# 2026 All-Source Request for Proposals

**for**

## Capacity and Renewable Energy Resources

**Issued**
**March 6, 2026**

**Proposals due**
**April 3, 2026**

**prepared by**

## UNS Energy Corporation

TEP
Tucson Electric Power

UniSourceEnergy
SERVICES

# Revision History

| Revision | Date | Section | Description |
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# 1 ASRFP OVERVIEW

## 1.1 Purpose

With support from Sargent & Lundy (S&L), Tucson Electric Power Company (TEP) and UNS Energy Services (UNS), the "Companies", have jointly issued this All-Source Request for Proposals (ASRFP), to solicit bids for dispatchable capacity and energy resources with in-service dates preferred by May 1, 2028. The need for these resources is based primarily on the results from previous ASRFPs and informed by the Companies' 2023 Integrated Resource Plan (IRP) and the Needs Assessment shown in Appendix A.

## 1.2 About the Companies

TEP is headquartered in Tucson, Arizona and provides safe, reliable power to more than 442,000 customers in the Tucson metropolitan area. TEP's 2023 IRP provides a plan that satisfies our customers' future resource needs in an affordable and reliable manner while reducing the Companies overall carbon emissions by 80 percent from 2005 levels by 2035. TEP's resource portfolio will be backed by firm, efficient natural gas fired generators and energy storage systems. The IRP also describes TEP's plan to transition to seasonal coal operations and to retire its remaining coal-fired power plants by 2032.

UNSE provides electric service to more than 100,000 customers in Mohave and Santa Cruz counties. UNSE's service territory in Mohave County is in the northwest corner of the state. It includes both Kingman, located in the high desert central portion of the county, and Lake Havasu City, situated in the low desert along the Colorado River. The Santa Cruz County service territory serves customers in the southern portion of the state, approximately 60 miles south of Tucson adjacent to the U.S. border with Mexico. UNSE's 2023 IRP provides a plan to transition its resource portfolio from high dependence on short-term market purchases to greater self-reliance on a mix of owned generating assets and long-term purchased power agreements (PPAs) sourced from a mix of natural gas, energy storage and renewables. This ASRFP will focus on firm capacity and energy resources that address the needs demonstrated in Appendix A.

## 1.3 Service Map

Figure 1 shows the Companies' generation and high-level transmission system delivery paths within Arizona and New Mexico. Deliverability to the individual load service areas is dependent on the available transmission capacity with respective transmission line operators.

**Figure 1: TEP and UNSE Electric Service Area**


## 1.4 Resource Needs

In its 2023 IRP, TEP projects an annual increase of 1.23% in net retail demand through the study period. To meet the growing demand and to begin replacing the planned retirement of Springerville Unit 1 in the fall of 2027, TEP is committed to increase resource diversity, minimize exposure to market price risks, and transition to a cleaner resource mix. The Balanced Portfolio identified in the 2023 IRP anticipates an additional 600 MW of new capacity resources and 450 MW of new renewables by 2029.[1]

In its 2023 IRP, UNSE projects an annual increase of 1.55% in net retail demand through the study period. UNSE relies on the wholesale market for much of its energy and capacity needs. UNSE began acquiring its own physical resources to reduce its dependence on the market with the acquisition of the Black Mountain Generating Station in 2008 and a 25% ownership share in Gila River 3 in 2014. In its 2023 IRP, UNSE seeks to further transition to self-reliance, as well as a continued transition to a clean, diverse, and flexible resource mix.

Appendix A includes a heat map for 2028 showing the times of day and year when the Companies' existing resources are not expected to be sufficient to serve retail demand. The heat maps assume no capacity is derived from the regional wholesale market and that no new resources are acquired by the Companies. The heat map highlights undersupply with only existing resources represented. Respondents should be aware that the Companies favors resources that can provide energy and capacity during the times indicated in the heat maps.

[1] TEP's 2023 Integrated Resource Plan can be found at https://www.tep.com/2023-irp/

## 1.5 Products Requested

The Companies are seeking competitive proposals totaling up to 200 MW of firm summer and winter capacity. All supply-side resources, such as natural gas or energy storage, must be able to provide capacity and energy coincident with Appendix A and at the resource's summer-rated capacity each day of the summer. Demand-side resources such as demand response and load management may provide load reductions for less than four continuous hours, but must provide benefits during times of need, as shown in the Needs Assessment in Appendix A. Capacity resources are preferred to be in service by May 1, 2028, but the Companies will accept proposals for capacity resources with in-service dates as late as May 1, 2029.

Proposals may be submitted for capacity, energy, or both. As noted in Section 3, the Companies will consider both the capacity and energy value of each proposal, as applicable. The Companies expect that a resource or combination of resources that provide both summer capacity and energy may have significant economic value and benefit. Energy that is non-dispatchable by the Companies or is proposed as must-take energy may be evaluated less favorably.

## 1.6 ASRFP Independent Monitor & Evaluator

Sargent & Lundy (S&L) has been retained as the Independent Monitor (IM). The role of the IM is described in Arizona Administrative Code R14-2-706. S&L will also help manage the ASRFP process, to include the review and the first-phase evaluation of proposals.

## 1.7 Schedule

The schedule below represents the expected timeline for conducting this resource solicitation. The Companies reserve the right to modify this schedule as circumstances warrant.

**Table 1-1: ASRFP Schedule**

| Step | Date |
|---|---|
| Issue ASRFP | Friday, March 6, 2026 |
| Respondent Questions Due | Monday, March 20, 2026 |
| Notice of Intent, Non-Disclosure Agreement, and Respondent Pre-Application Due[2] | Monday, March 20, 2026 |
| **Proposals Due[3]** | **Friday, April 3, 2026** |
| Proposal Evaluation Completion Target and Short List | April - May 2026 |
| Contract Negotiations & Notice of Awards | May - June 2026 |

[2] Term sheets individually provided in response to NOI and NDA.

[3] Term sheet redlines due with proposals.

# 2 PROPOSAL SUBMISSION

Entities that submit a proposal are herein referred to as Respondents. Qualified Respondents are invited to submit written, binding proposals in accordance with the requirements described in this ASRFP. Proposals must meet the general minimum eligibility requirements described in Section 3. Sargent & Lundy will screen all proposals for compliance with these requirements. Proposals that fail to meet one or more of the general minimum eligibility requirements may be disqualified from further consideration as part of this ASRFP process.

Respondents should refer to Appendix F – Proposal Checklist for guidance. However, in the event of a discrepancy between the body of this document and the Appendix, the requirements in the body of this document shall prevail.

All Respondents will directly interface with Sargent & Lundy for all communications, including questions, ASRFP clarification issues, and proposal submission. All questions should be submitted on the ASRFP website (https://uns2026asrfp.com/), and all other correspondence concerning this ASRFP should be sent via e-mail to UNS.2026.ASRFP@sargentlundy.com.

All proposals must be uploaded via the ASRFP website (https://uns2026asrfp.com/) no later than the Proposal Submittal Due Date shown in Section 1.7. Proposals received after the Proposal Submittal Due Date will not be accepted and shall be disqualified from evaluation. The Companies reserve the right, at their sole discretion, to modify this schedule for any reason.

## 2.1 Information Provided to Potential Respondents

This ASRFP and all its Appendices are available on the ASRFP website (https://uns2026asrfp.com/). After registering with the website, interested parties may download this ASRFP and its required forms. Respondents are expected to complete the forms in Microsoft Word, Microsoft Excel[4], and/or PDF format as required.

## 2.2 Respondent Questions

All questions from potential Respondents shall be sent via e-mail to UNS.2026.ASRFP@sargentlundy.com. All questions and answers will be posted on the website (https://uns2026asrfp.com/) to provide uniform communications to all Respondents as well as any updates and other details as may be provided throughout the bidding process.

## 2.3 Proposal Submittal

The ASRFP website provides a link for proposal submissions. Respondents will be required to include a contact name, email address, and company name. The uploaded documents will be automatically sorted by this information. Respondents may upload any number of documents but must use the same designated contact name, email address, and company name for each upload. Respondents will not be able to see or edit uploaded documents once submitted. The link will automatically expire after the submittal deadline date.

[4] Microsoft Excel format is required for the submission of Appendix E.

## 2.4 Proposal Evaluation Fees

Respondents may submit up to three proposals at a total cost of $5,000 in response to this RFP. Respondents submitting more than three proposals will incur a proposal evaluation fee of $5,000 for each additional proposal submitted. A proposal consists of a project with a single site and single point of interconnection. S&L will have sole discretion to determine whether a submission is deemed a single or multiple proposal. Generally, proposals with the same project characteristics (e.g., site, technology, size, etc.) but only offering a different structure (e.g., asset transfer or PPA) will be considered one proposal.

Proposals for Energy Efficiency and Demand Response resource projects are excluded from the proposal evaluation fee requirement.

Proposal fee payment information will be provided once the Notice of Intent (NOI) and Non-Disclosure Agreements (NDA) are submitted by Respondents. Respondents may contact S&L at UNS.2026.ASRFP@sargentlundy.com for proposal fee payment instructions at that time.

## 2.5 Valid Proposal Duration

Respondents' entire proposal, including pricing, shall remain valid for six (6) months (through October 3, 2026). Proposals that are short-listed shall remain valid through contract negotiations and any Arizona Corporation Commission (ACC) processes determined as necessary by the Companies.

## 2.6 Required Documentation

All proposals submitted in response to this ASRFP must be received by S&L no later than the Proposal Submittal Due Date shown in Section 1.7. S&L and the Companies will not evaluate proposals as part of this ASRFP process if submitted after this date and time. Proposals **must be designated TEP or UNSE** as the proposal recipient; multiple proposals submitted by the same Respondent must be identified and submitted separately. Financial statements, annual reports, technical specification documents, and other large documents can be uploaded electronically through the ASRFP website address. A checklist on the documentation requirements is provided in Appendix F.

### 2.6.1 Pre-Qualification Documentation

In accordance with the schedule provided in Section 1.7, each respondent must provide the following documentation as a pre-requisite to bidding:

- Appendix B – Notice of Intent to Respond
- Appendix C – Non-Disclosure Agreement[5] (executed by the Respondent in its present form via Adobe Sign)
- Appendix D – Pre-Qualification Application

[5] The NDA in Appendix C is provided for informational purposes. Respondents must submit the form provided (also in Appendix C) as instructed to initiate the process for electronic signing.

### 2.6.2 Final Proposal Documentation

All proposals are due on the Proposal Submittal Due Date as shown in Section 1.7, along with the following information in Appendix E:

- Appendix E – Proposal Data

## 2.7 Certification

By submitting a proposal, Respondent's effectively certify that:

1. There are no pending administrative, legal or civil actions that would impair the Respondent's ability to perform their obligations under the submitted proposal.

2. The Respondent has not directly or indirectly induced or solicited any other Respondent to submit a false proposal.

3. The Respondent has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal.

4. The Respondent has not sought by collusion to obtain any advantage over any other Respondent; and

5. The Respondent will indemnify S&L and the Companies as specified in Section 9.4 below and hold them harmless as specified in Section 9.5.

# 3 GENERAL ELIGIBILITY MINIMUM REQUIREMENTS

Proposals must meet the following minimum requirements presented in this Section. Proposals must also meet the additional technology-specific requirements set forth in Section 4 below. Proposals that do not satisfy all applicable requirements will be considered non-conforming and may not be evaluated by S&L and the Companies.

## 3.1 Eligible Resources

The Companies will accept Proposals for both supply-side and demand-side projects as described in this section. Supply-side projects offering capacity must provide at least four hours of dispatchable service per day throughout the summer. Supply-side and demand-side projects offering capacity may provide capacity for shorter periods but must provide capacity benefits during times of need (see Appendix A). Projects may be based on a single technology or combination of technologies, such as solar-storage hybrid plants. Shares of new or existing eligible projects will be considered at the discretion of the Companies.

The following supply-side resources (whether stand-alone or in combination) are eligible for consideration:

- Solar
- Energy Storage
- Wind
- Natural Gas Fired Reciprocating Units
- Natural Gas Fired Simple Cycle Combustion Turbines
- Natural Gas Fired Combined Cycle Units
- Other[6]

The following demand-side resources (whether stand-alone or in combination) are eligible for consideration:

- Demand Response
- Load Management Programs
- Energy Efficiency[7]

## 3.2 Eligible Transaction Structures

The Companies will consider transaction structures such as Power Purchase Agreements, Asset Purchase Agreements (APA), Build-Own Transfer Agreements (BOTA) and Load Management Agreements. Proposed resources can be existing projects or projects that are yet to be constructed.

[6] Respondents interested in proposing supply-side resources not included in the list above should request a discussion with the Independent Monitor via the ASRFP website prior to submittal of a Proposal to determine the eligibility of such technology(ies).

[7] Energy efficiency projects need not be dispatchable but must clearly demonstrate their time-of-day and time-of-year benefits.

The Companies will evaluate Proposals that incorporate the following transaction structures:

- Power Purchase Agreements
  - Renewable Energy PPA
  - Renewable Energy Tolling PPA
  - Energy Storage Tolling PPA
  - Thermal Tolling PPA
- Build-Own-Transfer and Asset Purchase Agreements
  - Renewable Energy BOTA / APA
  - Energy Storage BOTA / APA
- Load Management Agreement

The Companies are providing non-binding indicative term sheets for the transaction structures listed above. The term sheets will be provided when Notice of Intent and Non-disclosure Agreements are submitted. The term sheets provided should be reviewed by Respondents and any unacceptable terms and conditions should be noted when developing the Proposals. The Companies expect to begin negotiations with pro forma agreements based on the terms and conditions included in the term sheets. The Companies will provide pro forma agreements to short listed Respondents for review during the Proposal evaluation period.

NOTE: If a Respondent's Proposal represents a combination of technologies, it is incumbent upon the Respondent to review the term sheet applicable to each type of technology and include as part of its Proposal any modifications in the form of redlines in the applicable term sheets.

### 3.2.1 Power Purchase Agreements

If Respondent is submitting a Power Purchase Agreement option, they shall submit an annual power purchase price (dollars per kilowatt-month ($/kW-month) for capacity and/or dollars per megawatt-hour ($/MWh) for energy as applicable) consisting of a payment that is inclusive of all monetary consideration for the capacity, energy, ancillary services, renewable energy credits (RECs), and if applicable, any ancillary facilities and contractual arrangements (e.g., for fuel supply and transportation, maintenance, pollution control bonds, etc.). If the Respondent can provide more competitive pricing which does not include all aforementioned products (i.e., a proposal which excluded RECs), the respondent shall provide their proposal pricing with and without the specific product. Respondents must submit their best and final price with their proposal. Respondents must provide details regarding any liabilities that the Companies might assume. The Respondent may also submit a proposed form of agreement/contract for consideration.

### 3.2.2 Build-Own-Transfer and Asset Purchase Agreements

If Respondent is submitting a Build-Own-Transfer or Asset Purchase Agreement option, Respondents shall submit an acquisition price consisting of a single fixed payment that is inclusive of all monetary consideration for the generation facility, working inventory, and, if applicable, ancillary facilities and contractual arrangements (e.g., for fuel supply and transportation, maintenance, pollution control bonds, etc.). Respondents must submit their best and final price with their proposal. Respondents must provide details regarding any liabilities that the Companies might assume as a buyer of a generation facility.

#### 3.2.2.1 Cyber Security, Physical Security and Critical Energy Infrastructure Information

The Companies view cyber security, physical security and critical infrastructure protection as critically important aspects of modern power generation and load management systems. The Companies maintain a stringent set of standards and requirements that define the specifications for cyber security, physical security, communication system(s) and other applicable measures. The Companies deem the standards documents to be highly confidential and as such, only successful short-list respondents will receive copies of the standards to be addressed during the negotiation process.

To facilitate understanding of cyber security, physical security and communication infrastructure being proposed by Respondents, all Proposals for projects proposed as an Asset Purchase or Build-Own Transfer must include a detailed narrative describing the steps and actions taken to secure and manage access to electronic equipment, controls and communication systems, physical drawings, and other forms of Critical Energy Infrastructure Information (CEII) which may be created during construction and subsequent operation of a project. All generation owners and operators (to include PPA proposals), as defined by NERC, are expected to provide proof to the Companies for how they will meet and adhere to NERC CIP and NIST cybersecurity standards.

#### 3.2.2.2 State Contractor's License

Each Respondent proposing a build transfer Proposal under an Asset Purchase Agreement, must have a license to do business as a construction contractor in the state where the project is to be constructed. If Respondent does not have a license at the time of Proposal submittal, Respondent must describe, in their proposal(s), how Respondent will obtain its license no later than the end of Contract Negotiations listed in Section 1.7.

### 3.2.3 Load Management Agreement

For demand side Proposals, Respondents shall submit an annual power purchase price ($/kW-month for capacity reduced/avoided and/or $/MWh for energy reduction/avoided as applicable) consisting of a payment that is inclusive of all monetary consideration for the capacity and energy benefits of the resource proposal. Proposals for demand side resources shall also include a load modification shape in Appendix E of their submittals.

## 3.3 Term and Useful Life Requirements

All PPAs, except for those involving natural gas-fueled assets, should have a minimum term of 10 years and a maximum term of 30 years.

For generation resource acquisition proposals, facilities must have an estimated remaining useful life of no less than 10 years from the acquisition date to be considered.

In all proposals, Respondents shall describe the expected useful life of all facilities included in their proposals and the basis for such expectation.

For generation acquisition proposals, if Respondent can offer more competitive pricing and terms for title transferring prior to or after May 1, 2028, Respondent should detail the drivers and the optimal date for title transfer. Acquisitions will be contingent on projects achieving commercial operations.

## 3.4 Proposal Size

All proposals shall meet the following sizing requirements:

Supply Side Proposals: Unless exempted by the Companies[8] proposals must offer a minimum of 40 MW per site. The Companies prefer to limit any individual project size to a maximum 200 MW in order to mitigate project development risks, enable the deployment of multiple technologies or configurations, safeguard system integrity, and mitigate risk associated with a single point of failure.

Demand Side Proposals: Demand Side proposals do not have minimum or maximum limitations; however, Respondents must define capacity and energy savings as appropriate and the year by which the savings will be achieved. Respondents must identify capacity and energy savings as appropriate through the end of the proposal term.

Combined Technologies Proposals: Both supply side and demand side Proposals may combine technologies, subject to the requirement that each combined technologies Proposal must offer either a minimum of 40 MW per technology per site for supply side resources or 25 MW in aggregate for demand side resources.

## 3.5 Capacity, Energy, and Ancillary Services:

Each proposed project must provide all available capacity, energy, and ancillary services for use exclusively by the Companies. Generally, proposed projects would be used for capacity according to the profile shown in Appendix A, but also dispatchable to meet NERC Control Performance Standards of Reliability Based Control (BAL-001), Disturbance Recovery (BAL-002) and for Frequency Response in autonomous droop control (BAL-003). Storage resource depletions of this nature, outside of the Appendix A envelope, shall be followed by immediate re-charge so the resource is fully capable for Appendix A dispatch.

Ancillary services may include frequency response, spinning reserve, non-spinning reserve, reactive power control, fixed power factor, and automatic voltage regulation. Any Proposal for a generating or energy storage resource with ancillary capabilities must include pricing for the proposed resource without foregoing ancillary service capabilities that are included as part of the Proposal.

## 3.6 Operations

For supply side resources (including energy storage), the proposed project must be able to operate autonomously and be controlled remotely with the Companies' Automatic Generation Controls (AGC), with interface through the Companies' Energy Management System. All supply side proposals must allow for and support any interface requirements for use in the Southwest Power Pool's (SPP) Markets+ or the California Independent System Operator (CAISO) Western Energy Imbalance Market (WEIM). Any Respondent that submits a Proposal for a non-supply side resource should consider whether such resource could be capable of operational control by the Companies and available for potential use in the SPP Markets+ or the CAISO WEIM.[9] Proposals that include such capability will be more favorably evaluated than those that do not.

[8] Proposals offering unique advantages, such as non-variable clean energy, may be provided an exemption.

[9] The companies have announced plans to join SPP's Markets+ in 2027.

## 3.7 Commercial Viability

In the case of a project yet to be constructed and developed, Respondent must demonstrate in its Proposal that it and/or its partner(s) have previously developed a project to the point of commercial operation and that the size of such previously developed project is at least ten percent (10%) of the size of the proposed project. In the case of existing projects, each Respondent must demonstrate in its Proposal that it and/or its partner(s) has previously *operated* a project utilizing the same technology being proposed, that the size of such previously operated project is at least fifty percent (50%) of the size of the proposed project, and that such project will have operated successfully for a minimum of one (1) year by the Proposal due date of March 6, 2026.

Any Respondent that requires a partner to satisfy the commercial viability requirement set forth in this Section must also demonstrate, to the Companies' satisfaction, that the partner relationship has been legally established, is legally enforceable, and supports the Proposal being submitted.

## 3.8 Interconnection

The Companies are accepting project proposals with deliverability to their respective transmission systems from Respondent-Selected Site. Respondents should be aware that connection to a substation owned by the Companies may not guarantee connection to the transmission system. Any additional firm transmission service needed to connect a proposed facility to the Companies' transmission system is the responsibility of Respondent and should be accounted for in Respondent's Proposal.

## 3.9 Respondent-Selected Sites

Respondent must demonstrate current or imminent site control that is effective at the time of ASRFP Proposal submission and continues through the term of the associated agreement with the Companies. This demonstration must include evidence of fee ownership and/or land rights such as easement, lease, grant, license, etc.

Proposed projects must demonstrate the ability to interconnect directly to the Companies' transmission system or the Respondent must demonstrate the ability to deliver energy and capacity via firm transmission service from the proposed project to an acceptable delivery point on the Companies' transmission system. Firm transmission capability must be demonstrated for the proposed duration of the project's useful life. With firm transmission capability and deliverability demonstrated, it is the Respondents' responsibility to secure firm transmission service should their projects be selected. All Respondent-Select Site project proposals must include firm transmission service (via system interconnection or external procurement) in the proposal. Losses incurred between the generating facility and the point of delivery are the responsibility of the Respondent. Applicable project interconnection cost estimates must be detailed in Appendix E.

TEP's Open Access Transmission Tariff (OATT) is located at: http://www.oatioasis.com/tepc/

UNSE's Open Access Transmission Tariff (OATT) is located at: http://www.oasis.oati.com/UNST/index.html

Each proposed facility must be able to be constructed and interconnected to meet proposed capacity and energy deliveries by the in-service dates established in this ASRFP. Respondents will be required to enter the appropriate interconnection queue upon being shortlisted, see Section 3.10.

## 3.10 Interconnection Applications and Studies

The Companies recognize that the timeline for executing an interconnection agreement is a critical element in the project development process. For purposes of this ASRFP, Respondents will not be required to enter the interconnection queue process unless and until its Proposal is selected for Short List evaluation, which the Companies expect to determine as shown in Section 1.7. Respondents should note that the application processing time for interconnection requests will vary by location. Each proposed facility must be able to be constructed and interconnected to meet proposed capacity and energy deliveries by the in-service dates established in this ASRFP. The interconnection queue is available to the Respondents at the Companies OASIS sites referenced above. Nevertheless, each Respondent is responsible for performing its own diligence with respect to the interconnection process and making its own determination about when it should submit its application to the interconnection queue, and otherwise participate in the interconnection process, in order to meet the requirements and preferences of this ASRFP.

Nothing in this ASRFP document is intended to provide definitive guidance to any potential Respondent regarding the specifics of the interconnection process that may be applicable to Respondent's proposed facility.

## 3.11 Energy Delivery Costs

Pricing included in any Proposal must be based on delivery to the Companies' system. If the Respondent is proposing to interconnect directly to the TEP or UNSE system, all losses between the generating station and the point of demarcation for equipment ownership and transfer to the Companies (typically referred to as the Delivery Point in the relevant agreement with the Companies) are the Respondent's responsibility. If the Respondent is proposing to interconnect to another utility's transmission network, all transmission wheeling costs to transmit project energy to the Companies' system on a firm basis are also the responsibility of the Respondent and must be included in the Proposal price.

## 3.12 Project Interconnection Costs

Each Respondent must include reasonable interconnection cost estimates as part of its submitted Proposal. Respondents may, in their discretion, utilize third party consultants to determine accurate interconnection estimates. Except for PPAs, a detailed description of such interconnection costs must accompany each Proposal and should include a breakdown of the significant equipment costs.

## 3.13 Permits and Zoning

Respondents shall identify and describe all environmental and land-related requirements, required permits (including required permit modifications) or plans necessary for siting, construction, operation, and maintenance (regardless of their current status) and prudent wildlife monitoring efforts. Respondents shall also provide an estimated timeline for all permits, permit revisions, plans and monitoring efforts that are not yet final.

Such permits, permit revisions, plans and monitoring efforts may include, but are not limited to: Spill Prevention Control and Countermeasure Plans; air quality permits and plans under the Clean Air Act or applicable state statute (including anticipated permit revisions and related air emission analyses); Cap and Trade Permits; discharge permits under the Clean Water Act or relevant state statute; Water Withdrawal;

Aquifer Protection Permits (under Arizona law); Pollution Incident Prevention Plans; Incidental Take and Special Use Permits.

The generation facility must have or be able to obtain all relevant environmental and other permits necessary for siting, construction, operation, and maintenance, which are the responsibility of the Respondent. Facilities without such permits or without a plan for acquiring such permits may be disqualified from consideration at the Companies' sole discretion. Respondents must also state whether there are any provisions or expected provisions that would prohibit the assignment of such permits and/or any consents required for the assignment of such permits.

Respondents shall describe any operating limitations imposed or expected to be imposed by permitting or environmental compliance that limit plant availability. Respondents shall also describe the attainment status of all applicable National Ambient Air Quality Standards (NAAQS) related to the location of the plant.

Respondents shall provide a description of any identified environmental liabilities (e.g., potential site remediation requirements, etc.) for the facility. This includes any Environmental Site Assessments performed at or adjacent to the facility, as well as any Resource Conservation and Recovery Act (RCRA) or Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) investigations, remediation or corrective actions at or adjacent to the facility.

Respondents should provide all known zoning requirement language for the project location (e.g., county, city, township, etc.) and describe any current discussions with the relevant zoning authorities. Respondents should provide the current status of project zoning.

## 3.14 Other Contractual Commitments

Respondents shall state whether there are other contractual commitments limiting or affecting the operation of generation resources included in proposals. Respondents shall state whether there are any other agreements in place for or claims on output from generation resources included in proposals. Such information should include any obligations that may restrict or compromise the ability to dispatch the facility and to claim and accredit the capacity associated with the generation resource.

## 3.15 Legal Proceedings, Liabilities & Risks

The proposal shall include a summary of all material actions, suits, claims, or proceedings (threatened or pending) against Respondent, its Guarantor (if applicable), or involving the generation facility or the site as of the proposal due date, including existing liabilities whether or not publicly disclosed, including but not limited to those related to employment and labor laws, environmental laws, or contractual disputes for the development, construction, maintenance, fueling, or operation of the facility.

## 3.16 Development Security Costs

Pricing shall include all costs for development security. The development security must be in the form of a letter of credit or cash deposit and must be submitted to the Companies in accordance with the terms of any agreement resulting from this ASRFP. In the case of a letter of credit, it must be of a term of at least 45 days past the term of the longest transaction and must be from a domestic bank (or a domestic branch of a foreign bank) with its lowest senior unsecured long-term debt rating from Standard and Poor's, Moody's, or Fitch at

least "A-" (or its equivalent). In general, development security will be calculated in accordance with Table 3-1 below. The Companies may consider the status of Respondent's credit rating, the project construction costs, and any existing transactions between Respondent and the Companies which could impact credit exposure prior to determining the final development security requirements.

## 3.17 Post-Development Security Costs

Pricing shall include all costs for post-development security. The post-development security must be in the form of a letter of credit or cash deposit and must be submitted to the Companies on or before COD in accordance with the terms of any agreement resulting from this ASRFP. In the case of a letter of credit, it must be of a term of at least 45 days past the term of the longest transaction and must be from a domestic bank (or a domestic branch of a foreign bank) with its lowest senior unsecured long-term debt rating from Standard and Poor's, Moody's, or Fitch at least "A-" (or its equivalent). In general, post-development security will be calculated as described in Table 3-1 below. The Companies may consider Respondent's credit rating and any existing transactions between Respondent and the Companies which could create additional credit exposure to determine any necessary adjustments to collateral for final contracting.

**Table 3-1: Security Costs**

| Resource | Contract Structure | Contract Execution ($/kWh) | Post Commercial Operation Date ($/kWh) |
|---|---|---|---|
| Energy Storage | PPA | 40 | 20 |
| **Resource** | **Contract Structure** | **Contract Execution ($/kW)** | **Post Commercial Operation Date ($/kW)** |
| New Solar | PPA | 100 | 50 |
| New Wind | PPA | 150 | 75 |
| New Thermal | PPA | 100 | 50 |
| Existing Thermal | PPA | 50 | 50 |
| Energy Efficiency | Load Management Agreement | 100 | 50 |
| Demand Response | Load Management Agreement | 100 | 50 |

In the case of a Solar/Wind + Storage project, security costs should be calculated as the sum of the Solar security component and the Storage security component. For example for Solar + Storage, the security cost would be calculated as: *Solar Security Cost ($/kW) * kW + Storage Security Cost ($/kWh) * kW * duration (hours)*.

## 3.18 Tax Credit Strategy

Evaluation of Proposals will take into consideration each Respondent's proposed project schedule and its ability to satisfy the investment tax credit (ITC) and production tax credit (PTC) commence construction guidance, pursuant to either the "physical work test" or the "five percent (5%) safe harbor," at the earliest realistic time to capture the maximum ITC/PTC.

The evaluation will also consider whether the proposed projects fulfill the prevailing wage and apprenticeship requirements, energy community requirements, and domestic content requirements outlined in the Inflation Reduction Act (IRA).

If a Respondent believes that it can achieve an overall lower Proposal price by satisfying the ITC/PTC commence construction guidance in a later year (i.e., lower percentage credit), or any other available incentives through the IRA, Respondent should describe its approach and detail the cost savings it expects to achieve that will compensate for the reduced ITC/PTC.

Each Respondent must provide a detailed description of its tax credit strategy, including the following information:

- Explanation of holistic strategy regarding ITC/PTC capture.
- Identification of the critical path items for meeting its proposed ITC/PTC physical work/5% safe harbor deadline (must be supported by a proposed project schedule), if applicable.
- If applicable, project cost comparison for achieving ITC/PTC physical work/5% safe harbor in the earliest year Respondent believes possible, versus the overall lower price by satisfying the ITC/PTC commence construction guidance in a later year.
- If applicable, plan to fulfill other IRA available incentives such as those related to prevailing wage and apprenticeship, energy communities, and domestic content.

# 4 TECHNOLOGY-SPECIFIC PROPOSAL REQUIREMENTS

In addition to satisfying the minimum requirements described in Section 3 above, each Proposal must satisfy additional minimum requirements specific to the technology proposed therein to be considered a conforming bid. Any resource acquisition proposal must clearly state all terms and obligations of the parties associated with the proposed transaction, including the disposition of any tax credits. For a PPA proposal, the energy price shall include the value of any applicable tax credits and be stated in dollars per megawatt-hour.

Below is a list of the additional minimum requirements for each resource technology type, as well as details on Companies' "Preferred Characteristics". Proposals that contain more of the Companies' "Preferred Characteristics" may be viewed as more valuable than those that contain fewer of the "Preferred Characteristics".

## 4.1 Renewable Energy Technologies

Section 4.1 applies to stand-alone renewable resource Proposals. The requirements in Section 4.2 below also apply to renewable resource Proposals that include those integrated with energy storage systems.

### 4.1.1 Minimum Requirements:

Any renewable energy technology Proposal must conform to the general eligibility minimum requirements set forth in Section 3 and the minimum requirements set forth in this Section.

1) Transaction Structure: A conforming Proposal must offer renewable energy pursuant to the term sheets for a renewable energy power purchase agreement, tolling agreement with a term of at least ten (10) years and not more than thirty (30) years or build own transfer agreement. The final PPA or tolling agreement must give the Companies' ownership of all environmental attributes, as that term will be defined therein.

2) Eligible Resources: Eligible Renewable Energy Resources as defined in A.A.C. R14-2-1802(A), are applications of the following defined technologies that would otherwise be used to provide electricity to the Companies' customers: Biogas Electricity Generator, Biomass Electricity Generator, Eligible Hydro Facilities, Fuel Cells that Use Only Renewable Fuels, Geothermal Generator, Hybrid Wind and Solar Electric Generator, Landfill Gas Generator, Solar Electricity Resources, Wind Generator.

3) Technical Characteristics:

    a) Renewable energy projects must offer operational flexibility, which can be achieved through a tolling agreement structure or through a PPA that includes curtailment rights. Proposals should be clear about the operational flexibility being offered and how that flexibility can be maximized to achieve the greatest value for the Companies.

    b) Any Proposal for a solar photovoltaic facility shall include three (3) hourly production profiles (i.e., 8760 profiles), which represent the hourly output of the project at the Companies' Delivery Point in Mountain Standard Time (MST) generated using the P90, P75 and P50 US TMY3 (Typical Meteorological Year) Solar Anywhere data sets. The Solar Anywhere data sets should be based on site specific 1km x 1km grids/tiles.

c) Any Proposal for a wind facility shall provide representative on-site wind data used in preparing 8760 production profiles as well as the method(s) for collecting on-site wind data in Appendix E ("Hourly Shape" tab) spreadsheet.

For renewable resources, Respondents shall provide expected annual capacity factors and the expected useful life of the asset. If applicable, Respondents shall also provide expected annual degradation rates. All RECs that are included in a Proposal must be qualified to be registered with the Western Renewable Energy Generation Information System.

### 4.1.2 Preferred Characteristics:

1) Duration: A facility able to generate 100% of the proposed contract capacity when operated between 122°F and 0°F.

2) Peak Energy Production: A facility that maximizes the amount of energy production that it will generate and deliver during the months of June through September between the hours of 3:00 p.m. and 9:00 p.m. Mountain Standard Time (MST) as identified in the heat map attached as Appendix A.

3) Curtailment Flexibility: The ability for a facility to curtail energy production.

## 4.2 Energy Storage Technologies

Any energy storage Proposal must conform to the general eligibility minimum requirements set forth in Section 3 above and to the minimum requirements set forth in this Section.

### 4.2.1 Minimum Requirements:

1) Transaction Structure: A conforming Proposal must offer energy storage pursuant to the term sheets for an energy storage tolling agreement with a term of at least five (5) years and not more than twenty (20) years or build own transfer agreement. The final tolling agreement must give the Companies ownership of all environmental attributes, as that term will be defined therein.

2) Technology: Proposals include the following technologies:

   a) Battery energy storage system (BESS)

   b) Flywheel

   c) Pumped storage hydropower

   d) Compressed air energy storage system (CAES)

   e) Other energy storage technologies that meet the minimum requirements in this ASRFP.

3) Technical Characteristics:

   a) Any proposed facility must meet all BESS industry safety standards and requirements. Proposal pricing shall include all equipment and design necessary to satisfy all such safety requirements.

b) Any proposed facility must be capable of operating in desert conditions at 100% of the proposed contract capacity discharging for a minimum of four (4) consecutive hours.

c) Proposed projects must provide full duty cycle (one full charge and discharge) capabilities that meet peak demand requirements demonstrated in Appendix A for 2028 needs. Proposals must define equivalent cycles and the corresponding annual average state of charge.

d) Any proposed facility must be capable of satisfying a monthly availability requirement, as proposed during the term of the Agreement, in consideration of Appendix A.

### 4.2.2 Preferred Characteristics:

1) Proven Technologies: Storage technologies that have already undergone safety testing, safety evaluations, and safety design assessments and are in commercial operation as evidenced by supporting documentation included in the Proposal will be evaluated more favorably.

2) Duration: A facility able to deliver the full proposed contract capacity for a duration of four (4) consecutive hours or longer to meet peak demand needs as represented in the heat map attached as Appendix A.

3) Location: A facility located in the Companies' service territory and interconnected to Companies' transmission or sub-transmission system (69kV or higher).

4) Charge/Discharge: A facility that charges in a timeframe as close to matching the amount of time it takes to discharge and does not de-rate the power capacity of the facility as it reaches the high or low end of the state of charge.

## 4.3 Thermal Generation

Any Proposal for a thermal generation resource must conform to the general eligibility minimum requirements set forth in Section 3 above and to the minimum requirements set forth in this Section.

### 4.3.1 Minimum Requirements:

1) Transaction Structure: Proposed transaction must be in the form of a build-transfer, asset acquisition or tolling power purchase agreement with a delivery term of at least one (1) year and include a delivery period of June 1 through September 30. Proposals must also include Respondent's plan, if any, to reduce carbon emissions over the term of the proposed transaction, including through the use of clean hydrogen or by other means.

2) Technical Characteristics:

   a) Proposed gas-fired generation resources must be able to connect to a viable interstate natural gas pipeline. The Companies will evaluate the proposed point of gas interconnection connection to validate if there are any gas transport constraints specific to that location.

b) Proposed resource must have adequate water rights to support performance for the full contract capacity and for the proposed term of the tolling agreement.

c) The Proposed resource must be fully dispatchable by the Companies using AGC.

d) To the extent that carbon allowances are allocated to the proposed resource or part thereof, those allowances must be provided to the Companies for the term of the associated tolling agreement at no additional charge and may be allocated by the Companies toward its requirements pursuant to any applicable regulatory requirements.

e) The Companies evaluate gas turbine performance on the following parameters:

- Assumed elevation of 1,000 ft.
- June-September temperatures at 105°F and relative humidity of 19%.
    - Equivalent to 115°F and relative humidity of 9.5%.
    - Assumes inlet cooling.
- October, March-May temperatures at 73°F and relative humidity of 37%.
    - Assumes inlet cooling.
- November-February temperatures at 41°F and relative humidity of 51%.
    - Inlet Cooling is assumed off.

3) Water Supply and Permitted Discharge: Respondents shall provide a detailed description of the water supply, including but not limited to contract term, water usage, and cost of water for the generation facility. Respondents shall also provide the status of the facility's National Pollutant Discharge Elimination System (NPDES) permits (and any Arizona Aquifer Protection Permits), including, but not limited to, permit conditions, permit violations reported over the last five years, the timing of next permit renewal, and any other known water supply concerns.

4) Fuel Supply and Transportation: Proposals shall describe the generation facility's ability to access a reliable fuel supply that would support operation for all hours throughout the year, including the plant's on-site fuel storage and dual-fuel capabilities, if applicable.

### 4.3.2 Preferred Characteristics:

1) Stable Operation: A resource capable of stable operation at a minimum operating level of twenty five percent (25%) loading or lower without exceeding the legal limits for emissions (CO, CO2, NOx, SO2, VOC, PM10), whether pursuant to an applicable air permit or otherwise.

2) Starts: A resource capable of at least two (2) starts per day.

3) Ramp Rate: A resource with a minimum ramp rate of ten percent (10%) per minute of summer capacity rating.

4) Operating Parameters: A resource capable of full contract capacity at 118°F and relative humidity of 20%.

5) Fuel Supply: A transaction that allows the Companies the option to supply any fuel and related gas transportation for delivery to the lateral pipeline interconnection for the facility.

6) Natural Gas Transportation: For a natural gas resource, connection to both the El Paso and Transwestern interstate pipelines may be evaluated more favorably.

## 4.4 Energy Efficiency

Any Proposal for a demand side, non-dispatchable resource (referred to herein as "Energy Efficiency" or "EE" resource) must conform to the minimum requirements set forth in Section 3 and the minimum requirements set forth in this Section.

Respondents assume the risk of any future Companies rate design changes or any changes in regulatory policy when submitting a Proposal for an Energy Efficiency resource. In addition, nothing in this ASRFP shall limit the Companies' ability to offer other Energy Efficiency programs in the future, regardless of whether or not it enters into an agreement for an Energy Efficiency resource as a result of this ASRFP.

### 4.4.1 Preferred Requirements:

1) Transaction Structure: A conforming Proposal must offer an Energy Efficiency resource pursuant to the term sheets provided on the ASRFP website for a term of at least three (3) years but not more than ten (10) years. The agreement must permit the Companies to count any energy or demand savings that results from the proposed resource toward the ACC's Energy Efficiency Standards.

2) Technical Characteristics:

   a) Cost Effective Tests: All proposed EE resources must pass the Societal Cost Test ("SCT") as defined by the ACC Energy Efficiency Standards defined in Arizona Administrative Code R14-2-2401(36). The Companies will screen all Energy Efficiency Proposals using the SCT as prescribed by the ACC. All Respondents must provide input assumptions and calculations to pass the Societal Cost Test.

   b) Reporting and Evaluation: All Proposals must include commitments to provide the data required to comply with the reporting and evaluation requirements defined under Arizona Administrative Code R14-2-2407(C), R14-2-2409(A)(4), R14-2-2412(C), R14-2-2415(A).

   c) Program Branding: All proposals must include commitments to follow the Companies' marketing, branding and customer communication requirements.

   d) Customer Base: All proposed EE resources may only aggregate customers within the Companies' individual service territory.

e) Measurement and Verification: All Proposals must include a proposed Measurement and Verification Plan ("M&V Plan") to verify actual energy (megawatt-hour) and demand (hourly megawatt) savings delivered, including estimated costs for implementing the M&V Plan. All proposals must include hourly shapes for the load reduction. The load reductions must be verifiable by the Companies and validated through the use of the Companies' metering. EE resources that do not result in M&V verifiable energy and demand savings are not eligible.

### 4.4.2 Preferred Characteristics:

1) Cost Effectiveness: An EE resource that passes the Ratepayer Impact Measure and demonstrates cost effectiveness through other cost tests such as the Utility Cost Test, the Participant Cost Test and the Societal Cost Test.

2) Peak Energy Displacement: An EE resource that displaces energy during the months of June through September and between the hours of 3:00 p.m. and 9:00 p.m. Mountain Standard Time (MST) time as identified in the heat map attached as Appendix A.

## 4.5 Demand Response

Any Proposal for a demand response or load management resource (referred to herein as "Demand Response" or "DR" resource) must conform to the general eligibility minimum requirements set forth in Section 3 and the minimum requirements set forth in this Section.

Respondents assume the risk and impact of any future Companies rate design changes or any changes in regulatory policy when submitting a proposal to the Companies. In addition, nothing in this ASRFP is intended to limit the Companies' ability to offer its own demand response programs of any type in the future, regardless of whether or not it enters into a demand response load management agreement as a result of this ASRFP.

### 4.5.1 Preferred Requirements:

1) Transaction Structure: A conforming Proposal must offer a demand response resource pursuant to the term sheets provided on the ASRFP website for a term of at least one (1) year but not more than ten (10) years. The agreement must permit the Companies to count any energy or demand savings resulting from the proposed program towards the ACC Energy Efficiency Standard.

2) Technical Characteristics:

   a) Peak Demand Reductions: A DR resource that displaces demand during the months of June through September and between the hours of 3:00 p.m. and 9:00 p.m. Mountain Standard Time (MST) time as identified in the heat map attached as Appendix A.

   b) Resource Size: DR Proposals must be scalable to a preferred capacity of 25 to 50 MW. The total capacity can be aggregated from eligible customers. Customers on interruptible riders or tariffs may not be eligible to participate.

c) Dispatch Event: The preferred DR resource may be called upon a minimum of twenty (20) times during a summer season (June 1 through September 31) and a minimum of 5 times during the winter season (October 1 through May 31).

d) Call Notification: The DR resource must respond within 30-minutes of the Call Notification.

e) Duration: Dispatch Event duration will be limited to 6 hours for each Call Notification.

f) Frequency: A maximum of one Dispatch Event may be called during a calendar day, and no more than three (3) Dispatch Events will be called during any consecutive five (5) calendar day period.

g) Availability of Capacity: The resource must provide one hundred percent (100%) of the contracted load reduction on each Dispatch Event.

h) Verification of Load Reduction: Initial preliminary load reduction analysis must be provided to the Companies 72 hours after an event ends with final analysis delivered 45 days after an event. The load reductions must be verifiable by the Companies using the Companies' owned AMI metering.

i) Customer Base: The DR resource may only aggregate eligible customers within the respective Companies service territories. The resource must be branded for the Companies.

j) Program Branding: All proposals must include commitments to follow the Companies' marketing, branding and customer communication requirements.

## 4.6 Environmental Considerations

New and existing resources must comply with all applicable environmental rules and regulations. To the extent applicable, all environmental attributes, including emission reduction credits and/or allowances related to the power being purchased, shall be conveyed to the Companies. This includes, but is not limited to, any and all credits in any form (emissions credits, offsets, financial credits, etc.) or baseline emissions associated with both known and unknown pollutants, including but not limited to $SO_2$, $NO_X$, Mercury (Hg), and $CO_2$.

For generation resource acquisition proposals, the Respondent will retain all pre-closing environmental liabilities and obligations as well as all known future environmental liabilities and obligations, in each case associated with the real and personal property transferred with or as part of a Sale of the Plant. This includes both on and off-site liabilities. The Companies will assume all other post-closing environmental liabilities and obligations. For purposes of facility design, the Respondent should assume that the resource will be required to meet the proposed New Source Performance Standards for Greenhouse Gases (40 Code of Federal Regulations (CFR) part 60, subpart TTTT) and all other applicable air quality and water quality requirements, as applicable to new and reconstructed sources.

# 5 PROPOSAL EVALUATION AND CONTRACT NEGOTIATIONS

The evaluation process will determine which proposals, when combined in a resource portfolio, are most capable of providing the Companies with affordable, reliable, and clean energy for their customers. The Companies will combine sophisticated resource planning tools and modeling with a qualitative assessment to determine best value projects. This section offers a framework for Respondents to understand the evaluation process at a high level. The Companies reserve the right to modify this process at their sole discretion and will not disclose the results of its evaluation to any Respondents.

## 5.1 Initial Review

Proposals will first be reviewed for completeness. Respondents providing proposals that do not meet the requirements of this ASRFP, including payment of proposal evaluation fees, may be notified. Respondents may also be contacted for additional information or clarifications by Sargent & Lundy. These communications will be initiated via e-mail from UNS.2026.ASRFP@sargentlundy.com.

Complete Proposals will be grouped by technology, product type, and commercial structure and evaluated according to quantitative and qualitative criteria. For example, energy storage agreements may be evaluated against other energy storage agreements. Together, the quantitative and qualitative analyses are intended to identify high-value, low-risk proposals for detailed review, short-listing, and contract negotiations.

### 5.1.1 Quantitative Analysis:

Within each group, proposals will be scored primarily by cost, such as levelized busbar costs. Proposals that do not score well on a quantitative basis may be removed from further consideration.

### 5.1.2 Qualitative Analysis:

Following a quantitative analysis, Proposals will be further reviewed according, but not limited, to the following criteria:

- Commercial maturity of the technology (including safety issues)
- Site control, interconnection status, transmission availability (if applicable)
- Developer experience
- Point of Interconnection
- Potential benefits to be realized by communities affected by recent or planned coal unit closures.
- Counterparty credit risk
- Mitigation factors in place to reduce supply chain and workforce availability risk.

## 5.2 Proposal Evaluations

The Companies will take a two-phased approach for screening, evaluating and shortlisting projects. Each phase is mix of the qualitative and quantitative measures mentioned above. S&L will perform Phase 1 independently and without the influence of the Companies. Once this phase is complete, the ranking results will be provided to the Companies to complete Phase 2 and shortlist selections. A summary of this two-phased approach is as follows.

### 5.2.1 Phase 1: Independent Evaluation/Monitoring Screening

Proposals are to be scored by levelized cost of energy (LCOE) and levelized cost of capacity (LCOC), interconnection request status, supply-chain mitigation strategies/position and developer experience. The interconnection status of projects proposed have the potential to score up to 150 points. Demonstrating the ability to procure solar panels, batteries, step-up transformers other supply-chain constrained elements will be scored with a maximum score of 100 points. The most experienced respondents could score up to 50 points.

**Table 5-1: Phase 1 Scoring**

| Criteria | Possible Points |
|---|---|
| LCOE/LCOC | 500 |
| Interconnection Status | 150 |
| Supply-Chain | 100 |
| Experience | 50 |
| **Total** | **800** |

### 5.2.2 Phase 2: Detailed Review and Short-Listing

The Phase 2 review and evaluation will refine the Phase 1 evaluation and determine the cost effectiveness of projects to be short-listed. Proposals identified in Phase 1 as top-ranked will be studied further, for example by obtaining additional details from Respondents, performing due diligence, and performing portfolio analyses. When performing portfolio analyses, the Companies will utilize resource planning models to determine how well a proposal or group of proposals meet the system needs of the utility and how they may affect the overall cost of the utility's portfolio as measured by the net present value of its revenue requirements.

The projects' technical characteristics will be evaluated to identify how the projects address the Companies' system needs and deliverability in alignment with the 2023 IRP. The projects will be evaluated for potential issues related to the available transmission capability, feasibility, timing and cost that could affect the projects' ability to interconnect to the system and meet the planned COD.

The Companies will develop a short-list of Proposals based on the above analyses. Development of the short-list and subsequent negotiations and awards may take additional criteria into consideration, such as Respondent-requested changes to standard terms and conditions and pro forma agreements and Respondent's environmental, social, and governance policies.

## 5.3 Discussion of Proposals during Evaluation Period

Based on the review above, the Companies may or may not select Proposals for further discussions. The Companies will contact any selected Respondent in writing to confirm interest in commencing contract negotiations. The Companies' commencement of and participation in negotiations shall not be construed as a commitment to execute a contract. Negotiations will include finalizing all the terms and conditions of the contract agreements. While the Respondent may propose a form of such agreement, the Companies reserve the right to negotiate such terms and conditions, and/or propose a form of a contract as the basis of negotiating

applicable terms and conditions. If a contract is negotiated, it will not be effective unless it is fully executed with the receipt of all required regulatory approvals.

## 5.4 Contract Execution

This ASRFP does not obligate the Companies to enter into any agreements with any Respondent who submits an offer to the Companies and may in their discretion, reject any or all proposals described in this ASRFP.

Short-listing or the selection of a winning proposal shall not be construed as a commitment by the Companies to execute an agreement. Before executing any agreement, S&L and the Companies may conduct additional due diligence on the proposal, which may include onsite visits, management interviews, legal and regulatory due diligence, and detailed engineering assessments and facility dispatch modeling.

# 6 RESERVATION OF RIGHTS

Nothing contained in this ASRFP shall be construed to require or obligate the Companies to select any proposals or limit the ability of the Companies to reject all proposals in its sole and exclusive discretion. The Companies further reserve the right to withdraw and terminate this ASRFP at any time prior to the Proposal Submittal Due Date, selection of bids or execution of a contract. All final contracts will be contingent on required approvals.

All proposals submitted to the Companies pursuant to this ASRFP shall become the exclusive property of the Companies and may be used for any reasonable purpose by the Companies.

# 7 CONFIDENTIALITY OF INFORMATION

All proposals submitted in response to this ASRFP become the property of the Companies upon submittal. Respondents should clearly identify each page of information considered to be confidential or proprietary. Sargent & Lundy and the Companies will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all information so identified in accordance with the terms of the ASRFP NDA (Appendix C).

# 8 REGULATORY APPROVALS

Pursuant to the terms of definitive agreement(s) that result from a proposal submitted pursuant to this ASRFP, the Respondent will agree to use its reasonable best efforts, including, if necessary, providing data and testimony, to obtain any and all State, Federal, or other regulatory approvals required for the consummation of the transaction.

Please note that regulatory approvals, while not anticipated, may be required before the transaction can be consummated between the selected Respondent and Companies.

# 9 MISCELLANEOUS

## 9.1 Non-Exclusive Nature of ASRFP

The Companies may procure more or less than the amount of assets solicited in this ASRFP from one or more Respondent(s). Respondents are advised that any definitive agreement executed by the Companies and any selected Respondent may not be an exclusive contract for the provision of assets. In submitting a proposal(s), Respondent will be deemed to have acknowledged that the Companies may contract with others for the same or similar deliverables or may otherwise obtain the same or similar deliverables by other means and on different terms.

## 9.2 Information Provided in ASRFP

The information provided in this ASRFP, or on the ASRFP website, has been prepared to assist Respondents in evaluating this ASRFP. It does not purport to contain all the information that may be relevant to Respondent in satisfying its due diligence efforts. The Companies make no representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this ASRFP, and shall not be liable for any representation, expressed or implied, in this ASRFP or any omissions from this ASRFP, or any information provided to a Respondent by any other source.

## 9.3 Proposal Costs

The Companies shall not reimburse Respondent and Respondent is responsible for any cost incurred in the preparation or submission of a Proposal(s), in negotiations for an agreement, and/or any other activity contemplated by the Proposal(s) submitted in connection with this ASRFP. The information provided in this ASRFP, or on the ASRFP website, has been prepared to assist Respondents in evaluating this ASRFP. It does not purport to contain all the information that may be relevant to Respondent in satisfying its due diligence efforts.

## 9.4 Indemnity

Supplementing Respondent's assumption of liability pursuant to this ASRFP, Respondent shall indemnify, hold harmless and defend the Companies and their parent Company, officers, employees and agents, from any and all damages, liabilities, claims, expenses (including reasonable attorneys' fees), losses, judgments, proceedings or investigations incurred by, or asserted against, the Companies or its officers, employees or agents, arising from, or are related to, this ASRFP, or the execution or performance of one or more definitive agreements.

## 9.5 Hold Harmless

Respondent shall hold the Companies harmless from all damages and costs, including, but not limited, to legal costs in connection with all claims, expenses, losses, proceedings, or investigations that arise as a result of this ASRFP or the award of a proposal pursuant to the ASRFP or the execution or performance of a definitive agreement.

## 9.6 Further Assurances

By submitting a proposal, Respondent agrees, at its expense, to provide additional information and documents as requested by Sargent & Lundy or the Companies in order to facilitate: (a) the review of a proposal, (b) the

execution of one or more definitive agreements, or (c) the procurement of regulatory approvals required for the effectiveness of one or more definitive agreements.

## 9.7 Licenses and Permits

Respondent shall obtain, at its cost and expense, all licenses and permits that may be required by any governmental body or agency necessary to conduct Respondent's business or to perform hereunder. Respondent's subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirement.

# APPENDIX A - NEEDS ASSESSMENT

## Capacity Shortfalls Assuming No Future Resources or Market Purchases

Darker shading indicates periods of greater need for the time period.

### TEP 2028

| HE: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| JAN | | | | | | | | | | | | | | | | | | | | | | | | |
| FEB | | | | | | | | | | | | | | | | | | | | | | | | |
| MAR | | | | | | | | | | | | | | | | | | | | | | | | |
| APR | | | | | | | | | | | | | | | | | | | | | | | | |
| MAY | | | | | | | | | | | | | | | | | | | | | | | | |
| JUN | | | | | | | | | | | | | | | | | | | | | | | | |
| JUL | | | | | | | | | | | | | | | | | | | | | | | | |
| AUG | | | | | | | | | | | | | | | | | | | | | | | | |
| SEP | | | | | | | | | | | | | | | | | | | | | | | | |
| OCT | | | | | | | | | | | | | | | | | | | | | | | | |
| NOV | | | | | | | | | | | | | | | | | | | | | | | | |
| DEC | | | | | | | | | | | | | | | | | | | | | | | | |

### UNSE 2028

| HE: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| JAN | | | | | | | | | | | | | | | | | | | | | | | | |
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| DEC | | | | | | | | | | | | | | | | | | | | | | | | |

# APPENDIX B - NOTICE OF INTENT TO RESPOND

| Contact Information | | | |
|---|---|---|---|
| Respondent | | | |
| Primary Contact (Name) | | | |
| Title | | | |
| Telephone | | | |
| E-mail | | | |
| Mailing Address | | | |
| Signature of Respondent | | Date | |

| Projects | Technology Type<br>(Solar, Wind, Stand-Alone Storage, Solar+Storage, etc.) | Nameplate Capacity*<br>(MW) |
|---|---|---|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |

*If hybrid project, provide the nameplate capacity of each technology type.

**Due: 5:00 p.m. PDT, Monday, March 20, 2026.**

E-mail: UNS.2026.ASRFP@sargentlundy.com

## APPENDIX C – NON-DISCLOSURE AGREEMENT REQUIREMENT

### 2026 All-Source Request for Proposals - Non-Disclosure Agreements (NDA)

### Requirements / Instructions

The deadline to execute the 2026 ASRFP Non-Disclosure Agreement (NDA) is **March 20, 2026**. Please complete and submit the information below to NDA@tep.com. To avoid missing the deadline, please do not wait until the deadline to submit the required information. Please do not complete and sign the sample NDA provided. We will take the information provided in the form below to populate our control version of the template then will send the completed NDA through Adobe Sign to collect signatures. ***No changes to the NDA will be accepted.***

| | |
|---|---|
| **Counterparty's Legal Name** (The name must match the business name of record on applicable state's website.) | |
| **State of Organization** | |
| **Type of Entity** | Choose an item. |
| **Signer's Name** (Only list a signer who is authorized to legally bind your company to the NDA.) | |
| **Signer's Title** | |
| **Signer's Email Address** (Used to collect signature via Adobe Sign.) | |
| **For Notices:** | |
| **Address Line 1** | |
| **Address Line 2** | |
| **Attention:** | |
| **with a copy to** (add name; email address) | |

# CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

(2026 All-Source Request for Proposal for Capacity and Renewable Energy Resources)

# APPENDIX D - PRE-QUALIFICATION APPLICATION

Respondent's Credit-Related Information

Provide the following data to enable \ UNS Electric Inc. to assess the financial viability of the Respondent as well as the entity providing the credit support on behalf of the Respondent (if applicable). Include any additional sheets and materials with this Appendix as necessary. As necessary, please specify whether the information provided is for the Respondent, its parent, or the entity providing the credit support on behalf of the Respondent.

Full Legal Name of the Respondent: _____

Dun & Bradstreet No. of Respondent: _____

Type of Organization: (Corporation, Partnership, etc.) _____

State of Organization: _____

Respondent's Percent Ownership in Proposal: _____

Full Legal Name(s) of Parent Corporation: _____

Entity Providing Credit Support on Behalf of Respondent (if applicable): _____

Dun & Bradstreet No. of Entity Providing Credit Support: _____

Address for each entity referenced (provide additional sheets, if necessary): _____

_____

Type of Relationship: _____

Current Senior Unsecured Debt Rating from each of S&P and Moody's Rating Agencies (specify the entity these ratings are for): _____

OR, if Respondent does not have a current Senior Unsecured Debt Rating, then Tangible Net Worth (total assets minus intangible assets (e.g., goodwill) minus total liabilities):_____

Pending Legal Disputes, if any (describe):

_____

_____

General description of Respondent's ability to construct, operate and maintain project, to the extent applicable:

_____

_____

Financial Statements of the Respondent or its Credit Support Provider, where applicable, must include Income Statement, Balance Sheet, Statement of Cash Flows, all notes corresponding to those financial statements and applicable schedules for three most recent fiscal years and financial report for the most recent quarter or year-to-date period. Also, if available, please provide copies of the Annual Reports and/or 10K for the three most recent fiscal years and quarterly report (10Q) for the most recent quarter ended, if available. If such reports are available

electronically, please provide link.

_____

_____

# APPENDIX E - PROPOSAL DATA

[See Excel file: Appendix E – Proposal Data Form]

# APPENDIX F – PROPOSAL CHECKLIST

***Required*:**

☐ Appendix B – Notice of Intent to Respond

☐ Appendix C – Non-Disclosure Agreement

☐ Appendix D – Pre-Qualification Application

☐ Appendix E – Proposal Data

☐ Executive Summary of Project Proposal

☐ Generator Interconnection Agreement (if available)

☐ Cybersecurity, physical security and other critical infrastructure narrative

☐ Audited or unaudited financial statements including balance sheets, income statements, and cash flow statements for the proposed asset(s) for the past three years (if existing).

☐ Summary of relevant experience

☐ Resume of projects developed over the last year including counterparties, country of origin and project status.

☐ Describe any current litigation or environmental fines involving the Respondent within the last five years, including but not limited to, any litigation, settlements of litigation or fines, that could potentially affect the facility or its operation.

☐ Describe all bankruptcy or insolvency proceedings relating to the Respondent in any way.

☐ Describe any litigation related to PPAs or asset purchases similar to the transactions solicited in this RFP that the Respondent or its parent company have been a party to in the last six years.

☐ Description and status of acquiring all permits (Federal, State, local) necessary for construction and operation of the project.

☐ Description and status of meeting all zoning requirements for the project location.

☐ Description and status of acquiring all applicable tax credits for the project.

☐ Description and status of acquiring site control for the project.

☐ Description of any other contractual commitments of the project that would be binding for UNS Electric, Inc. upon acquisition.

☐ Discussion regarding roles and responsibilities of any company involved in the project's development, construction, or operations.

☐ Status of major equipment procurement for the project

☐ Development schedule and associated risks and risk mitigation plans for the project.

☐ Discussion of any financing arrangements related to the project.

☐ Statement indicating whether the Respondent is willing to include in any contract for asset purchase or a Purchase Power Agreement provision to make the effectiveness of such contract contingent on the Companies obtaining the requisite transmission service at a cost that is acceptable in the sole judgement of TEP or UNSE.

# APPENDIX G – INDICATIVE TERM SHEETS

Terms Sheets will be provided by Sargent & Lundy once NOI and signed NDA are submitted by Respondents.