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# Meeting Minutes

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## TEP/UNSE Virtual Resource Planning Advisory Council Meeting

**Date:** Thursday Oct 26, 2023

**Time:** 9:00 am – 10:30 pm MST

**Location:** Virtual

Microsoft Teams link provided to all RPAC Members & participants.

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**9:00** Welcome, Introductions, & Logistics

**9:05** RMI/AriSEIA – Assessment of TEP's 2023 IRP

**9:50** Questions or feedback from stakeholders

**10:00** Next Steps

*This Meeting Summary is intended to document key points of discussion that occurred during the meeting. By providing a high-level written summary of the meeting, RPAC members will have an opportunity to correct, clarify, or amend the discussion points so that TEP has as accurate an understanding as possible of members' ideas and positions. In addition, this summary will allow those that have an interest in the IRP, but are not on the RPAC, to follow the process.*

*The majority of topics discussed at the meeting will have associated "slides", and this Meeting Summary is not intended to summarize the slides. However, the discussions that occur in response to the presentations will be summarized, without attribution.*

<b>Attendees</b>	<b>Organization</b>
<b>Alex Routhier</b>	Western Resource Advocates
<b>Autumn Johnson</b>	Tierra Strategy
<b>Caryn Potter</b>	SWEEP
<b>Catalina Ross</b>	Sierra Club
<b>Claire Michael</b>	
<b>Devi Glick</b>	
<b>Eric Wilson</b>	
<b>Gaby Tosado</b>	
<b>George Hammond</b>	
<b>Kathy Knoop</b>	
<b>Natalie Shepp</b>	
<b>Patrick Woolsey</b>	Sierra Club
<b>Sandy Bahr</b>	Sierra Club
<b>Sarita Morales</b>	IBEW Local 1116
<b>Stephen Cassidy</b>	US Air Force DMAFB
<b>Stephen Jennings</b>	AARP Arizona
<b>Taylor</b>	GridLab
<b>Tyler Fitch</b>	RMI
<b>Brianna Robles</b>	TEP
<b>Catherine Schladweiler</b>	TEP
<b>Ilse Morales Duarte</b>	TEP
<b>Jake Jones</b>	TEP
<b>Jenny Crusenberry</b>	TEP
<b>Joe Salkowski</b>	TEP
<b>Karen Kansfield</b>	TEP
<b>Lee Alter</b>	TEP
<b>Lauren Briggs</b>	TEP
<b>Megan Garvey</b>	TEP
<b>Mike Sheehan</b>	

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<b>Nonso Emordi</b>	TEP
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<b>Rhonda Bodfield</b>	TEP
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<b>Victor Aguirre</b>	TEP
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## Tyler Fitch (RMI) – Arizona Resource Planning Review: TEP/UNSE 2023 IRP

- **Question:** Can you go over the benefits on slide 15 about the 2026 retirement of Springerville?
  - **Response:** To summarize our approach here, we looked at replacing the Springerville unit with a cleaner set of energy resources. We're thinking solar, wind and storage that would kind of meet the same generation that Springerville had historically. We looked at 2 scenarios for doing that, one was using a later retirement date. We also looked at that same kind of replacement of Springerville, but on a more accelerated basis that takes advantage of this EIR program.  
The Energy Infrastructure Reinvestment (EIR) Program is essentially a low-cost loan that can substitute some of the equity or debt that a utility would usually use to finance some of these portfolios. A low-cost loan like this reduces cost for ratepayers because there is less financing and to a degree, it can also boost the equity returns as well.  
This reflects both a reduction in ratepayer costs because the cost of debt is lower, and also an increase in in shareholder value because the utility is able to turn over and investment more in capital quicker because of the accelerated retirement.
  
- **Question:** Is this just a proposal that's being sent on November 1st for that accelerator?
  - **Response:** Just to clarify, this is a prospective analysis of a pathway that TEP could take. I think that utilities are going to talk more about their proposed plan at the conclusion of my presentation.
  
- **Question:** Well, I was thinking about what we did last time, and I don't mean last meeting. I mean last IRP, but uh, maybe other people on the RPAC have a good sense of what's going to be in the filing on Wednesday. I'd be curious,

about you walking us through what preferred portfolio you selected and why. Just any kind of discussion we can have around that as well as what else we should expect to see in the filing on Wednesday.

- **Response:** Certainly, if you go back and look at that slide deck, we laid out three distinct paths around the work we've done here at TEP and we landed on a balanced portfolio approach. That is certainly going to be reflected in the filing. The filing would also provide more detail in the cost analysis.

We also plan to provide the RPAC modelers with a copy of the Aurora database, which will let those folks take a deep dive into the into the analysis. On November 1st we will make the filing and at that point there will be a three-month opportunity for stakeholders to make comments. Certainly, you could reach out to us and provide feedback to us as well.

- **Question:** Are you expecting to modify the next five-year action plan based on the comments?

- **Response:** If you recall the prior IRP cycle was certainly based on the old rules that have been in place for the last decade. Obviously, the modeling requirements and providing the software was one of them. The other big thing here is that the next ASRFP will drive the outcomes. Certainly, as we go forward, we want to have the ability to receive feedback. When we get down to procuring new assets, purchased power agreements (PPAs), or looking at new infrastructure for our system, It really comes back to the whole premise of a balanced approach because in this environment today, I know Tyler had the slide with the closure of Springerville in 2026, and I could just tell you that's just not a realistic scenario. I understand where he's going with the cost benefits and certainly, we appreciate that level of detail. But

- to shut down 1000 megawatts of coal by 2026, that's just going to put the reliability of not only our system but the rest of the state at risk. Again, I think there is more conversation to come, but certainly the ASRFP process and the ongoing activities that all the utilities in the state are doing, are going to drive kind of the the outcome of this plan.
- **Question:** *Is it TEP's understanding then then that the 2020 IRP order applies just going forward or that it only applies to the 2023 IRP?*
    - **Response:** I mean, there's a lot of information, a lot of requirements in the 2020 IRP order. Certainly, what you're seeing from us is a good faith attempt to look at all the different issues and approach them. With eyes wide open and balancing the interests of our customers, our employees and our communities. That is certainly the way we always approach things from a resource planning perspective, and we always will.
  
  - **Question:** *As far as the RFP's go, I've mentioned a request for stakeholder engagement before the issuance of RFPs, and I know we talked a little bit about providing some feedback on the last issued RFP. Is there any additional thinking on using this group or a subcommittee to review the RFP's before they're issued?*
    - **Response:** I think when we talked last, one of the things that I offered, and this goes to all the RPAC committee, is for folks to review our ASRFP documents before we put them out. We are certainly open to that because the more input we get the better. And certainly, keep in mind, with this ASRFP process, competitive intense negotiations happen behind the scenes and so confidentiality in those negotiations is critical. So, we certainly would like people to be part of that process up front, but we're certainly not going to let stakeholders be part of the

- negotiations and then after the fact, we're documenting what we are doing and we are using a third party consultant and an independent monitor in that process to make sure that things are done fairly and using best practices.
- **Comment:** I think the emphasis was how do we pursue the larger themes of the ASRFP in terms of weighted indicators to help guide the kinds of resources that TEP wants to see out of the ASRFP. The IRP is a guidance, but the RFP is the action plan, right? Those are the next steps that TEP is going to take to realize these resources. We've had some conversations about discussing some of the energy efficiency assumptions and maybe this could be a good way to continue some of that conversation and talk more about the next three to five years like the five-year action plan for example.