Arizona Public Service Company

2025 All-Source Request for Proposals

November 19, 2025

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I. Overview

Arizona Public Service Company (APS) is a regulated public utility that generates, transmits, and distributes electricity for sale in Arizona. APS is headquartered in Phoenix, Arizona. As Arizona's largest and longest-serving electric company, we generate safe, affordable, and reliable electricity for more than 1.4 million commercial and residential customers in 11 of Arizona's 15 counties.

Through a comprehensive planning process, APS determines how to meet future customer needs for reliable and affordable electricity while achieving regulatory targets and reducing environmental impacts during the planning period.

This All-Source Request for Proposals (RFP) solicits competitive proposals (Proposal or Proposals) for at least 1,000 MW of resources to meet the needs identified through the Integrated Resource Plan (IRP), which is filed with the Arizona Corporation Commission (ACC). The IRP provides the strategic direction for APS's acquisition of a diversified, balanced resource portfolio that meets customer needs, maintains reliability and resiliency, results in reasonable energy supply costs, and mitigates market risks. APS is focused on integrating affordable, reliable resources and welcomes proposals of all technology types that support this objective and Arizona's diverse energy needs. In addition, APS is focused on supporting the growing demand needs of extra high load factor (XHLF) customers through a variety of resource types, with specific attention paid to resources that can provide overnight energy and capacity.

APS's IRP indicates a need for additional flexible summer capacity resources to meet reliability requirements and a diverse portfolio of energy resources. For a proposal to merit full consideration by APS and the pursuit of regulatory approval, it must present the opportunity for exceptional value to APS's customers.

II. Administrative Information

A. PowerAdvocate Platform

Interested parties will be required to register online using the web form provided at http://www.aps.com/rfp. Registration will open on November 19, 2025. Registration enables each Respondent to access this 2025 All-Source RFP document and the confidentiality agreement (CA). Respondents may submit one or more Proposals per instructions set forth in Section X.

PowerAdvocate is subject to a confidentiality agreement with APS that prohibits the disclosure of confidential information submitted via the platform to unauthorized third parties. APS encourages each Respondent to carefully review the PowerAdvocate Terms of Use before submitting a Proposal. The Terms of Use are located at: Wood Mackenzie Supply Chain Intelligence Platform Terms of Use.

B. Communication

All Respondents will interface with APS for all communications related to this RFP, including questions, RFP clarification issues, and RFP Proposal submittal. All communications from Respondents to APS, including questions regarding this RFP, should be submitted in writing via the PowerAdvocate "Messaging" tab, which will be the sole medium of communication for this RFP. APS will monitor the PowerAdvocate "Messaging" tab and, depending upon the nature and frequency of the questions received, will either respond to individual Respondents directly or post a response to the question to all Respondents in PowerAdvocate (without disclosing Respondent's name). APS will only respond to RFP questions received from Respondents who have submitted an executed CA via the PowerAdvocate platform.

Respondents that experience any difficulty accessing PowerAdvocate should contact:

Email: support@poweradvocate.com
Helpdesk: 857-453-5800

APS will NOT respond to any questions about the RFP outside of PowerAdvocate.

C. Role of Independent Monitor

APS has engaged an independent monitor (IM) throughout the RFP process to ensure that it is conducted in a fair and unbiased manner. The IM provides oversight during the bidding and shortlist selection process and will have access to all documentation provided by Respondents in response to this RFP. The IM will produce a final report summarizing its observations for use by APS, which may include submission to the ACC in connection with APS's regulatory

requirements. The IM is obligated to maintain the confidentiality of all information that it reviews.

D. RFP Schedule

Proposals shall be submitted in strict accordance with the RFP schedule below, which may be subject to change upon notice to all Respondents. APS will not accept late Proposals. Any Proposal received after the scheduled date will be rejected, and Respondent will be notified accordingly. References to "Desert Sun" in this Section II(D) and elsewhere in this RFP are to the Desert Sun Power Plant specified in Section III(B) of this RFP.

Event	Important Dates
RFP Release	November 19, 2025
Bidders' Conference (virtual)	December 2, 2025
Desert Sun Notice of Intent to Bid DUE (applicable bidders only)	December 5, 2025
Desert Sun Bidders' Meeting (approved bidders only)	December 16, 2025
Desert Sun Site Visit (approved bidders only)	December 17, 2025
Proposal(s) DUE	February 18, 2026 by 11:59pm EST
Proposal fee(s) DUE	February 18, 2026 by 11:59pm EST
Shortlist Respondents notified	April – July 2026
Anticipated contract execution	June – December 2026

1. **Bidders' Conference**. A Bidders' Conference will be held virtually on December 2, 2025 to provide information and answer questions that potential Respondents have about the RFP. Instructions on how to participate in the Bidders' Conference will be made available in PowerAdvocate. Information shared as part of the Bidders' Conference is subject to the terms of an executed CA.

2. **Desert Sun Bidders' Meeting and Site Visit (for approved bidders)**. A bidders' meeting and site visit will be held at the APS-owned Desert Sun site to provide Respondents with the opportunity to review current site conditions to support Proposals for the resource detailed in Appendix C. Respondent attendance at the Desert Sun Bidders' Meeting and Site Visit is a **mandatory prerequisite** for submitting a Proposal for the respective opportunity. Respondents that do not attend both the Desert Sun Bidders' Meeting and Site Visit will **not be eligible** to submit a Proposal for such opportunity.

Respondents interested in participating in the Desert Sun Bidders' Meeting and Site Visit must complete the *Appendix 99 - Notice of Intent to Bid Form*, provided in the "Download Documents" tab in PowerAdvocate, and submit the completed form through the "Messaging" tab in PowerAdvocate by no later than **December 5, 2025**. APS will assess each Respondent's submission to determine qualification to attend the Desert Sun Bidders' Meeting and Site Visit. Approved Respondents will receive additional information regarding the meeting and site visit logistics.

III. Summary of Resources Needed

A. General

APS is seeking at least 1,000 MW of resources. APS is requesting resources that will provide reliable capacity to meet summer peak needs, overnight energy, reserve margin and the growing demand needs of extra high load factor (XHLF) customers. A heat map, attached as Appendix E, provides guidance on the relative value of capacity and energy to be provided by any proposed resource during specified hours of the year and should be considered by Respondents as they prepare their Proposals. APS could contract for significantly more than the above-referenced minimum target of 1,000 MW based on growing demand needs that may be served through the subscription model referenced in Exhibit 2 of this RFP.

APS requests competitive Proposals for capacity resources and renewable energy resources providing a minimum of 5 MW with commercial operation dates in 2029, 2030, or 2031 for Power Purchase Agreements (PPA), Build Transfer Agreements (BTA), Engineering, Procurement, and Construction Agreements (EPC), and Load Management Agreements (LMA). Several variables may impact the specific type and timing of resource additions, such as contribution to peak, higher production levels of renewables, and costs associated with project timing. APS will consider projects that are already in-service and are available or that may achieve commercial operation beginning as early as January 1, 2028. The commercial operation time period described in this paragraph will be referred to as the "Near-Term Opportunities."

In addition to the Near-Term Opportunities above and to continue to drive long-term resource diversity, APS will consider resources that require longer planning, permitting, and construction and can be commercially operational after June 1, 2031. These will be referred to as the "Long-Term Opportunities." To help APS better understand the complexities associated with these Long-Term Opportunities, APS requires that these Proposals meet the following criteria in addition to all other criteria in this RFP:

- Provide a detailed explanation for why the resource cannot achieve commercial operation by June 1, 2031.

APS must maintain a reliable electric system, which includes having firm capacity plus reserves to meet customer demands and reliability needs during summer system peak load times as well as all other times. APS must be able to respond to changes in customer demands or supply needs in real-time, and APS seeks to develop a portfolio of resources that will enable it to do so. Proposals that include non-dispatchable resources should clearly indicate timing of availability and how these resources will help support APS's system reliability needs.

B. Specific Opportunities

The general information set forth in Section III(A) above applies to all Proposals to be submitted in this RFP. Within these general solicitation parameters, this RFP also identifies specific opportunities that APS believes may be able to cost- effectively meet its needs. Those opportunities are detailed in Appendix C, but can be broadly described as:

- Thermal Generation at the APS-owned Desert Sun Power Plant ("Desert Sun") site.
- Generating resources to be located within the geographic boundaries of the Navajo Nation.
- Generating resources to be located within the geographic boundaries of the Hopi Tribe.

The evaluation process set forth in Section VIII below will apply to all Proposals, including the above-referenced specific opportunities, with the exception that the portion of the Desert Sun project that is allocated to specific customers through a subscription model as referenced in Section VIII. APS reserves the right to select or not select one or more Proposals for any of these opportunities in accordance with the terms of this RFP.

IV. Eligible Respondents and Resources

A. Respondent Experience

APS is seeking Respondents that have demonstrated significant previous experience developing resources (or resource options) of a similar nature to those resources included in Respondent Proposal(s). In the event a Respondent does not have the requisite experience specified below, it may partner with another entity that does possess such experience (referred to in this RFP as a "Respondent Partner") and submit a joint Proposal with such entity to satisfy the experience requirement. In such event, both entities must execute the required CA, as described more fully in Section IX(A). A Respondent that does not have the requisite experience specified below nor a Respondent Partner may count the cumulative experience of its key personnel towards its demonstration of previous experience, but such key personnel experience may be viewed and evaluated less favorably.

For any Near-Term Opportunities with a project size greater than 25 MW, APS prefers a Respondent that can demonstrate that it and/or its Respondent Partner(s), if applicable, have previously developed a project to the point of commercial operation that is at least fifty percent (50%) of the size of the proposed project and has been operational for electric grid service for at least three (3) years with an average annual availability greater than ninety percent (90%). For Long- Term Opportunities, APS will consider Proposals that cannot demonstrate the Respondent experience specified above if the Respondent provides an explanation as to why such experience cannot be demonstrated (e.g., new technology not previously constructed), as well as other relevant experience of the Respondent, its Respondent Partner, and/or key personnel in the Executive Summary, further detailed in Appendix B(X).

In the case of a Proposal with a project size less than or equal to 25 MW, APS prefers a Respondent that can demonstrate that it and/or Respondent Partner(s), if applicable, have previously developed a project of similar technology to the point of commercial operation that is at least ten percent (10%) of the size of the proposed project.

Information about other characteristics that speak to Respondent experience is solicited in PowerAdvocate, and the Executive Summary detailed in Appendix B(X) will be considered in the Proposal evaluation process.

B. Safety

Safety is paramount to APS. Respondents proposing resources that include customer-sited solar and battery energy storage technology should be aware that the design requirements and safety codes applicable to such technologies continually evolve at the state, county, and municipal level, and APS maintains its own set of safety standards as well. APS expects that any proposed resource will comply with all applicable requirements, codes, and standards at all times.

Any Respondent with whom APS enters into a contract as a result of this RFP will be required to submit an acceptable ISNetworld score.

If Respondent does not currently have an ISNetworld score, Respondent is required to subscribe to ISNetworld (www.ISNetworld.com), a third-party safety assessment system utilized by APS. Confirmation of Respondent's subscription and an ISNetworld status of "A" or "B" will be required by the time Shortlist Respondent notification, set forth in Section II(D), is made. Respondent will be further required to maintain an "A" or "B" status for the term of the contract, all at Respondent's expense.

C. Front of the Meter Resources

APS will accept Proposals for existing or new resources for the following supply side, or front of the meter (FTM), technologies (either stand-alone or in combination, such as solar plus storage):

- Solar
- Energy Storage (including pumped hydro)
- Wind
- Biomass/Biogas
- Geothermal
- Landfill Gas
- Reciprocating Units
- Simple cycle combustion turbines
- Combined cycle combustion turbines
- Hybrid resources (alternating current (AC) coupled)
- Nuclear

APS will not accept Proposals for transactions not directly backed by a specific generating asset or utility system, such as call options or wholesale market products. In addition, APS prefers Proposals for FTM resources that operate autonomously and can be controlled remotely with the APS Automatic Generation Controls (AGC), with an interface to APS's Energy Management System (EMS) through APS's Remote Terminal Unit (RTU) to be installed at the Respondent's project site. APS may include the associated capacity and energy sold to APS for use in the Western Resource Adequacy Program (WRAP) and Markets+. APS will accept Proposals that offer a minimum of 5 MW per site with a preference for Proposals greater than 200 MW. For Proposals that combine technologies, the aggregate offering must be 5 MW or greater. To safeguard system integrity and mitigate risk, APS prefers proposed resource interconnection configurations that limit single points of failure.

D. APS Proposal Permitted

APS and/or an affiliate of APS is eligible to submit one or more Proposals in response to this RFP, subject to the requirements set forth in Arizona Administrative Code R14-2-706(I).

E. Behind the Meter Resources

APS will accept Proposals for the following demand-side, or behind the meter (BTM), resources or programs (either singular or in combination):

BTM Energy Storage/Demand Response (commercial/industrial)

- Managed Electric Vehicle (EV) Charging
- Energy Storage
- Building Energy Management Systems
- Inverter Ancillary Capabilities (non-real power)
- Commercial Process Loads
- Backup Generators
- Other Demand Response Loads

BTM Energy Storage/Load Shifting/Demand Response (small business and residential)

- Smart Thermostats
- Water Heating Controls
- Pool Pump Controls
- Managed Electric Vehicle (EV) Charging
- Energy Storage

Energy Efficiency (all segments)

- Any Energy Efficiency (EE) technologies that provide reliable, measurable, cost-effective energy savings, with a preference for EE technologies that provide peak focused energy savings during summer months and/or overnight energy savings year-round.

For BTM resources, APS is seeking Proposals that offer a minimum of 5 MW that aggregate APS customer load accordingly. For Proposals that combine resources or programs, the aggregate offering must be 5 MW or greater. Any Respondent that submits a Proposal for a BTM resource should consider whether such resource could be capable of AGC control by APS and potential use in the SPP Markets+. Proposals that include such capability may be more favorably evaluated than those that do not. EE Proposals should indicate how these resources could be bundled with controllable resources for potential use in the SPP Markets+. All proposed BTM resources must be located on APS customer sites within the APS service territory. Respondents are encouraged to submit BTM proposals that include innovative approaches and emerging DSM technology solutions (including BTM resources not specifically listed in this RFP) which have demonstrated, proven capabilities to support APS's stated resource needs.

F. Site/Land Control or Program Commitment

Site/Land Control

APS expects each Respondent to demonstrate sufficient site control, effective as of Proposal submission and continuing through the term of the associated agreement with APS. The types of agreements that can be used to demonstrate site control appear as a drop-down selection within each technical data sheet under the "Technical Data" tab in PowerAdvocate and do not include a letter of intent or any other similar non-firm agreement. If a purchase or lease option is selected, Respondent is required to provide a redacted purchase or lease option contract as part of the Proposal.

For Near-Term Opportunities to be developed wholly or partially on state-owned land, Respondents must demonstrate that they have been scheduled for lease approval on the AZ State Land Board of Appeals Meeting Notice and Agenda on a date before such Proposals are shortlisted (see Section II(D)) to satisfy APS's site control requirement. APS will NOT consider any Proposal for a facility to be developed on an existing APS-owned site, with the exception of the site specified in Appendix C herein (Desert Sun).

For Long-Term Opportunities, Respondent must demonstrate that it is taking identifiable steps to secure the necessary site control.

Demand-Side Resource Program Commitment

APS expects Respondent to demonstrate sufficient evidence of its program commitment. Though not required, preference will be given to Proposals that can demonstrate a high percentage of program commitment from APS customers. Respondent should indicate the number of APS customer sites that have already been secured, any national partnerships with customers who have sites in APS territory that may be committed, as well as Respondent's approach for recruiting additional participants.

V. Eligible Transaction Structures

A. General

APS is interested in Proposals for new or existing generation resources or demand-side programs that are connected directly to the APS transmission system or provide transmission costs within the bid to deliver the product to the APS system and incorporate any one of the transaction structures included in the list below. APS expects Respondents to submit a copy of the applicable term sheet with redlines (and associated comments) reflecting Respondent's proposed modifications, if any. Pro formas, if applicable, may be provided for reference. **All exceptions to any of the following: 1) RFP requirements; 2) term sheet specifications; and/or 3) pro forma agreement (in the case of Desert Sun proposals) MUST be included in the issues list provided at the end of the applicable term sheet or pro forma agreement.** Proposals may be viewed favorably or unfavorably based on the number and extent of risk shifting which results from Respondent's proposed revisions to the RFP requirements, term sheet specifications, and/or applicable pro forma agreement. Respondents that take exception to any of the aforementioned document(s) must provide Respondents' proposed language modifications and comments explaining the context or reasoning for each redline. Respondents are required to submit any redlined document in the same format as the document provided in PowerAdvocate (e.g., Microsoft Word) and use track changes. APS's term sheets and pro formas, as applicable, for each type of transaction structure can be found in the "Download Documents" tab in PowerAdvocate. Note: Any substantial exceptions to the applicable pro forma agreements must be identified and proposed in the Proposal. APS reserves the right to reject any bid that does not include such proposed exceptions in its Proposal.

Power Purchase Agreement (PPA):

- Renewable energy tolling
- Renewable energy plus energy storage tolling
- Renewable energy
- Energy storage tolling (including pumped hydro)
- Thermal tolling

Build-Transfer Agreement (BTA):

- Renewable energy
- Renewable energy plus energy storage
- Energy storage (including but not limited to pumped hydro)
- Thermal

Asset Purchase Agreement (APA):

- For an existing facility
- Project development opportunity

Engineering, Procurement, and Construction (EPC):

- Thermal (including but not limited to Desert Sun)

Load Management Agreement (LMA):

- BTM demand response/load shifting/storage/EV programs
- BTM energy efficiency programs

B. Accounting Treatment for PPAs

APS is aware the PPA may qualify for lease accounting treatment in accordance with US Generally Accepted Accounting Principles (GAAP), ASC 842. If lease accounting applies, APS strongly prefers PPAs that qualify for operating lease treatment. Respondent should indicate if they expect that lease accounting treatment will apply, and if lease accounting is applicable, whether they expect the lease to be classified as an operating or finance lease and the detailed basis for such lease classification.

In addition to lease accounting considerations, APS desires to avoid consolidation of any PPA pursuant to the rules associated with variable interest entities (VIE) found in GAAP, ASC 810. Accordingly, in connection with any Proposal for a PPA, Respondent must include a detailed description of whether or not the PPA is subject to such VIE consolidation by APS and if not, the reasons why it does not. For VIE considerations, Respondent should not assume an operating lease scope exception to VIE consolidation accounting will apply.

APS will ultimately be responsible for making its own determination of the appropriate accounting treatment as it relates to APS, but may view a PPA Proposal more favorably if it is supported by sufficient evidence to suggest that the PPA will qualify as an operating lease (taking into consideration such characteristics as shorter term length and/or lower fixed payment structure), or that VIE consolidation by APS will not otherwise be required.

C. Extension and Purchase Options within PPAs

For Proposals offering a PPA, APS prefers that Proposals incorporate an option for APS to (i) extend the term of the PPA upon its expiration at fair market value; and (ii) ultimately purchase the resource at fair market value.

VI. Proposal Pricing

A. General

APS expects final Proposal pricing to include all costs, including but not limited to interconnection network upgrade costs, financing costs, energy delivery costs, project direct interconnection costs, and provision of required collateral for pre- and post-development security. For all BTM resources being proposed, pricing must be inclusive of all customer marketing, recruitment, enrollment, technology installation, provisioning, O&M, and costs associated with measurement and verification. If specific interconnection costs are not known, Respondents are expected to make reasonable estimates and include those in their Proposal pricing. More specific information about pre- and post-development security is set forth in Section VI(C). Pricing should assume the tax credit strategy applicable to the Proposal, as set forth in Appendix B(XIII) and described in Respondent's Executive Summary. Pricing should also assume any duties/tariffs, applicable to the Proposal at the time of submission. The potential impact of any additional duties/tariffs that could be imposed in the future, and Respondents' risk mitigation strategies relating thereto, should be addressed in the Executive Summary as set forth in Appendix B(XIV).

Respondents should note that the "Pricing" tab in PowerAdvocate is not used for this RFP. APS expects Respondent to provide Proposal pricing with each applicable technical data sheet under the "Technical Data" tab in PowerAdvocate. Failure by a Respondent to include all costs in Proposal pricing could compromise fair comparison of all Proposals and may result in a Respondent's Proposal being eliminated from further evaluation.

B. Pricing Structure

APS expects the Proposal price for a PPA tolling agreement to either be fixed for the duration of the proposed agreement term or to escalate at a fixed annual escalation rate.

APS expects the Proposal price for an EPC to include all costs associated with this RFP and the requirements set forth in *Appendix C – Desert Sun Power Plant EPC Specification*, available in the "Download Documents" tab in PowerAdvocate.

APS expects the Proposal price for a LMA to include all costs associated with the project inclusive of marketing, recruitment, installation, and measurement and verification. Respondents should provide details on anticipated customer incentives and describe the percentage of the total project cost that will be returned to customers in the form of incentives.

With the exception of LMAs, APS will allow for open book pricing for major equipment during the negotiation period and through equipment selection. No

other pricing structure is permitted. Major equipment allowed for open book pricing is as follows:

- Solar Modules
- Trackers
- Inverters
- Wind Turbines
- Gas Turbines
- Reciprocating Engines
- BESS Equipment: which may include battery cells, modules, racks, enclosures but shall not include any sub-station or high-voltage equipment.

Open book pricing must include a base bid price and a formula for transparent tracking of how final quotes will impact the PPA price. APS also requires the use of price caps to limit its exposure to price movement.

If a Proposal is offered as a BTA or EPC, Respondent must provide an annual spend curve, as referenced in Appendix B(IV).

Any material changes to Proposal terms, conditions and pricing after Respondent is shortlisted and during the negotiation process may result in APS rejecting the Proposal. All prices must be clearly stated in United States dollars.

C. Collateral

APS requires collateral to be posted, in the form of cash or a letter of credit only, to secure Respondent's obligations in connection with any transaction contracted for as a result of this RFP. For BTAs and EPCs, APS will consider an acceptable payment and performance bond in lieu of cash or letter of credit. In the case of a payment and performance bond (for BTAs and EPCs), it must be in the form and from an issuing bank acceptable to APS in its sole discretion. **Project development security amounts and post-development security amounts are non-negotiable.** As described in Section VI(A), APS requires that all costs of such collateral be included in Proposal pricing. The following information should be used by each Respondent to determine the collateral that will be required in connection with its Proposal(s) and to include the costs of such collateral in Proposal price accordingly.

New Resources (PPA) and/or
Incremental Capacity to Existing Resources (PPA)

Resource	Contract Structure	Development Security	Post-Development Security
Energy Storage including BTM (4 hours)	PPA	$200/kW	$160/kW
Energy Storage including BTM (6+ hours)	PPA	$300/kW	$240/kW
Renewable + Energy Storage (4 hours)	PPA	$200/kW	$160/kW
Renewable + Energy Storage (6+ hours)	PPA	$300/kW	$240/kW
Thermal	PPA	$280/kW	$90/kW
Renewable	PPA	$140/kW	$40/kW

New Resources (LMA)

Resource	Contract Structure	Development Security	Post-Development Security
Energy Efficiency (EE)	LMA	$140/kW	$40/kW
Demand Response (DR)/Load Shifting	LMA	$140/kW	$40/kW

Existing Resources (PPA)

Resource	Contract Structure	Development Security	Post-Development Security
Existing Thermal	PPA	$40/kW	$40/kW
Existing Energy Storage including BTM	PPA	$160/kW	$160/kW
Existing Renewable	PPA	$40/kW	$40/kW

BTA & EPC Resources

Resource	Contract Structure	Development Security	Post-Development Security
Energy Storage	BTA	Payment and Performance bond at 100% of contract value	Performance bond at 100% of contract value
Renewable	BTA	Payment and Performance bond at 100% of contract value	Performance bond at 100% of contract value
Thermal	BTA	Payment and Performance bond at 100% of contract value	Performance bond at 100% of contract value
EPC (Thermal)	EPC	Payment and Performance bond at 100% of contract value	Performance bond at 100% of contract value

*Proposals adding two (2) hours of energy storage duration to an existing project are subject to the 6+ hour development and post-development security amounts, with respect to the 2-hour addition.

D. Interconnection

The following information is intended to guide Respondents as they consider the interconnection of their proposed resources and include all the associated costs in their Proposal pricing. Note, however, that nothing in this Section VI(D) or elsewhere in this RFP is intended to provide definitive guidance to any potential Respondent regarding the specifics of the interconnection process that may apply to Respondent's proposed facility.

APS is seeking Proposals that interconnect directly to the APS transmission system. Each Respondent must demonstrate that it has or can secure firm transmission for delivery from the facility to the APS transmission system for the entire proposed term of the relevant transaction. Respondents should be aware that connection to an APS substation may not guarantee connection to the APS transmission system as required. A deliverability map, attached herein as Appendix F, provides general availability guidance. Any additional firm transmission service needed to connect a proposed facility to the APS transmission system is Respondent's responsibility and should be included in Respondent's Proposal. Any costs associated with impacts on Affected Systems (as defined in the APS LGIP) are the responsibility of Respondent and not APS. Respondents are responsible for costs associated with any Affected System evaluation (e.g., study costs) and any Affected System upgrades. Additionally, Respondents are responsible for coordinating with any potential Affected System (as identified by APS) and entering into a separate construction agreement with the Affected System operator for any Affected System upgrades as determined by the Affected System operator.

Respondents are responsible for understanding and ensuring compliance with the interconnection requirements that apply to any distributed resources included as part of their Proposals (Interconnection Requirements). Information about APS's distributed resource interconnections can be found by visiting:

https://www.aps.com/dg#Interconnection

and scrolling to the "Interconnection Documents and Requirements" section. Additional Arizona Corporation Commission interconnect information can be found at:

https://apps.azsos.gov/public_services/Title_14/14-02.pdf

A previously installed non-exporting system may require reclassification to a system capable of export (which may require, among other things, the execution of a new operating agreement) in order to be included as part of a BTM resource Proposal. APS reserves the right, in its sole discretion, to reject any Proposal for a resource that may not comply with applicable requirements.

Respondents are advised to review the most complete and up-to-date information regarding interconnection on APS's Open Access Transmission Tariff (OATT), which can be found at:

http://www.oasis.oati.com/azps/index.html

1. **Interconnection Application and Studies:** APS recognizes that the timeline for executing an interconnection agreement is critical in the development process. For purposes of this RFP, APS strongly prefers Respondents that have entered an interconnection queue process and have been assigned an APS queue number or other applicable queue number. Each proposed facility must be constructed and interconnected to meet proposed capacity and energy deliveries by the commercial operation dates established in this RFP. The interconnection queue at each location is available to Respondents at the APS OASIS site referenced above. Nevertheless, each Respondent is responsible for performing its diligence regarding the interconnection process.

   If all or part of the Desert Sun project is selected for contracting, APS will be responsible for interconnection-related for the project.

2. **Energy Delivery Costs:** Pricing included in any Proposal must be based on delivery to the APS system. If Respondent proposes to interconnect directly to the APS system, all losses between the generating station and the demarcation point for equipment ownership and transfer to APS (typically referred to as the Delivery Point in the relevant agreement with APS) are Respondent's responsibility. If Respondent proposes to

interconnect to another utility's system, all transmission wheeling costs to transmit project energy to the APS system on a firm basis are also Respondent's responsibility and must be included in the Proposal price.

3. **Project Interconnection Costs:** Each Respondent must include reasonable interconnection cost estimates as part of its submitted Proposal. Interconnection costs must be provided within the appropriate technical data sheet under the "Technical Data" tab in PowerAdvocate. Respondent understands interconnection costs are to be included in the overall Proposal pricing. Respondents may, at their discretion, utilize third-party consultants to determine accurate interconnection estimates. A detailed description of such interconnection costs must accompany each Proposal and include a breakdown of the significant equipment costs.

   Respondents with interconnection agreements in suspension are encouraged to update interconnection costs to reflect current market prices and timeline to support Proposal's Commercial Operation Date (COD).

   For interconnection related questions or information, please contact:

   APS Transmission Contracts and Services
   e-mail: INTERDEV@apsc.com
   http://www.oasis.oati.com/azps/index.html

VII. Technical Requirements

APS expects Respondents to provide technical information for each resource in the appropriate technical data sheet found in the "Technical Data" tab in PowerAdvocate. Additional datasheets may be required and are available in the "Download Documents" tab in PowerAdvocate. The technical data sheets identify specific criteria used to calculate the expected energy production for the proposed facility. Although APS has provided certain default assumptions based on industry standards, Respondents may use criteria that differ from these assumptions by identifying the difference and reason for this variation. The energy production profile submitted by each Respondent must be calculated based on the same set of technical criteria supplied to APS by Respondent in the technical data form.

All available capacity, energy, and ancillary services are for use exclusively by APS. Ancillary services may include frequency response, spinning reserve, non-spinning reserve, reactive power control, fixed power factor, and automatic voltage regulation. Any Proposal for a generating, energy storage or applicable BTM resource must include pricing for the proposed resource for any preceding ancillary service capabilities included in the Proposal.

The exhibits in Appendix C list additional minimum requirements for each technology type and "APS Preferences" associated with each, if applicable. Satisfaction of any APS Preferences is not required for a Proposal to be deemed conforming. Proposals that contain more of the APS Preferences may be more competitive than those with fewer APS Preferences.

VIII. Selection Process

If at any time during the Proposal evaluation process, APS determines that a Proposal does not meet the requirements, including timely submission of all documents and fees required pursuant to this RFP, or fails to remain competitive with other Proposals through screening or other more detailed analyses, such Proposal will be eliminated from further consideration and Respondent will be notified accordingly.

The Proposal evaluation process consists of four (4) primary parts: initial screening, a qualitative/quantitative analysis (shortlist), a portfolio evaluation, and final evaluation and selection, the details of which are provided below. Additionally, APS is requesting a wide range of information that may not all be formally included in the four (4) aforementioned parts of the evaluation. The information, in the aggregate, will inform APS selections between otherwise competitive Proposals. APS will also apply an overall risk evaluation that considers diversity of suppliers and technologies in order to appropriately mitigate risks associated with single points of failure in our resource acquisition plan.

A. Initial Screening

APS expects all Proposals to be complete in accordance with the requirements set forth in this RFP. APS will initially screen all Proposals for completeness and APS reserves the right to make a reasonable judgment about the degree to which any Proposal does or does not conform with the requirements set forth in the Proposal Checklist detailed below. Respondents may be given an opportunity to cure modest deviations from the requirements, but any significant deviations (either in substance or quantity) may result in a Proposal being rejected.

Proposal Checklist:

1. Proposal includes an eligible transaction structure.
2. Proposal includes a resource of 5MW or greater.
3. Proposal fee has been submitted.
4. Respondent has completed and submitted all applicable datasheets.
5. Respondent has signed and submitted a Proposal Certification.
6. The Proposal includes a completed Cybersecurity Controls Sheet and Cybersecurity Third Party Risk Review Questionnaire (TPRR).
7. Respondent has provided applicable term sheet(s) or pro forma agreement with redlines, if any.
8. Respondent has uploaded a completed Executive Summary.
9. For Proposals including battery energy storage system (BESS), Respondent has reviewed and accepts Appendix W in its entirety or Respondent has provided redlines.

B. Quantitative/Qualitative Analysis (Shortlist Process)

For Proposals that satisfy the initial screening for conformance, APS will perform an analysis that applies specific quantitative and qualitative criteria. Proposals will be ranked against other Proposals in the same technology category following the application of the scoring matrix set forth in Appendix D. In the case of the Desert Sun project, the simple cycle portion will be compared against other thermal Proposals, and the combined cycle portion will be compared against other Desert Sun combined cycle Proposals, for purposes of this quantitative/qualitative analysis. Proposals that score competitively will be selected for shortlisting and will be further evaluated through a portfolio evaluation, with the exception of shortlisted Proposals for the combined cycle portion of Desert Sun, since the costs of that portion (if selected) will be allocated to customers through a subscription model as referenced in Appendix C, Exhibit 2 of this RFP.

APS will notify shortlisted Respondents, if any, along with those Respondents whose Proposals have been eliminated from further consideration, in accordance with the RFP schedule outlined in Section II(D).

APS may conduct meetings or phone calls with shortlisted Respondents to better understand each Proposal. APS may also require shortlisted Respondents to submit the project and/or Respondent-specific pro forma financial statements by year for the applicable facility development and construction period, including income statements, balance sheets, and statements of cash flows. APS may then re-evaluate each shortlisted Respondent's Proposal, including any new information provided during or as a result of the shortlist meetings.

C. Portfolio Evaluation

The portfolio evaluation considers the fit of a Proposal relative to APS's existing resources, other Proposals, projected resource needs, and further qualitative evaluation.

APS will utilize resource planning models to evaluate how well a Proposal meets system reliability requirements while minimizing projected APS system costs. Resources will be evaluated within the APS portfolio based on present value revenue requirements (PVRR) for the APS system. For non-supply side resources, APS may also perform cost effectiveness tests such as the Utility Cost Test (UCT) and Societal Cost Test (SCT).

APS will not disclose to Respondents the generation cost estimates used for Proposal evaluation but will provide that information to the Independent Monitor referenced in Section II(C). Further, APS's avoided capacity and energy values are proprietary data and will not be disclosed to Respondents.

D. Final Evaluation and Selection

Following the shortlist process and portfolio evaluation described above, APS

may make a final selection of one or more Proposals for negotiation of an agreement with provisions that are substantially similar to those set forth in the applicable term sheet. APS will notify shortlisted Respondents whose Proposals are eliminated from further consideration in accordance with the RFP schedule outlined in Section II(D). APS reserves the right, in its sole discretion, to not select any Proposals for negotiation of an agreement if warranted by its evaluation. In addition, if APS selects a Proposal for negotiation but later determines that Respondent failed to identify and propose in its Proposal any substantial deviations to the applicable term sheet and/or pro forma agreement, then APS may, in its sole discretion, cease negotiations and/or elect not to execute and agreement with Respondent.

IX. Required Documents and Information

A. Confidentiality Agreement

Each Respondent must sign the CA available in the "Download Documents" tab in PowerAdvocate and upload the signed copy via the "Upload Documents" tab. Respondent will be granted access to RFP-related documents upon execution of the CA. Any Respondent that fails to upload in PowerAdvocate its executed CA will not be granted access to RFP-related documents or be permitted to participate in the Bidders' Conference, as outlined in Section II(D). RFP-related documents include term sheets and data sheets necessary to submit Proposal(s).

APS requires all Respondents to execute the CA as written without any changes. **The Respondent legal name on the CA should mirror the Respondent legal name used for PowerAdvocate registration**. Upon receipt, APS will execute and upload a copy of the fully executed CA to each Respondent in PowerAdvocate. Respondents can then download the executed CA from PowerAdvocate at their convenience. Once APS has executed the CA, the Respondent will receive relevant messages and notices through the "Messaging" tab in PowerAdvocate.

If a Respondent Partner is included for a Proposal (as described in Section IV(A) above), Respondent must include the signature of an authorized representative of any such Respondent Partner as part of its fully executed CA. In addition, any Respondent that requires a Respondent Partner in order to support a valid Proposal must also demonstrate to APS's reasonable satisfaction that the partner relationship has been legally established, is legally enforceable, and allows Respondent to meet the minimum experience requirements as described in Section IV(A) above.

Without the signature on the CA of any applicable Respondent Partner, a Respondent does not have permission to share confidential information (as defined in the CA) with such Respondent Partner, and such Respondent Partner's experience will not be considered in APS's evaluation of the relevant Proposal.

B. Proposal

The information provided by Respondent in PowerAdvocate constitutes the Proposal. Each Respondent must use the PowerAdvocate platform to upload all information pertaining to its Proposal(s), in accordance with all requirements and instructions set forth in this RFP and in PowerAdvocate. Respondents are encouraged to submit their Proposals as early as possible to avoid filing delays due to heavy use of PowerAdvocate immediately before the Proposal submission deadline as outlined in Section II(D).

For a Respondent's Proposal to be considered conforming, Respondent must meet all items in the Proposal Checklist, as described in Section VIII(A). Non-conforming Proposals may be eliminated from further consideration.

C. Executive Summary

Respondents are expected to use the provided *Executive Summary Template*, available in the "Download Documents" tab in PowerAdvocate to prepare an Executive Summary for ease of initial Proposal review by APS. Details and requirements for the Executive Summary are set forth in Appendix B of this RFP.

D. Proposal Certification

APS expects Respondents to provide a Proposal certification form that demonstrates that the signatory has full authority to bind Respondent to all of the terms and conditions contained in its Proposal. The Proposal certification document that all Respondents must use is located in the "Download Documents" tab in PowerAdvocate.

E. Cybersecurity Documents

Cybersecurity is critically important to the APS system and must be evaluated in connection with any resources that will directly or indirectly touch the system. Following the execution of a CA, APS will provide to participating Respondents certain documents that allow APS to assess Respondents' cybersecurity maturity and any cybersecurity risks that may be associated with proposed resources.

F. Disputes with APS and/or its Affiliates

Each Respondent shall describe any dispute (including actual or threatened litigation, alternative dispute resolution, or any administrative or regulatory proceeding in which the parties have taken opposing positions) in the last five (5) years between Respondent, Respondent Partner(s) (if applicable), or any of their respective affiliates, and APS or any of its affiliates. The description shall include the nature of the dispute, current status, and resolution, if any, and shall be set forth in the Executive Summary. APS reserves the right to assess the impact of any such dispute or history of disputes between the parties on the parties' ability to successfully transact under this RFP and to make decisions about shortlisting, final selection, and execution of an agreement accordingly.

X. Proposal Fee and Proposal Submittal Guidelines

Respondents may submit one or more Proposals. A Respondent that wishes to submit more than one Proposal must register each additional Proposal on the PowerAdvocate platform. For example, if "Baker Company" wishes to submit three (3) additional Proposals, it must separately register each Proposal with the corresponding company names as "Baker Company-1", "Baker Company-2", and "Baker Company-3," respectively. An "Instructions for Submitting Additional Accounts" document is available under the "Download Documents" tab in PowerAdvocate.

Each Proposal is subject to a non-refundable RFP submission fee (the "Proposal Fee"), in accordance with the following fee schedule:

Project size from 5 MW and up to 25 MW:	$5,000
Project size greater than 25 MW:	$10,000

A. Single Proposal Fee

A single Proposal fee allows Respondents to submit all or any combination of the following price/contract structure, provided there are no other variations to the project/Proposal characteristics listed in Section X(B) below:

- A single PPA flat price with no tax benefit consideration (either in the form of a capacity price or energy price, as applicable);
- A single PPA flat price with ITC tax benefit consideration, if applicable;
- A single PPA flat price with PTC tax benefit consideration, if applicable;
- A single PPA open-book price (only for major equipment) that meets the requirements set forth in the Open Book Pricing section in the Executive Summary Template;
- A single PPA escalated price; and
- A single BTA purchase price.

B. Additional Proposal Fee

Any other variations to project/Proposal characteristics, such as those listed below are required to be submitted via a separate Proposal and additional Proposal fee shall apply:

- Term of transaction
- Commercial Operation Date
- Technology
- Site/Location of facility
- Size/Capacity

Wiring instructions for the submittal of the Proposal Fee will be made available to participating Respondents along with other documents following the CA submittal deadline.

XI. Miscellaneous

A. Reservation of Rights

The information contained in this ASRFP is intended to provide a comprehensive overview of the requirements and expectations of APS with respect to the resources being solicited. However, this RFP does not purport to address every possible circumstance or factor that may influence APS's evaluation, selection or rejection of any given Proposal.

APS reserves the right, in its sole discretion, to (i) consider any information, whether or not contained in a submitted Proposal, that may come to its attention and that it deems relevant to its evaluation; (ii) accept or reject any Proposal at any time as a result of such consideration; (iii) select a Proposal that is not the lowest price if APS determines that overall the Proposal may result in greater value to APS's retail customers than Proposals not selected; and (iv) select no Proposals from this RFP if such decision is in the best interest of APS customers. APS utilizes an Independent Monitor to ensure the fairness and integrity of the RFP process.

B. Regulatory Approval

Any final agreement resulting from this RFP may be conditioned upon actions and/or approvals by regulatory authorities satisfactory to APS in its sole discretion.

C. No Liability

Neither APS nor any of its affiliates, officers, directors, employees, agents, contractors, or the Independent Monitor shall be liable to any Respondent or to any other party, in law or equity, for any reason whatsoever relating to APS's acts or omissions arising out of or in connection with this RFP, including, without limitation, rejection of any Proposal or failure to execute any agreement in connection with this RFP.

D. Return of Documents

No materials received by APS from Respondents in response to this RFP will be returned. All such non-confidential materials shall become the property of APS, and all such confidential materials shall be subject to the CA described in Section IX(A).

Appendix A – Table of Acronyms Used in this RFP

Acronym	Definition
AC	alternating current
ACC	Arizona Corporation Commission
AD/CVD	antidumping duty / countervailing duty
AGC	automatic generation controls
AMI	advanced metering infrastructure
APS	Arizona Public Service
ASHRAE	American Society of Heating, Refrigeration, and Air-Conditioning Engineers
BESS	battery energy storage system
BTA	Build-transfer agreement or any similar agreement that enables the development of the resource by Respondent and the ownership of the resource by APS
BTM	behind the meter
C&I	commercial and industrial
CA	confidentiality agreement
CAES	compressed air energy storage
CAISO	California Independent System Operator
CO	carbon monoxide
COD	commercial operation date
DC	direct current
DOE	Department of Energy
DR	demand response
DSPA	Data Security and Privacy Addendum
DSPP	Desert Sun Power Plant
EE	energy efficiency
EMS	energy management system
EPC	engineering, procurement, and construction
FERC	Federal Energy Regulatory Commission
FMV	fair market value
FTM	front of the meter
IM	independent monitor
IRP	Integrated Resource Plan
ITC	investment tax credit
kW	kilowatt
kWh	kilowatt-hour
LMR	load modifying resource
MST	Mountain Standard Time
MW	megawatt
MWh	Megawatt-hour
NERC	North American Electric Reliability Corporation
NOx	nitrogen oxide(s)

NREL	National Renewable Energy Laboratory
OASIS	Open Access Same Time Information System
OATT	Open Access Transmission Tariff
OEM	original equipment manufacturer
PCT	participant cost test
PM	particulate matter
PPA	power purchase agreement
PTC	production tax credit
PVRR	present value revenue requirement
RFP	2025All-Source Request for Proposal
RTU	remote terminal unit
SCT	societal cost test
SPP	Southwest Power Pool
SO_2	sulfur dioxide
TA	tolling agreement
TMY	typical meteorological year
TPRR	Third-Party Risk Review
UCT	utility cost test

Appendix B – Executive Summary

APS requires an Executive Summary to accompany all Proposals. **APS expects all Respondents to use the *Executive Summary Template* provided in PowerAdvocate in the "Download Documents" tab.** The Executive Summary should serve as a general summary of the Proposal, including the information specified below, to the extent it is applicable to the Proposal.

I. Introduction / Overview

a. Provide a proposed Project/program overview, including:
    i. Technology type
    ii. Nameplate capacity in MW, and in MWh, if applicable
    iii. Project location
    iv. Proposed Commercial Operation Date (COD)
b. Describe if Proposal is for a new facility/program, an existing facility, and if Respondent is proposing an asset sale.

II. Capacity

a. Provide the contract capacity in MW.
b. Provide the contract capacity in MWh where applicable.
c. Provide the maximum delivered capacity MWac.
d. What is the proposed project's annual capacity factor?
e. What is the expected delivered annual energy (MWh)?

III. Transaction Structure/Term

a. Provide transaction structure.
b. Provide PPA term length or, for EPCs, the Warranty and/or Performance Guarantee length.
c. For PPAs, indicate any option to extend the PPA or option to purchase the asset, each at the end of the proposed term.

IV. Pricing

a. Provide pricing as applicable to the Proposal.
    i. Fixed pricing
        a. PPA price (capacity price or energy price, as applicable)
        b. BTA purchase price
        c. LMA price
    ii. Escalated price
        a. Provide a base price for Year 1 and an annual escalation rate.
    iii. Open book pricing (for major equipment only)
        a. Provide a base bid price and a formula for transparent tracking of how final quotes will impact the PPA price.
    iv. Provide a price floor and a price ceiling.
    v. EPC price
        a. Provide separate pricing for each configuration Respondent intends to bid.

b. For BTAs and EPCs, provide an annual spend curve.
c. For BTAs and EPCs, provide the incremental cost of the required credit support (detailed in Section VI(C) of the RFP) for each of the development period and the warranty period.
d. For PPAs, provide a detailed explanation of how (i) finance lease treatment and (ii) consolidation of a "variable interest entity" , each as described in Section V(B) of the RFP, can be avoided based on the characteristics of the Proposal.
e. Provide a description of any deviations from requirements set forth in the RFP that would result in greater efficiencies or cost-effectiveness of the Proposal.

V. Project Development Schedule

a. Provide a summary of the project schedule for the project, based on an assumed date for contract execution (which shall be stated in the RFP Schedule, Section II(D)).
b. Include a brief description of the key milestone dates for the project.

VI. Summary of Technology including Key Equipment

a. Provide Gas Turbine Generators/ reciprocating engines/ PV Panels/ Inverters/ Wind Turbines/ Batteries/ Thermostats, etc.
b. Specify any emissions control equipment.
c. Include OEM, model, and quantity assumed in price. Optionally include OEM alternatives noting price impacts, if any.
d. Specify the country of origin for all material equipment.
e. Provide a description of the configuration of equipment.
f. For customer-sited demand-side resources, summarize all equipment to be installed on-site at customer locations as well as all communications, control, and management infrastructure.

VII. Interconnection Status (if applicable)

a. What is the Interconnection Point (i.e., substation, developer property)?
    i. ("Interconnection Point" means the physical point at which electrical interconnection is made to allow parallel operation of the Facility with the APS electrical distribution system, as more fully described in the Interconnection Agreement).
b. What is the APS delivery point (i.e., substation)?
c. List the primary interconnection voltage.
d. Has Respondent submitted an application for generator interconnection?
    i. If yes, when did Respondent submit the application and what is the status of Respondent's interconnection application?
    ii. If no, what is Respondent's plan to ensure that the proposed resource will meet the proposed commercial operation date without any interconnection delay?
e. If not interconnecting to APS's system, describe your wheeling strategy.
    i. Indicate whether wheeling costs have been included in the price(s) submitted.

VIII. Project Siting Strategy (if applicable)

a. Provide proposed site location (including map) and coordinates.
b. Include description of site's current and previous use.
c. Describe the status of site control including what type of site control has been exercised (e.g., ownership, option, right of way grant).
d. Any resource to be developed wholly or partially on state-owned land must demonstrate that Respondent is scheduled for lease approval on the AZ State Land Board of Appeals Meeting Notice and Agenda on a date prior to shortlisting.
e. For non-supply side resources, specify proposed customer segments and types of sites that will be targeted for locating these resources. In addition, indicate the number of APS customer sites that are currently committed to participate, any national partnerships with customer sites in APS territory, and Respondent's approach for recruiting customer sites.
f. If proposed project is to be sited within the geographic boundaries of tribal lands, provide the following additional information:
    i. Land's tribal affiliation.
    ii. Number of jobs created by the project (both during development and through operation and maintenance of the facility).
    iii. Job training to be offered in connection with the development, operation, and maintenance of the facility.
    iv. Any improvements or benefits that may inure to community infrastructure (such as through water systems, electrical systems, etc.).
    v. Direct and indirect revenue that will be created for the surrounding community and the applicable tribal entity as a whole as a result of the project, including land lease payments.
    vi. Whether or not Respondent will require a waiver of sovereign immunity in connection with the project.

IX. Project Permitting Plan

a. Identify the permits required, the governing agency, status of approvals, and plans with schedules to finalize all required permits for construction and operation of the facility, including all certification and land use approvals, as well as any applicable permitting requirements for customer-sited non-supply side resources.
b. If the project is permitted and in operation, list the following:
    i. Permit source and expiration date (include all sub-conditions)
    ii. Operating hours
    iii. Emissions limitations
    iv. Start/stop limitations
    v. Minimum run times
c. Other embedded permit limitations, e.g., zero discharge requirement, air-cooled condenser requirement, recycled cooling water requirement, etc.
d. Provide a detailed description of ordinances, if any, that may impact the

proposed project.

X. Respondent Experience

a. Provide details of completed/installed projects in the past five (5) years. This includes:
    i. Contract structure
    ii. Technology type
    iii. Project location
    iv. Total capacity installed (MW)
    v. COD
b. Include the aggregate capacity installed by Respondent over time (MW).
c. Include the highest single project capacity installed (MW).
d. Provide two (2) project references.
e. Provide details of projects in the pipeline (under contract). This includes:
    i. Contract structure
    ii. Technology type
    iii. Project location
    iv. Total capacity contracted (MW)
    v. Proposed COD
f. Provide the total capacity of projects in pipeline (under contract) (MW).
g. Demonstrate Respondent Partner experience, if applicable.
h. If Respondent cannot demonstrate project experience for the proposed technology type, provide a detailed explanation as to why.

XI. Fuel and Water Supply (if applicable)

a. Describe the fuel transportation and supply arrangements for the project, including the source of such arrangements and whether they are firm or non-firm. Describe the proposed Interconnection Point for Fuel, including distance needed for interconnection.
b. Indicate if Respondent has applied for a Request for Gas Service.
c. Indicate if Respondent has firm water rights for the life of the proposed project, including a breakout of groundwater rights. Furthermore, provide an estimate for both the acre-feet per year and gallons per MWh of water used by the project, specifically after commercial operation.
d. Indicate if Respondent has wastewater discharge rights for the life of the proposed project.

XII. Financing Strategy

a. Provide a description of the financing plan for the project including sources of debt and equity financing and recent experience financing similar projects.
b. For PPA Proposals, provide the ratio of the proposed PPA term to the economic life of the facility.
c. Describe and upload, if applicable, any financing commitment letters for the project.

d. Provide a description of any financial guarantees used to secure financing for this project and Respondent's working capital financing following project's COD.
e. Indicate if Respondent intends to own and/or operate the project.
f. Provide the estimated capital cost of the project, including the basis for such estimate.
g. For BTM resource Proposals, also indicate the financial strategy for recruiting and enrolling participants, providing customer incentives to encourage participation, and how any costs for equipment installation are being covered.

XIII. Tax Strategy

a. Provide a detailed description of the tax depreciation benefits the project is eligible for, including any bonus depreciation benefits.
b. Provide a detailed description of Respondent's holistic strategy regarding the investment tax credit (ITC)/production tax credit (PTC) capture for the project, including any "bonus credits" for domestic content and energy communities, as well as any plans to leverage other potential tax benefits from the Inflation Reduction Act, Bipartisan Infrastructure Law, One Big Beautiful Bill, or other tax legislation.

XIV. Duties/Tariffs

a. Provide Respondent's view of the outcome of the Department of Commerce Antidumping and Countervailing Duties investigation and impacts, if any, on proposed project (including price, availability of equipment, and schedule).
b. Provide a detailed description of Respondent's strategy to mitigate the impacts described above.
c. Provide a detailed description of expected impacts, if any, of applicable tariffs.
d. Provide a detailed description of any other efforts Respondent has undertaken or plans to undertake to mitigate the impacts of future tariffs or duties on foreign goods or other legislative or administrative actions that could negatively impact the price or availability of goods or services necessary for the development of the project set forth in Respondent's Proposal.

XV. Uyghur Forced Labor Prevention Act (UFLPA)

a. Provide a brief description of Respondent's plan for compliance with UFLPA when building the proposed facility/program and acquiring equipment for the proposed facility/program.

XVI. Safety

a. Provide a brief description of Respondent's strategy for ensuring safety at its project sites and in connection with any of its proposed programs. Discuss Respondent's ISNetworld grade.
b. For battery storage projects, include a summary of Respondent's battery

safety strategy for each acceptable battery vendor, with supporting documentation, reports, studies, etc. showing ability to comply with Appendix W (PPA/BTA). For PPAs, summarize details about Respondent's organization structure and process for emergency response/incident command. For PPAs, include any history of conversations or documented decisions with the fire permitting authority and strategy for successfully permitting the project with the particular jurisdiction for each project location.

XVII. Disputes/Litigations

a. APS requires Respondents to identify and describe any disputes in which Respondent or any of its affiliates has previously been involved with APS or any of its affiliates (including all direct and indirect parent or subsidiaries of APS). This list should identify any disputes that that were formally or informally resolved, as well as disputes that have previously been, or which currently are, the subject of a mediation, arbitration or dispute resolution proceeding, or any other litigated proceeding before a court or other governmental/regulatory authority.

XVIII. Regulatory Compliance

a. APS requires Respondents, its parent company, or any of its affiliates) to identify and describe any noncompliance identified by a regulatory authority and/or self-reported in the last seven (7) years.

Appendix C – Technical Exhibits

EXHIBIT 1: Energy Storage

1. **Requirements:** Any energy storage Proposal must conform to the requirements for all Proposals set forth in Section IX and the following requirements:
    a. Transaction Structure. PPA or tolling agreement term of at least five (5) years.
    b. Technology. Proposals may include only the following technologies:
        i. Battery energy storage system (BESS)
        ii. Compressed air energy storage system (CAES)
        iii. Pumped hydro
        iv. Flow battery
        v. Other energy storage technologies that meet the minimum requirements of this RFP
    c. Technical Characteristics.
        i. Any proposed facility must meet all BESS safety requirements specified in Appendix W, which specifies APS's safety standards and can be found in the "Download Documents" tab in PowerAdvocate. Proposal pricing shall include all testing, equipment, and design necessary to satisfy such safety requirements. In addition, Respondent shall provide full 9540A test results, explosion control methodology, design and testing, fire detection and alarm systems, 24/7 emergency management/response details, FMEA/HMAs and any other previously developed studies, tests, designs, or reports related to BESS safety and demonstrates product and personnel safety.
        ii. Any proposed facility must be capable of operating within the 50-year Extreme Annual Design Conditions, as detailed in the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE) Handbook, using a weather station nearest to the project location, at 100% of the proposed contract capacity discharging for a minimum of four (4) consecutive hours. If the Proposal is to expand an existing facility, then the expansion shall meet the same requirements, but for the duration being proposed.
        iii. Proposed resource must comply with North American Electric Reliability Corporation (NERC) Reliability Standard EOP-012-3 and any successor reliability standards for the proposed contract term.
        iv. Proposed resource must comply with IEEE 2800-2022 Standard for Interconnection and Interoperability of Inverter-Based Resources (IBRs) Interconnecting with Associated Transmission Electric Power Systems and any successor standards for the proposed contract term.
        v. Proposed BESS projects must allow for 365 equivalent cycles per year with an average annual state of charge of 50%. To maximize

the flexibility that APS seeks, the 365 annual cycles can assume days where the resource is cycled more than once and days where the resource is not cycled at all. Respondents are encouraged to propose other technical or commercial methods that will enable APS flexibility to adjust the number of annual cycles over the term of the agreement (i.e., adjustments/credits, cycle banking, etc.).

vi. Any proposed facility must be capable of satisfying a monthly availability requirement (as that term is defined in the applicable agreement with APS) of at least 97% for non-summer periods and 98% for summer periods during the term of the agreement.

vii. BTA and PPA agreements must be AC coupled.

2. **Preferences:** Though not required, APS prefers the following characteristics in Proposals for energy storage resources:
   a. APS requires a technology that has already undergone safety testing, safety evaluations, and safety designs, as evidenced by test results and other supporting documentation included in the Proposal in accordance with Appendix W. Proposals that plan to undergo safety testing, safety evaluations, or safety designs for the proposed technology after contract execution will be viewed less favorably.
   b. If it would be similarly cost competitive to a four-hour storage facility, APS prefers a facility able to deliver the full proposed contract capacity for a duration of longer than four (4) consecutive hours to meet peak needs.
   c. APS prefers any energy storage project that is paired with a renewable resource be designed to maximize the associated interconnection.
   d. APS prefers a facility located in APS's service territory and interconnected to APS's transmission or sub-transmission system (69kV or higher), as applicable.
   e. APS prefers a facility that charges in a time frame as close to matching the amount of time it takes to discharge and does not de-rate the power capacity of the facility as it reaches the high or low end of the state of charge. A facility with the ability to have more than one equivalent cycle per day will be viewed favorably.
   f. APS prefers land owned by the developer or purchase option. For land lease agreements, APS prefers at least 42 years.
   g. APS prefers a facility that can provide reactive capabilities in excess of the minimum Interconnection Requirements and can also provide reactive capabilities without the need to be producing real power (i.e., grid-sourced reactive power).
   h. For proposed facilities located within the geographical boundaries of the Navajo Nation in Arizona, APS prefers resources located in proximity to the Navajo Generating Facility and the APS Four Corners Power Plant. APS will take into consideration the characteristics of any such resource, including those described by Respondent in response to the Executive Summary as specified in Appendix B, Section VIII(f).
   i. For proposed facilities located within the geographical boundaries of the Hopi Tribe in Arizona, APS will take into consideration the

characteristics of any such resource, including those described by Respondent in response to the Executive Summary as specified in Appendix B, Section VIII(f).

j. APS prefers a twenty (20) year, or shorter, term for a PPA with an option to extend the PPA, or purchase the asset, upon expiration of the term.

EXHIBIT 2: Desert Sun (EPC)

1. **Requirements**: Any Desert Sun Proposal must conform to the minimum requirements for all Proposals set forth in Section IX and the following requirements.
    a. Project Summary & Transaction Structure. If the evaluation process of this RFP supports such a decision, APS desires to develop approximately 1,660 MW of natural gas fired power generation at the APS Owned Desert Sun site location. This facility is expected to include two Blocks comprised of four Combustion Turbine Generators (CTGs). Major equipment and long lead material items have been or will be procured by APS to facilitate the timely completion of the proposed project.
    b. Sizing. 1660MW, separated into two Blocks:
        i. Block 1 consists of two (2) combined-cycle gas turbine units, each nominally rated at approximately 510MW, consisting of one GE 7HA.02 combustion turbine generator, one heat recovery steam generator (HRSG) and one steam turbine generator.
        ii. Block 2 consists of two (2) simple-cycle gas turbine units, each nominally rated at approximately 320MW, each consisting of one GE7HA.02 combustion turbine generator in a simple-cycle configuration.
    c. Technology. 4 GE Vernova 7HA.02 combustion turbine generators (CTG)
    d. Technical Characteristics. See *Appendix C – Desert Sun Power Plant EPC Specification* document provided in the "Download Documents" tab in PowerAdvocate.

2. **Proposal Configurations**: As a part of a single Proposal Fee, eligible Respondent's may include one or more of the following configurations as part of their Proposal:
    a. **Simple Cycle Configuration**: Two combustion turbine generators (CTGs) in a 1x0 simple cycle setup. Target in-service date: December 2030.
    b. **Combined Cycle Configuration**: Two CTGs in a 1x1 combined cycle setup. Target in-service date: December 2031.
    c. **Alternative Combined Cycle Configuration**:
        i. One CTG in a 1x1 combined cycle setup with a target in-service date of December 2032.
        ii. One CTG in a 1x1 combined cycle setup with a target in-service date of March 2033.
    d. **Total Balance of Plant**: A single bid covering all four CTGs, submitted as any combination of the configurations and in-service dates listed above.

Combined cycle resources are expected to be allocated to extra-high load factor customers through a subscription model, and Proposals for such resources will be compared against each other as set forth in Section VIII of the RFP. For more

information about the Desert Sun project, refer to the APS press release.

EXHIBIT 3: Renewable Energy Technologies

1. **Requirements:** Any renewable energy technology Proposal must conform to the requirements for all Proposals outlined in Section IX and the following requirements:
    a. Transaction Structure. PPA or BTA. The PPA or tolling agreement must give APS ownership of all environmental attributes, as that term will be defined therein.
    b. Technology. Eligible renewable energy resources are those defined in A.A.C. R14-2-1802(B): Eligible Renewable Energy Resources are applications of the following defined technologies that would otherwise be used to provide electricity to APS customers:
        i. Biogas Electricity Generator
        ii. Biomass Electricity Generator
        iii. Eligible Hydro Facilities
        iv. Fuel Cells that Use Only Renewable Fuels
        v. Geothermal Generator
        vi. Hybrid Wind and Solar Electric Generator
        vii. Landfill Gas Generator
        viii. Solar Electricity Resources
        ix. Wind Generator
    c. Technical Characteristics.
        i. Renewable energy projects must offer operational flexibility, which can be achieved through a tolling agreement structure or a PPA that includes curtailment rights. Proposals should be clear about the operational flexibility being offered and how that flexibility can be maximized to achieve the greatest value for APS.
        ii. Any proposed facility must be capable of operating within the fifty-year Extreme Annual Design Conditions, as detailed in the ASHRAE Handbook, using a weather station nearest to the project location at 100% of the proposed contract capacity.
        iii. Any Proposal for a solar photovoltaic facility shall include four (4) hourly production profiles (i.e., 8760 profiles), which represent the hourly output of the project at the APS Delivery Point in Mountain Standard Time (MST) for years 2021, 2022, 2023 and Typical Meteorological Year (TMY). The TMY, 2021, 2022, and 2023 profiles shall be based on site-specific data derived from National Renewable Energy Laboratory (NREL) Solar Prospector in .tmz and .csv file formats.
        iv. Proposed resource must comply with NERC Reliability Standard EOP-012-2 and any successor reliability standards for the proposed contract term.
        v. Proposed resource must comply with IEEE 2800-2022 Standard for Interconnection and Interoperability of Inverter-Based Resources (IBRs) Interconnecting with Associated Transmission Electric Power Systems and any successor standards for the proposed contract term.
        vi. Any Proposal for a wind facility shall provide on-site wind data used in preparing 8760 production profiles as well as the

method(s) for collecting on-site wind data in the spreadsheet found in the "Download Documents" tab in PowerAdvocate.

2. **Preferences:** Though not required, APS prefers the following characteristics in Proposals for renewable energy resources:
    a. APS prefers facilities that maximize energy production and delivery during the months of January-February, November-December from 12:00 am to 6:00 am and 5:00 pm to 12:00 am. June-September from 4:00 pm to 12:00 am.
    b. APS prefers a facility that can provide reactive capabilities in excess of the minimum Interconnection Requirements and can also provide reactive capabilities without the need to be producing real power (i.e., grid-sourced reactive power).
    c. For proposed facilities located within the geographical boundaries of the Navajo Nation in Arizona, APS prefers resources located in proximity to the Navajo Generating Facility and the APS Four Corners Power Plant. APS will take into consideration the characteristics of any such resource, including those described by Respondent in response to the Executive Summary as specified in Appendix B, Section VIII(f).
    d. For proposed facilities located within the geographical boundaries of the Hopi Tribe in Arizona, APS will take into consideration the characteristics of any such resource, including those described by Respondent in response to the Executive Summary as specified in Appendix B, Section VIII(f).
    e. APS prefers a twenty (20) year, or shorter, term for a PPA with an option to extend the PPA, or purchase the asset, upon expiration of the term.

EXHIBIT 4: Energy Efficiency

1. **Requirements:** Any Proposal for energy efficiency or other BTM, non-dispatchable resource (referred to herein as "Energy Efficiency") must conform to the minimum requirements for all Proposals outlined in Section IX and the following requirements:

   All proposals should include the specific Energy Efficiency technologies being deployed, methods used to verify the Energy Efficiency resources delivered over the contract term, the anticipated savings impacts per customer site, an hourly (8760 hours/year) load shape of total project savings impacts, and the number and type of customers who will be recruited to participate.

   All proposed Energy Efficiency resources must be incremental to APS's existing Energy Efficiency programs, and proposal pricing must be all-inclusive without assuming access to any current or future APS Energy Efficiency program incentives. Note that nothing in this RFP shall limit APS's ability to offer its own Energy Efficiency programs in the future, regardless of whether or not it enters into a Load Management Agreement for an Energy Efficiency resource as a result of this RFP. Respondents assume the risk and impact of any future changes when submitting a Proposal for an Energy Efficiency resource.

   a. Transaction Structure. Respondent must offer an Energy Efficiency resource pursuant to an LMA that satisfies the terms specified in the term sheet found on the PowerAdvocate "Download Documents" tab for a term of at least five (5) years but not more than ten (10) years. The agreement must permit APS to count any energy savings resulting from the proposed resource toward any established ACC Energy Efficiency goal and/or any other future regulatory requirements.

   b. Technical Characteristics.
      i. Any proposed Energy Efficiency resource must pass the Societal Cost Test (SCT) as defined by the ACC Energy Efficiency Standards defined in Arizona Administrative Code R14-2-2401(36) as well as the Utility Cost Test (UCT). APS will screen all Energy Efficiency Proposals using the UCT and the SCT as prescribed by the ACC. All Respondents must provide input assumptions and calculations to pass the SCT.
      ii. Any proposed customer-facing program to deliver non-supply side resources must be APS-branded (or potentially co-branded). APS must review and pre-approve all program marketing materials before use.
      iii. Any proposed resource may only include participating APS customer sites. Respondents must provide a Measurement and Verification (M&V) Plan to verify actual MWh and MW savings delivered, including estimated costs for implementing the M&V Plan. Load reductions must also be verifiable by APS using then-available APS metering. Resources that are educational in nature only (i.e., do not include tangible Energy Efficiency products) and

do not result in direct MWh and MW savings delivered are not eligible.

2. **Preferences:** Though not required, APS prefers the following characteristics in Proposals for Energy Efficiency programs:
    a. APS requires programs and technologies must pass the SCT and UTC.
    b. APS prefers programs and technologies capable of operating at 118° F and twenty percent (20%) humidity, at one hundred percent (100%) displaced capacity for a minimum of four (4) consecutive hours.
    c. APS prefers programs and technologies that are focused on reducing energy use during consistent with the information as shown in the Heat Map. Programs and technologies that can meet these hours as well as provide flexibility across additional months and timeframes are preferred. Reference the heat map in Appendix E.
    d. APS prefers programs and technologies that provide dispatch flexibility and/or do not include significant must-take energy reductions during non-peak times in non-summer months. Respondent should indicate any approaches its proposed project will use to incorporate flexibility and reduce must-take energy requirements.

EXHIBIT 6: Demand Response, Load Shifting, and BTM Energy Storage

1. **Requirements:** Any Proposal for Demand Response, Load Shifting, BTM Energy Storage or other BTM dispatchable resource (referred to herein as "Demand Response") must conform to the minimum requirements for all Proposals outlined in Section IX and the following requirements:

   Respondents assume the risk and impact of any future APS rate design changes when submitting a Proposal to APS. In addition, nothing in this RFP is intended to limit APS's ability to offer its own demand response, load shifting and BTM energy storage programs of any type in the future, regardless of whether or not it enters into a load management agreement as a result of this RFP.

   APS is seeking additional incremental demand side resources in this RFP. Consistent with the premise that APS does not intend to provide multiple compensation streams for the same demand-side management services, Proposals may not include capacity already participating in existing APS demand-side incentive programs. In other words, the capacity included in the Proposal must be distinct from capacity that APS has already secured through existing APS demand response programs, including, but not limited to, the residential Cool Rewards, the Commercial/Industrial Flex Solutions program, Residential Energy Storage, Storage Rewards and Charging Rewards Pilots. APS encourages bidders to offer incremental opportunities for demand side resource capacity and technology solutions that could be offered in addition to APS' current programs.

   Similarly, although APS does not prohibit distributed demand-side management technologies that have received a rebate or been counted towards Energy Efficiency, demand-side management, or renewable mandates from participating in this RFP, Proposals shall only include customer-sited programs and technologies that are incremental to and not in conflict with their participation in current APS programs. For example, a smart thermostat that received an APS rebate for Energy Efficiency at the time of installation would be eligible to participate in a Proposal for demand response services. However, if this same thermostat is currently enrolled in the APS Cool Rewards demand response program, it would be ineligible to offer demand response peak capacity value in a Proposal. Any Proposals that include dual participation resources should clearly identify these resources in Proposals and clearly demonstrate how they provide incremental grid value. Note that the basis of valuation for these dual participation resources will be limited to their incremental value only after accounting for grid services that APS has already paid for through other mechanisms (i.e., incentives or retail rates). Respondents must also indicate how any grid services they propose for dual participation resources will not conflict with any current grid services that APS has already obtained from these resources while considering potential

customer experience issues that could occur related to dual participation (e.g., fatigue from too many demand response and load shifting events).

Proposals may also not include residential, commercial, or industrial customers enrolled on a rate schedule/tariff where third-party providers provide the generation component. These programs/rates currently include Alternative Generation-X, Interruptible Rate Rider, and Critical Peak Pricing-General Service.

a. Transaction Structure. Respondent must offer a demand response program pursuant to an LMA that satisfies the terms specified in the term sheet found on the "Download Documents" tab in PowerAdvocate with a term of at least five (5) years but not more than ten (10) years. The agreement must permit APS to count any energy and/or capacity savings that result from the proposed program toward any ACC Energy Efficiency goal and/or any other future regulatory requirements.
b. Technical Characteristics.
    i. Any Proposals must provide for commercial operation and delivery of capacity beginning on June 1, 2028. Bidders who can provide commercial operation and deliverability capacity beginning on June 1, 2027 are encouraged to indicate this in the proposal. At a minimum, all Proposals must provide capacity during the months of June through September during each year of the term of the LMA (the "Control Season").
    ii. Proposals must offer a minimum of five (5) MW of (incremental or additional) capacity per year, aggregated from eligible APS commercial and industrial (C&I) or residential customer load.
    iii. The resource must be dispatchable a minimum of five (5) times during each Control Season, June 1 through September 30, during any Program Availability Hour, 4:00 pm to 10:00 pm, Arizona Time, although APS prefers resources with a greater amount of dispatch capability. Reference the heat map in Appendix E.
    iv. At least a portion of the resource capacity must respond within a two (2) hour notice, and all of the capacity must respond with day ahead prior notice. APS prefers and places greater value on resources that can respond with shorter notice. Respondents must clearly specify how much of the total proposed capacity is available within two (2) hours prior notice or less.
    v. The resource must be capable of delivering guaranteed load reduction for at least three (3) consecutive hours.
    vi. The resource must be capable of performing for a minimum of three (3) consecutive days.
    vii. The resource must provide one hundred percent (100%) of the contracted load reduction each Monday through Friday and eighty percent (80%) of the contracted load reduction each Saturday, Sunday, July 4th, and Labor Day during the Control Season.

viii. Load reductions must be verifiable by APS using APS-owned Advanced Metering Infrastructure (AMI) metering.
ix. The resource may only include eligible customer participants within the APS service territory.

x. The resource must be APS-branded (or potentially co-branded). APS must review and pre-approve all program marketing materials before use.

2. **Preferences:** Though not required, APS prefers the following characteristics in Proposals for demand response programs:
    a. APS prefers a resource capable of more than the minimum required dispatches per Control Season.
    b. APS prefers a resource that responds with one (1) hour prior notice. Respondents should explain (in the Executive Summary) if responding with one (1) hour prior notice will result in any cost increase to APS, as compared to a two (2) hour prior notice requirement.
    c. APS prefers a resource that can reduce the load for longer than three (3) hours (up to six (6) hours or longer is preferable).
    d. APS prefers a resource that can reduce the load if called upon by APS for five (5) consecutive days or more.
    e. APS prefers a resource that can provide one hundred percent (100%) of the DR Capacity during all seven (7) days of the week, including July 4th and Labor Day, during the Control Season.
    f. APS prefers a resource that can be contracted with APS for a shorter term rather than a longer term to enable APS to be responsive to future load changes.
    g. APS prefers innovative Proposals that seek to maximize customer participation by offering customers options for their level of demand response participation rather than a one-size-fits-all program design.

EXHIBIT 7: Thermal Generation

1. **Requirements:** Any Proposal for a thermal generation resource, including natural gas (but not including Desert Sun, for which other requirements apply as set forth in Exhibit 2), must conform to the minimum requirements for all Proposals outlined in Section IX and the following requirements:
    a. Transaction Structure. The transaction must be in the form of a tolling PPA with a delivery term of at least three (3) years or a BTA for APS ownership. APS will accept Proposals for a year-round or partial-year toll.
    b. Technical Characteristics.
        i. Proposed thermal generation resources must have an identifiable and reliable fuel source. Specifically, proposed gas-fired generation resources must be able to connect to a viable interstate natural gas pipeline and identify plans for sufficient fuel transportation. APS will evaluate the proposed point of connection to see if any constraints are specific to that location.
        ii. Proposed thermal generation resources must meet all applicable present and future statutes, regulations, ordinances, rules, codes, judgements, orders or other similar enactments of any federal, state, or local governmental authority regulating or relating to environmental conditions through the proposed contract term.
        iii. Proposed thermal generation resources must meet the EPA Clean Air Act regulations in Section 111 and demonstrate the method(s) used to comply with the regulations through the proposed contract term.
        iv. Proposed resources must comply with NERC Reliability Standard EOP-012-3 and any successor reliability standards for the proposed contract term.
        v. Proposed resources must have adequate water supply rights and wastewater discharge rights, if required, to support performance for the full contract capacity and the proposed term of the tolling agreement.
        vi. Proposed resources shall be capable of operating at one hundred percent (100%) contract capacity for a minimum of six (6) consecutive hours.
        vii. To the extent that carbon allowances are allocated to the proposed resource or part thereof, those allowances must be provided to APS for the term of the associated tolling agreement at no additional charge. APS may allocate them toward its requirements pursuant to any applicable regulatory requirements.
        viii. Any proposed facility must be capable of operating within the 50-year Extreme Annual Design Conditions, as detailed in the American Society of Heating, Refrigeration, and Air Conditioning

Engineers (ASHRAE) Handbook, using a weather station nearest to the project location.

ix. APS will evaluate the performance of proposed generation resources on the following parameters:
    1. Assumed elevation of 1,000 ft. if the true elevation of the proposed resource is between sea level and 2000 ft. If the true elevation of the proposed resource is greater than 2000 ft, the Proposal must include performance data for the true elevation.
    2. June-September temperatures at 105°F and Relative Humidity of nineteen percent (19%)
        a. Equivalent to 115°F and Relative Humidity of nine and a half percent (9.5%)
        b. Assumes inlet cooling is ON if applicable to proposed generation resource
    3. October, March-May temperature 73°F and Relative Humidity of thirty-seven percent (37%)
        a. Assumes inlet cooling is ON if applicable to proposed generation resource
    4. November-February temperature 41°F and Relative Humidity of fifty-one percent (51%)
        a. Assumes inlet cooling is OFF if applicable to proposed generation resource
    5. Extreme Cold Weather Temperature (ECWT) as specified in NERC Reliability Standard EOP-012-2.
        a. Performance of the proposed resource must be provided at the ECWT calculated for the associated location.
        b. Reference NERC: Calculating Extreme Cold Weather Temperature; August 2022

2. Preferences: Though not required, APS prefers the following characteristics in Proposals for thermal resources:

a. APS prefers a resource capable of stable operation at a minimum operating level of fifty percent (50%) loading or lower without exceeding the legal limits for emissions (CO, CO2, NOx, SO2, VOC, PM10, PM2.5) pursuant to an applicable air permit or otherwise.
b. APS prefers the following characteristics with respect to a Proposal for a thermal peaking resource:
    i. Capability of at least two (2) starts per day
    ii. Minimum ramp rate of ten percent (10%) of the summer capacity rating per minute of the summer capacity rating
c. APS prefers resources at elevations between sea level and 2000 ft. capable of full contract capacity at 118°F and Relative Humidity of ten percent (10%).
d. APS prefers resources dispatchable by APS using AGC.
e. APS prefers a transaction that allows APS the option to supply any fuel and related gas transportation for delivery to the lateral pipeline

interconnection for the facility for a natural gas resource (in addition to supply and transportation that Respondent includes as part of its Proposal).

f. APS prefers a connection to both the El Paso and Transwestern pipelines for a natural gas resource.
g. APS prefers a twenty (20) year, or shorter, term for a PPA with an option to extend the PPA, or purchase the asset, upon expiration of the term.
h. For proposed facilities located within the geographical boundaries of the Navajo Nation in Arizona, APS prefers resources located in proximity to the Navajo Generating Facility and the APS Four Corners Power Plant. APS will take into consideration the characteristics of any such resource, including those described by Respondent in response to the Executive Summary as specified in Appendix B, Section VIII(f).
i. For proposed facilities located within the geographical boundaries of the Hopi Tribe in Arizona, APS will take into consideration the characteristics of any such resource, including those described by Respondent in response to the Executive Summary as specified in Appendix B, Section VIII(f).

Appendix D – Scoring Matrix

Categories	Criteria	Weightage	Total Points	Points	Proposed Scoring
Resource Alignment	**Dispatchability**	24.4%	500	100	**100**- APS has full dispatchability
					25- APS has limited dispatchability
					0- APS has no dispatchability
Resource Alignment	**Carbon Emissions Profile**			100	**100**- zero emissions
					50- Greater than zero but less than average APS emissions rate (lbs/MWh)
					0- Greater than average APS emissions rate (lbs/MWh)
Resource Alignment	**Load Factor Impacts**			100	**100**- Available all hours from HE17 to HE08 from January to December at full capacity (100% capacity factor) HE = Hour ending; (5pm-8am)
					Points will be reduced by a formula to capture actual capacity factor of the project during those hours only.
Resource Alignment	**Flexibility**			100	**100**- Ramp rates of 10% per minute of nameplate capacity or higher
					50- Ramp rates of at least 3% per minute of nameplate capacity
					0- Ramp rates less than 3% per minute of nameplate capacity
Resource Alignment	**Water Source**			50	**50-** Project utilizes a renewable water source
					0- Project utilizes a non-renewable water source
Resource Alignment	**Water Use Intensity**			50	**50**- Less than average APS water intensity rate (gal/MWh)
					0- Greater than average APS water intensity rate (gal/MWh)

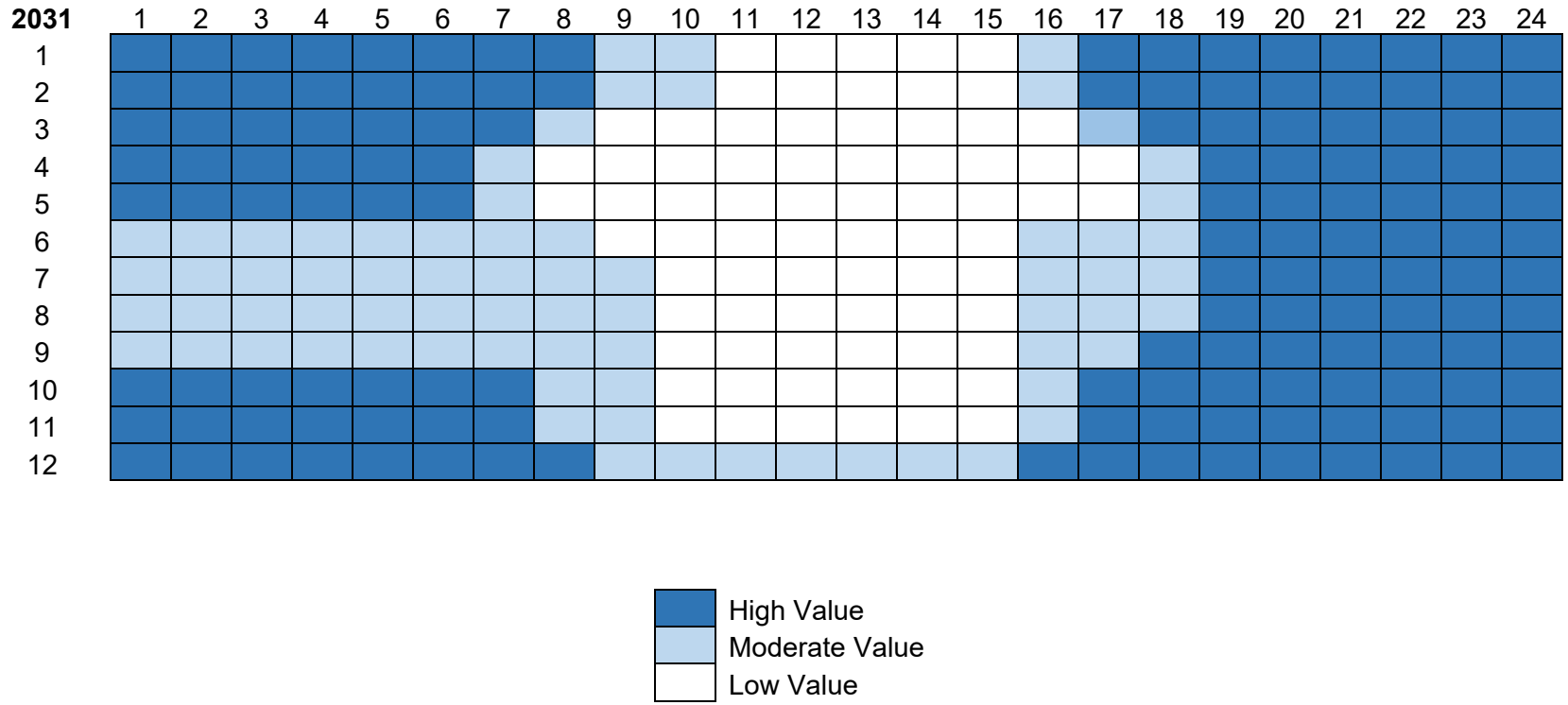
Categories	Criteria	Weightage	Total Points	Points	Proposed Scoring
Technology/ Project Risk	**Site Control**	12.2%	250	50	**50**- Respondent possesses direct ownership of the site, free and clear with no encumbrances; OR Respondent is a lessee on an existing lease of the site with no encumbrances or, in the case of demand-side resources, Respondent provides sufficient evidence that 25% or more of its projects or programs are committed at the time of Proposal submittal.
					0- Respondent possess direct ownership of the site, with encumbrances OR Respondent is a lessee on an existing lease of the site, with encumbrances OR Respondent possesses an exclusive and non-contingent option to purchase or lease the site or, in the case of demand-side resources, OR Respondent provides sufficient evidence that less than 25% of its projects or programs are committed at the time of Proposal submittal.
Technology/ Project Risk	**Interconnection Status**			100	**100**- Active IA with submitted evidence demonstrating interconnection costs and timeline are current (within six months of Proposal submission)
					50- Has IA in suspension, or has an active interconnection request and received Phase 2 and beyond study results; OR in the case of demand-side resources, 50% of participants in the project or program portfolio are interconnected or do not require interconnection
					25- Has active interconnection request and received Phase 1 study results; OR in the case of demand-side resources, 25% of participants in the project or program portfolio are interconnected or do not require interconnection
					0- Has not yet applied for interconnection, or has an active interconnection request with no study results; OR in the case of demand-side resources, less than 25% of participants in the project or program portfolio are interconnected or do not require interconnection
Technology/ Project Risk				100	**100**- Proposal is for an existing project or program; or, in the case of a new project or program, no major equipment (e.g., turbines, panels, inverters, transformers, etc.) is needed OR Respondent does not require any major equipment sourced from countries subject to applicable Tariffs/Duties; OR has procured and has receipt of at least 75% of major equipment for the project or program

	Supply Chain				**50**- Less than 50% of major equipment sourced from countries subject to Tariffs/Duties; OR has procured and has receipt of at least 50% of major equipment for the project or program
					0- Respondent does not meet either Supply Chain category above; OR in the case of a new project or program, any major equipment needed is subject to Foreign Entity of Concern (FEOC) restrictions

Categories	Criteria	Weightage	Total Points	Points	Proposed Scoring
Respondent Risk	**Respondent Commercial Experience**	14.6%	300	150	*For existing or new/to-be constructed projects*
					150- Respondent has previously developed at least 2 projects or programs with a capacity over 75% of proposed project or program size AND has previously contracted for the proposed contract structure
					75- Respondent has previously developed a project or program with a capacity at least 50%-75% of proposed project or program size AND has previously contracted for the proposed contract structure
					25- Respondent has previously developed a project or program with a capacity of less than 50% of proposed project or program size AND has previously contracted for the proposed contract structure
					0- Respondent has only previously developed a project with a capacity between of less than 50% of proposed project or program size AND has not contracted for the proposed contract structure
Respondent Risk	**Respondent Safety**			50	**50**- Respondent has an ISNetworld grade of "A" or "B"
					0- Respondent has an ISNetworld grade of less than "B" OR no ISNetworld subscription
Respondent Risk	**Financial Strength**			50	**50**- Has proven financial capability with a favorable bond rating (to the extent of prior transactions with APS); provided 3 years of financial statements; is not in bankruptcy proceedings; and is not in any current or threatened formal dispute with APS.
					0- None of the above
Respondent Risk	**Cybersecurity Risk**			50	**50**- Respondent has implemented all controls identified in the Cybersecurity Controls Sheet
					0- Respondent has implemented some or none of the controls identified in the Cybersecurity Controls Sheet
Cost	**Reliable LCOC**	24.4%	500	500	**500-** points for top decile. 50-point reduction for each subsequent decile in LCOC value. Minimum score 50 points.
Cost	**LCOE**	24.4%	500	500	**500-** points for lowest LCOE. 50-point reduction for each subsequent decile in LCOE value. Minimum score 50 points.

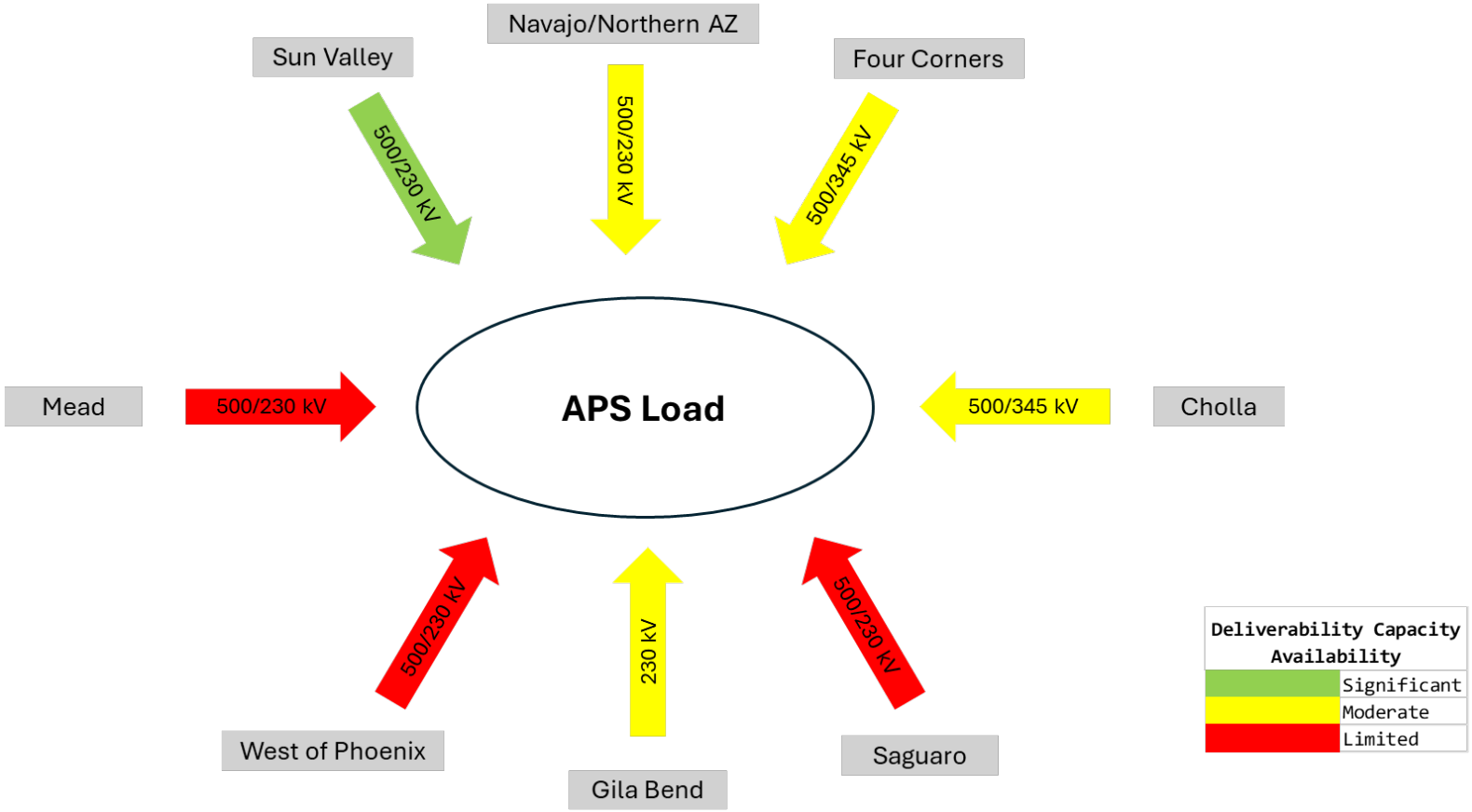
Appendix E – Heat Map

(Columns contain Hour of the Day in Hour Ending format)



Appendix F – Deliverability Map

2025 All-Source RFP: Extra High Voltage Deliverability Map



Indicative Guidelines for Deliverability of Product to APS Load For Purposes of 2025 All-Source RFP

1. Deliverability is the capability to serve APS load from a resource at a specific location, without causing congestion on the APS system. Deliverable Capacity is the amount of MWs that can be delivered to APS load from a specified location or resource.
2. The information represented here has been prepared by APS as an indicative guideline for recent estimated deliverability to APS load for purposes of the 2025 All-Source RFP.
3. Recent estimated deliverability can be found on OASIS (https://www.oasis.oati.com/azps). This information is as of the date posted to OASIS.
4. Information in these figures is not intended to provide definitive guidance to any potential bidder regarding the specifics of the transmission system that may be applicable to bidder's proposed facility. All bidders are responsible for performing their own independent evaluation of the transmission system as it may affect their proposed facilities.
5. Proposal price should be inclusive of all costs to deliver to the APS system.