

Slide Number	Question Asker	Question	Answer
18	Dugan Marieb	Will the Emissions cost benefit analysis include the health impacts of certain generation types?	The emissions cost benefit analysis and the health impacts of certain generation types is not within the scope of this Integrated Resource Plan.
18	Anonymous	Can you address how 3rd party energy suppliers and developers fit into DER and the IRP	The IRP looks at the portfolio of resources that optimally serves our load, but does not speculate on how to obtain those resources (either through ownership or PPA agreements). APS utilizes our RFP process to solicit bids from developers and pick the most economic option for our customers.
19	Anonymous	To clarify my question re 3rd party suppliers, this pertains to APS business and residential customers having access to a choice of energy suppliers to benefit from price and clean energy.	The IRP evaluates the resource mix into the future based off of our current regulatory construct. We do have existing customer programs today such as our AG-X and DDSR program that are available. The DDSR program allows customers to utilize a third party business in order to site both clean and renewable technologies at their homes or businesses. Those aspects are included in the IRP.
Break Slide	Anonymous	I read that the DDSR program was delayed at the request of APS to the ACC. Can you explain?	At the order of the Arizona Corporation Commission, APS created a DDSR RFP that went out to market. APS has selected a bidder from the RFP. APS asked the commission for a delay on the open tariff to ensure the development of the tariff is rigorous and that APS is able to address any specific questions that arise through operational experience. APS plans to go back to the commission with information from this experience to maximize value to APS customers.
35	Devi Glick	Why is the exit of Four Corners being modeled with natural gas replacement? Why not let the model select the optimized replacement resource portfolio?	In our reference case, APS utilizes Aurora's long-term capacity expansion model to pick the most economic resource to replace Four Corners in 2031. The natural gas replacement in 2031 is a sensitivity to see what the economics would be in comparison if we took a natural gas resource there. It is primarily to provide a comparison and the sensitivity is not indicative of APS company strategy at this point.
36	Dugan Marieb	Will the IRP be bringing in new assumptions for emissions control costs per the recent news of new EPA regulations?	APS seeks to understand all of our regulatory requirements whenever it develops its IRP. Any kind of future emissions requirements, or broader constraints that we have, will be included in our study work. APS has not fully evaluated the implications of some of the most recent guidance that has been provided. We are working diligently to better understand the implications and as we have that information we will include it in our modeling and analysis.
36	Anonymous	How are you integrating the IRA financials into these models?	There are a lot of moving pieces due to recent legislation including the IRA and EPA regulations. We have worked with our outside consultants and our internal tax group to better understand how the IRA is going to impact resource costs and we have included those impacts in our economic assumptions. APS calculates Revenue Requirements for different resources which seeks to understand the total cost of owning and operating a facility into the future including things like the taxes associated with it. The revenue requirements will be modeled with the best information that we have today. There are still some aspects of the IRA that need clarification and we will look for additional guidance before including those in the IRP modeling. As we think about aspects such as prevailing wage and domestic content, APS will look to developers to ensure they are able to take advantage of the IRA benefits. The IRP itself will take tax benefits into account in the cost calculations for certain resources, but ultimately it will come down to APS' relationship with developers to make sure that IRA benefits are utilized.
38	Anonymous	Why are the coal plants not already run economically?	This ordered case has to do with the overall characteristics of coal resources and their historical operation. The power grid has changed dramatically over the previous 15 to 20 years. Coal facilities are usually considered baseload facilities which means they are less flexible and typically generate electricity during most hours of the day. Due to these operating characteristics, maintenance assumptions are based the fact that the facility will not cycle up and down very often. Every time you cycle a unit, especially a large unit like Four Corners, additional stress is placed on the various components of the resource. We have made the assumption that we would have them run more often and utilize the maintenance costs that are determined by the consistent usage of the resource. We are now making an adjustment to our modeling to better understand what start up times and costs are associated with these resources and how additional cycling impacts the maintenance of the facility. APS must also account for contractual obligations associated with Four Corners from a fuel burn perspective and operational perspective. Evaluating the impacts of additional cycling of the coal resource will act as a further refinement for modeling in the future.