



# INTEGRATED SYSTEM PLAN: ISP ACTIONS PROGRESS REPORT 2025



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## INTRODUCTION

This Integrated System Plan (ISP) Action Progress Report provides a comprehensive overview of the progress made on the 10 ISP Actions during FY25 (May 2024–April 2025). These actions are designed to support the implementation of the System Strategies and SRP’s long-term goals through 2035 and beyond. Together, they reflect SRP’s commitment to delivering a reliable, affordable and sustainable power system that meets the evolving needs of our customers and communities.

The ISP Actions encompass a wide range of areas that focus on both customers and the energy grid, including:

- Time-of-use pilot/Time-of-use pricing
- Customer programs
- Electrification
- Electric vehicle management
- Distribution enablement
- Resource selection
- Coal transition
- Proactive siting
- And regional transmission

Each section of this report details the specific activities completed in FY25 and highlights key milestones achieved over the course of the year. This update builds on the 2024 progress report ([2024 ISP Actions Progress Report](#)).

This year’s report features major developments such as incorporating the updated residential time-of-use pricing into the time-of-use rates, expansion of customer energy programs, and the creation of a comprehensive roadmap for electric vehicle management. It also details the deployment of the Advanced Distribution Management System, the continuation of a coal transition plan at Coronado Generating Station, the identification of future infrastructure sites through proactive siting, and SRP’s growing engagement in regional transmission planning efforts. These accomplishments, completed between May 2024 and April 2025, reflect SRP’s progress toward a resilient and forward-looking energy future, with several initiatives entering design or evaluation phases for FY26.

## SYSTEM STRATEGIES

SRP’s seven interdependent System Strategies, approved by the SRP Board in FY24 (October 2023), continue to serve as the foundation for planning and operating all parts of the SRP power system — including customer programs, distribution, transmission, generating resources, pricing, forecasting and system operations — through 2035. These strategies remain central to guiding SRP’s long-term direction and will be periodically reviewed and updated through future ISPs to reflect new developments.

Each strategy is anchored in key findings from the ISP and is designed to work in concert with the others to ensure overall success and achievability. Their development was informed by a wide range of metrics and scenario analyses, as well as input from the ISP Advisory Group. While some strategies require longer-term implementation, all demand action today. The progress detailed in this FY25 report reflects SRP’s continued commitment to executing these strategies in a coordinated and impactful way.

### Energy Investments

Invest in renewable resources and storage to manage fuel consumption and drive carbon and water reductions.

### Capacity Investments

Invest in firm generation, including natural gas, to support reliability and manage affordability, while also supporting advancement of emerging firm technologies.

### Proactive Transmission

Proactively plan to expand transmission infrastructure to enable generator interconnections and load growth.

### Distribution Innovation

Ensure distribution grid readiness to maintain reliability and enable customer innovations to drive carbon reductions.

### Partnerships & Suppliers

Explore partnerships and supply chain and development solutions that manage cost and availability to meet the pace of transformation.

### Evolution of Customer Programs & Pricing

Evolve pricing and customer programs to improve economy-wide carbon reductions and pace infrastructure development, while recognizing customers’ diverse needs.

### Strategic Investment & Reinforcement of Existing Assets

Reinforce and maximize value of existing infrastructure with strategic investments to manage affordability and ensure future performance, grid security and resilience.



## ISP ACTIONS OVERVIEW AND UPDATES

Our planning processes have not stopped with the ISP. After the conclusion of the first ISP, our teams began executing the System Strategies. As a first step, SRP defined 10 ISP Actions and began implementation. The ISP Actions help enhance our planning capabilities, establish a roadmap to implement the System Strategies and further our progress toward meeting our 2035 Goals. The ISP Actions and recent progress updates are summarized throughout this report.

### ISP ACTION — TIME-OF-USE:

**Residential Time-of-Use Pilot:** Execute a residential time-of-use (TOU) price plan pilot and perform customer research to evaluate customer response to new time-of-use peak periods and a super off-peak period in the middle of the day, which will inform SRP's load forecast for long-term system planning and SRP's pricing process.

**Time-of-Use Evolution:** Engage commercial, small business, large industrial and residential customers and stakeholders to inform them of how the evolving grid will impact TOU periods. Develop a roadmap for implementing new time-of-use periods, including undertaking a pricing process informed by the ISP as to how time-of-use plans need to evolve and developing a communication plan for all customer types and segments to educate them about any new time-of-use price plans.

#### Update:

As previously reported, SRP conducted the **SRP Daytime Saver Price Plan Pilot** with 1,000 residential participants to test a new summer on-peak (6 to 9 p.m.) period and a year-round super off-peak (9 a.m. to 3 p.m.) period. Results from the first summer amongst pilot participants were promising, including a 24% reduction in on-peak demand, 18% increase in super off-peak usage and a 47% increase in super off-peak usage amongst electric vehicle (EV) customers.

Informed by these results, SRP completed a pricing process in Q3 FY25, culminating in Board approval in February 2025. The approved changes include new TOU hours for two residential price plans and updated hours for commercial plans. These changes will take effect on Nov. 1, 2025, and are designed to better align customer usage with periods of high solar generation and system needs.

- Low-priced period from 8 a.m. to 3 p.m. for all commercial TOU plans and the two new residential plans effective Nov. 1, 2025
- Updated on-peak hours for commercial TOU plans (5-10 p.m.) and new residential plans (6-9 p.m. for E-28, 5-10 p.m. for E-16)
- Gradual sunset of legacy TOU plans, beginning in FY26 and concluding by November 2029
- Education Campaign: Development began in FY25 to support customer awareness and adoption of the new time-of-use price plans. General pricing communications will begin ahead of the Nov. 1, 2025, implementation, while targeted outreach to TOU customers is planned for early 2026. The campaign will include refreshed educational materials and digital engagement strategies.

## ISP ACTION — CUSTOMER PROGRAMS AND ELECTRIFICATION:

**Customer Programs:** Continuously refresh program plans and drive participation in customer programs at levels consistent with those planned for in the ISP, representing a meaningful increase from SRP's initial 2035 Sustainability Goal for energy efficiency.

**Electrification:** Analyze the benefits and costs of non-EV electrification within SRP's service area, including effects on SRP operations and economy-wide emissions. Assess options for expanding E-Tech program offerings related to residential and commercial electrification.

### Update:

SRP's customer programs and electrification initiatives made strong progress in FY25, positioning the organization to meet or exceed its 2035 Sustainability Goals. Performance exceeded near-term targets across energy efficiency, demand response and electrification — demonstrating the effectiveness of program innovation and customer engagement strategies.

- Energy Efficiency programs delivered nearly 649,000 megawatt-hours (MWh) of incremental savings in FY25, achieving 102% of the annual target of 636,000 MWh.
- The Demand Response portfolio surpassed the FY25 target of 165 megawatts (MW) with 176 MW of enrolled capacity, from over 102,000 enrolled customer devices in the SRP Bring Your Own Thermostat Program™ and over 720 enrolled facilities from the Business Demand Response program.
- The E-Tech program achieved 116% of the FY25 goal, with 21,000 MWh of reported energy impact.
- SRP committed in its February 2025 Price Process decision to implement a residential battery-focused Virtual Power Plant (VPP) pilot as part of its demand response portfolio, with program launch scheduled for Dec. 31, 2025.

SRP introduced several new customer programs in FY25 to enhance energy efficiency and support customer participation in federal incentive opportunities. These included rebates for residential cool roofs and ENERGY STAR® qualified windows, a virtual commissioning program for small and midsize business customers, and incentives for commercial and multifamily HVAC tuneup. In addition to these new offerings, SRP completed the following activities to further program refinement:

- In July 2025, SRP and Guidehouse finalized the FY25 program evaluation. SRP used key evaluation findings to refine program offerings in alignment with SRP's system and customer needs, and to establish assumptions and criteria for planning efforts.
- SRP promoted rebates for efficient electrification and decarbonization, particularly during winter months and off-peak hours. These efforts included continued support for electric heat pumps in new construction and retrofit applications for single-family and multifamily homes.
- SRP coordinated with the Arizona Governor's Office of Resiliency to pursue federal funding opportunities under the Inflation Reduction Act and other legislation and worked with partners to promote these opportunities to customers.

Learn more about each of our programs and key statistics from FY25 in the 2025 Customer Program Report set to be released in fall 2025.

## **ISP ACTION — EV MANAGEMENT:**

Develop a roadmap by evaluating customer needs and system impacts and assessing viable pathways for managing EV charging through price plans, customer programs and educational efforts to align with time periods that are lower-cost and minimize additional infrastructure needs.

### **Update:**

SRP's 2035 Corporate Sustainability Goals include a revised target, updated in March 2024, to support the adoption of 1 million EVs in our service territory, with 90% under managed charging. As of the end of April 2025, 68,011 electric vehicles were operating within SRP's service territory, representing a 27% year-over-year increase. Managed charging participation reached an estimated 79%, driven primarily by enrollment in TOU price plans.

To support continued growth and align with the ISP analysis, SRP will implement new daytime super off-peak time periods (8 a.m.-3 p.m.) across all TOU rates beginning Nov. 1, 2025. These changes are part of SRP's 2025 pricing process, designed to encourage customers to charge during periods of high solar generation and help reduce evening peak demand. As part of this process, SRP will also freeze enrollment in its EV Price Plan, which incentivizes overnight charging, effective Nov. 1, 2025.

SRP updated its EV Managed Charging Roadmap in April 2025 to ensure enterprise-wide alignment and equip SRP with a clear understanding of the various current initiatives focused on managed charging. The EV Managed Charging Roadmap provides strategic direction for efforts to utilize EVs as strategic grid assets that help maintain grid reliability and improve affordability for all customers.

The roadmap also identified several near-term actions to improve EV load management:

- Increase adoption of TOU rates for residential and commercial customers, contributing to the 79% managed charging participation rate as of April 2025.
- Completed the EV Smart Charge and EV Flex Charge pilots at the end of FY25, which tested telematics-based and EV charger-based active managed charging techniques. Pilot results are informing the design of the evolving active managed charging program planned for the beginning of FY27.

As the EV industry continues to evolve, SRP plans to remain flexible and adapt to these changes to ensure EV charging is managed in a way that maintains reliability and affordability for all customers. The roadmap prioritizes flexibility by offering helpful directional guidance around potential next steps related to managed charging.

## **ISP ACTION — DISTRIBUTION ENABLEMENT ROADMAP:**

Continue implementing SRP's Distribution Enablement (DE) Roadmap, including the following elements: Deploy the Advanced Distribution Management System (ADMS) and Distributed Energy Resources Management System (DERMS) in 2024; continue implementing advanced locational planning tools; advance the interconnection process; execute the Distribution Enablement Research & Development plan; and share the Distribution Enablement Strategy with external stakeholders.

### Update:

SRP continues to execute on the Distribution Enablement Roadmap — preparing the grid to support a more dynamic, renewable-powered future. As distributed energy resources (DERs) such as rooftop solar, battery storage and electric vehicles become more prevalent, SRP is investing in smarter systems, advanced planning tools and workforce development to manage this evolving landscape. In FY25, SRP continued to make progress toward the mission to seamlessly interconnect utility- and customer-owned resources as we build an intelligent, flexible and sustainable energy distribution system that adapts to evolving needs while maintaining affordability and reliability. Some key accomplishments toward this end included:

- Successful deployment of the ADMS system in January 2025 with minimal operational impact and the deployment of the DERMS system to enable distribution renewable and storage operations. Stabilization and enhancement activities began in Q3 FY25 and will continue into FY26.
- Commissioned the Distribution Enablement Lab in Q3 FY25 to support real-time simulation and hardware-in-the-loop testing for advanced distribution capabilities including microgrids, distributed energy resource control, and virtual power plant integration.
- Reviewed responses from the Distribution Connected Solar and Storage Request for Information to determine utility-controlled 12 kV renewable opportunities. Initial analysis was completed in Q4 FY25 and will inform future pilot development.

Together, these initiatives ensure that SRP’s distribution system remains resilient, flexible and optimized for the future. Read the full [Distribution Enablement Strategy report](#) to learn more.

### ISP ACTION — RESOURCE SELECTION:

Issue all-source requests for proposals (RFPs) or requests for information (RFIs) at least once every two years to compare with self-build options and ensure that SRP can agnostically select resource technologies that minimize total system costs while meeting SRP’s reliability and carbon-related 2035 Sustainability Goals.

### Update:

A key finding from the Integrated System Plan (ISP) was that SRP must at least double its resource capacity by 2035 to meet growing demand and sustainability targets. To support this, SRP has made significant progress in FY25 to expand its resource portfolio through the All-Source RFP (ASRFP) process and complementary initiatives:

- **SRP Self-Builds:** Construction is underway for 575 MW of new flexible natural gas resources at the Coolidge Generating Station and 55 MW of solar at the Copper Crossing Energy and Research Center that SRP intends to own and operate.
- **2023 ASRFP:** SRP has executed or is finalizing agreements for 480 MW of solar and 1,300 MW of battery storage projects.
- **2024 ASRFP:** SRP selected 2,800 MW of solar and wind, 3,400 MW of energy storage and more than 1,400 MW of natural gas projects and is working to negotiate agreements.

- **2025 ASRFP:** SRP issued its latest ASRFP in February and began evaluating proposals with the goal of making project selections in fall 2025.
- **Solar Development Partnership:** SRP progressed on a solar development partnership to add up to 3,000 MW of solar to supplement our ASRFP processes and diversify our development approach. The first negotiation under this partnership is expected to be completed by the end of calendar year 2025.
- **Pumped Storage Development:** SRP advanced the design of the Salt River Pumped Storage Project, which will provide up to 2,000 MW of long-duration energy storage. The Project reached a 30% design review milestone with the United States Bureau of Reclamation and SRP hired two civil contractors to progress the design to 60% in competition with each other. SRP anticipates that the regulatory compliance efforts for the project will begin at the federal level no later than the end of the 2025 calendar year.

## ISP ACTION — COAL TRANSITION ACTION PLAN<sup>1</sup>:

Develop a coal transition action plan, including the following elements: Coordinate with co-owners to develop a path forward for the Springerville Generating Station (SGS); prepare plans for repurposing the Coronado Generating Station (CGS) site; develop solutions that preserve transmission following the retirement of coal plants; and test strategies for minimizing emissions from coal power plants.

### Update:

SRP continues to focus on bold, forward-looking strategies to repurpose coal plant sites and reduce emissions — while maintaining the reliability and affordability our customers depend on. These updates reflect SRP’s efforts to implement low-carbon energy solutions through technology integration and infrastructure planning. In parallel, SRP is working to support employees and communities affected by the coal transition, with a focus on ensuring a fair and inclusive process.

### Coronado Generating Station (CGS):

At the Coronado Generating Station (CGS), SRP continued efforts on development of a CGS Repurposing Plan. On June 24, 2025, the SRP Board of Directors approved taking necessary steps to convert the existing coal-fired boilers to run on natural gas. The conversion is scheduled for completion by late 2029 and will preserve capacity to serve over 150,000 homes while maintaining transmission access.

The project is expected to save customers approximately \$300 million compared to a new gas facility and \$1.2 billion compared to long-duration lithium-ion batteries. The project reflects the ISP System Strategy for Strategic Investment and Reinforcement of Existing Assets and preserves critical capital dollars in a time of unprecedented load growth. To learn more about SRP’s decision to convert CGS to natural gas and the future resource options considered for the site, read the full press release [SRP Board Approves Converting Coal-fired Coronado Generating Station to Run on Natural Gas](#).

SRP is also pursuing a long-duration energy storage pilot at CGS and plans to select a finalist in late 2025. SRP will continue to evaluate additional resources suitable for the site.

<sup>1</sup>Coal Transition Action Plan reflects progress as of June 2025 and includes developments beyond the close of fiscal year 2025 (ended April 30, 2025).

### Springerville Generating Station (SGS):

At the Springerville Generating Station (SGS), SRP is coordinating with Tuscon Electric power (TEP) and Tri-State Generation and Transmission to determine a long-term path forward for the third and fourth generating units at the site. In July 2025, TEP announced plans to convert Units 1 and 2 to natural gas by 2028. SRP owns Unit 4 and is evaluating future options in alignment with its broader coal transition strategy.

### Coal Community Transition:

To support impacted communities, SRP is actively participating in the Coal Community Transition effort, which includes workforce planning, economic development, and community engagement. More information is available at [Coal Community Transition | SRP](#).

These actions are part of SRP's broader strategy to at least double system capacity over the next decade while maintaining affordability and reliability. SRP plans to add 10,000 MW of renewable energy, supported by flexible natural gas and storage resources, as part of its all-of-the-above approach to meeting future energy and resource capacity needs.

### ISP ACTION — PROACTIVE SITING:

Develop and initiate collaborative community engagement, land, resources and transmission siting research to proactively identify, prepare and preserve options for feasible future system infrastructure sites.

#### Update:

As SRP plans for a significant expansion of renewable energy resources, proactive siting remains a critical strategy to ensure the timely development of future infrastructure. Identifying and securing suitable land and transmission corridors in advance helps reduce permitting delays, manage costs and support long-term system reliability. The key accomplishments related to this effort included:

- Advanced land acquisition efforts for the potential generation sites identified from FY24's land assessment, including the purchase of approximately 4,800 acres, active negotiations for an additional 2,000 acres, and identification of potential sites for future generation development. Initiated development evaluations across several geographic areas within the state.
- Analyzed available transmission capacity for each of the locations identified in the FY24 land assessment. For each site, SRP identified transmission system upgrades to allow for a minimum of 1,000 MW of new resources. This analysis helps to ensure alignment with long-term system needs.
- Completed a Transmission Expansion Study which evaluated a 2035 resource implementation plan identifying several regions with estimated amounts of generation through FY35; that information was implemented into a model representing the summer peak of 2035. Using this model, Generator Deliverability studies were performed to determine transmission upgrades needed to ensure deliverability of the resource plan for the expected summer peak of 2035. Based on these inputs, the study identified the need for 565 miles of new 500kV transmission lines and 14 new 500/230kV transformers by 2035.

These proactive siting efforts lay the groundwork for broader regional transmission coordination, which is essential to delivering clean energy across the West and meeting future system demands.

## **ISP ACTION — REGIONAL TRANSMISSION:**

Pursue transmission projects that would enable SRP to access diverse renewable resource options beyond solar, such as wind and geothermal, and engage with project developers as appropriate.

### **Update:**

In FY25, SRP continued to explore multiple options to expand access to out-of-state renewable resources, such as wind and geothermal, by exploring partnerships on regional transmission projects. This includes meeting with developers to evaluate opportunities for increasing transmission capacity to key delivery points on the SRP system. SRP is also actively engaging with other utilities through forums like the Western Transmission Expansion Coalition (WestTEC) to identify potential partnerships and advance actionable transmission studies that support the needs of the future energy grid. The key accomplishments related to this effort include:

- Leveraged the initial research performed by Energy and Environmental Economics (E3) in FY24 that evaluated Regional Transmission Projects currently under development; five transmission projects were recommended for further evaluation to determine the deliverability of out-of-state renewable energy to SRP's system.
- Performed transmission analyses to determine the deliverability and associated mitigations of the regional transmission projects to SRP's system at key interconnection points.
- Continued discussions with transmission developers to explore project feasibility and capacity options, and reviewed wind project bids from SRP's most recent All-Source RFP to assess potential generation locations and grid benefits.

These efforts are helping SRP identify viable transmission pathways that could provide critical access to clean energy and support SRP's 2035 and 2050 Sustainability Goals.

## CONCLUSION

SRP's progress on ISP Actions in FY25, from May 2024 through April 2025, demonstrates meaningful momentum toward our system strategies, 2035 Sustainability Goals and the evolving needs of our customers and power system.

Throughout the year, SRP expanded customer programs, exceeded energy efficiency and demand response targets, and advanced electrification initiatives. Early in the fiscal year, SRP launched new customer programs and completed the FY24 program evaluation in June 2024, using those insights to refine offerings. In January 2025, SRP successfully deployed the Advanced Distribution Management System (ADMS), enhancing grid visibility and operational control. The February 2025 Price Process marked a major milestone, resulting in Board-approved updates to time of use pricing and a commitment to launch a residential battery focused Virtual Power Plant (VPP) pilot by the end of calendar year 2025. In March 2025, SRP updated its EV Managed Charging Roadmap, and by April 2025, managed charging participation had reached 79%.

The Board's June 2025 approval of the Coronado Generating Station coal to gas conversion marked a pivotal step in SRP's coal transition strategy. SRP also strengthened regional transmission coordination, commissioned the Distribution Enablement Lab and secured a significant volume of new energy resources through 2023 and 2024 All Source RFPs.

These accomplishments reflect SRP's commitment to action and positions SRP to accelerate progress in FY26 toward a more reliable, affordable and sustainable energy future.



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