

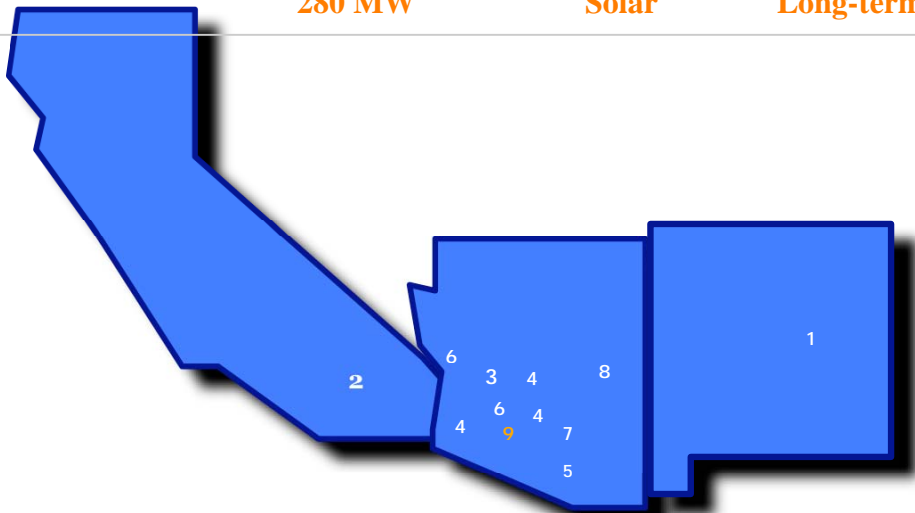
Renewable Energy Generation and Procurement



As of February 1, 2008 Arizona Public Service has the capacity to provide 131.5 megawatts (MW) of renewable energy, enough for more than 37,000 homes. While some of the energy is generated by APS, most is purchased through long-term contracts.

Going forward, APS continues to add renewable energy to its mix of sources of electricity. In March 2007 the Company issued a Request for Proposal (RFP) for near- and long-term new sources of renewable energy that can be delivered to the company's electrical system. The RFP includes solar, wind, hybrid wind and solar, biomass/biogas, landfill gas, hydropower, fuel cells that use renewable fuels and geothermal.

<u>Projects Online</u>	<u>Capacity</u> (Megawatts)	<u>Type</u>	<u>Acquired</u>
1. Aragonne Mesa	90 MW	Wind	Long-term contract
2. Salton Sea	10 MW	Geothermal	Long-term contract
3. Prescott Airport	3.5 MW	Solar	APS owns
4. STAR Center (and other sites around Arizona)	2.0 MW	Solar	APS owns
5. Saguaro	1 MW	Solar	APS owns
Other contracts	25 MW	Geothermal	Multiple contracts
<u>Future Projects</u>			
6. 7. 27 th Ave Landfill	3 MW	Biogas	Long-term contract
8. Snowflake White Mt. Power	14 MW	Biomass	Long-term contract
9. Solana	280 MW	Solar	Long-term contract



APS, Arizona's largest and longest-serving electricity utility, serves about 1.1 million customers in 11 of the state's 15 counties. With headquarters in Phoenix, APS is the largest subsidiary of Pinnacle West Capital Corp. (NYSE: PNW).