

Beale Infrastructure Works with TEP to Pursue Additional Carbon Free Energy Resources to Serve Future Growth in Southern Arizona

- New carbon free resources will enable economic growth while accelerating emissions reductions and activate the construction of new local energy projects and job creation in Southern Arizona
- Actions will support and accelerate Tucson's Climate Action and Adaptation Plan without burdening electric utility system reliability or utility customer costs
- The initial phase of Project Blue is enabled by local solar and energy storage projects sourced through Tucson Electric Power's recent all-source requests for proposals

Beale Infrastructure announced today that it will work with Tucson Electric Power (TEP) to support the development of new carbon free energy resources to accelerate the City of Tucson's progress toward a clean energy future. TEP and Beale will work collaboratively on an associated plan for release within the next sixty days. Beale will engage with the energy development community alongside key local stakeholders to inform the plan.

The new clean energy resources would help TEP serve data center projects that Beale is actively developing in the Tucson area. Those projects, referred to as "Project Blue," represent a potential initial investment of \$3.6 billion, could support 3,180+ full time and long term construction jobs, and could add \$97M in tax revenue for the City of Tucson from 2026 to 2035. This investment is in addition to improvements to power infrastructure, fiber and reclaimed water system expansions.

Beale is a specialist digital infrastructure developer committed to close partnership with communities and sustainable long-term impact. Beale was drawn to Tucson due to the City's commitment to responsible climate planning and the region's access to abundant clean energy resources.

Subject to approvals by the local government, and the Arizona Corporation Commission, Beale will support TEP's development of clean energy resources to directly serve Project Blue with no cost impact to other customers. Beale Infrastructure and TEP will evaluate carbon free energy procurement options like "green tariff" or other potential programs that create opportunities for customers to develop clean energy resources that support their operations.

"We look forward to working with Beale Infrastructure to develop new clean energy resources to support service to Project Blue," said Erik Bakken, Senior Vice President and Chief Administrative Officer of TEP. "This collaboration would extend our shared efforts to ensure that

Project Blue is developed in a way that benefits our existing customers and supports the continued availability of safe, reliable and affordable energy for our community.”

TEP is developing new solar and energy storage capacity that would allow it to serve the first phase for Project Blue, which could come online in 2027. Beale will work with TEP and the City of Tucson to evaluate a roadmap for future phases of growth aligned with the City’s Climate Action Plans and Beale’s commitment to sustainable development and operations. The first phase of the data center project is being planned in the Pima County Southeast Employment and Logistics Center located near the Pima County Fairgrounds and Arizona State Prison Complex, where Beale plans to fund substantial investments to upgrade area infrastructure.

While TEP’s recently-procured solar and energy storage resources are currently under construction, future phases of Project Blue would require new energy resources. The recent passage of H.R. 1 sunsets federal clean-energy tax incentives, creating urgency for Project Blue to maximize procurement from advanced stage solar, wind and energy storage projects.

Beale’s collaboration with TEP is intended to ensure that the project’s energy needs can be met in a way that supports local climate action initiatives. “Beale Infrastructure is crystal clear about our sustainability goals for Project Blue and the evaluations we are driving, which are to enable new carbon-free energy supply and capital investments directly aligned with Tucson’s Climate Action Plans,” said Michael Nudelman, Beale’s Chief Development Officer.

“The kind of investment that Project Blue represents is few and far between – a once-in-a-generation opportunity. \$3.6 billion capital investment, \$100 million in new reclaimed water infrastructure, 3,000 construction jobs and \$250 million in new tax revenue from a single project would represent a monumentally positive shift for our community,” said Joe Snell, president, The Chamber of Southern Arizona. “To achieve this, Beale is partnering closely with community stakeholders throughout the evaluation process to align project roadmaps with Tucson’s sustainability plans.”

More information about Project Blue can be found on the City of Tucson’s website at: <https://www.tucsonaz.gov/Government/Office-of-the-City-Manager/Project-Blue-Information>.

***About Beale Infrastructure:** Beale Infrastructure develops digital infrastructure for the world’s leading technology companies, partnering closely with customers, communities and utilities to enable innovative data center solutions with sustainable long-term impact.*

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