

# Arizona Public Service - February RPAC Meeting Minutes

Date	Location	Start	Stop
2/27/2024	Virtual	8:00 a.m.	9:25 a.m.

## MEETING OBJECTIVES

- Recap the December RPAC meeting and provide the status of previous action items.
- Highlight APS key themes with opening remarks from Brian Cole.
- Discuss APS's ongoing 2023 All-Source RFP and any status updates.
- Explain APS's transmission interconnection process and key milestones.
- Discuss stakeholder comments surrounding the 2023 IRP.
- Forecast next steps and future RPAC engagement opportunities.

Attendees	Organization	Title/Role
Jeffrey Allmon	Pinnacle West - APS	Senior Attorney
Sandy Bahr	Sierra Club	Director, Grand Canyon Chapter
Tara Beske	APS	Business Advisor, Resource Management
Vern Braaksma	APS	Senior Account Manager
Chris Camacho	Greater Phoenix Economic Council	President & CEO
Keaton Clark	1898 & Co.	Power & Utilities Analyst
Brian Cole	APS	Vice President, Resource Management
Adam Constable	APS	Federal/State Regulatory Consultant
Yessica Del Rincon	APS	Communications Consultant
Mike Eugenis	APS	Manager, Resource Planning & Analysis
Ben Fitch-Fleischmann	Interwest Energy Alliance	Director, Markets and Transmission
Erin Ford-Faulhaber	Residential Utility Consumer Office	Deputy Director
Jill Freret	APS	Director, Resource Integration & Fuels
TJ Higgins	Griffith Energy	Carolina Power Partners Asset Manager
Autumn Johnson	Tierra Strategy	CEO
Sam Johnston	Interwest Energy Alliance	Policy Manager
Ashley Kelly	APS	Manager, Regulatory Compliance
Todd Komaromy	APS	Director, Resource Planning
Melissa Krueger	Pinnacle West - APS	Associate General Counsel
Rachael Leonard	APS	Manager, Regulatory Compliance
Matthew Lind	1898 & Co.	Director of Resource Planning
Evan Lipsitz	1898 & Co.	Consultant

Akhil Mandadi	APS	Sr. Engineer, Resource Planning
Dugan Marieb	Pine Gate Renewables	Regulatory Associate
Nicholas McDonald	APS	Business Systems Consultant
Pamela Nicola	APS	Manager, Sustainability
Amanda Ormond	Western Grid Group	Director
Caryn Potter	SWEEP	Arizona Representative
Nicole Rodriguez	APS	Consultant, Strategic Communications
Alex Routhier	Western Resource Advocates	Senior Clean Energy Policy Analyst
Derek Seaman	APS	Director, Resource Acquisition
John Sherry	Holland & Hart LLP	Associate
Robin Shropshire	Griffith Energy	Asset Manager
Jason Smith	APS	Manager, Regulatory Affairs & Compliance Adm
Jackie Solares	St. Vincent de Paul	Director, Sales and Business Development
Victoria Soto-Aguirre	APS	Business Consultant, Resource Management
Kelly Spence	APS	Senior Analyst
Jason Spitzkoff	APS	Manager, Transmission Engineering
Madeline Suellentrop	1898 & Co.	Lead Power & Utilities Analyst
Reece Taylor	APS	Financial Analyst
Laura Wickham	SWEEP	Senior Arizona Associate
Scott Yaeger	Rockland Capital	Vice President, Power Marketing
Cynthia Zwick	Residential Utility Consumer Office	Director

## Matt Lind | 1898 & Co./Director of Resource Planning | Welcome & Meeting Agenda

- No questions.

## Brian Cole | Vice President, Resource Management | Opening Remarks

**Summary:** APS is experiencing high levels of growth, which is driving our need for new resources. This, combined with extreme heat events in the Southwest, has nearly doubled our new resource requirements. APS will continue with our all the above acquisition approach, and the Company is also looking at new long-term alternatives. This process is ongoing and not limited to when we are developing an IRP.

- **Question - RPAC Member:** Will Brian Cole be doing one-on-ones with the RPAC members?
  - **Response - Brian Cole:** I will be working with Todd Komaromy to figure out how to handle these relationships and the next steps.
- **Question - RPAC Member:** I do find it paradoxical that we talk about extreme heat, and then we talk about all the above resources and how we are going to keep using fossil fuels. Fossil fuels are why we have extreme heat, and it is a snowballing problem. I just wanted to point out that this strikes me, and it is a little bit of a curious comment.
  - **Response - Brian Cole:** We have to look at reliability and we are absolutely moving towards our clean energy future. We are very consistent with not only our message but our actions. You can see that in all the renewables we have acquired such as our batteries to help reliably keep our system operating, that is something we believe we will need to have to fill in gaps. You have probably heard the term “gas is only a transition,” and that is how APS sees it. We see it as only a transition and we do not see the use of gas beyond 2050. We also need some technologies to develop in order to bridge those gaps. That is why I mentioned technologies such as pumped

storage and new nuclear and hopefully other technologies that are out there. We recognize that gas is a fossil fuel, and we want to move away from it, but we have to do it in a reliable and affordable way. At the end of the day, we are trying to balance all of these items. We appreciate your contributions and your participation in this. Please continue to leave your comments and give us your input and we will continue to work towards all our goals of safe, reliable, affordable, and clean as we go forward.

## Jason Spitzkoff | APS/Manager, Transmission Engineering | Generation Interconnection Reform

**Summary:** APS has revised its Generation Interconnection process to include additional filing requirements and establish a yearly cluster study period. A transitional queue has been developed to move existing projects through the new process. The Company has also requested a waiver to hold the 2024 cluster study, in order to finish study work associated with the transitional cluster and provide better timelines for future requests. Results from the transitional cluster are expected in 2024.

- **Question - RPAC Member:** Previously, APS said there was 80 GW in the backlog, and now there's 20GW, how much will reform alleviate the backlog, and how long will it take to do that?
  - **Response - Jason Spitzkoff:** The answer to those questions is to be determined. There are a lot of discussions taking place on these issues, and we will see how effective these reforms are. These numbers do not reflect any of those reforms being implemented.
- **Question - RPAC Member:** What is pending as far as the withdrawal penalty and other reform?
  - **Response - Jason Spitzkoff:** It is all pending, and they are not applicable right now. The information shared is the pro forma language and process from FERC Order 2023.
- **Question - RPAC Member:** Can no new projects enter the Interconnection Queue in 2024?
  - **Response - Jason Spitzkoff:** That is correct.
- **Question - RPAC Member:** How does your work with the transmission system coordinate with Resource Planning? How does APS talk and work towards those goals together?
  - **Response - Jason Spitzkoff:** We talk about them as carefully as possible. Both APS groups are aligned on priorities such as reliability. The interconnection process is a non-discriminatory process. The process needs to work for every stakeholder, but we do not want to design the process around the needs of one particular stakeholder or group.
  - **Response - Todd Komaromy:** At the end of the day, it's about making sure there are good projects that can go forward and be executed, and we can have reliability for all. Jason is aware of the needs that we are planning for, and we are making sure that our processes account for the FERC-instructed interconnects that APS must abide by.

## Derek Seaman | APS/Director, Resource Acquisition | 2023 ASRFP Update

**Summary:** The Company has a need of approximately 1,000 MWs of capacity and at least 700 MWs of renewables identified in the 2023 ASRFP. APS is focused on projects that can be in-service in 2026-2028. One 500 MW wind agreement has already been signed, and negotiations are underway for Agave, Ironwood, Sundance, Redhawk, and a mix of PPAs. The 2024 ASRFP is expected to launch Fall 2024 and its resource need is still being determined.

- **Question - RPAC Member:** Can you give a general sense of where the wind project is located?
  - **Response - Derek Seaman:** The project is in Arizona.
- **Question - RPAC Member:** As for the gas, is 400 MW still the limit?
  - **Response - Derek Seaman:** I think we will be in the range of 400MW.
- **Question - RPAC Member:** Any update on Cholla?
  - **Response - Derek Seaman:** The opportunities explored were intended to utilize the existing infrastructure. There are varying technologies, long-duration storage and others, that can use the Cholla infrastructure. There is a project that is in initial negotiations that is in that region.
- **Question - RPAC Member:** Regarding the stakeholder process for the 2024 RFP, is APS planning to make the 2024 RFP similar to the 2023 RFP?

- **Response - Derek Seaman:** Yes. In addition, attention is going to be given to the longer lead resources, such as pumped hydro, new nuclear, and others, to provide a pathway to evaluate those technologies.
- **Question - RPAC Member:** Regarding hydrogen, will that be another component of 2024 and something we can spend more time on?
- **Response - Derek Seaman:** Hydrogen will remain a part of the dialogue. We will make sure there are sessions spent on hydrogen and APS's approach.

## Todd Komaromy | APS/Director, Resource Planning | APS Response to Stakeholder Comments - 2023 IRP

**Summary:** Many individual comments were submitted with mention to APS under the current docket number, several of which were submitted by RPAC members. The Company appreciates the engagement received in this process and will be formulating responses over the next few months.

- **Comment - RPAC Member:** This IRP has mostly been a good process, but stakeholders never received feedback from APS on the items that were raised during the working session held before comments were officially due. We would appreciate it if APS could flag some of the items that were raised and bring them to the RPAC.
  - **Comment - Todd Komaromy:** We appreciate the comment, and as mentioned earlier, we want to limit surprises and make sure there is an understanding ahead of time.
- **Comment - RPAC Member:** There were items in the IRP that we were unaware of, such as that APS had combined cycle build-out in later years of the planning study. This only showed up in the tables that were included.
  - **Comment - Todd Komaromy:** We appreciate the comment. Certainly, reach out if something catches you unaware. We are happy to provide additional explanations for concerns you may have. I believe the combined cycle you are referring to is an extension of tolling agreements and not a new build. As Brian Cole mentioned earlier in the meeting, this is not a one-and-done situation. If you have additional comments on the IRP, APS is here to receive and evaluate those and it does not have to be from the January filing.
- **Comment - RPAC Member:** It took us a while to figure that out by going through all the tables. It was not really talked about in the comments. We did end up figuring that out, but it would have been easier if you guys would have told us that up front.
  - **Comment - Todd Komaromy:** As Brian Cole mentioned earlier in the meeting, this is not a one-and-done situation. If you have additional comments on the IRP, APS is here to receive and evaluate those and it does not have to be limited to the January filing.

## Matt Lind | 1898 & Co./Director of Resource Planning | Next Steps & Closing Remarks

- **Question - RPAC Member:** Is the ASRFP meeting separate from the other RPAC meetings?
  - **Response - Todd Komaromy:** The 2024 ASRFP will likely take the same form as the 2023 ASRFP; not everyone can participate in the small group sessions, but we will provide updates at the RPAC sessions. If there is a need for more engagement, those can be scheduled. The flags in the timeline are not meant to be exact dates. The intended purpose is to illustrate the frequency of meetings moving into the near future. Additional meetings can always be added to our timeline.
- **Question - RPAC Member:** Is the April 3rd meeting the only meeting before the filing? Will the RPAC members be provided updates?
  - **Response - Todd Komaromy:** There will likely be more communication than just the April 3rd meeting. My intention is to communicate with the RPAC anything prior to the filing.
- **Comment - RPAC Member:** We felt surprised when APS went to the Commission about the Sundance units. I would encourage APS to share information before meeting with the Commission.
  - **Comment - Todd Komaromy:** Our intention is never to surprise or have you feel that way.
- **Comment - RPAC Member:** There are a lot of people in this group who care deeply about anything that emits carbon. As the process goes forward, the folks on these calls will want to know about anything that has to do with a carbon-based resource.

- **Comment - Todd Komaromy:** The Redhawk and Sundance slide content that Derek shared today was previously shared in monthly RPAC meeting and RPAC All Source RFP workshop meeting presentations and discussions did occur prior to the filing.