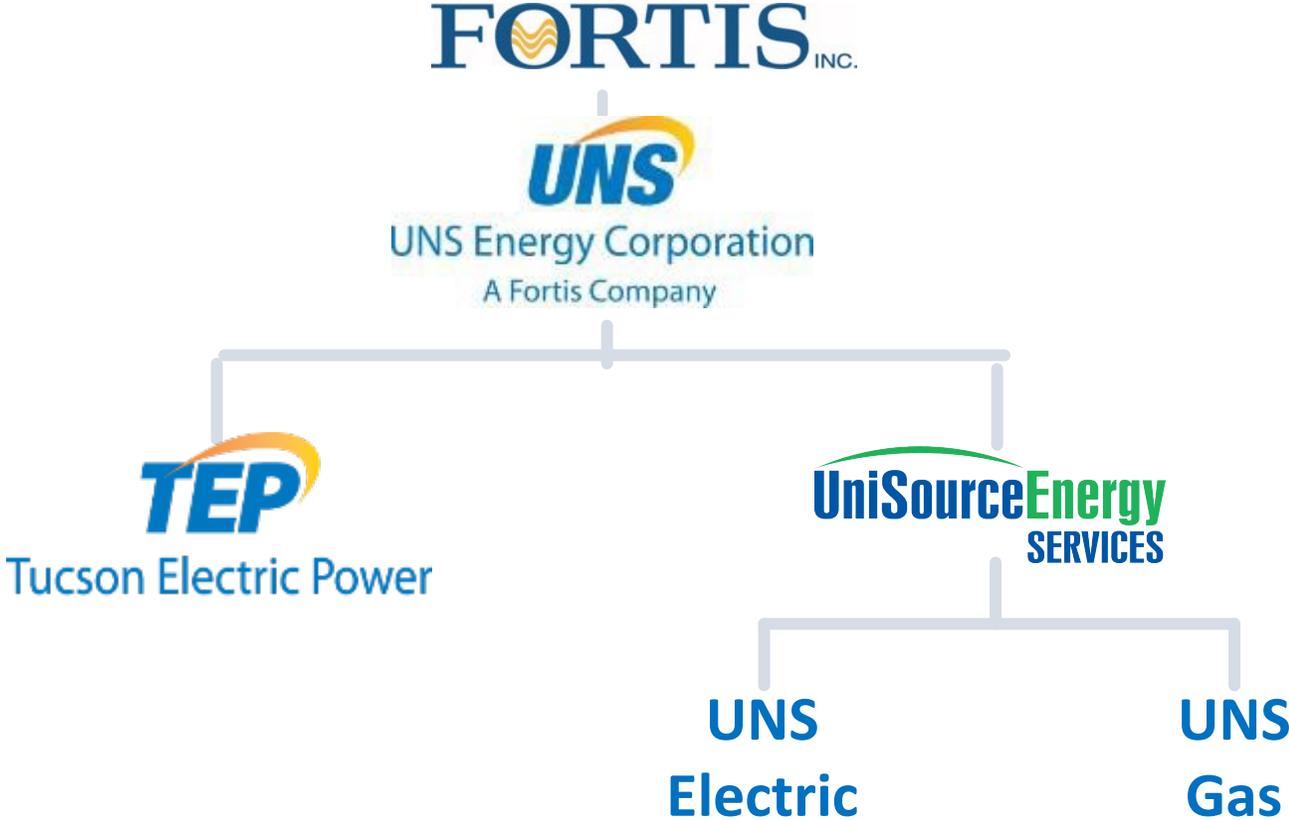


Building a Cleaner, Greener Grid



Tucson Electric Power

Corporate Structure



Overview

- 1,052 MW average demand
- 2,422 MW peak demand



Employees 1,700



Customers 447,000



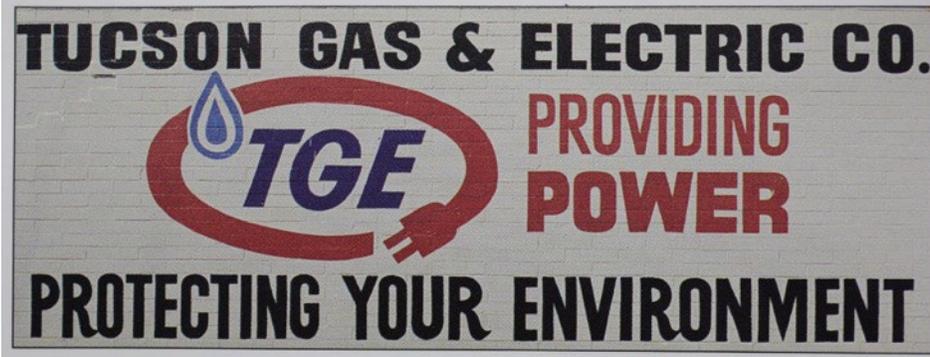
Service Area 1,155 miles



A History of Service



- Founded by local business leaders in 1892 to provide downtown streetlights
- Stable rates: In 1904, we charged \$0.13 per kWh – close to what we charge today!
- Operated Tucson's first electric streetcar before selling transit operations to Sun Tran's predecessor
- Provided natural gas service before selling local distribution system to Southwest Gas in 1979
- Acquired by Fortis, Inc. in 2014



A Clean Energy Pioneer

- TEP's Springerville Solar Array (right), begun in 2000, once ranked as the most productive grid-tied solar array in the Western Hemisphere.
- In 2017, TEP ranked second in the nation for per-capita additions of energy storage and third in the nation for total energy storage additions by the Smart Electric Power Alliance (SEPA)
- TEP and the University of Arizona teamed up to develop the Solar Zone at the UA Tech Park, a first-of-its-kind demonstration site for solar generating technology in the Southwest U.S.
- The University of Arizona is buying a clean energy supply for its main Tucson campus from TEP's largest wind, solar and storage systems.

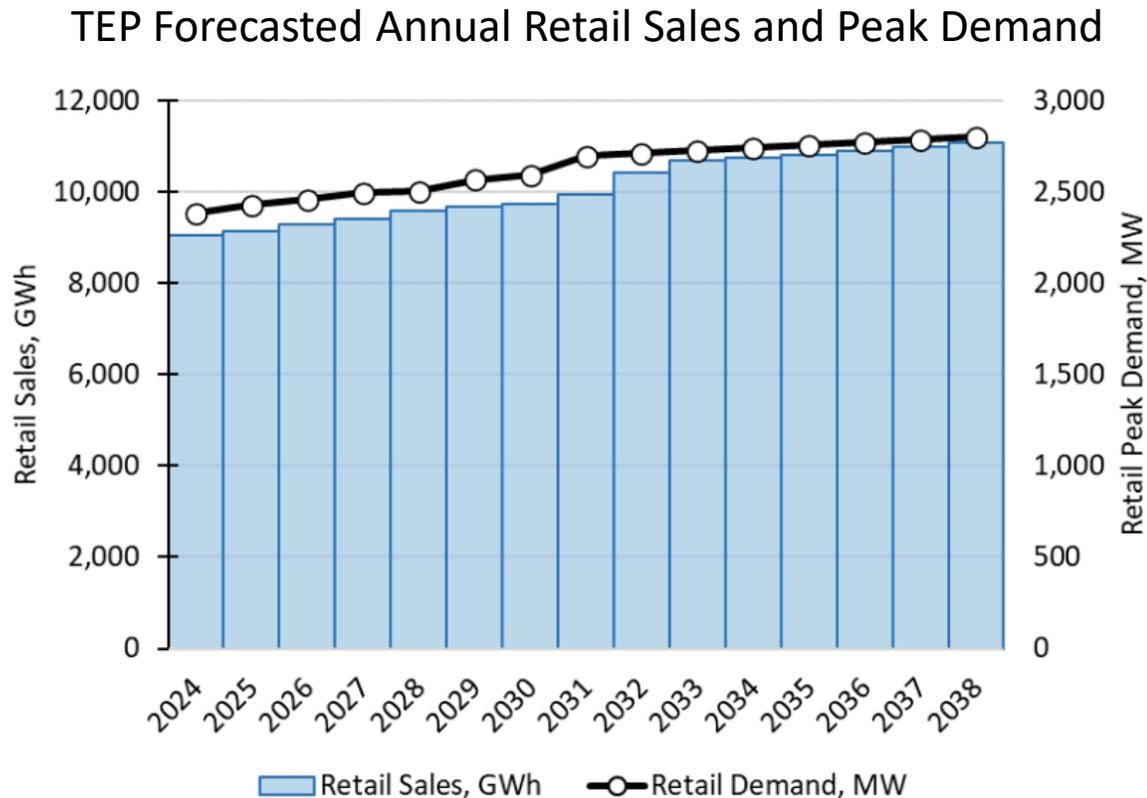


Ramping Down Coal

- TEP began seasonal operations of its two units at the coal-fired Springerville Generating Station in 2023 in advance of their retirement
 - TEP plans to retire Unit 1 in 2027 and Unit 2 in 2032
 - Tri-State has announced the potential retirement of SGS Unit 3 in September 2031
 - SRP has not announced a retirement date for SGS Unit 4
- TEP's plan supports continued reliability, allows workforce reduction through attrition rather than layoffs
- TEP is committed to supporting White Mountains communities through the transition
- Only other remaining coal-fired units at the Four Corners Generating Station are scheduled to retire in 2031



Integrated Resource Planning

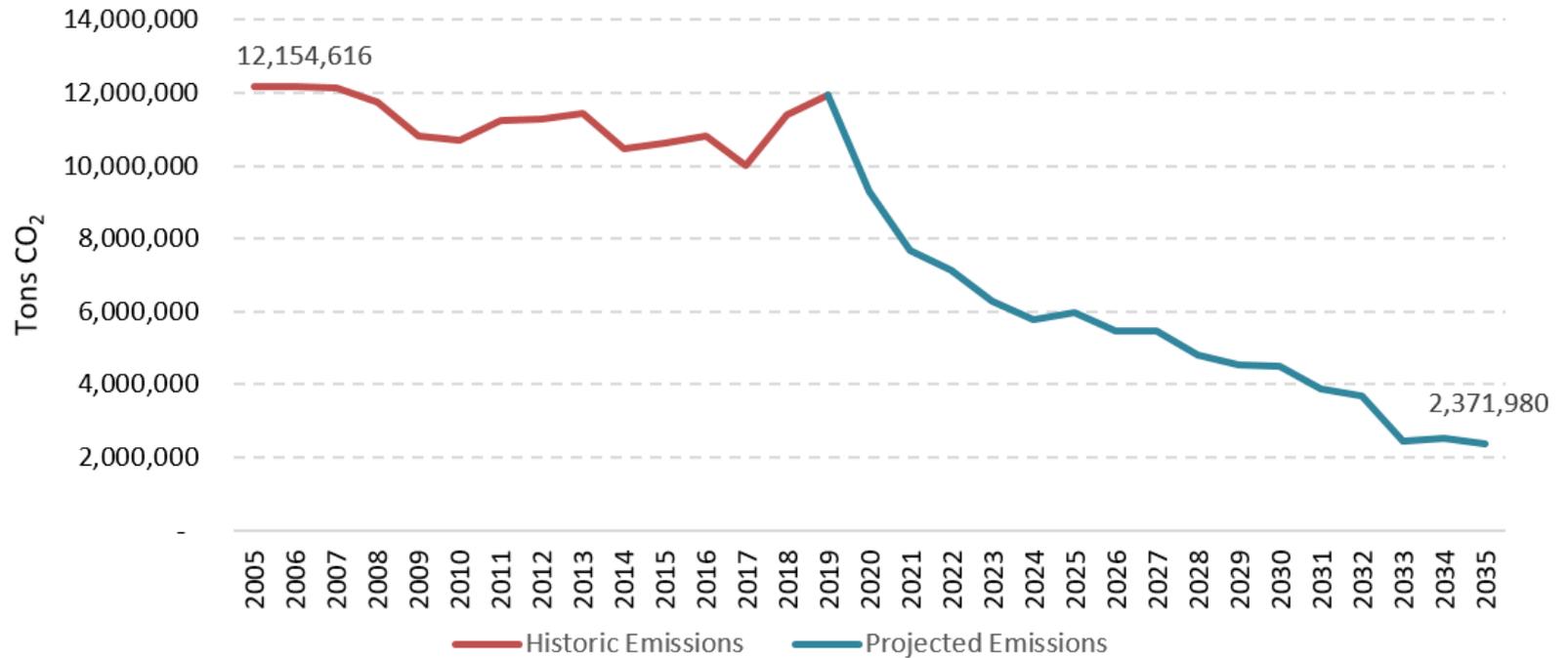


- TEP's energy mix is developed through our Integrated Resource Plan (IRP), which outlines how we'll meet customers' energy needs over the next 15 years
- Comprehensive evaluation of anticipated electric use, resource cost, emissions and energy systems, updated every 3 years
- Developed with participation from local stakeholders
- Submitted to ACC for review, acknowledgement



TEP IRP Overview

- 2,240 MW of new renewable generation, 1,300 MW of new energy storage by 2038
- 400 MW of new natural gas turbines by 2027
- Remaining coal generation (SGS, Four Corners) scheduled for retirement in 2027, 2032.
- On track for an 80% reduction in CO₂ emissions by 2035 compared to 2005 levels
- New aspirational goal: net zero direct greenhouse gas emissions by 2050



Cleaner, Greener Grid

A Brighter Future, Together

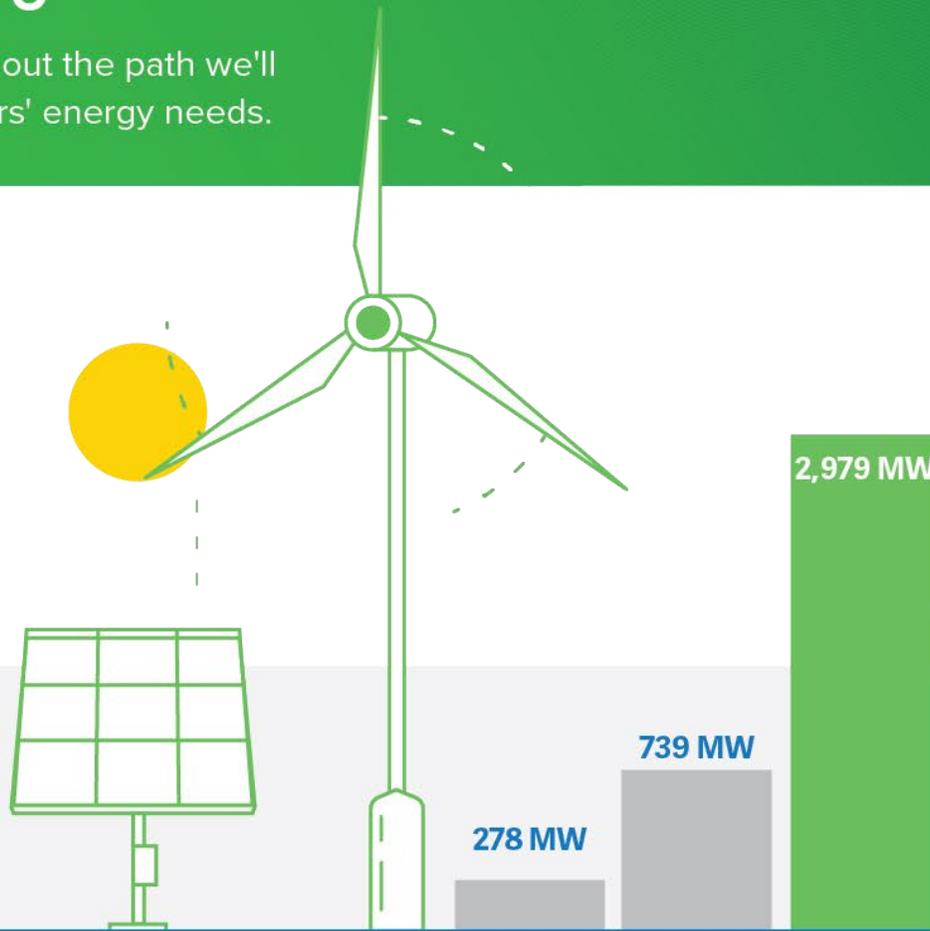


TEP's latest Integrated Resource Plan lays out the path we'll follow through 2038 to serve our customers' energy needs.

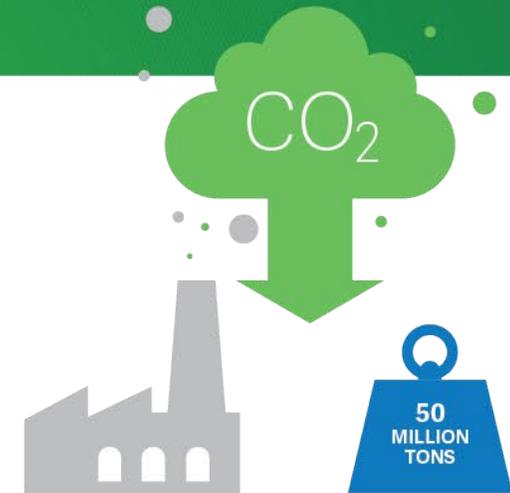
90%

of new power resources will come from **renewable and energy storage projects** over the next 15 years

Net zero greenhouse gas emissions by 2050.



2020 2023 2038
COMMUNITY-SCALE CLEAN ENERGY



80% Lower carbon emissions By 2035

Ramping down and retiring our coal-fired power plants will reduce greenhouse gas emissions.

Our carbon reduction goal, developed in partnership with the University of Arizona's Institute of the Environment, represents our fair share of worldwide efforts to limit warming to well below 2 degrees Celsius under the 2015 Paris Agreement.

80%

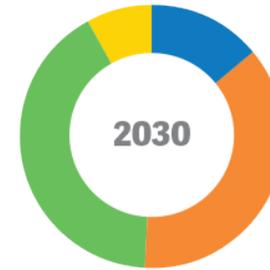
Reduction of water use
for power generation by 2038



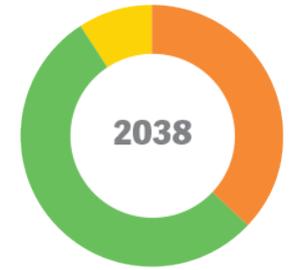
RETAIL ENERGY MIX



- 23% - COAL
- 45% - NATURAL GAS
- 20% - RENEWABLES
- 12% - MARKET PURCHASE



- 14% - COAL
- 37% - NATURAL GAS
- 41% - RENEWABLES
- 8% - MARKET PURCHASE



- 37% - NATURAL GAS
- 54% - RENEWABLES
- 9% - MARKET PURCHASE

Significant expansion of energy storage

2038 - 1,361 MW of storage

2023 - 51 MW of storage



Oso Grande Wind

- TEP's largest clean energy resource
- 250 MW capacity from 62 turbines installed on 24,000 acres in southeast New Mexico
- Capable of producing enough power over the course of a year to serve 100,000 typical homes
- Site selected for consistent wind resource, proximity to existing transmission lines that deliver energy to Tucson
- Generation typically peaks in morning and late afternoon/early evening hours during periods of reduced solar power production
- Owned and operated by TEP



Wilmot Energy Center

- TEP's largest *local* clean energy resource
- 100 MW solar plus 30 MW battery storage system, each the largest of their kind on TEP's grid
- 314,000 single-axis tracking photovoltaic panels on 1,130 acres southeast of Tucson International Airport
- Produces enough energy over the course of a year to serve 26,000 typical homes.
- Owned and operated by NextEra Energy Resources through a 20-year power supply contract with TEP.
- Energized in May 2021



Sustainability a Core Value



Raptor Protection,
Cactus Rescue



Total CO₂ emission
reduction from TEP energy
efficiency programs:
22.7 million tons



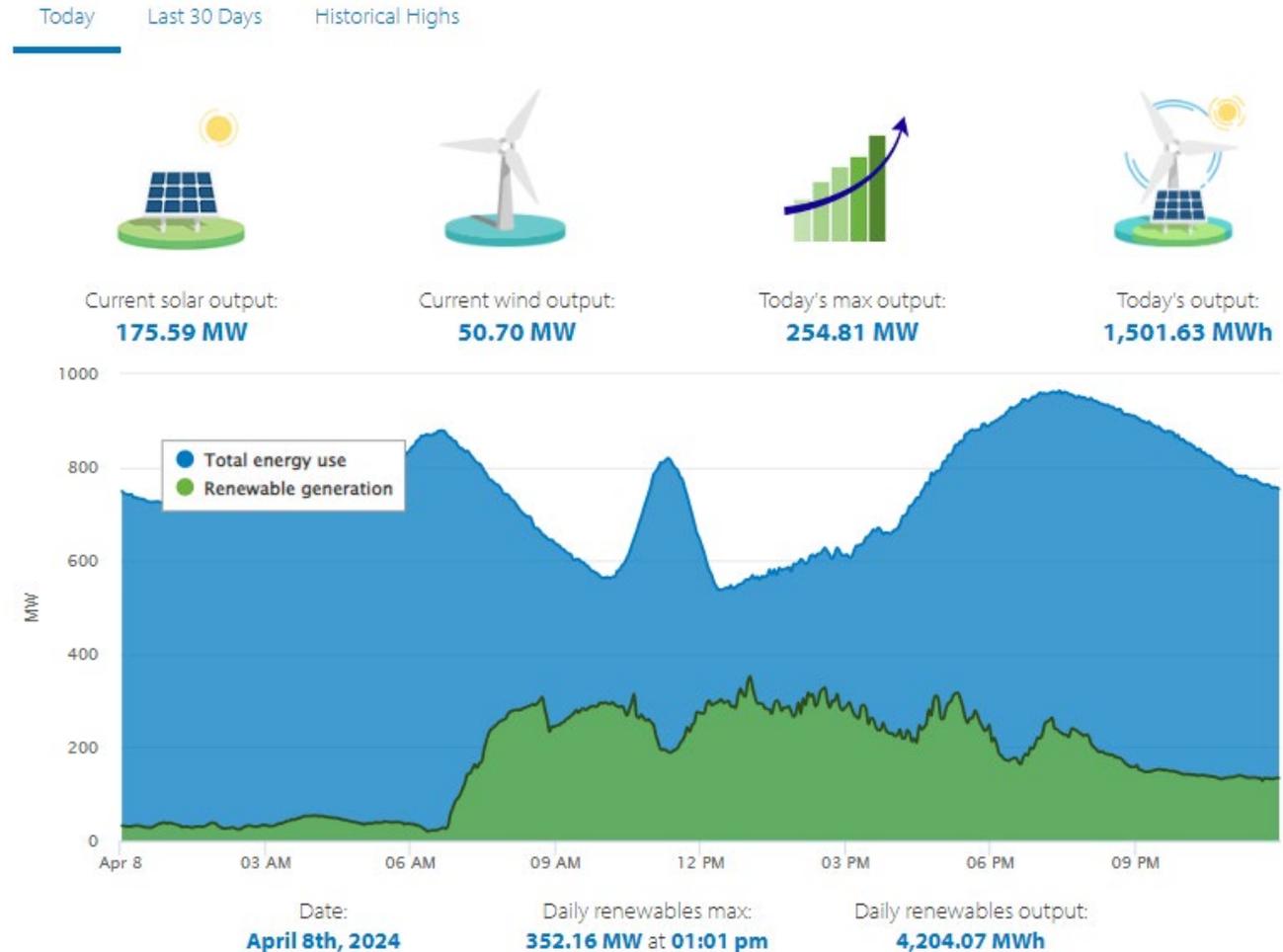
2023 Community Impact:

- 8,500 volunteer hours,
- \$1.5 million donations



Smart Tools

- Clean Energy Tracker: Monitor wind and solar energy in real time
- Renewable forecast: Go Green Now
- Track your usage
- EV, Solar and Pricing Plan analysis

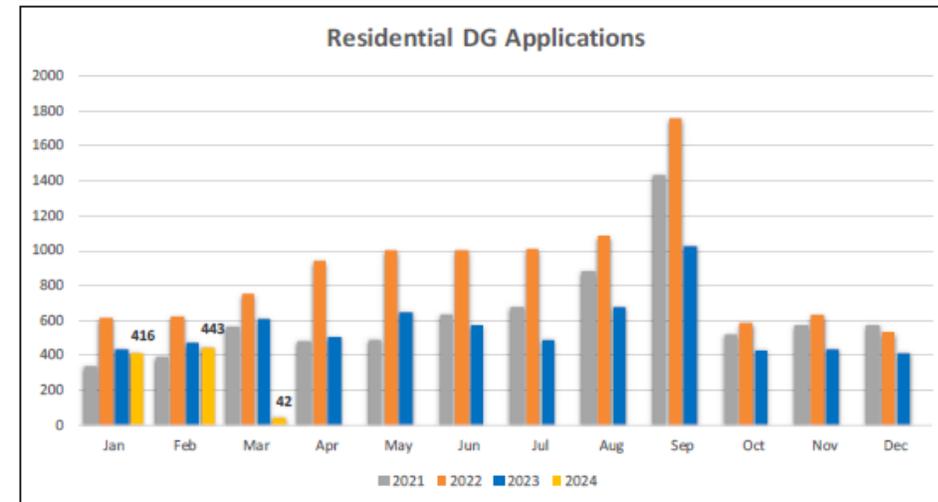


Solar Options

GoSolar Shares

- Buy as much locally generated solar power as you like.
- Each 150 kWh “share” replaces fossil fuel charges, adds \$1.50 to your monthly bill.
- Cost remains fixed for 20 years – allowing possible savings as energy costs increase
- Additional revenue used to build more local solar

Customer-Owned Systems



2021:	7,556 Applications	69.68 MW DC
2022:	10,553 Applications	100.45 MW DC
2023:	6,715 Applications	60.44 MW DC
2024:	901 Applications	7.96 MW DC

Net Zero Hero

- TEP is working to achieve net zero carbon emissions by 2050 while keeping energy affordable and reliable.
- **But we can't do it alone: we need your help.**



Join Us

Step 1: Commit to taking one step to Save, Shift or Invest in Smart Energy



Save Energy

Using less energy shrinks your carbon footprint

- Identify easy energy saving tips [with this handy checklist](#).
- Take a room by room [video tour of energy savings](#).



Shift Energy

Using less energy shrinks your carbon footprint

- [Sign up for weekly renewable forecasts](#) so you can use the most energy when clean energy is abundant.
- [Try our Pricing Planner](#) to see which rate might be a good fit for your household energy use.
- [Join our Smart Rewards program](#) and earn gift cards to help offset summer peak demand.



Invest in Smart Energy

Leveraging rebates on energy efficient products makes long-term savings more affordable

- Sign up for a [free virtual home assessment](#) to determine if your home's heating and cooling system is operating efficiently.
- Consider a rebate on an [electric bike](#) or an [electric vehicle charger](#).
- [Get a rebate on an AC tuneup](#) or when you retire an older AC unit for a newer, efficient model.