Arizona Public Service - July RPAC Meeting Minutes

Date	Location	Start	Stop
7/22/2026	APS Corporate Headquarters	9:00 a.m.	12:00 p.m.

MEETING OBJECTIVES

- Recap the April RPAC meeting and review the list of topics to be covered at future meetings as developments arise.
- Discuss APS's planned natural gas conversion of Cholla Power Plant.
- Share information on the 2026 IRP Base Case and included sensitivities.
- Provide an overview of APS's Summer Preparedness activities and preliminary 2026 summer results
- Detail updates on the extension of the 2026 IRP filing and related compliance items.
- Forecast next steps and future RPAC engagement opportunities.

Attendees	Organization	Title/Role
Thomas Abshire	ACC	ACC Staff
Ylenia Aguilar	Sierra Club	Consultant
Sandy Bahr	Sierra Club	Director, Grand Canyon Chapter
Adam Beckermann	ACC	ACC Staff
Greg Blackie	Arizona Free Enterprise Club	Deputy Director of Policy
Kate Bowman	Vote Solar	Regulatory Director
Diane Brown	Arizona PIRG	Executive Director
Seamus P Crowley	Arizona Large Customer Group	Associate
Emily Doerfler	WRA	Attorney
David Farias	City of Phoenix	Sustainability
Zoe Fehlau	Energy Strategies	Analyst
Remy Franklin	Interwest Energy Alliance	Senior Analyst, Markets, Transmission, and Regulatory
Jude Gyesi	RUCO	Utilities Engineer
Hunter Holman	Interwest	Director
Autumn Johnson	AriSEIA	Executive Director
Nitin Luhar	Mitsubishi	Director
Elspeth McGarvey	Synapse	Consultant
Claire Nguyen	The Nature Conservancy	Energy Economist
John Nielsen	WRA	Senior Fellow
Amanda Ormond	Western Grid Group	Director
Alex Palomino	Energy Strategies	Senior Consultant

Greg Patterson	AZ Competitive Power Alliance	Director
Stephen Shadegg	Americans for Prosperity	State Director
Andy Tobin	Western Way	Director
Mia Wei	Navajo Nation	Energy Innovator Fellow
Ryan Witt	ACC	ACC Staff
Patrick Woolsey	Sierra Club	Attorney
Todd Wynn	Associated General Contractors - AZ Chapter	Director, Governmental Affairs
Cynthia Zwick	RUCO	Director
Nikhil Kumar	GridLab	Consultant

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

- No Questions.

Mike Eugenis | APS/Director, Resource Planning | Cholla Conversion

Summary: Mike opened the meeting with a discussion and update on APS's recently announced Cholla Conversion. Mike shared background on the plant and its usage throughout the past as well as the steps leading up to the end of coal operations in March 2025. Mike also discussed the evaluations for natural gas conversion included in the 2014 IRP that did not support it at the time. Since then, much has changed in the energy landscape, including improved cost-effectiveness of the needed upgrades as well as additional capacity being procured in the near-term that resolved previous resource adequacy concerns. APS is comparing the Cholla conversion opportunity against other bids in the 2025 ASRFP and will proceed if the project is determined to be competitive and support customer needs at least cost.

- Participants asked about the capacity factor APS is planning to use for these units as well as the evaluation and development of the lateral pipeline needed for fuel to access Cholla. APS replied that the State Implementation Plan would limit the plant to a 20% capacity factor.
- Participants asked about the cost of the conversion, and APS responded that final cost estimates are still being developed at this time.
- Participants asked about the announcement and the plan going out before final evaluations are done. APS responded that it was prudent to make a public announcement to make stakeholders, employees, and the community aware of the plan, prepare for long-lead time equipment procurement and continue permitting activities. APS clarified that the announcement does not indicate the final state of the plan or project. The conversion project will still need to be assessed against other bids in the 2025 ASRFP.
- Participants sought clarity about the involvement of Arizona Corporation Commission (ACC) Commissioners with the plan announcement. The Company has a longstanding relationship with local officials in the Cholla area. Because of this relationship and their interest in the future of the plant, APS chose to host a tour of Cholla and invited a number of Navajo County officials. APS also informed the ACC of the tour and welcomed Commissioners to attend as well. Commissioner Myers accepted the invitation and took part in the tour along with local officials. APS also replied that it is common for the ACC to concurrently release announcements and press releases regarding utility developments.
- Participants asked how the cost of gas delivery and infrastructure is included in the candidate study within the IRP modeling. APS replied that it is included in the modeling costs and marginal costs of the facility and in the most recent model that was released to stakeholders.
- Participants shared that this announcement felt unexpected with little context or awareness for RPAC members. APS acknowledged this experience. APS added that there is a need to move swiftly

due to the pressing demand growth in APS's service territory, and that timing affected communications.

- Participants questioned why a specific Cholla related request was not included in the 2025 ASRFP and how it can be evaluated if there are no other similar bids. APS replied that while there was not a specific opportunity identified in the 2025 ASRFP for the Cholla conversion, due to the timing of the release of the 2025 ASRFP relative to when APS had sufficient information to support the conversion plan, the costs and timing of the project will be evaluated against all other resources within the 2025 ASRFP as part of a portfolio analysis.
- Participants asked about the lack of CEC for Unit 1, which predates the CEC statutes. APS replied that the Company is exploring and evaluating options to amend the existing CEC for Unit 3 to incorporate the conversion process for the entire project.
- Participants asked about the base case information that was previously shared with interested stakeholders. APS responded that this information was shared with stakeholders who had taken the steps needed to utilize a model license. This July RPAC meeting was the first opportunity to discuss Cholla with the larger RPAC group since the announcement.
- Participants questioned how the Cholla conversion would affect previously procured resources. APS replied that these are still valuable parts of our portfolio and are being used to provide customers with power. This is indicative of the growing demand above and beyond what was previously forecasted.
- Participants asked if additional nuclear development is still on the table given that there was previous discussion of nuclear being placed at Cholla in the future. APS replied that evaluation of nuclear resources remains ongoing, but the near-term need for resources is a large part of the decision to move forward with natural gas.

Akhil Mandadi | APS/Leader, Resource Planning, Resource Plan & Analysis | IRP Base Case & Sensitivities

Summary: Akhil outlined APS's IRP base case planning framework, key scenarios, and the transition from Aurora to PLEXOS. He highlighted PLEXOS's faster run times, expanded modeling capabilities, improved flexibility, and ability to optimize transmission expansion and generation within a single framework. He also reviewed modeling enhancements for generation and reliability, noting that PLEXOS preserves tested Aurora methods while adding updated analytical tools. Key 2026 IRP assumptions include technology-agnostic resource candidates, E3-based market prices, a new gas pipeline, and the planning reserve margin (PRM) established in the 2025 APS Resource Adequacy Study. Akhil shared initial base case results, while noting that further reruns and reconciliation remain, and discussed sensitivities that would be included in the 2026 IRP, which are intended to reflect future uncertainties.

- Participants asked if APS coordinates with other Arizona utilities to have a consistent planning software standard. APS replied that the Company is in constant contact with other regional utilities to discuss resource planning best practices and often finds itself at the forefront of advancements made in modeling resources.
- Participants asked if APS could elaborate on natural gas fuel modeling within PLEXOS. APS replied that a mechanism within the main energy module is currently being used that would truly represent the gas transport rights, but further work is being done to potentially utilize a specific gas fuel module within PLEXOS.
- Participants asked about how PLEXOS would select and incorporate customer focused technologies including virtual power plants (VPP) and demand response. APS responded that the initial challenge was to assign an ELCC value for each of those programs within PLEXOS because VPP and demand response are not interchangeable. With those values assigned, APS is continuing to explore methods of accurately incorporating such resources into the modeling process, which has traditionally been very difficult to achieve.
- Participants asked about access to the base case beyond the stakeholders who received a model license. APS explained that a confidential version of the IRP will be shared at the time of its filing with participants that did not purchase a model license but signed a protective agreement.

- Participants asked how batteries are incorporated into the modeling, including the decision to not include four-hour batteries and how the behavior of battery storage is modeled. APS shared that in the study work, six- and eight-hour batteries hold their ELCC values more effectively than 4-hour batteries and are utilized mainly based on their specific energy and capacity values.
- Participants asked about the displayed buildout amounts of specific resources in the initial base case portfolio result, namely the approximately 50% natural gas noted in the presentation. APS responded that these are not final buildouts, which will still be undergoing changes due to reruns and adjustments to sensitivities as part of further modeling.
- Participants asked if the model would be able to pick a future coal to gas conversion at Four Corners based on the model's analysis of the Four Corners exit timing sensitivity. APS replied that it is not currently called out as a resource candidate within PLEXOS, and the multiple ownership situation of Four Corners would make this a challenge at this time.

Tim Rusert | APS/Director, Power Supply Services | Summer Preparedness

Summary: As a follow up to the Summer Preparedness workshop hosted at the ACC earlier this year, Tim provided an overview of key data shared within that presentation and also offered new insights into how APS forecasts are affected by summer temperatures since weather is the biggest driver for variations in forecast peak. Tim also discussed APS's current resource portfolio as well as new additions that have come online to provide reliable energy for customers this summer, including 775 MW of energy storage, 500 MW of wind, and 318 MW of solar. Lastly, Tim shared a detailed look at how the 113-degree heat over four sequential days in July affected APS's customer demand, and the significant impact that even a single degree increase in low and high temperatures for the day can have on customer demand.

- Participants asked how the reserve margin adjusts from year to year and whether the displayed margin percentage represents the PCAP or the ICAP accounting methodology. APS responded that it is the PCAP methodology, but variations in resource tracking and the actual calculation used to determine the margin can result in differences in the final PRM.

Mike Eugenis | APS/Director, Resource Planning | 2026 IRP Filing Extension

Summary: For the final discussion item, Mike shared updates on the revised IRP schedule, with the final IRP now due to be filed on October 30, 2026. The IRP was previously due August 3, and the changes also incorporate added time for the stakeholder comment process. This change allows for the addition of another RPAC meeting prior to the filing of the IRP and more flexibility when it comes to modeling needs and analysis of the portfolios.

- Participants asked how APS plans to present their preferred portfolio and if there will be options to compare and contrast the preferred portfolio to other options. APS replied that the IRP will include expanded resources to better see the impact of sensitivities within the portfolio.

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

- Participants asked about the possibility of when they may expect to see results of the 2025 ASRFP. APS replied that the negotiations for the shortlisted responses will be ongoing through the end of the year, and updates on specific results will not be available until those negotiations are completed.