SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

STRATEGIC PLANNING COMMITTEE

Thursday, September 10, 2026, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Krista O'Brien, Chair; Paul Rovey, Vice Chair; and Robert Arnett, Thomas Galvin, Mario Herrera, Kathy Mohr-Almeida, and Stephen Williams

Call to Order
Roll Call

1. **CONSENT AGENDA**: The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item .....CHAIR KRISTA O'BRIEN

   - Request for approval of the minutes for the meeting of June 4, 2026.

2. Artificial Intelligence (AI) at SRP ..... KAITLYN LIBBY

   Informational presentation regarding SRP's approach for prioritizing, governing, and implementing AI and automation technologies.

3. SRP 2035 Sustainability Goals Fiscal Year 2026 (FY26) Progress ..... LEAH HARRISON and VARIOUS

   Informational presentation regarding key activities and progress made in FY26 toward the achievement of SRP's 2035 Sustainability Goals.

4. Integrated System Plan (ISP) Update ..... MARY FAULK

   Informational presentation regarding an update on the progress of the 2027 ISP and an overview of upcoming activities and milestones.

5. Report on Current Events by the General Manager and Chief Executive Officer or Designees.....JIM PRATT

6. Future Agenda Topics.....CHAIR KRISTA O'BRIEN

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.

NOTICE WILL BE SENT REGARDING THE NEXT STRATEGIC PLANNING COMMITTEE MEETING

09/03/2026

MINUTES
STRATEGIC PLANNING COMMITTEE MEETING

DRAFT

June 4, 2026

A meeting of the Strategic Planning Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 9:30 a.m. on Thursday, June 4, 2026, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were K. O'Brien, Chair; P. Rovey, Vice Chair; and R. Arnett, M. Herrera, K. Mohr-Almeida, and S. Williams.

Committee Member absent at roll call was N. Brown.

Also present were President C. Dobson; Vice President B. Paceley; Board Members K. Clark, C. Clowes, M. Harlan, K. Johnson, and L. Rovey; Council Chair R. Shelton; Council Vice Chair S. Naylor; Council Liaisons G. Geiger and E. Gorsegner; Council Members N. Brown, R. Gutierrez, C. Resch-Geretti, W. Sheely, and S. Travise; I. Avalos, A. Bond-Simpson, A. Chabrier, A. Davis, M. Faulk, L. Harrison, L. Hobaica, V. Kisicki, B. Koch, K. Lee, K. Libby, A. Lucas, L. Meyers, A. Mirabito, M. O'Connor, B. Olsen, J. Pratt, M. Purnell, J. Schuricht, and R. Taylor of SRP; Gary Dirks of Arizona State University (ASU); Andy Jacobs of Strategy 48; Alex Routhier of Western Resource Advocates (WRA); Jeff Schneidman of Plattner, Schneidman & Schneider, P.C.; and Susan Schultz of The Board Institute.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Strategic Planning Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, June 2, 2026.

Chair K. O'Brien called the meeting to order.

<u>Consent Agenda</u>

Chair K. O'Brien requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member K. Mohr-Almeida and seconded by Vice Chair P. Rovey, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Strategic Planning Committee meeting on September 11, 2025, as presented.

Assistant Corporate Secretary L. Hobaica polled the Committee Members on Board Member K. Mohr-Almeida's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members K. O'Brien, Chair; P. Rovey, Vice Chair; and R. Arnett, M. Herrera, K. Mohr-Almeida, and S. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N. Brown	(1)

Greenhouse Gas (GHG) Inventory Verified
Results for Fiscal Year 2025 (FY25)

Using a PowerPoint presentation, Anthony Mirabito, SRP Senior Data Analyst, stated that the purpose of the presentation was to provide the results of SRP's third-party verified GHG inventory and carbon intensity metric for FY25. They explained that SRP measures and reports annual GHG mass emissions associated with its operations and its annual carbon intensity of generation serving its retail customers.

A. Mirabito outlined the key reasons that SRP reports its GHG emissions and highlighted that it aligns with industry disclosure standards – FY25 emissions were verified by a third-party and published to The Climate Registry. They reviewed the timeline of the annual carbon reporting.

A. Mirabito reviewed historical GHG emissions supporting SRP's operations and GHG emissions supporting SRP's operations for FY25. They explained that GHG emissions are reported across three scope categories: 1) Scope 1 – emissions directly from company-owned assets or operations; 2) Scope 2 – emissions from electricity purchased and consumed in company operations; and 3) Scope 3 – emissions upstream of company-owned assets or operations.

A. Mirabito presented a chart of GHG emissions from retail energy deliveries from FY05 through FY25. They stated that since 2005, retail energy deliveries have increased by 35%, retail carbon intensity has decreased by 51%, and retail mass has decreased by 34%.

A. Mirabito reviewed SRP's FY25 energy sources – retail energy mix and reminded the Committee that SRP is committed to net-zero carbon emissions for retail energy by 2050. They provided an overview of forecasted retail energy mix for FY35.

A. Mirabito concluded with key takeaways and the GHG reporting resources. They responded to questions from the Committee.

Copies of the handout distributed and the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member N. Brown; Corporate Secretary J. Felty; Don Erpenbeck of Stantec; and Gloria Greene, a member of the public, entered the meeting during the presentation.

Integrated System Plan (ISP)

Using a PowerPoint presentation, Mary Faulk, SRP Director of Integrated System Planning and Support, stated that the purpose of the presentation was to provide information regarding the purpose and benefits of the ISP, expectations, and timing for the next ISP.

M. Faulk provided an overview and timeline of SRP's ISP and explained how the ISP evolved and how the power system is changing. They explained that the ISP is based on distribution planning, resource planning, transmission planning, customer programs, and forecasting, and it informed by stakeholder and customer engagement.

M. Faulk said that the ISP considers the following plausible futures when making long-term decisions: 1) load growth; 2) emerging technology and supply chain; 3) changing fuel and technology costs; 4) market support and policy shifts; 5) community and customer sentiments; and 6) customer resources. They explained how SRP system strategies are analyzed under different future scenarios.

M. Faulk reviewed the ISP's grounds policies, goals, financial plans, and project decisions. They summarized the ISP's key takeaways, ISP actions – customer grid focused and bulk system focused.

M. Faulk concluded with an overview of the following items: 1) timing and engagement for SRP's first ISP; 2) advisory group composition – regional and local interest groups, customer groups, municipalities, and energy industry groups; 3) refreshing the ISP; 4) 2027 ISP timeline; and 5) next steps.

M. Faulk responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member R. Arnett and A. Mirabito of SRP left the meeting during the presentation.

Carbon Goal Frameworks and Implications for Future Planning

Using a PowerPoint presentation, Angie Bond-Simpson, SRP Senior Director of Resource Management, stated that the purpose of the presentation was to provide information regarding SRP's carbon goals, progress toward those goals, current system, and cost realities.

A. Bond-Simpson stated that SRP's focus is to deliver carbon emissions reduction while maintaining affordable and reliable service for the customers we serve. They reviewed carbon goal metrics and measurements.

A. Bond-Simpson explained how mass and intensity goals work together. They said that SRP's goals are designed to deliver real emissions reductions at scale in a growing system.

A. Bond-Simpson provided an overview of the following: 1) customer considerations; 2) balanced system planning; 3) GHG emissions from retail energy deliveries from FY05 through FY25; 4) SRP's renewable and storage commitments; 5) SRP's lower carbon trajectory from FY05 through current Financial Plan 2027 (FP27); and 6) considerations for future progress. They stated that SRP continues to evaluate the ISP and path forward.

A. Bond-Simpson stated that all 18 SRP 2035 Sustainability Goals and reporting are posted at srpnet.com/2035. They concluded with carbon goal takeaways.

A. Bond-Simpson responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member M. Herrera, Corporate Secretary J. Felty, and Gloria Greene, a member of the public, left the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

Jim Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chair K. O'Brien asked the Committee if there were any future agenda topics. Board Member K. Mohr-Almeida requested that Management incorporate the social cost of carbon within the monthly financial reports given by Brian Koch, SRP Associate General Manager and Chief Financial Executive.

There being no further business to come before the Strategic Planning Committee, the meeting adjourned at 11:36 a.m.

Lora Hobaica
Assistant Corporate Secretary

Delivering water and power®

ARTIFICIAL INTELLIGENCE AT SRP

Kaitlyn Libby, Director of Corporate Strategy & Risk Management | September 10, 2026

Delivering water and power®

2050 VISION

A secure water and clean energy future empowers Arizona to thrive for generations to come.

THE NEW UTILITY IMPERATIVE

- Serve major growth at unprecedented pace
- Maintain leading reliability & safety
- Modernize grid, technologies, and aging assets
- Reduce carbon emissions
- Keep service affordable
- Improve the customer experience
- Deepen community engagement
- Manage through policy uncertainty
- Evolve culture, skills, and employee experience
- And more…

THE ROLE OF AI AT SRP

Make it easier and faster for our team members to deliver what matters most to our customers by improving how we work and unlocking new ways to fulfill our mission and strategy.

EFFICIENCY & PRODUCTIVITY DRIVER

Simplify or automate routine and manual tasks; free up capacity for higher-priority activities that require human judgment, experience and care.

STRATEGIC ENABLER

Apply AI to achieve SRP's strategic goals and vision by accelerating execution, improving insights, and uncovering new ways of operating.

OPPORTUNITIES TO APPLY AI AT SRP

Many are in use or being piloted today; others are opportunities for the future

EFFICIENCY & PRODUCTIVITY

- Automated content creation, processing, and summarization
- Knowledge retrieval (e.g., “Answer in SRP Context”)
- Code generation support
- Workflow automation
- Decision support and optimization
- Process monitoring and continuous improvement

STRATEGIC ENABLEMENT

- Customer interaction support
- Personalized customer engagement and experience
- Sophisticated system planning and operations
- Intelligent decision-making and forecasting
- Risk and resilience management

**Not exhaustive, for example purposes*

SRP'S APPROACH

THE AI HUB'S ROLE

- Enterprise AI Strategy
- Responsible AI Governance, Policies & Standards
- Intake, Review & Approval Processes
- Solution Selection & Delivery Support
- Workforce Readiness

THE BUSINESS SPOKES' ROLE

- Use Case Identification & Initial Prioritization
- Responsible Adoption & Utilization
- Data Readiness & Data Quality
- Value Realization & Business Outcomes

The Enterprise AI Hub ensures responsible AI adoption through a strategic, business-led approach.

GOVERNANCE & CONTROLS

How SRP ensures safe, secure, and responsible AI adoption

ACCESS & APPROVAL

- **Access to AI tools is tightly controlled** and limited to SRP-approved technologies for business purposes only.
- **Every AI tool or feature goes through a rigorous review** evaluating cybersecurity, legal, privacy, ethical, business value, and vendor considerations.

ACCOUNTABILITY & OVERSIGHT

- **Human accountability, validation, and oversight is required** across all AI use cases.
- **AI supports decision-making; it does not make decisions** on SRP's behalf.
- **AI is used where it is most impactful** and adds meaningful business value.

DATA & USAGE

- **Sensitive operational, employee, customer, and critical infrastructure data is protected** in accordance with applicable regulatory and industry requirements.
- **Licenses and usage are actively monitored and managed** based on fee structures and allocations.

CURRENT INITIATIVES & LOOKING AHEAD

- **Strengthening our foundation for successful AI adoption**:
  - Data readiness (reliable, high-quality data)
  - Formalizing internal processes/governance and AI Hub approach
  - Change management and workforce proficiency
- **Engaging with industry peers and partners:**
  - EPRI Initiatives (SaferAI; AI for Power; DCFlex)
  - Large Public Power Council
  - State universities and community colleges
  - Technology partners
- **Scaling what works while identifying and pursuing next high-value opportunities.**

EMPOWERING OUR WORKFORCE

SRP launched a targeted development program led by ASU as part of our strategic partnership

54 team members

across

All job levels and organizations

focused on

AI mindset, responsible use, and practical business application

EMPOWERING OUR WORKFORCE

SRP's first-ever AI Hackathon showcased strong innovation, use case identification, and collaboration

Working in energy, we literally power innovation. And that gives us a chance to show how this tech can bring people together, not just optimize tasks.

My biggest takeaway was the power of collaboration, continuous learning, and having the confidence to champion an idea.

I learned how much AI can do, how quickly we can develop apps without coding skills, and especially how to prompt, and last but not least, we need a human intervention and overlook of what AI does!

THANK YOU

SRP 2035 Sustainability Goals Fiscal Year 2026 Progress

Strategic Planning Committee

Leah Harrison and Sustainability Goal Owners | September 10, 2026

MISSION

SRP serves our customers and communities by providing reliable, affordable and sustainable water and energy.

2050 VISION

A secure water and clean energy future empowers Arizona to thrive for generations to come.

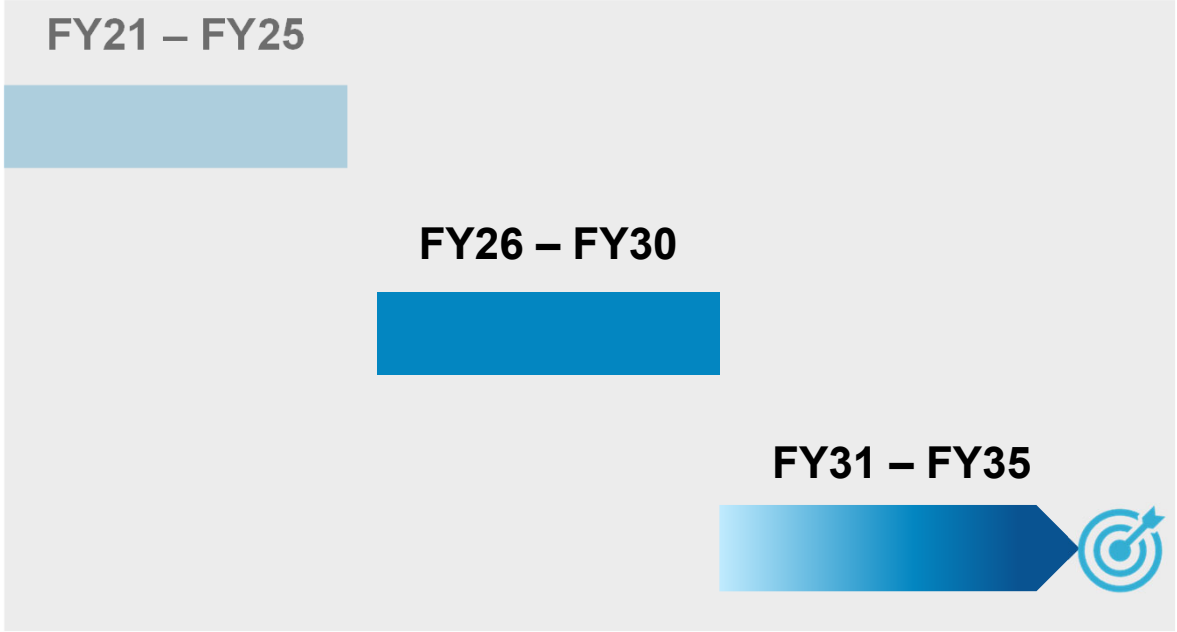
2035 Strategic Directions

Phased Execution and Action Planning

FOUNDATIONAL EXECUTION
PHASE 1 ACTION PLANS

★ **STRATEGIC EXECUTION**
PHASE 2 ACTION PLANS

REALIZE GOALS
PHASE 3 ACTION PLANS



2035 Sustainability Goal Progress Snapshot*

Strong Progress

- **Community Water Conservation**
- **Water Storage**

On Track

- **Generation Carbon**
- **Generation Fleet-Wide Water Reduction**
- **Industrial Waste**
- **Facilities Carbon**
- **Forest Restoration**
- **Supply Chain**
- Generation Groundwater
- Customer Sustainability Sentiment Rating
- Energy Efficiency
- Demand Response
- Transportation Electrification
- Electric Technologies
- Grid Enablement

Needs Attention

- **Transportation Fleet Carbon**
- **Municipal Waste**
- **Facilities Water**

***Bolded Goals** highlighted in presentation.

Goal Progress Example

Current Status:

FY26 Plan	FY26 Actual

Measured in:

Successes & Challenges in FY26

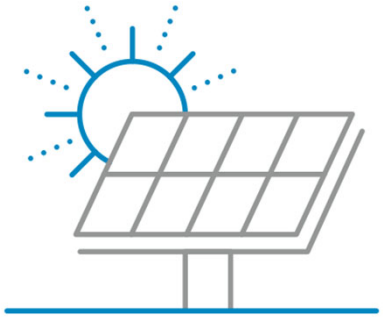
Looking Ahead

FY26 2035 Sustainability Goal Progress Updates

Generation Carbon

Reduce the amount of CO_2 emitted by generation (per MWh) by 82% from 2005 levels by 2035 (~284 lbs/MWh) — 2050 goal: Net-zero carbon emissions

Generation Carbon (for Retail Energy)



Current Status: On Track

FY26 Plan	FY26 Actual*
796	**734**

Measured in: *Pounds of CO_2 per MWh delivered to retail customers*

Successes & Challenges in FY26

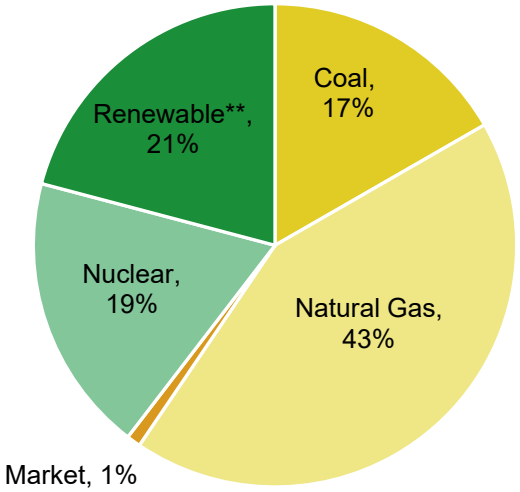
- Market economics reduced coal generation by 29%, as lower-cost market purchases displaced generation.
- Added 155 MW of solar capacity and 450 MW of energy storage, expanding renewable energy production and utilization.
- Steady growth continues to place pressure on year-over-year emissions reductions.

** Preliminary FY26 metric. Not yet third-party verified or submitted to The Climate Registry (TCR). Verification by TCR anticipated in Spring 2027*

FY26 Retail Energy Supply Mix

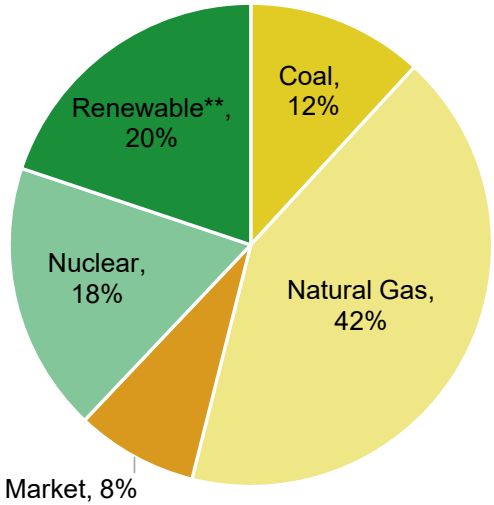
FY26 Budget

36.7M MWh Generation



FY26 Actual
(Preliminary*)

37.1M MWh Generation



- Retail energy deliveries exceeded plan, resulting in higher-than-expected generation.
- Coal generation declined significantly as market economics shifted dispatch decisions.
- Market purchases increased and contributed to carbon performance that exceeded plan.

** Preliminary FY26 metric. Not yet third-party verified or submitted to The Climate Registry (TCR). Verification by TCR anticipated in Spring 2027*
*** Renewables: Solar, Hydro, Wind, Biomass, Geothermal*

FY26 Achievements & Goal Enablement

Commissioned 155 MW of Renewables

- Box Canyon Solar (100 MW)
- SRP-owned Copper Crossing Solar (55 MW)

Commissioned 450 MW of Standalone Storage

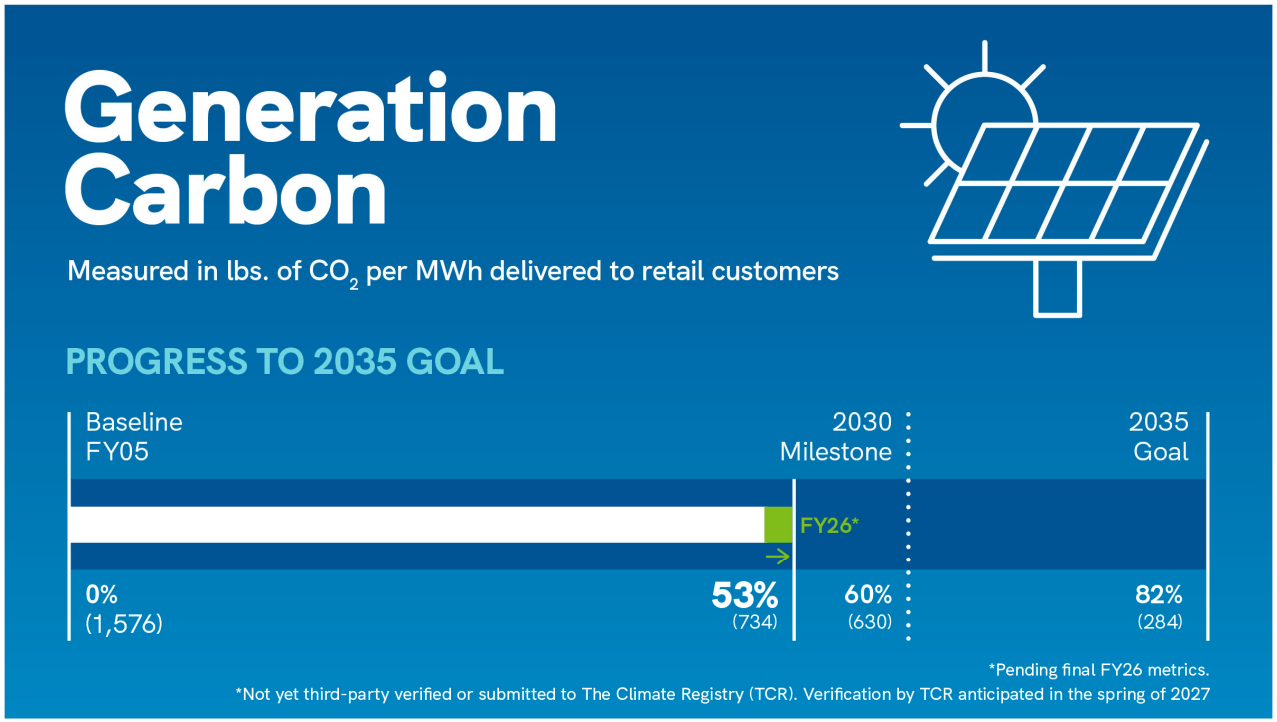
- Pediment Battery (250 MW/1,000 MWh)
- Flatland Battery (200 MW/800 MWh)

Active Pursuit of Future Projects

- Obtained Board approval for 600 MW of wind, 400 MW of solar, and 450 MW of storage projects.
- Executed binding agreements for 600 MW of wind, 1,100 MW of solar, and nearly 2,300 MW of storage projects.
- Executed Solar Development Agreement with NextEra for up to 3,000 MW of additional solar projects by 2035.

Generation Carbon (for Retail Energy)

Reduce the amount of CO_2 emitted by generation (per MWh) by 82% from 2005 levels by 2035 (~284 lbs/MWh) — 2050 goal: Net-zero carbon emissions



FY26 Results*:

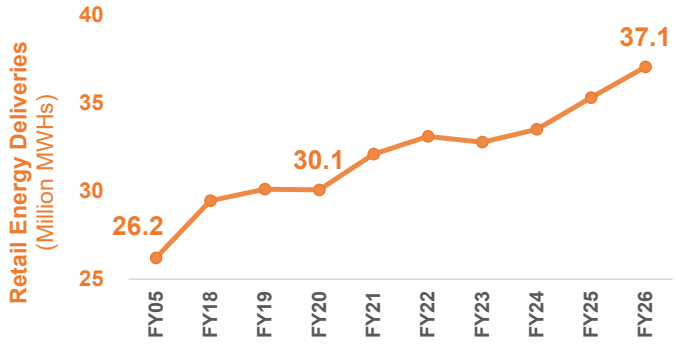
Reduced SRP's retail generation carbon intensity to **734 lbs. CO_2 per MWH** — a **53% reduction** from 2005.

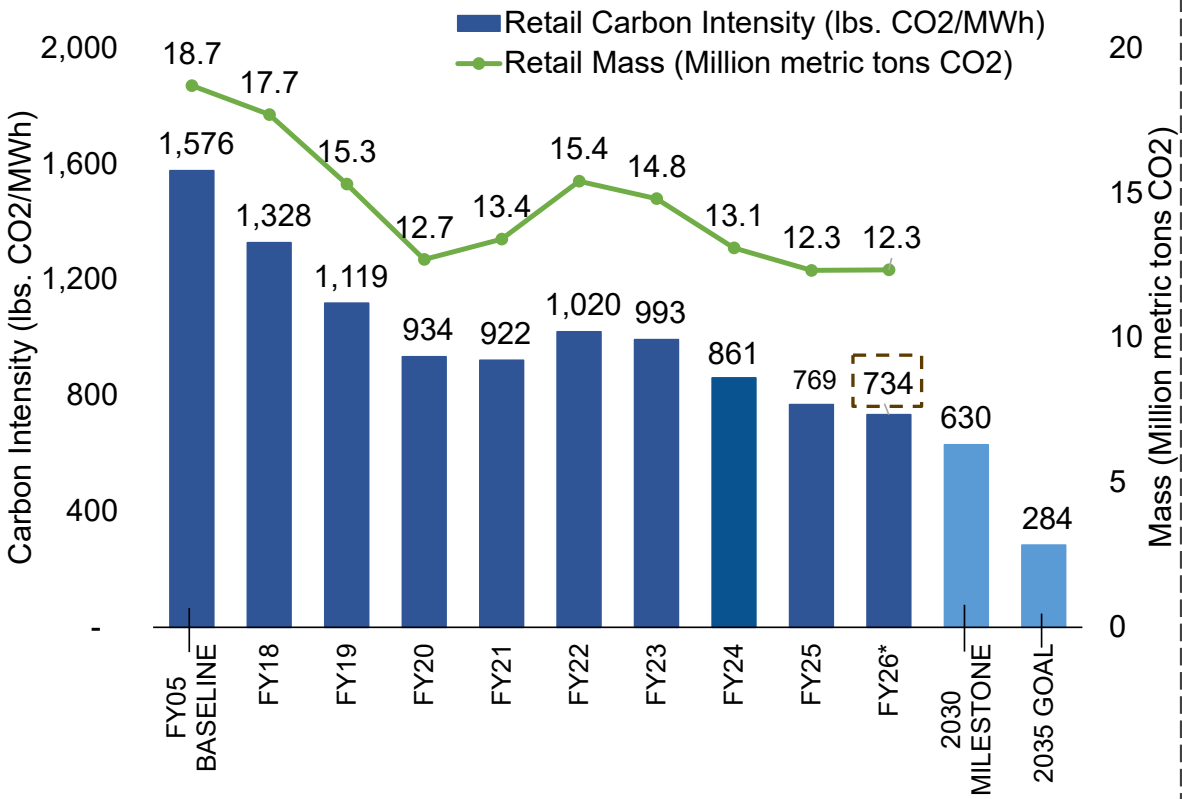
Produced **12.3 million metric tons of CO_2 emissions** on a mass basis.

GHG Emissions From Retail Energy Deliveries Over Time

- **Retail Carbon Intensity** has **decreased by 53%** since 2005
- **Retail Mass** has **decreased by 34%** since 2005

- **Retail Energy Deliveries** have **increased by 42%** since 2005





** Preliminary FY26 metric. Not yet third-party verified or submitted to The Climate Registry (TCR). Verification by TCR anticipated in Spring 2027*

Generation Fleetwide Water Reduction

Achieve 30% reduction in generation-related water use intensity across all water types from 2005 baseline

Generation Fleetwide Water Reduction

Current Status: On Track

FY26 Plan	FY26 Actual*
405	**397**

Measured in: *Gallons per MWh of generation-related water use*

Successes & Challenges in FY26

- Market economics reduced coal generation by 29%, as lower-cost market purchases displaced generation.
- Targeted recovery projects and infrastructure upgrades reduced water losses.
- Enhanced controls improved water management and process-water efficiency.
- Ongoing conservation initiatives continue to identify and capture water savings.
- Steady growth continues to place pressure on year-over-year water reductions.

** Preliminary FY26 metric. Not yet third-party verified or submitted to The Climate Registry (TCR). Verification by TCR anticipated in Spring 2027*

FY26 Generation Water Highlights

Operational Efficiency and Water Stewardship

Gila River Generating Station

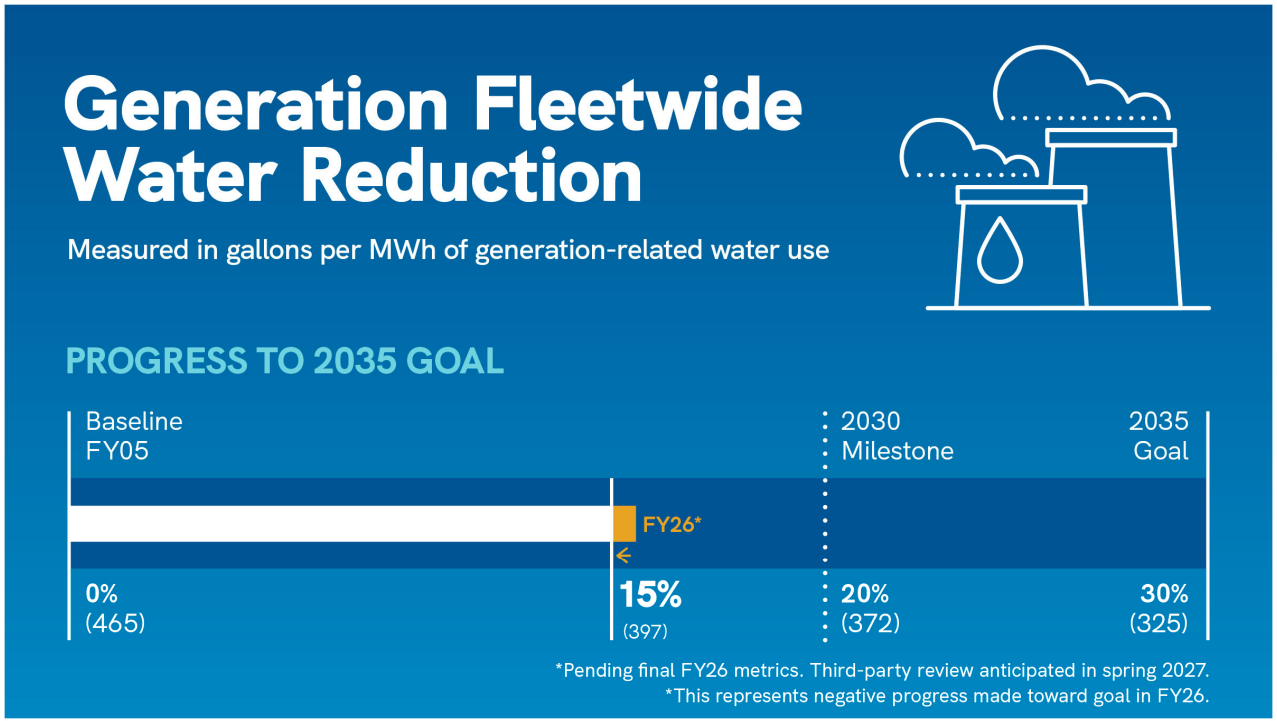
- Water Recovery Upgrades: Increased water recycling and reuse.
- Control Room Visibility Tool: Reduced water waste through enhanced controls.
- Demineralizer Improvements: Improved reliability while minimizing water waste.

Agua Fria Generating Station

- Water System Modifications: Reduced water losses and improved utilization.
- Fire Water System Replacement: Eliminated persistent leaks and improved reliability.
- RO Treatment Optimization: Improved purification efficiency and equipment protection.

Generation Fleetwide Water Reduction

Achieve 30% reduction in generation-related water use intensity across all water types from 2005 baseline

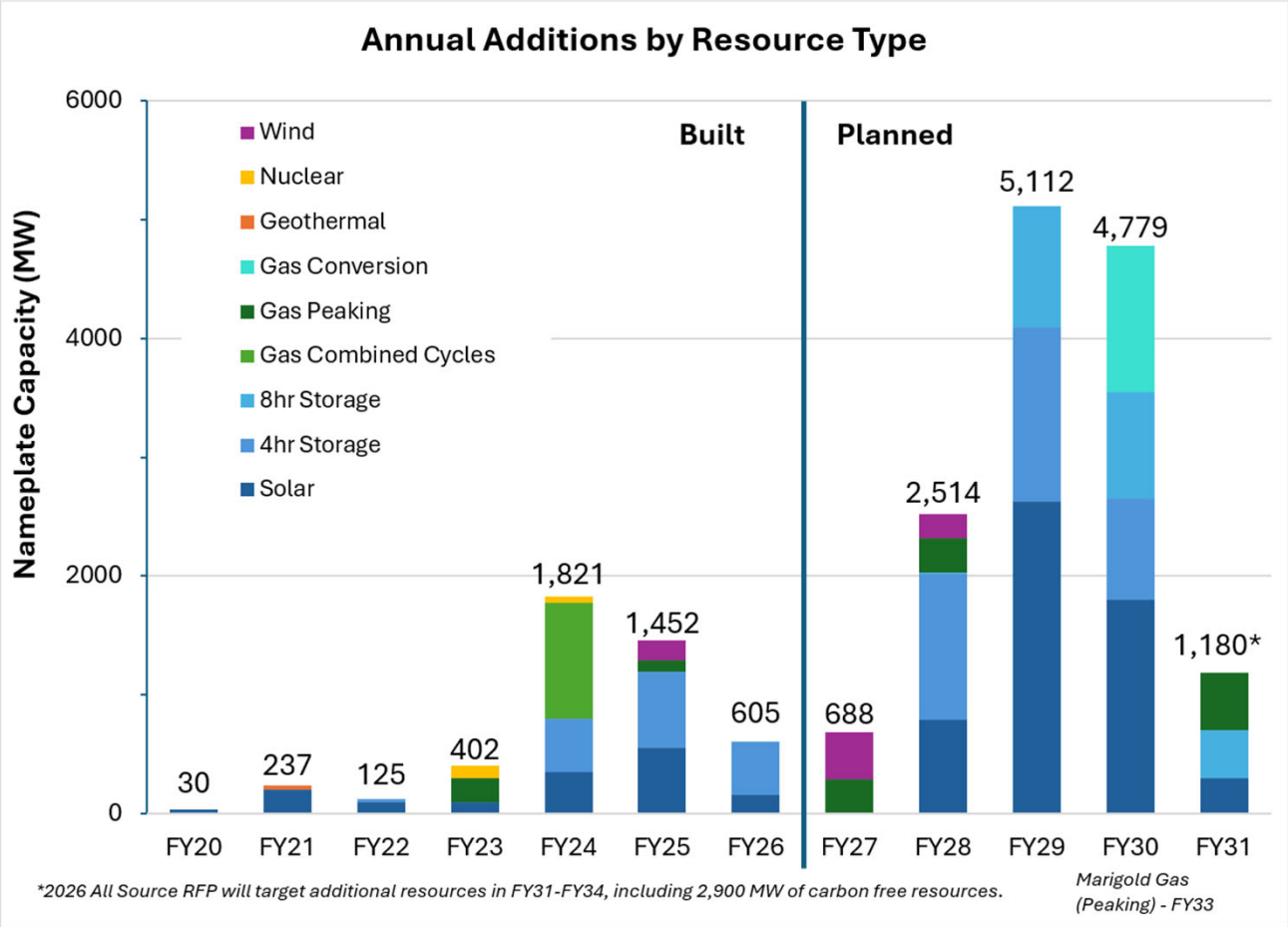


FY26 Results*:

Reduced generation-related water use intensity to **397 gallons per MWh — a 15% reduction from 2005.**

Looking Ahead

- 400 MW of wind expected online in FY27
- 14+ GW of planned resource additions through FY31
- Nearly 80% of planned additions are carbon-free and water-free resources and energy storage



Facilities Carbon

Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline

Facilities Carbon

Current Status: On Track

FY26 Plan	FY26 Actual
34.7M	**32.9M**

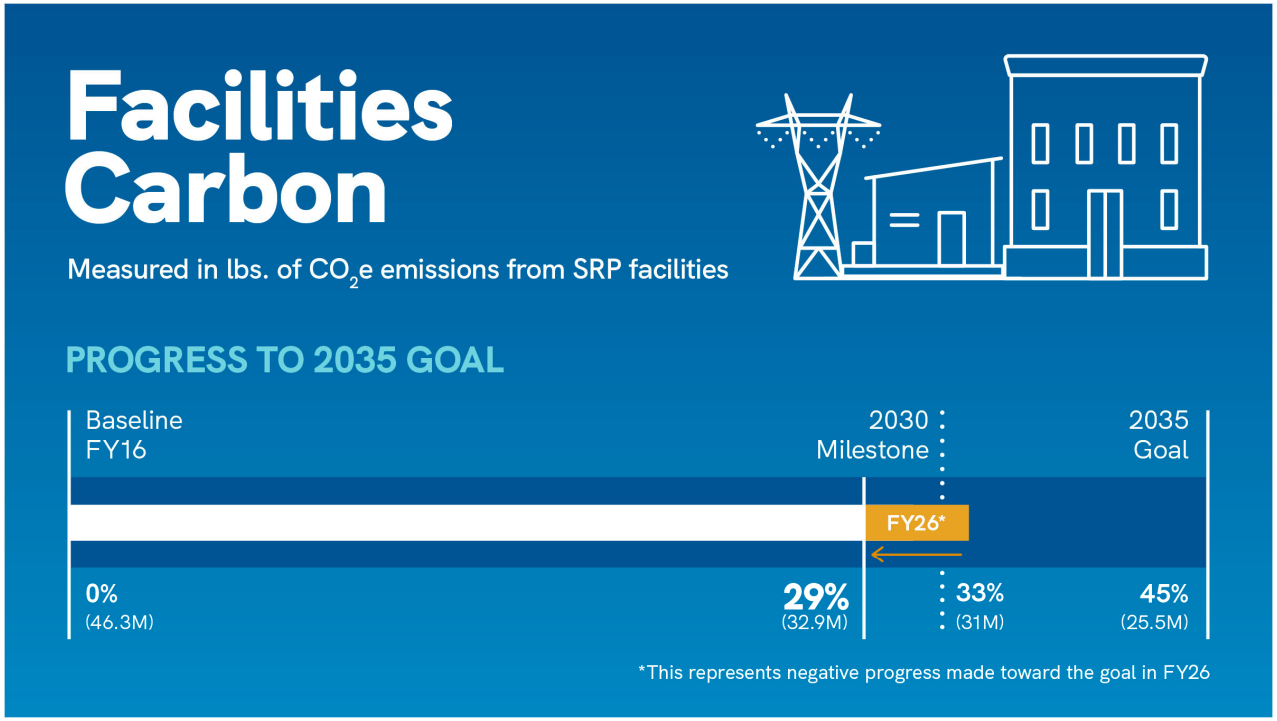
Measured in:
Pounds of CO_2e emissions from SRP facilities

Successes & Challenges in FY26

- East Valley Service Center Warehouse EVAP conversion
- Complete year with Technology Studio Building in portfolio
- Decommissioned 16th Street and 27th Street
- Demolished buildings at Foothills Training Facility
- Employee Growth – added 809 TOs since FY21
- Shifting building portfolio
- Continued adoption of fleet and employee electric vehicles

Facilities Carbon

Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline



FY26 Results:

32.9 million lbs. CO_2e from SRP facility operations — an **increase of 3.4 million** lbs. CO_2e from FY25.

Facilities Carbon

Looking Ahead

- Continued implementation of Tridium-Niagara building automation
- Comprehensive building renovations
- Continued efforts on building portfolio reductions
- Evaluate potential photovoltaic building systems

Facilities Water

Reduce water use at SRP facilities by 45% on a mass basis from 2016 baseline

Facilities Water

Current Status: Needs Attention

FY26 Plan	FY26 Actual
60M	**69.4M**

Measured in:
Gallons of water used in SRP facilities

Successes & Challenges in FY26

- East Valley Service Center Warehouse EVAP conversion
- Complete year with Technology Studio Building in portfolio
- Decommissioned 16th Street and 27th Street
- Demolished buildings at Foothills Training Facility
- Landscape irrigation maturation stage
- Shifting building portfolio
- Budget constraints

Facilities Water

Reduce water use at SRP facilities by 45% on a mass basis from 2016 baseline

FY26 Results:

Used **69.4 million gallons** of water in SRP facilities — a **decrease of 0.6 million gallons** from FY25.

Facilities Water

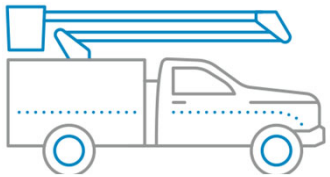
Looking Ahead

- Continued chiller plant and EVAP cooling upgrades
- Continued irrigation system upgrades utilizing new landscape standards
- Utilize municipality WaterSmart dashboards to identify leaks and issues earlier
- Continued efforts on building portfolio reductions

Transportation Fleet Carbon

Reduce carbon emissions from fleet by 30% on a mass basis from 2016 baseline

Transportation Fleet Carbon



Current Status: Needs Attention

FY26 Plan	FY26 Actual
33.2M	**35.3M**

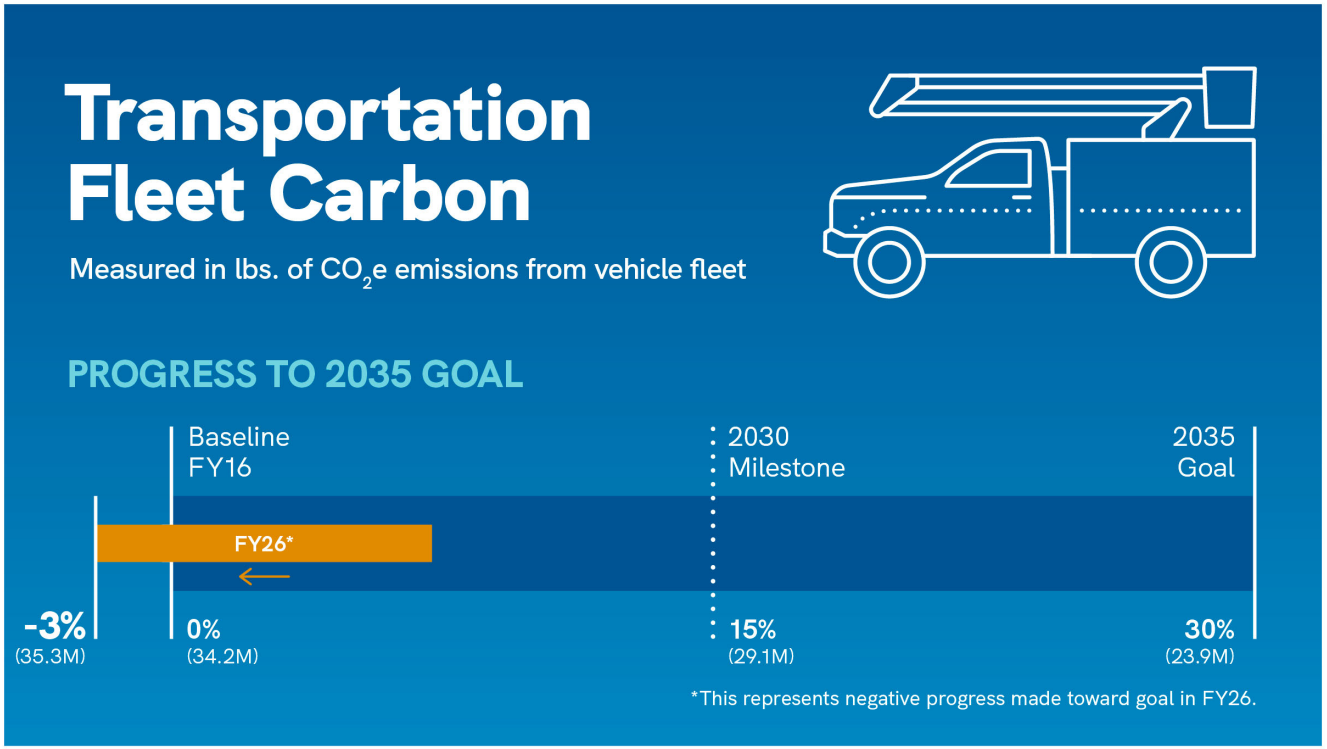
Measured in:
Pounds of CO_2e emissions from SRP vehicle fleet

Successes & Challenges in FY26

- Fleet idle reporting to department leaders, avoiding 875K lbs. of CO_2 emissions
- 24 EVs purchased
- Transitioned 13 heavy duty assets to more efficient medium duty
- Fleet Growth – 63 additional assets since FY25
- Miles Driven – 1,000,000 mile increase since FY25
- Manufacturers discontinued production of ½ ton EV pickup trucks

Transportation Fleet Carbon

Reduce carbon emissions from fleet by 30% on a mass basis from 2016 baseline



FY26 Results:

Produced **35.3 million lbs. CO_2e** from operating SRP fleet vehicles — **an increase of 3.7 million lbs. CO_2e** from FY25.

Transportation Fleet Carbon

Looking Ahead

- Continued focus on idle reduction
- Leverage electric Power Take-Off (ePTO) technology, allowing climate control and vehicle accessories to run without engine operation in MD/HD vehicles
- Pilot emerging EV trucks compatible with some SRP operations
- Right-size fleet to optimize efficiency for job duty

Supply Chain

Incorporate sustainability criteria into sourcing decisions for 100% of managed spend* and integrate sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers

*Defined as spend managed by SRP's Purchasing Services

Supply Chain

Current Status: On Track

FY26 Plan	FY26 Actual
50%	**51%**

Measured in:

% of managed spend with sustainability criteria in sourcing decisions

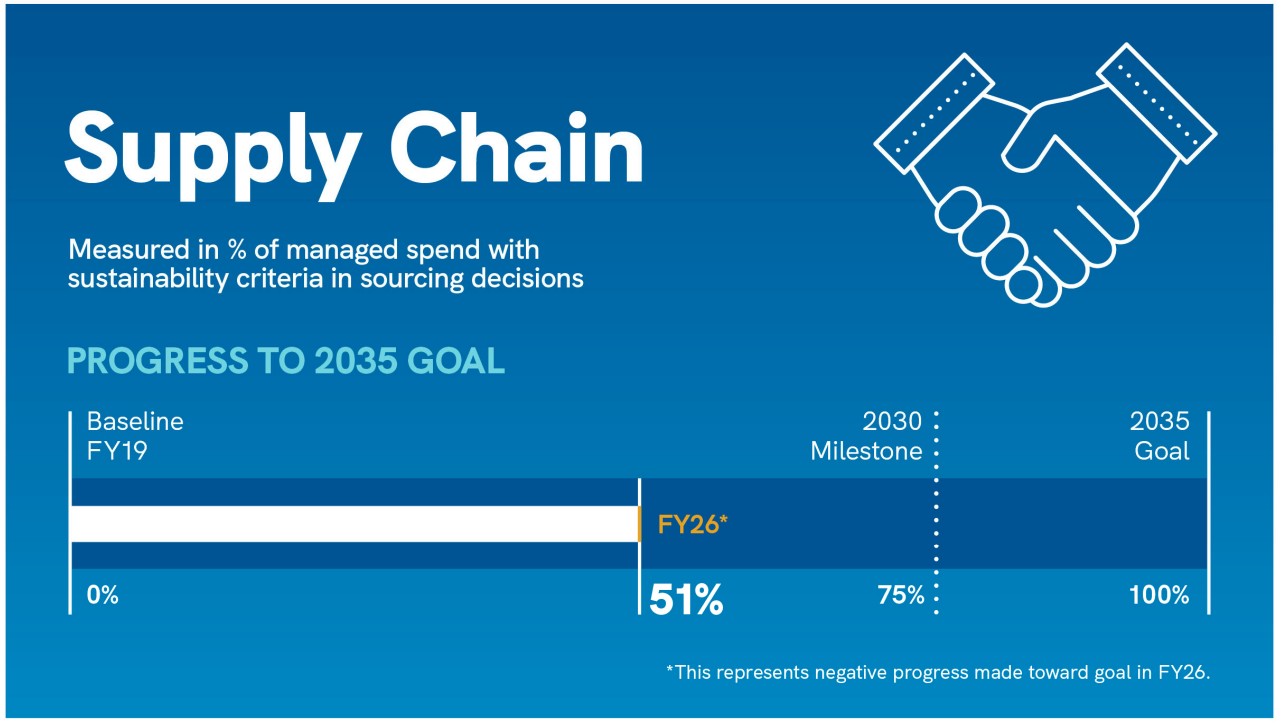
Successes & Challenges in FY26

- A supplier pre-qualification process has been fully integrated into SRP' supplier onboarding tool.
- Supply Chain is now actively pre-qualifying all new SRP suppliers when onboarded.
- SRP's supplier onboarding tool has been enriched to include Dun & Bradstreet environmental risk data for every SRP supplier.
- Progress in FY26 toward increasing the percentage of managed spend incorporating sustainability criteria into sourcing decisions was limited due to the lack of tools and technology to support the process. With these tools and technologies now in place, significant advancement is expected in FY27 and beyond.

Supply Chain

Incorporate sustainability criteria into sourcing decisions for 100% of managed spend* and integrate sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers

*Defined as spend managed by SRP's Purchasing Services



FY26 Results:

51% of managed spend incorporated sustainability criteria into sourcing decisions — **constant from 51%** in FY25.

Supply Chain

Looking Ahead

- The next key initiative is to qualify SRP's existing supplier base against established qualification criteria. Supply Chain will leverage analytics to identify suppliers that have not yet been prequalified and will systematically complete the qualification process until 100% of SRP suppliers have been assessed and qualified.

- In addition, Supply Chain will continue prequalification of all new SRP suppliers on sustainability criteria.

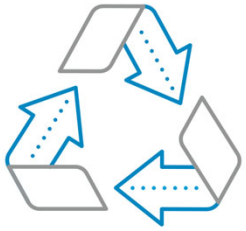
- Monitor and assess metrics and Dun & Bradstreet enrichment data to identify opportunities to improve and enhance process and supplier environmental risk management

Municipal Waste

Divert 75% of municipal solid waste by 2035;

100% by 2050

Municipal Waste



Current Status: Needs Attention

FY26 Plan	FY26 Actual
54%	**48%**

Measured in:
% municipal solid waste diversion rate

Successes & Challenges in FY26

- 20 Mill food recycling containers rolled out across 13 facilities
- Coffee ground composting expanded across 8 facilities
- Total office waste volume is down 25% from FY25
- PAB compost down 40% vs FY25
- SRP paper diversion down 46% vs FY25
- Contractors and temporary staff unfamiliar with SRP's waste diversion practices

Municipal Waste

Divert 75% of municipal solid waste by 2035; 100% by 2050

FY26 Results:
Diverted 48% of municipal solid waste (MSW) —
A decrease from 54.7% in FY25.

Total mass of MSW **decreased** from 1,551 tons in FY25 to 1,168 tons in FY26.

Municipal Waste

Looking Ahead

- Strengthen communication between SRP teams and custodial staff regarding waste diversion programs.
- Evaluate each landfill container for actual need and purpose, then remove or relocate unnecessary capacity across SRP
- Increase food diversion and extend paper-towel composting using existing food-recycling and coffee-ground collection infrastructure
    - Review placement of Mill food-recycling containers to increase participation and diversion
    - Expand paper-towel composting at facilities already equipped for food scraps and coffee-ground collection
- Industry-wide progress remains difficult for plastic film, Styrofoam, food packaging, and other hard plastics without scalable downstream pathways
- Food waste diversion remains SRP’s strongest near-term opportunity; outreach and targeted education can grow participation as the food-recycling industry expands

Industrial Waste

Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery; 100% by 2050

Industrial Waste

Current Status: On Track

FY26 Plan	FY26 Actual
77%	**75%**

Measured in:
% non-hazardous industrial solid waste diversion rate

Successes & Challenges in FY26

- Granulator upgrade increased throughput 98%
- Treated wood pole recycling expanded—1,365 tons recycled to date
- Cable jacketing successfully transformed into flash graphene
- Clean-wood contamination persists
- Recyclables taken to landfill in error
- Overall industrial waste volume increased 24% from FY25

Industrial Waste

Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery; 100% by 2050

FY26 Results:

Diverted **75%** of non-hazardous industrial solid waste (NHISW) — **constant from 75%** in FY25. Total mass of NHISW **increased** to 19,351 tons from 15,648 tons in FY25.

Industrial Waste

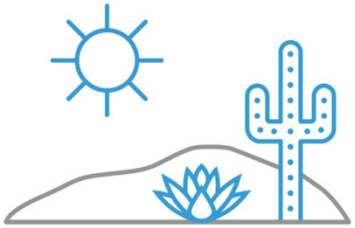
Looking Ahead

- Roll out SRP's new industrial waste training for all field employees
- Use AI-enabled cameras to identify contamination, analyze waste streams, and uncover diversion opportunities
- Upgrade priority disposal areas with clearer signage, improved layouts, and consistent operating standards
- Advance the SRP– ASU cable-jacketing project through technical refinement, peer-reviewed publication, patent protection, and process scale-up
- Refine waste disposal practices across SRP facilities to improve material segregation and support waste diversion efforts.

Community Water Conservation

Achieve 5 billion gallons (~15,300 acre-feet) of water conservation by 2035 through partnership

Community Water Conservation



Current Status: On Track

FY26 Plan	FY26 Actual
850M	**1.19B**

Measured in:

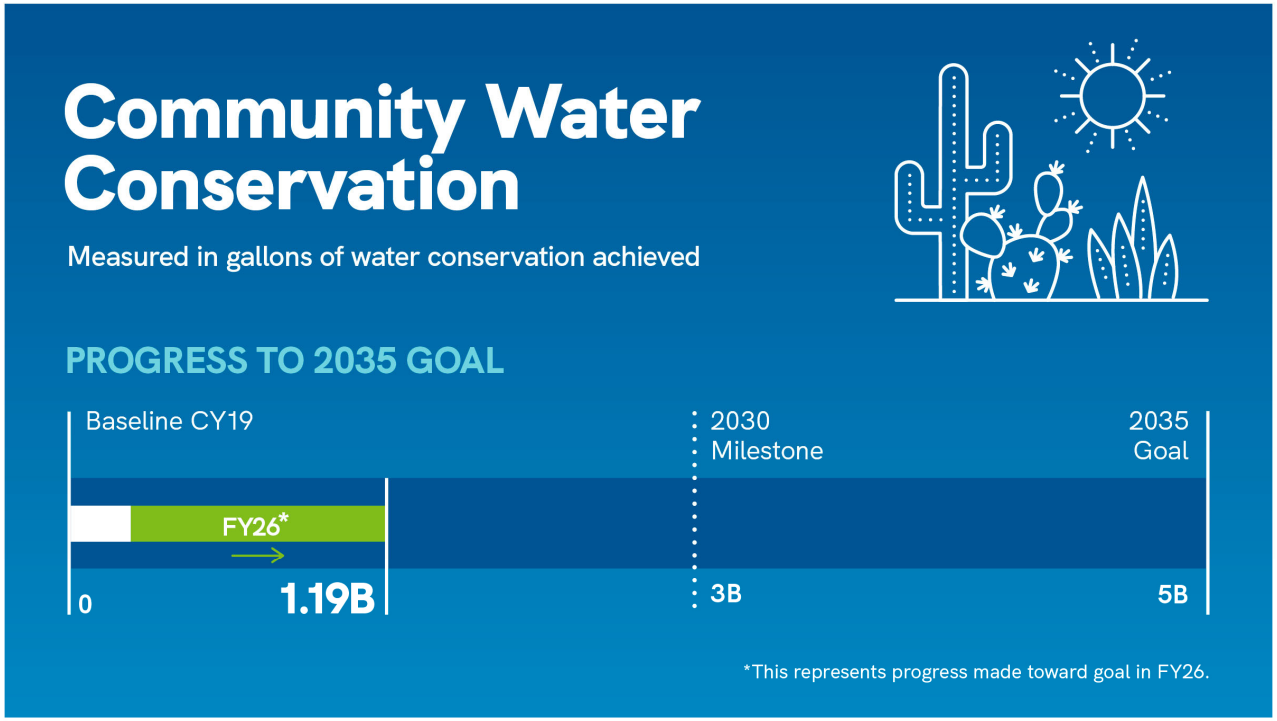
Gallons of water conservation achieved

Successes & Challenges in FY26

- Updated reporting for the Waterfluence program for 2024 and 2025 accounted for 586M+ gallons from 373 sites in Avondale, Chandler, Goodyear and Tempe.
- Collaboration with Customer Programs incorporated savings from water efficiency devices distributed through power-side programs like SRP Marketplace and Home Energy Assessments.
- New collaborations with nonprofits, including AZ Water-Wise Kits and Friends of the Verde River grants, completed their first full reporting cycles.

Community Water Conservation

Achieve 5 billion gallons (~15,300 acre-feet) of water conservation by 2035 through partnership



FY26 Results:

1.19 billion gallons of water saved through SRP programs — a **331% increase in total water savings**.

Community Water Conservation

Looking Ahead

- Gallons saved will continue to grow as new programs are established and partners submit their first annual reports.
- Other new programs, like municipal landscape efficiency assessments and flood irrigation projects, are maturing towards debut reports next FY.
- FY27/28 will focus on launching new partnerships and renewing/expanding existing partnerships through 2035.
- Potential challenges for this goal include alignment of water savings reporting for emerging partnerships.

AZ Water-Wise Kits ready to ship out across the state from Environmental Education Exchange's HQ

Cox Foundation grant for the Community Irrigation Revitalization Initiative (CIRI)

Forest Restoration

Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 800,000 acres total by 2035

Forest Restoration

Current Status: On Track

FY26 Plan	FY26 Actual
286K	**286K**

Measured in:

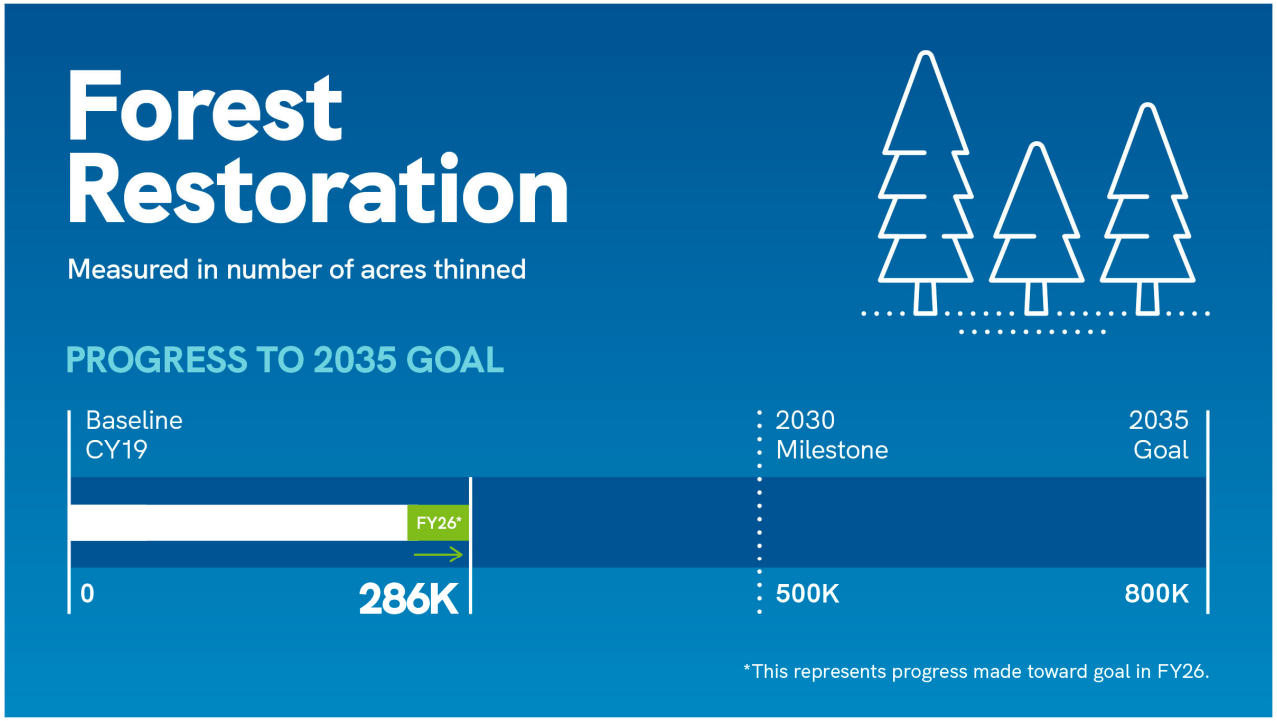
Acres thinned

Successes & Challenges in FY26

- Executed two new MOUs with The Nature Conservancy and Pheasants Forever/Quail Forever
- Renewed MOU with the Department of Forestry and Fire Management
- Published a biochar RFP
- Launched one-time Healthy Forest Initiative donations via credit card
- Collaboratively funded & implemented 11 restoration projects across 10 partners
- Federal delays
- Heritage survey backlogs

Forest Restoration

Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 800,000 acres total by 2035



FY26 Results:

Aggregate total of **286,297 acres** of forest thinned — an **increase of 46,014 acres** from FY25.

Forest Restoration

Looking Ahead

Focus areas:

- In Progress: 2 new key partnerships with Kaibab National Forest & Western Landowners Alliance on White Mountain Apache Tribal lands
- Biochar contract(s) & initial adopters program
- SRP Quantitative Wildfire Risk Assessment helping focus on priority areas for investments

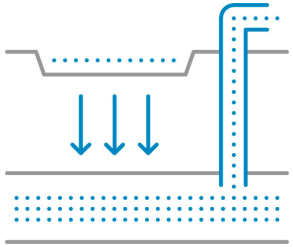
Expected challenges:

- Uncertainty with federal funding; forest leadership cautious with committing to take on new large-scale, long-term projects
- Heritage surveys leading to project delays, not as many "shovel-ready" projects available
- Potential ESA listing of the Pinyon Jay

Water Storage

Lead efforts in water storage and drought resiliency by storing at least 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to 100,000 acre-feet

Water Storage



Current Status: Achieved

FY26 Plan	FY26 Actual
998.5K	**1.03M**

Measured in:

Acre-feet of water stored underground

Successes & Challenges in FY26

- Successfully met storage goal by storing just over 1 million acre-feet of water underground through partnership with the Gila River Indian Community. This water has been stored in multiple AMAs and irrigation districts, providing a geographically diverse area of storage to support drought resiliency in central Arizona.
- Finalized water storage reconciliations.

Water Storage

Lead efforts in water storage and drought resiliency by storing at least 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to 100,000 acre-feet

FY26 Results:

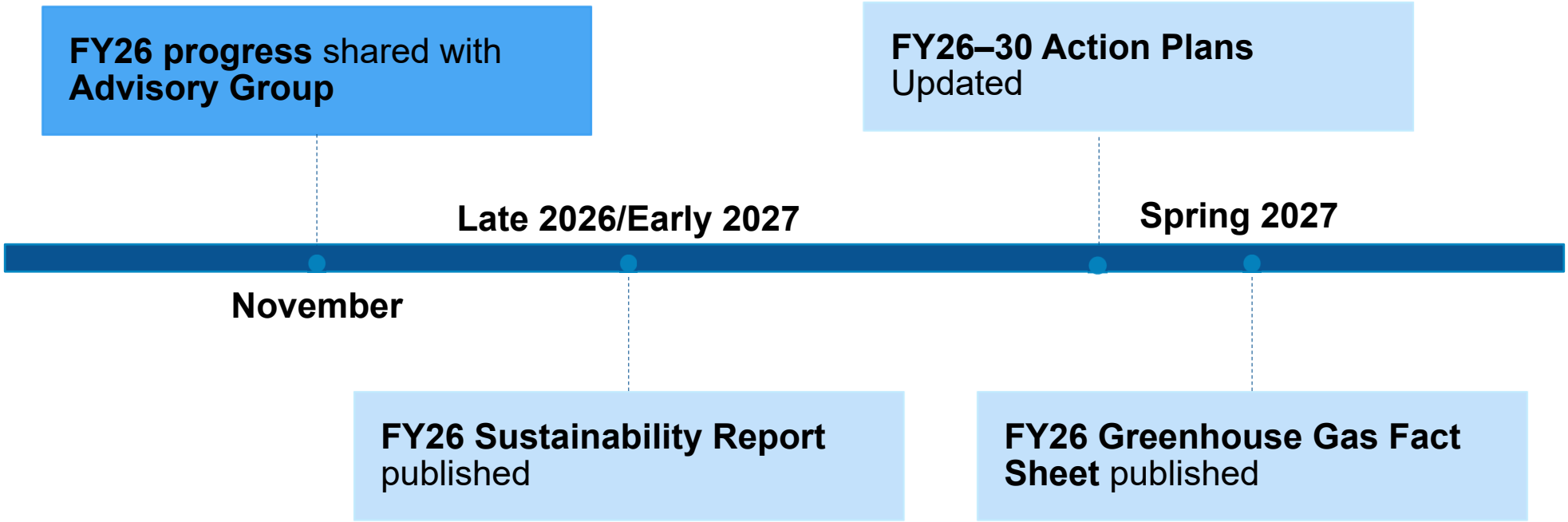
Stored **1,032,242 acre-feet** underground — **100% to target**.

Water Storage

Looking Ahead

- Uncertain hydrology poses a challenge for realizing the benefit of the FCS temporary deviation before the expiration of the five-year pilot program.
- Infrastructure limitations pose a challenge to beneficiaries' ability to fully utilize FCS water if a permanent FCS deviation is pursued.
- Planning is underway to extend or renew the temporary deviation permit.

Next Steps



Reporting Available: SRP.net/2035

thank you!

FY26 PROGRESS UPDATE:
SRP 2035 SUSTAINABILITY GOALS

The table below summarizes efforts from May 2025 through April 2026 (FY26) and details planned annual progress to goal and actual annual progress achieved.

GOAL	FY26 PLAN	FY26 ACTUAL	2035 GOAL	METRIC
GENERATION CARBON[1]	795	734	284	*Pounds of CO_2 per MWh delivered to retail customers*
FACILITIES CARBON	34.7M	32.9M	25.5M	*Pounds of CO_2e emissions from SRP facilities*
TRANSPORTATION FLEET CARBON	33.2M	35.3M	23.9M	*Pounds of CO_2e emissions from SRP vehicle fleet*
FACILITIES WATER	60M	69.4M	40.6M	*Gallons of water used in SRP facilities*
GENERATION ACTIVE MANAGEMENT AREA GROUNDWATER	38%	38%	0%	*3-year rolling average of generation-related groundwater use*
GENERATION FLEET-WIDE WATER REDUCTION[1]	405	397	325	*Gallons per MWh of generation-related water use*
WATER STORAGE[2]	998.5K	1.03M	1M	*Acre-feet of water stored underground*
COMMUNITY WATER CONSERVATION	850M	1.19B	5B	*Gallons of water conservation achieved*
SUPPLY CHAIN	50%	51%	100%	*% of managed spend with sustainability criteria in sourcing decisions*
MUNICIPAL WASTE	54%	48%	75%	*% municipal solid waste diversion rate*
INDUSTRIAL WASTE	77%	75%	95%	*% non-hazardous industrial solid waste diversion rate*
ENERGY EFFICIENCY	3.4M	3.58M	4M	*MWh of annual aggregate energy savings*
DEMAND RESPONSE	180	201	300	*MW of dispatchable DR and load management programs*
TRANSPORTATION ELECTRIFICATION	100K	83K	1M	*EVs supported in SRP service territory*
	80%	73%	90%	*EV charging load managed through passive and active programs*
ELECTRIC TECHNOLOGIES	123K	112K	320K	*MWh of annual aggregate energy impact*
GRID ENABLEMENT[3]	100%	100%	100%	*% of customer distributed energy resources interconnection applications approved annually*
CUSTOMER SUSTAINABILITY SENTIMENT RATING[3]	Above Industry Average	Above Industry Average	Above Industry Average	*Annual industry average of the J.D. Power Sustainability Index*
FOREST RESTORATION	286K	286K	800K	*Acres thinned*

[1] Pending final FY26 Metrics.
[2] Water storage target achieved.
[3] This goal is an annual target.

For more information on SRP's 2035 Sustainability Goals, visit our website at **srp.net/2035**.

Integrated System Plan (ISP) Update

Strategic Planning Committee

Mary Faulk | September 10, 2026

ISP Recent Progress

- Kicked off the ISP
- Shared an overview with Strategic Planning Committee in June
- Onboarded Advisory Group members and held initial meeting
- Synthesized recent customer research

ISP Stakeholder Engagement Framework

Goals: Inform; Listen & Consider; Build Understanding & Trust

SRP Elected Officials & Representatives

Strategic guidance and customer-focused input

- Strategic Planning Committee
- SRP's Customer Utility Panel

Customers & Communities

Broad community and focused customer perspectives

- **Customer Research**
- Community Education Opportunities
- Public Meetings

External Stakeholders

Informed stakeholder perspectives and dialogue

- **Advisory Group Meetings**
- **Open Stakeholder Meetings**
- External Education Opportunities

SRP Employees

Internal awareness and organizational alignment

- Learning Sessions
- Internal Company Communications

Building the ISP: Initial Open Stakeholder Invitations

1. AARP
2. Advanced Energy Economy
3. AEPCO
4. AES Clean Energy
5. Air Products
6. American Lung Association
7. AMPUA
8. AMWUA
9. Apache County
10. Apache County Economic Development
11. Apex Clean Energy
12. Apple Inc.
13. AriSEIA
14. Arizona Cattle Growers Association
15. Arizona Center for Law in the Public Interest
16. Arizona Chamber of Commerce
17. Arizona Commerce Authority
18. Arizona Competitive Power Alliance
19. Arizona Cotton Growers Association
20. Arizona Energy Policy Group
21. Arizona Farm Bureau
22. Arizona Hispanic Chamber of Commerce
23. Arizona Lodging and Tourism Association
24. Arizona Power Authority
25. Arizona Public Service
26. Arizona Residential Utility Customer Office
27. Arizona Solar Deployment Alliance
28. Arizona State Land Department
29. Arizona State University
30. Avangrid Renewables
31. Atlas Renewable Power
32. AzCPA
33. AZ Thrives
34. AZ PIRG
35. AZ Strategies
36. AZ Sustainability Alliance
37. Balanced Rock Power
38. Basha's
39. Beatitudes Campus
40. Boeing
41. Building Owners and Managers Association (BOMA)
42. Bureau of Land Management
43. Calpine
44. Candela Renewables
45. Casa Grande
46. Chicanos Por La Causa
47. Christian Care Inc., Mesa District
48. City of Apache Junction
49. City of Chandler
50. City of Mesa
51. City of Phoenix
52. City of Tempe
53. CMC Steel, AZ
54. CommonSpirit Health
55. ConnectGen, LLC
56. Coolidge
57. Copper State Consulting Group
58. Cushman & Wakefield
59. Cyrus One
60. Digital Realty
61. DMB
62. East Valley Chamber of Commerce
63. East Valley Partnership
64. Enel Green Power North America
65. Energy Exemplar, LLC
66. Environmental Defense Fund
67. EPRI
68. Forest Service U.S. Department of Agriculture
69. Fort McDowell Yavapai Nation
70. Freeport-McMoRan Copper and Gold
71. Gamage & Burnham Attorneys at Law
72. General Electric
73. Gila Bend
74. Gilbert
75. Glendale
76. Google
77. Greater Phoenix Economic Council
78. Greater Phoenix Leadership
79. Greenlots/Shell Recharge Solutions
80. Home Builders Association of Central Arizona
81. Hospice of the Valley
82. Innergex
83. Intel
84. Interwest Energy Alliance
85. Invenergy
86. JKL Consulting Services, LLC
87. Kroger Co.
88. Kyl Center for Water Policy
89. Local First Arizona
90. Mercy Gilbert Medical Center/Dignity Health
91. Mesa Community Action Network
92. Mesa Gateway Airport
93. Mesa Public Schools
94. Meta
95. Microchip Technology
96. Mitsubishi Power
97. Navajo County
98. New Leaf/Mesa-CAN
99. New Life Christian Center, Coolidge
100. NextEra Energy Resources
101. Northern Arizona University
102. NREL
103. Onward Energy
104. Origis Energy
105. Orsted Onshore North America
106. PAC Worldwide
107. Page
108. Pattern
109. Phoenix Chamber of Commerce
110. Pinal County
111. Profile Precision Extrusions
112. Queen Creek Chamber of Commerce
113. Queen Creek Unified School District
114. Roosevelt Water Conservation District
115. Salt River Pima-Maricopa Indian Community
116. SRP Customer Utility Panel
117. Scottsdale
118. Seguro Energy
119. Sierra Club
120. Southwest Energy Efficiency Project
121. Southwestern Power Group
122. St. Johns
123. St. Paul Church, Randolph
124. Starwood Energy Group Global, Inc.
125. Sustainable Energy Power Alliance
126. The Nature Conservancy (Arizona Thrives)
127. Tierra Strategy
128. Tormoen Hickey, LLC
129. Town of Florence
130. Town of Springerville
131. Tucson Electric Power
132. United Dairymen of Arizona
133. University of Arizona
134. Valle Del Sol Strategic Initiatives: The Real Arizona Coalition
135. Valley Partnership
136. Vote Solar
137. Walmart
138. Wärtsilä North America, Inc.
139. West Marc
140. Western Grid Group
141. Western Resource Advocates
142. Wildfire

SRP's 2027 ISP Advisory Group

Regional and local interest groups
Provide community, equity and environmental perspectives

Customer groups
Provide perspectives on customer cost, reliability and use impacts

BALANCED EXTERNAL STAKEHOLDER VOICES

Municipalities
Provide perspectives on service area growth, planning and policy alignment

Energy industry groups
Perspectives give insight into industry, technical and demand priorities and needs

KEARNS WEST

SRP's 2027 ISP Advisory Group

Western Resource Advocates

AllThrive365

PINAL COUNTY

Greater Phoenix Economic Council

City of Apache Junction Arizona

Fort McDowell Yavapai Nation Arizona

SWEEP Southwest Energy Efficiency Project

SRP

Shaping the Future Power System Together

City of Phoenix

City of Avondale

wildfire

Arizona PIRG

ASU Arizona State University

Western Powerpool

SRP Customer Utility Panel

Arizona Restaurant Association

Electrical District No. 3

AriSEIA Arizona Solar Energy Industries Association

Banner Health

CMC

Greater Phoenix Chamber

AZ Mining Association

QTS

Westwood Public Affairs

AZCPA Arizona Competitive Power Alliance

2027 ISP Advisory Group Meeting Map

What we will ask the Advisory Group:

- Which uncertainties matter most to customers and communities?
- What system considerations are most important to analyze in long-term planning approaches?
- What results matter most related to affordability, reliability, and sustainability?
- Which results or metrics would benefit from additional explanation or context?
- How might SRP improve stakeholder engagement for future integrated system planning processes?

ISP Advisory Group Meeting #1: Build the Foundation

August 28, 2026

- Introductions
- ISP Overview & Expectations
- Planning Team Panel Discussion
- Customer Research Insights
- Facilitated Stakeholder Discussion

Meeting Goals

Understand the ISP process and Advisory Group role

Build relationships between stakeholders and planning teams

Explore key trends shaping SRP's future

Gather initial perspectives to inform development of the ISP Study Plan

Advisory Group Input will Shape the 2027 ISP

What we asked in Session 1

- Which future uncertainties matter most?
- What trends could most affect customers and communities?

How it will be applied

- ISP study plan scenarios
- ISP study plan metrics
- ISP study plan strategic focuses

Understanding Residential and Small Business Customer Perspectives

Shared with ISP Advisory Group in August

Recent Insights

- Surveys
- Greatest needs/ concerns
- Sentiments on affordability, reliability, sustainability
- Expectations of SRP

Fall 2026

Focus Groups

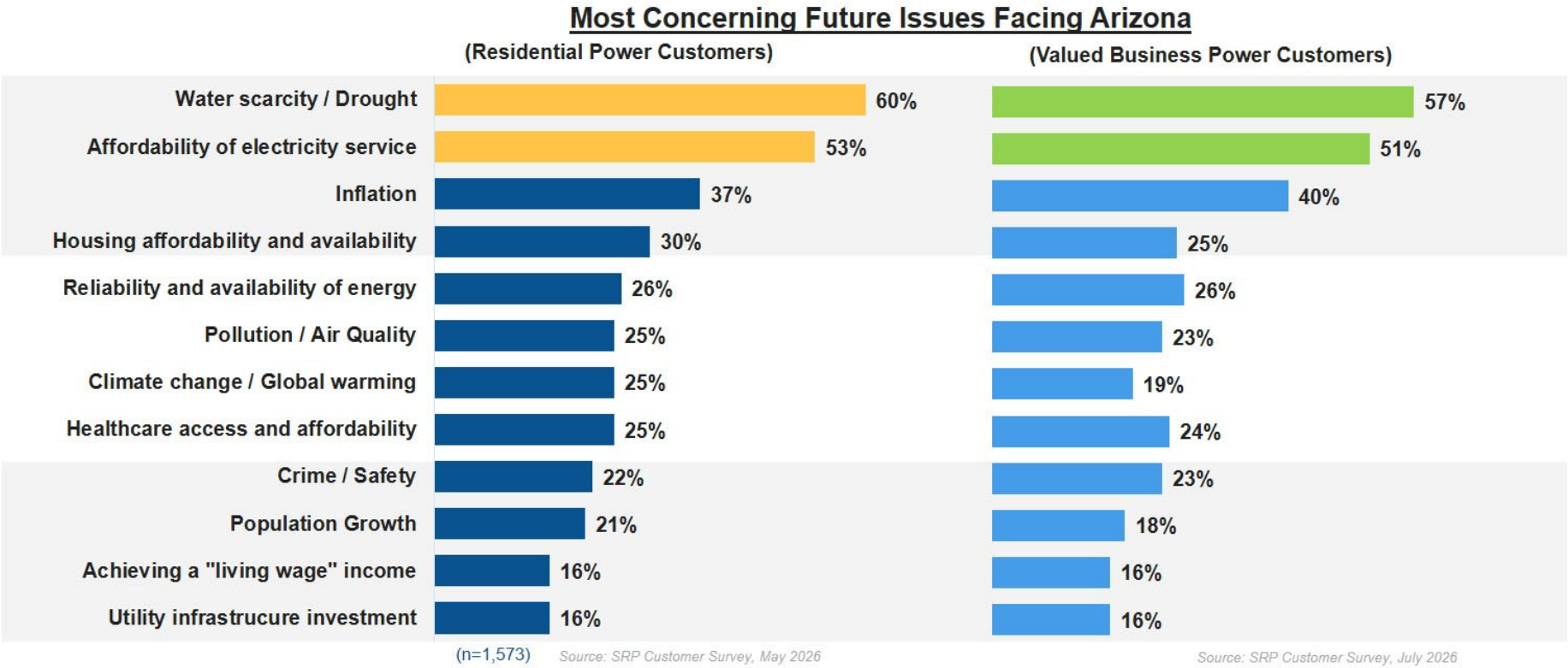
- Small customer groups
- Deeper understanding on specific items

Winter 2026 - Summer 2027

Survey

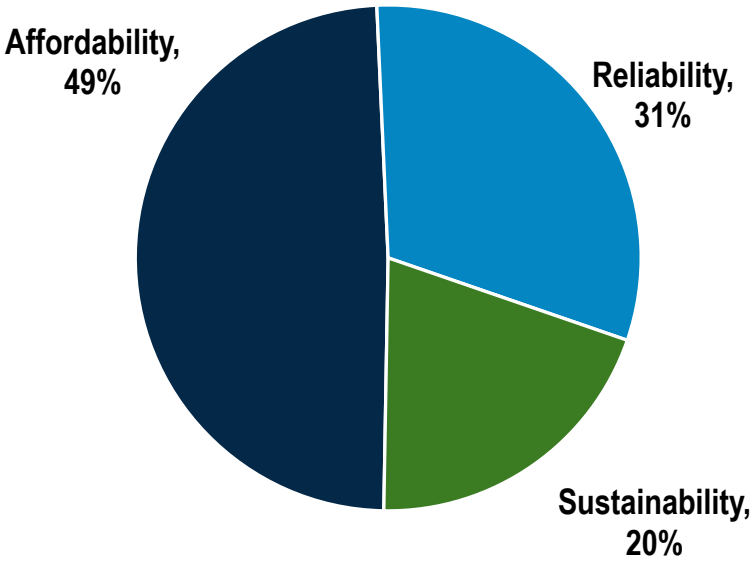
- Choice surveys
- Prioritize key planning considerations
- Understand combinations of attributes customers are most and least willing to support

Customers are Making Energy Decisions Against a Backdrop of Water Scarcity, Affordability, and Inflation

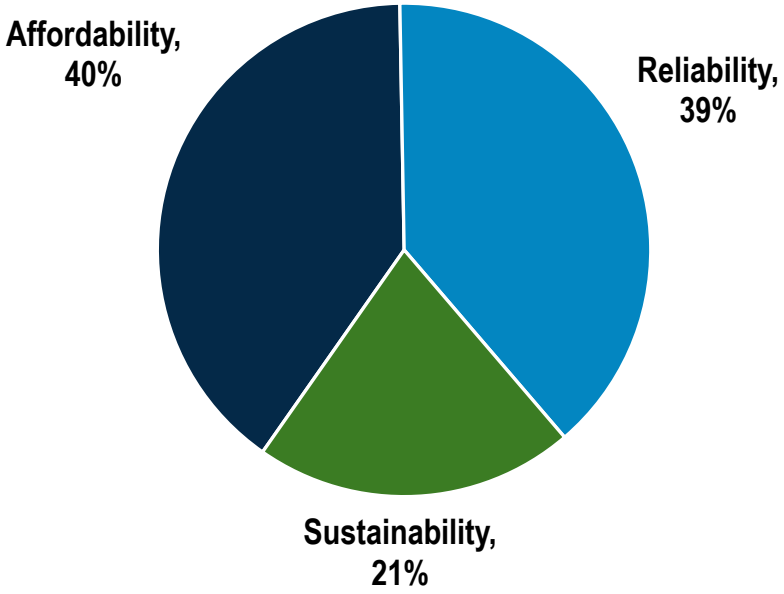


Affordability is the Leading Priority Ranking for SRP's Future Energy Mix

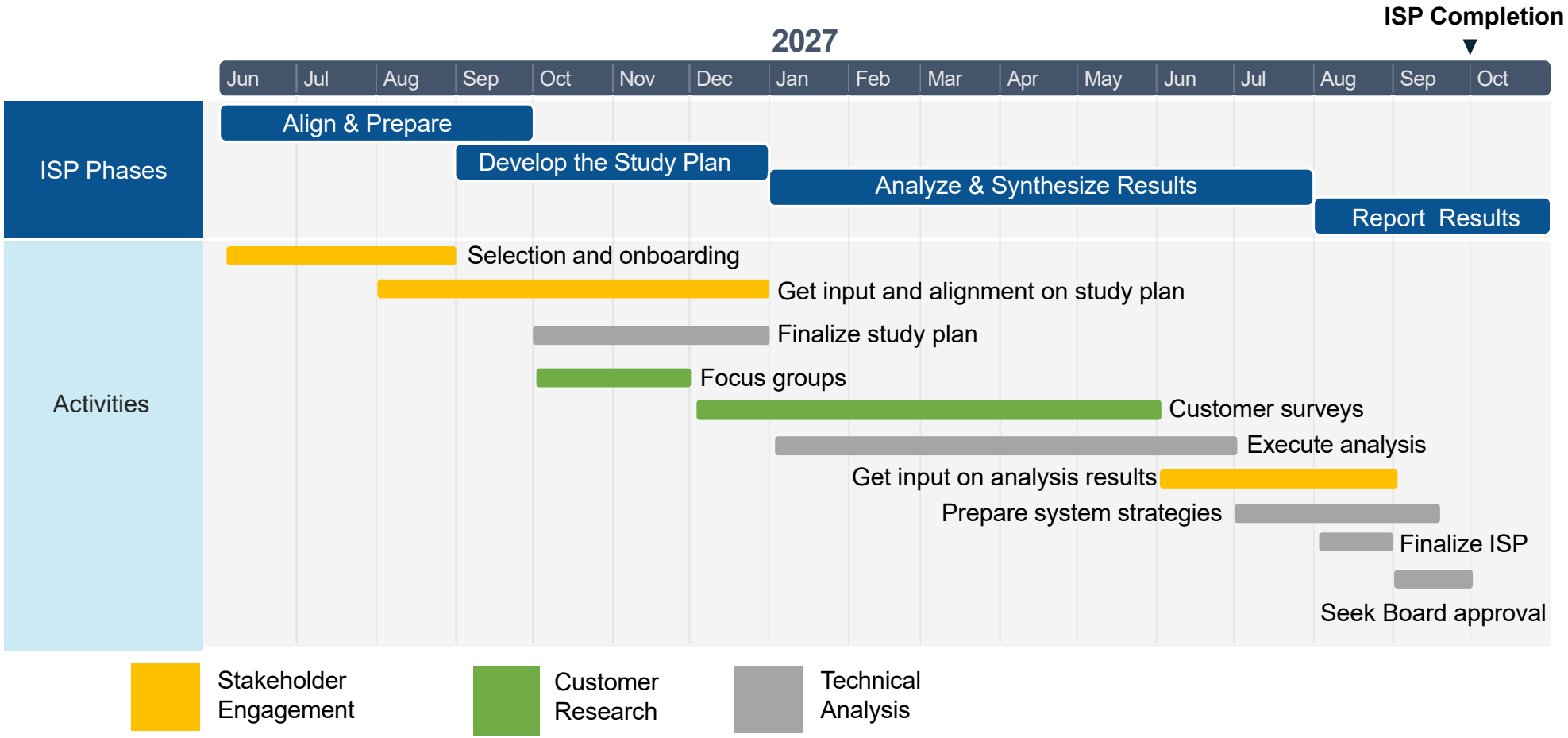
Residential Priority Ranking
(% Ranked 1st)



Valued Business Customers Priority Ranking
(% Ranked 1st)



2027 ISP Timeline



Stakeholder Engagement

Customer Research

Technical Analysis

Next Steps

- Solicit Advisory Group input for the study plan (October)
- Provide an update to the Strategic Planning Committee (November)
- Hold first open stakeholder meeting (November)
- Finalize study plan (December)
- Begin ISP analysis (January 2027)

thank you!