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APS-Owned Paloma Solar Power Plant Now Online

First AZ Sun Facility Generates Power for 4,200 APS Customers

PHOENIX – Arizona Public Service Co. and First Solar announced today the completion of the 17-megawatt (MW) Paloma Solar Power Plant – the first facility to reach commercial operation as part of the AZ Sun Program.

Earlier this week, APS also placed the Cotton Center Solar Plant in commercial operation, the second AZ Sun facility to come online. Cotton Center added an additional 17 MW to the AZ Sun Program. Both plants are located in Gila Bend.

Through the first phase of the AZ Sun Program, APS is investing in the development of 100 MW of turn-key, utility-scale solar photovoltaic power plants across Arizona. Third-party partners, such as Tempe-based First Solar, develop and construct the AZ Sun facilities, which APS will own and operate upon completion. The four-year program is expected to have 100 MW online by 2014 and create more than 1,000 Arizona construction jobs.

"Solar energy is a critical part of our planning to meet the energy needs of APS customers. Our customers embrace solar power, just as we do. That's why we are so proud of the Paloma facility and our AZ Sun program – we are developing large solar plants that take the amount of solar we provide to customers to a new level," said Don Robinson, APS President and Chief Operating Officer. "We are also generating more than power from our solar development efforts – we're creating jobs."

More than 700 construction jobs were created this year in Arizona as a result of the AZ Sun Program. Paloma contributed 300 of those jobs.

Paloma consists of 275,000 thin-film photovoltaic panels mounted on fixed-tilt steel supports. This installation marks the first time APS is using thin-film technology for one of its solar plants. This project also is the first on which APS has worked with First Solar.

"Paloma is the culmination of a successful partnership between APS, Gila Bend and First Solar," said Jim Lamon, First Solar Senior Vice President of Engineering, Procurement, Construction, Operations and Maintenance. "First Solar's efficient and innovative engineering and construction process, along with APS's leadership and Gila Bend's commitment in the renewable arena, led to this facility setting development records."

From the initial contract signing in February between APS and First Solar until the Paloma Plant began producing electricity, this project was completed in the shortest time either APS or First Solar has achieved.

The fast development and construction timeframe also is a testament to the Town of Gila Bend. Gila Bend is quickly becoming the solar hub of Arizona. Along with the Paloma and Cotton Center solar plants, Gila Bend is home to the Solana Generating Station – which is currently under construction by Abengoa Solar and, once complete in 2013, will be among the world's largest solar facilities. APS has a contract to purchase all of the output from Solana.

"We are committed to promoting, locating and fast-tracking utility-scale solar in order to bring these projects to Gila Bend," said Gila Bend Mayor Ron Henry. "The Paloma plant represents another major solar energy investment APS has made in our community. We appreciate this continuing partnership, and we are proud to foster the development of solar energy."

The first phase of the AZ Sun Program was approved by the Arizona Corporation Commission (ACC) in 2010. The Hyder Solar Plant in southwestern Arizona is expected to reach commercial operation in the fourth quarter of 2011, making it the third AZ Sun facility to be placed in service. Additionally, APS has an application pending before the ACC for another 100-MW phase of the AZ Sun Program.

With Paloma and Cotton Center, APS's total renewable portfolio is 930 MW, including projects online and in development. Of that total, 362 MW are in service today, providing enough electricity to meet the needs of more than 90,000 APS customers. Complete details on current and future APS renewable projects are available online at aps.com/remap.

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

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