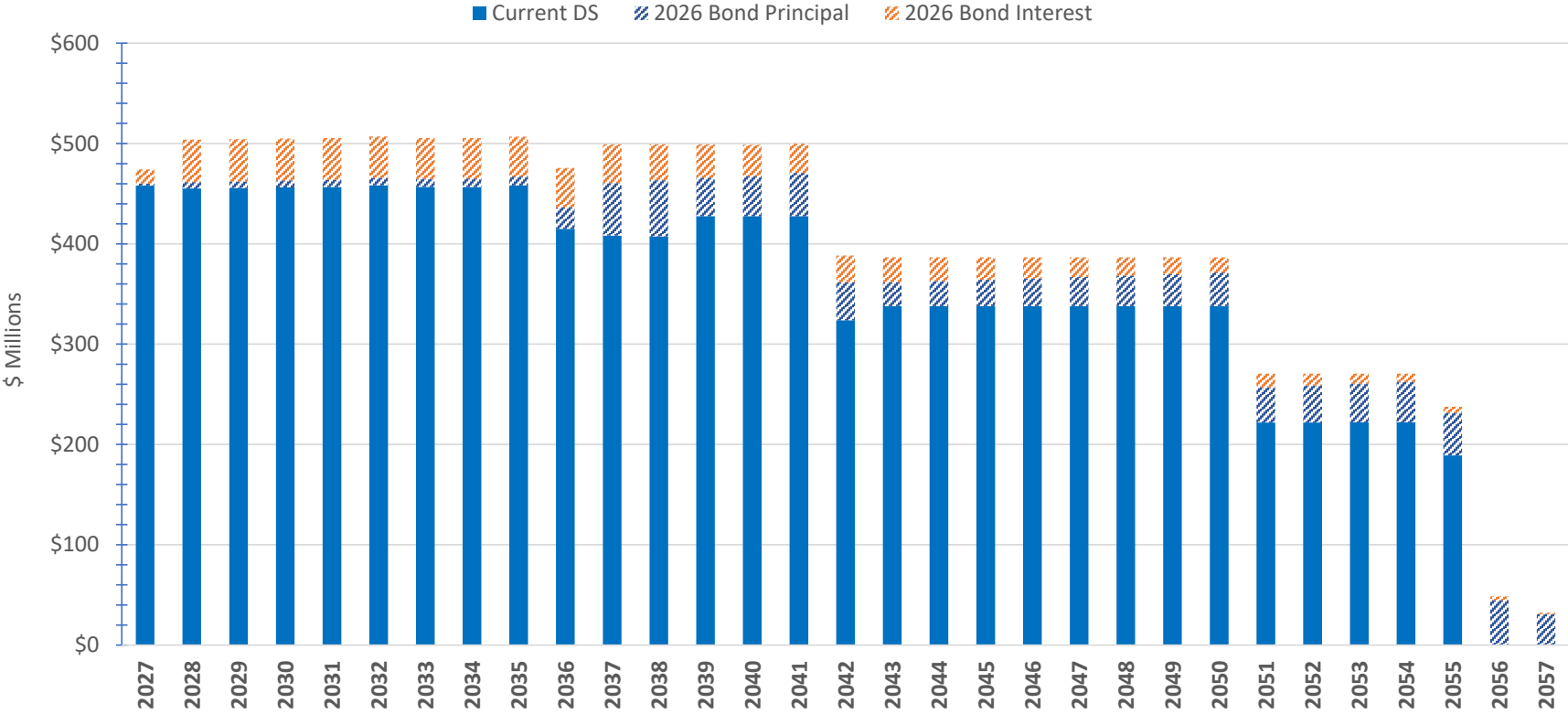
- Target amount needed to address cash shortfall and achieve year-end general fund goal
- Aim to issue debt at most advantageous time in market
- Optimize transaction structure to attract investors
- Consider green bond structure to attract additional new investors
- Maximize opportunity to refinance existing debt
- Utilize strongest underwriters to execute transaction
- Manage fees consistent with prior transactions
- Levelized debt structure to ensure generational customer equity

# FY27 Forecasted Monthly Liquidity



# Projected Debt Service (DS) Structure and Cost\*

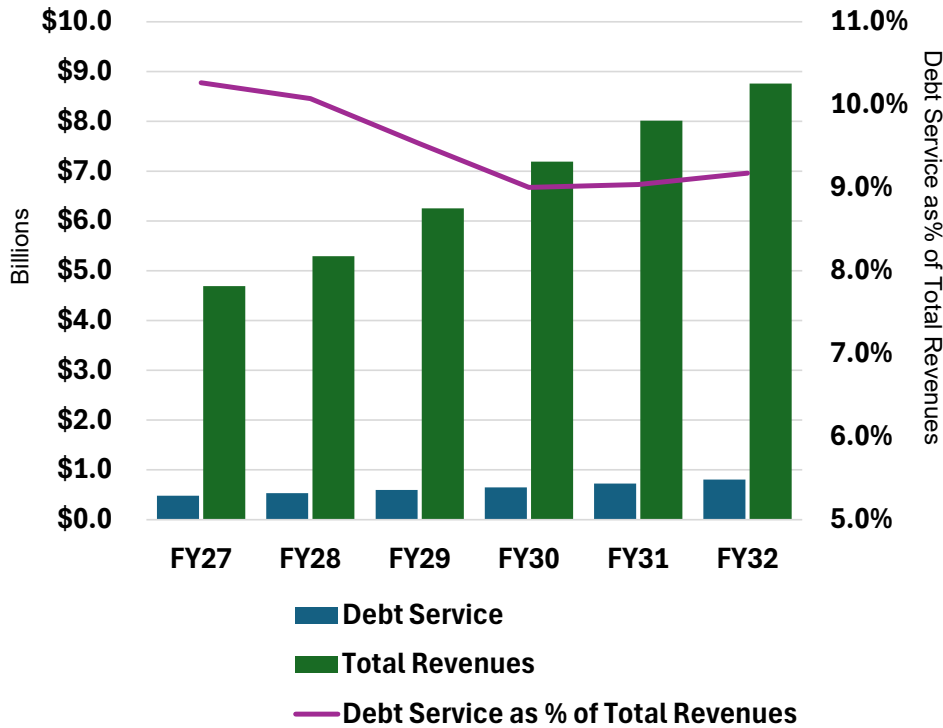
## Balance Overall Interest Cost with Near-term Financial Impact



\*Preliminary, subject to market conditions

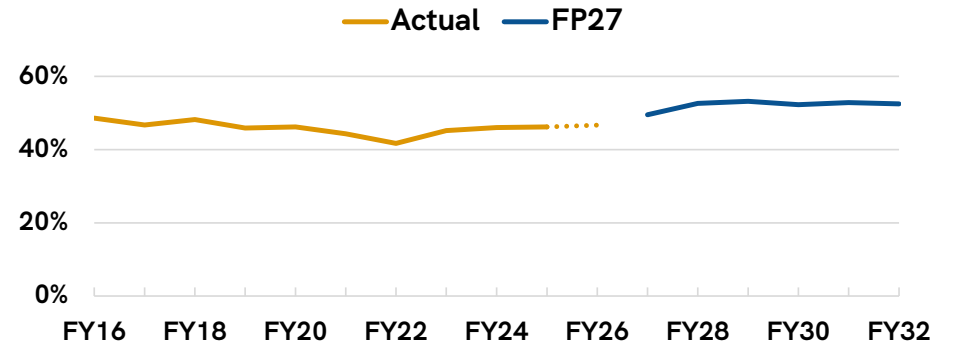
# Rising Revenues Preserve Financial Strength

## FP27 Debt Service & Revenues



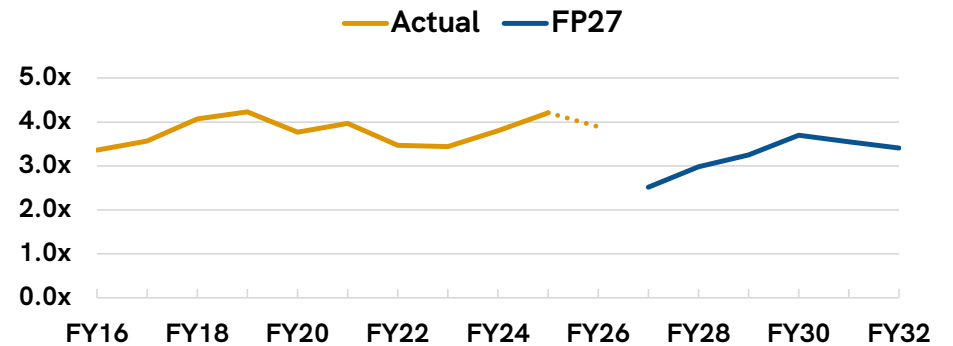
## Debt Ratio

Percentage of long-life assets paid for with debt



## Debt Service Coverage Ratio

Ratio of net cash inflows versus annual principal and interest payments



# **Tax-Exempt Revenue Bond Considerations and Timing**

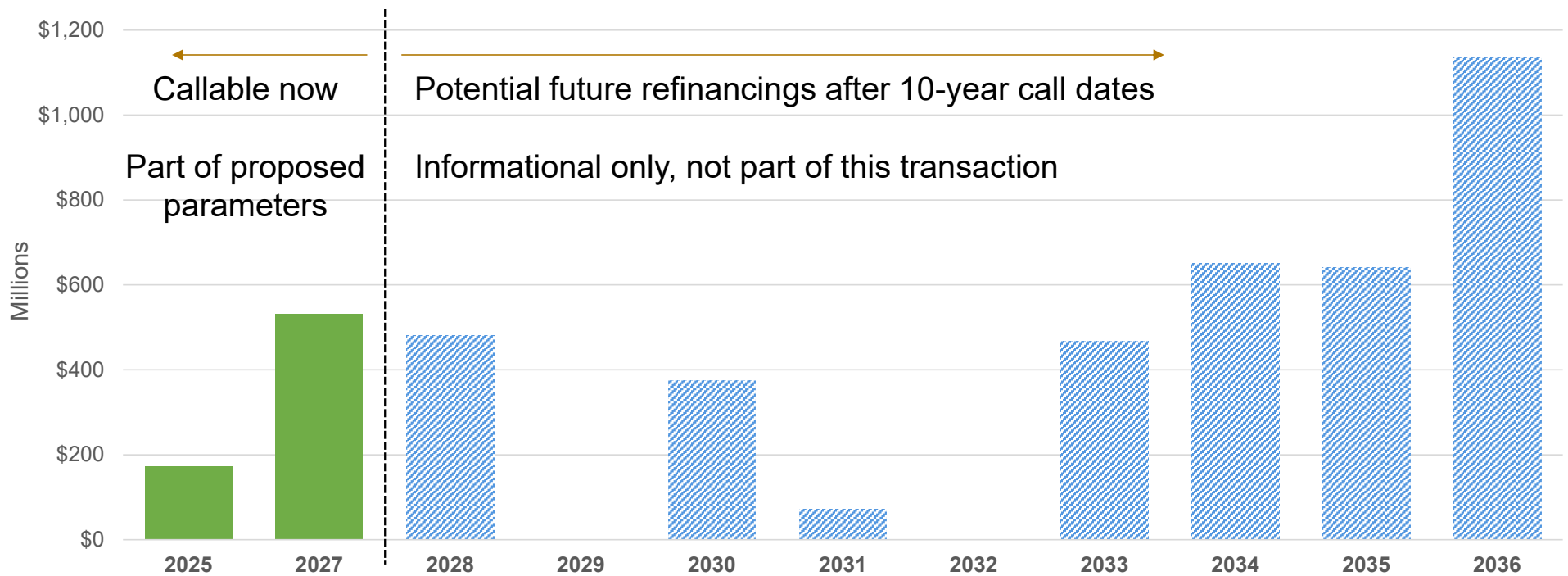
## Considerations for Timing on Issuing Bonds

- General Fund starts to decline after September with projection to drop to near zero by February
- New Board and Council members took office in May; limited time to ramp up
- No July Board or Council meeting
- August/September tend to be lighter months in bond market (fewer competing deals)
- October tends to be a heavier month (more competing deals)
- Late October/November could see volatility due to mid-term elections
- Late November/December are typically more challenging timeframe to issue debt due to holidays
- First half of any month tends to be better for bond issuance than second half of month due to investor fund flows – generally advantageous to issue during first 15 days of month

# **Opportunity to Refinance Existing Tax-Exempt Revenue Bonds**

# Refinancing Opportunity by Fiscal Year

- Refinancing eligible:
  - \$531M of 2016 bonds (currently advantageous to refinance)
  - \$172M of 2015 bonds (not currently advantageous to refinance due to 3.0% coupons)



# **Use of Proceeds from Proposed Tax-Exempt Revenue Bond Sale**

# Eligible Capital Projects for IRS Tax-Exempt Allocations

Projects Listed Are Approved by SRP Board in FY27 Budget

**\$ Millions**

**Distribution 28%**

**\$393M**

**Transmission 17%**

**\$241M**

**Generation 35%**

**\$497M**

Distribution Stations Additions/Upgrades	\$66.8	Transmission Additions & Expansion	\$148.0	SRP Pumped Storage	\$178.1
Distribution Transformers	54.9	Palo Verde-Pinal Central Betterments	26.6	Future Resources (Marigold Energy Center)	123.5
Underground Cable Replacement	53.2	Palo Verde Transmission Sys Improvements	17.1	Palo Verde Capital Projects	83.7
Residential & Commercial Services	35.9	Transmission Substation Maintenance	16.9	Coolidge Capital Projects	69.5
Distribution Lines - System Plan	30.5	Transmission Pole Asset Management	10.5	Gila River Capital Projects	17.9
Distribution Station Capital Maintenance	30.2	Rudd System Improvements	5.8	Santan Capital Projects	12.0
Residential New Business	29.7	Transmission Station Relaying	4.4	Agua Fria Capital Projects	5.1
Distribution - System Replacements	21.4	Mead-Phoenix Improvements	2.8	Mesquite Capital Projects	2.9
Wood Pole Asset Management Project	18.3	Energy Management System Upgrades	2.1	Kyrene Capital Projects	2.3
Commercial New Business	16.4	Coronado-Pinnacle Peak 500kV Line	1.9	Desert Basin Capital Projects	1.8
Distribution - Customer Improvements	10.8	Supervisory Control & Data Acquisition (SCADA)	1.1	Generation Station Relaying	0.1
Distribution Station Relaying	9.2	Substation Communication Network Upgrade	1.0	Supervisory Control & Data Acquisition (SCADA)	0.02
PAC Digital Transformation Project	4.7	Gila River Switchyard	0.8		
Advanced Distribution Management System	4.4	Rogers System Improvements	0.8		
Supervisory Control & Data Acquisition (SCADA)	3.6	Coronado-Springerville Improvements	0.6	<b>Corporate Infrastructure 20%</b>	<b>\$275M</b>
Cap. Controller Lifecycle Replacement	1.4	Substation Multiplex-JMUX Project	0.4	Customer Modernization IT Upgrade	\$107.6
Electric System Upgrades to Standards	0.7	Mesquite Switchyard Improvements	0.1	New Meters	57.1
Dist. Stations Power Quality Monitors	0.5	Mesquite Transmission Improvements	0.03	IT Hardware & Software	49.2
High Security Operations Center (HSOC)	0.5			Transportation Services: Fleet Transportation	27.4
Paging System Replacement	0.2			Crosscut Modernization	25.3
				Security Equipment	6.0
				POB Modernization	2.2

**Total**

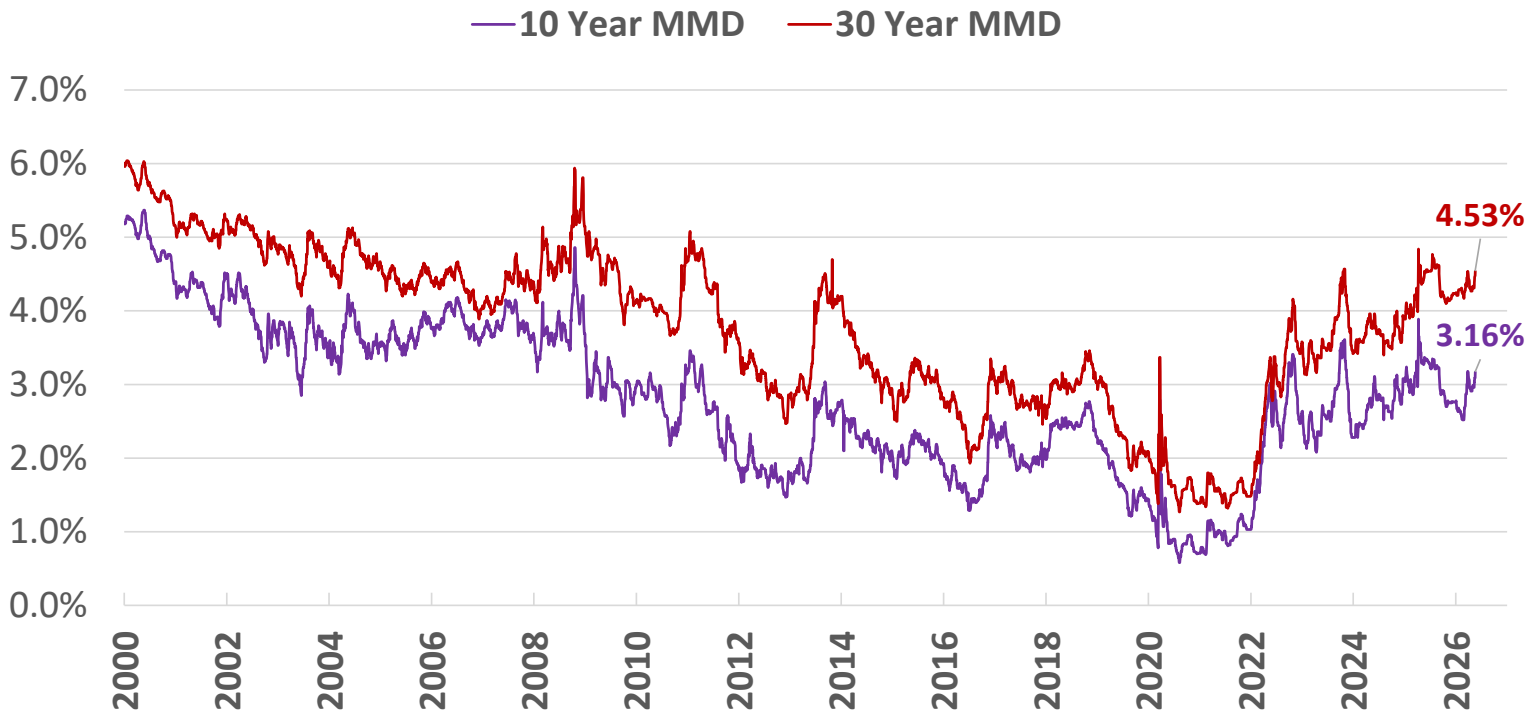
**\$1,406M**

# Market Update

# Interest Rates & SRP Bond Deals

## AAA MMD (Municipal Market Data Yield Curve)\*

Effective Rate on Bond Portfolio = 3.97% | Total Long-Term Debt \$6.6 Billion



Series	Rate
2015A	3.94%
2016A	3.42%
2017A	2.98%
2019A	3.00%
2020A/20B/21A	2.23%
2022A	2.06%
2023A	4.23%
2023B	4.77%
2024AB	4.14%
2025A	4.26%
2025B	3.12%
2025C	4.71%

\*Rates through 5/20/2026

# Green Bonds Overview

## Pros

- If structured properly, shouldn't hinder the transaction
- **Marketability**
  - Potentially makes bonds more attractive for Separately Managed Accounts (SMAs) - (but they won't pay more for them)
  - Investors are already aware of our sustainability goals and objectives (Official Statement, Roadshows and Investor 1:1 discussions)
  - Green bonds largely finance Transmission and Distribution
    - Make grid more resilient/enables more renewables
- **Possibly draws in new investors**
  - International or ESG/Green bond funds

## Cons

- **No financial advantage/disadvantage**
  - Per banks and financial advisor
  - Small cost for green certification
- **Not financing renewables directly**
  - PPAs
  - Self build tax credit haircut
- **Reduced flexibility in bond structure**
  - Don't want to compete against yourself
  - Add complexity to project allocations
- **“Greenwashing”**
  - Credibility – not everyone agrees on what is green

# Proposed Transaction

# Bond Sale Team

• Banking Team:	<b>BofA Securities, Inc.</b> <b>J.P. Morgan Securities LLC</b> <b>Goldman Sachs &amp; Co. LLC</b> <b>Morgan Stanley &amp; Co. LLC</b> <b>RBC (Royal Bank of Canada)</b>
• Underwriter’s Counsel:	<b>James Normile, <i>Katten Muchin Rosenman LLP</i></b>
• Financial Advisor:	<b>Michael Mace, <i>PFM Financial Advisors LLC</i></b>
• Bond Counsel:	<b>Tricia Gasparine, <i>Chiesa Shahinian &amp; Giantomasi PC</i></b>
• Tax Counsel:	<b>Mitch Rapaport, <i>Nixon Peabody</i></b>
• Arizona Counsel:	<b>Bill Clarke/Raj Gangadean, <i>Spencer Fane</i></b>

# Proposed Parameters for Transaction

SRP requests approval of parameters from Board & Council for each bond sale

1	2	3	4	5	6
Par Amount	True Interest Cost	Final Maturity	Call Option	Underwriter's Fee	Pricing Execution
<ul style="list-style-type: none"><li>• Not to exceed <b>\$1,622,000,000 in par value</b></li><li>• Represents the amount of principal to be paid at maturity</li><li>• Referred to as "face amount" of a security</li><li>• Includes new money and refunding</li></ul>	<ul style="list-style-type: none"><li>• Not to exceed <b>6.0%</b></li><li>• Overall rate of interest to be paid over the life of the bonds</li></ul>	<ul style="list-style-type: none"><li>• No greater than <b>40 years</b></li><li>• Final maturity of the entire bond series cannot exceed 40 years</li></ul>	<ul style="list-style-type: none"><li>• Not to exceed <b>100%</b></li><li>• <b>10-year call option</b></li><li>• SRP has the right to refinance any time after 10 years</li><li>• Applies to bonds with final maturity of more than 10 years</li></ul>	<ul style="list-style-type: none"><li>• Not to exceed <b>\$2.00 per \$1,000 of bonds issued</b></li><li>• Compensation to Underwriters for services rendered</li><li>• Also referred to as Underwriter's Discount / Fee</li></ul>	<ul style="list-style-type: none"><li>• After Board &amp; Council approval, execute pricing before <b>12/31/2026</b></li></ul>

# Proposed Board & Council Calendar

Date	Detail
May 21st	Finance & Budget Committee Informational Presentation
June 1st	Board Meeting
June 2nd	Council Meeting
June 18th	Special Board Meeting
July/August	Finalize investor materials following year-end audit, conduct outreach to investors, obtain credit ratings
Target Execution < 12/31/2026	Target execution of Bond Sale/Sign Bond Purchase Agreement
Board & Council Meetings after Sale	Review Bond Sale Results

**thank you!**



# Follow up on Annual Update of Per Exported kWh Credit for E-16 & E-28 Price Plans

Brandon Shoemaker | 5/21/2026

# Agenda

- Background regarding E-16 and E-28 price plans
- 2025 Pricing Process and approval
- May 2026 billing cycle update

## E-16 and E-28 Price Plans

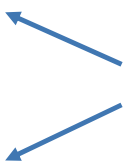
Plan Structure	SRP Manage Demand 5-10 p.m. and Save (E-16)	SRP Conserve 6-9 p.m. and Save (E-28)
Super Off-Peak	8AM-3PM	8AM-3PM
On-Peak	5-10PM	6-9PM
Average Demand Charge	Yes	N/A
Applicability	Solar and Non-Solar	Solar and Non-Solar

Solar customers are credited for energy sent to the grid at a market-based value, updated annually.

# Residential Solar Customer Accounts

Price Plan	Customer Accounts (As of April 26, 2026)
Grandfathered Net Metering	14,858
E-13	16,357
E-14	1,173
E-15	7,031
E-16	31
E-27	24,085
E-28	289

**Impacted  
customers**  
**31 + 289 = 320**



# Board Approved in the 2025 Pricing Process

## References to the Export Rate Annual Update

- Calculation structure was included in Management's Proposal published December 2, 2024, with explicit mention of the May 2026 billing cycle update and subsequent update every May billing cycle thereafter
- Market-based export credit mentioned in all four public Board meetings with presentations from Management
- Mentioned in stakeholder presentations and comments

# Board Approved in the 2025 Pricing Process

February 6 and 11, 2025, Board Meetings

## Rooftop Solar Proposal – Key Points

- Cost Allocation Study accurately reflects direct SRP cost reductions in system usage attributable to distributed generation (DG) customers
- After sunseting: no separate solar price plans
- Solar customers and customers without solar have same charges on E-28 and E-16
  - Same MSC (lower than current MSC under solar price plans)
  - Same TOU hours including 3-hour on-peak option on E-28
  - No grid access fees or interconnection fees
  - Same per-kWh delivered charges
  - Market-based export credit, updated annually (transparent and publicly available)

02/06/2025 Special District Board Meeting, B. J. Koch

28

# Board Approved in the 2025 Pricing Process

## Language from Appendix A of Management's Proposal for E-16 & E-28 Price Plans

### PER EXPORTED KWH CREDIT

The Per Exported kWh Credit (the "Export Rate") will be recalculated (as set forth below) and adjusted effective as of the May 2026 billing cycle, and as of each May billing cycle thereafter (each, an "Adjustment Date"). The Export Rate in effect will be posted on SRP's website [www.srpnet.com](http://www.srpnet.com).

The Export Rate, computed as follows, is the sum of the product of the average hourly energy price (based on a three-year simple average) and hourly exported energy, divided by the total hourly exported energy, as adjusted for losses:

$$\text{Export Rate} = \frac{\left( \frac{\sum_{i=1}^{8760} \text{Hourly Price}_i \times \text{Hourly Exported Energy}_i}{\sum_{i=1}^{8760} \text{Hourly Exported Energy}_i} \right)}{(1 - \text{Residential Solar Loss Factor})}$$

# Background

## Board Approved in the 2025 Pricing Process

### What is the Export Rate:

- The \$/kWh credit SRP pays customers for every kWh of energy exported to the grid
- Cost flows through FPPAM and is paid by all customers
- Represents the average market value of customer exports over a year

### How it's calculated:

- 3-year average of hourly market prices, weighted by when customers actually export energy
- Adjusted for grid losses in customer's favor (~6% above weighted market price)

### Subject to adjustment:

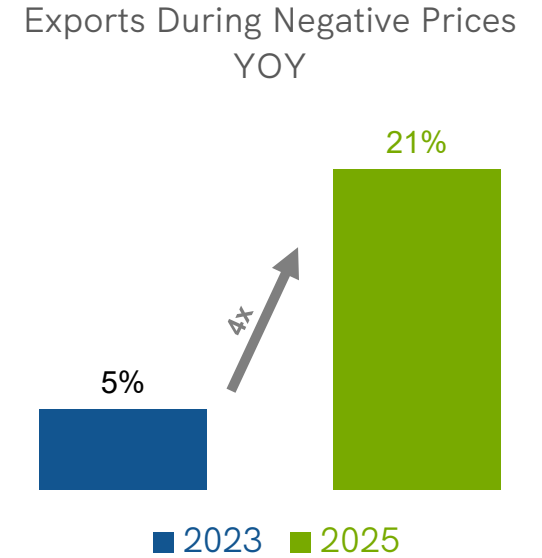
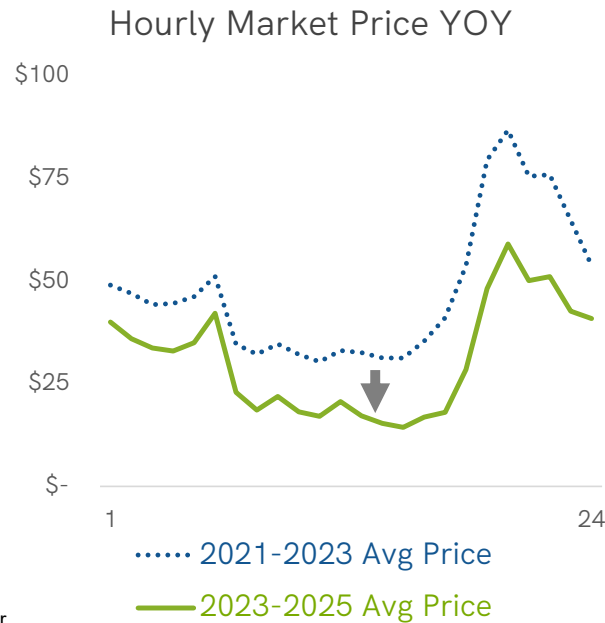
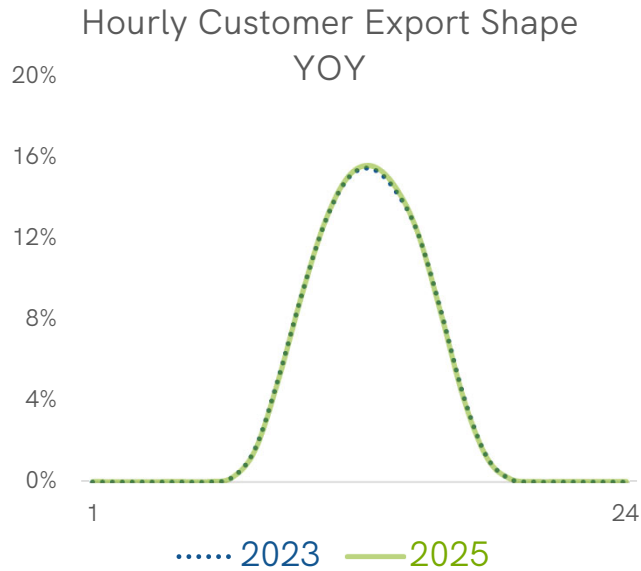
- Under E-16 and E-28 price plans only, the Export Rate is recalculated and adjusted every fiscal year
  - ~320 Customers on E-16 and E-28 as of March 2026 impacted by this annual change
  - Customers on E-13, E-14, E-15, E-27, and grandfathered solar customers on other price plans, are unaffected by this adjustment
- Recalculation based on three years of hourly market prices and prior year's hourly customer exports

# What Changed & What Didn't

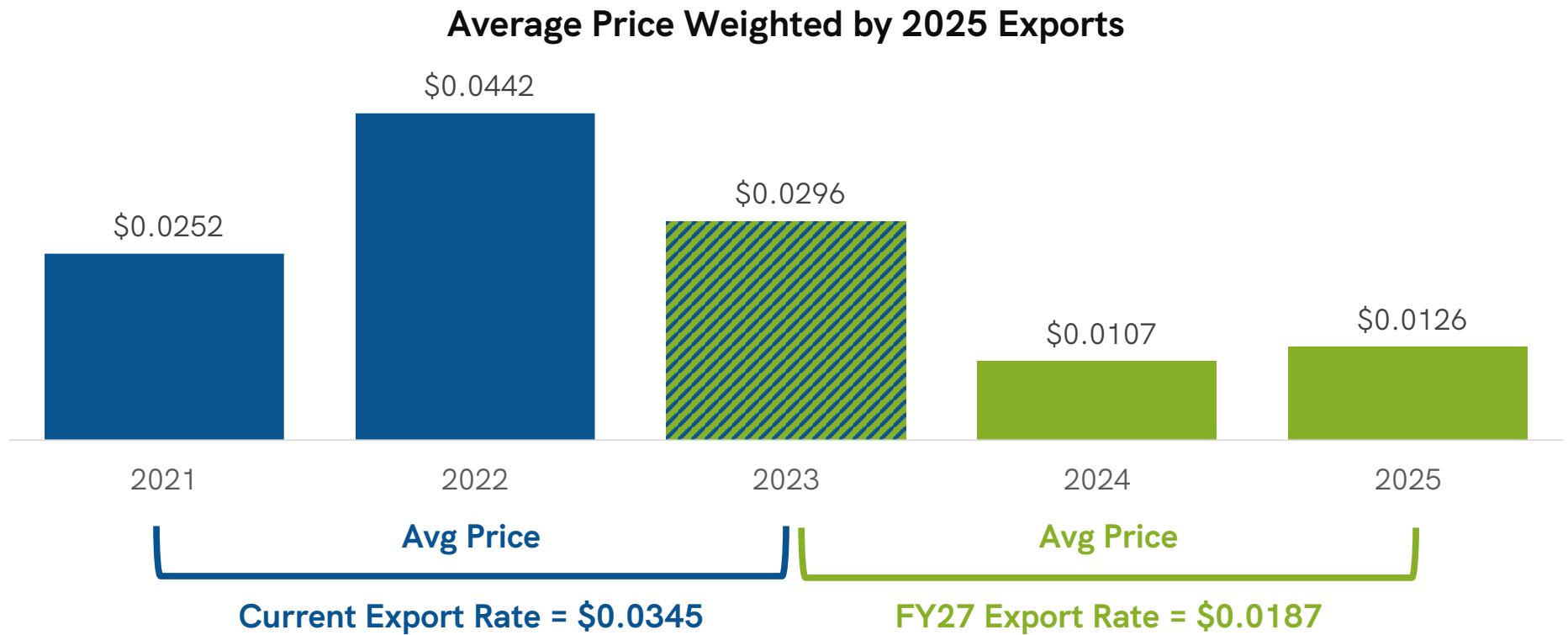
Customer export shape stayed the same while market prices decreased

STAYED THE SAME

CHANGED



# Average Yearly Prices



# SRP Actions Regarding Customer Outreach

**4/23:** First-class letter to all ~320 customers with key messaging and context about the change, and an invitation to call the Connected Home team for more information

**4/23:** Updated website to advise of export rate adjustment

**4/23 and beyond:**

- Proactively made personalized calls to each customer currently on Export E-16/E-28
- All customers can call the contact center to discuss price plan options

**May Billing Cycle:** Message added to applicable customer bills:

Beginning with the May 2026 billing cycle, the export rate is \$0.0187/kWh. For more information or help with understanding this change, call us at (602) 236-4448, Monday–Friday, 7 a.m.–5 p.m.

**May 2026 – April 2027 Billing Cycles:** E-16 and E-28 accounts with exported kWh will receive a \$6 Service Quality Promise (SQP) credit on their next month's bill

**thank you!**

