



# APS RPAC Meeting

12/12/2023



# MEETING AGENDA



Welcome & Meeting Agenda  
Matt Lind  
1898 & Co.



Break



2023 ASRFP Update  
Derek Seaman  
APS



RPAC Agenda Topic Reflection  
Matt Lind  
1898 & Co.



2024 DSM Plan Filing  
Izzy Lawrence  
APS



Next Steps & Closing Remarks  
Matt Lind  
1898 & Co.

# Meeting Guidelines



## Member Engagement

RPAC Member engagement is critical. Clarifying questions are welcome at any time. There will be discussion time allotted to each presentation/agenda item, as well as at the end of each meeting.



## Action Items

We will keep a parking lot for items to be addressed at later meetings.



## Meeting Minutes

Meeting minutes will be posted to the public website along with pending questions and items needing follow up. We will monitor and address questions in a timely fashion.



## Preliminary Content

Meetings and content are preliminary in nature and prepared for RPAC discussion purposes. Litigating attorneys are not expected to participate.



## October Meeting Recap

- APS discussed the IRP portfolio creation process including the requirements for the preferred portfolio: reliable, low cost, and robust.
- RPAC members including Rocky Mountain Institute (RMI), Western Resource Advocates (WRA), Southwest Energy Efficiency Project (SWEET), GridLab, and Energy Strategies presented findings from their analysis of the 2023 IRP cases.
- APS presented the 2023 IRP preferred portfolio along with a short-term action plan.



# Following Up

- Action Items from Previous Meetings: NA
- Ongoing Commitments:
  - Distribute meeting materials in a timely fashion (3 business days prior)
  - Transparency and dialogue





# Current Events | Project Uncertainty



- SunZia Transmission Project is a 550-mile  $\pm$ 525 kV HVDC line between central New Mexico and south-central Arizona with the capacity to transport 3,000 MW of clean electricity across Western states.
- The SunZia Transmission Project was temporarily suspended by the Bureau of Land Management (BLM) for a month due to tribal and community objections along the San Pedro River corridor. Construction has resumed prior to a meeting with tribal leaders. Further delays could be possible.



- The Utah Associated Municipal Power Systems (UAMPS) and NuScale Power mutually agree to terminate the Carbon Free Power Project (CFPP).
- The SMR ran into issues such as cost overruns, project delays, cyber-security breaches, economic uncertainties, and many other items.

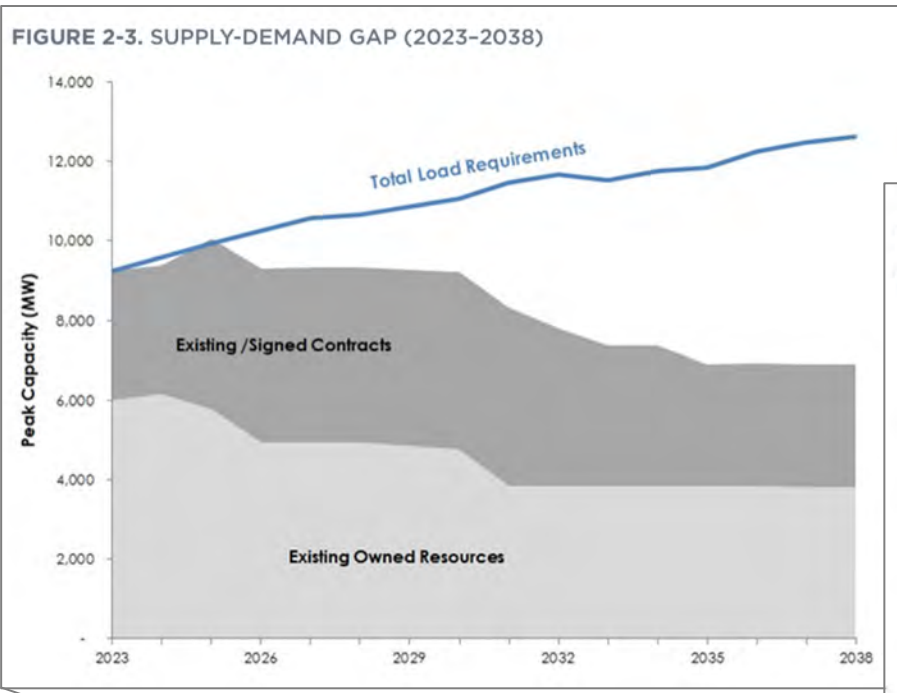




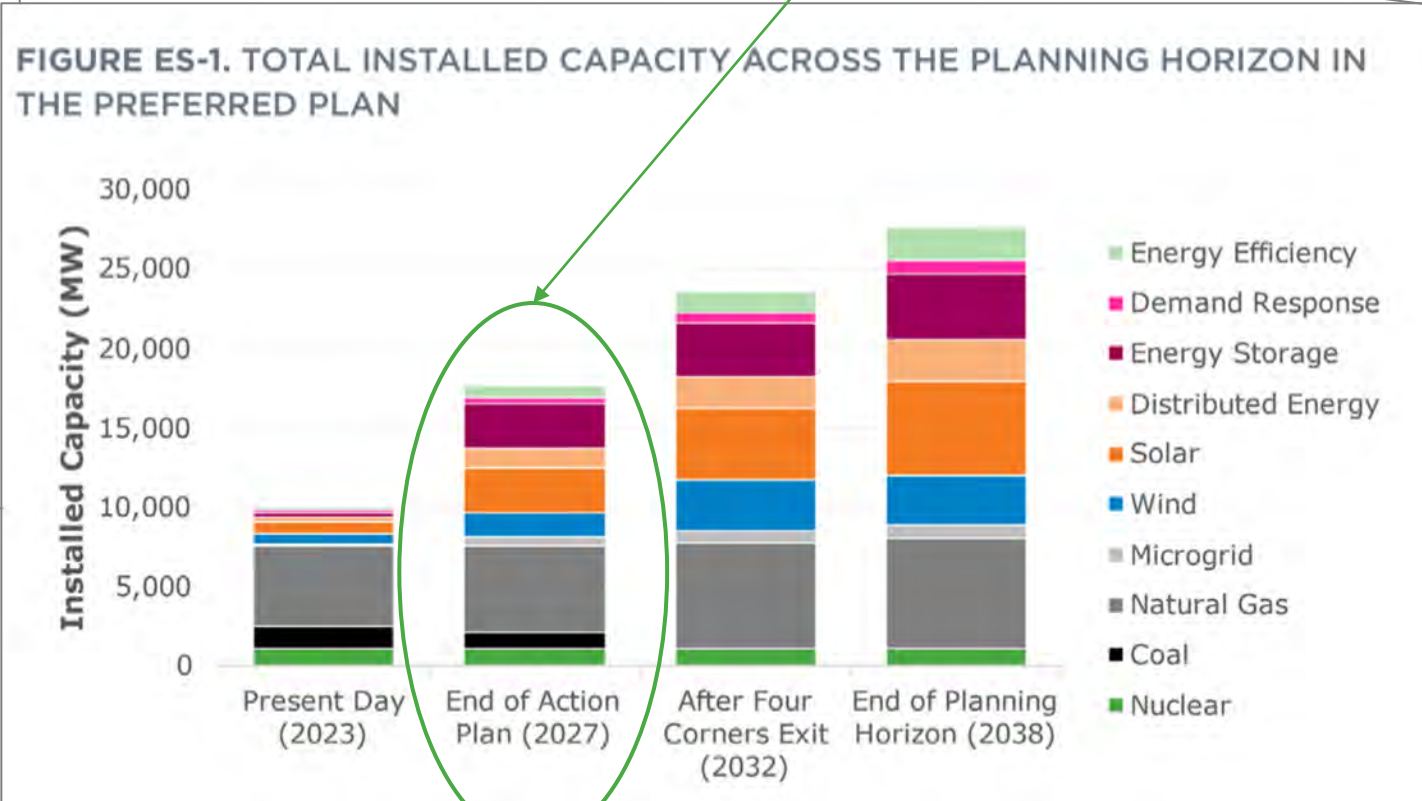
# 2023 ASRFP Update

Derek Seaman, APS

# Resource Need → Resource Plan → RFP



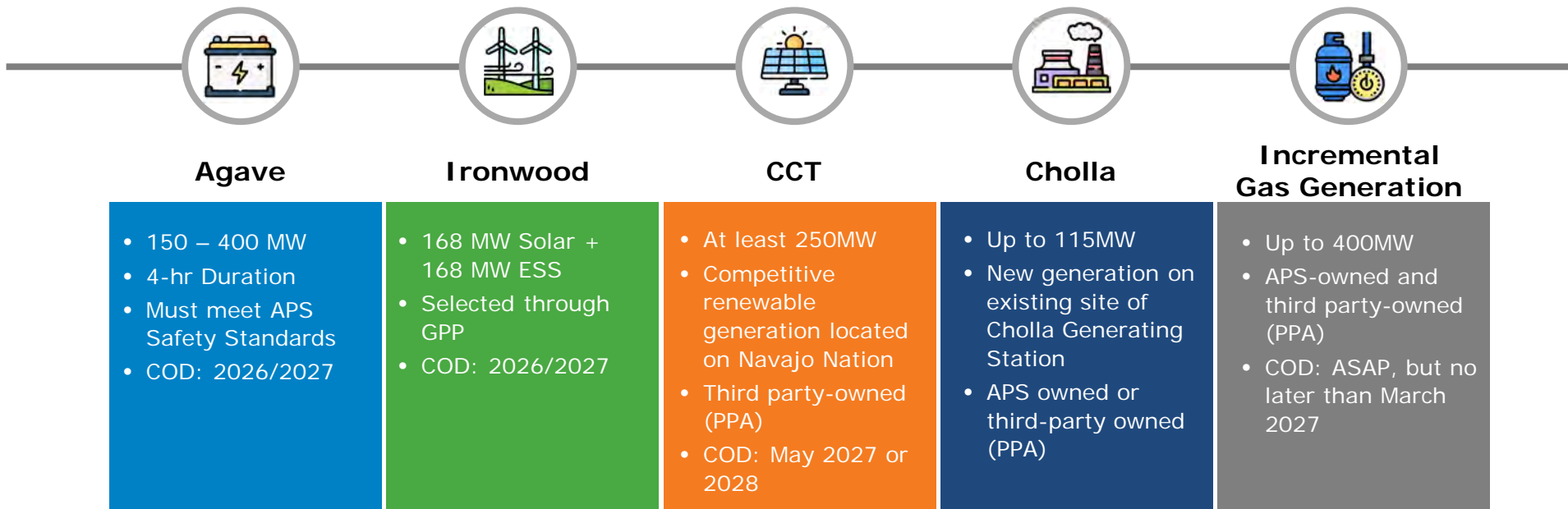
Resource Acquisition - RFP





# 2023 ASRFP Overview

- All-Source RFP approach
- Need of approximately 1,000 MWs of capacity and at least 700 MWs of renewables
- Focus on projects that can be in-service in 2026 - 2028
- Provides avenue for resources beyond 2028 (hydrogen, LDES, SMRs)
- Seeks bids for specific opportunities:



# ASRFP – Current Status

- ASRFP analysis broken into two parts:
  - 2026 Resources
  - 2027+ Resources
- Shortlist established for '26 resources
  - Shortlist meetings were held the week of Nov. 13<sup>th</sup>
  - BAFO response due this week
- Next steps for '26 resources include:
  - Perform portfolio analysis of projects using BAFO prices (influences negotiation priority)
  - Negotiations begin in earnest after BAFO results are received and portfolio analysis ranks projects
- In parallel, the teams are reviewing '27+ resources for shortlist (expected by mid-December)
  - IMPORTANT: '27+ resource shortlist has ability to influence results (e.g., best portfolio for multiple years)

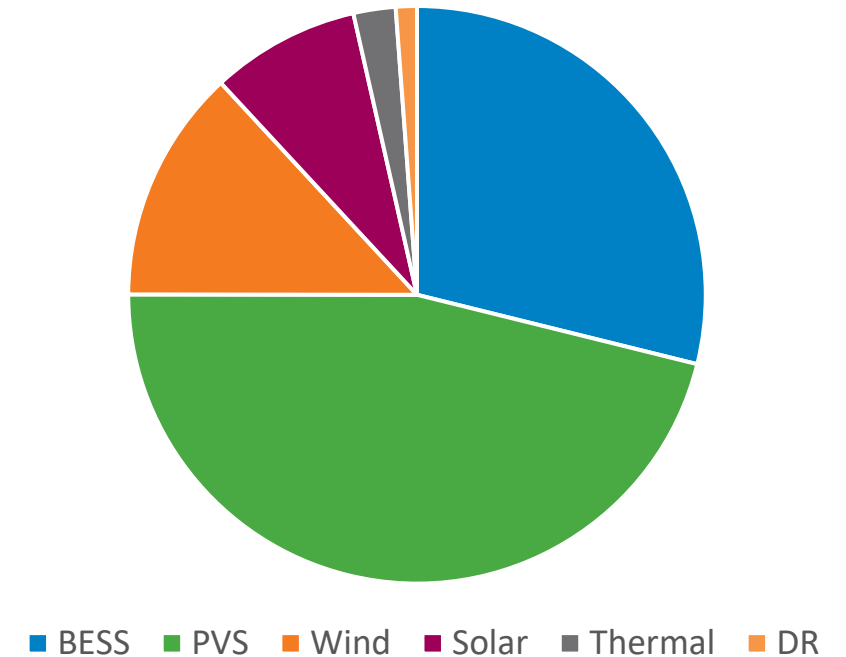
## 2026 Shortlist Timeline



# ASRFP – 2026 Shortlist

- Target shortlist = 3x Peak Need
- Selects best scored projects from each technology class
- Best ranked projects will compete in portfolio analysis
- Reliable plan takes into consideration:
  - 3 GW BESS cap through 2027
    - 2,443 MWs currently under contract
  - Gas pipeline limitations
  - Lowest cost / best-fit approach
- 2027+ shortlist expected Dec. 15th

2026 Shortlist MWs (Nameplate)



Note: Redhawk will be reviewed with other '27 opportunities

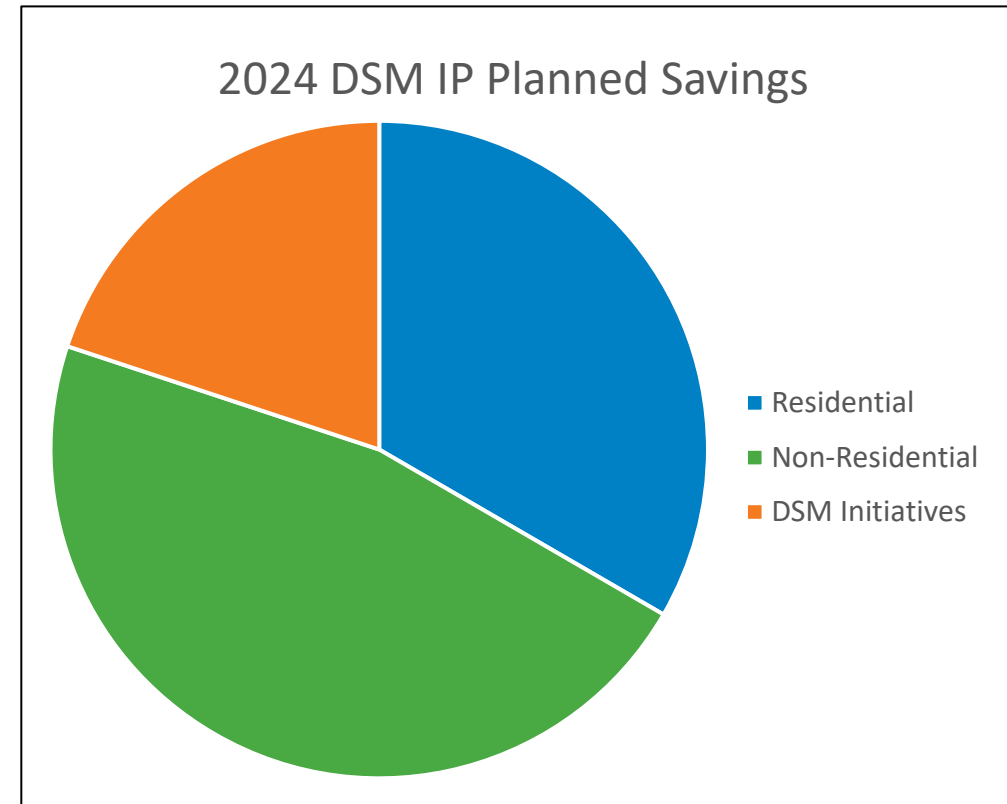


# 2024 DSM Plan Filing

Izzy Lawrence, APS

# 2024 DSM Plan

- Continues all currently approved DSM programs and measures
- Targeting a **1.4%** Savings goal
  - Total of **429,811** MWh
  - Savings goal includes **42,981** MWh of savings from converted DR Peak Savings
  - Planned **250** MW of dispatchable DR



# Programs and Measures Pending Approval

## Residential Programs

- **Existing Homes:**
  - Higher-tier HVAC incentives for homes in disadvantaged communities
  - Proposes new pool pump recalibration measure
- **New Homes:**
  - Increases Electric Vehicle (EV) Ready incentive
  - ENERGY STAR NextGen Homes



# Programs and Measures Pending Approval

## Residential and Non-Residential

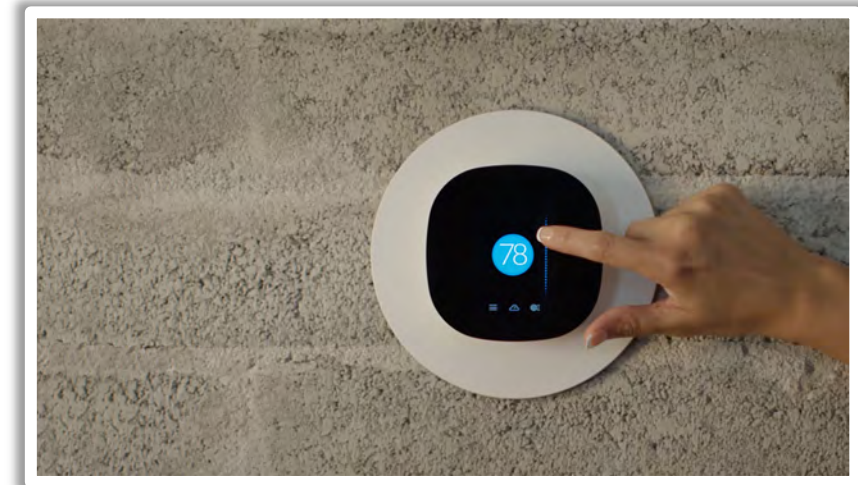


- **Multifamily:**
  - EV Ready incentive increase
  - New cost-effective EE measures for common areas/units
- **Solutions for Business:**
  - New cost-effective EE measures
- **Advanced Rooftop Controls (ARC)**
  - Expands eligibility

# Programs and Measures Pending Approval

## DSM Initiatives

- **New Innovative Customer Solutions Framework**
- **EV Charging Demand Management Pilot:**
  - New residential managed charging programs
  - EV Make Ready for C&I customers
- **Residential Battery Pilot:**
  - New tranches for existing batteries and new batteries

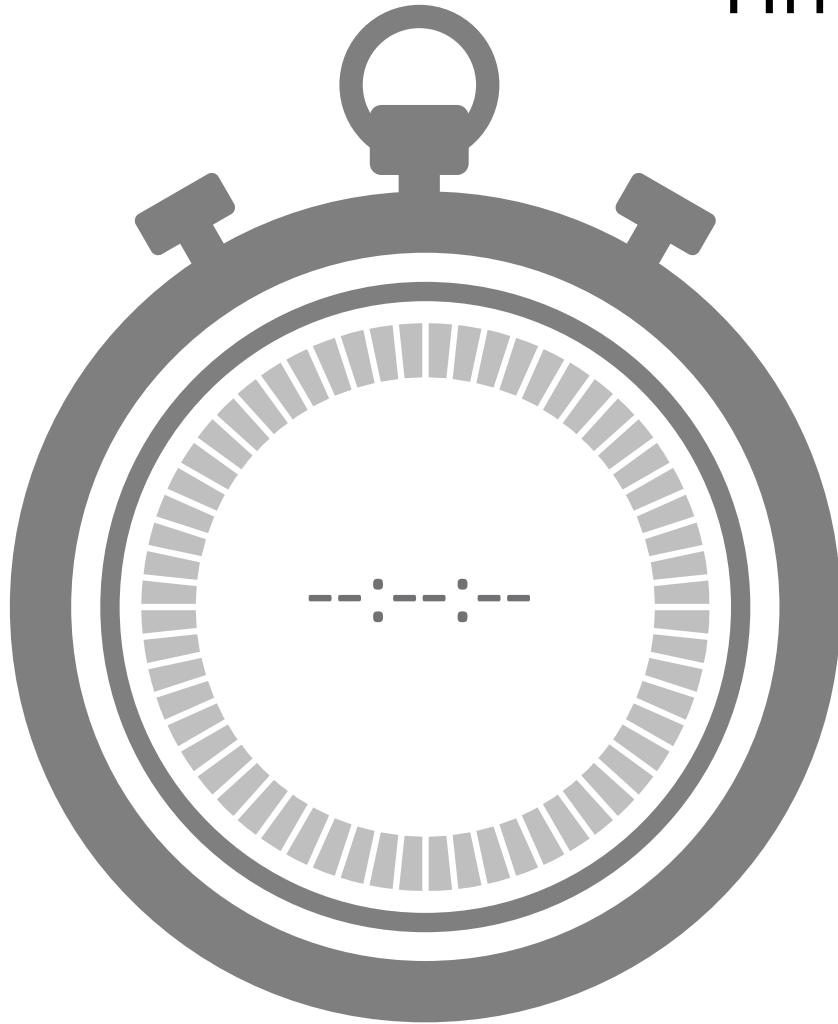






Break

# Time for a Break



Break Duration 1 min.

Meeting will resume at





# RPAC Agenda Topic Reflection

Matt Lind, 1898 & Co.

# Agenda Topics Covered With The RPAC

01

## IRP Updates

- Load Forecast
- Gas Price Modeling & Forecasting
- Solar, Storage, & EV Adoption Forecasts
- Resource Adequacy Study
- 2023 APS Resource Adequacy Study
- APS Clean Energy Accounting
- IRP Portfolios
- IRP Base Case Assumptions
- IRP Reference Case & Preferred Portfolio Selection

02

## RFP Updates

- APS Needs Review
- RFP Resource Options
- RFP Evaluation Criteria & Process
- All-Source RFP Industry Trends
- APS Customer Programs
- Acquiring DSM Resources
- New Technology Risks
- Resource Acquisition Update

03

## Industry Primers

- Time Considerations for Procurement
- RFP Industry Trends
- Reliability Planning for APS
- Southwest Resource Adequacy Study Results
- Timeline of New Resources
- Industry Supply Chain Perspective
- New Technology Risks
- Microgrid Primer
- Transmission Interconnection Reform
- Transmission Timelines
- Inflation Reduction Act

04

## Market updates

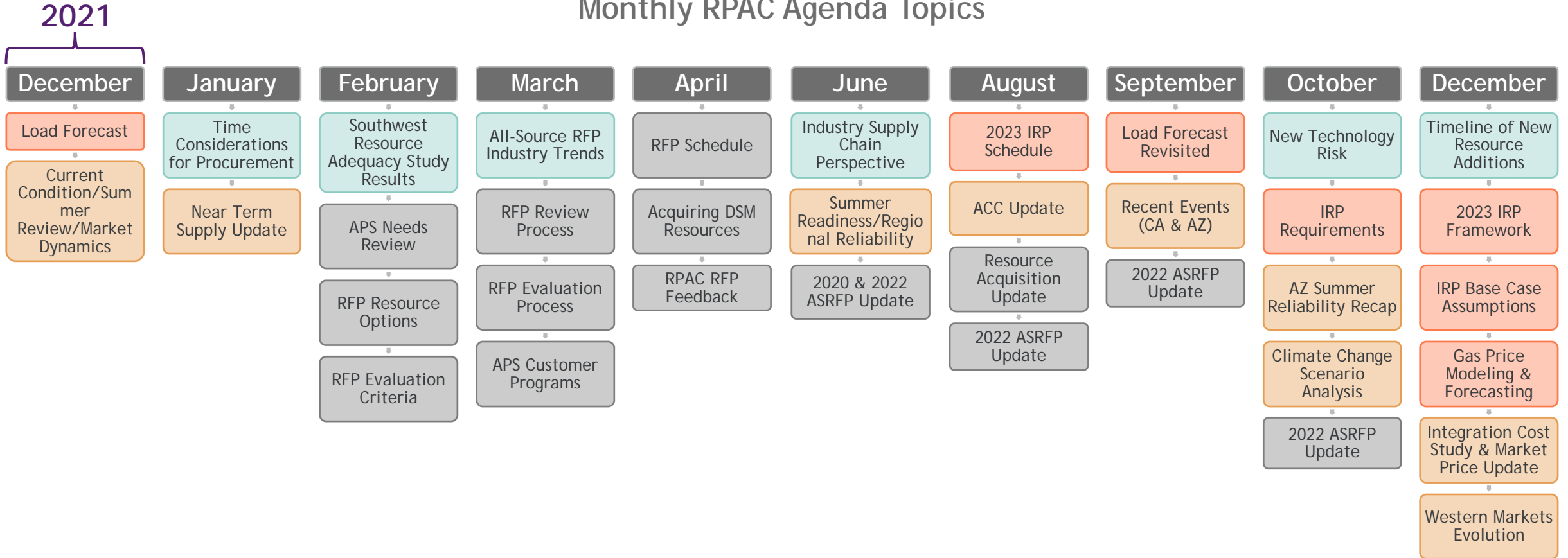
- Market Dynamics Review (2021)
- Summer Readiness/Regional Reliability
- ACC Updates
- Recent Events (Large Demand in CA & AZ)
- Western Markets Exploratory Group (WMEG) Study
- Climate Change Scenario Analysis - Low Carbon Transition
- Planning Reserve Margin Trends in the West

# Agenda Topics Timeline | 2021 & 2022

## Key

- IRP Updates
- RFP Updates
- Industry Primers
- Market Updates

## Monthly RPAC Agenda Topics



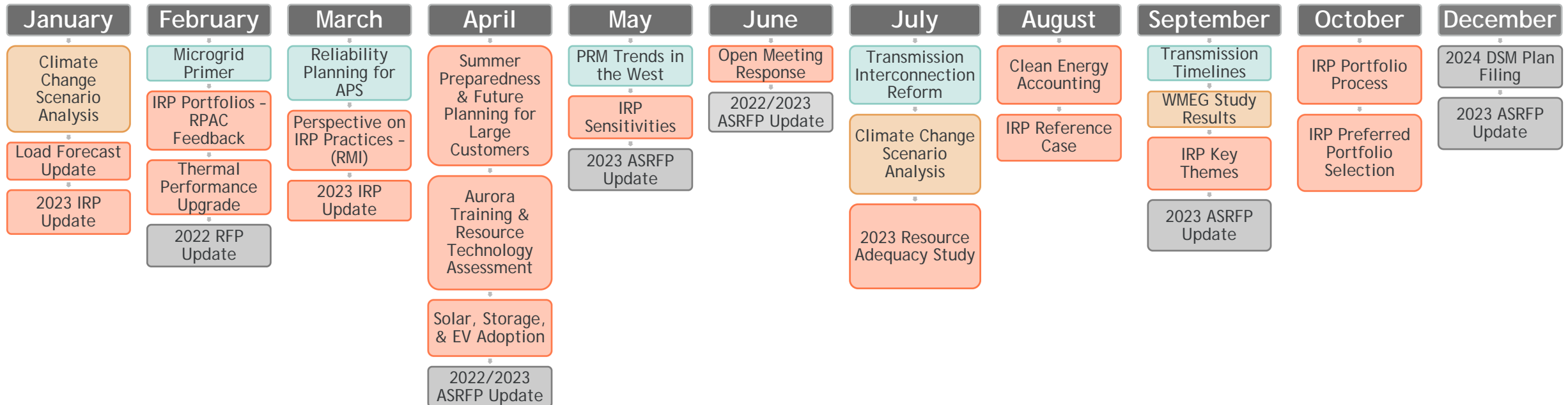
**Key Takeaway:** In Q1 and Q2 a large emphasis was put on RFP, market updates, and industry primers. In Q3 and Q4 topics covering the 2023 IRP increase.

# Agenda Topics Timeline | 2023

## Key

- IRP Updates
- RFP Updates
- Industry Primers
- Market Updates

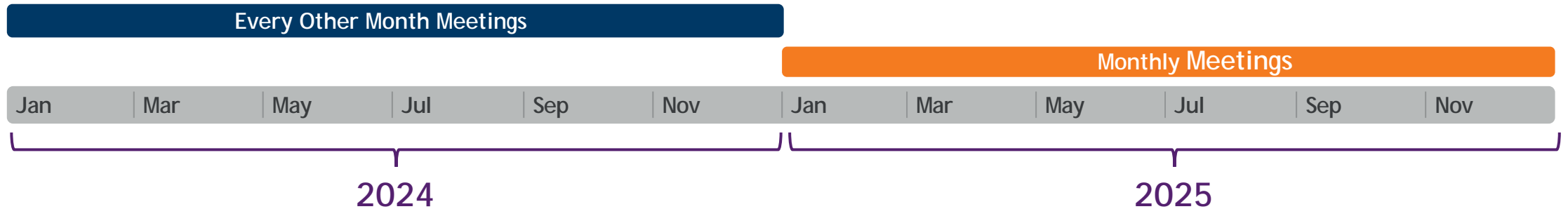
## Monthly RPAC Agenda Topics



**Key Takeaway:** In 2023, a shift towards IRP-specific topics was covered while maintaining discussion on industry trends, market updates, and RFP Updates.

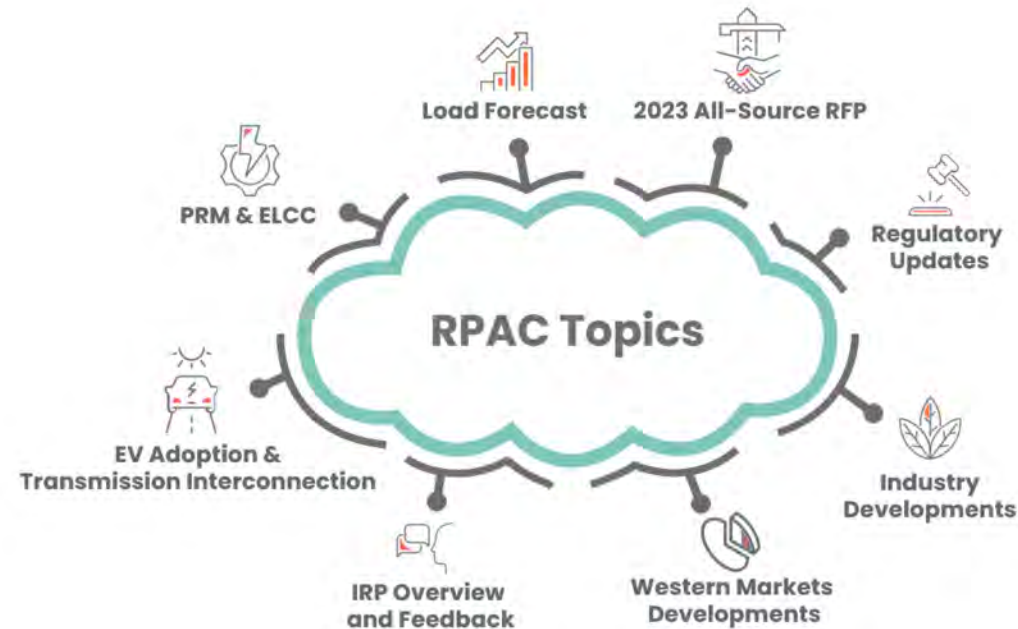
# Look Ahead | 2024

- With APS's 2023 IRP filed, 2024 may cover high level and industry topics relevant to framing future procurement and IRP discussions.
- 'Every other month' meeting cadence in 2024.



# Your Input Matters | Future Agenda Topics

- We value your input in shaping our future meetings. Help us tailor our agenda by sharing your ideas for upcoming topics.
- What are current challenges, interests, or emerging trends in the industry that you would like to see addressed in future meetings?



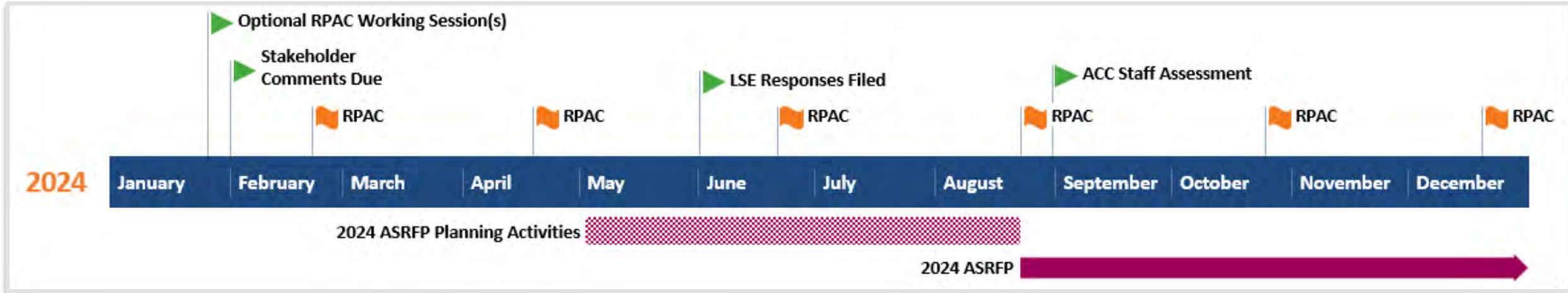




# Next Steps & Closing Remarks

Matt Lind, 1898 & Co.

# Forward Plans and Meetings



## Key Milestones

February RPAC Meeting: 2/21/2024

Optional RPAC Working Session: 1/2024  
 Stakeholder Comments Due: 1/31/2024

