

System Reliability Benefit Stakeholder Meeting Minutes



Meeting Date and Location

- July 23, 2026, 10:00 a.m.-10:30 a.m. via Microsoft Teams

Meeting Objectives

- Provide interested stakeholders with an update on projects that are eligible for inclusion in the System Reliability Benefit (SRB) Mechanism.

Attendees

Attendee	Organization
Alexander Abramson	Arizona Corporation Commission
Morgan Bigelow	IBEW
Patrick Black	Fennemore Law
Diane Brown	Arizona PIRG
Seamus Crowley	Arizona Large Customer Group
Jude Gyesi	Residential Utility Consumer Office
Teresa Hunsaker	Arizona Corporation Commission
Autumn Johnson	Arizona Solar Energy Industries Association
Kaitlyn Smith	Fennemore Law
Wilson, Katy	TransAlta

Meeting Topics

Introduction and Stakeholder Process, Adam Constable – APS, Consultant, State Regulatory

Adam discussed the meeting agenda and provided an overview of the stakeholder process that was approved as part of the SRB Plan of Administration. He explained that participants could provide additional comments to APS during a stakeholder comment period following the meeting. Additionally, an overview of proposed changes to the SRB was shared with participants, including the potential elimination of the SRB if the Formula Rate Adjustment Mechanism (FRAM) is approved as proposed in the 2025 rate case.

- **Question – Stakeholder:** *Will the Formula Rate Adjustment Mechanism (FRAM) have the same or similar stakeholder engagements that the SRB currently has?*
- **Response – Adam Constable:** If the FRAM is approved as proposed in the rate case, it would follow its own stakeholder engagement process. Within the FRAM proposal are opportunities for stakeholder engagement such as a public hearing and discovery, but the SRB stakeholder process would not transfer over to the FRAM.
- **Question – Stakeholder:** *Is the FRAM going to have quarterly meetings where you will tell us about progress like you do for the SRB?*
- **Response – Adam Constable:** As currently proposed, the FRAM would not include quarterly stakeholder meetings.
- **Question – Stakeholder:** *Is it fair to say that at this moment in time, you're not planning on using the SRB until you see what happens in the rate case?*
- **Response – Jill Freret:** You're correct, we don't have an eligible resource that would go into service between now and when we expect a rate case decision. The only

current resource that is eligible for the SRB is not expected to be in service until the first quarter of 2028.

SRB Tables I-III Update, Jill Freret - APS, Director, Resource Acquisition and Fuels

Jill provided an update on SRB Tables I-III to the participants.

Table I: This table provides a description of the 2025 All-Source Request for Proposal (RFP).

Table II: This table describes the Redhawk expansion, an APS-owned project that will be eligible for recovery through the SRB once completed. It is estimated to be in service by Q1 2028.

Table III: This table is currently empty as recovery for all completed projects eligible for the SRB mechanism is included as part of the currently ongoing rate case.