

Salt River Project (SRP) Integrated System Plan Advisory Group Meeting #13- Summary

Prepared by Kearns & West

Advisory Group – Meeting #13 Overview

Meeting Objectives

- Review and discuss the results of the Phase 3 Residential Customer Research
- Review Integrated System Plan (ISP) metrics including average residential bill impacts
- Review System Strategies to be recommended to the SRP Board
- Share draft Balanced System Plan (resource buildout)
- Share and discuss draft ISP Actions

Topic: Moving Forward Together

Date: August 11, 2023

Time: 8:30 a.m. – 2:00 p.m.

Location: PERA Whitetail

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, Opening Remarks, SRP Updates and Meeting Orientation

Advisory Group members began convening in-person at 8:30 a.m. for breakfast and networking with the agenda content beginning at 9:00 a.m.

Bobby Olsen, Associate General Manager & Chief Strategy, Corporate Services & Sustainability Executive at SRP, welcomed Advisory Group members and expressed appreciation for their continued participation through the final stages of the ISP process. He acknowledged the SRP Board and Council observers in attendance and thanked them for their commitment to the engagement process for the ISP. Olsen then shared SRP updates, including extension of the moratorium on disconnects during heat advisories – working in partnership with Wildfire – and the new system peak load record of 8,163 megawatts (MW). Olsen also shared that SRP has surpassed goals for electric vehicles in its service territory.

Q&A

Question: Did the new peak load occur during a demand response event?

Response: Yes, although this peak was due to residential load growth, not the heavy industrial load that SRP had expected.

Question: In the load pattern, is this sprawled growth or infill growth?

Response: It's mostly the former, but we see effects from both.

Question: What was the hour of the peak?

Response: The peak was between 5:00 and 6:00 p.m. We did employ demand response and reached 200 MW at the peak, due in part to the Bring Your Own Thermostat Program.

Question: Were there clouds or did customer solar drop off?

Response: The peak was on a bright sunny day with no clouds, and we had no ramping challenges with solar coming offline.

Joan Isaacson, facilitator from Kearns & West, reviewed the meeting objectives, agenda for both the Advisory Group meeting and the Modeling Subgroup meeting, and the guides for productive meetings ([slides 7-10](#)). She then introduced Angie Bond-Simpson, Senior Director of Resource Management at SRP. Bond-Simpson reviewed the ISP Roadmap ([slide 11](#)) and noted that the project was in its final phase. She expressed appreciation for the work of the project team and the participation of Advisory Group members over the past two years. She noted additions to the ISP, such as revisions to reflect impacts of the Inflation Reduction Act and the Technical Working Sessions, describing the ISP as a foundation from which to grow.

Recap of May 19th ISP Advisory Group Meeting

Maria Naff, Manager of Integrated Planning at SRP, recapped the May 19, 2023 Advisory Group meeting, beginning with the key findings for affordability metrics and the importance of maintaining affordability for SRP customers. She also reviewed the draft ISP System Strategies and shared themes from Advisory Group member feedback on implementation, describing how their input informed some of the draft ISP Actions to be shared later in the meeting ([slide 13](#)).

July 12 Technical Working Session: Evolving Time-of-Day Programs Debrief

Arne Olson, Senior Partner at E3, provided an overview of the July 12, 2023, Technical Working Session on evolving time-of-day programs ([slide 14](#)). He outlined the presentations from SRP and the four panelists and then shared key takeaways from the session ([slide 15](#)). Olson highlighted how time-of-day programs, when clearly communicated to customers, have the potential to leverage customer responsiveness to pricing signals to mitigate or defer new resources and infrastructure.

Q&A

Question: To what extent were shorter windows discussed? A 3-hour window is better for customers and the clearer and more understandable the program, the better.

Response: In his presentation, Adam Peterson, Director of Corporate Pricing, described how SRP currently has different time-of-use programs so customers can choose shorter windows.

Phase 3 Customer Research: Key Findings & Customer Preference Metrics

Next, Naff introduced John Sessions, CEO, and April Smith, Director of Client Services, from Bellomy Market Intelligence. Naff described more than 18 months of collaboration with Bellomy on the customer research effort, which is intended to give residential customers a voice in the process and will guide SRP in building a Balanced System Plan for the ISP. Sessions described Bellomy's background, highlighting experience with utilities across the country ([slides 17-18](#)), and then introduced Smith to present the key findings from the Phase 3 residential customer research.

Smith began by providing background on the objective of incorporating the voice of the residential customer into the system and developing a preference metric for the ISP decision-making process ([slide 19](#)). She overviewed the methodology ([slides 20-21](#)) and described how seven system inputs were used in a choice exercise to examine how customers balance tradeoffs and understand customer preference ([slides 22-23](#)).

Smith shared that although most customers rated affordability slightly higher in importance compared to reliability, they showed an openness to change, recognizing the need for sustainability ([slide 25](#)). She continued by stating that most customers rated their experience with SRP positively ([slide 27](#)) and noted that when asked a direct question about balancing affordability, reliability and sustainability about 40% of SRP's customer base ranked affordability as a priority ([slide 28](#)).

Q&A

Question: What percentage of SRP customers are limited-income?

Response: It's approximately 350,000 [electric] meters in our service territory, or about one-third of customers.

Question: Are those meters for homes or apartments?

Response: It's a mix.

Smith continued by presenting the findings on system plan preferences ([slide 30](#)) with customers showing a desire to have zero bill impacts, zero outages, and a balance of energy mixes ([slide 31](#)). However, she explained, real world cost constraints force tradeoffs, which are explored in the choice exercise ([slide 32](#)).

Smith then presented the findings from the choice exercise where respondents indicated their preference for one potential future energy system over another or to remain with the same system. She explained how this type of exercise begins to show implicit customer preferences. Using a chart ([slide 33](#)), she showed how acceptance of a potential future system declines above a 0% bill impact and then how customer preference is less affected by the number of 2-hour outages and level of carbon reduction ([slides 34-36](#)). She summarized by describing customers' optimal future energy system ([slide 37](#)) and customer preference ratings across the analytical framework of the ISP ([slide 39](#)).

In relation to the ISP framework, Smith explained how the approximately 9,200 preference configurations were overlaid with 10 core cases with the Tech Neutral strategic approach having the most consistent range of preference across scenarios ([slide 40](#)). She reported the key learnings on customer preferences ([slide 41](#)) and then shared recommendations for the optimal energy system from a customer perspective ([slides 43-44](#)), emphasizing the need to communicate to customers how increased costs represent investments to help maintain grid readiness and reliability.

Q&A

Question: In Bellomy's experience, does the ranking of affordability over reliability change if the survey is taken at a peak time? People might be less willing to give up reliability in a hot period.

Response: We see some differences in when surveys are taken. We run analysis in point-of-time and can make some hypotheses.

Question: For the number of 2-hour outages, what was the time frame?

Response: The number was per year and specified as occurring during the summer.

Question: Wind and solar are the cheapest resources and are reliable when paired with batteries. It seems like the way the survey was framed, it talked customers into saying it can't be done since there are tradeoffs.

Response: We didn't tell them they had to choose one. The exercise was based on implicit tradeoffs. They saw a variety of systems with high renewables, zero outages and low costs if they preferred.

Response: We can see examples of the survey items in the afternoon session.

Question: How much information was provided on what sustainability means? I get concerned in surveys like this that people are starting from different places of understanding.

Response: The survey included some education and definitions of attributes. We can look at the questionnaire in the afternoon session.

Comment: On one slide the results showed an even split of customers understanding the interrelationship of the three aspects ([slide 28](#)). Maybe that shows a way that considers all three points of the tradeoff.

Question: How were federal subsidies explained in the survey?

Response: Customers were shown information on costs from the ISP under the different scenarios and strategic approaches. The information was used for simulations, but customers weren't told what they were looking at.

Comment: If we could see that information it would be helpful.

Question: On affordability only 80% of respondents wanted a 0% rate increase. Why didn't everyone select a 0% increase?

Response: We see in our research that about 17-20% of respondents select "none." They are change averse and choose to stay with what they have.

Question: How does that impact the results?

Response: We want them to have the option to select a third option, not just make a random choice. It helps ensure we have good data from comparisons.

Question: What does a 10% bill increase mean? Is it annual? Once in 5 years?

Response: We presented the increase as a dollar amount in the survey. We showed respondents their average bill and then after their confirmation we imported that figure.

Question: So they did not understand these as ongoing increases?

Response: We presented it as \$10 more a month to ensure the increase would be easy for customers to understand by basing it in the context of their bill. While this might leave room for interpretation, what is most important is the relative comparison of affordability to reliability and sustainability.

Question: Were there any "aha moments" from the analysis or was this what was expected?

Response: What was most interesting was how customers were interested in sustainability and were willing to pay for it up to a point. It is typical to see the price impact be important.

Question: On the 10% increase, how much is inflation factored into the price structure?

Response: Adam Peterson from SRP will be addressing this in the next section.

Question: Are you seeing anything substantially different in your work with other utilities?

Response: This type of research is not common. SRP is at the forefront for this kind of analysis. We do tend to see that price tends to be the most important component to customers.

Comment: I attended the Arizona Corporation Commission meeting for the APS rate increases. The overriding frustration was not the one-year increase; it was the three increases in the last year.

Roundtable Responses

Isaacson asked Advisory Group members to write down responses to three questions about the residential customer research: What surprised you? What is your main takeaway? What did you notice about how residential customers balanced the potential tradeoffs across sustainability, reliability and affordability? ([slide 47](#)) Notes were recorded by project team members on flipcharts and then transcribed (see Appendix B).

A number of Advisory Group members reported having few surprises about the residential customer research results. Several commented that concerns about affordability were expected, although one member highlighted the drop-off in support for sustainability as costs increased as a surprise and another noted the delicate balance of tradeoffs. A few members said the results were unsurprising given the diverse population in Arizona and results from other surveys.

On takeaways, a few Advisory Group members noted the interrelatedness of sustainability, reliability and affordability. One commenter noted that respondents were forced to select two of the three rather than balancing all tradeoffs, while another observed that there are not many options that work for everyone. An Advisory Group member pointed out that although affordability was ranked first, the balance between sustainability and reliability was close. Other takeaways included the statement that “Tech Neutral is king” in regard to strategic approaches and that customers may not know what they want until they see concrete examples.

Members had questions about whether respondents were asked questions about transmission (e.g., not-in-my-backyard issues) or given the assumption that all utilities – not just SRP – were moving in this direction. The question came up as to how distributed solar was addressed in the survey as it relates to sustainability. A few Advisory Group members requested additional

information about survey items and how it was administered. Isaacson said that in the afternoon session there would be an opportunity to review the survey and methodology.

Bond-Simpson described the importance of SRP understanding where residential customers are today and communicating with them about changes. She added that SRP needs to clearly communicate the reason for any price changes. She concluded by describing how the customer research ties to the ISP as a parallel effort in collecting data to inform the future.

Review of Bill Impact Metrics & Final Reliability and Sustainability Metrics

Kyle Heckel, Senior Engineer for Integrated Planning at SRP, reviewed the remaining ISP metrics to be shared with the Advisory Group and introduced subject matter experts from SRP to present metrics for affordability, reliability and sustainability ([slide 50](#)).

Affordability: Residential Bill Impacts

Adam Peterson, Director of Corporate Pricing at SRP, began by saying that pricing had never been involved in an effort like the ISP. He explained that this has resulted in some surprising complexity, such as how to represent costs in nominal as compared to inflation-adjusted dollars. Peterson then presented the affordability metric through the average residential price impact ([slide 52](#)). He elaborated on the residential bill impact for all four ISP scenarios beginning with the Tech Neutral strategic approach and explained that the team considered how customers generally evaluate impacts on a nominal basis. He showed how the percentages are equally applied to both nominal and real dollars (inflation-adjusted), indicating the line for the 29% forecasted inflation from 2025 to 2035.

Q&A

Question: Was the 29% forecast for inflation the only forecast? If so, why?

Response: That's the cumulative forecast over time. Load forecasting used the Consumer Price Index (CPI), and it is the same throughout the analysis and for all scenarios.

Question: Was this increase spread across all rate classes? What would it look like if it were equally spread?

Response: There would have been some differences. Residential customers are less energy-intensive and more capacity-intensive. They would see a little larger impact, about 10% more.

Question: This slide ([slide 52](#)) is showing just residential customers on the system?

Response: Costs were spread across customers, but we are just reporting on residential bill impacts.

Question: Was there any analysis for the next 5 years?

Response: Because it was analysis-intensive to allocate the costs, we analyzed only to 2035. There is a relationship so we could predict how pricing impacts phase in over time, but that would be a rough analysis.

Question: Could that 5-year analysis be provided as an estimate in reference to bill impacts?

Response: Our costs may gradually creep year by year, but customers see them in stair steps every 2-5 years.

Response: This exercise was not intended as a rate design process. Instead, it shows the future costs that we can expect [in addition to any necessary interim rate adjustments due to other factors] regardless of rate strategy.

Question: With renewable energy, upfront cost is much higher. How is that amortized over the lifetime of the ISP? Does this analysis take that longer time into account?

Response: The bulk of our renewables are through power purchase agreements so we pay each year. Whether it's a power purchase agreement or an SRP resource, it shouldn't change the costs over this time frame.

Response: No assumptions were made for altering the current power purchase agreement strategy.

Questions: On the Strong Climate Policy assumption, we would have more funding through federal incentives. Was that taken into account to offset the 45% increase?

Response: The Inflation Reduction Act impacts are factored into resource costs and does trickle through the analysis. It flows through to the total system cost and then the bill impacts.

Question: When considering price impacts, is there a consideration of income growth affecting affordability since wages haven't kept up? Have you looked at the proportionate impact?

Response: We don't have that analysis.

Response: This is why we are going through this process. We can benchmark on inflation but don't have the income growth information.

Comment: Other classes are more energy-driven than the residential customers. This shows the impact of demand side management programs since load shaping is more important, as is the customer role. Time-of-use rates can help, and it could be interesting to include those in the next ISP. If you can use time-of-use rates to manipulate the peak, then that's a rate consideration.

Response: Load shaping is not rate-indifferent. This is not a rate design process.

Comment: All demand side management, electric vehicle charging, and energy efficiency have a dramatic impact on capacity.

Comment: It would be interesting to look at a line-item charge for sustainability on customer bills.

Question: Does the average residential price impact analysis incorporate low to high residential bill analysis or just the average residential bill?

Response: The relative impacts are the best approach since they tend to scale. That's why we use the percentages across the scenarios, although there are some slight differences.

Reliability

Naff presented the reliability metric related to development risk ([slide 54](#)). She explained how her team developed a risk rating score for each case that considers factors such as permitting, supply chain challenges and customer adoption of programs. She indicated that higher scores are related to higher levels of development risk. The scores overall will be used for proactive planning purposes.

Nevida Jack, Manager of System Integration at SRP, presented the operational risk metric ([slide 55](#)). She described how her team focused on measuring how difficult it may be to run systems reliably in the different cases and identifying mitigation strategies to meet SRP's 2035 Corporate Goals. She explained how risk increases with greater integration of renewables whereas flexible resources such as pumped hydro, gas and batteries minimize that risk. She described how SRP continues to confer with experts from the February 2023 Technical Working Session on inverter-based resources and will use this information to prepare for 2035.

Sustainability

Heckel shared the sustainability metrics for CO2 reductions ([slide 57](#)). He noted that all the cases exceed SRP's 2035 Sustainability Goals and then presented the metrics for mass CO2 reduction impacts using four graphs. In comparing the scenarios, he pointed to the correlation

between load growth and carbon and how growing energy demand will drive carbon emissions higher even if the proportion carbon-based resources on the system is declining over time.

Heckel wrapped up the metrics discussion by emphasizing the need to balance the metrics in the ISP, highlighting that from this analysis it is clear that no one single strategy wins, and then reviewing the best strategic approach for each of the metrics ([slide 58](#)).

Review of ISP System Strategies

Bond-Simpson began her presentation by reviewing the draft products of the ISP ([slide 60](#)). She reminded how the System Strategies are based on the key findings of the ISP analysis and how they work together to help SRP navigate the system transition ([slide 61](#)). In reviewing each of the seven System Strategies ([slides 62-69](#)), she highlighted how the name for the final strategy – Strategic Investment and Reinforcement of Existing Assets – was revised based on Advisory Group feedback ([slide 68](#)). She concluded by emphasizing how all System Strategies are important and integral to the ISP.

Q&A

Question: One valuable point is the reinforcement of existing assets and getting the most out of the current system. How is SRP prioritizing productivity of its current system vs. new resources?

Response: We try to optimize investments at all times. We look at fuel and market prices minute to minute. We look for the best fit in the modeling and how to maximize the portfolio around it. The existing system needs additional investments to work well.

Question: What is the status of Coolidge?

Response: The Coolidge Expansion Project has received a certificate of environmental compatibility for 12 expansion units. The existing units and the new units provide fast flexible capability and allow integration of more renewables. More solar and battery are also coming online.

SRP's Draft Balanced System Plan

Bond-Simpson next presented the draft Balanced System Plan. She described it as an illustrative path for SRP's system, presenting the objectives and illustrating how the plan is informed by the System Strategies ([slides 72-74](#)). She noted that analysis for transmission and distribution is ongoing and that the System Strategy for Partnerships & Suppliers is outside the scope of the Balanced System Plan.

Before showing the draft Balanced System Plan, Bond-Simpson explained that she would present the same information in multiple ways. She first showed graphs illustrating total system capacity ([slide 75](#)), noting the tripling of renewable and storage resources while thermal capacity remains the same. She then presented the draft Balanced System Plan on a graph illustrating the ISP cases and the generation resources for each one ([slide 76](#)). Next, she showed the considerations for balance with the ISP average and Tech Neutral cases ([slide 77](#)) and explained how development and operational risks, transmission and technological maturity were considered. She noted that the draft Balanced System Plan builds more solar than the ISP average and less natural gas ([slide 78](#)).

Bond-Simpson stated that the draft Balanced System Plan reflects what SRP is planning for, but SRP may need to adjust and accommodate. She then showed an “all-of-the above” approach to a diversified resource mix to manage reliability, sustainability and reliability ([slide 79](#)). In showing the 2035 capacity additions and energy mix, she presented the draft Balanced System Plan in context with the ISP scenarios, highlighting that about 75% of generation is from carbon-free resources and reminding that the goal is to create a plan that can survive all possible, plausible futures ([slides 80-81](#)). Bond-Simpson concluded by emphasizing that the draft Balanced System Plan is the starting point. Before the Q&A, she noted that Advisory Group members would have additional opportunities to comment and that the project team would be reaching out to them.

Q&A

Question: How does APS play into this strategy? Development risk and transmission and siting will lead to state and local policy activity. Is APS speaking about similar things?

Response: We are not alone. We are not the only utility dealing with load growth and infrastructure. We could partner with them for transmission or hydrogen development and have an opportunity to share costs and risks. Utilities are talking about how to work together in the future.

Comment: On the resource additions ([slide 79](#)), hydrogen and nuclear show as zero. Given today’s conversation about affordability, and the high cost of hydrogen and nuclear, it would be important to note the high cost.

Response: The categories reflect what we analyzed. Hydrogen and nuclear show up as zero due to the high costs and other risks. We are not counting on them to serve load by 2035. If we can partner and lower the cost of development, we might explore those options after 2035.

Comment: SRP is involved in the hydrogen group with Arizona State University and there are concerns about that involvement. We would want to see leadership in using hydrogen in smart ways, not pumping hydrogen into people’s houses.

Comment: On hydrogen, to clarify, the core partners are Southwest Gas, the three electric utilities, the three state universities, the Navajo Nation, and the Department of Energy. None of the projects include electric power generation and they would be consistent with the Department of Energy's guidelines for use of gas pipelines.

Question: How do energy markets fit into the Balanced System Plan?

Response: In the ISP analysis, we looked for opportunities to reduce the planning reserve margin. Energy markets design and analysis is more complicated than what we analyzed in the ISP.

Response: We are evaluating market participation. Market design matters in the ability to offset capital investment. Markets can't optimize resources that don't exist. We won't see material impacts until a regional transmission organization with a broader footprint with [resource] adequacy requirements exists. We are bullish on the market, but the caution is not to overestimate some of the near-term impacts.

Question: Is there concern with the Balanced System Plan that SRP is locking in a path? How flexible is the Balanced System Plan with regard to internal and external policy?

Response: It has to be flexible. The draft Balanced System Plan is consistent with current legislation but is flexible to accommodate changes.

Response: We still have an annual resource planning process.

Question: On the slide showing triple the growth in renewables ([slide 75](#)), how was the planning reserve margin set?

Response: Our planning reserve margin is based on mitigating risk and the ISP reflects a 16% planning reserve margin for 2035.

Question: Is this draft Balanced System Plan a combination of the ISP scenarios and will it go to the SRP Board?

Response: The recommendations going to the SRP Board for approval are the System Strategies. The Balanced System Plan does not go to the Board for approval because we do not have a clear sense of costs.

Question: It seems like the results of the draft Balanced System Plan and modeling are still assuming a limit on how much energy efficiency the model can select and that number carries through the analysis. Energy efficiency can't make up for the 2,000 MW shortfall of gas, but how many more expensive supply-side investments could be avoided if the model lifted restrictions on energy efficiency?

Response: That's why you see pairing of customer programs and pacing of development. If we can find those numbers and they go up, the ISP Actions will start to realize that value. You will see some other investments go down. There are next steps to identify those levels.

After the Q&A, Isaacson explained the process for taking a “temperature reading” on the draft Balanced System Plan, reminding first of the Guiding ISP Principles and their role as a benchmark ([slide 84](#)). She invited Advisory Group members to write their names on their response card for the project team to be able to follow up with them.

SRP’s ISP Draft Action Items with Engagement Activity & Report Out

After lunch, Bond-Simpson introduced the third draft product of the ISP, the ISP Actions, which are a set of near-term actions that will kick start implementation of the ISP ([slide 89](#)). Isaacson explained that Advisory Group members would have 10 minutes to review the draft ISP Actions ([slides 92-106](#)) and prepare for small group discussions ([slides 107-108](#)). She asked them to consider the following questions as they read and discussed:

- What are the strengths of the draft ISP Actions?
- Is there anything missing that would better balance all considerations?
- What questions do you still have about the draft ISP Actions?

During the ensuing four small group discussions, a project team member took flipchart notes (see Appendix C). Before sharing out, Advisory Group members used sticky dots to indicate their top five most important ideas from the flipchart notes. A volunteer from each small group reported on the top ideas from their discussion to the larger Advisory Group and project team.

Group 1

Members from this group cited multiple strengths of the draft ISP Actions, noting in particular the importance of research and development (Action #6) and the consideration of increased vehicle electrification (Action #4). They also highlighted the role of transmission and diversity of options (Action #10). All members agreed that no additions were needed as the draft Actions address what is needed to achieve the ISP goals. A member did question whether the two-year cadence for issuing requests for proposals (Action #7) was the industry standard and another wondered about how a super off-peak pricing period would impact companies that have an overnight production shift (Action #1).

Group 2

The second small group identified the incorporation of customer engagement and the time-of-use pilot program (Action #1) as strengths of the draft ISP Actions. They identified multiple missing elements, with most noting the lack of a tiered discount program and lack of nuance around vulnerable customers and how targeted outreach might look. Members also requested clearer definitions of customer access and costs. All members sought to understand how the

draft ISP Actions are measurable and actionable, including dates and projections, to be able to identify what success looks like.

Group 3

This small group highlighted the roadmap for electric vehicles (Action #4) and the repurposing of coal plants (Action #8) as strengths with one member noting that the draft ISP actions are holistic in nature. Members of this group cited a range of missing elements, such as specifics on program segments and locations, microgrid incentives, reducing heat island effects (Action #9) and dispatching electric vehicle batteries into SRP's grid (Action #4). Common questions from this group asked about having a customer dashboard to give customers visibility of the system for decision-making and how SRP can align its goals with incentives for commercial and industrial customers.

Group 4

Members of this group also noted the roadmap for electric vehicle charging as a strength (Action #4) and noted how it overlaps with the first three draft ISP Actions. They also saw the focus on transmission as important (Action #10). Members identified multiple missing elements, such as a way to reflect reduced demand from customer programs as a capacity investment and posed questions about how to repurpose existing generation sites such as the Navajo Generating Station to help coal communities (Action #8). This group also asked how actions would be taken outside of silos to maximize the benefits.

Wrap Up

To close the meeting, Bond-Simpson reminded that subject matter experts from SRP and Bellomy would be available for the technical Q&A session to follow. She explained that the next Advisory Group meeting would be the final one, indicating the next steps for the ISP and timeline through September 2023 ([slides 111-113](#)). She said that at the September 8 meeting the project team would share how Advisory Group feedback was used and request input on how to communicate with other stakeholders in the Large Stakeholder Group meeting on September 28.

Bond-Simpson concluded by reminding that meeting materials and summaries are posted to the ISP portal and said that Advisory Group members could invite people from their organizations for follow-up discussions. She thanked members for their time and perspectives and expressed appreciation to the Board and Council members for their attendance and the project team for all their efforts across the different aspects of the ISP.

Appendix A

Meeting Attendance

Advisory Group Member Organizations (members in attendance on 8/11 are indicated in **bold**)

Arizona Hispanic Chamber of Commerce

A New Leaf

American Association of Retired Persons (AARP)

Arizona State University (ASU)

Arizona Public Interest Research Group (PIRG)

Building Owners and Managers Association (BOMA)

Chicanos Por La Causa

City of Phoenix

Common Spirit Health

CMC Steel Arizona

CyrusOne

Environmental Defense Fund (EDF)

Intel

Kroger

Local First

Mesa Public Schools

Pinal County

Profile Precision Extrusions

SRP Customer Utility Panel (CUP)

Salt River Pima-Maricopa Indian Community (SRPMIC)

Southwest Energy Efficiency Project (SWEEP)

United Dairymen of Arizona

Western Resource Advocates (WRA)

Wildfire

Key SRP Staff

Adam Peterson, Director of Corporate Pricing

Angie Bond-Simpson, Senior Director of Resource Management

Bobby Olsen, Associate General Manager & Chief Strategy, Corporate Services & Sustainability
Executive

Domonique Cohen, Senior Strategic Planner for Integrated Planning

Duncan Kraft, Planning Analyst for Integrated Planning

Grant Smedley, Director of Resource Planning, Acquisition and Forecasting

Kyle Heckel, Senior Engineer for Integrated System Planning

Maria Naff, Manager of Integrated Planning

Maxwell Burger, Senior Predictive Analytics Analyst for Integrated Planning

Nevida Jack, Manager of System Integration

Key Project Team

April Smith, Bellomy Market Intelligence
John Sessions, Bellomy Market Intelligence
Arne Olson, E3
Joe Hooker, E3
Brisa Aviles, Kearns & West
Joan Isaacson, Kearns & West
Karen Lafferty, Kearns & West

SRP Board and Council Observers

Anda McAfee, SRP Board Member
Larry Rovey, SRP Board Member
Rocky Shelton, SRP Council Member
Suzanne Naylor, SRP Council Member

Appendix B

Roundtable Discussion:

Using the Customer Research Results in the Integrated System Plan

Questions

- What surprised you?
- What is your main takeaway?
- What did you notice about how residential customers balanced the potential tradeoffs across sustainability, reliability and affordability?

Advisory Group Member Responses

- It's pretty much what I expected.
- Affordability was not a surprise.
- Curious about some of the "not in my backyard" (NIMBY) questions that came up. We are talking about transmission lines, what were the responses?
- Surprised that support for sustainability dropped off as the rate increased. I thought there would be more support for sustainability.
- None of it was very surprising. It's always helpful to have these points reinforced. We've been doing these surveys for decades. The interrelatedness caught my eye.
- The delicate balance was surprising. There's not a lot of options that make sense for everyone. One comment on sustainability is, were customers given the assumption that all utilities were moving this way or just SRP?
- Difficult to have a key takeaway without seeing the scenarios the surveyors were presented.
- Tech Neutral is king. Comment – I didn't know how much I wanted a phone with internet and a camera until my friend had a phone with internet and a camera.
- Distributed solar was not mentioned at all. Not sure if that is part of the sustainability metric.
- Not surprised by the outcome that people would be price sensitive, especially when you consider the diversity of the population in Arizona. There's a big range from people who never look at their bill to people worried about how they will pay for their food. It's a very complex issue. My takeaway was if we look below affordability, what were people saying in the next section; there it was very balanced. People are concerned about sustainability and reliability. Durations weren't actually that long.
- Found it interesting to see customers were very even in their priorities. Diving deeper into the data to understand the nuance. Some of the takeaways were that you had to pick two of the three. How do we achieve all of these things together?

Appendix C

Flipchart Notes from Small Group Discussions

Questions

- What are the strengths of the draft ISP Actions?
- Is there anything missing that would better balance all considerations?
- What questions do you still have about the draft ISP Actions?

Advisory Group members used sticky dots (•) to indicate their top five most important ideas from the notes on the flipcharts.

Group 1

Strengths

- Action #10 is important in light of the Coolidge Plant near Randolph; need to look for power from other areas; especially given issues with neighbors, it's important to have options (••)
- Action #4 is critical with the expansion of EVs (••)
- Research and development under #6 (••)
- Expansion of solar on Action #2 (••)
- Action #8 – The option to use technology to repurpose coal plants, like carbon capture and storage. It expands usage through new technology and leaves the door open. (•)
- Distribution enablement roadmap

Missing

- No additions (•••)

Questions

- Action #7 – Is once every 1-2 years accurate? Is it industry standard? (•)
- Curious about super off-peak. Is there a real off-peak in summer?
- With the abundance of solar, what is the impact to overnight shift/third shift production? Is there a potential increase in price and problems of recruiting business to the area?

Group 2

Strengths

- Strategy 1 – a better time-of-use plan & a pilot can help show strengths & weaknesses (•)
- Customer engagement is incorporated (•)
- Strategy 4 – has a good balance of affordability, reliability, sustainability

Missing

- For SRP to incorporate tiered discount programs (similar to Wildfire program) (••••)
- How to define buzzwords (••)
- Missing nuance of vulnerable customers (•)
- Priority for all strategies should integrate customer feedback (•)
- Targeted approach of customer programs (i.e., language/translation in Strategy 2 and 3)

Questions

- What is measurable/actionable on each strategy? What are dates and projections? (••••)
- How are programs communicated to customers? (•)
- What is the goal? Outcomes?
- How to integrate community partners?

Group 3

Strengths

- Roadmap for EVs and anticipating increased adoption (••)
- Looking at coal repurposing; everything on the table (•)
- Holistic in nature

Missing

- Specifics for program segments and location (•)
- Microgrid incentives (•)
- Action #9 - How to reduce heat islands (•)
- Action #4 Dispatching of EV batteries (•)
- Frequency of refresh for Action #3
- Not enough incentives for rooftop solar customers and time-of-use

Questions

- Dashboard visibility for customers (e.g., generation, load) (•••)
- Commercial and industrial, what should they be doing as customers and how to incentivize and do SRP actions align with their goals? (•••)
- Do these assets have to be in Arizona? (••)
- Action #7 - Instead of every two years for an RFP, given the IRA grant funding maybe contracting for resources sooner

Group 4

Strengths

- Road map for assessing customer EV charging and how rate plans can impact load profiles (••)
- Focus on transmission (•)

- Action #5 beneficial/non-EV electrification
- Action #6 a is critical - assessing locational value at distribution level
- Action #7, but include 2 years or as-needed

Missing/Questions

- In future, include time-of-day (TOD) in modeling. Also add TOD to capacity investment column (•)
- Indication that actions not happening in silos in order to capture full benefit (•)
- Analyze pilot projects at measure level to look at load shapes to max energy savings + peak reduction (•)
- How will energy efficient name plate capacity be added to the ISP planning period? (•)
- Energy efficiency as capacity investment (•)
- Strategic procurement in future all-source RFPs in Navajo Generating Station area (•)
- Many EV/non-EV electrifications are also capacity investments (4+5)
- D6 pricing plans to encourage growth
- Virtual power plant