



Meeting Date and Location

- October 25, 2024, 2:00 p.m.-2:45 p.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
Sarah Barrios Cool	Residential Utility Consumer Office
Morgan Bigelow	IBEW
Patrick Black	Fennemore Law
Kevin Higgins	Arizona Large Customer Group
Teresa Hunsaker	Arizona Corporation Commission
Michelle King	Arizona Large Customer Group
Jeff Michlik	Residential Utility Consumer Office
Kristin Nelson	Individual
Dan Pozefsky	Residential Utility Consumer Office
Court Rich	Rose Law Group

Meeting Topics

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

Adam began the meeting with an introduction and an overview of the agenda for the meeting. Adam also provided an overview of the stakeholder process that was approved as part of the SRB Plan of Administration and detailed how participants can provide additional comments to APS during a stakeholder comment period following the meeting.

- **Question – Stakeholder:** *Is there any way that we could increase that 60-day window of the Notice of Intent? Perhaps it could be increased to 120 days?*
- **Response – Adam Constable:** Thank you for that feedback, it is very helpful. One thing that I will note regarding the 60-day requirement is that it is *at least* 60 days. It is written that way in the approved Plan of Administration and does allow for some flexibility to provide that notice earlier. We don't anticipate the first SRB application being filed until late 2025 at the earliest, so there is still some time to discuss that and determine the best cadence.
- **Question – Stakeholder:** *On the topic of the notice of intent being included in customer bills, people aren't going to notice those. Could we request a separate notification that is larger that will get the attention of customers?*
- **Response – Adam Constable:** While the details around the notifications have yet to be finalized, the approved Plan of Administration does require the Notice of Intent to be filed with the ACC in multiple dockets, notifications placed onto aps.com, and mailed or emailed communications being sent out to customers.

SRB Tables I-III Update, Derek Seaman, Director, Resource Acquisition

Derek provided an update of SRB Tables I-III to the participants. Within these tables he shared a description of the 2023 RFP and described four projects that will be eligible for recovery through the SRB once completed. Those projects include Ironwood, Agave, Sundance, and Redhawk. These projects have estimated in-service dates ranging from Q1 2026 to Q1 2028. There are currently no completed SRB projects, so Table III is currently blank.

- **Question – Stakeholder:** *On the resources that you do have the information for, are all of those on Table II currently being used?*
- **Response – Derek Seaman:** No, none of the projects listed in Table II are currently in-service. Column D on Table II shows an estimated in-service date, and that is when we expect them to be online, used and useful, and pushing megawatts to our grid. These are all under agreements for construction and we will be updating this table along the way as we get closer to bringing them into service.
- **Question – Stakeholder:** *Is there a sense of how close in time the next stakeholder meeting will be to your filing of the notice of intent? When the notice comes out and things are more definite, I’m wondering what it will look like in terms of timing for us to ask questions at that stage.*
- **Response – Adam Constable:** There hasn’t yet been a final decision on when the first notice of intent or application will be filed. With these stakeholder meetings taking place on a quarterly basis, I anticipate one of these initial stakeholder meetings lining up closely to when that notice is filed. Additionally, both the notice of intent and the application process will have their own separate stakeholder meetings which will be more focused on the details of the projects that are going into that application.
- **Question – Stakeholder:** *Is there an SRB mechanism currently ongoing that is charging customers? Why don’t these tables include information on the current mechanism that is in place?*
- **Response – Adam Constable:** As the SRB was only recently approved within APS’s 2022 Rate Case, no funds are currently being recovered by the SRB. We anticipate recovery beginning at some point after the first of the projects listed in Table II goes into service, which is currently planned for Q1 2026. The SRB would first need to go through an application process before the ACC prior to recovery beginning.