

SRP GREENHOUSE GAS EMISSIONS

What are greenhouse gases and where do they come from?

Greenhouse gases (GHGs) are gases in Earth's atmosphere that trap heat. There are many types of GHGs, and although most of these gases occur naturally, human activity has increased their concentration in the atmosphere, mostly from the extraction, combustion and delivery of fossil fuels like coal, gasoline and natural gas for electricity production and transportation. In 2022, 25% of Arizona's carbon emissions came from the electric power sector, 28% from transportation, 47% from other industrial, agricultural, commercial and residential sources, according to the U.S. Environmental Protection Agency (EPA).¹

According to research conducted by the United Nations Intergovernmental Panel on Climate Change (IPCC), science validates that higher levels of GHG concentrations in the atmosphere trap more heat, causing global and local changes in weather patterns.² Different regions will experience different challenges, but the general trend across the globe is that habitats and the climate are changing faster than ecosystems can adapt, with a range of potential implications.³

What is SRP doing to reduce our GHG footprint?

SRP believes we have a responsibility to be part of the global solution, which is why we voluntarily report our companywide emissions metrics each year to the public and to The Climate Registry. We also obtain rigorous third-party verification of our scope 1 and 2 emission metrics to a reasonable level of assurance.⁴ Understanding our footprint helps us make important choices to drive emission reductions for the benefit of our customers and the environment while continuing to provide the affordable and reliable water and power that our communities have counted on for over 120 years.

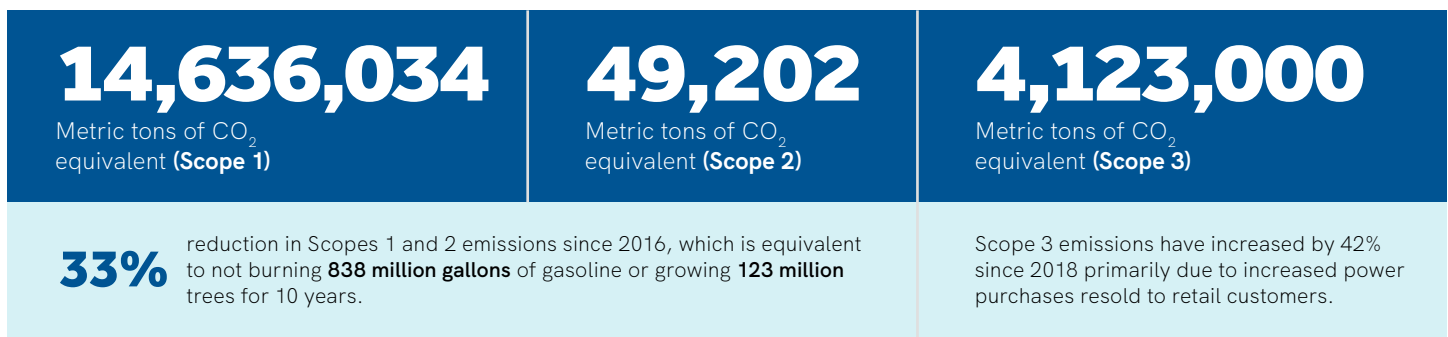
Today, about 37% of SRP's retail energy mix is carbon-free or renewable. By 2035, we are planning for approximately 67% of SRP's retail energy mix to be carbon-free or renewable. Additionally, we are exploring innovative technologies like long-duration battery storage and hydrogen infrastructure to help unlock affordable and reliable pathways to even greater reductions.

How does SRP measure our greenhouse gas emissions?

SRP conducts an annual Greenhouse Gas Inventory that quantifies emissions from all operations we have full or partial ownership of, and it includes all GHGs relevant to our operations: CO₂, CH₄, N₂O, HFCs, PFCs and SF₆. Best practice accounting protocols are the foundation of our reporting^{5,6}, and they help categorize our emission sources into three groups called scopes. Scope 1 and 2 emissions are required reporting in a GHG Inventory, while reporting of scope 3 emissions is optional.

- **Scope 1:** Emissions directly caused by SRP operations, which include power generation, operating auxiliary boilers (stationary combustion), heating and cooling corporate buildings, driving fleet vehicles (mobile combustion), and leak-based (fugitive) emissions from landfills, coal piles, refrigerants, reservoirs and transmission equipment.
- **Scope 2:** Indirect emissions produced in support of SRP operations, which include purchased electricity for SRP operations, transmission and distribution (T&D) losses from delivering purchased power to SRP customers across SRP lines, and T&D losses from wheeling and interchange across SRP lines.
- **Scope 3:** Value chain emissions associated with SRP operations, which include procuring goods and services (categories 1 and 2), extracting and transporting purchased fuels (category 3), generation of purchased power sold to retail and wholesale customers (category 3), T&D losses from purchased electricity consumed in SRP operations (category 3), producing waste (category 5), traveling for business (category 6), employee commuting (category 7), and leasing certain buildings (category 8).

How many greenhouse gas emissions did SRP produce this year (May 2024-April 2025)?



SRP has an ambitious set of 2035 Sustainability Goals that includes a commitment to reduce carbon dioxide (CO₂) emissions from generation sold to retail customers (per MWh) by 82% from 2005 levels by 2035 (~284 lbs/MWh) and a 2050 goal of net-zero carbon emissions. Visit srpnet.com/2035 to learn more.

¹U.S. Environmental Protection Agency. *Greenhouse Gas Inventory Data Explorer*. <https://cfpub.epa.gov/ghgdata/inventoryexplorer/>

²UN Intergovernmental Panel on Climate Change. *Climate Change 2021: The Physical Science Basis*. <https://www.ipcc.ch/report/sixth-assessment-report-working-group-i/>

³UN Intergovernmental Panel on Climate Change. *Climate Change 2022: Impacts, Adaptation, and Vulnerability*. <https://www.ipcc.ch/report/sixth-assessment-report-working-group-ii/>

⁴The Climate Registry. *Salt River Project Member Page*. <https://theclimateregistry.org/members/salt-river-project/>

⁵World Resources Institute. *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard*. <https://ghgprotocol.org/corporate-standard>

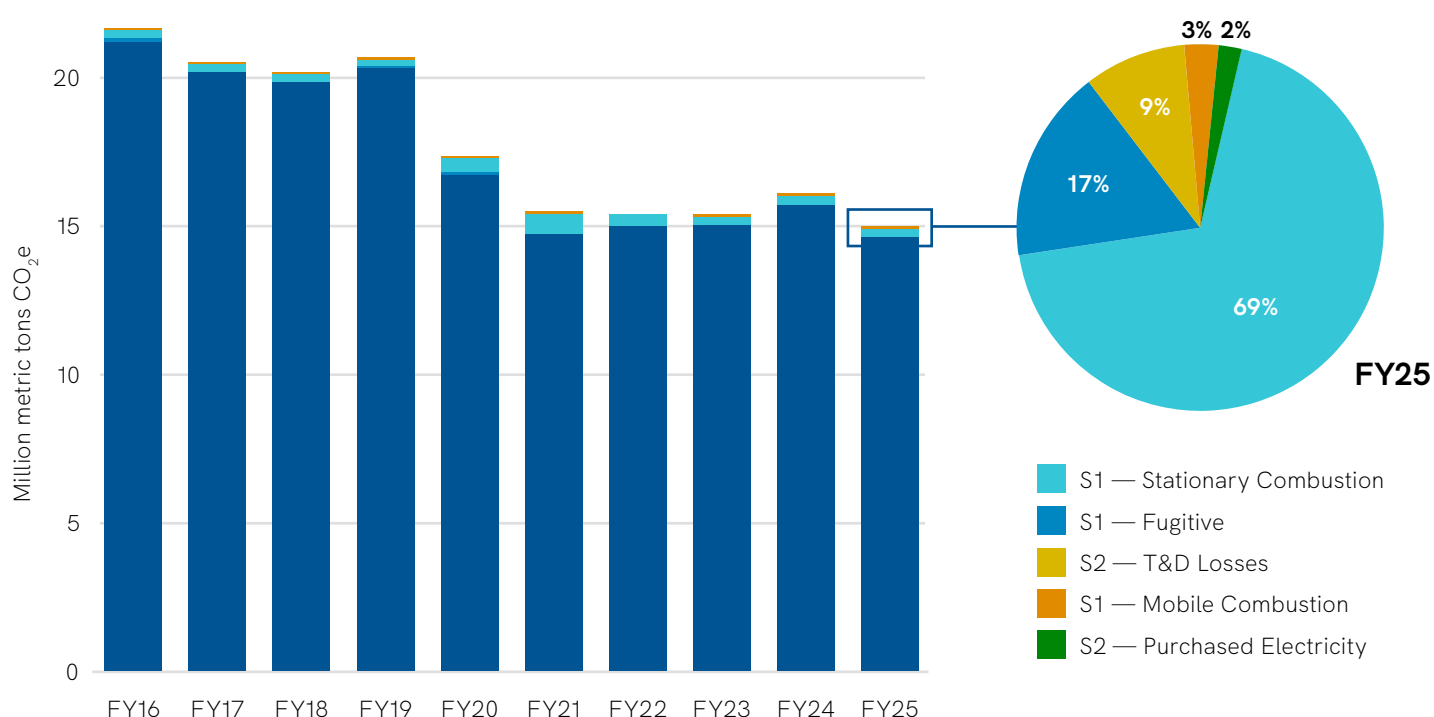
⁶The Climate Registry. *General Reporting Protocol v. 3.0 and Electric Power Sector Protocol v. 1.3*. <https://www.theclimateregistry.org/>

SCOPE 1 AND 2 GHG EMISSIONS FY16-FY25

The information contained in this factsheet is a summary of the Scope 1 and 2 GHG Emissions associated with SRP's owned assets. Fluctuations^{1,2} are due to changes in volume of generation and the carbon footprint associated with generation resources.

SRP'S SCOPE 1 AND 2 GHG EMISSIONS FY16-FY25

Total CO ₂ e Emissions (million metric tons)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1	22.09	20.94	19.97	20.86	17.20	15.38	15.32	15.38	16.29	14.64
Fugitive	0.12	0.08	0.09	0.09	0.08	0.10	0.07	0.11	0.09	0.11
Mobile Combustion	0.017	0.017	0.017	0.018	0.016	0.016	0.017	0.015	0.016	0.016
Power Generation	21.62	20.64	19.65	20.54	16.59	14.63	14.92	14.92	15.69	14.09
Stationary Combustion	0.33	0.21	0.22	0.21	0.51	0.63	0.32	0.33	0.50	0.42
Scope 2 — Location-Based	0.109	0.106	0.089	0.062	0.076	0.146	0.110	0.111	0.133	0.073
Scope 2 — Market-Based²	0.095	0.90	0.075	0.046	0.053	0.120	0.090	0.089	0.095	0.049
Scope 1 & 2 Market-Based	22.20	21.03	20.05	20.91	17.25	15.50	15.42	15.47	16.39	14.69
Net Generation SRP Owned Asset³ (MWh millions)	32.7	32.9	31.4	34.6	31.7	31.3	29.1	30.7	33.3	31.0



Observations

Total Scope 1 emissions decreased between FY24 and FY25 by 10% despite a 5% increase in total system load. This was primarily due to increased penetration of carbon-free purchased power resources, leading to a decrease in overall SRP-owned natural gas and coal generation. Total Scope 2 market-based emissions also decreased from FY24 to FY25 due to reductions in purchased utilities consumed in SRP facilities.

¹These emissions from FY16-FY25 include historical changes due to data updates or clarifications. These changes did not meet SRP's significance threshold of 5% and therefore did not require restating of emissions back to baseline year or reverification. All combined updates resulted in less than a 0.5% change in total emissions.

²SRP quantifies both location- and market-based emissions. Market-based emissions account for renewable and supplier-specific power purchases.

³Generation is net of station service and includes acquisitions for all years, matching the boundary of emissions (aligns with GHG Protocol).

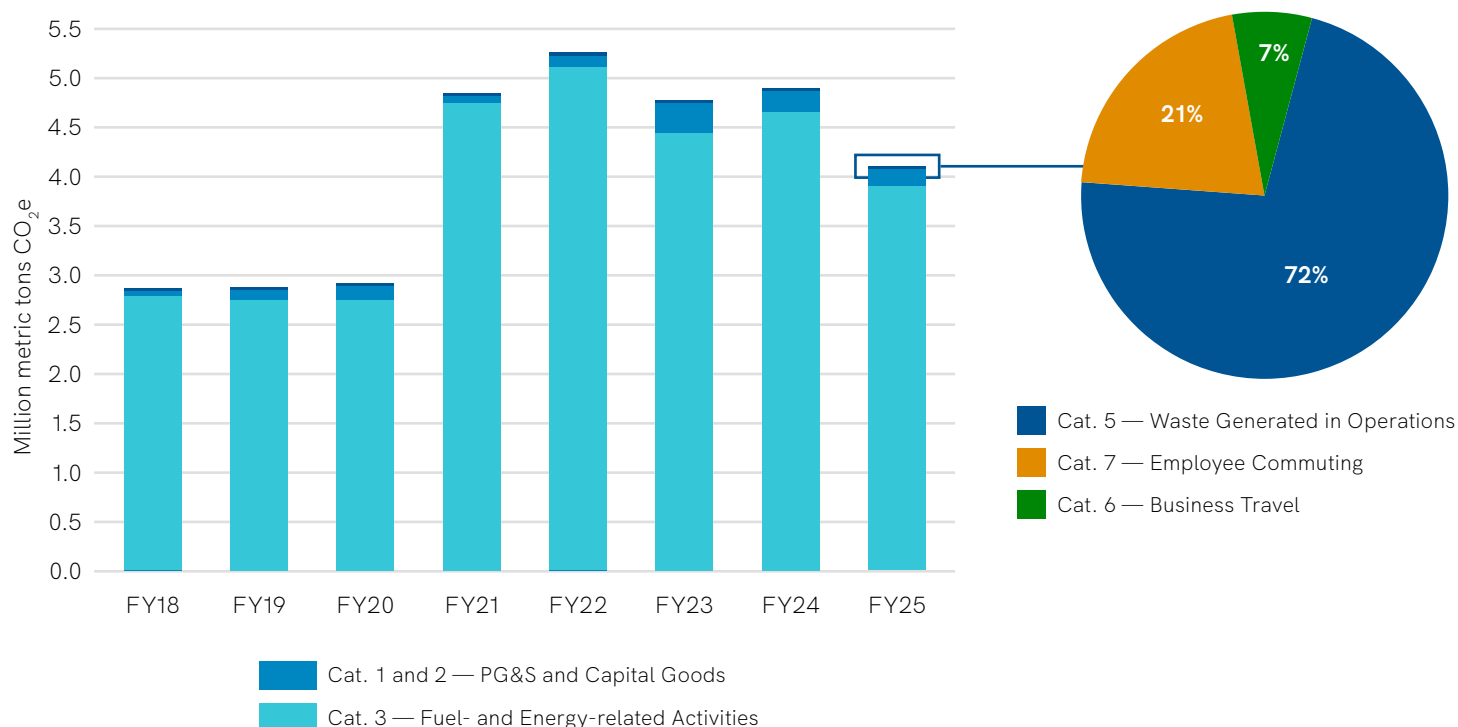
SCOPE 3 GHG EMISSIONS FY18-FY25

The information contained in this factsheet is a summary of the Scope 3 GHG Emissions primarily associated with SRP's direct purchases of fuels and indirect purchases of other goods and services.¹

SRP'S SCOPE 3 GHG EMISSIONS FY18-FY25

Total CO ₂ e Emissions (metric tons)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Scope 3	2,904,000	2,903,000	2,914,000	4,750,000	5,353,000	4,716,000	4,880,000	4,123,000
Categories 1 and 2 — Purchased Goods and Services and Capital Goods	148,000	182,000	174,000	168,000	215,000	270,000	283,000	217,000
Category 3 — Fuel- and Energy-related Activities	2,749,000	2,715,000	2,722,000	4,567,000	5,114,000	4,432,000	4,583,000	3,891,000
Category 5 — Waste Generated in Operations	NA	NA	12,000	12,000	22,000	10,000	10,000	10,000
Category 6 — Business Travel				200	400	1,000	1,000	1,400
Category 7 — Employee Commuting	4,100	4,100	4,500	3,000	2,100	2,000	3,000	2,700
Category 8 — Upstream Leased Assets	160	150	150	140	140	140	140	140

Note: Numbers rounded to reflect inherent uncertainty in Scope 3 emissions. Category 5 emissions were not calculated in FY18 and FY19.



Observations

Scope 3 emissions remained consistent throughout FY18-FY20 and increased substantially in FY21 due to an increase in power purchases needed to meet SRP's retail load. Scope 3 emissions have ranged from FY21-FY25 due to fluctuating coal and natural gas fuel prices impacting power purchasing decisions. Overall, Scope 3 emissions decreased in FY25 from increased penetration of carbon-free purchased power resources and broader regional decarbonization leading to reduced emissions from market purchases. Emissions from Purchased Goods and Services and Capital Goods also decreased corresponding with a reduction in overall spend in FY25. SRP uses a spend-based approach for calculating emissions from Purchased Goods and Services and Capital Goods. These calculations are adjusted to reflect annual inflation by using the U.S. Bureau of Economic Analysis (BEA) inflation data.

¹These emissions from FY16-FY25 include historical changes due to data updates or clarifications. These changes did not meet SRP's significance threshold of 5% and therefore did not require restating of emissions back to baseline year or reverification. All combined updates resulted in less than a 0.5% change in total emissions.

These GHG values are calculated in alignment with the following protocols:

1. The Climate Registry, General Reporting Protocol v. 3.0 and Electric Power Sector Protocol v. 1.3. <https://www.theclimaterestory.org/>
2. World Resources Institute and World Business Council for Sustainable development, The Greenhouse Gas Protocol, A corporate Accounting and Reporting Standard, Revised Edition. <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>
3. World Resources Institute and World Business Council for Sustainable development, The Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Standard <https://ghgprotocol.org/corporate-value-chain-scope-3-standard>

HOW SRP'S 2035 SUSTAINABILITY GOALS CONTRIBUTE TO REDUCING GREENHOUSE GAS EMISSIONS

SRP's comprehensive set of 2035 Sustainability Goals lead SRP to meaningfully reduce carbon emissions across our operations in a variety of ways. The table below displays SRP's direct and indirect greenhouse gas (GHG) emissions and the portion of those emissions that are addressed by one of SRP's Sustainability Goals. Our goals include both commitments to specifically address emission reductions (indicated in the table below) as well as many other initiatives that contribute to broader economy-wide decarbonization and community benefits like reducing waste and encouraging sustainable suppliers. Visit srpnet.com/2035 for more information. *Data refer to SRP's Fiscal Year 2025 (FY25) Greenhouse Gas Inventory that includes emissions produced from May 2024–April 2025.*

Emission Sources	FY25 GHG Emissions (MMT CO ₂ e)		SRP 2035 Sustainability Goals Directly Addressing Emission Source
	Total	Directly Addressed By SRP 2035 Sustainability Goals	
Scope 1			
Power Generation — SRP-owned electric generation sold to customers	10.68	10.68	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
Power Generation — SRP-owned electric generation sold to power markets and other utilities	3.82	-	
Mobile Combustion — SRP-owned or leased fleet vehicle fuel use	0.02	0.01	Transportation Fleet Carbon — Reduce carbon emissions from fleet by 30% on a mass basis from 2016 baseline
Fugitive — SRP-owned electric transmission equipment, reservoirs, coal piles, refrigerants, and landfill	0.11	<0.00	Facilities Carbon — Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline
Stationary Combustion — SRP-owned auxiliary boilers and generation, other equipment fuel use	0.01	<0.00	Generation Carbon (for retail energy) — Reduce the amount of CO ₂ emitted by generation (per MWh) by 82% from 2005 level by 2035 (~284 lbs/MWh) — 2050 goal: Net-zero carbon emissions Facilities Carbon — Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline
Total Scope 1 Emissions	14.64	10.70	% of Scope 1 Emissions Addressed By Sustainability Goals 73%
Scope 2			
Market-Based — SRP-owned facility electricity use	0.01	<0.00	Facilities Carbon — Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline
Market-Based — Line losses from purchased electric generation	0.04	0.03	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
Total Scope 2 Emissions	0.05	0.03	% of Scope 2 Emissions Addressed By Sustainability Goals 60%
Scope 3			
Categories 1 and 2 — Procurement of goods and services	0.22	-	
Category 3 — Purchased electric generation sold to customers	0.82	0.82	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
Category 3 — Purchased electric generation sold to power markets and other utilities	0.93	-	
Category 3 — Extraction, production, and transportation of fuels used in SRP-owned operations	1.90	-	
Category 3 — Extraction, production, and transportation of fuels associated with purchased electric generation	0.23	-	
Category 3 — Line losses from purchased electricity used in SRP-owned facilities	<0.00	-	
Category 5 — Waste transportation and disposal	0.01	-	
Category 6 — Business travel	<0.00	-	
Category 7 — Employee commuting	<0.00	-	
Category 8 — Leased facility electricity use	<0.00	-	
Total Scope 3 Emissions	4.12	0.82	% of Scope 3 Emissions Addressed By Sustainability Goals 20%
Total Emissions (Millions Metric Tons CO₂e)	18.81	11.54	% of Total Emissions Addressed By Sustainability Goals 61%

