

Verification Opinion Arizona Public Service Company CY2024 GHG and Water Inventories

Background

Cameron-Cole, LLC (Cameron-Cole) was retained by Arizona Public Service Company (APS) to perform an independent verification of its Greenhouse Gas (GHG) emissions and water use for Calendar Year (CY) 2024. The Scope 1 and 2 GHG Inventory was developed according to the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004 revised edition) along with its associated amendments. The Scope 3 GHG Inventory was prepared using the WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard dated September 2011 and associated amendments. Our opinion on the results of the inventory, with respect to the verification objectives and criteria, is provided in this statement.

Responsibility of APS & Independence of Verification Provider

APS has sole responsibility for the content of its GHG Statement. Cameron-Cole accepts no responsibility for any changes that may have occurred to the GHG emissions results since they were submitted to us for review. Based on internationally accepted norms for impartiality, we believe our review represents an independent assessment of APS' CY2024 GHG Emissions Inventory and Water Use Inventory. Finally, the opinion expressed in this verification statement should not be relied upon as the basis for any financial or investment decisions.

Level of Assurance

The level of assurance is used to determine the depth of detail that a Verification Body designs into the Verification Plan to determine if there are material errors, omissions, or misstatements in a company's GHG assertions. Two levels of assurance are generally recognized—reasonable and limited. Reasonable Assurance generates the highest level of confidence that an emissions report is materially correct (with the exception of Absolute Assurance which is generally impractical for companies to achieve). Limited Assurance provides less confidence and involves a less-detailed examination of GHG data and supporting documentation. Limited Assurance statements assert that there is no evidence that an emissions report is not materially correct. Cameron-Cole's verification of APS' GHG Emissions Inventory and Water Use Inventory for CY2024 were both constructed to provide a Reasonable Level of Assurance.

Objectives

The primary objectives of this verification assignment were as follows:

- Verify whether APS' 2024 GHG Emissions and Water Inventories meet the generally accepted GHG emissions and environmental information accounting principles of accuracy, completeness, transparency, relevance, and consistency;
- Determine if APS has reported all emissions in conformance with the WRI/WBCSD GHG Protocol, and the EPA Mandatory GHG Reporting Rule; and
- Determine whether or not APS' 2024 GHG Emissions and Water Inventories meet/exceed the 95 percent threshold for accuracy for scope 1 and 2 emissions and 90 percent threshold for accuracy for scope 3 emissions, assessed separately.

Verification Criteria

Cameron-Cole conducted verification activities in alignment with the principles of ISO-14064-3:2019(E) Specification with guidance for the verification and validation of greenhouse gas statements. The APS' GHG statement was prepared to, and verified against, the WRI/WBCSD GHG Protocol and WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard. APS's Water Use Inventory was verified in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

Verification Scope & GHG Statement

The scope of the verification covers APS' CY2024 GHG Emissions Inventory with the following boundaries:

- **Geographical:** US
- **Chemical:** carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆)
- **Organizational Boundary:** electricity-generating facilities, offices, service centers, and fleet
- **Operational Boundary:** The following sources/emissions were identified in APS' organizational boundary:
 - Scope 1
 - Direct emissions from stationary combustion sources: from electricity generating facilities in Yucca, Ocotillo, Saguaro, Sundance, Douglas, Four Corners, Cholla, Redhawk, and West Phoenix
 - Direct fugitive emissions: SF₆ emissions related to the operation of the electricity distribution network

- Direct emissions from mobile combustion sources: vehicle fleet
- Scope 2
 - Indirect emissions from electricity purchases: from APS fixed facilities and line losses
- Scope 3
 - Downstream emissions associated with business travel

In addition to the GHG emissions inventory verification scope described above, Cameron-Cole will verify the water use for nine facilities.

Known exclusions from APS's reporting boundaries include the following:

- Scope 1
 - Direct Fugitive Emissions: HFC emissions from stationary and mobile equipment and vehicles; CO2 fire-suppression systems.

APS' GHG assertions are as follows: For CY2024, APS reported 10,975,406.28 metric tons (MT) of carbon dioxide equivalents (CO2-e) from direct emission sources (Scope 1), 176,771.31 MT CO2e from Scope 2 location-based emission sources, 158,087.40 MT CO2e Scope 2 market-based emission sources, and 1,686.34 MT CO2e from Scope 3 emissions sources.

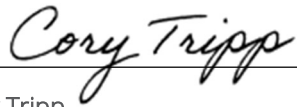
APS' water withdraw and discharge assertion is as follows: 101,342.33 acre feet.

Verification Opinion

Based on the method employed and the results of our verification activities, it has been determined that APS' GHG and Water inventories for CY2024 are free of material errors, omissions, or misstatements. Cameron-Cole also found that APS' GHG accounting and calculation methodologies, processes, and systems for this inventory conform to the WRI/WBCSD GHG Protocol and WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Cameron-Cole, LLC

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