

PNW PAC SUMMER NEWSLETTER

The Pinnacle West PAC (PNW PAC) – a non-partisan, employee-run and funded organization – is a mechanism we use to help educate lawmakers on the issues that impact our people, our communities, and our company.

The dedication of every PNW PAC member fuels our efforts and strongly signals to policymakers that we understand the important role government plays in creating an industry-friendly business environment for Pinnacle West and APS.

Read below to learn more about the success we have had so far this year, our ongoing advocacy efforts, and what is to come in the second half of 2024.

PNW PAC METRICS SNAPSHOT


735

PAC Members
(of 3,080 eligible employees)


\$475K

Projected
2024 Receipts


24%

Overall PAC
participation


\$907K

Projected 2024-2025
Cycle Receipts

IN THIS ISSUE

Introduction.....	1
PNW PAC Metrics Snapshot.....	1
Legislative Update.....	2
Upcoming PNW PAC Events.....	2
PNW PAC Website.....	3
2024 PAC Survey.....	4
2024 Summer Campaign.....	4
2024 Election: What's to Come.....	5

LEGISLATIVE UPDATE



FEDERAL AFFAIRS

Congress is back in session this week and with only ~23 legislative days left before the September 27th targeted adjournment for Members to go home and campaign, we know of only one “must pass” measure - the continuing resolution which must be passed by September 30 (the end of the fiscal year). As we get closer to the election it is not unique that Congress lacks motivation to pass legislation. Fortunately, for nuclear utilities like APS, with the strong support from the Nuclear Energy Institute, the Advance Act of 2024 passed both Chambers by unanimous vote (U.S. House of Representatives: 393-13 and the U.S. Senate: 88-2, massive bi-partisan majorities) and was signed into law by President Biden on July 9, 2024. The bill aims to modernize the U.S. Nuclear Regulatory Commission’s regulation framework for existing nuclear and licensing advanced nuclear. It also facilitates the export of U.S. nuclear technology around the world and spurs the deployment of advanced reactors.

Pinnacle West Federal Affairs is focused with like-minded nuclear utilities in building support for the Department of Treasury to finalize and release the “guidance” to implement the new production tax credit for existing regulated nuclear stations like Palo Verde. We are engaging our allies in the U.S. Congress to weigh in and support our efforts.

The White House announced on July 23rd President Biden’s intention to nominate Matthew Marzano for a five-year term to the Nuclear Regulatory Commission.

Marzano has served on the Senate Environment and Public Works Committee under Chair Tom Carper (D-Del.) since January 2022. Currently, he’s on detail at the Department of Energy’s Idaho National Laboratory, the federal government’s signature nuclear energy research lab. The NRC could be at its full five-commissioner complement if Marzano is confirmed.

UPCOMING PNW PAC EVENTS

As part of a comprehensive PAC program, the PNW PAC is proud to offer a diverse series of exclusive events throughout the year. **Below is a sneak peek at the events we have upcoming this year:**

September: Polling
Update with Mike Noble

October: President’s
Club Annual Reception

October: PAC Dinner
with Sen. Kyrsten Sinema

November: Post
Election Briefing

STATE AFFAIRS

The 2024 Legislative Session concluded after 160 days when Governor Katie Hobbs reached a budget agreement with Republican leaders from the House and Senate, which was subsequently approved by a bipartisan group of lawmakers. Legislation passed during this session will take effect on September 14, 2024, marking the 91st day after the legislature adjourned sine die. Throughout the session, legislators introduced a total of 1,798 bills, memorials, and resolutions, including more than 100 bills related to water, numerous housing bills, and contentious debates over several ballot referrals.

The overarching theme of the 2024 session reflected the continued dynamics of a divided government in Arizona, with Governor Hobbs adapting from her first year in office while the Republican-led legislature navigated challenges in advancing its agenda amid the governor's frequent use of veto power. Governor Hobbs signed 202 bills into law during the session while vetoing 59, a shift from the previous year's record of 143 vetoes, amidst heightened political polarization. In response, the legislature pursued a series of ballot referrals to

bypass gubernatorial veto authority and energize Republican voter turnout in 2024, resulting in the referral of 11 measures by session's end.

Party compositions in both chambers of the Legislature for 2024 remained unchanged, with Republicans maintaining narrow one-seat majorities in both chambers. The session also witnessed a historically high number of resignations, totaling eleven, leading to subsequent vacancies to be filled. These resignations contributed to ongoing changes in membership and leadership dynamics throughout session.

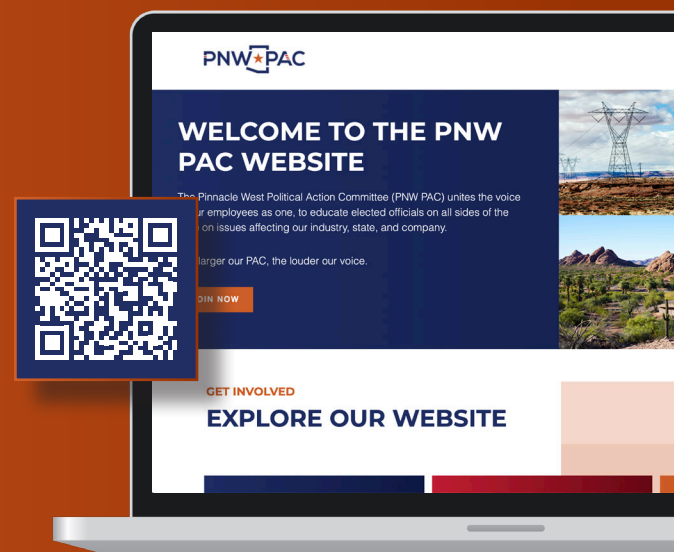
External factors, such as legislative decisions, significantly influence various facets of our business operations. To unify APS's stance at both the state and federal levels, we utilize the Pinnacle West PAC as a cohesive voice. The PAC acts as a potent instrument for educating policymakers and candidates about our perspectives on energy policy and Arizona's economic well-being. Your participation is crucial to upholding robust energy policies in our state.

PNW PAC WEBSITE

As part of our recent PAC campaign, we introduced our newly designed PNW PAC website. We hope you've had the opportunity to visit and explore its updated content and dynamic features.

The PNW PAC website serves as your go-to resource to understand the purpose of our PAC, why we operate it, and how your support can make a meaningful impact.

[Click here](#) or scan the QR code to explore our website today and discover how together, we can drive positive change.



2024

PAC SURVEY

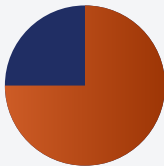
This Spring, we conducted a PNW PAC survey of eligible employees to gain insights into their impressions on the political process and PACs generally. The survey was segmented by PAC membership status and results were used to drive our first annual PAC solicitation campaign strategy. Thanks to those of you who participated. Your feedback is valuable and appreciated and will continue to be used to inform future PAC activities.

2024

SUMMER CAMPAIGN

The PNW PAC recently conducted a summer campaign to increase PAC awareness and overall participation amongst the eligible class through PAC education pieces, targeted membership outreach, and support from company leadership. Below is a summary of campaign engagement and impact.

KEY TAKEAWAYS



75% of respondents

believe it is important to be involved in the political process

Three most important PAC priorities



Transparency



Bipartisanship



Aligning with
PNW values

Most valuable benefits



Legislative
updates



Guest speaker
events



Election
updates



8 email communications



17% average

email open rate

34

New PNW PAC
Members

(5% increase)

\$2,893

Increase in 2024
PAC Receipts

(6% increase)

25

New President's
Club Members

\$534

Increase in receipts
per pay period

2024 ELECTION: WHAT'S TO COME



FEDERAL ELECTIONS

A fire hose of breaking news over seven weeks has dominated the political landscape in both parties impacting the Presidential campaign across the board. **Please see below a chronological recap of these unprecedented, monumental, and defining events:**

- MAY 30** Trump is convicted on all counts
- JUNE 27** Biden has a game-changing debate
- JULY 1** SCOTUS grants Trump broad immunity
- JULY 13** Trump survives assassination attempt
- JULY 15** FL judge dismisses classified docs case against Trump
- JULY 15** Trump picks Vance as VP candidate; GOP convention takes place
- JULY 21** Biden announces he's dropping his re-election bid and endorses VP Harris
- JULY 23** Harris secures a majority of the Delegate pledges to ensure her nomination on the first ballot and raises a record \$82 million in 24 hours

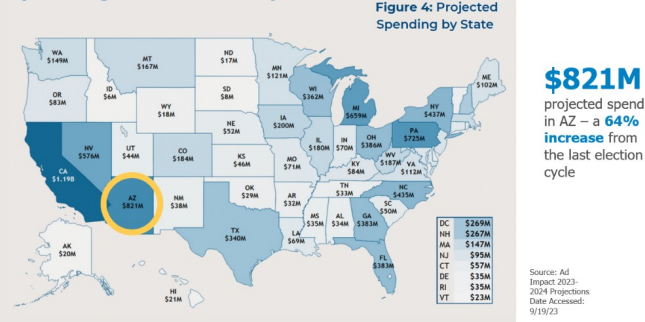
In the coming weeks, Vice President Harris and her team will wrap up the vetting of candidates to be her Vice-Presidential running mate. All eyes will be on the Democratic convention commencing August 19 through August 22 in Chicago. We expect tremendous focus by national media, political pundits and talking heads as to whether Harris was successful in unifying the Democratic party with her new running mate and her acceptance speech to be delivered on Thursday, August 22. Watch this space and the roll out of polling data after the Democratic convention as the next defining moment in this incredibly chaotic and hard to predict Presidential race.

ELECTIONS IN OUR STATE

As the November election approaches, the party composition in the Arizona House and Senate is tightly contested with Republicans holding a one-seat majority in each chamber. There are six key competitive districts—Legislative Districts 2 (Northwest Phoenix), 4 (Northeast Phoenix), 9 (Mesa), 13 (Chandler), 16, and 17 (Pinal & Pima)—where both parties are vying for control of the legislature. In addition, there are many newly appointed legislators that will be running for their seat for the first time.

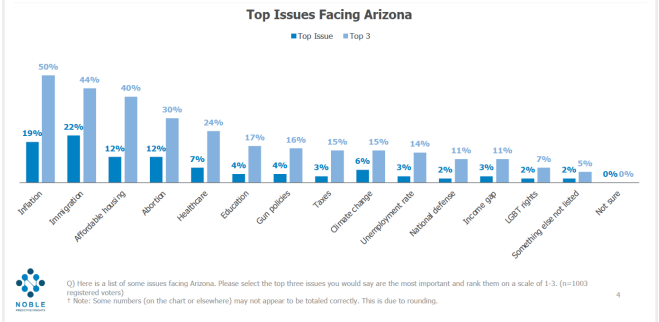
Making It Rain Benjamins In The Desert

Spending Across the Map



Nationally, Arizona is a critical battleground for the 2024 presidential election, with an anticipated spending of \$821 million, marking a 64% increase compared to the last election cycle. Other key battleground states include Nevada, Michigan, Wisconsin, Pennsylvania, and Georgia.

Inflation and Immigration are the Top Concerns, With Affordable Housing on the Rise



For Arizona voters, inflation and immigration are top concerns. A recent poll by Noble Predictive Insights found that 64% of Republicans prioritize immigration and 63% prioritize inflation. Among Democrats, 40% cite healthcare as their top issue, followed by inflation at 38%. Independents listed inflation (62%) and immigration (51%) as their primary concerns.

THE COUNTDOWN TO NOV. 5

The final 100 days before Election Day are action-packed! With a convention, debates, several state primaries, and of course General Election voting still to take place, it's time to mark your calendars to ensure you do not miss anything. Visit azsos.gov today to check your registration and make a plan to vote.

YOUR VOTE MATTERS

SUPPORT THE PNW PAC

**Scan the QR code
to join the PAC today.**



Disclaimer: I understand the political purpose of the Pinnacle West PAC and that my support of the Pinnacle West PAC is strictly voluntary. I understand I have the right to refuse to contribute without fear of reprisal. I am a citizen of the United States (or I have been admitted for permanent U.S. residence under applicable federal law.) I understand that my contributions to the Pinnacle West PAC are not tax deductible as charitable contributions for federal tax purposes. I understand that federal law requires names, addresses, and occupations of employees or other individuals whose contributions exceed \$200 per calendar year.