

Integrated System Plan Advisory Group Meeting #1: Follow-Up Questions

Does SRP have an internal definition of “customer value”?

‘Customer value’ refers to a guiding principle for SRP to measure success through the eyes of our customers. SRP serves over a million customers with diverse needs and expectations. We strive to understand and be responsive to these diverse needs while meeting growing electricity demand and appropriately balancing reliability, sustainability and affordability. As a part of this drive, SRP will introduce independently led customer research as a component of the Integrated System Plan. SRP prides itself in serving the needs of customers and goes to great lengths to continually exceed expectations.

Sustainability is a continuous improvement process. Accordingly, can you please speak to how this process may help to inform the leading edge of sustainability goals that SRP can achieve, above and beyond the commitments that SRP has already made?

SRP established clear goals for the future with its 2035 Sustainability Goals, which include aggressive targets for carbon reduction, electric vehicle enablement, and energy efficiency. These goals will require SRP’s system to be stronger, more flexible and even more resilient. The Integrated System Plan will help determine *how* to meet those needs while maintaining reliability and affordability and navigating the future. The Integrated System Plan is a new process and we anticipate several cycles of continuous process improvement to achieve our ultimate vision. Results from the first Integrated System Plan will be used to help inform the next 2035 Sustainability Goal update process, which is scheduled to start in 2024.

Can you remind us if the 2035 goals are based on “% renewable” or “% carbon free”?

SRP has committed to reduce the rate of CO₂ emitted per megawatt-hour (MWh) by 65% from 2005 levels by 2035 and by 90% by 2050. This rate-based carbon reduction commitment scales with system growth, including economic growth and vehicle electrification. Meeting this target will require a portfolio of solutions including renewable resources, carbon free nuclear, as well as storage and natural gas resources that can be used for delivering consistent power to customers during times of high energy usage. SRP has already more than doubled its commitment to solar to 2,025MW by 2025, is adding 114MW of carbon free nuclear generation by 2023, and with the addition of 372MW of battery storage by 2023, SRP will have some of the largest solar plus battery installations in the country, all while reducing output from coal generation. This ‘all of the above’ approach balances reliability and affordability, while making meaningful progress to a more sustainable future.

As additional context for the last two questions, a link to [SRP’s 2035 Sustainability Goals](#) is provided with this communication.