

ADVANCED ENERGY BUYERS GROUP

the policy voice of advanced energy purchasers

March 8, 2019

Salt River Project Agricultural Improvement and Power District
Salt River Project
1521 N. Project Way
Tempe, AZ 85281

Comments of the Advanced Energy Buyers Group Re: Salt River Project's Proposed Price Plans for 2019

Dear Members of the SRP Board,

The Advanced Energy Buyers Group is pleased to provide input into SRP's Proposed Price Plans for 2019. The Advanced Energy Buyers Group (AE Buyers Group or AEBG) is a business-led coalition of large energy users engaging on policies to expand our opportunities to procure energy that is secure, clean, and affordable.¹ We are encouraged by the efforts in recent years to offer more renewable energy options to SRP customers and to bring 1,000 MW of new solar to all SRP customers, and write to offer support for further progress. Opening new avenues for commercial and industrial customers to pursue renewable energy will ensure that SRP is able to continue to meet the needs of these customers as a growing number of companies set ambitious renewable energy goals.

Members of the AE Buyers Group are market leaders and major employers spanning different industry segments, including technology, retail, and manufacturing. Our companies are among the 71% of Fortune 100 companies and 43% of Fortune 500 companies that have established renewable energy and/or climate targets as part of our corporate sustainability commitments. We share a common interest in expanding our use of advanced energy, including renewable energy like wind, solar, geothermal, and hydropower; demand-side resources like energy efficiency, demand response, and energy storage; and onsite generation from solar, advanced natural gas turbines, and fuel cells. In 2017, members of the AE Buyers Group totaled over \$1 trillion in

¹ These comments represent the consensus view of the Advanced Energy Buyers Group (information and membership available at <https://www.advancedenergybuyersgroup.org/>). However, this document does not necessarily reflect the position of any specific member of the AE Buyers Group, and these comments should not be attributed to any individual company or companies participating in the AE Buyers Group.

revenue and collectively consumed over 18 terawatt hours (TWh) of electricity, including over 11 TWh of renewable electricity, equivalent to the electricity sales for the states of North Dakota and Delaware, respectively. AEBG members include companies with a significant footprint in Arizona, including in Salt River Project's service territory.

Some members of the AEBG, along with other Arizona-based customers, met with SRP leadership and staff in 2016 to discuss the needs and preferences of commercial and industrial (C&I) customers with respect to renewable energy. We appreciate the attentiveness of the whole SRP team in that and in subsequent group and individual discussions, and we applaud and appreciate the rollout of the Sustainable Energy Offering program, whose participants include multiple AEBG members. A diverse set of SRP customers, including Albertsons Companies Inc., City of Chandler, City of Mesa, City of Phoenix, CMC Steel Arizona, CyprusOne, Digital Realty Trust, Freeport-McMoRan, Mesa Public Schools, and Walmart, are now participating in this initial offering of 100MW. This broad participation demonstrates the needs and preferences of SRP's customers who seek additional customer choice.

The AEBG encourages SRP to build upon the success of this initial program to ensure that additional customers, including smaller and mid-sized C&I customers, have access to renewable energy in Arizona; and to enable the initial participants in the Sustainable Energy Offering program to make further progress on their renewable energy goals. Specifically, SRP should:

- **Provide additional opportunities for customers to participate in a second tranche of the Sustainable Energy Offering program.** The initial 100 MW Sustainable Energy Offering program was quickly filled by SRP's largest customers, indicating both the success of the program and the demand for additional renewable energy. An expanded offering, available to additional customers, would allow SRP to better meet the needs of business customers as companies continue to increase their demand for renewable energy.
- **Create opportunities for interested companies to access renewable energy through buy-through programs.** This approach, analogous to the Arizona Corporation Commission-approved AG-X offering, would allow large customers to meet renewable energy goals through tailored solutions. Large customers differ in their load profiles, opportunities for onsite generation and load management, geographic spread, appetites for financial and technology risk, and renewable energy goals and preferences. These operational differences translate into unique electricity needs and energy management strategies, which large companies are often well-suited to handle in a sophisticated way. Buy-through options give such customers the flexibility to manage their renewable energy purchases and other advanced energy purchases.²

These steps, if executed in a mutually beneficial way, would ensure that all C&I customers in SRP's service territory are able to meet their renewable energy goals through offerings that align with their particular needs and preferences. Importantly, meeting the growing demand among leading corporations for renewable energy would also support economic development by creating a business environment consistent with business needs; as a growing number of companies set

² The Arizonans for Electric Choice & Competition (AECC) submitted detailed comments in this proceeding dated Feb. 22, 2019, outlining recommendations for designing and implementing buy-through programs; those comments would provide a good starting point for SRP's exploration of buy-through offerings.

increasingly ambitious renewable energy targets, there is also a growing expectation that utility partners will engage in meaningful collaboration to facilitate these goals. The Advanced Energy Buyers Group looks forward to continuing to work with SRP to ensure that all businesses in the SRP service territory have options to access renewable energy.

We appreciate your consideration of our perspective as SRP finalizes its Proposed Price Plans for 2019, and welcome further discussion of the recommendations above.

Sincerely,

The Advanced Energy Buyers Group

<https://www.advancedenergybuyersgroup.org/>

Submitted by:

A handwritten signature in black ink, appearing to read "Caitlin Marquis". The signature is fluid and cursive, with a long horizontal stroke at the end.

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