

News Release



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Media Relations • (602) 236-2500 • srpnet.com/newsroom

SRPConnect on:



Jennifer Schuricht, SRP Media Relations
(602) 236-5023
Jennifer.Schuricht@srpnet.com

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SRP Board of Directors Approves Pricing Proposal New Pricing Effective in November

The Salt River Project's (SRP) publicly elected Board of Directors today approved SRP management's amended pricing proposal that will, among other things, support ongoing system reliability, expand low-income bill assistance, and provide super off-peak pricing that takes advantage of abundant low-cost, low-carbon utility scale solar.

The SRP Board of Directors last approved changes to base prices in 2019.

The proposal will result in an overall 2.4 percent price increase for SRP customers. This price change reflects a proposed increase of \$169 million in base revenue to support upgrades to the electric system and meet the cost of customer programs, among other things. This would be offset by an anticipated decrease of \$68.7 million in fuel and purchased power expenses, which are recovered through the Fuel and Purchased Power Adjustment Mechanism (FPPAM) rate.

SRP is a not-for-profit utility and does not have investors. Any revenues in excess of expenses are reinvested back into our electric system to help maintain price stability for customers.

Effective with the November 2025 billing cycle, the average residential customer using 1,117 kilowatt-hours (kWh) a month will see a monthly bill increase of 3.5 percent, or \$5.61. Actual bill impacts will vary based on customer usage and price plan.

Even with these changes, SRP customers will still pay among the lowest electricity prices in the southwestern U.S. and the lowest rates of any major utility in the state.

"The approved proposal will allow SRP to continue to deliver affordable and reliable power and work toward achieving its sustainability goals in the most cost-effective manner while providing additional financial support for limited income customers," said Jim Pratt, SRP General Manager and Chief Executive Officer. "As a not-for-profit utility, SRP seeks to keep rates low as we continue to evolve the grid and enhance customer service options."

Approved updates to the original proposal that reflect stakeholder feedback include:

- SRP will increase the Economy Price Plan bill credit for customers between 0-150% of the Federal Poverty Level (FPL) from \$23 to \$35 a month and expand eligibility for customers at 151-200% of FPL, who will receive \$10 a month. SRP will also provide \$5 million a year to support its bill assistance program, which is administered through Wildfire. This results in nearly 93% of customers on the Economy Price Plan receiving a bill decrease.

- Residential solar price plans (E-13, E-14, E-15, and E-27) will remain open until the November 2029 billing cycle. By keeping those plans available for new customers, solar installers will have time to transition to the new TOU price plans and an evolving grid that includes significantly more renewable generation.

“The Board of Directors appreciates the input we received from the hundreds of customers, stakeholders and other members of the public during this extensive, three-month pricing process,” said David Rousseau, SRP President. “The approved proposal reflects many elements of this feedback while ensuring that SRP continues to support the needs of its customers with reliable, affordable and sustainable energy.”

Other elements of the pricing proposal that were approved include:

- Tiered residential monthly service charges based on dwelling type that better recover the fixed costs of serving customers, which include customer service, billing, and connection to the grid.
- Two new price plans with super-off-peak daytime time-of-use hours that are half the cost of the SRP’s basic price plan. These new plans will be available to residential solar and non-solar customers. Current SRP customers may switch to one of the new TOU plans in November or stay on their current plan until it is sunset no later than November 2029.
 - Conserve 6-9 p.m. and Save (E-28)
 - Super off-peak hours between 8 a.m. and 3 p.m. daily
 - On-peak hours between 6 and 9 p.m. on weekdays only (excluding 6 holidays)
 - Manage Demand 5-10 p.m. and Save (E-16)
 - Super off-peak hours between 8 a.m. and 3 p.m. daily
 - On-peak hours between 5 and 10 p.m. on weekdays only (excluding 6 holidays)
 - Includes average on-peak demand billing component
- Freezing new participation in some current non-solar time-of-use price plans.
- A change to the existing E-67 price plan for large commercial or industrial customers that will protect other residential and other commercial customers from paying the additional costs required to serve them.

SRP has also committed to developing a Virtual Power Plant pilot program to explore utilizing residential battery systems as an additional component of SRP’s existing demand response portfolio.

The FPPAM rate recovers the costs of fuel, including natural gas; purchased power agreements, including those for solar, wind and storage; and market purchases used to help maintain energy reliability. These costs are passed through to customers without any overhead.

SRP offers a variety of energy efficiency rebates and resources to help customers manage their energy use and save money on their bills. Information on bill assistance programs can be found at srp.net/heretohelp.

SRP is a community-based, not-for-profit public power utility and the largest electricity provider in the greater Phoenix metropolitan area, serving approximately 1.1 million customers. SRP provides water to about half of the Valley’s residents, delivering more than 244 billion gallons of water (750,000 acre-feet) each year, and manages a 13,000-square-mile watershed that includes an extensive system of reservoirs, wells, canals and irrigation laterals.

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