2015 Price Process

Sustainable Cities Network
January 29, 2015
Overall average 3.9% price increase

- 4.4% base price increase
- 0.5% Environmental Programs Cost Adjustment Factor (EPCAF) decrease
- No material change to Fuel & Purchased Power Adjustment Mechanism (FPPAM)
If approved, the new prices will pay for several increasing costs:

- Maintaining reliable service
- Making investments to support forecast growth
- Completing required environmental upgrades at power plants
Proposed Prices
Effective April 2015 Billing Cycle

All Classes 3.9%
SRP Prices Remain Competitive
Overall Price (Cents per kWh)

- SOUTHERN CALIFORNIA: 15.32
- ARIZONA*: 11.12
- NEW MEXICO: 10.70
- NEVADA: 10.20
- SALT RIVER PROJECT (PROPOSED): 9.95
- SALT RIVER PROJECT (CURRENT): 9.66

Source: Dept. of Energy EIA-826 Reports for 12 months ending July 31, 2014
*Arizona does not include SRP.
Residential Highlights

- Increase Monthly Service Charge to $20 per month from $17 to improve fixed cost recovery
- Implement Customer Generation Price Plan (E–27)
- Implement an experimental price plan for customers with electric vehicles (E–29)
- Limited Income Discount / Economy Price Plan (EPP)
  - Increase Winter discount from $17 to $20/month
  - No changes to the current Summer and Summer Peak discount of $21/month
  - Expand EPP qualifications: Customers who receive LIHEAP will be automatically enrolled in EPP
Customer Generation
Growing Challenge
Year-Over-Year Rooftop Installations

Residential Solar Electric New Installations by Calendar Year

- 2004: 2
- 2005: 26
- 2006: 119
- 2007: 118
- 2008: 157
- 2009: 702
- 2010: 1,345
- 2011: 778
- 2012: 1,773
- 2013: 2,616
- 2014: 3,688
Solar Production vs. Peak Demand

Peak Day

Demand

- Energy
- Energy After Solar
- Solar Generation
Electrical System (The Grid)
Typical Solar Customer: Costs & Revenues

Monthly Cost and Revenues (Before Solar)

Costs
- Fixed: $105
- Variable: $65

Revenue
- Fixed: $17
- Variable: $153
Typical Solar Customer: Costs & Revenues

Monthly Cost and Revenues (After Solar)

Costs

- Fixed: $99
- Variable: $22

Revenue

- Avoided Costs from Solar Customer: $17
- Unrecovered Costs: $53

Legend:
- Fixed
- Variable
- Avoided
# Customer Generation Price Plan

## Typical Solar Customer – 200 Amp Service

<table>
<thead>
<tr>
<th>MSC</th>
<th>Distribution Charge</th>
<th>Demand/Grid Charge</th>
<th>Energy</th>
<th>Average Monthly Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed E-26 (pre-solar)</td>
<td>$20.00</td>
<td>–</td>
<td>$152.96</td>
<td>$172.96</td>
</tr>
<tr>
<td>Proposed E-27 (pre-solar)</td>
<td>$20.00</td>
<td>$12.44</td>
<td>$65.26</td>
<td>$170.69</td>
</tr>
<tr>
<td>Proposed E-27 (post-solar)</td>
<td>$20.00</td>
<td>$12.44</td>
<td>$21.54</td>
<td>$120.27</td>
</tr>
</tbody>
</table>
Current distributed generation customers
  ◦ Can stay on current price plan for 10 years (March 31, 2025)
    • Must have submitted signed contract to SRP by December 8, 2014
  ◦ After 10 years, must move to Customer Generation Price Plan
  ◦ Net metering remains

New distributed generation customers
  ◦ Must take service under Customer Generation Price Plan when effective OR
  ◦ Can take part in Community Solar program
Customer Participation

- Public Comment Sessions
  - January 5th at SE Regional Library, Gilbert
  - January 8th at Glendale High School

- Board meetings at SRP corporate offices
  - Special Board Meeting: February 9
  - Board Decision Meeting: February 26

- Submit comments to Corp Secretary’s Office
  - By February 19th

- Proposal effective with April 2015 bills
Price Process Information

- www.srpprices.com
- www.savewithsrp.com
- www.savewithsrpbiz.com
- (602) 236–8888