APS, AES Bring Energy Storage to Arizona Customers

The Valley will have 4 MW of battery-based energy storage through Solar Partner Program

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PHOENIX--(BUSINESS WIRE)--Arizona Public Service (APS) is bringing battery-based energy storage to the desert through a 4-megawatt (MW) energy storage agreement with AES Energy Storage. The pair of 2-MW AES Advancion® energy storage arrays, which will provide enough storage capacity to power 1,000 homes, will be deployed as part of the APS Solar Partner Program (SPP) and represent AES' first installation in Arizona.

APS's Solar Partner Program studies the use of smart inverters and energy storage to examine how best to integrate solar onto the grid in areas with a high penetration of solar while still maintaining reliability for customers. Through SPP, more than 1,500 customers had photovoltaic rooftop solar panels, totaling 10 MW, installed on their homes at no charge, and receive a $30 monthly bill credit for the next 20 years for their participation. The information APS gains from this study will help craft what the future of renewable energy integration looks like for utilities across the country.

"The best renewable energy is the type a customer never thinks about. A light goes on, a load of towels gets washed and life goes on as reliably as ever before, all powered by the sun," said Scott Bordenkircher, APS's director of technology innovation. "This is the future APS looks toward as it studies energy storage."

The two Advancion battery arrays will be installed in Surprise and Buckeye, which have a total of 120 SPP customers and a high penetration of solar. The batteries will deliver energy to customers at the time of day when electricity is in the greatest demand and is most expensive. By bringing energy storage to these areas, APS can maintain reliable service for solar customers, even when the sun is down and solar panels are no longer producing power.

APS anticipates Arizona's energy needs will be approximately 25 percent higher by 2025. The company plans to meet 50 percent of that growth with renewable energy and energy efficiency. Through SPP and other groundbreaking pilot programs, APS is taking the lead in Arizona's deployment of energy storage, advanced inverters, and other controllable resources to manage peak demand better, minimize CO_2 emissions, and solve renewable integration challenges for the benefit of all of APS's customers.

"The customer of the future's home will be powered by resources that are cleaner and smarter," Bordenkircher said. "Using initiatives such as the Solar Partner Program, we are studying how best to deploy advanced technology to better integrate clean energy while maintaining reliability and cost effectiveness for our customers."

AES' Advancion has more than 3 million megawatt-hours of delivered service across a fleet of deployed energy storage projects spanning three continents. In 2015, AES opened up the Advancion platform to third-party ownership, and this project with APS will be among the first utility-owned Advancion battery storage arrays.

"Energy storage offers Arizona Public Service a powerful, flexible tool for their network as they procure more of their energy from renewable sources," said AES Energy Storage president John Zahurancik. "We're pleased to partner with APS in adding Advancion to the local grid, setting up the Solar Partner Program for future growth and delivering clean, reliable, and affordable electricity to their customers."

Installation of the pair of 2-MW Advancion energy storage arrays began in November 2016; they are expected to become operational in early 2017.

About AES Energy Storage

AES Energy Storage, a subsidiary of The AES Corporation (NYSE: AES), is a leader in commercial energy storage solutions, which improve flexibility and reliability of the power system, and provide customers with a complete alternative to traditional peaking power plants. The company's Advancion® 4 energy storage solution is available for sale to leading utilities, power markets, and independent power producers, and AES Energy Storage and its partners can manage installations from concept to operation with a market-proven solution that integrates best in class battery and power conversion technologies. AES Energy Storage introduced the first grid-scale advanced battery-based energy storage solution in commercial operations in 2008 and operates the largest fleet of battery-based storage assets in service today. AES Energy Storage has a total of 436 MW of interconnected energy storage, equivalent to 872 MW of flexible resource, in operation, construction or late stage development in seven countries. To learn more, please visit www.aesenergystorage.com or @aes_es on Twitter.

About APS

APS serves about 2.7 million people in 11 of Arizona's 15 counties, and is the Southwest's foremost producer of clean safe and reliable electricity. Using a balanced energy mix that is nearly 50 percent carbon-free, APS has one of the country's most substantial renewable energy portfolios, and owns and operates the Palo Verde Nuclear Generating Station, the country's top power producer and largest producer of carbon-free energy. The company is also a proven leader in

introducing technology and services that offer customers choice and control over their energy consumption. With headquarters in Phoenix, APS is the principal subsidiary of Pinnacle West Capital Corp. (NYSE: PNW).

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