UNSE RPAC Meeting Minutes – October 22, 2025

Facilitators:

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Meeting Purpose:

Continue the RPAC process leading to the 2026 Integrated Resource Plan.

Meeting Focus:

- Charter Review
- Integrated Resource Plan (IRP) Process
- Modeling and Portfolio Development
- Environmental Regulation Updates
- Stakeholder Feedback on Portfolios
- Procurement Process

Key Themes and Topics Discussed:

1. Introductions

2. Stakeholder Representation:
    - UNSE
        - Resource Planning
        - Business Development
    - Mining
        - South 32
    - Consumer advocacy groups
        - AARP
        - RUCO
    - Business advocacy groups
        - Arizona Solar Energy Industry Association
    - Regulatory
        - Arizona Corporation Commission

3. Charter and Collaboration Principles:
    - Emphasis on respectful, inclusive dialogue.
    - Avoid jargon and ensure clarity.
    - Prioritize transparency and trust-building.
    - Encourage active participation and preparation for all meetings.

4. IRP Process:
    - 15-year strategic roadmap required by Arizona Corporation Commission (ACC).
    - Key Dates:

    - LSE's provide modeling data to Stakeholders, May 3, 2026
    - Finalized IRP due Aug 3, 2026
    - Stakeholder comments by Oct 30, 2026
    - Utility response Feb 2027
    - ACC review begins May 2027
  - Considerations: Regulatory compliance, rate impacts, market uncertainties, environmental considerations, infrastructure limitations.

5. Modeling and Portfolio Development:
   - Aurora: Long Term Capacity Expansion (LTCE) Modeling and Zonal Runs:
     - LTCE determines least cost resource additions, while Zonal Runs minimize system cost based on current resources and LTCE additions.
   - Inputs: Load forecasts, unit characteristics (such as operating costs, capacities, etc.), transmission constraints, environmental impacts, reliability metrics.
   - Required Portfolios: Technology-neutral least-cost
   - Other Portfolios: High load growth (e.g., data centers), clean energy buildout, stakeholder informed portfolios and others to be developed.
   - Excel is used for analyzing monthly/annual results and calculating Net Present Value (NPV) portfolio requirements.
   - Power BI used for visualizing hourly generation profile to identify unit generation characteristics and for identifying possible model issues.

6. Environmental and Regulatory Updates:
   - EPA Rules: Greenhouse Gas, Good Neighbor Rule - both under reconsideration or legal challenge.
   - Water Constraints: Aquifer limitations may affect siting of new generation.
   - Planning Challenges: Regulatory uncertainty requires sensitivity modeling.

7. Stakeholder Feedback Themes:
   - Strong focus on affordability, followed closely by sustainability.
   - Key challenges: Keeping costs low; political uncertainty; anticipating demand.
   - Technology Preferences: Battery and long-duration storage; renewables and storage; nuclear; geothermal
   - Policy-Driven Portfolios: Impacts of tariffs and tax credits; local and federal policies; ratemaking; line siting
   - Energy Mix Targets: 30% solar; decarbonization

8. Procurement and All-Source Request for Proposal (RFP) Process
   - All-Source RFPs: Required by Arizona code; includes supply and demand-side resources.
   - Independent monitors ensure fairness and scoring transparency.
   - Recent procurements have focused on summer capacity needs.

9. Questions

Procurement

- Will UNSE run an ASRFP in 2026, and can stakeholders provide input on design/timing?
    - Future ASRFPs will likely follow the 2026 IRP filing. The RPAC can provide feedback through the development of the IRP.
- How will ASFRP process address anticipated load growth in Santa Cruz County to avoid excessive wheeling/transmission costs?
    - Transmission cost is part of the ASRFP evaluation process.
- Can the RPAC see prior submissions?
    - Project proposals cannot be shared, but prior bid documents are available on request.

Portfolio Modeling

- What constraints are being put on the LTCE modeling? Can those constraints be shared with the RPAC?
    - UNSE will compile the constraints and review with the RPAC at a future meeting. Constraints focus on the resource amounts that can be built within a year and overall, and the first year that new resources can be built.
- How does renewable curtailment work in the modeling software?
    - The Aurora model seeks to dispatch generation resources such that the load is served for all hours. When the minimum output of online thermal plants plus forecast renewables exceeds the load or there are transmission limitations, the model will curtail the renewables. UNSE uses Aurora to forecast how often curtailments might happen as the penetration of renewables increases, focusing on mitigating curtailment through strategic placement of new renewable resources and leveraging storage resources.

Miscellaneous

- Is UNSE exploring transitioning from an IRP to an Integrated Systems Plan (ISP)?
    - UNSE is exploring ISP approaches; the effort is in early stages.

Action Items:

- Post updated charter and slide deck on website and notify RPAC when available.
- Compile LTCE modeling constraints and share in future RPAC meeting.

These notes aim to encapsulate the discussions and outline the next steps for effective collaboration moving forward in the RPAC process.