

APS Renewable Transmission Action Plan (RTAP)

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APS Renewable Transmission Overview

- Resulted from Commission Order 70635 under the 5th Biennial Transmission Assessment (BTA)
- APS's objective in responding to the Order was to advance renewable energy development in Arizona while balancing costs to customers
- APS's RTAP plans are over and above what APS normally needs to serve its customers
- APS's RTAP advocates advancing renewable transmission development to help renewable resource expansion in areas that should provide relatively competitively priced renewable resources

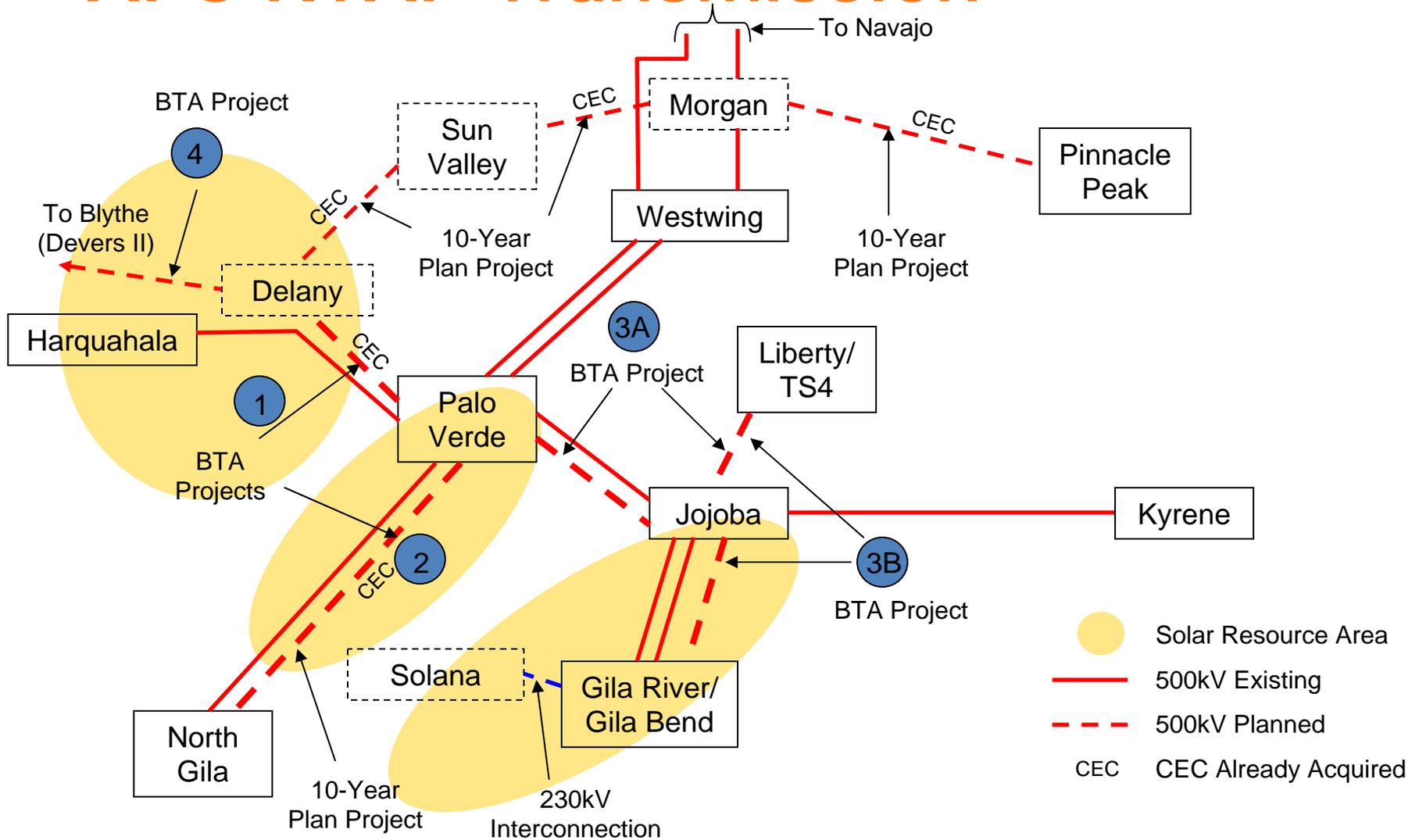
Review of Policy Issues

- **Advancement of renewable resources will require two types of transmission projects:**
 - Connecting renewable resource areas to the transmission system and market hubs
 - Facilitating deliveries of renewable resources to the load center(s)
- **Project timing (downside to being too early or too late)**
- **Importance of taking proactive steps to reduce the mismatch between development lead-times for transmission projects and renewable resource projects**
- **Transmission projects that can provide multiple benefits are preferred**
- **Assurance of cost recovery is critical:**
 - Renewable Transmission Projects (RTPs) advance timing and drive need which is beyond normal planning needs

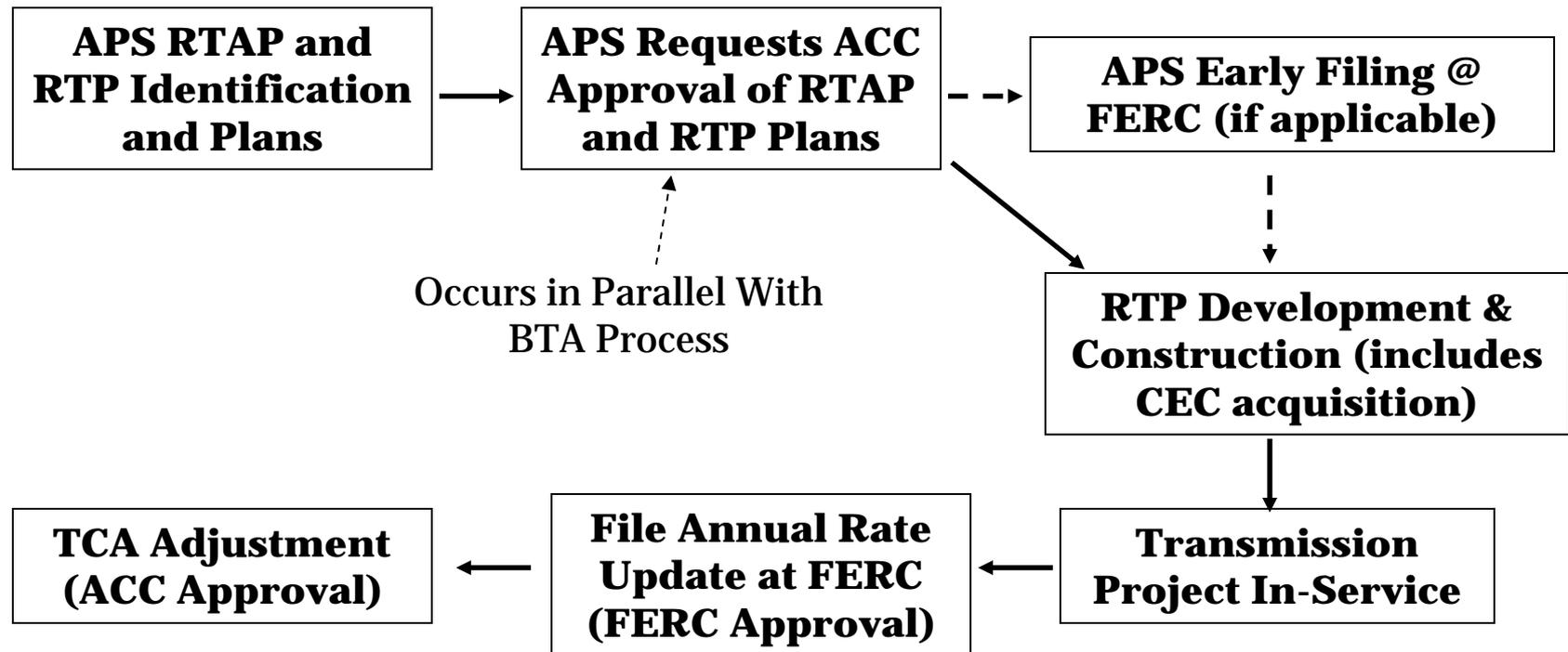
General Findings of APS Analysis

- Solar resources were economically superior to wind resources
- Best solar resources are located west and southwest of valley and in relatively close proximity to APS load
- Palo Verde – East transmission was a common component for 3 of APS's top RTPs

APS RTAP Transmission



RTP Approval & Cost Recovery Process



Note: Process depicted is for RTP projects only; the current cost recovery process continues to apply for traditional 10-Year Plan transmission projects