Salt River Project (SRP) Integrated System Plan Advisory Group

2025 Annual Meeting Summary

Prepared by SRP

Advisory Group 2025 Annual Meeting Overview

Meeting Objectives

- Share updates since the last Advisory Group meeting
- Share and discuss progress made towards ISP Action Items
- Share next steps and plans for the next ISP

Topic: ISP Actions Update
Date: August 11, 2025
Time: 9:00 a.m. – 1:00 p.m.
Location: SRP PERA – Sandhill CR

Please see the appendix for the Advisory Group member roster and attendance information. The meeting agenda and presentation are available at the Integrated System Plan (ISP) portal.

Agenda & Kick-Off

Mary Faulk, Director of Integrated Planning and Support, welcomed attendees and opened the meeting with a monsoon season safety and sustainability minute. She reviewed the agenda and emphasized the importance of proactive planning to meet SRP's growing load demands. Mary highlighted the strategic role of the ISP in guiding resource decisions and ensuring long-term reliability and sustainability.

Welcome & SRP Updates

Bobby Olsen, Associate General Manager & Chief Planning, Strategy, and Sustainability Executive, welcomed Advisory Group members and acknowledged the presence of SRP Board and Council observers. He opened by reflecting on the pace of change across the utility sector and the importance of collaborative planning to meet SRP's evolving system needs. Bobby emphasized that customer demand continues to reach new highs, with recent peaks exceeding forecasts by over 100 MW. He noted that this rapid growth is reshaping SRP's approach to resource planning and infrastructure development.

Bobby provided an overview of SRP's major procurement efforts, including the 2023 and 2024 All-Source RFPs, which resulted in selections totaling more than 7,700 MW of solar, wind, storage, and natural gas resources. He described SRP's pursuit of a strategic solar development partnership to add up to 3,000 MW and shared updates on self-build projects underway to maintain reliability and manage affordability. Bobby also highlighted SRP's work to modernize interconnection processes for both

generators and large customers, ensuring efficient planning and execution for workforce, supply chain, and optimizing capital spend. These efforts

reflect SRP's commitment to balancing sustainability goals with firm capacity needs while coordinating closely with developers and other utilities to accelerate progressing capital spend. These efforts reflect SRP's commitment to balancing sustainability goals with firm capacity needs while coordinating closely with developers and other utilities to accelerate progress.

Q&A

Question: Have any of the current events with the federal administration caused SRP to scale back or relax its long-term goals?
Response: No. SRP's goals were set two years ago in a structured process designed with the SRP Board to avoid short-term political shifts. They're updated every five years. SRP wants to be insulated from the sways of political climate. While significant load growth and cost uncertainties make the goals challenging, our goals remain in place.

Question: With large amounts of coal retiring by 2032, if the administration tries to keep coal online, could the administration force SRP to keep coal plants online?
Response: No direct mechanism exists for the federal government to force SRP, though federal policy can exert influence. SRP is primarily impacted by state and local politics.

Question: Is SRP seeing regional strategies around data centers and is there some cohesive strategy?
Response: Utilities do frequently coordinate together. SRP works with TEP, APS, and others to try to understand where opportunities are. There are limitations due to antitrust laws.

Question: Is SRP seeing any new technology impacting the amount of energy they consume?
Response: Not at this time. Over the last decade, we've seen incremental improvements on cooling technology and how much water they are using. There has been some power reduction but not expecting any breakthroughs.

Question: Can you comment on supply chains?
Response: One of the big challenges we have is that there is so much growth across the US, the supply chain is very constrained, and it takes years of lead time on necessary items. There is a growing global demand as well.

ISP Updates & Meeting Overview

Mary Faulk returned to provide an overview of ISP milestones since the last Advisory Group meeting. She highlighted the March 2024 update to SRP's 2035

Sustainability Goals and the publication of the FY24 ISP Progress Report. Mary previewed the day's presentations and encouraged members to share feedback on the ISP Actions and next steps for the next ISP. She emphasized SRP's commitment to transparency and stakeholder engagement as the ISP evolves.

RESOURCE SELECTION

Barry Petrey, Senior Manager of Resource Acquisition, presented updates on SRP's resource procurement strategy. Barry explained that SRP is issuing All-Source RFPs annually to meet long-term capacity needs and sustainability goals. He shared that the 2024 RFP received over 100 proposals, resulting in selections totaling more than 7,700 MW across solar, wind, storage, and natural gas. Barry noted that SRP is advancing a strategic solar development partnership to add up to 3,000 MW and is also pursuing self-build projects, including flexible gas and battery storage. He emphasized the importance of planning six years ahead to address equipment lead times and maintain reliability.

Q&A

Question: When will 2023–2024 contracts and interconnections be finalized?
Response: Contracts should be done this fiscal year (April 2026). Some projects are at risk, but several already have interconnection agreements. Typically, the interconnection study process trails the RFP by about a year.

Question: New Nuclear – what's happening with that? What are the current conversations?
Response: SRP recently announced a partnership with APS and TEP to explore the potential for adding new nuclear energy resources. While deployment could begin as early as 2040, a more practical timeline would be the mid-2040s. SRP has applied for a grant from the Department of Energy (DOE) to support the Early Site Permitting (ESP) process. This would allow us to evaluate and identify a suitable site for new nuclear development. The ESP helps define site conditions and ensures the location meets regulatory and technical requirements. We expect to hear back on the grant later this year. In parallel, we're working with other utilities to define what the governance structure for this collaboration will look like. The total cost of the ESP process is estimated to be between $25 million and $50 million, with the DOE grant potentially covering half. Once a qualified site is secured, the overall investment could

exceed $10 billion. We're targeting submission of the ESP application in 2027, with the permit expected in early 2030.

Question: How will the global macro-level efforts align with local, ground-up initiatives? Given the clear escalation in the U.S.-China arms race and significant supply chain challenges, are there any considerations around how these broader issues might impact this process?
Response: Given the sheer scale of infrastructure and the individual components need—think solar trackers, breakers, panels—a robust and reliable supply chain is critical. The Inflation Reduction Act (IRA) has provided some signals to support domestic supply chain development, but large global renewable developers are still working through significant challenges. There are a lot of stresses in the system that need to be resolved, and there's still no clear answer on how to secure all the necessary supplies and materials.

Question: Are you taking stronger looks at some of the timelines you have?
Response: Yes, but in a way that is consistent with our 2035 goals like what you have seen with converting CGS (Coronado Generating Station).

Question: Regarding nuclear power, is the focus on SMRs (Small Modular Reactors)? What is the cost compared to renewables and is there an impact on a customer's bill?
Response: We are looking at SMRs and other technology and evaluating sites. Full acknowledgement that nuclear is very expensive but is an option. Today we want to ensure it is cost competitive and aligns with our sustainability goals.

Question: With TEP's announcement about Springerville 1 and 2, how does that affect SRP's unit 4?
Response: We do have a presenter to address that in our Coal Transition Action Plan update.

PROACTIVE SITING

Bill Mcclellan, Senior Manager of Resource Development, provided an update on SRP's proactive siting efforts. Bill described the geospatial screening approach used to identify and screen potential sites for generation and transmission infrastructure. He shared that SRP has acquired approximately 4,800 acres and is in the process of securing an additional 2,000 acres for future development. Bill emphasized the importance of early land acquisition and community engagement, especially given the scale of transmission expansion needed—565 miles of new 500kV lines and 14 transformers by 2035. He also noted that SRP is establishing a dedicated transmission siting department to support these efforts.

Q&A

Question: What are you seeing regarding permitting in rural communities? Are folks saying no to all development?
Response: We are seeing some opposition to some of these proposed sitings/projects. We recognize that these projects can affect communities. We try to engage and work together to minimize impact. We also work with elected officials. Some counties are considering full moratoriums on renewable energy development, so we are working with them to find the right balance.

COAL TRANSITION ACTION PLAN

Ron Klawitter, Senior Manager of Resource Analysis and Planning, presented on SRP's Coal Transition Action Plan. Ron shared that the SRP Board approved the conversion of the Coronado Generating Station from coal to natural gas, targeting completion by 2029. He noted that this transition preserves capacity for over 150,000 homes and offers significant cost savings including $300 million compared to a new gas plant and $1.2 billion compared to battery storage. Ron described ongoing coordination with co-owners of the Springerville Generating Station and efforts to evaluate additional resource options at CGS. He also highlighted SRP's support for coal community transition initiatives focused on workforce and economic development.

Q&A

Question: In November, On-Peak is moving to after noon. Do you foresee needing more coal at other times of the day like morning?
Response: There may be times when coal units are needed—such as during outages or periods of high demand. While coal is not typically the first resource we use, it remains economically favorable compared to some other options, so it's available when needed to support reliability or maintenance.

Question: Once CGS is converted to gas, how will it be used?
Response: We have some existing examples of what the CGS units will be – for example our Agua Fria Steam Units. There will need to be some strategizing on when to keep units on. Once converted to gas, the units will be more flexible to ramp up and down. It comes down to short term planning of when to have units on.

Question: Are you seeing more operational flow control orders?
Response: No, we don't see those, but we see notices on constrained operations.

Question: What can the utility do to support community transition?
Response: There are several direct strategies such as reskilling workers or highlighting open positions in the Valley. When we look at Apache County, we want to give the community a long runway to plan—not just around workforce development, but broader economic growth. We're actively working with the local chamber of commerce and elected officials to support not only what the plant can offer, but also the surrounding economy. This includes initiatives like scholarship programs.

Comment: SRP isn't alone in talking with these communities. It's very important that SRP continues to show up consistently, help clarify complex issues, and play a steady, guiding role in these conversations.

Question: In recent weeks, we've seen news about the federal administration making commitments to the EU regarding large volumes of natural gas exports. If those export levels materialize anywhere near what's being promised, it could have significant implications for SRP's planning. There are some concerns around fuel price volatility and long-term affordability.
Response: It's important that we stay the course while continuing to study the potential impacts of all of the market shocks and changes in political priorities. One of our key challenges is meeting growing load demands amid ongoing supply chain constraints. To address this, resource diversity and scenario planning are essential. Emerging technologies will also play a critical role in expanding our options and reducing risk. A balanced, forward-looking plan will help us navigate uncertainty and build resilience. As we move ahead, we expect to see even greater diversity in the resources we are planning, and it's vital that we fully understand the risks associated with each path.

REGIONAL TRANSMISSION

Justin Lee, Senior Manager for Transmission System Planning, provided updates on SRP's regional transmission study. Justin explained that SRP worked with consultant E3 to assess out-of-state renewable deliverability and identify strategic interconnection points. He shared that SRP has held multiple meetings with transmission developers and aims to complete the current study phase by October 2025. Justin emphasized the importance of regional coordination to unlock diverse renewable resources and support future system needs.

Q&A

Question: Does this work with SRP Markets+, or does it interact with that?
Response: No, this is a separate process. However, we'll need to reassess how our studies evolve once we join the Markets+. While our existing transmission studies likely won't change significantly, what will shift is how we evaluate market congestion and its impact on planning

Question: Is it fair to say that we are running into some serious congestion in the AZ network? What are you looking at with reconductoring?
Response: Yes, we are starting to see some challenges on our system. We've seen this in the past, but now the biggest challenge is being able to build mitigations in time. SRP is identifying about 150 miles of reconductoring needs.

Question: With Texas setting three new peaks last month, are market purchases up this year compared to last?
Response: For operational purposes, yes. For long-term planning, we're not depending on market purchases – more of an operation opportunity than a resource play. We want to make sure we have resource adequacy through our - portfolio resources.

RESIDENTIAL TIME-OF-USE PILOT & TIME OF USE EVOLUTION

Brandon Shoemaker, Director of Corporate Pricing, presented updates on SRP's Time-of-Use (TOU) strategy. Brandon highlighted the success of the E-28 Daylight Saver pilot, which showed a 24% reduction in peak usage and an 18% increase in super off-peak usage. Based on these results, the SRP Board approved updated TOU hours in February 2025, with launch scheduled for November 1. Brandon noted that SRP is phasing out legacy TOU plans and rolling out a customer education campaign to support the transition. He emphasized that aligning customer behavior with solar availability is key to improving system efficiency and sustainability.

Q&A

Question: What is the current policy in summer for people who can't make payment?
Response: We have a moratorium or no disconnect policy over a large portion of the summer. SRP won't disconnect in July and August or when there is a high heat advisory.

Question: The concern is that customers get behind on bills.
Response: We do have a customer contact center to help them set up payment plans and direct them to the right resources. We don't want our customers to have to struggle to choose between other costs and their electric bill.

Question: Seemed like you got good results from the pilot. How big was that and do you think it represented the customer base? Also, 1.1 kW is very specific – was that an estimate?
Response: The pilot was capped at 1,000 customers. We believe it's representative. Marketing worked hard to ensure diversity. On the 1.1 kW reduction, SRP looks at usage and can see when things come on and off. We believe it's a solid estimate. We know which customers on the pilot were EV customers.

Comment: Pleased to see the pilot results and want to commend SRP on a great job there.

CUSTOMER PROGRAMS & ELECTRIFICATION

Nathan Morey, Director of Customer Programs, provided an overview of SRP's customer programs and demand management strategies. Nathan shared that SRP exceeded its FY25 energy efficiency goal, achieving 649,000 MWh in savings through residential and commercial offerings. He described new programs targeting peak-hour reductions and support for low-income customers. Nathan also highlighted SRP's growing demand response portfolio, which now includes over 102,000+ smart thermostats and 720+ commercial facilities—together forming one of the largest demand response programs in the country. A recent pilot with a large industrial customer delivered a 25 MW reduction, informing the launch of a new program in summer 2025. These efforts support the deployment of technologies that contribute to SRP's virtual power plant capabilities.

Nathan reviewed performance on a recent peak day, where SRP achieved 200+ MW of load reduction over the peak hours, with program-driven reductions spanning 3-7pm. This proactive approach helped avoid the evening peak by shifting demand earlier in the day when solar generation was more abundant.

Regarding electrification, Nathan shared that SRP exceeded its FY25 E-Tech electrification goal, adding 21,000 MWh of new load, including an electric boiler supporting a customer's direct air carbon capture equipment manufacturing process. The electrification portfolio continues to diversify, targeting natural gas, diesel, and gasoline displacement across sectors such as industrial manufacturing, warehouse equipment, medium- and heavy-duty fleets, and food and pharmaceutical

distribution. He also highlighted emerging efforts in outreach and delivery, including vendor engagement to educate customers and trades.

Finally, Nathan confirmed that SRP has established a more ambitious electrification target for 2035 and remains on track to meet it.

Q&A

Question: That's impressive on the demand response. How much more demand response potential is available, how far can SRP go?
Response: That's a tricky question. Our thermostat program has been growing faster than most but expanding the Business Demand Response program has been challenging. We've reached up to 700 commercial customers, but that's required us to target smaller businesses. It's been difficult to scale on the business side because participation often means compromising comfort or production. What worked well

with the large industrial customer in our pilot was providing them with forecasts far enough in advance so they could schedule maintenance during those high-demand days. As we move forward with technologies like batteries and EVs, it may become easier for customers to participate without having to make those same compromises. We can continue growing the program by bringing more tools and flexibility to the table.

ELECTRIC VEHICLE MANAGEMENT

Jason Smith, Manager of Electric Vehicle Strategy, shared updates on SRP's EV adoption levels and managed charging strategy and roadmap. Jason reported that SRP reached over 68,000 EVs in FY25, a 27% increase year-over-year. He noted that SRP estimates around 79% of enrolled EVs participate in managed charging, primarily through TOU rates. Jason described the new super off-peak daytime pricing plan approved by the SRP Board, which encourages solar-aligned charging and differs greatly from the current (soon to be frozen) overnight-incentivized EV price plan. He also highlighted the success of the Smart Charge and Flex Charge active managed charging pilots, which are currently evolving into a full program. Jason emphasized SRP's layered approach to managed charging, including TOU rates, active management, and customer education and incentives.

Q&A

Question: Any idea of the percentage of chargers that support V2H (Vehicle-to-Home)/V2X (Vehicle-to-Everything) today?
Response: We do not have a clear estimate at this time but it's not many. It is an emerging technology, and costs vary significantly based on features. We are seeing more options coming out in the market.

Question: Workplace charging strategy for employees is a good thing, it's working. What about more generally with workplace charging for other businesses?
Response: Yes, that's part of the strategy, especially with the new TOU hours. It's difficult to shift EV charging to midday unless there is charging available at a customer's workplace, so we're working to showcase different options that make sense for various types of businesses—highlighting both the costs and benefits. We're encouraging commercial and industrial customers to explore these opportunities, starting by demonstrating them at SRP. The goal is to develop a case study that outlines the options SRP considered, associated high-level costs, and potential tradeoffs. It's important to show how SRP is evolving in this space and leading by example.

Question: What are you seeing from a plug-in hybrid perspective as it relates to EV adoption?

Response: We are seeing more hybrid plug-in models come on the market but there are still more full electric vehicles in our service territory.

DISTRIBUTION ENABLEMENT ROADMAP

Kyle Girardi, Senior Manager of Distribution Strategy Development, presented on SRP's Distribution Enablement Roadmap. Kyle shared that SRP successfully implemented the Advanced Distribution Management System (ADMS) in January 2025, enabling dynamic control and real-time optimization. He noted that the foundational Distributed Energy Resource Management System (DERMS) platform is now in place to support distributed energy resource (DER) integration (e.g. rooftop solar and battery storage). Kyle highlighted improvements to the interconnection process, deployment of enhanced distribution mapping capabilities to support planning and operational visibility, and launch of the Distribution Enablement Learning Academy Pilot, which has trained 22 employees. He also described the Distribution Enablement Lab, a DER microgrid facility supporting R&D and system integration. Kyle emphasized that these efforts position SRP to meet future customer needs and maintain grid reliability.

Q&A

Question: What is the average size of DER (Distributed Energy Resource) batteries?
Response: Typically, 10–15 kWh, like a Powerwall 3.

Question: R&D lab and the results you are doing – are those just for SRP or are you sharing with the industry?
Response: The initial studies are internal, but we work with EPRI (Electric Power Research Institute) to share certain results.

Question: Can you clarify the difference between VPP (Virtual Power Plant) and microgrid?
Response: VPP is like a big umbrella and a microgrid can fit within that, or a microgrid could be considered a VPP. Microgrid has a unique attribute that it can disconnect/island itself from the grid.

NEXT STEPS & CLOSING

Maria Naff, Senior Manager of Integrated Planning, closed the meeting by thanking Advisory Group members for their commitment to the ISP effort and their contributions during development and beyond. She announced that the Advisory Group will be sunsetting as SRP begins to plan the stakeholder design and engagement for the next ISP. We will continue stakeholder engagement to ensure

planning efforts remain transparent, inclusive and responsive to stakeholder needs. Maria emphasized that the insights and feedback shared by members have played a vital role in shaping SRP's planning approach and will continue to inform future efforts.

To conclude, Maria invited attendees to participate in a short post-meeting survey by scanning the QR code provided. She noted that survey feedback helps SRP improve future stakeholder meetings. The survey also included questions for members to provide feedback on communication preferences to remain informed.

Appendix

Meeting Attendance
Advisory Group Member Organizations
(members in attendance on 8/11/25 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
CMC Steel Arizona
CommonSpirit Health
CyrusOne
Environmental Defense Fund (EDF)
Intel
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)
Western Resource Advocates (WRA)
Wildfire

SRP Attendees

Angie Bond-Simpson, Senior Director of Resource Management
Barry Petrey, Senior Manager of Resource Acquisition
Bill Mcclellan, (Former) Senior Manager of Resource Development
Bobby Olsen, Associate General Manager & Chief Planning, Strategy, and Sustainability Executive
Brandon Shoemaker, Director of Corporate Pricing
Erin Cherry, Senior Engineer of Integrated System Planning & Support
Jason Smith, Manager for Electric Vehicle Strategy
Justin Lee, (Former) Senior Manager for Transmission System Planning

Kyle Girardi, Senior Manager for Distribution Strategy
Kyle Heckel, Principal Engineer of Integrated System Planning and Support
Maria Naff, Senior Manager of Integrated Planning
Mary Faulk, Director of Integrated Planning & Support
Maxwell Burger, Senior Analyst of Integrated System Planning & Support
Monica Lay, College Intern of Integrated System Planning & Support
Nathan Morey, Director of Customer Programs
Ron Klawitter, Senior Manager Resource Analysis and Planning

Facilitation Team

Integrated Planning Department

SRP Board and Council Observers

Chris Dobson, SRP Vice President
Jack White, SRP Board Member
Larry Rovey, SRP Board Member
Mark Mulligan, SRP Council Member
Suzanne Naylor, SRP Council Member