

Arizona Public Service - April RPAC Meeting Minutes

Date	Location	Start	Stop
4/15/2026	APS Corporate Headquarters	9:00 a.m.	12:00 p.m.

MEETING OBJECTIVES

- Recap the February RPAC meeting and provide the status of previous action items.
- Discuss APS's 2024 All-Source RFP (ASRFP) results and the proposals received for its 2025 ASRFP.
- Outline how APS incorporates market prices into its IRP modeling.
- Provide a follow-up on the resource adequacy discussion from the February RPAC Meeting.
- Preview the scenarios APS will evaluate as part of its 2026 IRP filing.
- Forecast next steps and future RPAC engagement opportunities.

Attendees	Organization	Title/Role
Thomas Abshire	ACC	ACC Staff
Carlos Aguiar H	City of Phoenix	Energy Manager
Ylenia Aguilar	Sierra Club	Consultant
Sandy Bahr	Sierra Club	Director, Grand Canyon Chapter
Adam Beckermann	ACC	ACC Staff
Bryan Benally	Navajo Nation	Director
Diane Brown	Arizona PIRG	Executive Director
Kevin Carranza	GPEC	Vice President, Research & Analytics
Seamus P Crowley	Arizona Large Customer Group	Associate
Carla De La Chapa	City of Phoenix	Chief Sustainability Officer
Zoe Fehlau	Energy Strategies	Analyst
Hari Gopalakrishnan	Mitsubishi	Manager, Market Intelligence & Strategy
Will Greene	SWEEP	Arizona Representative
Jude Gyesi	RUCO	Utilities Engineer
Nicole Hill	The Nature Conservancy	Director
Hunter Holman	Interwest	Director
Autumn Johnson	AriSEIA	CEO
Phil Jones	Alliance for Transportation Electrification (ATE)	Executive Director
Nitin Lumar	Mitsubishi	Director
Elsbeth McGarvey	Synapse	Consultant
Taylor McNair	Gridlab	Consultant
Claire Michael	Wildfire AZ	Director

Claire Nguyen	The Nature Conservancy	Energy Economist
Amanda Ormond	Western Grid Group	Director
Alex Palomino	Energy Strategies	Senior Consultant
Greg Patterson	AZ Competitive Power Alliance	Director
Alex Routhier	Western Resource Advocates	Senior Policy Advisor
Selma Sharaf	Synapse	Senior Associate
Andy Tobin	Western Way	Director
Mia Wei	Navajo Nation	Energy Innovator Fellow
Ryan Witt	ACC	ACC Staff
Patric Woolsey	Sierra Club	Attorney

Adam Constable | APS/Consultant, Federal/State Regulatory | Welcome & Meeting Agenda

- No Questions.

Colton King | APS/Manager, Resource Acquisition | ASRFP Update

Summary: Colton opened the meeting with an update on APS’s All-Source Request for Proposal (ASRFP) activity, including results from the completed 2024 ASRFP. Following that process, APS extended two existing natural gas contracts to support customer reliability. Across just the 2023 and 2024 ASRFPs, APS has contracted 8,460 MW of resources, nearly matching the company’s 2025 peak demand of 8,648 MW. Colton also provided an update on the 2025 ASRFP, now entering the proposal review stage. APS received 244 proposals, representing 137 unique projects from 62 bidders. APS also described updates to the Desert Sun opportunity (a new natural gas facility planned for Gila Bend). APS is now evaluating an option to site two of the originally planned units at the Saguaro Power Plant, leveraging existing infrastructure and transmission interconnections.

- Participants asked about how APS evaluates existing gas resources in its ASRFP process and whether extensions compete with new builds. APS explained that extensions of existing resources are submitted and evaluated through the same competitive ASRFP process alongside new resource proposals.
- Participants questioned whether the proposed relocation of Desert Sun combustion turbines involves additional capacity. APS clarified that this is a siting change only and does not increase the amount of planned generation; the opportunity continues to include two combined cycles and two combustion turbines, with an alternative site at Saguaro being considered for the CTs .
- Participants asked how the location change affects the ASRFP process and whether bidders were aware. APS stated that all qualified bidders that submitted proposals for the Desert Sun opportunity were notified of the location change and will be given an opportunity to update their proposals, maintaining the competitiveness of the process.
- Participants sought clarity around the volume of battery storage proposals and whether APS is considering pilot or emerging battery technologies. APS noted that it prioritizes mature technologies with established supply chains and performance records when making procurement decisions, but also that APS has the opportunity to evaluate emerging technologies through the ASRFP process.

Akhil Mandadi & Nick Schlag | APS/Leader, Resource Planning, Resource Plan & Analysis | E3/Partner | IRP Market Prices

Summary: Following the ASRFP overview, Akhil and Nick shared two updates on key analytical considerations for the 2026 IRP. First, Akhil reviewed how APS will incorporate market conditions as key inputs to both capacity expansion and production cost modeling. Nick then discussed the current state of western regional markets and E3’s approach to market price forecasting.

- Participants asked about APS's decision to join Markets+, with questions focused on seams and governance. APS explained that governance structure, the presence of a binding resource adequacy program (WRAP), and regional load and resource diversity were key factors in the decision.
- Participants requested clarification on whether APS could switch market participation later. APS confirmed that while switching markets would involve costs, it retains flexibility to change market participation in the future.
- Participants questioned how APS's model accurately reflects varying prices between multiple regions and balancing authorities. Akhil and Nick described how APS's models represent interactions with multiple external zones but consolidate those interactions into a single market price outcome that APS reacts to each hour.
- Participants raised questions about how reliability factors into market assumptions and whether APS will lose access to real-time markets. APS clarified that reliability is anchored in WRAP resource adequacy requirements and that Markets+ includes a real-time market component, preserving real-time operational capabilities.

Nick Schlag | E3/Partner | Resource Adequacy Follow-up

Summary: In response to feedback from the February RPAC meeting, Nick provided an overview of resource adequacy and common methods for calculating a utility's Planning Reserve Margin (PRM). Recent discussion has focused on differences between Installed Capacity (ICAP) and Perfect Capacity (PCAP) accounting. Many utilities view PCAP as better suited to today's planning environment because it uses accredited capacity rather than nameplate capacity to reflect growing complexity in resource performance and utilization.

- Participants asked about the difference between brownouts and blackouts. E3 and APS clarified that a blackout refers to a complete loss of service, while a brownout reflects a degradation in service quality such as low voltage.
- Participants asked how the strategic dispatch of battery storage resources factors into their diminishing capacity value over longer periods. E3 explained that four-hour batteries can either be dispatched at full output for a shorter period or operated at reduced output over a longer window to extend coverage. In both approaches, the total contribution over extended risk periods remains less than that of a firm resource available at full output. As reliability needs extend beyond the duration of storage, the capacity value assigned to batteries declines, which is reflected through lower ELCC values.
- Participants raised that the difference between ICAP and PCAP PRM values can be challenging to communicate to Regulators and asked how APS communicates its PRM with external audiences that utilize ICAP accounting. APS acknowledged the communication challenges associated with differing methodologies and shared that APS conducts planning in PCAP and translates results back to ICAP when comparison is required.

Mike Eugenis | APS/Director, Resource Planning | 2026 IRP Scenarios

Summary: For the final discussion item, Mike outlined the scenarios APS will evaluate as part of the 2026 IRP. APS will first develop a base case representing a technology-neutral scenario. APS will then model additional scenarios reflecting potential future states, including a Four Corners extension, participation in a day-ahead market, and varying assumptions for load growth, fuel prices, and resource costs. The resulting analysis of these scenarios will inform a preferred plan that will guide resource planning, procurement, and implementation over the next 15 years.

- Participants asked how APS will provide quantitative analysis for its market decision in the IRP. APS explained that while production cost impacts of market participation require regional data that is not available to a single-utility, APS will evaluate market participation quantitatively through an analysis of capacity benefits, including how market liquidity supported by a resource adequacy program reduces PRM and total resource requirements.
- Participants sought clarity on how APS plans to model Four Corners in the IRP, with questions focused on the operating horizon and conversion alternatives. APS clarified that Four Corners is currently modeled through 2038, consistent with historical assumptions. APS added that conversion alternative analyses are highly plant-specific and can be difficult to evaluate using generic cost benchmarks, and that the IRP will include consideration of potential natural gas conversion and other alternatives.

- Participants asked whether sensitivities will include higher gas prices, CT capital costs, and pipeline timing risk. APS confirmed that these will be reflected through dedicated sensitivity analyses.
- Participants raised questions about APS's timeline for developing its preferred portfolio. APS explained that detailed review of the preferred portfolio occurs late in the IRP process and that APS plans to hold a Public Stakeholder Meeting following the IRP filing to review the preferred portfolio in detail, with RPAC participants invited to attend.

Adam Constable | APS/Consultant, Federal/State Regulatory | Next Steps & Closing Remarks

- No Questions