



APS RPAC RFP

Breakout Session

10/10/2024



Meeting Agenda

01 RFP Guiding Principles

02 Feedback Received

03 Changes Between 2023 & 2024

04 Schedule



Meeting Objectives and RFP Guiding Principles



Meeting Objectives



Goals for breakout session

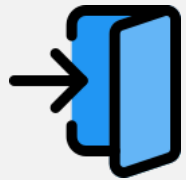
- Review key topics raised by RPAC Members.
- Discuss changes in 2024
- Talk through timeline and next steps



RFP Guiding Principles



Process that is objective, fair, and flexible to diverse resources



Open to all commercially viable resource(s) and technologies



Prioritizes reliable and affordable proposals that enable clean energy for Arizona's future





2023 ASRFP Feedback Received



High Security/Collateral Requirements: The open-ended nature of this makes it difficult to understand how APS will compare bids. Additionally, the high security requirements for standalone storage may unnecessarily restrict participation and increase bid prices.

The set collateral amounts are calculated values that combines risk and the cost of replacement power to maintain continued reliability for our customers. APS is currently re-evaluating these values ahead of the 2024 RFP.



Administrative burden of the RFP process: Developers have noted that the RFP process is administratively burdensome. PowerAdvocate adds complexity to the bid submission process, especially when submitting multiple bids.

APS is open to looking at different bid management services outside of PowerAdvocate.



Lengthy bid process: The time between bid submission, shortlisting, and contracting can pose a risk to the project COD. There is a need for additional communication of progress updates.

APS is willing to revise its communication standards to include more regular updates for shortlisted parties.







Concerns about APS bidding: There is concern about APS bidding into their own RFPs and how that is managed.

APS does not have any affiliation in curating bid submissions. All bids are looked at and evaluated fairly.



 <p>Interconnection request: Bidders should not be required to have an active interconnection request at the time of bidding.</p>	<p>An active interconnection request is not a requirement for bid consideration. Having an interconnection request allows Bidders to provide more levels of certainty in costs and schedules, which lowers project risks. As such, APS awards more points to bids with an active interconnection request.</p>
 <p>BAFO pricing: Companies appreciate that APS offers Best and Final Offers (BAFO) pricing upon shortlisting, so the initial price is not binding, unlike other utilities.</p>	<p>APS understands that obtaining refreshed pricing is beneficial for both parties.</p>
 <p>Bid fee flexibility: Developers would like to have the same bid fee able to bid multiple projects under. Could there be a reduced bid fee for demand-side resource proposals?</p>	<p>The bid fee ensures that project variations showcase the most relevant configurations. The fee also is in place to cover analysis and modeling of resources regardless of size of resource.</p>
 <p>Transmission deliverability information: Provide more granular transmission deliverability information (e.g., maps, tables) to better inform project siting and development.</p>	<p>Due to the nature of flowgate methodology, APS can only provide an indicative high voltage deliverability map as part of the RFP to signal areas where deliverability may be available or limited</p>



 <p>Transparency around price indexation: The open-ended nature of this makes it difficult to understand how APS will compare bids.</p>	<p>Page 13 of the RFP addresses what is allowed and not allowed.</p>
 <p>Additional Project Size Tier: Include a smaller project size tier below 25 MWs for Behind-The-Meter resources.</p>	<p>Page 9 of the RFP states that for behind-the-meter resources, the minimum project size is 5 MW.</p>
 <p>EE Resources to pass utility & societal cost test: This requirement is unnecessary for resources funded through the DSM Adjustor Charge (DSMAC).</p>	<p>Any proposed EE resource must pass the Societal Cost Test as defined by the ACC. Code R14-2-2401(36)</p>
 <p>AZ state land projects: Consider modifying the requirement for state land projects to have lease approval before final shortlisting.</p>	<p>APS is evaluating this requirement.</p>





Incorporate Non-Energy Benefits into Evaluation Criteria: Including benefits such as avoided air pollutants and reduced water consumption in the evaluation criteria. This would help provide a more complete picture of the resource's value and societal impacts.

IRP modeling aims to cover criteria in this category





Changes between 2023-2024 RFP



Tentative Changes from 2023 RFP to 2024 RFP Document

II. Administrative Information

- Site visits for any APS projects will be offered in December.
- Removed deadline for Confidentiality Agreement (CA). Respondents must still execute a CA to access confidential RFP documents.

III. Summary of Resources Needed

- Overall resource need: TBD
- Near-Term Projects in-service period: June 1, 2028 through June 1, 2030
- Long-Term Projects in-service period beyond June 1, 2030
- Specific opportunities: APS evaluating potential EPC opportunities, APS intends to express interest in renewable resources sited on tribal land

IV. Eligible Respondents and Resources

- APS considering allowing Respondents to count the collective experience of their key personnel to meet the minimum "Respondent experience" requirement.
- APS evaluating existing single point of failure limit.
- Interconnection updated to reflect FERC's interconnection queue reforms.

V. Proposal Pricing

- APS evaluating existing collateral requirements.





Tentative Changes from 2023 RFP to 2024 RFP Document

Appendix B: Executive Summary

- Require that applicable Proposals provide a summary of potential or actual Section 201 and 301 Tariff risk, including a detailed description of Respondents strategy to mitigate these impacts.
- Require that applicable Proposals provide a summary of ordinance(s) that may impact the project, including a detailed description of Respondents strategy to mitigate these impacts.

Appendix C. Technical Exhibits

- Updated preference for battery safety explosion prevention and controls.

Appendix D: Scoring Matrix

- APS currently reviewing scoring criteria.

Appendix E: Heat Map

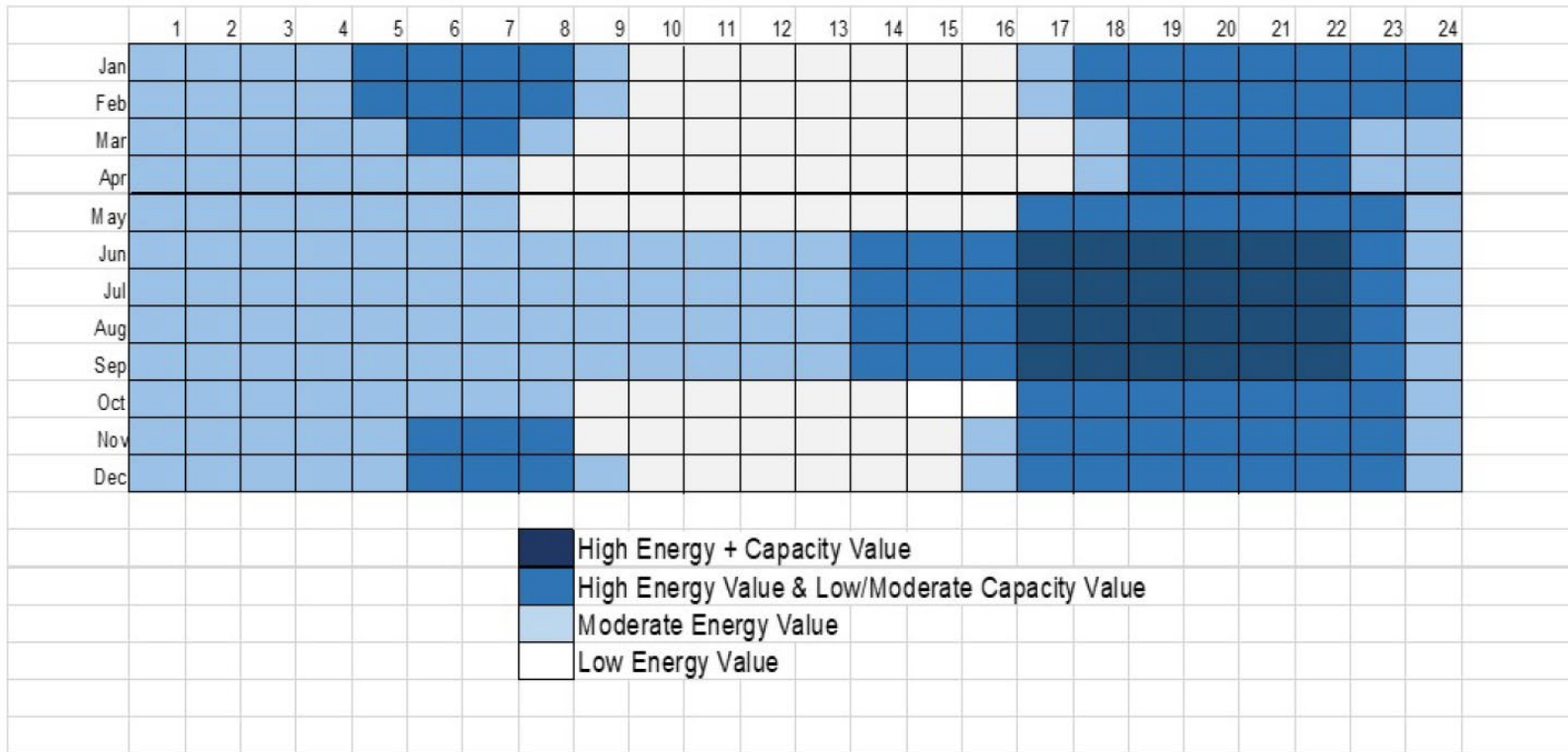
- APS currently updating heat map. This has been included in prior RFPs to indicate relative value of capacity and energy at different times throughout the year will be updated to reflect current value.

Appendix F: Deliverability Map

- APS intends to update the deliverability map.



2023 ASRFP Heat Map



- The Heat Map serves as a helpful guide, allowing bidders to target energy and capacity where APS needs it most.
- The 2024 ASRFP Heat Map is TBD but will look similar
- There will be multiple heat maps for 2030, 2035, and 2040.

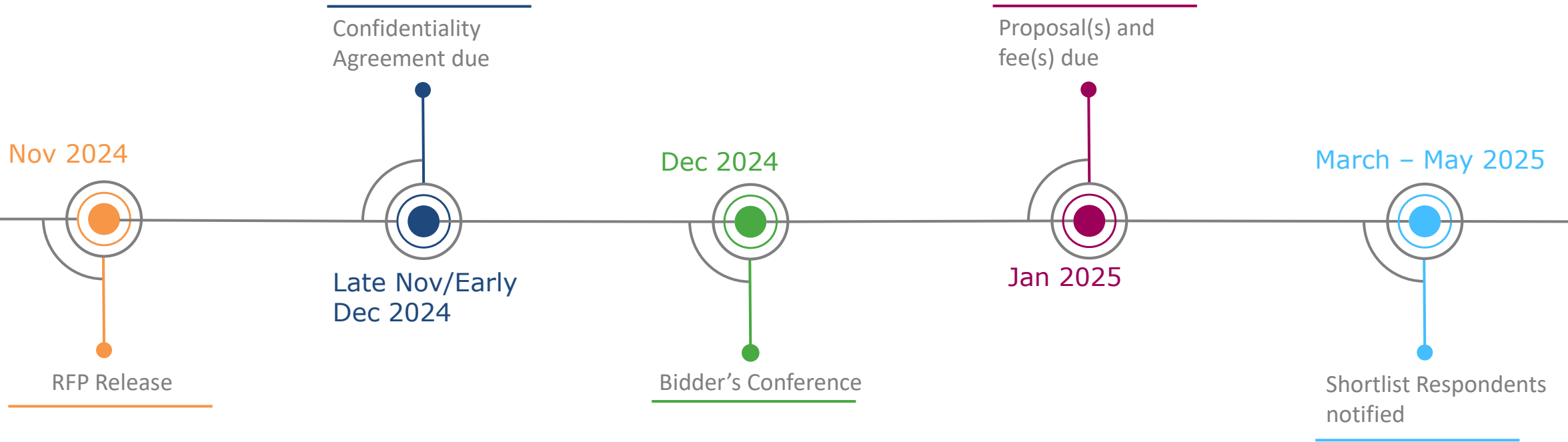




Schedule



RFP Schedule





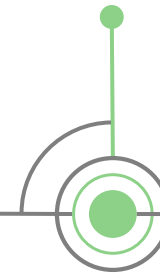
RFP Schedule

May – July 2025



Final Selections

Negotiations



Jun – Dec 2025





Questions?