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SRP 2035 SUSTAINABILITY ADVISORY GROUP

ADDITIONAL SESSION ON GOAL 1.1 GENERATION CARBON

DECEMBER 8, 2023

MEETING #4 SUMMARY

Topic: 2035 Sustainability Goals: Additional Discussion of Goal 1.1 Generation Carbon

Date: December 8, 2023

Time: 01:30 p.m.–4:30 p.m. MDT

Location: SRP Heritage Center, 1500 North Mill Avenue, Tempe AZ, 85288

Meeting Objectives:

The objective of this engagement is for management and Advisory Group members to discuss goal 1.1. Generation Carbon in more detail. The framework to accomplish this includes the following actions:

- 1) Level-set: Review of goal 1.1. Generation Carbon as originally framed, progress achieved, and lessons learned;
- 2) Discuss: Review SRP's proposed update to goal 1.1. Generation Carbon and engage in an open dialogue to listen to and discuss stakeholder questions, feedback, and recommendations.

Point of Contact:

SRP Sustainability Policy & Programs
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Of the 21 Advisory Group organizations invited to attend, 12 organizations attended the meeting.

The meeting agenda and presentations are available at the [2035 Sustainability Goals Update Process website](#).

EXECUTIVE SUMMARY

On Friday, December 8th, Advisory Group members remained in SRP's Heritage Center for an additional session (after meeting #4 in the morning) to discuss goal 1.1 Generation Carbon in more detail at the request of the Advisory Group. SRP shared clarifying information and opened the floor to questions from participants.

1.1 Generation Carbon

Current Goal: Reduce the amount of CO₂ emitted by generation (per MWh) by 65% from 2005 levels — 2050 target: 90% intensity reduction from 2005

Recommended Direction: Reduce the amount of CO₂ emitted by generation (per MWh) by 75% from 2005 levels — 2050 goal: net zero carbon emissions

Discussion Summary:

Advisory Group members inquired about the mass-based equivalent of SRP's current intensity-based generation carbon emissions reduction goal. Some Advisory Group members discussed the importance of mass-based goals to mitigate climate change and the need to frontload emissions reductions to decarbonize as fast as possible. Some members encouraged SRP to prioritize transparency (in the form of a mass-based goal) even if the goal appeared to be less ambitious. Some Advisory Group members stated their belief that intensity-based goals are inherently misleading because they do not consider mass, while some other members expressed support for an intensity-based goal due to its flexibility and ability to scale to serve the community's economic needs. Others clarified support for an intensity goal if SRP transparently reported mass-based emissions and made decisions with those figures in mind. Advisory Group members supported regular, transparent reporting on SRP's carbon emissions on a mass basis or equivalencies of it, including clarity on the scope of the goal.

The Advisory Group discussed the range of possible load growth scenarios and the possibility of including a range of reduction targets based on those forecasts. Some Advisory Group members discouraged a goal including a range of emission reductions while others were supportive of the idea. Some AG members suggested SRP consider adding language to the goal such as "at no ill effect to reliability." The group also discussed the difference between reliability and the intermittent nature of renewable energy.

Advisory Group members discussed current technology options in achieving carbon emissions goals and acknowledged the role of yet-to-be-developed technology. Advisory Group members were also cognizant of the importance of reliability in the process of decarbonization. Some members noted that the impacts of carbon emissions are socialized over generations and that the long-term costs of climate change require innovation and an aggressive target.

MEETING #4 SUMMARY

Advisory Group members considered the role of coal plant retirements in SRP's decarbonization plan and urged SRP to plan and communicate effectively to minimize negative impacts to the affected communities. Some Advisory Group members encouraged all Advisory Group organizations to participate in helping coal communities transition to lower carbon economies. Advisory Group members discussed the challenges associated with siting new resources (including biodiversity and reliability) and noted SRP's unique position to drive innovation and investments.

Some members reiterated that revisiting goals within shorter timeframes would be in better alignment with the changing market. Advisory Group members emphasized their desire to work collaboratively with SRP to support each other's goals.