Agency Briefing

Springerville Generating Station Repowering Project

January 2026

Agencies

Please type into the chat:

- Name
- Organization
- Title/Role

- Federal Agencies
  - Apache Sitgreaves National Forest
- State Agencies
  - State Land Department
  - Department of Environmental Quality
  - State Historic Preservation Office
- Apache County
- Town of Springerville
- Town of Eagar
- City of St. Johns
- BNSF Railway
- Chambers of Commerce

Agenda

1. Company Overview
2. Project Overview
3. Environmental Considerations
4. Certificate of Environmental Compatibility
5. Public Participation
6. Question and Answer

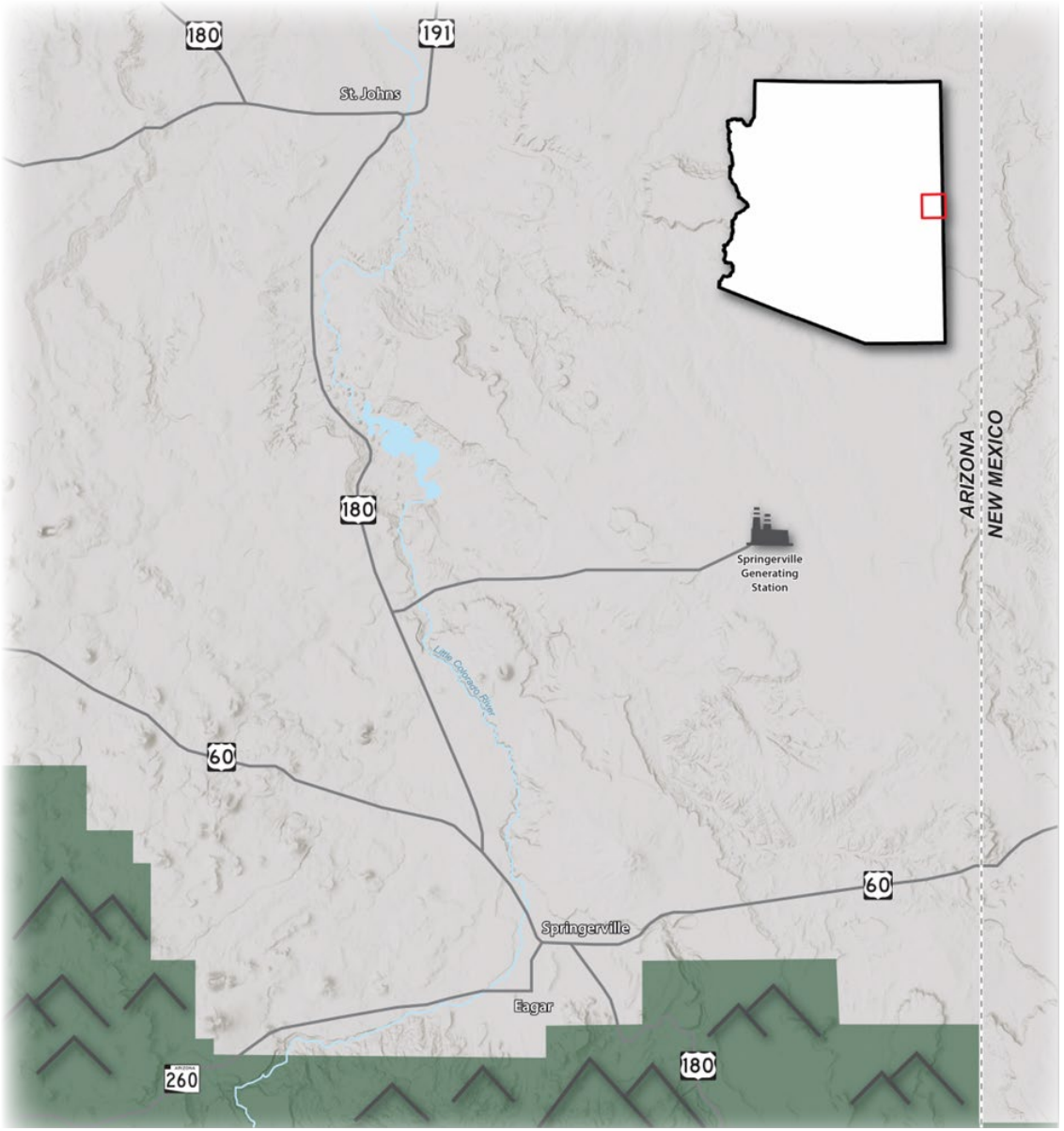
TEP Overview

- Service area: 1,115 sq. miles
- Customers: 450,000
  - Residential: 407,000
  - Commercial: 40,000
  - Industrial: 570
  - Mining: 4
  - Other: 1,870
- 5,100 miles of overhead transmission and distribution lines
- 4,300 cable-miles of underground distribution lines
- Approximately 100,000 power poles and transmission structures
- Regulated by the Arizona Corporation Commission

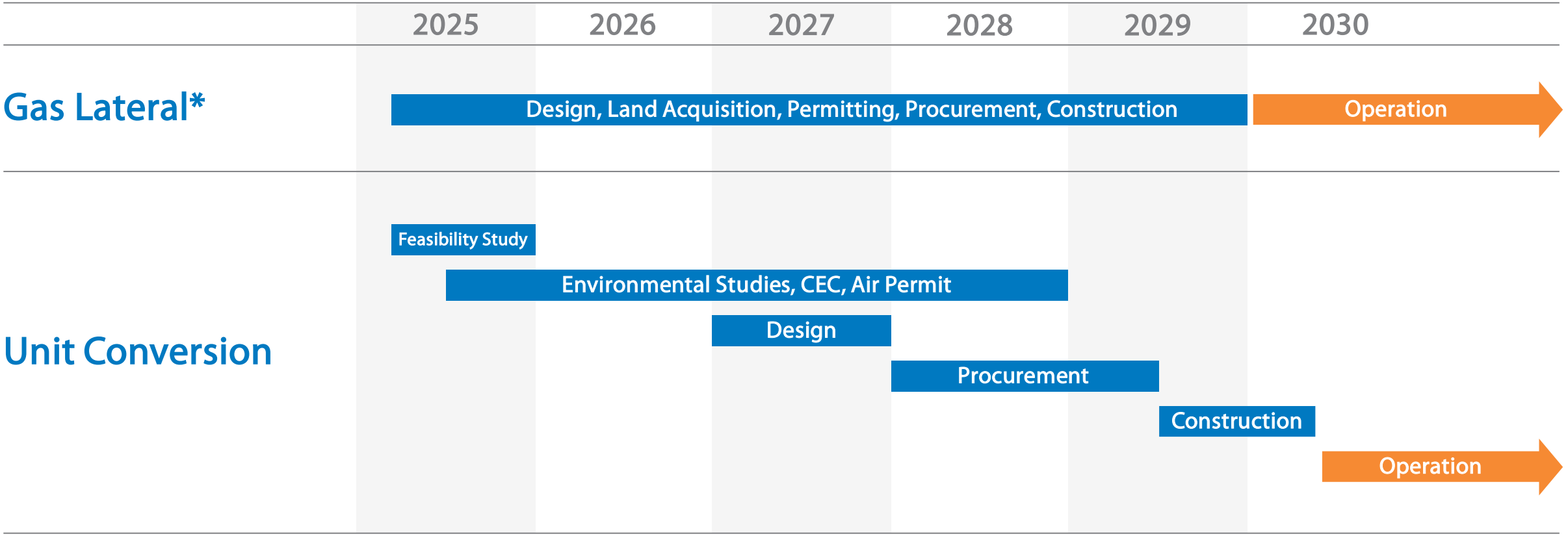
Project Overview

Converting Coal-Fired Units to Natural Gas

Tucson Electric Power plans to convert Units 1 and 2 at the coal-fired Springerville Generating Station (SGS) to operate on natural gas by 2030 to maintain reliable, affordable service and support local employment. The project also will reduce the carbon intensity of TEP's energy portfolio, helping us make progress toward our goal of net zero greenhouse gas emissions by 2050.



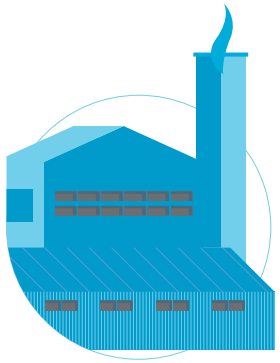
Project Timeline



*Under development by 3rd party

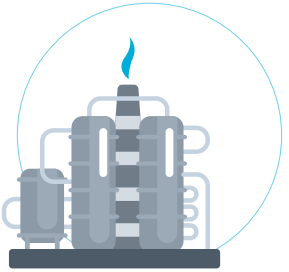
Saving Costs

The conversion will cost much less than building new resources to provide comparable capacity to the coal-fired units. A natural gas conversion also will provide greater cost certainty compared to the continued use of coal.



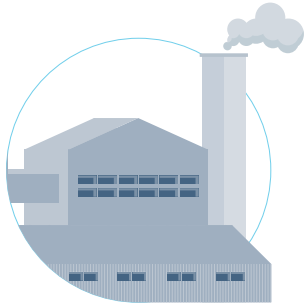
Natural Gas Conversion

$170 million



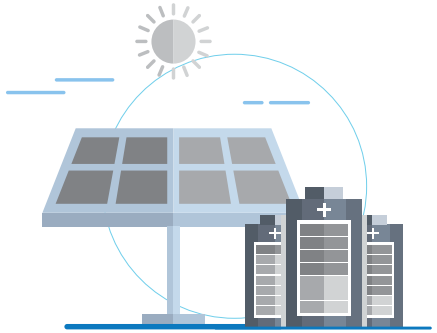
Combined Cycle Gas Plant

$1.5 billion



Continuing Coal with Upgrades

$450 million



Solar Plus 4-Hour Storage

$4.5 billion

** Cost comparison, 750 MW equivalent capacity*

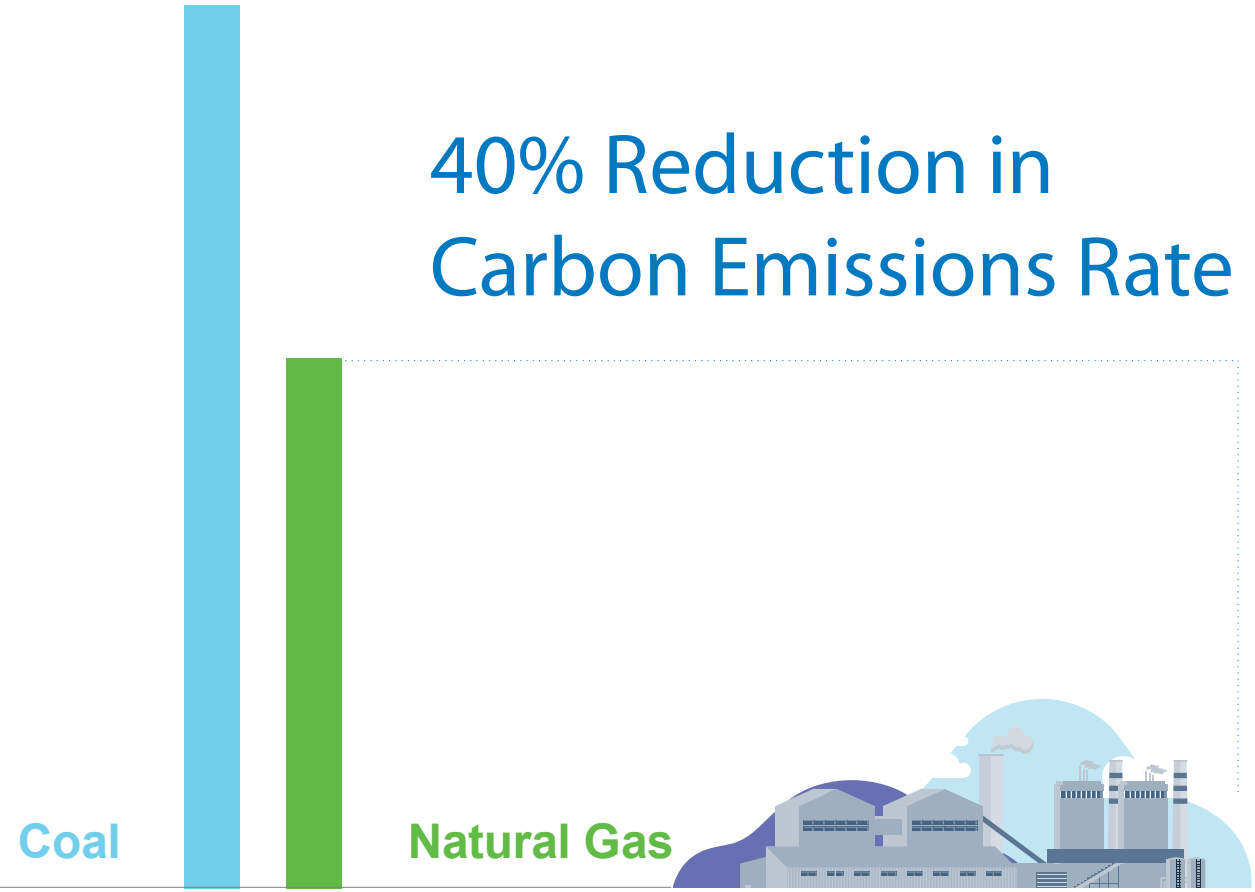
Saving Jobs

TEP has been operating the Springerville Generating Station since 1985. It's located about 175 miles northeast of Tucson, near the Arizona-New Mexico border, and about 15 miles outside of Springerville, Arizona.

Converting the plant will maintain jobs and tax revenues for Springerville, Eagar, St. John's and other White Mountains communities that our employees call home.

Reducing Emissions

- Natural gas generation produces less carbon dioxide emissions than coal generation per megawatt hour.
- Natural gas generation can serve as a “bridge” to a cleaner energy future, providing ready, reliable power while newer technologies mature.
- The repowering project will support TEP’s plan to achieve net zero direct greenhouse gas emissions by 2050 without compromising on reliability or affordability.



Environmental Considerations

AIR QUALITY

- In addition to the CO_2 emission rate reduction, the annual quantity of most air emissions, including sulfur dioxide (SO_2), lead, mercury, and metal Hazardous Air Pollutants (HAPs) will be significantly reduced
- Significant reduction in nitrogen oxides (NO_x) and total particulate matter (PM) emission intensity (pounds per MWh)

WATER USE

Not expected to increase water use intensity (gallons per MWh) and may be reduced:

- Elimination of water use for coal ash handling and associated water-based dust control measures
- Elimination of water use for dry scrubbers (no longer needed for SO_2 control)

ADDITIONAL BENEFITS

- Elimination of hundreds of thousands of tons of coal ash disposal in the landfill.
- Significant reductions in hazardous material (lime) use and management.
- Reduction in potential sources of stormwater pollutants in the power plant area.

Title V Air Quality Permit Process

Key Permitting Steps

- Project will require a Significant Permit Revision to the existing Title V Permit
- TEP will work with the Arizona Department of Environmental Quality (ADEQ), the permitting authority, on this permitting action
- The revised permit will include required emission limits and standards, as well as applicable monitoring, recordkeeping and reporting requirements
- The permitting process will include public notice, at least a 30-day comment period, a public hearing, ADEQ response to comments and U.S. Environmental Protection Agency (U.S. EPA) 45-day review

1977 CEC granted for Units 1, 2, and 3 (CEC No. 30)

- 350 megawatts each
- Coal-fired steam generation
- Commercial operation 1985

2005 CEC granted for Unit 4 (CEC No. 74)

- 350 megawatts
- Coal-fired steam generation
- Commercial operation 2009

2025 Filed application to amend CEC No. 30

- Convert Units 1 and 2 to natural gas-fired

2026 ACC Open Meeting

- The ACC may approve the amendment or remand to the Siting Committee.

Certificate of Environmental Compatibility

Prior to constructing a power plant in Arizona, a utility must receive a Certificate of Environmental Compatibility (CEC) from the Arizona Power Plant and Transmission Line Siting Committee (Siting Committee) and approved by the Arizona Corporation Commission (ACC).

Environmental Analysis

Factors considered by the approved Certificate of Environmental Compatibility in comparison to impacts that would result through the conversion of Units 1 and 2 from coal to natural gas.

- Wildlife and plant life
- Scenic areas, historic sites and archaeological sites and structures
- Environment
- Noise emission levels and interference with communication signals
- Potential public recreation uses
- Existing development plans
- Water use intensity
- Air quality emission rates
- Engineering feasibility and challenges
- Project costs and potential impacts on customer rates

Public Participation

- Fill out an online comment form at:

  tep.com/sgs-repower/

- Send comments to:

  SGSrepower@tep.com

- Call (520) 917-6647 and leave a voicemail message

- Mail a letter with comments to:

  ATTN: TEP SGS Repower Project
  P.O. Box 711
  Mail Stop CB200
  Tucson, AZ 85701-0711

- File a comment in the docket at:

  efiling.azcc.gov/online-services/utilities-public-comment-external

  Company: Tucson Electric Power Company
  Docket Number: L-00000C-77-0030-00000

Public Open House

Tuesday, January 20, 2026
5:00 – 7:00 p.m.

Round Valley High School

550 N. Butler St.
Eagar, AZ 85925

Q&A Session

Please use the raise hand feature in MS Teams

or

Type your question into the chat