



MP-EX Virtual Stakeholder Meeting

February 26, 2021

Agenda

- Introductions
- Timeline
- Program Overview
- Program Detail
- Q&A

Timeline

December 31, 2020

The Arizona Corporation Commission (ACC) approved TEP's MP-EX in Decision No. 77856

February 12, 2021

Documents provided to stakeholders and posted on website

February 26, 2021

Stakeholder meeting regarding the plan of administration

March 12, 2021

Deadline to provide comments to TEP

March 31, 2021

Deadline to file a revised tariff and Plan of Administration in accordance with Decision No. 77856 for Staff review and ACC approval

Program Overview

- Decision 77856 approved TEP's MP-EX tariff (including revisions proposed by Kroger)
- The decision also approved the framework and provisions of the MP-EX
 - Two program options, including available capacity under each program
 - Customer class eligibility and aggregation
 - Participating customers remain on their applicable tariff
 - Market purchase options to replace Base Power and Purchased Power and Fuel Adjustment Charges
 - Peak demand and load factor requirements
 - Billing and aggregation charges
 - Minimum participation requirement

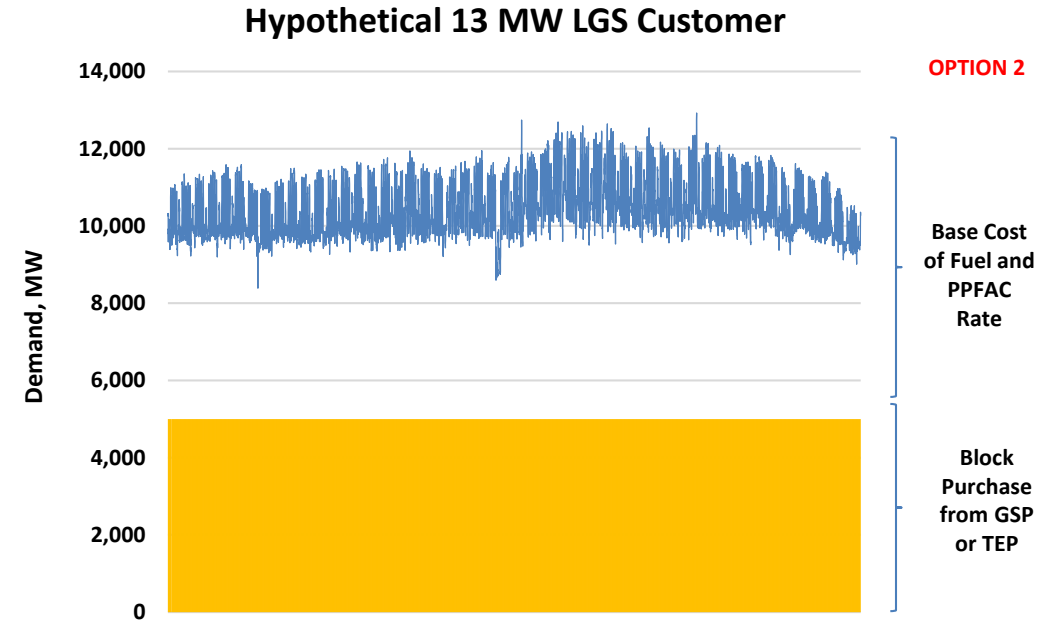
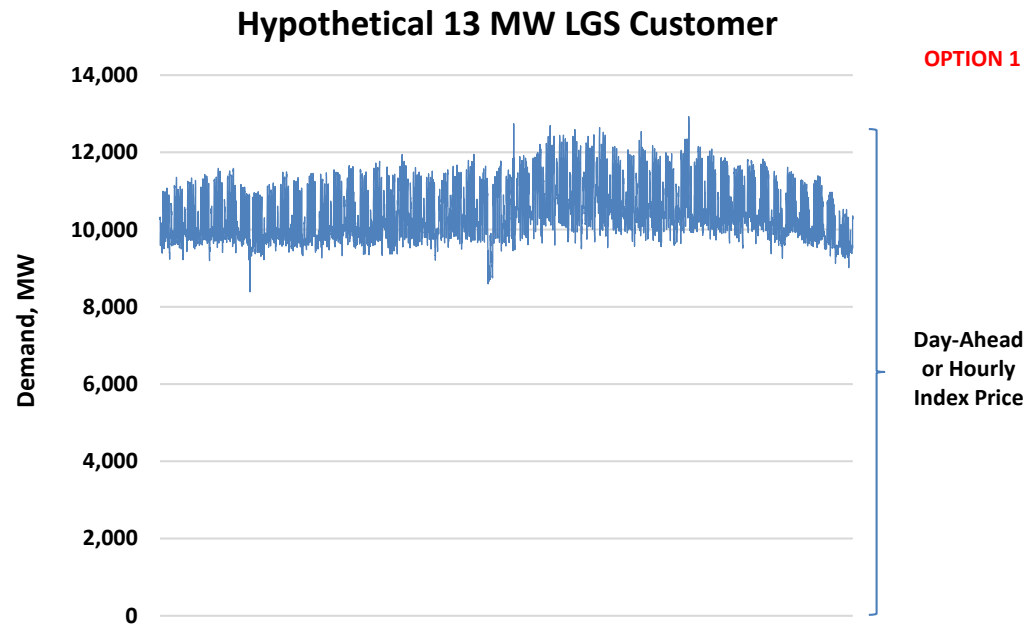
Program 1

	Program 1
Customer Class Participation	Medium and Large General Service
Program Size	25 MW
Customers Remain on Applicable Rate	Yes. MP-EX will replace the Base Power Charge and Purchased Power and Fuel Adjustment Clause. All other provisions, charges and adjustors continue to apply
Aggregation Allowed	Yes
Minimum Aggregated Peak Demand and Load Factor	3,000 kW / 60%
Maximum Block Purchase Size	50% of customer's average monthly peak demand from October – April
Market Purchase Options	Day-ahead or hourly market index price or a 7x24 block of energy and capacity procured on a 12-month basis (min. block size 1,000 kW) through the Company or a third-party Generation Service Provider
Monthly Billing Charge	\$1,000
Monthly Service Charge per Service Point Aggregated	\$500
Participation Requirement	Continuous 12-month commitment

Program 2

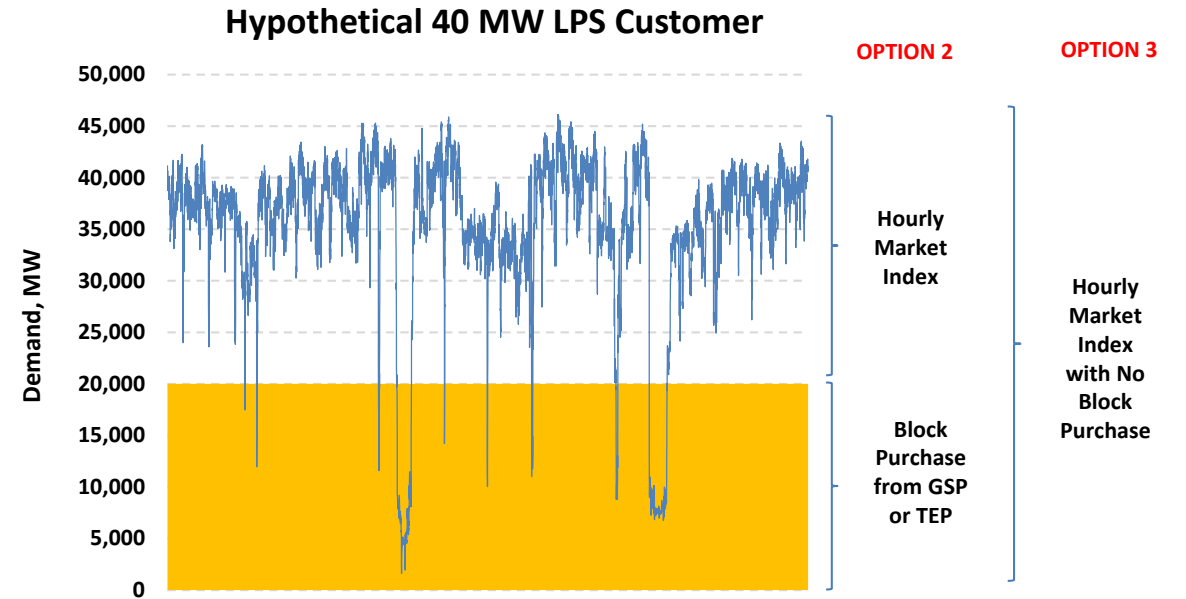
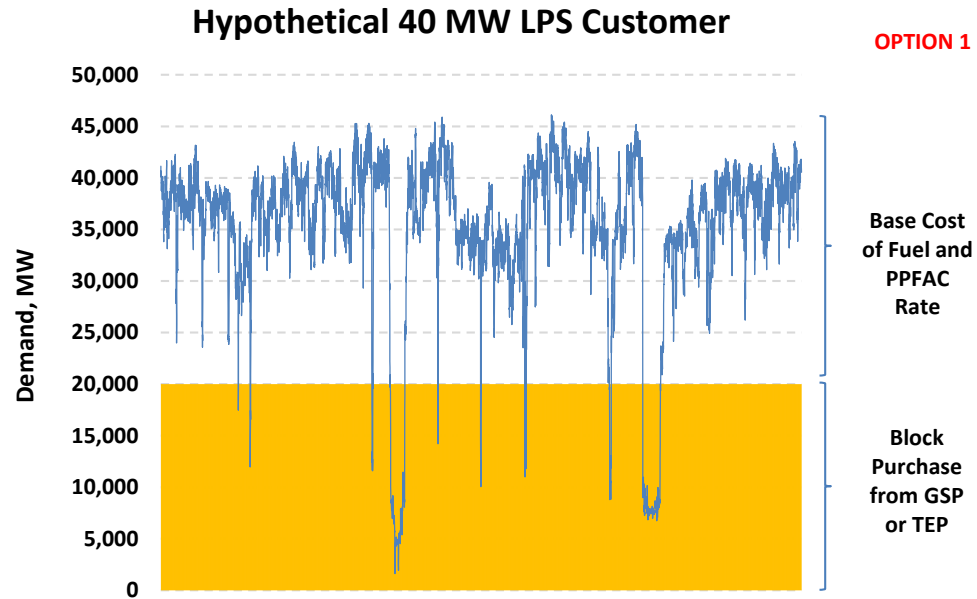
	Program 2
Customer Class Participation	Large Power Service and Large Power Service High Voltage
Program Size	50 MW
Customers Remain on Applicable Rate	Yes. MP-EX will replace the Base Power Charge and Purchased Power and Fuel Adjustment Clause. All other provisions, charges and adjustors continue to apply
Aggregation Allowed	Yes
Minimum Aggregated Peak Demand and Load Factor	3,000 kW / 60%
Maximum Block Purchase Size	50% of customer's average monthly peak demand from October – April
Market Purchase Options	Hourly market index price or 7x24 block of energy and capacity procured on a 12-month basis or a combination (minimum block size 1,000 kW) through the Company or a third-party Generation Service Provider
Monthly Billing Charge	\$1,000
Monthly Service Charge per Service Point Aggregated	\$500
Participation Requirement	Continuous 12-month commitment

MGS & LGS Customer Options



Customer Statistics	
Minimum Customer Demand, MW	8.4
Maximum Customer Demand, MW	12.9
Annual Retail Load, MWh	92,251.3
Retail Load Capacity Factor, %	81%
Block Purchase, MW	5
7x24 Block Purchase, MWh	43,800

LPS Customer Options



Customer Statistics	
Minimum Customer Demand, MW	1.6
Maximum Customer Demand, MW	46.1
Annual Retail Load, MWh	310,798
Retail Load Capacity Factor, %	77%
Block Purchase, MW	20
7x24 Block Purchase, MWh	175,200

Additional Program Details

Day-Ahead Index

- Palo Verde Intercontinental Exchange (“ICE”) Day Ahead Peak and Off-Peak Indices

Hourly Index

- California Independent System Operator (“CAISO”) Palo Verde Locational Marginal Price (“LMP”)

Third-Party GSPs

- Under both programs Customers can contract with third-party GSPs to schedule and deliver power to TEP
- TEP will bill customers for retail load less any block purchase energy scheduled to TEP by their designated GSP

Credit Requirements

- TEP will only require additional credit from customers who contract with TEP for block purchases

Q&A
