

SRP Price Process Comments Week ending February 8, 2025

SRP Public Price Process

Comments from: 2/3/2025

Name: Madeline M Penic

Record Number: 9256bb1a

Delivery Method: Digital Submission

Comment:

Due to the current economic conditions forcing all of us to live on less and able to afford less, I am begging you to find other ways to save money rather than to charge customers even more. I have seen my electric bill and every other bill rise tremendously over the recent years, and we as consumers cannot be expected to be able to pay more when our income does not even come close to keeping up with the inflation. I need my Time of Day plan to help keep costs down with my pool and air conditioning. I need low energy prices on my fixed income. Please cut from other areas, like your free tree promotions and stop sending out "cost comparison and savings" monthly analysis letters. Please do not raise our rates again.

Name: Sherry Peabody

Record Number: 5057e149

Delivery Method: Digital Submission

Comment:

Solar is being used now more than ever before, so why isn't the savings being passed on to the customers?? SRP is getting free energy and then you raise the prices. That doesn't make sense. Greed Kills,

Name: Jonathan M Simonton

Record Number: e72c1e75

Delivery Method: Digital Submission

Comment:

difficult to see your electricity use go down because you are using less to save money and being smarter with your use and then get charged more for using less. Does it have to be like that?

Name: Steve Neil

Record Number: MI7001377

Delivery Method: Email to Corporate Secretary

Attachments: 20250131_Comment_Neil.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI7001377*

Comment:

John,

I really appreciate the answers I've received from SRP. It may be unusual for the company to answer so many questions, but truthfully, it is a drop in the bucket as to what goes on in a regulated utility rate case.

Before my presentation on the 6th, and before I can finalize my presentation, I have to have good answers to these requests. I was really hoping they would come in today, but they have not.

1. all the inputs into the pricing of Management's Complete Proposal. submission id a87b3f6e, submitted 1/22, partially responded to 1/28, resubmitted via email to John 1/28 and 1/30.

2. price plan cost comparison. submission MI6435429 of 12/5, partially responded 12/31, resubmitted 1/10 as submission id b5c8cc5f, partially responded to 1/27 (no emails received), resubmitted via email to Ashleigh and John 1/30.

If there are any questions about what my words describe, let's get everybody on a phone call and talk through it.

I really don't want to stand before the board on Thursday and tell them that I wanted to do some serious validation of some aspects of management's proposal, but was denied the information to do so. So I need the above by Tuesday, 5pm (give or take an hour or two) at the latest. If that timeframe just can't be met, I'll be in town the 11th, so I could present that week instead. The trouble with the 11th is that there would likely need to be a meeting between then and the 27th meeting which is contemplated to be the final vote in order for management to respond to requests from the board, and I do expect there to be requests related to what I propose. Last price process was 5 meetings and this one is 4. I think 2015 was at least 5 meetings.

Give me a call Monday once you or a team member has researched, talked it over with management.

--Steve

Name: Chad Heinrich, Arizona State Director, National Federation of Independent Business

Record Number: 921fa32f

Delivery Method: Digital Submission

Comment:

I represent the National Federation of Independent Business and wish to express support for SRP's Pricing Proposal. The National Federation of Independent Business (NFIB) is the leading voice in Arizona advocating on behalf of thousands of small and independent business owners. We understand that the balance between reliability and affordability requires planning, investment and continued maintenance of the assets that deliver the energy our business owners depend on. It is critically important to Arizona businesses that our electric utilities provide reliable power that is also affordable. While no business or resident wants to see price increases, I can attest that our small business owners are experiencing price increases in all industries due to a variety of factors. Based on our member research, there is a consensus among small business members that electricity costs are a great concern. And our members rank electricity costs as one of the top ten issues of most concern. At the same time, we recognize the need for modest price increases so long as they fund the infrastructure and services that provide reliable and affordable energy to the Valley. The further electrification of appliances and vehicles, along with new technologies are increasing overall energy demand across the State. Developing new rate plans to reflect the changing grid dynamics will ensure power is available and priced right to serve new customers without unfairly impacting existing customers. We appreciate that SRP is doing all that it can to ensure Arizona electric prices remain competitive so that our businesses can continue to receive reliable power without jeopardizing its affordability. Thank you. Chad Heinrich NFIB Arizona State Director.

Name: Caleb sterling

Record Number: e7f36212

Delivery Method: Digital Submission

Comment:

The new proposed price plan (E-16) is a total dis service for any home owner that went solar. This will negatively impact a lot of homeowners and will only benefit SRP a "non-profit"

Name: MANTILLA YOLANDA

Record Number: 428c34b2

Delivery Method: Digital Submission

Comment:

Por que subio el costo tanto para los jubilados. Por que no tiene una asistencia para los seniors.

Name: Jeanette Perez

Record Number: 78db885b

Delivery Method: Digital Submission

Comment:

I believe that SRP's prices, as they are right now, are best for everyone. With the economy already rising, it is critical to keep the prices affordable for any group of people with varying situations and exceptions and hardships. I also appreciate how helpful they are when you are late with payments, but I believe they are doing good as they are right now.

SRP Public Price Process

Comments from: 2/5/2025

Name: Anna Carroll

Record Number: e6199048

Delivery Method: Digital Submission

Comment:

Hello! I have been an SRP customer for almost 16 years, and I would like to share how much I appreciate the transparency, careful analyses, quality service, and trustworthy nature of those I have met and worked with at this company. I have been impressed with the careful studies and clear communication I receive, as well as the knowledgeable, pleasant employees at the company. With such a large undertaking as the pricing process, it is a comfort to me to know as a single mom and school teacher that rates will be fairly evaluated and that I can get the support I need to understand the services I receive with their accompanying costs. Thank you, SRP!

SRP Public Price Process

Comments from: 2/6/2025

Name: Norm Sandler

Record Number: 4e791bd8

Delivery Method: Digital Submission

Comment:

Board Member Kennedy, thank you for bringing up the “fat” issue. I would politely request of the Board to ask SRP's Leadership to re-visit its proposed plans for de-commissioning its current assets and chasing the “rainbow” of free energy... there is no such thing as a free lunch. And the meal can quickly become very expensive. Remember when the Governor of California was forced to buy energy on the spot market? \$5,000 per MWh! Poor Gray Davis didn't know what hit him! Spot-market energy can be very, very expensive. Fat on top of fat on top of fat! And potentially, career ending! SRP is asking, well telling, its customers, me, that I should support an increase to my electric bill so that hundreds of square miles of virgin, and in some cases, sacred, Southwest lands are to be destroyed, killing millions of native creatures, including those on endangered species lists, to build a system that is much less energy efficient, i.e., "lots of fat", than the current system, increasing the length of the supply chain by hundreds of miles thus reducing reliability and increasing the opportunity for system failure and cyber threats, all for a government-driven carbon policy plan that is scientifically unachievable with today's technologies and embarking on a operational and environmental nightmare! Call me crazy, but me and my "fat-free diet" are not in favor of any of that! Also, I've put together a more detailed presentation... above is only the summary. The entire presentation has been emailed to corporatesecretary@srpnet.com for distribution to SRP Leadership and the Board. Can you please confirm? I've had a number of requests. Thank you.

Name: David Bender

Record Number: MI7009299

Delivery Method: Other

Attachments: Action needed! please upload new comment.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI7009299*

Comment:

A response request for notice of errata to EJ04 from 2/5.

Avoided Cost Tables Revised

Notice of Errata to Response to Earth Justice Data Request No22,

Name: Norm Sender

Record Number: MI7010962

Delivery Method: Email to Corporate Secretary

Attachments: SRP Board Meeting - Cutting The Fat 02_06_2025
Emailed To SRP For Board Handout.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI7010962*

Comment:

From: Norm UP

Sent: Thursday, February 6, 2025 2:58 AM

To: SRP Corporate Secretary

Subject: SRP Board Meeting - Cutting The Fat 02_06_2025 Emailed To SRP For
Board Handout.pdf

Importance: High

Good Morning,

Would you be able to forward this to SRP Leadership and Board Members?

I'm hoping to speak during this morning's meeting and this is the entire document.

I've had a number of requests and have been told this is the proper process.

Thank you,

Norm Sender

* See attachment

SRP Board Meeting – Speaking Notes

02/06/2025

Good Morning SRP Board Members and SRP Team Members.

My name is Norm Sendler, I'm a long-time SRP TOU-plan customer; SRP, my first ask, please Evergreen that program agreement!

Next, a comment; *Electric Utilities have done a terrible job explaining to their customers how complicated it is to deliver safe, reliable, affordable electricity to their homes and the value it brings to human existence. We, the rate payers, are spoiled! Flip the switch and Voila!*

I'm here today to follow up on a comment from Board Member Kennedy about "cutting out the fat", that was made at last week's Board meeting regarding the looming SRP price increase.

Cutting out the fat, i.e., being a lean, efficient operating entity. Utilities have done a pretty good job with that, until now.

Over the last year and a half, SRP has been holding neighborhood meetings about how it is going to dramatically use renewable generation and battery storage. I've been to two of them.

SRP is in the process of decommissioning and moth-balling old generating units with minimal plans for re-purposing. These assets are owned, operated and maintained by SRP, have 30 year service lives and reside on long-time owned SRP properties.

They also have all the necessary ancillary equipment and systems to send generated electricity to already existing Transmission lines that deliver electric energy to the SRP service area. Already in place; minimal risk. Known CapEx & OpEx. Waste not / want not; sustainability in action.

The new “green” plan is to purchase power from a 3rd party via a PPA agreement. These agreements typically include a “make it and take it” clause which means that if the asset generates electrons, SRP must take the electrons whether they need them or not. Yes, some can be “stored” in some fashion, but others simply can not be used. This results in a market condition known as “negative pricing”, i.e., the utility pays to get rid of electrons. Not very efficient, lots of “fat”. California is the champion of negative pricing to Arizona’s benefit; let’s NOT follow Cali’s lead!

These new, green assets are also not able to be base-loaded nor are they fully dispatchable; the generation continually changes with the weather. Granted, there are some “smoothing” mechanisms that can help, but each one of these mechanisms use / lose electrons, upwards of 10% -20%. Not very efficient, lots of “fat”.

In addition, these green assets require the use of tremendous amounts of land. For the current SRP plan, over 250 square miles of virgin land, mostly in Arizona and New Mexico, will be destroyed. As I mentioned last week, that is over 2.5 times the total amount of land for all 35 of Arizona’s State Parks! Not very efficient and lots of environmental destruction.

Then there is asset life. For tried and true, natural gas combined-cycle turbines, a 30 year life-span is average with proper operation and maintenance. SRP has loads of experience and expertise.

For the renewables, while 20 years may be “planned”, they typically need full replacement in 10 years! Solar panels, windmills, batteries; all have short service lives. Here’s one example (over).

Next is asset cost. I believe in last week’s meeting, combined cycle generation was tagged at \$71 / MW and solar at \$77 MW. While this may be “factual”, it may also be a bit mis-leading. Renewables are heavily subsidized by State and Federal governments, our tax dollars, so another hidden electric rate increase. More fat.

And combined cycle units are burdened with undue regulations and permitting expenses, thus raising the costs and an additional expense to rate payers.

Add in the short asset life of these renewables and a price north of \$200 / MW over 20 years can be expected. Not very efficient; lots of fat and a huge burden and risk to rate payers.

Now the energy has to get to SRP’s service area, which in some cases can be as far as 600 miles away. A new transmission line, SunZia, is being constructed to the tune of \$10 Billion dollars! Thru sacred Native Lands!

Massive CA Solar Plant to Close Years Early Saving Residents Money



What was once the world's largest solar plant of its kind may soon shut down more than a decade earlier than planned. This potential closure comes as the facility has struggled to compete with newer, cheaper solar technologies and faced accusations of causing thousands of wildlife deaths.

Why is this solar plant closing so much earlier than expected.

Opened in 2014, the \$2.2 billion Ivanpah Solar Power Plant spans five square miles in the Mojave Desert near the California-Nevada border. The facility operates using concentrated solar power technology, which utilizes thousands of mirrors to focus sunlight onto towers to generate steam-powered electricity.

Utility officials said that cutting ties with the plant could lead to lower energy prices for consumers. As a result, California's two largest power providers, Pacific Gas & Electric (PG&E) and Southern California Edison, indicated they want to end their contracts with the plant.

If PG&E's exit deal is approved by regulators, this would result in two of the plant's three units shutting down by 2026, 13 years ahead of schedule.

What environmental concerns have been attributed to the solar plant?

"Along with killing thousands of birds and tortoises, the project's construction destroyed irreplaceable pristine desert habitat along with numerous rare plant species," Julia Dowell, a senior campaign organizer at the Sierra Club, an environmental organization, said. "The Ivanpah plant was a financial boondoggle and environmental disaster."

This is like commuting 300 miles, each way, every day; a waste of energy and a lot of wear and tear on equipment.

Long transmission lines result in large line losses, which can be upwards of 10%. So you purchase 100 MW, but receive only 90 MW! Plus increased risk from the dangers of fire, natural damage, damage from criminal intent and cyber issues. Not very efficient, not very secure and lots of fat! And extremely unsightly for generations to come.

Then comes system load scheduling and operation. Because these renewable assets have varying outputs, depending on weather, conditions such a “congestion” and “system droop” can occur. Yes, batteries can help, but these inefficiencies simply come “part and parcel” with today’s renewable technologies. Hugely inefficient and lots and lots of fat!

But sometimes the system needs more “umph”; if not, it can result in brown-outs or voltage drops; for electronics, that can be the death knell. So utilities resort to “spinning reserves”; assets that are on-line solely for the quick injection of electrons. The more the uncertainty of the supply, the higher the amount of spinning reserves. Again, very inefficient and lots of fat!

And like the vehicle example above, lots of wear and tear on equipment & more expense. Which, eventually gets passed on to me, the rate payer.

So, in closing, Board Member Kennedy, thank you for bringing up the “fat” issue.

I would politely request of the Board to ask SRP’s Leadership to re-visit its proposed plans for de-commissioning it’s current assets and chasing the “rainbow” of free energy; there is no such thing as a free lunch. And the meal can quickly become very expensive. Remember when the Gov. of California was forced to buy energy on the spot market? \$5,000 / MWh! Poor Gray Davis didn’t know what hit him! Spot-market energy can be very, very expensive. Fat on top of fat on top of fat! And potentially, career ending!

SRP is asking, well telling, its customers, me, that I should support an increase to my electric bill so that hundreds of square miles of virgin, and in some cases, sacred, Southwest lands are to be destroyed, killing millions of native creatures, including those on endangered species lists, to build a system that is much less energy efficient than the current system, increasing the length of the supply chain by hundreds of miles thus reducing reliability and increasing the opportunity for system failure and cyber threats, all for a government-driven carbon policy plan that is scientifically unachievable with today’s technologies and embarking on a operational and environmental nightmare.

Call me crazy, but me & my fat-free diet are not in favor of any of that! Thank you. Questions?

*Sacred Native American Lands
Beauty Destroyed for Generations
The REAL Price of Today's Renewable Energy
SRP... Why Are We Doing This?*



SunZia Southwest Transmission Project

The SunZia Southwest Transmission Project (Project) comprises two planned 500 kilovolt (kV) transmission lines located across approximately 520 miles of Federal, State, and private lands between central New Mexico and central Arizona. The purpose of the Project is to transport up to 4,500 megawatts of primarily renewable energy from New Mexico to markets in Arizona and California.

Judge dismisses Native American challenge to \$10B SunZia energy transmission project in Arizona



This aerial photo taken on Nov. 13, 2023, by Archaeology Southwest with a volunteer pilot and Lighthawk, a nonprofit organization, shows new access roads and tower pad sites west of the San Pedro River, near Redrock Canyon, in Arizona. In a ruling Thursday, June 6, 2024, a U.S. district judge dismissed claims by Native American tribes and environmentalists who sought to halt construction along part of a \$10 billion energy transmission line. (Archaeology Southwest via AP)

A U.S. district judge has dismissed claims by Native American tribes and environmentalists who sought to halt construction along part of a \$10 billion energy transmission line that will carry wind-generated electricity from New Mexico to customers as far away as California.

The disputed stretch of the SunZia transmission line is in southern Arizona's San Pedro Valley and passes through an area that holds historic, cultural and religious significance for the tribes.

The Tohono O'odham Nation — along with the San Carlos Apache Tribe, the Center for Biological Diversity and Archeology Southwest sued in hopes of stopping the clearing of roads and pads so more work could be done to identify culturally significant sites within a 50-mile stretch of the valley.



N Gilbert Rd

S Power Rd

S Power Rd

SBP ...

Why Are We Doing This?

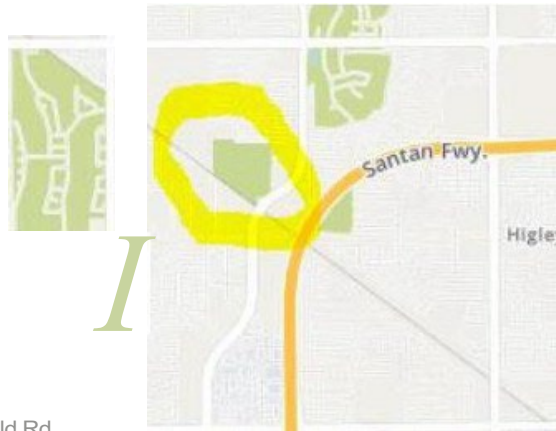
Environmental Efficiency?

1/2 Square Mile (SGS) , s.

16 Square Miles (Solar)

ionor1Town

BERT



Santan Fwy

E Williams Field Rd.

#1 Human annual power consumption is equivalent to the energy the Earth receives from the Sun in just ONE hour. A total of 173,000 terawatts (trillions of watts) of solar energy strikes the Earth continuously. That's more than 10,000 times the world's total energy use. (-US Dept Energy)

SRP Board Presentation Notes – Cutting The Fat

February 6th, 2025

Opening Statements:

- SRP TOU Customer for 25 years; *Please Evergreen current TOU customers*
- **Utilities have done a terrible job explaining to their customers how complicated it is to deliver safe, reliable, affordable electricity to their homes and the value it brings to human existence**
- Customers are spoiled; how many of us, during a rare outage, walk into a dark space & Flip The Switch?
- Would like to introduce two new terms / tests to enter into the renewables mix;
 - o Environmental Efficiency
 - o Cultural Preservation
- Every new CapEx addition would need to be vetted / scored for its Environmental & Cultural Impacts...

SRP Facts... Cutting The Fat!

- Santan Generating Station
- Sits on 320 Acres, rated @ 1,415 MW ~(34,000 MWh) and services the immediate community
- Its Environmental Efficiency? *~106 MWh / acre Cultural Impact? Zero.*
- *SRP's Current Fossil Fleet* - (Fossil Fuels are naturally stored solar energy)
- `7,252 MW Fossil Fuel Generation
- Equates to ~174,000 MWh / Day
- Solar Land Equivalent (1.1 Acre / MWh) = ~ 175,000 Acres of Land (Ideal Conditions)
- ~ 275 Square Miles of Land
- ***Equal to Almost 3X the amount of Land of ALL 35 of AZ State Parks***

Legislative Guidance...

- Net Carbon Neutral by 2050... How is that calculated? What's Included?
 - o Manufacturing, mining, construction, loss of land and CO2 Uptake, asset disposal, increased generation due to operational inefficiencies
 - o Free Money From Fed... monies we pay every year to the IRS? Really just hire rates to customers and more Debt on our children
- Net Neutrality is Scientifically Impossible to Achieve with Today's Technologies
- *SRP... Why are we doing this?*

SRP Operations & Cutting Out The Fat

- Operational Efficiency – Base Loaded Units Are Most Efficient
 - o Like one's car; open highway, cruise control, best gas mileage
 - o Stop & Go traffic, worst gas mileage & hard on vehicle components & operators
- Renewables are NOT Reliably Dispatchable / Requires more spinning reserve to address T&D "congestion & droop" which means less efficiency (Stop & Go traffic)
- Batteries work for a short time, but quickly degrade & have 20%+ energy loss (Less than 80% round-trip efficiencies)
- Current Plan Designed to Waste Energy
 - o Line Losses – 5% - 10% of Total Generation
 - o Parasitic Load – Electronic don't like heat; AC for batteries
 - o Asset degradation & round-trip energy losses
 - o Too Much Generation – Negative Pricing (Don't California my AZ Utility)
 - Who knows that SRP (all large electric utilities) has a trading desk?

Waste Not, Want Not... Sustainability In Action - *Repurpose De-commissioned Assets*

- Existing transmission lines from Page and St. John, already in place
- Base-Load Assets being decommissioned (NGS gone, Coronado Reduced, 4 Corners 3 units closed, Tri-State gone)
- Side Note: NGS water rights lost? 34,100 Acre Feet? Where is that? Utah?
 - o All can have been converted to natural gas
 - o Benefits local communities (Page & Kayenta) & the Environment
 - o Readily dispatchable / Infrastructure in place (especially land footprint)

Energy Demand Is Skyrocketing!

- Welcome to the digital world that we can't see... digital pollution everywhere!
- ***Caution: Continued use of this device will substantially increase your carbon footprint***
 - o Maybe we should just limit everyone's use of anything digital to just 15 minutes / person / day? Phones, computer, Netflix, car GPS, Ring doorbells?
- **Mesa ground zero for multiple data center projects**
 - o In July 2024, Mesa said 14.8 million square feet of data center space was either planned or under construction in the city... SRP Customers?

Date Centers are HUGE resource consumers!

Elections Have Consequences...

- Executive Order stopping all solar / wind generation; impact to SRP?
 - Owned / Contracted PPA
 - Purchase of “negative priced” energy
 - Halting Net Zero Spending
- What is Plan B?
 - IRA Funds for Gas Turbines?
 - Drill, Baby, Drill?
 - Pumped Hydro / Gravity Storage (BEST renewable energy)
 - Energy Vault w/ weights
 - Submersible Mass ($KE = MV^2 / 2$)
 - New technologies / Organic (C) Batteries
 - Mini Nukes
 - Headcount / Cost Reductions
 - Moratorium on new connections

Closing Thoughts / Cutting The Fat

So, in summary, the Board of SRP is asking, well telling, its customers, me, that I should support an increase in my electric bill so that hundreds of square miles of virgin, and in some cases, sacred, Southwest lands are to be destroyed, killing millions of native creatures, including those on endangered species lists, to build a system that is much less energy efficient, i.e. "lots of fat", than the current system, increasing the length of the supply chain by hundreds of miles thus reducing reliability and increasing the opportunity for fires, damage from nature or intentional / cyber threats, all for a government driven policy plan that is scientifically unachievable with today's technologies; Fat, Fat and more Fat.

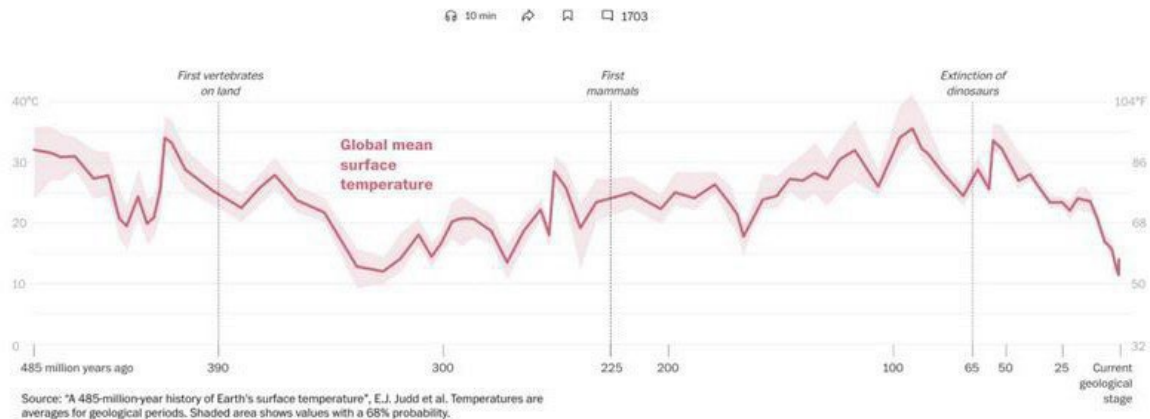
Does the Tower of Babel ringabell?

I'm sorry, but me and my "fat-free diet" not in favor in any of that. And neither should anyone in this room. Thank you... Questions?

Why Are We Doing This?

Scientists have captured Earth's climate over the last 485 million years. Here's the surprising place we stand now.

An effort to understand Earth's past climates uncovered a history of wild temperature shifts and offered a warning on the consequences of human-caused warming.



By Sarah Kaplan and Simon Ducroquet
September 19, 2024 at 2:01 p.m. EDT

How often have we heard, the math and science are correct! You are a science denier!

Consider this...

The average growth of a new borne human baby over the first 6 months of its life is ~an inch / month and doubling its weight, or ~ 1.5 pounds per month. Using this data and extrapolating to when a human is 80 years old, the average adult, at death, would weigh 1,448 pounds and be 82 feet tall! The math is undeniably correct! The science is settled! Yet Polar Bears are thriving, New York City is not under 10 feet of water& life on the planet has not ended! How can that be? No 82 foot all humans & Lots of Polar Bears!

Common Sense Counts

- If Net Zero 2050 is achievable thru policy, then let's put together a policy for Life 150, i.e., everyone lives to be 150 years old by 2050! And if you don't comply, you'll be put in jail for the rest of your life!
- Remember the story of the Tower of Babel in the Bible? How is this any different?
- The sun is the center of the solar system. There are two genders.

This is NOT about right or left, this is about right and wrong!

Name: Google

Record Number: MI7011294

Delivery Method: Email to Corporate Secretary

Attachments: FW_ SRP _ Google Pricing.pdf; 2024-12-16-google-pricing-process-comments-2025-02-05-resubmitted-version-clean.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI7011294*

Comment:

See attached letter from Google.



Google LLC
1600 Amphitheatre
Parkway
Mountain View, CA 94043

main
Google.com

February 5, 2025

Salt River Project

Dear Brandon Shoemaker,

Google writes to comment on Salt River Project's proposed changes to the E-67 Standard Price Plan for Large Load Substation Large General Service, particularly those terms that apply to New Large Load Accounts, and the new Conditions C and D. We may additionally provide comments on other provisions—such as the rates themselves—alone or with a group of other customers, later in the comment period.

Arizona and the Salt River Project face an important moment: economic, technological, and political trends are driving a revitalization of the US economy and rapid growth in sectors such as artificial intelligence, chip manufacturing, and mineral mining and processing. The state has the opportunity to reinforce its global competitiveness and economic strength by fostering industrial development in these key, strategic sectors. Electric utilities must in turn plan and invest in new infrastructure to seize this opportunity.

Yet as utilities have seen an increase in the number and magnitude of customer load requests, it has become difficult to ascertain the right amount of infrastructure to plan for. This is important because new loads can help put downward pressure on rates, but not if incremental investments are made but the new load does not appear. To manage these risks and fully capitalize on the economic potential, it is crucial to establish a framework where large energy users and power providers better share the risk and rewards of incremental infrastructure investments.

To make billion-dollar investment decisions, large customers must understand how much capacity they can call upon at a site, on what schedule increments of capacity will become available, and how much the needed infrastructure to enable that capacity will cost. The utility, for its own billion-dollar investment decisions, needs to understand how much load to expect as the future unfolds, to enable rational investment in new capacity. A well-designed large load Capacity Commitment Framework allows both sides of the “agreement for electric service” relationship to get the information necessary to make prudent investment decisions.

Google believes that five principles are important for a Capacity Commitment Framework:

1. **Non-Discriminatory Applicability:** Terms should apply to all new large loads with an expected peak demand above a certain threshold. Regulators should avoid adoption of mandatory terms for specific end-uses of electricity.
2. **Long-Term Commitment:** New Large Loads should be required to sign a long-term contract that ensures that the customer commits to providing sufficient revenue to cover the

investments made on their behalf. Regulators should consider flexibility for customers to ramp into their load over time.

3. Significant Minimum Charges: New large loads should be required to pay costs of energy capacity (typically approximated via demand charges) at a sufficient minimum to guard against potential cost shifting in the event that metered customer demand is significantly lower than planned for.
4. Upfront Collateral: To ensure financial stability of the requesting customer, regulators should consider the appropriate role for upfront collateral to provide financial assurance to the utility that the long-term contract minimums can be met.
5. Flexible and Transparent Fees for Modifications: To protect other ratepayers, while also maintaining reasonable flexibility for new large loads, regulators should consider appropriate notice periods and fees for contract cancellation or capacity reduction.

These principles are exemplified by recent all-party settlements in front of regulators in Indiana¹ and Utah.² For example, the Utah settlement's terms apply on a non-discriminatory basis to new customers whose reserved capacity is greater than 50MW, and existing customers whose reserved capacity grows by more than 50MW. Customers whose reserved capacity is between 50 and 200MW shall pay minimum demand charges reflecting 75% of their reserved capacity, while minimum contract length and demand charges for customers larger than 200MW will be decided in an in-progress investigatory docket. Finally, new large load customers are required to have sufficient credit or post collateral, at Rocky Mountain Power's discretion, of five years of minimum demand charges.

While the New Large Load Account provisions in the E-67 tariff reflect some of the principles above, the tariff needs to be revised and clarified to be effective and fair.

Applicability threshold for “Large Load Accounts” should be raised to 50MW

The current E-67 tariff proposal states a “Large Load Account” is an account having a load of 20MW or more, or an account reasonably expected to reach a load of 20MW after five years. A 20MW threshold for tariff applicability is likely too low, and could inadvertently include hospitals or smaller manufacturers. We recommend raising the threshold to 50MW, as was proposed in the Utah settlement above.

The E-67 tariff needs a detailed definition of “Contract Capacity”

The tariff uses the term “customer forecasts” and “customer forecasted demand,” to refer to a forecast of a customer's peak demand for electricity over a time period, submitted to SRP by the customer,³ and the basis for determining the “Minimum Billing Demand.”⁴ In Condition D of the

¹ Submission of Unopposed Settlement Agreement and Unopposed Motion for Acceptance of Out of Time Filing, Indiana Utility Regulatory Commission Cause No. 46097, November 22, 2024.

² Settlement Stipulation, Phase II, Public Service Commission of Utah Docket No. 24-035-04, January 14, 2025.

³ See the Applicability section

⁴ See Condition B

tariff, “customer forecasts” are used by SRP to unilaterally determine the “maximum load” for any New Large Load Account.

Rather than forecasts, we believe it is appropriate for the tariff to define “Contract Capacity:” a mutual understanding, written into the Agreement for Electric Service or Energy Supply Agreement, of the load requirements, expressed in kW, for which a customer contracts and SRP is obligated to supply. Defining Contract Capacity in this manner removes ambiguity regarding the application of minimum demand charges.

As many large energy users grow their demand at a given site over the course of years, a concept often referred to as a “load ramp,” Contract Capacity should optionally include a pre-defined load ramp period, as agreed to between SRP and the customer. This flexibility would enable a customer to contract for the capacity they need, on the schedule that makes sense for their business objectives.

With Contract Capacity defined, Condition D should be deleted

Tariff Condition D states that “SRP will determine the maximum load for any New Large Load Account based on customer forecasts. SRP will have no obligation to serve load in excess of the maximum load.” With Contract Capacity defined as above, a customer and SRP will come to a mutual, contractual understanding of the amount and timing of load-serving infrastructure, making this section unnecessary. Moreover, SRP’s proposed Condition D is a substantial modification of the “obligation to serve,” and should not be implemented without further discussion. We understand that utilities are being asked to serve an unprecedented number and amount of load requests. However, the tariff changes we recommend—adding collateral requirements and a contract term—will help “filter” these load requests so requesters demonstrate minimum levels of financial viability, as well as ensure SRP has the resources, through minimum demand charges, needed to bring requested capacity online. Viewed as a package, our proposals achieve similar results as SRP’s Condition D, without fundamentally changing the obligation to serve.

A minimum term and collateral requirements should apply

In the SRP context, the minimum demand charge for New Large Load Account serves two purposes: (1) ensuring the utility receives sufficient revenue to offset the incremental system-wide infrastructure investments needed to serve the customer; and (2) providing information to SRP about a customer’s financial viability, as demonstrated by their ability to make a long-term commitment.

As written, the New Large Load Account minimum demand charge provision could be strengthened so that it fulfills both purposes better, by adding a period of time over which the minimum demand charge will be collected, and by adding collateral requirements related specifically to the minimum demand charge, due at the signing of the Agreement for Electrical Service or Energy Supply Agreement.

Condition E of the E-67 states that “At SRP’s request, the customer shall sign SRP’s then-current form of Agreement for Electric Service, having a minimum term as set forth therein...”. Our review suggests that Agreement for Electric Service typically has a one-year, automatically renewable

term, and that SRP's investments made on a customer's behalf are secured by a customer's sunk investment(s) in their substation and, potentially, transmission upgrades identified in their load study.

SRP should consider whether this is sufficient security. Sunk costs in customer-specific infrastructure are not assets that can be liquidated to avoid cost shifting in the instance in which a new large load is planned and built for, but the load does not ultimately materialize. SRP should bolster its collateral requirements to ensure a customer commits to paying the minimum demand charge for long enough to reimburse SRP for the incremental system infrastructure caused by the customer's load additions.

We recommend that New Large Load Account customers pay minimum capacity charges based on Contract Capacity for a minimum term of 8 years, a time over which, roughly, most incremental system infrastructure would be paid for. Note that as the tariff is written today (i.e., with no duration over which minimum demand charges are paid), the minimum demand charge must be paid in perpetuity, which is unreasonable given that, at a certain point in time, incremental infrastructure will be paid for.

We recommend that SRP bolster credit and collateral requirements to reflect the new long-term obligation to pay minimum capacity charges. SRP management should analyze the appropriate level and form of collateral for their utility's specific financial metrics. For an example of the manner in which this issue was recently addressed, the all-party settlement filed November 22, 2024 in Docket NO. 46097 in Indiana may provide a useful example.

Condition C should be removed

Condition C of the E-67 tariff states: "If the customer requests that, to expedite service to the account, SRP procure or develop load-serving resources at a cost, **or in a timeframe**, that SRP would not otherwise procure or develop such resources for SRP's needs," the customer must reimburse SRP for the extra costs of procurement.

A new load coming to the grid will always be, in a sense, unplanned; identifying and separating out "SRP's needs" from those of its customers is an impossible task, and thus Condition C invites arbitrary application. We recommend that Condition C be removed. With the addition of defined Contract Capacity, long-term contracts, minimum charges and upfront collateral, SRP will have the financial assurances to proceed with the investment needed to balance its system and continue to provide reliable and affordable service to all its customers.

To the extent a customer and SRP identify mutually agreeable investments that can be brought to the system to assist a customer's specific business objectives, such as acceleration of clean capacity investments, an avenue for these partnerships should be maintained. Such a structure should ensure that participating customers bear the full cost of any such investments and additionally provide means for the customers to reap the benefits of those investments as credits against their energy bill. Google is concerned that, as drafted, Condition C goes far beyond a clean energy investment program.

Customers should be able to adjust their Contract Capacity

To enable efficient utilization of system capacity, customers should have the right to terminate or reduce their Contract Capacity at any time, subject to provision of a reasonable period of notice, such as twenty-four months. Such customers should be subject to early termination fees and capacity reduction fees, calculated based on the foregone net revenues from the minimum demand charge after accounting for the release or transfer of the terminated transmission and generation capacity to serve new load. Once the customer has paid its early termination fee or capacity reduction fee, any collateral associated with the terminated or reduced capacity should be returned to the customer.

Accounting for revenue

Any revenues collected from the minimum demand charge should be fully and transparently accounted for in the SRPs Cost of Service Study in its next pricing proceeding.

Optional Clean Technologies Tariff

Google supports the Southwest Energy Efficiency Project's (SWEET) proposed stakeholder process to develop the Optional Clean Technologies Tariff for Large General Service Customers.

Since 2017, Google has matched its global annual electricity consumption with purchases of renewable energy.⁵ In 2020, we set a goal to run on 24/7 carbon-free energy—every hour of every day on every grid where we operate—by 2030. Reaching this goal will require a portfolio of wind, solar, and battery technologies, but also nascent technologies like long-duration energy storage, advanced nuclear, and enhanced geothermal. In vertically-integrated markets like SRP's, however, we face challenges procuring these technologies. Existing optional programs are typically based around a solar resource, but nascent clean-firm technologies like enhanced geothermal yield substantial capacity benefits, meaning energy-only credits are insufficient.

We seek a program where large customers could, optionally, pay for the cost of dedicated emerging and conventional low- or zero-carbon resources, receiving fair credit on their otherwise-applicable energy and capacity rates as these resources produce, and paying our applicable rates when those resources are not producing. Resources would be dispatched to serve SRP's system needs, and SRP could require a customer's portfolio of resources to achieve a certain percentage of hourly matching with their anticipated demand.

We understand this is a newer concept for SRP to consider, so we support SWEET's proposed stakeholder process, which would lead to a new tariff in the near future.

⁵ Google, Environmental Report, Page 33, available at: <https://sustainability.google/reports/google-2024-environmental-report/>.

Thank you for considering these comments. We are available to talk about them at your earliest convenience.

Regards,

Google

Name: Steve Neil

Record Number: MI7013412

Delivery Method: Other

Attachments: 20250206_PriceProcess_Steve Neil Document.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI7013412*

Comment:

*Flyer distributed to Board at 2/6 Board Meeting

-- See attached --

Good morning, esteemed directors of SRP!

Today, I (Steve Neil) will be presenting a number of topics that I hope you find very interesting and helpful.

I will be pausing after each of the below topics to answer your questions, and hopefully you will want additional information from Management. **All you have to do is ask!**

The topics I plan on covering are all focused on your formally adopted pricing principles.

PRICE PLAN COST COMPARISON / CONSUMER PROTECTION

During the last price process in 2019, Management promised to do a better job to ensure the pricing principle of Equity was observed by providing effective comparison, and they did in 2021 or so, but they have gone backwards now and **the tool is gone!** With more plans than ever before, customers need more help than ever choosing their most economical plan.

THE AVOIDED COST OF EXPORTED SOLAR

Management says 3.45 cents observes the pricing principles of Equity and Cost Relation, but using their own figures, it shows to be more like 10 cents.

PRICING SIGNALS TO ENCOURAGE TIME-OF-USE AND LOWER FUTURE COSTS

APS and TEP have done a good job of pricing to honor the Bonbright principle of discouraging wasteful use and about 2/3rds of their customers are on a time-of-use plan. SRP not so much in that only 36% are on TOU, mainly because of the M-Power and Basic plans that send no price signals and appear to be underpriced and therefore minimize the pricing principle of Cost Relation.

MONTHLY SERVICE CHARGE

Management is proposing a charge that is as high as quadruple what APS and TEP charge. It appears that the pricing principle of Gradualism is being ignored.

ECONOMY PRICE PLAN (low income assistance)

Management is proposing to raise the monthly service charge by an average of more than \$8 and \$20 for some, but only proposing to raise the assistance by a measly \$2. Surely, the pricing principle of Equity could spare a few dollars more in the interest of present and future social costs, as Bonbright wisely discussed.

THE NEW KID (OR BULLY?) ON THE BLOCK - LOLP (Loss of Load Probability Weighted Peak)

Management, for the first price process ever, is using a new metric that is highly impactful on prices, and here's a huge dose of irony - it punishes the classes who most have pushed their consumption to after the peak pricing hours! Because those off-peak hours will be the new peak pricing hours. I think more Gradualism and Equity is needed.

EFFICIENCY - CUT THE FAT

Management hasn't talked about this, except the easy save of refinancing higher interest bonds. There has been lots of talk about increased expenses and expected growth, but what has our community-based, not for profit utility said about efficiency and opportunities to do even better? Without explanation of those specifics, how do we know that the pricing principle of Sufficiency is being honored?

Thank you so much for your dedication to the governance of this great utility!

--Steve Neil

02/06/25 Pricing Process Board Meeting

Name: Pete Wong**Record Number:** 8b241d00**Delivery Method:** Digital Submission**Comment:**

I am writing to express my concern regarding the proposed rate increase. Electricity costs are already high, placing a significant financial burden on customers. Given that your company continues to report strong profits, it is clear that you are financially stable without the need for additional rate hikes. Furthermore, energy costs have remained relatively flat in Arizona, and there have been no substantial increases in operational expenses that would justify higher rates. At a time when many households and businesses are struggling with rising living costs, I urge you to reconsider this increase and prioritize fair and affordable pricing for your customers. Thank you for your time and consideration.

Name: Bridgette McCoy**Record Number:** 9491482a**Delivery Method:** Digital Submission**Comment:**

This is outrageous to implement something like this when families are already struggling with the high price of Electricity now, you're trying to kill us at this point as no one will be able to pay this, I'm against any and all increases, it should be going down not up

Name: Tammy Bosse**Record Number:** 7d896426**Delivery Method:** Digital Submission**Comment:**

SRP - SOLAR win-win solutions. SRP benefits greatly from the low "wholesale" solar buy back rate but the management presentation indicated that SRP is losing money on solar customers. I question whether that is accurate because it is not clear where SRP includes the profit that SRP benefits from when purchasing solar energy at an excessively LOW rate, much lower than the cost to generate energy elsewhere, while selling it back at full retail. Please clearly explain exactly where SRP calculates and integrates the INCOME - profit generated from the low buy back rate from solar generation in relation to the retail rate that energy is sold for. Thank you.

Name: Autumn Johnson

Record Number: MI7016477

Delivery Method: Email to Corporate Secretary

Attachments: Re_ Customer Survey.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI7016477*

Comment:

From: Autumn Johnson

Sent: Thursday, February 6, 2025 3:58 PM

To: John M Felty

Subject: Customer Survey

John,

Can you share the customer survey on TOU that Brandon presented on?

Thank you,

Autumn T. Johnson

CEO

Tierra Strategy

SRP Public Price Process

Comments from: 2/7/2025

Name: Michael Hurst

Record Number: eca5f56a

Delivery Method: Digital Submission

Comment:

These times are absolutely unbelievable 5-9 or 6-10 people will not be able to sleep with temperatures in the homes. People will not be able to afford these electric bills. The elderly will not be able to have their AC off for that amount of time. This will be extremely dangerous.

SRP Public Price Process

Comments from: 2/8/2025

Name: Christie Black

Record Number: 552c8deb

Delivery Method: Digital Submission

Comment:

I appreciate the introduction of two new TOU plans to help customers with increasing costs. I don't understand, however, how SRP can justify increasing solar customer costs more than regular customers. I don't personally have solar, but I really appreciate those homeowners who do. They're doing their part to increase energy production and reduce the impact they have on the overall grid. Isn't that something we should be incentivizing all customers to do? Isn't that what the new TOU plans are intended to do? Please reconsider the cost increase for solar customers. It isn't right.
