

System Reliability Benefit (SRB) Mechanism

Stakeholder Meeting

February 27, 2026



Agenda

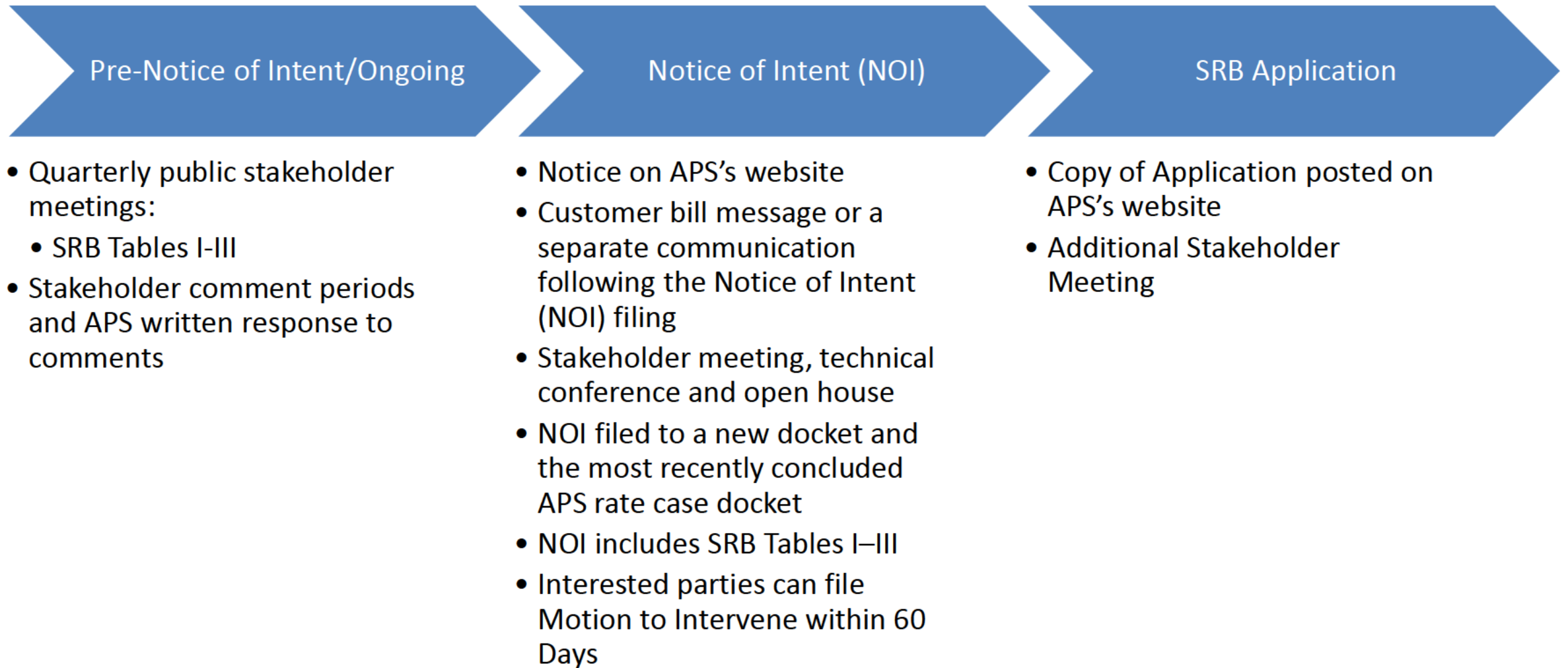
- SRB Stakeholder Process
- Stakeholder Comment Process
- SRB Table Update
- Questions/Comments

SRB Stakeholder Process and Meeting Guidelines

Adam Constable
APS



SRB Stakeholder Process



Meeting Documentation

- After Stakeholder meetings, APS will file SRB presentations to the docket and post presentations and meeting minutes to <https://www.aps.com/resources>

SRB Stakeholder Comment Period

Adam Constable
APS



Stakeholder Comment Process

- Stakeholders can provide comments and questions related to the SRB during meetings.
- APS will also hold a Stakeholder comment period for 14 days after the meeting. Additional SRB-related comments should be sent to StakeholderMeetings@aps.com.
- Following the 14-day comment period, APS will file written responses to all SRB-related comments received in the APS 2022 Rate Case Docket (E-01345A-22-0144).

SRB Tables I, II, and III

Jill Freret
APS



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SRB Table I - System Reliability Benefit (SRB) Adjustment Mechanism
 INITIATED ALL SOURCE REQUEST FOR PROPOSALS (ASRFPs)
 AS OF FEBRUARY 27, 2026

	(A)	(B)	(C)	(D)	(E)
Line No.	Detail A	Detail B	Detail C	Detail D	Detail E
1.	APS 2024 ASRFP	<p>RFP Information: APS is seeking at least 2,000 MW of resources that provide customers with flexible energy options and incorporate advanced technologies to produce reliable and affordable energy. APS is also focused on supporting the growing demand needs of extra high load factor customers, with specific attention paid to resources that can provide overnight energy and capacity. APS requests proposals for resources providing a minimum of 5 MW with commercial operation dates in 2028, 2029, or 2030 for Power Purchase Agreements (PPA), Build Transfer Agreements (BTA), Engineering, Procurement, and Construction Agreements (EPC), and Load Management Agreements (LMA).</p>	<p>Specific Opportunities:</p> <ul style="list-style-type: none"> • Addition of battery storage at APS’s existing Agave solar facility. • Addition of battery storage at APS’s existing Ironwood solar facility. • Renewable generation to be located within the geographic boundaries of the Navajo Nation. • Renewable generation to be located within the geographic boundaries of the Hopi Tribe. 	<p>RFP Timing: RFP Issued: November 20, 2024</p> <p>Anticipated Contract Execution: June 2025 - December 2025</p>	N/A

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SRB Table I - System Reliability Benefit (SRB) Adjustment Mechanism
 INITIATED ALL SOURCE REQUEST FOR PROPOSALS (ASRFPs)
 AS OF FEBRUARY 27, 2026

	(A)	(B)	(C)	(D)	(E)
Line No.	Detail A	Detail B	Detail C	Detail D	Detail E
2.	APS 2025 ASRFP	<p>RFP Information: APS is seeking at least 1,000 MW of resources. APS is requesting resources that will provide reliable capacity to meet summer peak needs, overnight energy, reserve margin and the growing demand needs of extra high load factor (XHLF) customers. APS could contract for significantly more than the above-referenced minimum target of 1,000 MW based on growing demand needs that may be served through its large customer subscription program. APS requests competitive proposals for capacity resources and renewable energy resources providing a minimum of 5 MW with commercial operation dates in 2029, 2030, or 2031 for Power Purchase Agreements (PPA), Build Transfer Agreements (BTA), Engineering, Procurement, and Construction Agreements (EPC), and Load Management Agreements (LMA).</p>	<p>Specific Opportunities:</p> <ul style="list-style-type: none"> • Thermal Generation at the APS-owned Desert Sun Power Plant (“Desert Sun”) site. • Generating resources to be located within the geographic boundaries of the Navajo Nation. • Generating resources to be located within the geographic boundaries of the Hopi Tribe. 	<p>RFP Timing: RFP Issued: November 19, 2025</p> <p>Anticipated Contract Execution: June 2026 - December 2026</p>	N/A

¹ APS’s 2025 ASRFP and information related to the ASRFP process can be found at the following link: <https://www.aps.com/en/About/Our-Company/Doing-Business-with-Us/Resource-Planning/Request-for-Proposals>

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SRB Table II - System Reliability Benefit (SRB) Adjustment Mechanism
 SCHEDULE OF ELIGIBLE QUALIFYING RESOURCE PROJECTS
 AS OF FEBRUARY 27, 2026

	(A)	(B)	(C)	(D)	(E)
Line No.	Resource Type	Size (MW)	Location	Estimated In-Service Date	Other Project Description
1.	Natural Gas	397 MW	Arlington, AZ	Q1 2028	Redhawk

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SRB Table III - System Reliability Benefit (SRB) Adjustment Mechanism
 COMPLETED QUALIFYING RESOURCE PROJECTS
 AS OF FEBRUARY 27, 2026

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line No.	Project Tracking Number	Resource Type	Resource Name	Size (MW)	Location	Actual In-Service Date	Other Project Descriptions	Total Cost ¹	ACC Jurisdictional Cost ¹
1.	REC019798	Energy Storage	Agave	150 MW	Arlington, AZ	August 26, 2025	This battery energy storage project serves to store excess energy from the existing Agave Solar Plant.	\$249.0M	\$249.0M
2.	SDC019482	Natural Gas	Sundance	90 MW	Casa Grande, AZ	November 14, 2025	This project adds two additional natural gas units to the existing plant.	\$182.7M	\$182.7M
3.	WE018495	Solar	Ironwood	168 MW	Yuma County, AZ	December 4, 2025	This new solar project will deliver clean energy to APS customers.	\$288.7M	\$288.7M

¹ Resource cost data is still being finalized as plants are booked to service in APS's accounting system.

Questions?



Thank You!

