

Management's Assertion Regarding Disbursement for Eligible Green Expenditures

Arizona Public Service Company ("APS" or the "Company") is responsible for the completeness, accuracy and validity of the APS Eligible Green Expenditure Report included below for the period October 1, 2018 through December 31, 2022. APS's management asserts that the full amount of the \$394.9 million net proceeds from the 2.65% senior unsecured notes due 2050 were disbursed by the Company during this period for eligible green expenditures.

Arizona Public Service Company Eligible Green Expenditure Report Period from October 1, 2018 through December 31, 2022

Net Proceeds from Green Bond Issuance

APS issued \$400 million of 2.65% senior unsecured notes on September 11, 2020, with a maturity date of September 15, 2050. The net proceeds from the transaction were \$394.9 million. The eligible period for eligible green expenditures is from 24 months preceding the bond issuance date to the maturity date of the notes.

Disbursements of Funds to Eligible Green Expenditures

Arizona Public Service Eligible Green Expenditure Report
Period from Oct 1, 2018 through Dec 31, 2022
\$ Amounts in Millions

Eligible Green Expenditures

<u>Project Type</u>	<u>Amount Disbursed</u>
Solar Energy Storage	\$159.5
Solar Initiatives	\$214.6
EV Charging Stations	\$30.9
Total Disbursements	\$405.0

Notes to APS Eligible Green Expenditure Report

Solar Energy Storage (AZ Sun)

APS's investments in energy storage will help support a clean energy future by enabling intermittent renewable energy to be stored when it is produced and used later at more advantageous times. The first phase of the AZ Sun Battery storage project has a total energy storage capacity of 141MW / 423MWh and went into service on May 2, 2023. The second phase of the AZ Sun storage project is expected to have a total energy storage capacity of 60 MW / 240 MWh and is expected to go into service in the summer of 2023. Between October 1, 2018 and December 31, 2022, \$159.5 million were disbursed towards the implementation of the solar energy storage projects.

Solar Initiatives

Increasing renewable and clean energy resources is an integral commitment that will require substantial ongoing investment by APS. APS supports the continued addition of rooftop solar as an important option for customers. Solar initiatives include the Redhawk Solar Facility which is a 150MW Photovoltaic Solar system, AZ Sun II which provides solar to limited income customers, Solar Communities 2.0 which serves to develop and to ensure stakeholder relationships and to provide solar benefits to limited income customers who typically have not had the financial ability to adopt solar, along with other programs. Between October 1, 2018 and December 31, 2022, \$214.6 million were disbursed towards the implementation of APS Solar Initiatives.

EV Charging Stations

Transportation represents a significant emissions source, and the electrification of that economic sector can help achieve overall carbon-reduction and air-quality goals. APS has developed electric vehicle programs to educate customers and encourage the development of the electric vehicle industry. APS continues to encourage electric vehicle adoption in Arizona and to provide incentives for customers to charge their vehicles at optimal times in order to maximize the use and viability of carbon-free renewables and to benefit the grid. As of February 7, 2023, APS has installed 684 dual-plug Level 2 charging stations at business customer locations. This is in addition to the five APS-owned EV DC Fast-Charging stations in APS territory along interstate corridors. Between October 1, 2018 and December 31, 2022, \$30.9 million were disbursed as part of the EV charging stations projects.