

Salt River Project (SRP) Integrated System Plan Advisory Group Meeting #7- Summary

Prepared by Kearns & West

Advisory Group – Meeting #7 Overview

Meeting Objectives

- Discuss community sustainability efforts at SRP
- Review the final proposal for the study plan metrics
- Update on the customer research effort and phase II survey results and discuss considerations for the Integrated System Plan
- Reflect on the Advisory Group collaborative process

Topic: Final Metrics, Customer Research Update & Process Reflections

Date: June 8, 2022

Time: 9:00 a.m. - 12:30 p.m.

Location: SRP Project Administration Building (PAB) – Mohave East and West

Please see Appendix A for the Advisory Group member roster and attendance information. The [meeting agenda](#) and [presentation](#) are available at the [Integrated System Plan portal](#).

Welcome and Agenda Overview

Advisory Group members began convening in-person and virtually at 9:00 a.m. for coffee and networking with the agenda content beginning at 9:15 a.m.

Kelly Barr, Associate General Manager & Chief Strategy, Corporate Services & Sustainability Executive at SRP, welcomed the Advisory Group members and thanked them for attending this milestone meeting for the Integrated System Plan as SRP begins the *Analyze* phase of the study plan. Barr introduced the SRP Board and Council observers, noting new members, including SRP District Vice President Chris Dobson and Board member Krista O'Brien.

Joan Isaacson, facilitator from Kearns & West, welcomed the Advisory Group members and asked key SRP team members to introduce themselves. She then reviewed the meeting objectives, agenda and guides for productive meetings ([slides 5-7](#)) and paused for questions.

Question: How many people are still active on the Advisory Group?

Response: We have participation from all members, although not all attend in person.

Response: The Advisory Group has 23 member organizations.

Community Sustainability, ESG and Equity

Isaacson explained that the meeting's presentations and discussion of community sustainability, environmental, social and governance (ESG) programs, and equity were in response to Advisory Group members' interest in these issues. She further explained that SRP has a number of programs underway outside of the Integrated System Plan. Isaacson then introduced Leah Harrison, Manager of Sustainability Policy and Programs, and Tom Cooper, Director of Corporate Strategy, Sustainability and Economic Services at SRP.

Community Sustainability Efforts

Harrison described community sustainability efforts at SRP. She reminded attendees that SRP is a community-based organization and while its mission of providing affordable, reliable water and power has not changed over the past 100 years, customer needs have. She stated that SRP's success is measured by service to the community and that SRP has evolved over time to meet community needs.

Harrison described community sustainability efforts at SRP and indicated areas of activity for the environment, customers and community. She highlighted SRP's 20 sustainability goals, stakeholder engagement, economic and community involvement, disconnect policies and working with coal communities on transition, emphasizing a focus on the long-term wellbeing of the whole community ([slide 9](#)).

Question: Can you provide more detail on the coal community transition, specifically what falls under the \$200 million in support and its link to the Coronado Generating Station?

Response: Many communities were involved in the Navajo Generating Station coal transition. SRP donated assets in the community, provided jobs and internships for job training for those at the plant, offered economic support programs and made other donations. For the Coronado Generating Station transition we are working with the communities to see what makes the most sense by using the same general framework used for the Navajo Generating Station transition but adapting it to the unique needs of the Coronado Generating Station communities.

Question: Have all those funds been spent?

Response: They have been mostly spent, but there may be some residual funds.

Response: Some of those payments may still be recurring annually.

Question: Does that \$200 million include the lease extension?

Response: Yes.

Question: On the disconnect policy for balances under \$300, what is the average household electric bill during the summer months?

Response: The average bill is \$136 a month, but in July it is \$236, so significantly higher. Air conditioning is a major driver of residential bills.

Question: Can you provide more information on the Light Up Navajo project?

Response: SRP coordinated with the American Public Power Association (APPA) to provide electric connections to homes in the Navajo Nation to address existing inequities. We are in the third phase of the program.

Question: For customers with memory or health concerns, are there any programs to help them stay on track with their bills?

Response: We will look into that with SRP's customer operations.

Question: Is the free Shade Tree program statewide or just in Phoenix?

Response: The program is in SRP's service area.

Question: How does SRP's customer satisfaction score compare industrywide?

Response: We are proud of our strong customer satisfaction score and our J.D. Power score is strong as well.

Question: What percentage of participants in the M-Power program qualify as low-income and what is available to them?

Response: We have over 152,000 participants involved in the pre-paid M-Power program, which allows customers to better manage their energy and bills. M-Power has a broad spectrum of participants with less than 40% qualifying as low-income. Additionally, SRP has an Economy Price Plan for eligible low-income customers to help with their energy bill.

Question: What happens if an M-Power customer is facing shut-off during the hot summer months?

Response: During established heat moratoriums, M-Power customers' power remains on during the event to ensure customers have access to electric service.

Question: On [slide 9](#), why is Climate Risk Assessment blank?

Response: That is the focus of our next segment.

Goals and Objectives

Cooper presented SRP's goals and objectives ([slide 10](#)), explaining that sustainability now has its own strategic direction within the 2035 Corporate Goals to emphasize an elevated, singular focus on sustainability and a transition to an ESG framework. He described SRP's work with third party experts to examine the maturity of the management of climate risk factors and how in the coming year the critical factors would be addressed for creating action plans. He described how many challenges will require a community partnership model for developing solutions. Cooper then announced initial information about a partnership with Arizona State University (ASU) to establish an equity framework appropriate for SRP's context as a not-for-profit, community-based, public power and water utility.

Question: What is ASU's role?

Response: ASU will help lead us in best practices, stakeholder outreach and connecting with national level experts.

Question: Will ESG be housed under the sustainability pillar?

Response: Yes, with ESG being a more formalized framework.

Question: ESG standards have been consolidated to be able to compare and benchmark. How is SRP looking at ESG that would be different from other standards? What would not be applicable to SRP as a public power entity?

Response: The existing frameworks have a lot of commonalities with more focus on the environmental side that our existing sustainability goals are already responsive to. We have not yet seen good templates for public power entities. Other frameworks are driven more by shareholder concerns; as a public power entity, we have to consider the return on investment for communities and customers and engage the community to find out what matters to them. We think the frameworks can be adapted. Some of the typical aspects of the governance of ESG will be different due to SRP's structure. Whatever framework is adopted will need to be consistent with SRP's mission and create real value for our customers and communities.

Question: I'm grateful SRP is engaging in this activity. What school at ASU is involved? Have you seen the American Council for an Energy-Efficient Economy's (ACEEE) Leading with Equity initiative?

Response: We are working with Dr. Clark Miller in the School for the Future of Innovation in Society. The ACEEE study is one of the studies informing our work.

Roundtable Discussion

For the roundtable discussion ([slide 11](#)), Isaacson invited Advisory Group members to share one to three ideas in response to the question, “What topics and ideas regarding community sustainability/equity are most important to you?” She noted that this input could be used in developing sustainability and equity initiatives. Advisory Group members wrote their responses on index cards (see Appendix B) and then offered verbal comments. Themes from these responses can be seen in the meeting presentation ([slide 12](#)).

Cooper thanked everyone for the comments and noted the themes around affordability and cost management, short-term vs. long-term issues and the importance of being inclusive.

Question: Has SRP seen an increase in people who are falling behind in paying their bills, given people working from home and using more energy in the summer, the rise in gas prices and inflation in general?

Response: We are certainly aware of the challenges posed by the strain on all customers’ budgets from across-the-board inflation and significant increases in housing and gasoline costs. We also understand that electricity costs represent a higher percentage of household income for some customers than for others. We have a number of customer programs and resources devoted to addressing those challenges and will look to continue to innovate around ways to help customers manage their energy bills. We also actively support our communities’ economic development efforts that will hopefully create higher-paying jobs and a long-term vibrant economy for our customers.¹

Metrics Final Proposal

Jed Cohen, Lead for Integrated System Planning & Support at SRP, introduced the final metrics proposal for the Integrated System Plan by recapping the study plan’s development ([slide 14](#)), what was heard at the April 29, 2022, Large Stakeholder Group meeting ([slide 15](#)) and the Integrated System Plan process ([slide 16](#)).

Kyle Heckel, Senior Analyst for Integrated System Planning & Support at SRP, recapped what was heard at the April 15, 2022, Advisory Group meeting ([slide 17](#)), including the request to consider equity more explicitly and expand some metrics. He described updates ([slide 18](#)) and the addition of metrics for sustainability and reliability. He also indicated actions taken in response to Advisory Group feedback ([slide 19](#)), noting that some equity considerations require collaboration with others. Heckel referenced metrics for future Integrated System Plans as well.

¹ The Integrated System Plan project team followed up with the Advisory Group regarding the interest in more information on community programs by providing the following links: [bill assistance programs available to SRP customers](#), [energy savings and rebate programs](#), and [energy efficiency for business customers](#).

Isaacson asked Advisory Group members if they felt that the metrics for the Integrated System Plan were sufficient, asking for a nod of agreement and input for the team. Advisory Group members indicated general agreement before posing questions.

Question: For the planning reserve margin, is nameplate capacity used for renewables?

Response: We use effective load carrying capacity.

Question: Thank you for this discussion. It's a testament to the process that we have been able to shape and build the plan. For CO₂ reductions, is the unit of measure mass and intensity?

Response: It is both.

Question: Is there a time we will be able to see the specific metrics and the details of how they are assessed? Will this be available to the public?

Response: The metrics will be published in the study plan at the level of detail in this presentation. We may be able to provide more details.

Response: As the technical teams are working, they may need to test different methodologies or use slightly different calculations than we plan for today-. We can provide more details on how the final metrics were calculated during the *Synthesize* phase.

Question: These are mostly generation metrics. How do transmission and distribution metrics apply?

Response: Transmission and distribution metrics have a role in the affordability metrics. Many of the sustainability metrics are not an output of the transmission and distribution models in the same way as the generation models. If we have a blind spot here, let us know.

Question: Does SRP do research on appliances that can help to reduce monthly bills and is that information shared with customers?

Response: We have websites for residential and business customers with information on replacements and retrofits.

Question: How does SRP help people on the electric vehicle side and the impact on the grid for charging?

Response: We are trying to actively manage charging and educate customers on pricing and timing. We anticipate many changes in the next 10 years.

Question: Energy bills fluctuate monthly based on demand and SRP offers some averaging plans for bills. Has SRP considered charging more in the winter and less in the summer to balance demand so the rate would be more consistent over the year?

Response: We have Budget Billing and that’s a good option for leveling bills, but we could make it more customer friendly. Leveling seasonal rates is something we’ve looked at. When we have looked at subscription rates, sending appropriate price signals to customers becomes complex. With a flat rate we often see increased usage.

Customer Research Effort Phase II Survey Results

Cohen presented the customer research efforts as a method to include the perspectives and concerns of SRP’s residential customers into the Integrated System Plan ([slide 23](#)). He then introduced John Sessions, President of Bellomy Market Intelligence, who provided background on Bellomy and the methodologies and tools for market insights ([slides 25-26](#)).

April Smith, Director of Client Services at Bellomy Market Intelligence, first described the objectives and methodology for bringing the voice of residential customers into the Integrated System Plan ([slides 28-29](#)). She shared results from the Phase I (focus group) and Phase II (survey) research related to future issues of general concern ([slide 30](#)), responses to an illustrative energy plan ([slides 31-34](#)) and customer rankings of affordability, reliability and sustainability in energy ([slide 35](#)). She also presented results for customers’ overall experience with SRP ([slide 36](#)) and their interest for more information about SRP programs ([slide 37](#)).

Question: Will we have access to this information?

Response: Yes.

Question: On energy sources (e.g., nuclear, solar), what context was given to participants?

Response: Survey respondents were not provided much detail. In focus groups there was more back and forth discussion of ideas, costs and impacts of additional energy sources. Some consumers are more aware of tradeoffs. There are opportunities for education on this topic.

Question: Did people say how they wanted to receive communication about the topics that were described?

Response: I do not have exact numbers, but people said they did want to hear via email. We can share those results in more detail.

Question: Did any of the survey questions ask if the participants had involvement in businesses in the area?

Response: No, we did not ask that as part of this research.

Discussion

Isaacson explained that Advisory Group members would participate in small group discussions of the customer research results ([slide 40](#)). Advisory Group members were asked to discuss the following questions when considering how to incorporate the customer research results in the Integrated System Plan:

- What surprised you?
- What is your main takeaway?
- What are three ways to incorporate the customer research results into the Integrated System Plan?

Advisory Group members from the two in-person discussion groups and a project team member facilitating the virtual discussion group reported out ideas for incorporating the customer research results into the Integrated System Plan. A summary of feedback is provided in the meeting presentation ([slide 42](#)).

The first group noted that 80% of survey respondents were focused on affordability and reliability and suggested that SRP consider how to communicate sustainability as a way to reach those other goals. The second group pointed to SRP's unique position in dealing with future issues and its ability to adapt within its service area, highlighting quality of life issues. The third group suggested that SRP use customer interests to create learning opportunities, such as using bill inserts to educate about money and energy-saving programs.

Reflections on the Advisory Group's Collaborative Process

Isaacson introduced reflections on the Advisory Group's collaborative process as a way to ensure that the Advisory Group is meeting the objectives of its charter and how the individual check-in meetings provided input on potential adjustments ([slide 44](#)). She described overall positive feedback ([slide 45](#)) and some mid-process adjustments ([slide 46](#)). She also shared the range of topics spanning a wide range of Advisory Group member interests, ideas for promoting collaboration and methods to foster comfort in sharing varying viewpoints ([slides 47-49](#)). Isaacson then shared the updated guide for productive meetings ([slide 50](#)) and requested feedback.

Comment: The SRP team has put tremendous time and work into this process. I encourage you to engage as much as you can with Advisory Group members to ask for our perspectives and input.

Comment: The turnout at Advisory Group meetings and the diversity of perspectives have been great. I would have liked to see more of the modeling and to see that moving forward. It's a

helpful exercise that other utilities have done and since people interpret information differently it can be challenging to get to a baseline without looking under the hood. I would encourage more opportunities for people to explore the scenarios and why things are set up the way they are in future Integrated System Plans.

Response: In the individual check-in meetings, Advisory Group members thought the modeling subgroup – with meetings that paralleled the main Advisory Group meetings – was a good process for those who wanted to go into that level of detail.

Wrap Up and Next Steps

Angie Bond-Simpson, Director of Integrated System Planning & Support at SRP, thanked everyone for their work during this initial phase. She explained that over the summer SRP's subject matter experts would begin work on the study plan with E3, the Integrated System Plan's technical consulting group, advising on best practices. She presented the stakeholder engagement and study schedule ([slide 53](#)) and next steps ([slide 54](#)), reminding attendees that the study plan would be published in June. Barr also thanked the Advisory Group members for their engagement.

Appendix A

Meeting Attendance

Advisory Group Member Organizations (members in attendance on 6/8 are indicated in **bold**)

Arizona Hispanic Chamber of Commerce - *in-person*

A New Leaf - *in-person*

American Association of Retired Persons (AARP) - *in-person*

Arizona State University (ASU)

Arizona Public Interest Research Group (PIRG)

Building Owners and Managers Association (BOMA)

Chicanos Por La Causa

City of Phoenix

CommonSpirit Health

CMC Steel Arizona - *in-person*

CyrusOne

Environmental Defense Fund (EDF) - *virtual*

Intel

Kroger

Local First

Mesa Public Schools

PAC Worldwide

Pinal County - *in-person*

SRP Customer Utility Panel (CUP) - *in-person*

Salt River Pima-Maricopa Indian Community (SRPMIC) - *in-person*

Southwest Energy Efficiency Project (SWEEP) - *in-person*

Western Resource Advocates (WRA) - *in-person*

Wildfire - *virtual*

Key SRP Staff

Kelly Barr, Integrated System Plan Project AGM Sponsor

Adam Peterson, Director of Corporate Pricing

Angie Bond-Simpson, Director of Integrated System Planning & Support

Bobby Olsen, Senior Director of Corporate Planning, Environmental Services, and Innovation

Chad Corwin, Senior Analyst Market Research

Dan Dreiling, Director of Customer Programs

Domonique Cohen, Integrated System Plan Communications Lead

Jed Cohen, Lead for Integrated System Planning & Support

Kyle Heckel, Integrated System Plan Project Manager

Key Facilitation Team

Lakshmi Alagappan, E3

Nick Schlag, E3

Alyson Scurlock, Kearns & West

Joan Isaacson, Kearns & West

Karen Lafferty, Kearns & West

Taylor York, Kearns & West

SRP Board and Council Observers

John Hoopes, SRP Vice President - *in-person*

Anda McAfee, SRP Board Member - *virtual*

Chris Dobson, SRP District Vice-President - *in-person*

Jack White, SRP Board Member - *virtual*

Krista O'Brien, SRP Board Member - *in-person*

Larry Rovey, SRP Board Member - *virtual*

Rocky Shelton, SRP Council Member - *virtual*

Suzanne Naylor, SRP Council Member - *in-person*

Appendix B

Advisory Group Member Input on Community Sustainability/Equity

- Climate risk, mitigation, and heat resilience, public health and tracking of critical air pollutants w/ mitigation protocols, reducing energy burden and improving home comfort, continued exploration 2-way building communications for load savings, shifting, and reductions.
- Balancing immediate economic development opportunities that will benefit the greater region with the future sustainability and equity impacts.
- Decarbonization in line with climate science, community transition assistance, energy burden.
- Sustainable generation %, ability for customers of all sizes to participate in sustainability programs, all customers to optimize solar/wind/battery to the level they are comfortable.
- Economic/historically disadvantaged populations being considered for access/protection. Include all voices, partnerships w/ city/government communities, sovereignty in native nations, leveraging of SRP's non-profit status to advance sustainability at a customer level (e.g., rooftop solar subsidy/grid break0up source)
- Help business owners to be more conscious about sustainability, introduce them to programs from SRP, support our business owners whose business is focused on sustainability.
- Affordability, policies regarding best practices on how to ensure that people (low-income) can continue to receive and meet their energy needs, weatherization.
- Weather/heat resilience for homes, innovative home improvements/energy usage.
- Reliable, affordable power.