APS' Customer Centric Approach to Clean Energy

October 19, 2021



Overview: The "Why" of APS DSM Programs



Clean

Reducing emissions by saving energy and shifting load to match renewable generation

Affordable

Lowering costs for all customers by reducing peak demand and flattening load shapes

Reliable

Reliable and measurable load flexibility including consistent, system-wide peak load reductions and improved integration of solar resources

Customer focused

Customers are motivated by incentives and the ability to maintain low electricity rates and minimize grid's environmental impact



Why did we act? Iuam 1pm 4pm Why add we have a constrained by the second of the seco

Traditional DSM portfolio can exacerbate the "duck curve"



1MM+ residential customers



Started with BYOT, transitioning to full scale DER aggregation

> 000 Л

System and feeder targeted load reduction System and feeder voltage support

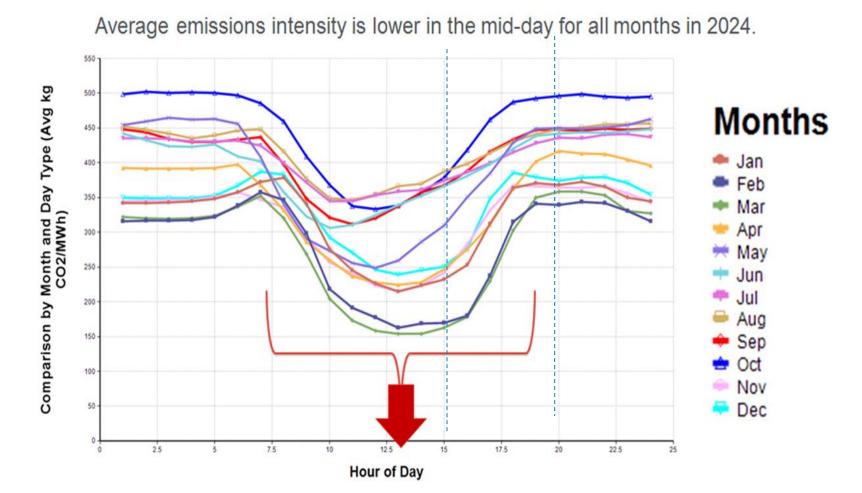
Renewable integration

On-demand capacity





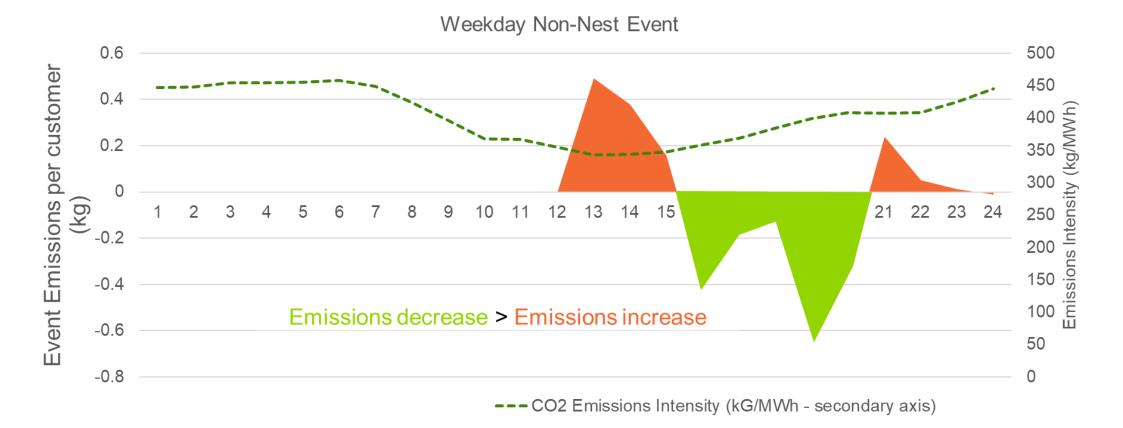
Future Look at Carbon Intensity: Blocks of Low Emission Time Periods



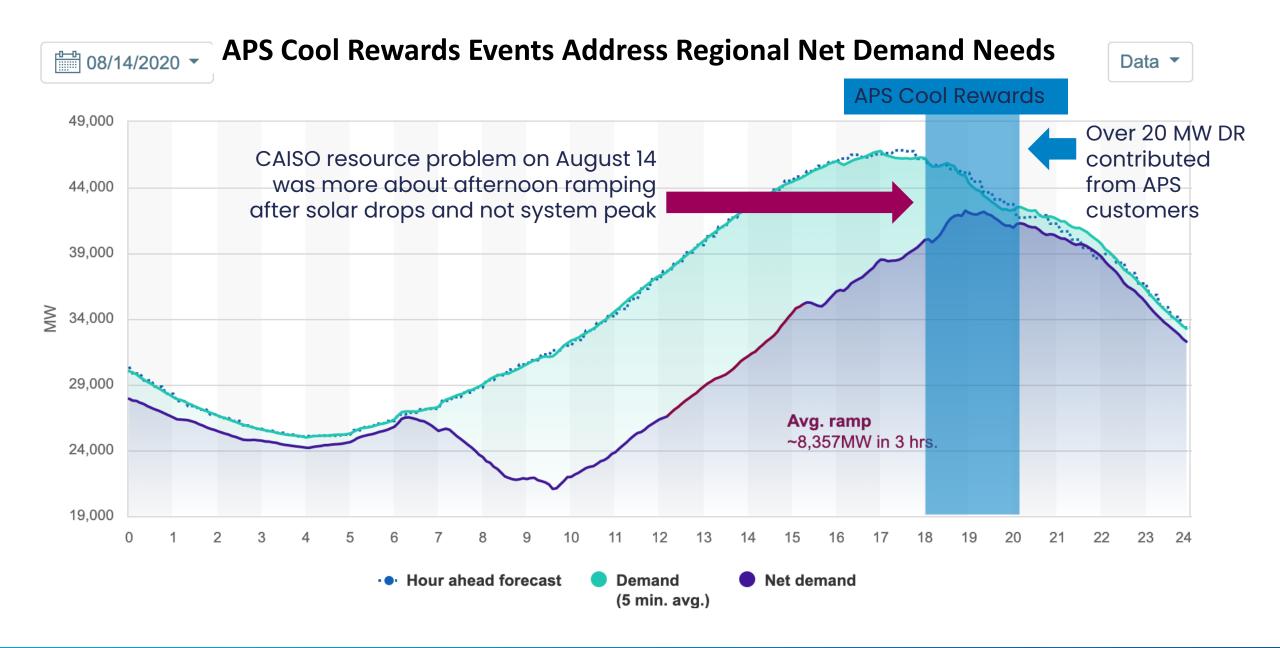


Cool Rewards Smart T-Stat DR Emissions Reduction

With pre-cooling, consumption is shifted to the mid-day when emissions intensity is lowest, resulting in a net impact of -.31 kg CO2 per customer.









Progress in 2021

APS Plan Coach drives on-peak behavior change

- Messaging up to 160k TOU (in-market)
- Messaging up to 100k TOU+Demand (coming soon)

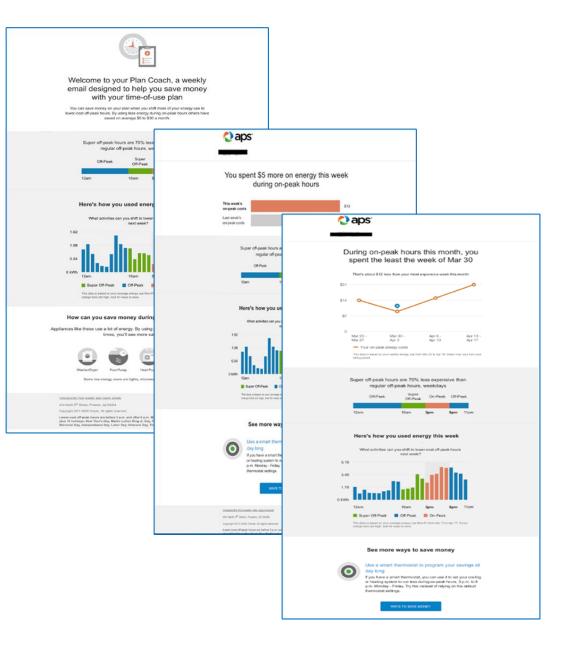
APS Marketplace engages customers in DERs

Over 600,000 unique customer visits in 9 months!

APS scales Cool Rewards

- Doubled participation to ~53,000 thermostats
- Achieved ~70 MWs+ in summer 2021 events

APS launches new Residential Storage pilot





Thank You!

Tom Hines tom.hines@tierrarc.com tom.hines@aps.com

