

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 June 30, 2021. APS' management asserts that \$107.5 million of the \$394.9 million net proceeds from the 2.65% Notes due 2050 were disbursed by the Company during the period October 1, 2018 through June 30, 2021, for eligible green expenditures. Remaining proceeds pending allocation are \$287.4 million.

Arizona Public Service Company Eligible Green Expenditure Report Period from October 1, 2018 through June 30, 2021

Net Proceed from Green Bond Issuance

APS issued \$400 million 2.65% senior unsecured notes on September 11, 2020, with a maturity date of September 15, 2050, and with total net proceeds in the amount of \$394.9 million. The eligible period for expenditures is during the 24 months preceding the bond issuance date until the maturity date of the notes.

Disbursements of Funds to Eligible Green Expenditures (Dollars in millions)

<u>Project Type</u>	<u>Amount Disbursed</u>
Solar Energy Storage	\$52.9
Solar Initiatives	\$42.7
EV Charging Stations	\$11.9
Total Disbursements	\$107.5

Notes to APS Eligible Green Expenditure Report

Solar Energy Storage

In 2018, APS issued a request for proposal for approximately 106 MW of APS-owned energy storage to be located at up to five of its AZ Sun utility-scale solar resource sites. Based upon its evaluation of the request for proposal responses, APS decided to expand the initial phase of battery deployment to 141 MW by adding a sixth AZ Sun site. Work is in progress related to these APS-owned battery storage facilities and they are expected to be in service by June 2022. Between October 1, 2018 and June 30, 2021, \$52.9 million were disbursed towards the implementation of solar energy storage projects.

Solar Initiatives

APS Solar Communities is a multi-year solar program. APS has and will continue to install APS-owned distributed generation systems on low to moderate income residential homes, non-profit entities, Title I schools, and rural government facilities. As of June 30, 2021, APS has completed approximately 700 installations under this program, comprised of approximately 11 MW of distributed generation systems. Between October 1, 2018 and June 30, 2021, \$42.7 million were disbursed towards the implementation of APS Solar Communities.

EV Charging Stations

APS is making electric vehicle (EV) charging more accessible for its customers and helping Arizona businesses, schools and governments electrify their fleets. Through the Take Charge AZ Pilot Program ("Take Charge AZ"), APS provides charging equipment, installation, and maintenance to business customers, government agencies, and multifamily housing communities. As of June 30, 2021, APS has installed approximately 60 sites with dual-plug Level 2 charging stations at business customer locations under Take Charge AZ. Between October 1, 2018 and June 30, 2021, \$11.9 million were disbursed towards Take Charge AZ.