

Transportation Electrification Implementation Plan

UNS – ELECTRIC (UNSE)

PROGRESS REPORT – JUNE 1, 2025 – MAY 31, 2026

DECISION NO. 78776



Table of Contents

Introduction	2
Statewide Transportation Electrification Plan (STEP) Updates	3
TE Market Update	3
Charging Infrastructure in Arizona.....	5
Arizona Air Quality	6
Transportation Electrification Implementation Plan (TE IP) Updates	7
Customer Outreach, Education, and Awareness	7
Residential Customer EV Adoption.....	8
Commercial Customer EV Adoption	8
EV Pricing Plans	9
Stakeholder Engagement.....	10
Budget Overview (2023-2025 Cumulative and 2026 through May 31 st)	12
Benefit-Cost Analysis	12

Introduction

UNS Electric Inc. ("UNSE" or "Company") pursuant to Arizona Corporation Commission ("ACC" or "Commission") Decision No. 78776, hereby submits its annual Transportation Electrification Implementation Plan ("TE IP") Progress Report. As approved by the Commission, this report also satisfies the reporting requirements of Decision No. 78383. As acknowledged in the approved Statewide Transportation Electrification Plan ("STEP"), achieving the benefits of transportation electrification will require engagement and supporting initiatives from not only the electric utilities but also from a wide variety of other stakeholders across the state. UNSE's TE IP Progress Report outlines the activities accomplished between June 1, 2024, and May 31, 2025.

The Company's TE IP supports the approved STEP EV adoption statewide goal of 1,076,000 (6,600 in UNSE's service area per the STEP) light duty vehicles by 2030 (see Figure 1) and provides the framing to scale programs and offerings to meet the charging needs of the high adoption scenario.

Figure 1. UNSE Proportionate Share Based on Approved STEP EV Goals

EV Types	2030 EV Goal (Vehicles on Road)	
	UNSE Service Territory	State
Electric Light Duty Vehicles	6,600	1,076,000
Electric Medium Duty Parcel Delivery Trucks	38	3,380
Electric Transit Buses	5	785
Electric School Buses	14	1,425

The Company's TE IP is a result of utility filings and Commission decisions as outlined below:

- Decision No. 77289 approved an Electric Vehicle Policy Implementation Plan. That plan required Public Service Corporations ("PSCs") to coordinate and jointly develop, with stakeholder input, a joint, long-term, comprehensive transportation electrification plan for Arizona, to be filed by December 31, 2019, for Commission review and approval;
- On December 27, 2019, TEP and APS filed Phase I of the joint Statewide Transportation Electrification Plan ("STEP") to comply with Decision No. 77289 and indicated that Phase II would be filed by April 1, 2021;
- On April 1, 2021, TEP and APS filed Phase II of the STEP;
- On April 30, 2021, the Commission opened Docket No. E-00000A-21-0104 to separately, and more narrowly, consider statewide transportation electrification apart from the larger energy rules docket;
- Decision No. 78383 approved the STEP (medium adoption scenario) and requires that beginning on June 1, 2022, and at a minimum every three years thereafter, Tucson Electric Power Company, UNS Electric, Inc., and Arizona Public Service Company shall each file a new TE IP for review and approval by the Commission within 180 days. Plans shall be developed with the input of a stakeholder collaborative that meets at least quarterly and, at a minimum, shall include programs and associated budgets to address key barriers to electric vehicle adoption and that provide offerings to serve low-income customers, single-family dwellings, multi-family

dwelling, commercial customers, industrial customers, public highway corridors, and public fleets;

- Decision No. 78776 approved UNSE's TE IP which requires an annual progress report to be submitted by July 15th of each plan year.
- Decision No. 78776 approved UNSE's TE IP for a three-year budget period. On May 2nd, 2025, UNSE filed a notification with the Commission requesting to extend the existing TE IP until the completion of its sister company's (Tucson Electric Power, TEP) rate case.¹

As noted in the approved plan, the first year of the TE IP will focus on increasing exposure to information about transportation electrification, its benefits and operations. For the remaining years, the TE IP will focus on launching programs to reduce the barriers to adoption and increasing access to the benefits of electrification.

Statewide Transportation Electrification Plan (STEP) Updates

The following sections relate to the Company's effort to report on transportation electrification initiatives relative to participation, environmental and economic metrics outlined in the STEP.

TE Market Update

In 2025, global EV sales surpassed 20 million units, reflecting 20% growth from 2024 sales and 5% of global vehicle electrification². The U.S. market lagged in sales compared to other global markets, marked by lower sales in 2025 compared to 2024. Slower adoption is likely related to several shifts in federal policy, including the termination of tax credits for EV purchases and the elimination of financial penalties for lack of compliance with fuel economy standards for automakers.¹ Even so, EVs still made up 10% of U.S. vehicle sales in 2025.

The National Electric Vehicle Infrastructure (NEVI) Formula Program, established by the Infrastructure Investment and Jobs Act, remains active today to support funding for up to 80% of project costs associated with approved public charging projects.³ In Arizona, Phase 1 awards were announced in August 2024 for 18 charging stations across the state.⁴ Phase 2 awards were announced in June 2026 for an additional 14 stations, with ADOT anticipating issuing a Phase 3 RFP in summer 2026.

The presence of public charging infrastructure remains critically important to support EV adoption, with some estimates that public charging infrastructure in the U.S. would need to more than triple in the next five years to support projected demand.⁵ At the same time, consumer cost to charge with public charging stations has risen above the price of gasoline in some markets, including in the U.S. While charging at home is still cost competitive, public charging costs may discourage EV adoption in particular for consumers who are unable to charge at their home location. While rising gas prices have spurred additional interest in EVs, it remains to be seen what the longer-term impact on sales will be.

¹ <https://docket.images.azcc.gov/E000049113.pdf?i=1781821806247>

² International Energy Agency, "Global EV Outlook 2026 - Trends in electric cars". May 2026. <https://www.iea.org/reports/global-ev-outlook-2026/trends-in-electric-cars>

³ U.S. Department of Energy, "National Electric Vehicle Infrastructure (NEVI) Formula Program". January 2026. <https://afdc.energy.gov/laws/12744>

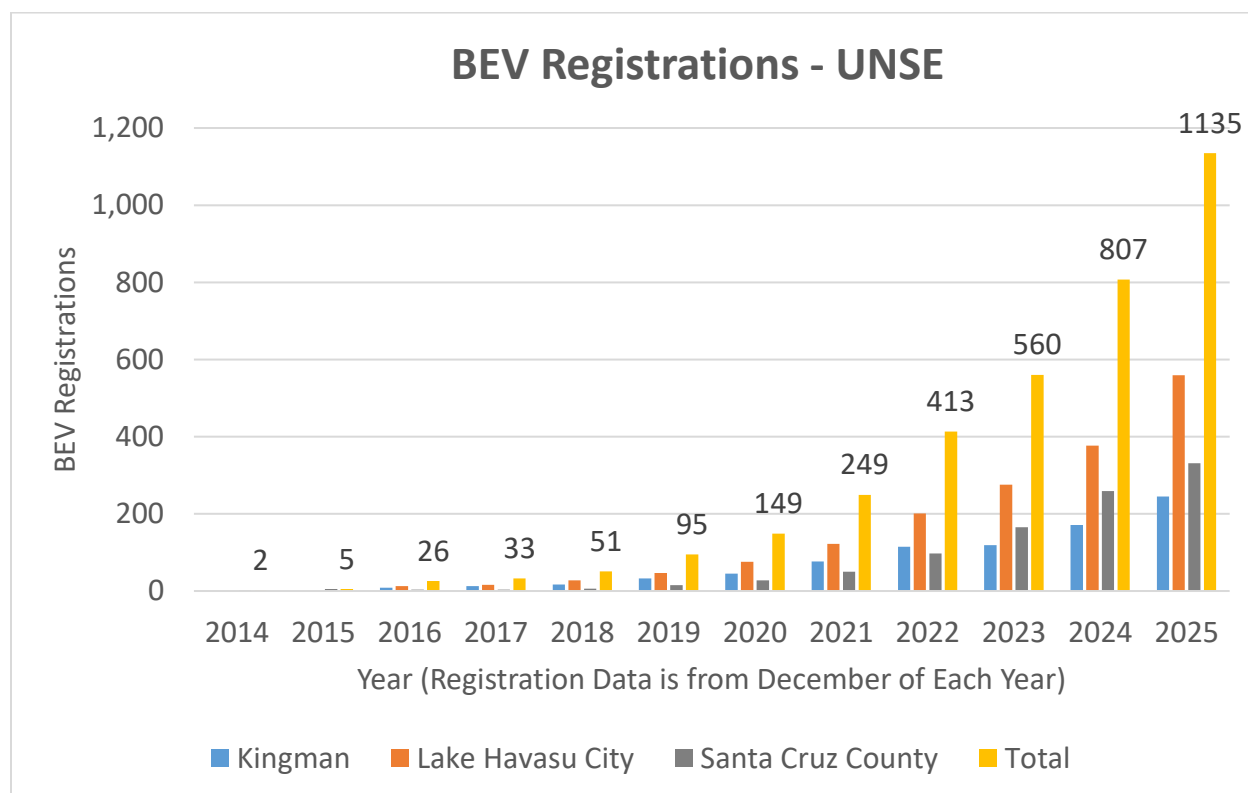
⁴ ADOT, "EV Infrastructure Implementation". June 2026. <https://azdot.gov/ev-infrastructure-implementation>

⁵ BloombergNEF, "Electric Vehicle Outlook 2025". August 2025. <https://assets.bbhuh.io/professional/sites/24/202506-EVO2025-Executive-Summary.pdf>

Despite uncertainty the U.S. EV market faces in light of changes in policy, tariffs, and overall inflation, consumer interest in EVs remains strong. J.D. Power reported, as of May 2026, 26% of shoppers in the market for a vehicle reported there were very likely to consider purchasing an EV.⁶ Major barriers include range anxiety, charging availability, and purchase price. Additionally, consideration is lower for multifamily housing residents, where only 18% of respondents living in an apartment noted they were “very likely” to consider purchasing an EV. A major benefit of driving an EV is the convenience and cost-savings that charging at home brings; those living in multifamily dwellings without access to convenient, cost-effective charging may not be able to realize the benefit and as such, it is not a primary motivator for going electric.

EV price considerations may vary based on the new versus used vehicle market. January 2026 new EV sales were down almost 30% year-over-year, while used EV sales were up 21% year-over-year.⁷ This may be related to the relative cost parity of used EVs compared to used ICE vehicles: in January, the average used EV listing price was reported at \$35,442, compared to \$34,066 for ICE vehicles. In comparison, the average transaction price for a new EV was \$55,715, compared to \$48,617 for new ICE vehicles.

EV registrations continue to rise in Arizona, albeit at a slightly slower pace than previous years. The number of registered battery electric vehicles (BEVs) increased 28% and 41% from 2024 to 2025 in Arizona and UNSE’s service territory, respectively. For comparison, BEV registrations increased 32% and 44% from 2023 to 2024 in Arizona and UNSE’s service territory, respectively.



⁶ J.D. Power, “More New Vehicle Shoppers Consider EVs as Fuel Costs Rise, JD Power Finds”. May 2026. <https://www.jdpower.com/business/press-releases/2026-us-electric-vehicle-consideration-evc-study>

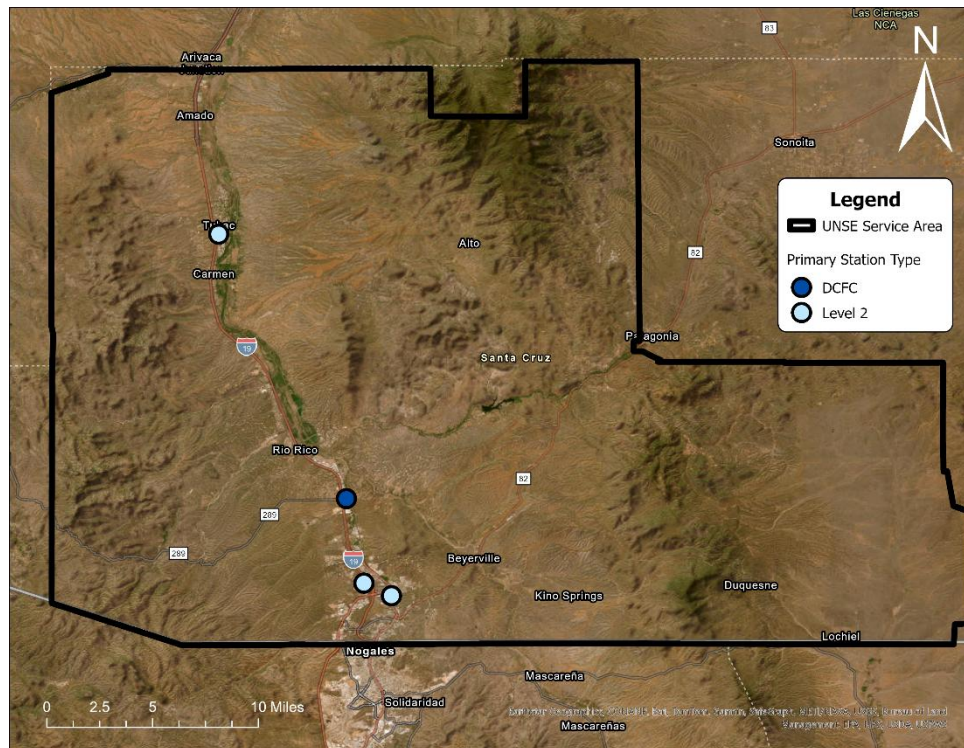
⁷ Cox Automotive, “EV Market Monitor – January 2026”. January 2026. <https://www.coxautoinc.com/insights/ev-market-monitor-january-2026/>

Charging Infrastructure in Arizona

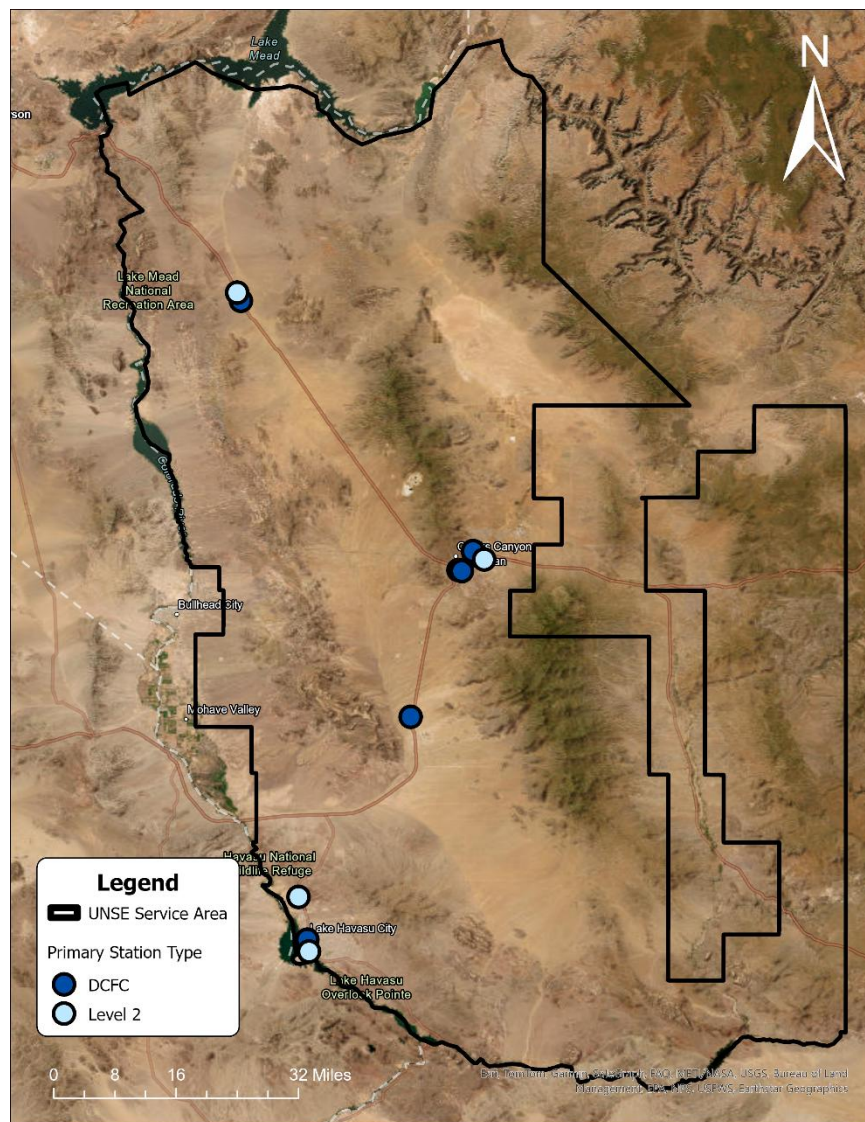
According to the U.S. Department of Energy, Alternative Fuels Data Center (AFDC), there are 1,442 DC fast charging (DCFC) and 3,193 Level 2 publicly available charging ports in the state of Arizona. Within UNSE's service territory, there are 33 Level 2 and 22 DCFC publicly available charging ports. AFDC data represents a snapshot in time of available charging ports and may not capture all available ports if stations are not registered in the database. The snapshots presented below reflect only 'Open' charging stations (excludes 'Planned' or 'Temporarily Unavailable' station statuses).

Charging Port	Arizona	UNSE Santa Cruz, May 2026	UNSE Mohave, May 2026
Level 2	3,193	4	11
DCFC	1,442	4	56

EV Charging Stations – UNSE South



EV Charging Stations – UNSE North



Arizona Air Quality

Particulate Matter (PM) refers to both solid particles and liquid droplets in the air.⁸ PM-10 refers to inhalable particles 10 micrometers or smaller in diameter, while PM-2.5 refers to particles 2.5

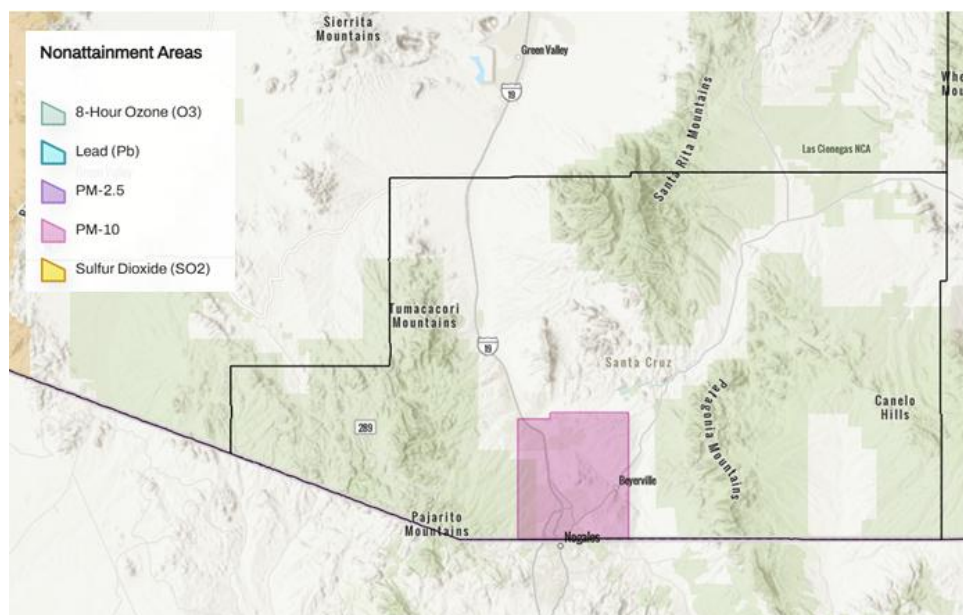
⁸ <https://www.epa.gov/pm-pollution/particulate-matter-pm-basics>

micrometers or smaller in diameter. PM can be emitted from construction sites, unpaved roads, power plants, industry, and conventional fuel automobiles.

Particles with diameters less than 10 micrometers pose health problems due to their ability to enter the bloodstream, including (but not limited to) aggravated asthma, respiratory symptoms, decreased lung function, and more.⁹

Status: Inhalable Particulate Matter (PM-10) non-attainment areas in Santa Cruz County reflected in the map below.

Note that Mohave County currently does not have any non-attainment areas.



Transportation Electrification Implementation Plan (TE IP) Updates

Customer Outreach, Education, and Awareness

Providing customers with easy to understand, accessible information is the foundation of trusted customer relationships. To achieve this goal, the TE IP portfolio of programs will support customer awareness and outreach to educate customers on the benefits of TE and support them on their EV journey. Because the process of educating customers and increasing awareness of TE options and technologies cannot be structured in a one-size-fits-all manner, the Company will use customer segmentation data to tailor messaging to the intended audiences and/or use cases. As part of this effort, the Company previously launched tailored resources for residential and commercial customers as part of the [Residential EV](#) and [Commercial EV program](#) pages on March 6th, 2024. The Company ran a radio campaign to raise awareness about available EV programs in Q2, 2025 as well as a social post on April 30, 2026.

⁹ <https://www.epa.gov/pm-pollution/health-and-environmental-effects-particulate-matter-pm>

Residential Customer EV Adoption

Residential Existing Homes: EV Smart Home EV Program

UNSE's Smart Home EV Charging Program is available to residential customers that purchase and install a networked EV charger at their home. The program launched March 6th, 2024. To qualify for the UNSE rebate, residents must:

- Be a current UNSE customer.
- Install a Networked Level 2 or higher EV charger.
- Provide proof of purchase that includes the charger serial and model number.
- Use a Time-of-Use (TOU) rate plan for a minimum of two years.

The Smart Home EV Program offered up to \$500 in rebate value through December 2025, capped at 75% of the pre-tax charger price. Beginning in January 2026, the maximum rebate value lowered to \$300, following market changes in prices and demand.

Status: Between June 2025 and May 2026, 11 customers have applied for and received rebates.

Commercial Customer EV Adoption

The Company's commercial programs aim to address barriers associated with fleet, workplace, retail and multi-unit dwelling, public transit and highway corridors. These charging scenarios provide significant opportunities to support the adoption of electric vehicles.

Commercial EV Program: Smart EV Charging Program¹⁰

1. Workplace, Retail, Fleets, and Multifamily

Status: The program launched March 6th, 2024. Between June 2025 and May 2026, 10 projects applied to the program. Of these, six advanced to contract for 30 ports total (16 L2, 14 DCFC). As outlined earlier, various policy and cost changes contributed to overall lower demand for this program in addition to lower total volume of adoption in UNSE's service territory relative to, for example, TEP's service territory.

Projects under contract must complete installs by December 2026. Program applications closed May 31st, 2026, to allow winddown on the active pipeline of projects given the completion date requirement and the length of time commercial EV charging projects take from conception to commissioning.

- #### 2. Multifamily low-to-moderate income apartment complexes – Building on the existing commercial program, UNSE offers owners of income qualifying apartment complexes the option to choose from a rebate to cover 100% of project costs (capped at \$3,000 per L2 port) or at customer choice, UNSE would own and maintain the EV chargers.

¹⁰ AKA the Smart City EV Program. Eligible project costs under the Smart City EV Program include: EV charging station and related equipment, Electrical service upgrades required for the installation, Design and engineering services, Construction and installation (materials and labor), Service, warranty and O&M agreements.

Status: Program was available to customers through May 31st, 2026 via the Smart City EV Program. No applications were received for this program.

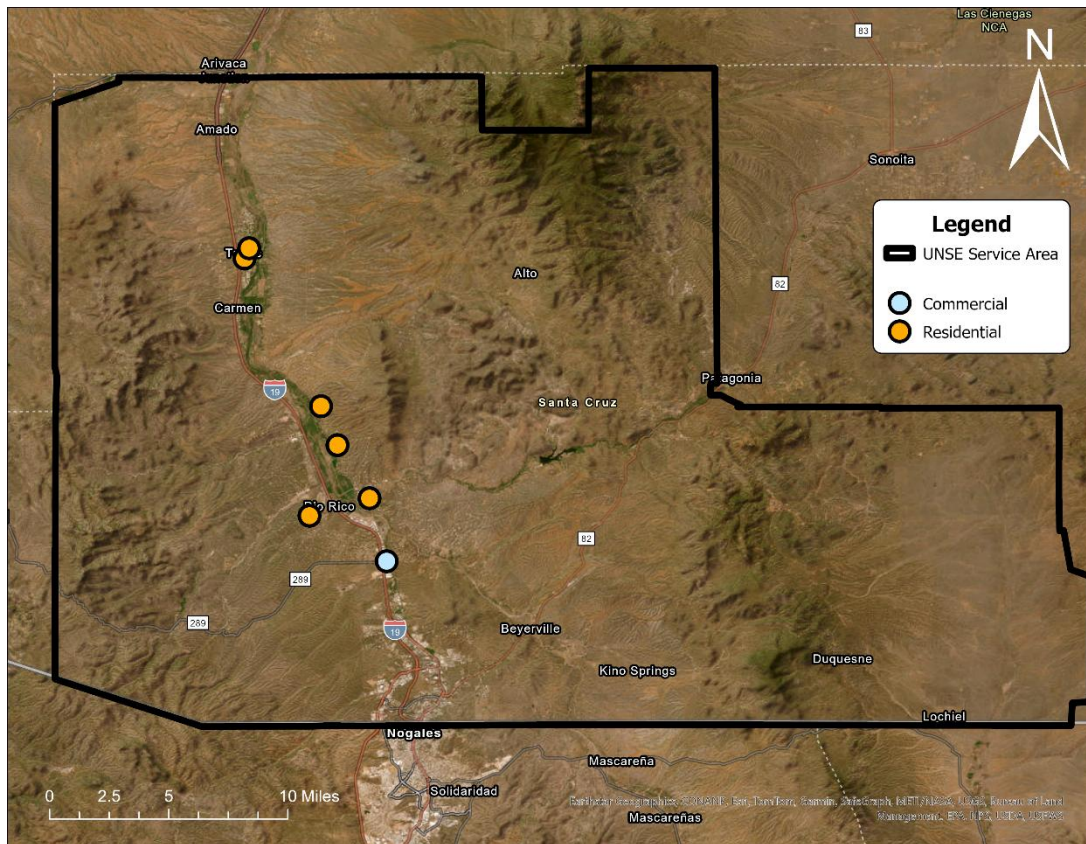
3. Public Transit – To support the transition of public transit fleets to zero emission buses, the Company proposes to provide incentives to offset the cost of EV chargers and associated infrastructure.

Status: Program was available to customers through May 31st, 2026 via the Smart City EV Program. No applications were received for this program.

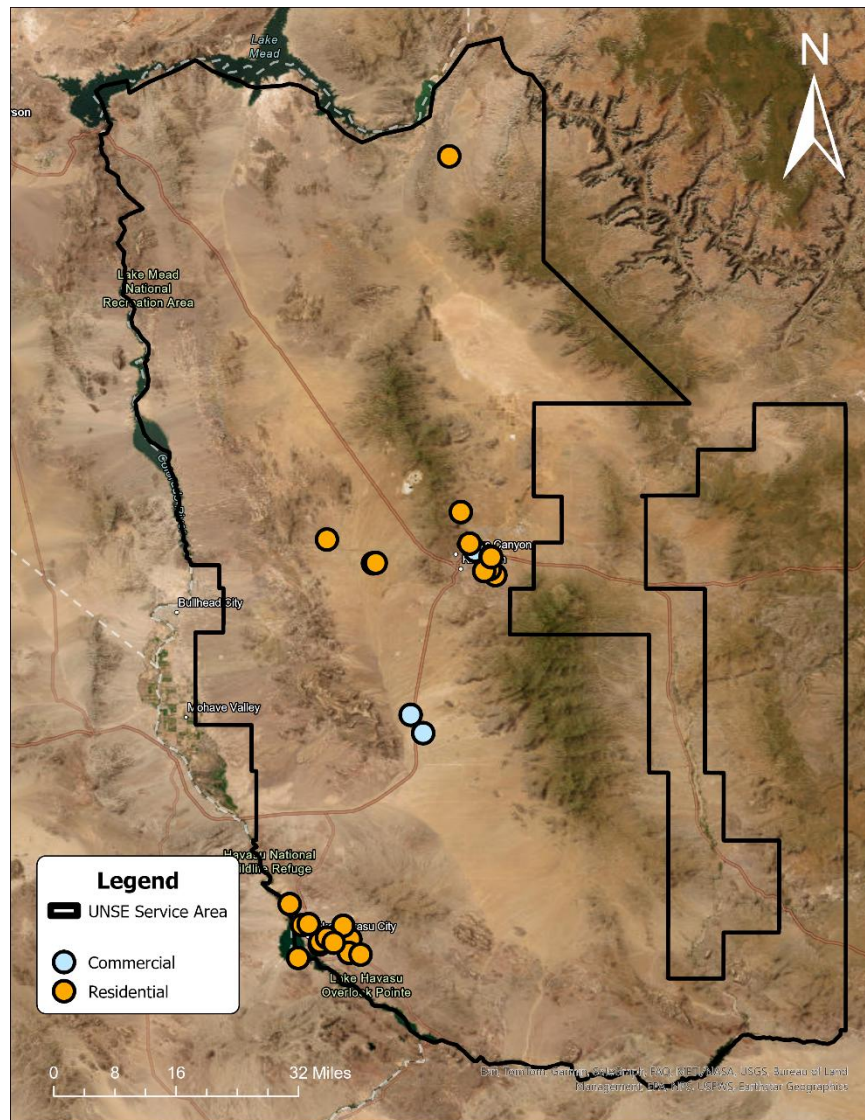
EV Pricing Plans

Five EV pricing plans were approved in Decision 78776 and put into production on May 5th, 2023. Rates can be found at: <https://www.uesaz.com/electric-rates/>. The maps below are geographical representations of customers on residential and commercial electric vehicle pricing plans:

EV Pricing Plan Customers – UNSE South



EV Pricing Plan Customers – UNSE North



EV Pricing Plan Customer Segment	Count as of May 2025
Residential	29
Commercial	4
Total	33

Stakeholder Engagement

UNSE believes that open and consistent dialogue with stakeholders is paramount to the success of the TE IP. As such, through the term of the TE IP, UNSE will host, along with TEP, TE Collaborative Meetings. Beginning in 2025, TE Collaborative Meetings were expanded in content and stakeholders to also share information about UNSE's Demand Side Management (DSM) work. These meetings are intended to solicit stakeholder feedback and provide stakeholders with updates and progress reports on TE IP and

DSM activities. Completed and scheduled DSM/TE Collaborative meetings occurred or are set for 10/29/2025, 3/24/2026, 6/23/2026, 9/22/2026, and 12/8/2026. Meetings cover:

- TE IP Progress
- Stakeholder Feedback
- Program Highlights
- Overview of new program launches and program changes

Stakeholders invited to the meeting include (but are not limited to):

- EVgo
- Tierra Strategy
- Freewire Technologies
- Tesla
- EVConnect
- Electrify America
- RUCO
- Chargepoint
- Weavegrid
- Southwest Energy Efficiency Project (SWEEP)
- Arizona Public Interest Research Group (AZPIRG)
- Western Resource Advocates (WRA)
- Metropolitan Pima Alliance (MPA)
- City of Tucson
- Pima County
- CLEAResult
- ABB
- HDR
- Town of Oro Valley
- Town of Marana
- Tucson Metro Chamber
- Arizona Multihousing Association

Budget Overview (2023-2025 Cumulative and 2026 through May 31st)

The table below summarizes the TE IP budget for 2023-2025, and for 2026 through May 31st.

	2023-2025				Year 4 - 2026 - Through May 2026		
	Planned Budget	Adjusted Budget*	Actual Spend	Variance (Budget - Actual)	Remaining Budget**	Actual Spend	Remaining Budget**
Education and Outreach							
Program Expenses	\$45,000	\$43,702	\$10,718	\$32,984	\$32,984	\$0	\$32,984
Residential							
Rebates	\$47,500	\$47,500	\$9,521	\$37,979	\$37,979	\$937	\$37,042
Commercial							
Rebates	\$781,000	\$781,000	\$48,000	\$733,000	\$733,000	\$0	\$733,000
Program Administration	\$405,000	\$406,298	\$10,156	\$396,142	\$396,142	\$729	\$395,413
TOTAL	\$1,278,500	\$1,278,500	\$78,395	\$1,200,105	\$1,200,105	\$1,666	\$1,198,439

* ACC Decision No. 78776 approved UNSE's TE IP. The TE IP included an allowance to shift up to 50% of each program budget across another program to adjust to market needs and maximize benefits which may result in a particular program budget exceeding its budget estimate.

**Remaining budget summarizes the budget remaining from the originally proposed three-year term after accounting for 2023-2025 actual expenses.

Benefit-Cost Analysis

Due to the relatively low uptake of rebate programs, data remains insufficient for a benefit-cost analysis or evaluation of the impact of programs on LMI customers. However, should sufficient data be available prior to the TE IP end, UNSE would mirror its benefit-cost analysis (BCA) to align with the final BCA analysis methodology proposed for TEP.