Arizona Public Service - September RPAC Meeting Minutes

Date	Location	Start	Stop
9/11/2025		10:00 a.m.	12:00 p.m.

MEETING OBJECTIVES

- Recap the July RPAC meeting and provide the status of previous action items.
- Discuss APS's updated clean energy goal.
- Provide an overview of APS's 2024 resource adequacy study.
- Discuss Transwestern's natural gas pipeline expansion project.
- Forecast next steps and future RPAC engagement opportunities.

Attendees	Organization	Title/Role
Thomas Abshire	ACC	ACC Staff
Sandy Bahr	Sierra Club	Director, Grand Canyon Chapter
Greg Blackie	Arizona Free Enterprise Club	Deputy Director of Policy
Kate Bowman	Vote Solar	Regulatory Director
Diane Brown	Arizona PIRG	Executive Director
Kevin Carranza	GPEC	Vice President, Research & Analytics
Courtney Coolidge	Arizona Chamber of Commerce	Policy Advisor
Seamus P. Crowley	Arizona Large Customer Group	Associate
Gary Dirks	ASU	Senior Director, Global Futures Laboratory
Erin Ford Faulhaber	RUCO	Deputy Director
Will Greene	SWEEP	Arizona Representative
Chad Heinrich	National Federation of Independent Business	Arizona State Director
Lisa Hickey	Interwest	Senior Consultant
Nicole Hill	The Nature Conservancy	Climate Program Director
Autumn Johnson	AriSEIA	CEO
Phil Jones	Alliance for Transportation Electrification	Manager, Growth
Nitin Luhar	Mitsubishi	Consultant
Claire Michael	Wildfire	Climate Equity Director
Claire Nguyen	The Nature Conservancy	Energy Policy Advisor
Amanda Ormond	Western Grid Group	Director
Greg Patterson	AZ Competitive Power Alliance	Rotational Program Associate

Caryn Potter	AZ Attorney General	Environmental/Energy Specialist
Alex Routhier	Western Resource Advocates	Senior Policy Advisor
Bill Ruiz	Carpenter's Union	Arizona Representative
Andy Tobin	The Western Way	Director
Laura Wickham	SWEEP	Senior Arizona Associate
Ryan Witt	ACC	ACC Staff

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

Summary: Adam kicked the meeting off with a brief overview of APS's current and recent procurement activity, including APS's large customer subscription program, its ongoing 2024 ASRFP, and APS's Southline RFI.

- Members raised questions and comments on APS's current procurement efforts and whether more information will be shared. APS indicated that while more information will be shared in future RPAC meetings, current discussions are limited due to the ongoing 2024 All-Source Request for Proposals (ASRFP) negotiations. Topics such as the large customer subscription program and the Southline RFI will be integrated into future discussions, particularly as they relate to upcoming RFPs. APS is currently working to better understand project developments along the Southline transmission corridor, which is a mature and potentially valuable addition to the system.
- APS clarified that incremental costs, such as pipeline reservations and transmission fees, are included in the evaluation of natural gas bids. All resources are assessed based on their actual load-carrying capability to ensure a reliable and cost-effective energy mix.

Mike Eugenis | APS/Director, Resource Planning | APS/Leader, Resource Plan & Analysis | Clean Energy Goals Update

Summary: Mike discussed APS's new clean energy goal and the factors that motivated a transition change from the clean energy commitment introduced in its 2020 IRP. While APS has signed more renewable and energy storage resources for the 2020-2030 window in its recent ASRFPs than the 2020 IRP forecasted, significant changes in the industry arising since the clean energy commitment was introduced in APS's 2020 IRP have required APS to reevaluate the timing and specific targets of its clean energy goals.

- APS affirmed its commitment to its updated clean energy goal, acknowledging that the emission offset market is still in development. The company expects this space to evolve similarly to the Renewable Energy Certificate (REC) market. Stakeholders expressed interest in better understanding the rationale behind APS's shift to its revised clean energy goal. APS emphasized that maintaining reliability, at least cost, while managing an increasingly clean energy system are core principles to our planning process.
- Stakeholders questioned why APS's recent procurement of renewable and energy storage resources exceeded forecasts from its 2020 Integrated Resource Plan (IRP). This procurement was driven by rapid system growth and the need for reliable, cost-effective resources that can be deployed quickly. The system peak increased from approximately 8,200 MW to over 8,600 MW in one year, and APS anticipates continued growth through 2030.
- APS clarified that future of the Four Corners Power Plant remains under evaluation. APS has flexibility in negotiating its coal contract, which ends in 2031. Stakeholders questioned the economic viability of continuing operations at Four Corners. APS responded that decisions will be influenced by federal policy changes, tax credit structures, and evolving market conditions, and that the Company must remain responsive to the most current information while acknowledging future uncertainties.
- APS addressed the growing size of its datacenter queue, which now exceeds 10 GW—more than the most energy the Company has ever delivered. This load is currently uncommitted, and APS is actively assessing which projects are speculative. The Company is engaging with datacenter customers to understand their commitment levels and avoid cost shifts to existing customers. APS is also exploring behind-the-meter and distributed generation partnerships that can help support both large customer load growth and grid reliability.

- Stakeholders expressed interest in being included in statewide conversations about Arizona's energy future, including engagement with the Governor's Office, Legislature, and other policymakers. APS confirmed that it is actively communicating with state leadership and is committed to protecting native growth and avoiding cost shifts.
- Some stakeholders questioned the economic benefit of high-load customers, while others highlighted the indirect benefits to small businesses and skilled trades.

Akhil Mandadi | APS/Leader, Resource Plan & Analysis | 2024 Resource Adequacy Study Work

Summary: Akhil presented APS's 2024 resource adequacy study. The study incorporated updated load forecasts, expanded weather scenarios, and modeled natural gas pipeline constraints. The key findings highlighted a shift in system needs from primarily summer peaking capacity to a focus on both capacity and energy adequacy. Additionally, the study showed that natural gas fuel constraints significantly impact reliability, emphasizing the need for additional fuel resources to meet planning reserve margins and maintain target Loss of Load Expectation (LOLE) levels.

- APS confirmed that its most recent load forecast from its quarterly update was used to inform the study. APS also explained that including a broader range of historical weather data helps anchor the analysis, though future weather scenarios can carry more uncertainty.
- APS clarified that the initial modeling did not include the new Transwestern pipeline but that sensitivities were run to evaluate its impact. APS committed to sharing the study report with RPAC members.
- Participants raised questions about winter fuel limitations and shifting regional peak patterns. APS pointed to Slide 15, which highlights reliability needs outside of summer months. APS also noted that a benefit of soon joining Markets+ is the market's energy liquidity.
- APS clarified that the study evaluated multiple resource types, not just natural gas, and explained that non-firm resources with lower Effective Load Carrying Capabilities (ELCCs) require significantly more capacity to meet reliability needs. The study was built around ELCC analysis, which directly informs cost and planning decisions. APS confirmed that demand-side resources, including existing and forecasted energy efficiency measures, were also included in the study.
- APS shared that in its 2023 IRP, it transitioned to using PCAP (Perfect Capacity) in its ELCC analysis for all years after 2026.

Mike Eugenis & Jill Freret | APS/Director, Resource Planning | APS/Director, Resource Integration & Fuels | Natural Gas Pipeline Expansion Update

Summary: Mike and Jill provided an update on APS's involvement in the new Transwestern natural gas pipeline, highlighting the role of natural gas in maintaining reliability and affordability across multiple future energy scenarios. Mike shared that APS evaluated portfolios under different federal policy assumptions and consistently found additional natural gas transport to be part of the most economic mix. Jill shared an overview of the pipeline.

- APS confirmed that the study work supporting Slides 23 and 24 was developed internally and will be reflected in the 2026 IRP through various sensitivity cases. APS noted that while the specific scenarios shown may not appear in the IRP, other cases evaluating natural gas sensitivities will be included. APS also noted that its conclusions are consistent with other utilities that support the pipeline, and that it has invested significant time in refining resource constraints and cost assumptions.
- APS committed to providing more detail on portfolio costs at a future RPAC meeting. APS clarified that the total portfolio costs shown on Slide 24 are inclusive of all costs and that the study covers a 20-year period.
- APS clarified that the $7.3 billion investment referenced is for natural gas transportation only and does not include fuel costs. This transportation cost is fixed under the agreement with TW, but APS has secured flexibility on volumes by being able to increase its capacity on the new project (flex up) and/or not renew other existing transportation contracts (flex down) depending upon timing and magnitude of load growth into the future. APS confirmed it currently has contracts for purchasing fuel and that fuel purchases will vary year to year depending on load growth and other resources in

the forecast. APS also confirmed that gas commodity costs are included in the modeling of gas generation.

- APS shared that it is committed to continuing this conversation in future RPAC meetings.

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

No Questions