

**FOR IMMEDIATE RELEASE****January 30, 2009**

Media Contacts: Dan Wool (602) 250-3127 office
Jim McDonald (602) 321-3738 cell
Analyst Contacts: Rebecca Hickman (602) 250-5668 office
Lisa Malagon (602) 250-5671 office
Web site: www.aps.com

Page 1 of 2**APS REPORT CHARTS CLEAN ENERGY FUTURE***Renewables, Energy Efficiency to Power Arizona's Long-term Electric Needs*

PHOENIX – Over the next two decades, APS customers could receive significantly more of their electricity from clean energy sources under a comprehensive Resource Plan filed today with the Arizona Corporation Commission.

Developed with substantial public input, the report identifies a balanced path to Arizona's energy future. By 2025, APS envisions producing a significant amount of power through solar plants and other renewables, while simultaneously helping customers improve the energy efficiency of their homes and businesses. The Company will also review baseload resource alternatives beyond 2020 and plans to keep its carbon dioxide emissions in the year 2025 at or below 2009 levels.

APS projects customer demand in 2025 will be more than 50 percent higher than today. The Resource Plan weighs the benefits of various electric generation resources to determine how to best meet this challenge. The report thoroughly evaluates economic, environmental, technological and other key factors to propose the types of resources to meet customer needs.

“The path to meeting the energy demands of 2025 is challenging and filled with opportunities,” said APS Chief Executive Officer, Don Brandt. “Working with the Arizona Corporation Commission, the steps we take now will improve energy security for customers, reduce climate effects and position Arizona as a renewable energy leader for decades to come.”

Our Resource Plan includes these recommendations:

Increasing the role of renewable energy sources, such as solar

APS will accelerate the development of renewable energy and will work with the ACC to seize opportunities for early adoption. APS proposes to exceed the current Renewable Energy Standard (RES), which requires the Company to generate 15 percent of its energy from renewables by 2025. APS expects to add approximately 1,600 megawatts (MW) of renewable resources, or enough energy for about 400,000 homes. Renewables should satisfy about 45 percent of the projected growth in energy consumption. This could include the construction of up to 1,000 MW of solar power plants, similar to Solana Generating Station, a 280 MW facility planned for 2012. APS also plans continued

expansion of distributed energy resources as well as other renewable energy purchases. The Company will continue to engage and evaluate the market for renewable power projects. In addition to solar and wind, renewable energy sources currently include biomass, biogas and geothermal facilities.

Providing opportunities for all customers to improve energy efficiency

Under the plan, customers will have increased opportunities to use electricity more efficiently saving both energy and money. These efficiency efforts could yield a reduction of almost 600 MW of demand from the grid – or, enough energy to power more than 110,000 homes. Current ACC-approved programs include air conditioner replacement rebates, retail discounts on compact fluorescent light bulbs; energy efficient home building standards and incentives for businesses to install energy efficient motors, lighting, cooling and refrigeration equipment. Over time, these programs could reach a wider range of customers and include new energy efficient opportunities.

Evaluating the potential for nuclear power; leveling off fossil fuel consumption

In keeping with best practices, APS will continue to evaluate options for new nuclear power as a baseload resource beyond 2020. Under the plan, APS will attempt to moderate increases in natural gas consumption and to limit, where prudent, their utilization over time. APS will require new gas resources to replace expiring contracts and to help meet summer peak demand. The Company has not included new coal-fired generation in the proposed plan.

Developed over the past 18 months, the APS Resource Plan incorporates input from more than 100 public meetings held statewide.

“This plan reflects the highly productive discussions we’ve had with the public about the right resources for Arizona’s specific strengths and challenges. We believe the choices not only reflect our strong commitment to Arizona’s sustainability, but also provide a diverse balance of resources for our customers,” said APS President and Chief Operating Officer, Don Robinson. “We look forward to presenting and explaining the plan to the Arizona Corporation Commission and other stakeholders.”

Overall, the plan could require a total investment of \$18 billion over the next two decades. APS may fund these investments directly, or, like Solana, allow other entities to construct plants and then sell power to the Company.

The Resource Plan Report filing along with supplemental materials and public meeting summaries are available on the APS website at www.aps.com/resources.

APS, Arizona's largest and longest-serving electric utility, serves 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).