

Agenda

- Welcome
- Invocation
- Pledge of Allegiance
- Coal Community Transition
- Economic Development
- Coal to Natural Gas
- Q&A



Coal Community Transition (CCT)

Mission of the CCT teamsupport the communities impacted by Apache County coal plant closures as they develop sustainable and strategic economies

Achieving this goal includes:

Conducting economic development studies

Assist
communities in
developing and
implementing
strategies to
diversify their
economies

Studying the potential for the reuse of coal plant sites

Coal Community Transition Phases



Community Engagement

Communities impacted by coal plant closures identified six critical needs for diverse, strategic economies.

Broadband

Transportation Infrastructure

Workforce Development

Community Beautification

Entrepreneurship

Tourism

**Housing

**Commercially Viable Sites

Funding Initiatives: Snapshot

Examples of funding:

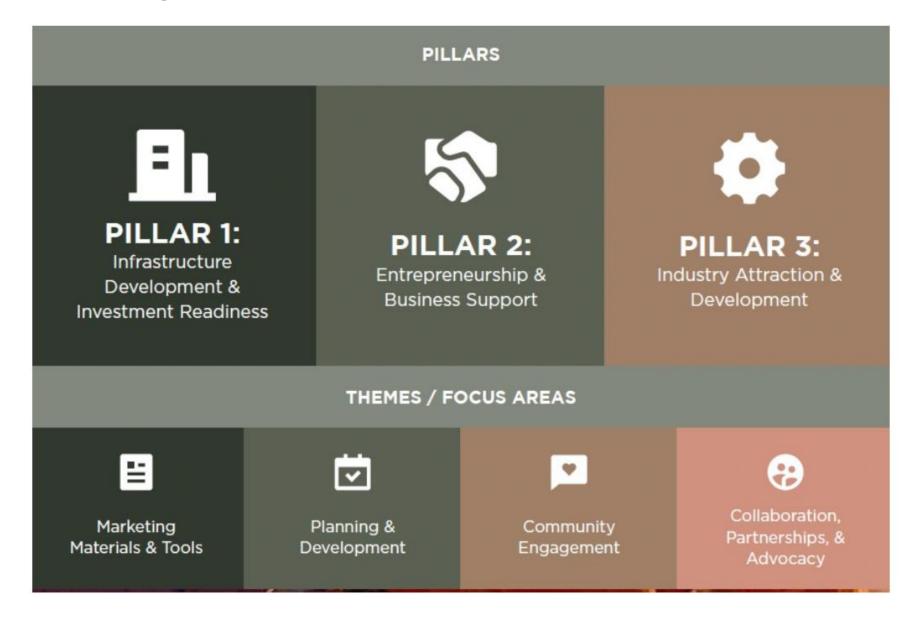
- The Arizona Commerce Authority awarded Apache County broadband carrier Commnet **\$9.7M** for broadband network deployment after SRP and TEP each contributed **\$300K** in broadband grant matching funds.
- City of Eagar, Round Valley School District, and local irrigation districts have received over \$7M from WIFA for system upgrades using SRP support and/or Utilities Grant as matching funds.
- SRP has contributed more than \$200K in Utilities Grant funding.
- SRP has contributed more than \$200k towards Workforce Development Programs at St. Johns and Round Valley Public Schools.
- SRP contributed \$50k in additional education grants to St. Johns and Round Valley high schools.
- SRP has committed \$60k this fiscal year for Community Beautification Projects in Apache County.

Funding Initiatives: Utilities Grant

Cycle	Project Award Approval	Total Award
Cycle 1 – 5/19/23	Four Project Awards	\$100,000
Cycle 2 – 8/15/23	Six Project Awards	\$134,140
Cycle 3 – 12/15/23	Eight Project Awards	\$155,000
Cycle 4 – 4/15/24	Five Project Awards	\$125,000
Cycle 5 – 8/15/24	Five Project Awards	\$125,000
Cycle 6 –12/15/24	Four Project Awards	\$ 90,000
Cycle 7 – 4/15/25	Two Project Awards	\$ 50,000
TOTAL AWARDED:	32 Project Awards	\$779,140



Apache County Action Plan



Pilar 1: Infrastructure Development & Investment Readiness

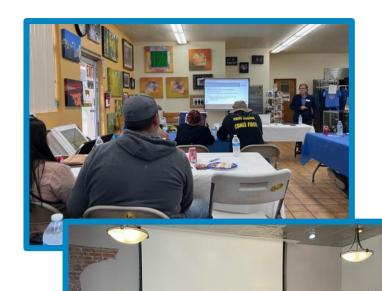
- To assist CCT communities under this pillar, SRP engaged Kim Joyce & Associates to help navigate federal and state funding opportunities and provide expert guidance throughout the grant application process.
- SRP supported the Town of Eagar in applying for the Economic Development Administration (EDA) Public Works and Economic Adjustment Assistance (PWEAA) planning grant, focused on advancing the development of Eagar's Industrial Park.
- In December 2024, the Town of Eagar officially submitted its grant application to the EDA.
- As of August 2025, the EDA has requested additional information from the Town of Eagar and is currently reviewing the application.

Pilar 2: Rural AZ Moonshot Pitch Competition - St Johns Tour Stop • SRP sponsored the Rural AZ Moonshot Pitch



- SRP sponsored the Rural AZ Moonshot Pitch
 Competition in St. Johns for the second consecutive year.
- The competition aims to strengthen the entrepreneurship and small business ecosystem in rural Arizona, with winners from each tour stop advancing to a state final for a \$10,000 prize.
- In 2024, there were 5 participants; the winner was Southwest Biochar Products, an Eagar-based company that manufactures carbon-negative biochar.
- In 2025, 7 participants competed; the winner was Hometown Fresh Farm, a hydroponic greenhouse grower based in St. Johns. This company will participate in the state final competition on October 18 in Prescott.
- Next Steps: SRP will continue to sponsor the St Johns Tour stop with the goal of expanding entrepreneurship in Apache County.

Pilar 2: SBDC Business Class Series



- CCT collaborated with the Small Business Development Center (SBDC), TEP, the City of St. Johns, and the Springerville-Eagar Chamber of Commerce to offer a business class series in Springerville, Eagar and St. Johns.
- Class topics included: Starting a business in Arizona; Small business funding; Establishing a digital presence and marketing; and Managing difficult customers.
- Audience and participation: The Fall 2024 series had 28 participants across 4 courses, while the Spring 2025 series had 35 participants.
- Upcoming series: The next round of classes began on September 9,
 2025, and will be held in the Town of Eagar.
- **Next Steps**: CCT is collaborating with the SBDC to identify future topics of interest to the Apache County business community.

Pilar 3: Industry Attraction and Development

Tourism Taskforce

- Developed Tourism Taskforce in June 2024 and meet bi-monthly.
- Participants leaders, business owners, and local tourism operators (hotels, County Fair, etc.).
- Continuing to add new business owners and community leaders to taskforce on a regular basis

Marketing Materials & Tools

- Develop Materials to Support Growth in Target Sectors
- Support other Organizations like REAL AZ, a Northeast Arizona's Economic Development Group

Pilar 3: Apache County Community Mural Project

- As part of Tourism Taskforce, met with community stakeholders and identified interest in a Community Mural Project across the region: Eagar, Springerville and St. Johns.
- Project will contribute to local revitalization and involves students from Round Valley School District and local artists.
- Received confirmation in August 2025 that Springerville-Eagar Chamber of Commerce and Town of Eagar received a Youth Arts Engagement grant for \$5K.
- Next Steps: Administer grant funds to hire local artists and begin design schedule for project.



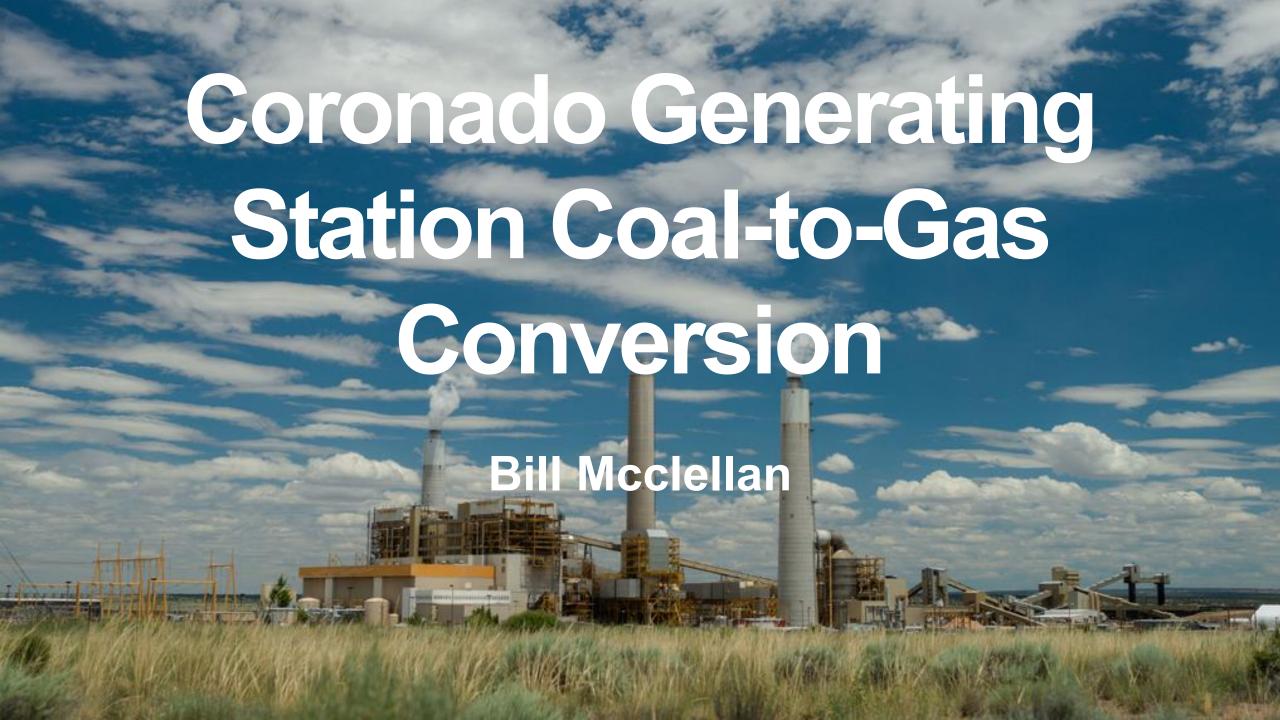
Pilar 3: Arizona Office of Tourism Rural Marketing Co-Op Program

- SRP assisted the Springerville-Eagar Chamber in securing Arizona
 Office of Tourism grant funds to develop a Tourism Strategic Plan for Apache County.
- Awarded matching funds in August 2025, a total of \$20K will be put towards a Tourism Strategic Plan for the region.
- Through AOT program, SRP assisted in issuing an RFP for a consultant to conduct the strategic planning efforts.

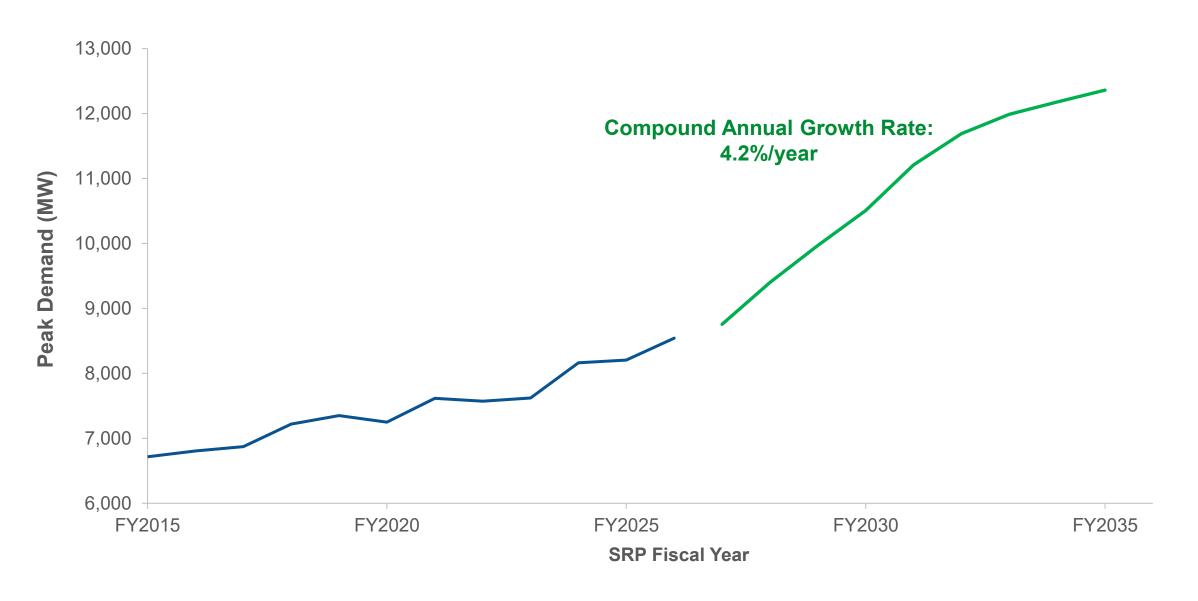
•Next Steps:

- September 2025: Identify marketing contractor
- October 1, 2025: Submit paperwork to AOT
- o Fall 2025 June 2026: Strategic planning work
- o June 30, 2026: Deliver completed Strategic Plan





Significant Forecasted Electricity Demand Growth



Benefits of Converting CGS to Gas

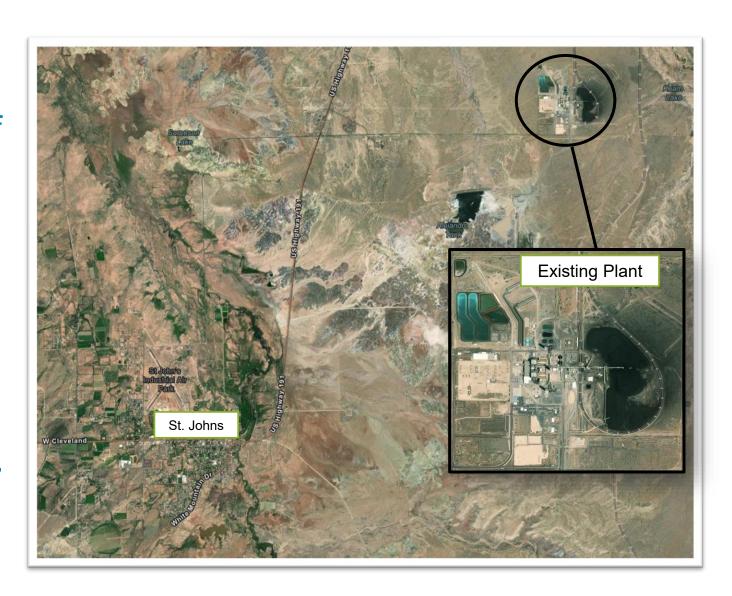
- Preserves critical capacity and energy at a time of unprecedented need
- Provides firm capacity that supports reliability goals
- Lowest cost alternative, preserving capital and supporting affordability
- Provides a flexible bridge to mid 2040s while other technologies mature
- Supports achievement of SRP's sustainability goals

Coronado Generating Station

- Operating since 1979.
- Located ~6-miles northeast of St. Johns, Arizona.
- 762 MW of firm capacity generated from two units.

Natural Gas Conversion

- Replace existing coal burners.
- Requires new natural gas lateral.



Coal-to-Gas Conversion Timeline

SRP managed activity



