**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 11-K**

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**(Mark One)**

* **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the fiscal year ended December 31, 2021**

**OR**

* **TRANSITION REPORT PURSUANT TO 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the transition period from Commission file number 1-8962**

**to**

**The Pinnacle West Capital Corporation Savings Plan**

(Full title of the plan)

**Pinnacle West Capital Corporation**

(Name of issuer)

**400 North Fifth Street**

**P.O. Box 53999**

**Phoenix, Arizona 85072-3999**

(Address of issuer’s principal executive office)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | THE PINNACLE WEST CAPITAL CORPORATION SAVINGS PLAN | | | | | |  | | |  |  |  |  |
|  |  |  |  |  | TABLE OF CONTENTS | | | | | | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | **PAGE** | | | |
| REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | | | | | | | | | | | | | 1 | | | |
| FINANCIAL STATEMENTS: | | | | | |  | | | | | | |  |  |  |  |
|  | Statements of Net Assets Available for Benefits as of December 31, 2021 and 2020 | | | | | | | | | | | | 2 | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2021 | | | | | | | |  | | | |  | | 3 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Notes to the Financial Statements as of December 31, 2021 and 2020 and for the Year Ended December 31, 2021 | | | | | | | | | | | | 4 | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| SUPPLEMENTAL SCHEDULE - | | | | | | | | | | | | |  |  |  |  |
|  | Form 5500, Schedule H, Part IV, Line 4i— Schedule of Assets (Held at End of Year) as of December 31, 2021 | | | | | | | | | |  | |  | 14 | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| EXHIBITS FILED | | |  | | | | | | | | | |  | 24 | | |
|  | |  |  | | | | | | | | | |  |  | |  |
| SIGNATURE | | |  | | | | | | | | | |  | 25 | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

NOTE: Supplemental schedules required by section 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, other than the schedule listed above, are omitted because of the absence of the conditions under which they are required.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Plan Participants,

Investment Management Committee

and Benefit Administration Committee of

The Pinnacle West Capital Corporation Savings Plan

Phoenix, Arizona

**Opinion on the Financial Statements**

We have audited the accompanying statements of net assets available for benefits of The Pinnacle West Capital Corporation Savings Plan (the "Plan") as of December 31, 2021 and 2020, the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2021 and 2020, and the changes in net assets available for benefits for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Report on Supplemental Schedules**

The supplemental schedule of assets (held at end of year) as of December 31, 2021 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

*/s/ DELOITTE & TOUCHE LLP*

Phoenix, Arizona

June 22, 2022

We have served as the auditor of the Plan since 1979.

**THE PINNACLE WEST CAPITAL CORPORATION SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

**AS OF DECEMBER 31, 2021 AND 2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2021** |  |  | **2020** |
| ASSETS: |  |  |  |  |  |
| Participant-directed investments at fair value (Notes 2 and 5) | $ | 1,422,057,020 |  | $ | 1,306,180,420 |
| Participant-directed investments at contract value (Notes 2 and 4) |  | 129,598,370 |  |  | 139,314,432 |
| Total investments |  | 1,551,655,390 |  |  | 1,445,494,852 |
| Receivables: |  |  |  |  |  |
| Notes receivable from participants (Note 1) |  | 22,266,818 |  |  | 23,374,236 |
| Participant contributions |  | 1,049,266 |  |  | 815,871 |
| Employer contributions |  | 325,493 |  |  | 257,744 |
| Interest and other |  | 1,127,790 |  |  | 10,511,054 |
| Total receivables |  | 24,769,367 |  |  | 34,958,905 |
| Total assets |  | 1,576,424,757 |  |  | 1,480,453,757 |
| LIABILITIES: |  |  |  |  |  |
| Payable for securities purchased |  | 92,350 |  |  | 9,083,805 |
| Accrued administrative expenses |  | 343,198 |  |  | 324,692 |
| Total liabilities |  | 435,548 |  |  | 9,408,497 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ | 1,575,989,209 |  | $ | 1,471,045,260 |
|  |  |  |  |  |  |

See notes to financial statements.

2

|  |  |  |
| --- | --- | --- |
| **THE PINNACLE WEST CAPITAL CORPORATION SAVINGS PLAN** |  |  |
| **STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS** |  |  |
| **FOR THE YEAR ENDED DECEMBER 31, 2021** |  |  |
|  |  |  |
| ADDITIONS: |  |  |
|  |  |  |
| Contributions (Note 1): |  |  |
| Participants | $ | 67,610,637 |
| Employer |  | 23,589,646 |
| Rollover |  | 7,175,664 |
| Total contributions |  | 98,375,947 |
|  |  |  |
| Investment income (Note 2): |  |  |
| Dividend, interest, and other income |  | 24,659,504 |
| Net realized/unrealized appreciation in fair value of investments |  | 130,252,259 |
| Total investment gain |  | 154,911,763 |
|  |  |  |
| Interest income on notes receivable from participants |  | 1,180,093 |
|  |  |  |
| Total additions |  | 254,467,803 |
|  |  |  |
| DEDUCTIONS: |  |  |
|  |  |  |
| Distributions to participants |  | 146,866,894 |
| Administrative expenses (Note 2) |  | 2,656,960 |
| Total deductions |  | 149,523,854 |
|  |  |  |
| INCREASE IN NET ASSETS |  | 104,943,949 |
|  |  |  |
| NET ASSETS AVAILABLE FOR BENEFITS: |  |  |
|  |  |  |
| Beginning of year |  | 1,471,045,260 |
| End of year | $ | 1,575,989,209 |
|  |  |  |

See notes to financial statements.

3

THE PINNACLE WEST CAPITAL CORPORATION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. **DESCRIPTION OF THE PLAN**

The following description of The Pinnacle West Capital Corporation Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan sponsored by Pinnacle West Capital Corporation ("Pinnacle West" or the "Company"). The Plan is administered by two committees, the Benefit Administration Committee and the Investment Management Committee, appointed by the Pinnacle West Board of Directors (together, the "Committee"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The trustee for the Plan is Fidelity Management Trust Company ("Trustee").

From January 2021 until April 2021, the Trustee was the appointed investment manager of the Pinnacle West Stock Fund, which is an investment option in the Plan. As the appointed investment manager of this option, the Trustee managed the liquidity of the Pinnacle West Stock Fund. The Plan is a 401(k) plan with an Employee Stock Ownership Plan feature. In April 2021, the Investment Management Committee appointed an independent fiduciary to manage the Pinnacle West Stock Fund. The independent fiduciary has the exclusive fiduciary authority and responsibility under the Plan with respect to the Pinnacle West Stock Fund as an investment option under the Plan. The independent fiduciary has the sole authority to vote any shares and to instruct the Trustee accordingly with respect to shares of Pinnacle West common stock held in the Pinnacle West Stock Fund that are not otherwise voted by the Plan participants themselves.

Eligibility

Generally, as defined by the Plan, most active employees of Pinnacle West and its subsidiaries, including Arizona Public Service Company, El Dorado Investment Company and Bright Canyon Energy Corporation (collectively, the "Employer"), are eligible to participate in (1) the pre-tax, Roth 401(k), and after-tax features of the Plan immediately upon employment or, if later, their attainment of age 18 and (2) the matching feature on the first day of the month coincident with or following their attainment of age 18 and completion of six full months of service.

Contributions

The Plan allows participants to contribute up to 50% of their base pay as pre-tax contributions, Roth 401(k) contributions or after-tax contributions, provided that in no event can the combined total contributions made by any participant in any year exceed 50% of their base pay, or the limits imposed by the Internal Revenue Code. Eligible employees who do not affirmatively elect to participate or opt out of the Plan are automatically enrolled as soon as administratively possible after 60 days of employment. Employees automatically enrolled contribute 3% of their base pay as pre-tax contributions. The Plan also allows participants attaining the age of 50 before the end of the calendar year to make catch-up contributions in accordance with Section 414(v) of the Internal Revenue Code. The maximum allowable pre-tax contribution and catch-up contribution may increase in future years as determined annually by the Internal Revenue Service

4

("IRS"). Participants may elect to set their pre-tax contributions to increase automatically on an annual basis based on the percent increase and effective date designated by the participant, up to the maximum limits permitted under the Plan and the Internal Revenue Code.

Employer contributions are fixed at 75% of the first 6% of base pay for combined pre-tax and/or Roth 401(k) participant contributions (excluding catch-up contributions) for all participants other than employees hired prior to January 1, 2003 and who elected not to participate in the Retirement Account Balance feature of the Pinnacle West Capital Corporation Retirement Plan.

Participants hired prior to January 1, 2003, and who elected not to participate in the Retirement Account Balance feature, receive an Employer match of 50% of the first 6% of base pay contributed, in combination, as pre-tax and/or Roth 401(k) participant contributions (excluding catch-up contributions).

Employer contributions are invested in the same investment funds as participants elect for their participant contributions.

Noncash contributions, if any, are recorded at fair value. There were no noncash contributions for the year ended December 31, 2021.

The Plan allows rollover contributions from other eligible retirement plans, including 401(k) or other qualified plans (including after-tax dollars), governmental 457(b) plans, Roth 401(k) accounts, 403(b) annuities (including after-tax dollars), or IRAs (excluding after-tax dollars), subject to certain criteria. Rollover contributions are not eligible for employer match.

If a participant elected to reinvest dividends in the Pinnacle West Stock Fund, any dividends paid on balances in the Pinnacle West Stock Fund after September 30, 2020 are reinvested in accordance with the future investment allocations the participant has selected.

Participant Accounts

Individual accounts are maintained for each Plan participant. Allocations of earnings and losses are based on participant account balances. Each participant has separate accounts that are credited with the participant’s pre-tax, Roth 401(k), after-tax contributions, rollover contributions (if any), in-plan Roth conversions (if any), the Employer’s matching contributions and an allocation of Plan earnings. Each participant’s account is charged with withdrawals, an allocation of Plan losses and explicit recordkeeping and administrative fees (see Note 2). A dollar amount is deducted quarterly from each participant’s account for the explicit recordkeeping and administrative fees.

Investment Choices

Participants direct all contributions into one or more of the following (collectively, the "Funds"):

* Age-based investment options ("Target Retirement Date Funds") that include:
  + Retirement Income Fund
  + Target Retirement 2020 Fund
  + Target Retirement 2025 Fund
  + Target Retirement 2030 Fund
  + Target Retirement 2035 Fund
  + Target Retirement 2040 Fund
  + Target Retirement 2045 Fund

5

* + - Target Retirement 2050 Fund
    - Target Retirement 2055 Fund
    - Target Retirement 2060 Fund
    - Target Retirement 2065 Fund
* Core investment options that include:
  + - Stable Value Fund (see Note 4)\*
    - US Bond Index
    - Bond Fund\*
    - Diversified Inflation Fund
    - US Large Cap Stock Index
    - US Large Cap Stock Fund\*
    - US Small/Mid Cap Stock Index
    - US Small/Mid Cap Stock Fund\*
    - Non-US Stock Index
    - Non-US Stock Fund
    - Pinnacle West Stock Fund\*\*

\* Separately managed accounts, specific to this Plan only.

* + A separately managed account, specific to this Plan only. On September 30, 2020, the Company froze the Pinnacle West Stock Fund (see Note 2).

The Plan provides that in lieu of making their own investment elections in the funds, participants may (a) choose to have an investment allocation suggested for them through the Plan's personal asset manager program or choose to have their portfolio managed for them utilizing the Plan's Managed Account service, both of which provide a personalized mix of the Plan's Core investment options; (b) allow their balance to be invested in the Qualified Default Investment Alternative ("QDIA") which is the family of Target Retirement Date Funds that are composed of the Core investment options; (c) establish a self-directed brokerage account ("SDA") to invest up to 90% of their vested account balance in permitted investments of the SDA (which excludes the Funds); or (d) elect to have their investment mix of Funds automatically rebalanced according to their investment elections on a quarterly, semiannual or annual basis.

Notes Receivable from Participants

Participants may borrow money from their pre-tax contributions account, Roth 401(k) contributions account, vested Employer contributions account, rollover contributions account (if any), and in-plan Roth conversions (if any). Participants may not borrow against their Employer transfer account or their after-tax contributions account.

The minimum participant loan allowed is $1,000. Generally, the maximum participant loan allowed is 50% of the participant’s vested account balance, up to $50,000 reduced by the participant’s highest outstanding loan balance in the 12-month period ending on the day before the loan is made. Only one loan per participant may be outstanding at any one time. Loan terms are up to five years or up to 15 years for the purchase of the participant’s principal residence. An administrative fee is charged to the participant’s account for each loan. Participants with an outstanding loan may continue to make loan repayments upon termination of employment with the Employer, unless they receive a full distribution of their account balance.

The interest rate for a participant loan is determined at the time the loan is requested and is fixed for the life of the loan. The Trustee currently charges interest at the prime interest rate plus one percent, determined as of the first business day of the month in which the loan is issued. The average interest rate for loans issued

6

during 2021 was 4.25%. Interest rates for outstanding loans as of December 31, 2021 and 2020, ranged from 4.25% to 9.25%. As of December 31, 2021, participant loans have maturities through 2036.

Loans are treated as investments of the participants’ accounts. To fund the loan, transfers are made from the participant’s investment funds on a pro-rata basis. Amounts credited to a participant’s SDA are not available for a loan. Loan repayments are invested in the participant’s investment funds based on the participant’s current investment election or in the QDIA, if the participant does not have a current investment election in place. Loan repayments, including interest, are generally made through irrevocable payroll deductions. Loan repayments for former participants are made through the automated clearing house system. Loans are secured by the participant’s account balance.

Vesting and Forfeitures

Effective April 1, 2006, each new participant is automatically fully vested in the participant’s pre-tax contributions account, Roth 401(k) contributions account, after-tax contributions account, rollover contributions account (if any), in-plan Roth conversions (if any) (consisting of the participant’s contributions and related income and appreciation or depreciation), Employer transfer account, and Employer contributions account (consisting of Employer contributions and related income and appreciation or depreciation).

Withdrawals and Distributions

A participant may, at any time, make a full or partial withdrawal of the balance in the participant’s after-tax contributions account, rollover contributions account (if any), and in-plan Roth conversions (if any). No withdrawals prior to termination of employment are permitted from a participant’s Employer transfer account. No withdrawals prior to termination of employment are permitted from the participant’s pre-tax contributions account and Roth 401(k) contributions account, except under certain limited circumstances relating to financial hardship or after attaining age 59-1/2. Participants who have participated in the Plan for five complete Plan years may withdraw the amount in their Employer contributions account. Participants who are at least age 59-1/2 may withdraw any portion of their pre-tax contributions account, Roth 401(k) contributions account, rollover contributions account (if any), or in-plan Roth conversions (if any) while employed with no restrictions on the reason for withdrawal. For all withdrawals and distributions, penalties may apply. Amounts credited to a participant’s SDA are not available for a withdrawal until transferred back into the Funds. When the participant’s employment with the Employer is terminated, the participant can elect to receive a full or partial distribution, as soon as administratively possible, of their Employer contributions account together with the participant’s contributions accounts and Employer transfer account. Participants can take a loan prior to a hardship withdrawal and contributions are not suspended as a result of taking a hardship withdrawal.

Termination of the Plan

It is the Company’s present expectation that the Plan and the payment of Employer contributions will be continued indefinitely. However, continuance of any feature of the Plan is not assumed as a contractual obligation. The Company, at its discretion, may terminate the Plan and distribute net assets, subject to the provisions set forth in ERISA and the Internal Revenue Code, or discontinue the Company's contributions.

7

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Subsequent Events

Subsequent events were evaluated through June 22, 2022, the date the financial statements were issued. No events occurred that require additional disclosure or adjustments to the Plan's financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan’s management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, liquidity risk, inflation risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment Valuation

The Plan’s investments are stated at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value), less costs to sell, if those costs are significant. Fair value is the price that would be received upon the sale of an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for fair value measurements and disclosures of the Plan’s investments reported at fair value.

The Plan's investment options include a unitized stock fund, which owns shares of Pinnacle West common stock, and together with a small portion of cash maintained for liquidity purposes, is recorded on a unit basis. Pinnacle West's common shares are traded on the New York Stock Exchange ("NYSE") and are valued at the NYSE closing price on the last business day of the plan year. See Note 5. The valuation per share of Pinnacle West's common stock was $70.59 and $79.95 at December 31, 2021 and 2020, respectively. The valuation per unit of the Pinnacle West stock fund was $17.50 and $19.78 at December 31, 2021 and 2020, respectively.

Included in investments at December 31, 2021 and 2020, are shares of Pinnacle West common stock amounting to $57,733,655 and $76,420,207, respectively. This investment represents 4% and 5% of total investments at December 31, 2021 and 2020, respectively. A significant decline in the market value of the stock could have an effect on the net assets available for benefits.

Effective on September 30, 2020, the Company froze the Pinnacle West Stock Fund as an investment choice in the Plan. Plan participants are no longer able to invest future contributions or reinvest dividends in the Pinnacle West Stock Fund or exchange from another investment option into the Pinnacle West Stock Fund.

8

Any portion of a participant's account balance that is invested in the Pinnacle West Stock Fund may remain in the Pinnacle West Stock Fund at this time.

The Stable Value Fund investment option is composed of fully benefit-responsive synthetic guaranteed investment contracts ("SGICs"), which are reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because it is the amount Plan participants would receive if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses. The Statement of Net Assets Available for Benefits presents SGICs on a contract value basis (see Note 4).

Income Recognition

Purchases and sales of securities are recorded as of the trade date. Interest income is recorded on the accrual basis. Dividend income is recorded as of the ex-dividend date.

Administrative Expenses

Participants pay a quarterly Plan recordkeeping fee. Participants may also pay administrative fees for the origination of a loan, distributions, qualified domestic relation order processing or for other services provided by the Trustee. Participants pay investment, sales, recordkeeping, and administrative expenses charged by the Funds, if any, which are deducted from assets and reflected as a reduction of investment return for the Fund. Some participants utilizing the SDA may pay income tax charges depending on the assets that they may hold in their respective SDA. Pinnacle West pays the remaining Plan administrative expenses, such as legal expenses.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest.

Delinquent participant loans are recorded as distributions based on the terms of the Plan.

Payment of Benefits

Benefit payments to participants are recorded upon distribution. As of December 31, 2021 and 2020, there were no amounts allocated to accounts of persons who have elected to withdraw from the Plan, but have not yet been paid.

Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the Internal Revenue Code limits.

Net Realized/Unrealized Appreciation in Fair Value of Investments

Net realized/unrealized appreciation includes the Plan's gains and losses on investments bought and sold during the year as well as unrealized gains and losses related to investments held at year end.

9

1. **FEDERAL INCOME TAX STATUS**

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has concluded that, as of December 31, 2021 and December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the IRS, however, there are currently no audits for any tax periods in progress.

The IRS has determined and informed the Company by a letter dated March 16, 2018, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Company and Plan management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan’s financial statements.

1. **INVESTMENT CONTRACTS**

The Stable Value Fund is an investment option offered to all participants in the Plan. This investment option consists of three fully benefit-responsive SGICs and accordingly, is recorded at contract value in the statements of net assets available for benefits. A SGIC is an investment contract issued by an insurance company or other financial institution ("Wrap Agreement"), backed by a portfolio of bonds, mortgages, or other fixed income instruments. The realized and unrealized gains and losses on the underlying assets are not reflected immediately in the value of the contract, but rather are amortized, usually over the time to maturity or the duration of the underlying investments, through adjustments to the future interest crediting rate. Formulas are provided in each contract that adjust the interest crediting rate to recognize the difference between the fair value and the book value of the underlying assets. The contract provides for an interest crediting rate that may not be less than zero percent per annum. Interest crediting rates are reviewed monthly for resetting. The Wrap Agreement is intended to guarantee that the qualified participant withdrawals will occur at contract value.

Certain events may limit the ability of the Plan to transact at contract value with the issuer. While the events may differ from contract to contract, the events typically include: Plan amendments or changes, company mergers or consolidations, participant investment election changes, group terminations or layoffs, implementation of an early retirement program, termination or partial termination of the Plan, failure to meet certain tax qualifications, participant communication that is designed to influence participants not to invest in the Stable Value Fund, transfers to competing options without meeting the equity wash provisions of the Stable Value Fund (if applicable), Plan sponsor withdrawals without the appropriate notice to the Stable Value Fund’s investment manager and/or wrap contract issuers, any changes in laws or regulations that would result in substantial withdrawals from the Plan, and default by the Plan sponsor in honoring its credit obligations, insolvency, or bankruptcy if such events could result in withdrawals. In general, wrap providers may terminate the contract and settle at other than contract value due to changes in the qualification status of the company or the Plan, breach of material obligations under the contract and misrepresentation by the contract holder, or failure of the underlying portfolio to conform to the pre-established investment guidelines. Plan management believes that the occurrence of such events that would cause the Plan to transact at less than contract value is not probable.

The Plan’s fully benefit-responsive SGICs are included in the Statements of Net Assets Available for Benefits as participant-directed investments at contract value at December 31, 2021 and 2020 of $129,598,370

10

and $139,314,432, respectively. The fully benefit-responsive SGICs earned interest income of $2,572,459 during the year ended December 31, 2021.

1. **FAIR VALUE MEASUREMENTS**

The Plan applies fair value measurements to certain investments and provides disclosures of certain assets according to a fair value hierarchy. The hierarchy ranks the quality and reliability of the inputs used to determine fair values, which are then classified and disclosed in one of three categories. The three levels of the fair value hierarchy are:

*Level 1* — Unadjusted quoted prices in active markets for identical assets or liabilities.

*Level 2* — Other significant observable inputs including quoted prices in active markets for similar assets or liabilities; quotedprices in markets that are not active; and model-derived valuations whose inputs are observable (such as yield curves).

*Level 3* — Model-derived valuations with unobservable inputs that are supported by little or no market activity.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Valuation methodologies maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. Investments valued using net asset value (NAV) as a practical expedient are not classified within the fair value hierarchy.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

*Common Stocks:* Valued at the closing price reported on the active market on which the individual securities are traded. SeeNote 2 for additional discussion of Pinnacle West Common Stock.

*Short-Term Investments:* Consists primarily of mutual funds that seek to provide safety of principal, daily liquidity and acompetitive yield by investing in U.S. Government Securities, or money market funds. Valuation is based on the quoted NAV of shares held by the Plan, consistent with the methodology for valuing mutual funds as discussed below.

*Mutual Funds:* Valued and redeemable at the quoted NAV of shares held by the Plan. The NAV is based on the quoted price atthe end of the day on the active market in which the individual funds are traded. Mutual funds are open-ended funds that are registered with the Securities and Exchange Commission.

*Self-Directed Brokerage Account:* Consists primarily of common stocks, mutual funds, and short-term investments that arevalued on the basis of readily determinable market prices.

*Common and Collective Trusts*: Valued, as a practical expedient, based on the trusts’ NAV of units held by the Plan at year-end. NAV is based on the market prices in active markets of the underlying securities owned by the trusts. The trusts are similar to mutual funds except, among other differences, that the trusts’ shares are offered to a limited group of investors and are not traded on an exchange. Participant redemptions in the trusts do not require a notification period, and may occur on a daily basis at the NAV. The trusts have the ability to implement redemption safeguards which, theoretically, could limit the Plan’s ability to transact in

11

the trusts. However, no such safeguards were in effect during the year and, as such, these safeguards had no effect on participant redemptions during the year or on year-end NAV valuation. The Plan has no unfunded commitments to these trusts as of December 31, 2021 and 2020.

The following table presents by level within the fair value hierarchy, the Plan's assets reported at fair value:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Quoted Prices in Active Markets (Level 1):** |  | **December 31,** | | |  |  |
|  | **2021** |  |  | **2020** |  |
| Common Stocks | $ | 94,332,364 |  | $ | 79,982,382 |  |
| Short-Term Investments |  | 6,650,683 |  |  | 6,729,854 |  |
| Mutual Funds |  | 199,487,751 |  |  | 191,322,775 |  |
| Pinnacle West Common Stock |  | 57,733,655 |  |  | 76,420,207 |  |
| Self-Directed Brokerage Account |  | 121,860,769 |  |  | 114,452,907 |  |
| Total Level 1 assets and total assets classified in the fair value hierarchy |  | 480,065,222 |  |  | 468,908,125 |  |
| **Other:** |  |  |  |  |  |  |
| Common and Collective Trusts (a) |  | 941,991,798 |  |  | 837,272,295 |  |
| Total Investments at fair value | $ | 1,422,057,020 |  | $ | 1,306,180,420 |  |
|  |  |  |  |  |  |  |

* 1. These investments are valued using NAV as a practical expedient, and therefore have not been classified in the fair value hierarchy.

1. **EXEMPT PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments consist of Pinnacle West common stock and short-term investments which were managed by the Trustee until April 2021. In April 2021, an independent fiduciary began managing the Pinnacle West Stock Fund. These transactions qualify as exempt party-in-interest transactions. As of December 31, 2021 and 2020, the Plan held 817,873 and 955,850 shares, respectively, of common stock of Pinnacle West, the sponsoring employer, with a cost basis of $47,824,691 and $57,057,261, and a fair value of $57,733,655 and $76,420,207, respectively. During the year ended December 31, 2021, the Plan recorded dividend income from Pinnacle West common stock of $2,956,048. As of December 31, 2021 and 2020, the Plan held $5,330,546 and $5,298,974, respectively, of short-term investments managed by the Trustee, with the majority held within the Stable Value Fund.

Effective on September 30, 2020, the Company froze the Pinnacle West Stock Fund as an investment choice in the Plan. Plan participants are no longer able to invest future contributions or reinvest dividends in the Pinnacle West Stock Fund or exchange from another investment option into the Pinnacle West Stock Fund. Any portion of a participant's account balance that is invested in the Pinnacle West Stock Fund may remain in the Pinnacle West Stock Fund at this time.

Transactions under certain investment managers in 2021 include revenue share agreements with the Trustee that qualify as exempt party-in-interest transactions. Amounts received under this revenue share agreements were immaterial for the year ended December 31, 2021. These revenue share amounts are currently allocated back to participants.

The Plan issues loans to participants which are secured by the vested balances in the participants’ accounts.

12

Certain employees and officers of the Company, who may also be participants in the Plan, perform financial reporting and other services for the Plan, at no cost to the Plan. The Plan Sponsor pays for these services.

1. **RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

The following is a reconciliation of Net Assets Available for Benefits per the financial statements to Form 5500:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2021** |  |  | **2020** |  |
| Net Assets Available for Benefits per the financial statements | $ | 1,575,989,209 |  | $ | 1,471,045,260 |  |
| Adjustment from contract value to fair value for fully benefit-responsive investment |  | 1,770,108 |  |  | 5,536,735 |  |
| contracts |  |  |  |  |
| Deemed distribution of participant loans |  | (638,522) |  |  | (582,287) |  |
| Net Assets per Form 5500 | $ | 1,577,120,795 |  | $ | 1,475,999,708 |  |
|  |  |  |  |  |  |  |

The following is a reconciliation of the Changes in Net Assets Available for Benefits per the financial statements to Form 5500 for the year ended December 31, 2021:

|  |  |  |
| --- | --- | --- |
| Increase in Net Assets Available for Benefits per the financial statements | $ | 104,943,949 |
| Adjustment from contract value to fair value for fully benefit-responsive stable value fund - December 31, 2021 |  | 1,770,108 |
| Adjustment from contract value to fair value for fully benefit-responsive stable value fund - December 31, 2020 |  | (5,536,735) |
| Deemed distribution of participant loans - 2021 |  | (638,522) |
| Deemed distribution of participant loans - 2020 |  | 582,287 |
| Net gain per the Form 5500 | $ | 101,121,087 |
|  |  |  |

13

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |
| --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | **(e) Current Value** |
| **Common Stocks** |  |  |  |
| MFS Large Capitalization Growth Equity Fund | US Large Cap Stock Fund |  |  |
| ABBOTT LAB |  | $ | 571,264 |
| ACTIVISION BLIZZARD INC |  |  | 112,635 |
| ADOBE INC |  |  | 1,299,702 |
| AIR PRODUCTS & CHEMICALS |  |  | 68,154 |
| AIRBNB INC CLASS A |  |  | 8,158 |
| ALNYLAM PHARMACEUTICALS I |  |  | 64,271 |
| ALPHABET INC CL A |  |  | 2,094,560 |
| ALPHABET INC CL C |  |  | 633,696 |
| AMAZON.COM INC |  |  | 2,587,448 |
| AMERICAN TOWER CORP |  |  | 211,770 |
| AMETEK INC NEW |  |  | 324,223 |
| AON PLC |  |  | 225,420 |
| APPLE INC |  |  | 1,529,055 |
| APPLIED MATERIALS INC |  |  | 277,898 |
| ASML HLDG NV (NY REG SHS) |  |  | 374,186 |
| ATLASSIAN CORP PLC CLS A |  |  | 188,739 |
| AUTODESK INC |  |  | 407,444 |
| BECTON DICKINSON & CO |  |  | 90,784 |
| BLACK KNIGHT INC |  |  | 85,128 |
| BLOCK INC CL A |  |  | 230,636 |
| BOSTON SCIENTIFIC CORP |  |  | 394,809 |
| BUMBLE INC CL A |  |  | 37,585 |
| CADENCE DESIGN SYS INC |  |  | 277,102 |
| CANADIAN PAC RAILWAY LTD |  |  | 135,391 |
| CHARTER COMM INC A |  |  | 383,358 |
| CHIPOTLE MEXICAN GRILL IN |  |  | 195,804 |
| CLARIVATE PLC |  |  | 181,457 |
| CME GROUP INC CL A |  |  | 126,795 |
| COLGATE-PALMOLIVE CO |  |  | 316,697 |
| COSTAR GROUP INC |  |  | 235,272 |
| DANAHER CORP |  |  | 834,040 |
| DOLLAR GEN CORP |  |  | 127,820 |
| EDWARDS LIFESCIENCES CORP |  |  | 314,029 |
| ELECTRONIC ARTS INC |  |  | 237,288 |
| EQUIFAX INC |  |  | 307,722 |
| EQUINIX INC |  |  | 170,014 |
| ESTEE LAUDER COS INC CL A |  |  | 538,271 |
| HILTON WORLDWIDE HLDGS IN |  |  | 186,408 |
| ICON PLC |  |  | 383,718 |
| INTUIT INC |  |  | 982,197 |
| JOHNSON CONTROLS INTL PLC |  |  | 205,633 |
|  | 14 |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | | **(e) Current Value** |
| LAM RESEARCH CORP |  |  |  | 558,780 |
| LULULEMON ATHLETICA INC |  |  |  | 137,790 |
| MASTERCARD INC CL A |  |  |  | 967,649 |
| MATCH GROUP INC |  |  |  | 284,470 |
| META PLATFORMS INC CL A |  |  |  | 1,007,705 |
| MGM RESORTS INTL |  |  |  | 82,355 |
| MICROSOFT CORP |  |  |  | 4,102,561 |
| MSCI INC |  |  |  | 652,515 |
| NETFLIX INC |  |  |  | 512,074 |
| NIKE INC CL B |  |  |  | 318,506 |
| NVIDIA CORP |  |  |  | 1,152,029 |
| PAYPAL HLDGS INC |  |  |  | 530,098 |
| ROBLOX CORP |  |  |  | 126,165 |
| ROPER TECH INC |  |  |  | 196,252 |
| ROSS STORES INC |  |  |  | 113,366 |
| SALESFORCE.COM INC |  |  |  | 444,982 |
| SCHWAB CHARLES CORP |  |  |  | 391,822 |
| SEA LTD ADR |  |  |  | 214,314 |
| SHERWIN WILLIAMS CO |  |  |  | 611,702 |
| SHOPIFY INC CL A |  |  |  | 161,155 |
| STARBUCKS CORP |  |  |  | 105,273 |
| STERIS PLC |  |  |  | 126,573 |
| SVCSNOW INC |  |  |  | 412,185 |
| SYNOPSYS INC |  |  |  | 215,204 |
| TAKE-TWO INTERACTV SOFTWR |  |  |  | 87,616 |
| THERMO FISHER SCIENTIFIC |  |  |  | 734,631 |
| TRANSUNION |  |  |  | 334,158 |
| UBER TECH INC |  |  |  | 143,862 |
| VERISK ANALYTICS INC |  |  |  | 512,813 |
| VERTEX PHARMACEUTICALS IN |  |  |  | 176,339 |
| VISA INC CL A |  |  |  | 767,587 |
| VULCAN MATERIALS CO |  |  |  | 493,418 |
| ZOETIS INC CL A |  |  |  | 511,243 |
| SUBTOTAL |  |  | $ | 35,143,773 |
|  |  |  |  |  |
| Robeco Boston Partners Large Capitalization Value Equity Fund | US Large Cap Stock Fund |  |  |  |
| ABBVIE INC |  | $ | | 434,905 |
| ACTIVISION BLIZZARD INC |  |  |  | 237,978 |
| ALLEGION PLC |  |  |  | 109,660 |
| ALPHABET INC CL A |  |  |  | 848,833 |
| AMERICAN INTL GROUP |  |  |  | 181,838 |
| AMERISOURCEBERGEN CORP |  |  |  | 301,395 |
| APPLIED MATERIALS INC |  |  |  | 461,694 |
|  | 15 |  |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |
| --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | **(e) Current Value** |
| AUTOZONE INC |  |  | 916,122 |
| AVANTOR INC |  |  | 443,945 |
| AXALTA COATING SYS LTD |  |  | 335,009 |
| BANK OF AMERICA CORPORATI |  |  | 485,208 |
| BERKSHIRE HATHAWAY INC CL |  |  | 1,041,417 |
| BRISTOL-MYERS SQUIBB CO |  |  | 383,453 |
| CANADIAN NATL RAILWAY CO |  |  | 314,644 |
| CANADIAN NATL RESOURCES L |  |  | 351,309 |
| CAPITAL ONE FIN CORP |  |  | 481,989 |
| CATERPILLAR INC |  |  | 274,344 |
| CENOVUS ENERGY INC |  |  | 159,382 |
| CENTENE CORP |  |  | 540,214 |
| CENTERPOINT ENERGY INC |  |  | 320,156 |
| CHARTER COMM INC A |  |  | 204,719 |
| CHUBB LTD |  |  | 421,996 |
| CIGNA CORP |  |  | 717,134 |
| CISCO SYS INC |  |  | 888,004 |
| CITIGROUP INC |  |  | 386,013 |
| COCA-COLA EUROPACIFIC PAR |  |  | 333,902 |
| COGNIZANT TECH SOLUTIONS |  |  | 298,543 |
| CONOCOPHILLIPS |  |  | 863,273 |
| CRH PLC SPON ADR |  |  | 244,992 |
| CVS HEALTH CORP |  |  | 651,043 |
| DEERE & CO |  |  | 452,958 |
| DOMINION ENERGY INC |  |  | 359,726 |
| DOVER CORP |  |  | 227,726 |
| DUPONT DE NEMOURS INC |  |  | 610,697 |
| EATON CORP PLC |  |  | 563,912 |
| EOG RESOURCES INC |  |  | 330,803 |
| EVEREST REINSURANCE GROUP |  |  | 253,924 |
| FIDELITY NATL INFORM SVCS |  |  | 537,236 |
| FIFTH THIRD BANCORP |  |  | 272,275 |
| FLEETCOR TECH INC |  |  | 263,236 |
| GEN DYNAMICS CORPORATION |  |  | 534,309 |
| GLOBAL PAYMENTS INC |  |  | 349,575 |
| GOLDMAN SACHS GROUP INC |  |  | 466,328 |
| HARLEY-DAVIDSON INC |  |  | 105,984 |
| HOLLYFRONTIER CORP |  |  | 156,525 |
| HOWMET AEROSPACE INC |  |  | 354,809 |
| ICON PLC |  |  | 302,577 |
| JOHNSON & JOHNSON |  |  | 1,178,300 |
| JPMORGAN CHASE & CO |  |  | 1,067,121 |
| KEURIG DR PEPPER INC |  |  | 475,973 |
|  | 16 |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | | **(e) Current Value** |
| KLA CORP |  |  |  | 258,496 |
| KOHLS CORP |  |  |  | 155,628 |
| LAM RESEARCH CORP |  |  |  | 245,230 |
| LENNAR CORP CL A |  |  |  | 180,048 |
| LKQ CORP |  |  |  | 329,625 |
| MARATHON PETROLEUM CORP |  |  |  | 536,812 |
| MCKESSON CORP |  |  |  | 302,013 |
| META PLATFORMS INC CL A |  |  |  | 472,572 |
| MICRON TECH INC |  |  |  | 665,743 |
| MIDDLEBY CORP |  |  |  | 152,489 |
| MOHAWK INDU INC |  |  |  | 315,354 |
| NETAPP INC |  |  |  | 156,383 |
| NEWMONT CORP |  |  |  | 186,928 |
| NORTONLIFELOCK INC |  |  |  | 225,662 |
| NOVARTIS AG SPON ADR |  |  |  | 319,965 |
| NXP SEMICONDUCTORS NV |  |  |  | 243,952 |
| OTIS WORLDWIDE CORP |  |  |  | 341,489 |
| OWENS CORNING INC |  |  |  | 178,285 |
| PIONEER NATURAL RESOURCES |  |  |  | 449,062 |
| POLARIS INC |  |  |  | 116,505 |
| QORVO INC |  |  |  | 355,005 |
| QUALCOMM INC |  |  |  | 704,232 |
| RESTAURANT BRANDS INTL IN |  |  |  | 101,700 |
| SANOFI SPON ADR |  |  |  | 439,227 |
| SCHLUMBERGER LTD |  |  |  | 315,643 |
| SCHWAB CHARLES CORP |  |  |  | 525,709 |
| SONY GROUP CORP ADR |  |  |  | 452,006 |
| SS&C TECH HLDGS INC |  |  |  | 307,343 |
| TAPESTRY INC |  |  |  | 185,217 |
| TJX COMPANIES INC NEW |  |  |  | 348,169 |
| T-MOBILE US INC |  |  |  | 263,970 |
| TRUIST FINL CORP |  |  |  | 456,514 |
| UNION PACIFIC CORP |  |  |  | 332,548 |
| UNITED RENTALS INC |  |  |  | 376,152 |
| UNITEDHEALTH GROUP INC |  |  |  | 784,343 |
| US FOODS HLDGS CORP |  |  |  | 234,127 |
| VERTIV HLDGS CO |  |  |  | 189,872 |
| WELLS FARGO & CO |  |  |  | 724,066 |
| WESTINGHOUSE AIR BRAKE TE |  |  |  | 257,632 |
| SUBTOTAL |  |  | $ | 35,682,824 |
|  | 17 |  |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |
| --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | **(e) Current Value** |
| Robeco Small/Mid Capitalization Value Equity Fund | US Small/Mid Cap Stock Fund |  |  |
| ABM INDU INC |  | $ | 148,653 |
| ACCO BRANDS CORP |  |  | 77,371 |
| AES CORP |  |  | 154,086 |
| AGNC INVESTMENT CORP |  |  | 88,195 |
| ALLEGHANY CORP DEL |  |  | 149,540 |
| ALLISON TRANSMISSION HLDG |  |  | 94,292 |
| ALTRA INDU MOTION CORP |  |  | 57,191 |
| AMERICAN EAGLE OUTFITTERS |  |  | 67,174 |
| AMERICOLD REALTY TR |  |  | 47,546 |
| AMERIS BANCORP |  |  | 62,398 |
| ARES COMMERCIAL REAL ESTA |  |  | 43,009 |
| ARROW ELECTRONICS INC |  |  | 165,958 |
| ARTISAN PARTNERS ASSET MA |  |  | 129,676 |
| ASGN INC |  |  | 291,101 |
| ASSURANT INC |  |  | 113,310 |
| ASSURED GUARANTY LTD |  |  | 207,627 |
| AVNET INC |  |  | 100,684 |
| AXALTA COATING SYS LTD |  |  | 119,596 |
| AXIS CAPITAL HLDGS LTD |  |  | 146,034 |
| BANKUNITED INC |  |  | 154,347 |
| BELDEN INC |  |  | 196,664 |
| BLACKSTONE MORTGAGE TR CL |  |  | 70,824 |
| BLOCK H & R INC |  |  | 53,293 |
| BOOZ ALLEN HAMILTON HLDG |  |  | 61,981 |
| BRIGHT HEALTH GROUP INC |  |  | 46,464 |
| BRIGHTVIEW HLDGS INC |  |  | 97,208 |
| BRINKS CO |  |  | 167,597 |
| BUILDERS FIRSTSOURCE |  |  | 122,908 |
| BWX TECH INC |  |  | 112,183 |
| CALLAWAY GOLF CO |  |  | 248,112 |
| CARTERS INC |  |  | 67,919 |
| CENOVUS ENERGY INC |  |  | 130,757 |
| CENTERPOINT ENERGY INC |  |  | 86,074 |
| CHAMPIONX CORP |  |  | 114,207 |
| CHANGE HEALTHCARE INC |  |  | 308,428 |
| CHEMED CORP |  |  | 141,783 |
| COLUMBIA BANKING SYS INC |  |  | 65,505 |
| COMMSCOPE HLDG CO INC |  |  | 96,964 |
| CONCENTRIX CORP |  |  | 309,191 |
| COUSINS PROPERTIES INC |  |  | 214,370 |
| CROWN HLDGS INC |  |  | 72,456 |
| CURTISS WRIGHT CORPORATIO |  |  | 150,596 |
|  | 18 |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |
| --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | **(e) Current Value** |
| DELEK US HLDGS INC |  |  | 107,643 |
| DIAMONDBACK ENERGY INC |  |  | 405,840 |
| EAST WEST BANCORP INC |  |  | 142,411 |
| ECOVYST INC |  |  | 48,169 |
| EMCOR GROUP INC |  |  | 79,364 |
| EMPLOYERS HLDGS INC |  |  | 72,870 |
| ENERGIZER HLDGS INC |  |  | 167,458 |
| ENERPLUS CORP |  |  | 145,412 |
| ENERSYS INC |  |  | 129,896 |
| ENVISTA HLDGS CORP |  |  | 308,165 |
| ESSENT GROUP LTD |  |  | 187,493 |
| EVERCORE INC A |  |  | 245,753 |
| EVEREST REINSURANCE GROUP |  |  | 125,729 |
| EVERTEC INC |  |  | 138,145 |
| FEDERAL AGRI MTG NON VTG |  |  | 148,964 |
| FIRST AMERICAN FIN CORP |  |  | 75,727 |
| FIRST CITIZENS BANCSHARES |  |  | 103,730 |
| FIRST HAWAIIAN INC |  |  | 137,306 |
| FIRST HORIZON CORP |  |  | 80,882 |
| FIRST MERCHANTS CORP |  |  | 83,654 |
| FLEX LTD |  |  | 93,373 |
| FMC CORP NEW |  |  | 141,428 |
| FOOT LOCKER INC |  |  | 200,480 |
| FRESH DEL MONTE PRODUCE I |  |  | 136,758 |
| FRONTDOOR INC |  |  | 99,248 |
| FTI CONSULTING INC |  |  | 75,022 |
| GLOBE LIFE INC |  |  | 116,494 |
| GRAFTECH INTL LTD |  |  | 92,724 |
| GRAPHIC PACKAGING HLDGS C |  |  | 382,610 |
| GRAY TELEVISION INC |  |  | 72,253 |
| HAEMONETICS CORP MASS |  |  | 60,837 |
| HANESBRANDS INC |  |  | 65,576 |
| HANOVER INSURANCE GROUP I |  |  | 58,322 |
| HARLEY-DAVIDSON INC |  |  | 219,959 |
| HARSCO CORP |  |  | 84,653 |
| HASBRO INC |  |  | 108,497 |
| HELMERICH & PAYNE INC |  |  | 106,318 |
| HILLENBRAND INC |  |  | 98,521 |
| HOLLYFRONTIER CORP |  |  | 158,786 |
| HOLOGIC INC |  |  | 87,049 |
| HOWMET AEROSPACE INC |  |  | 71,808 |
| HUB GROUP INC CL A |  |  | 85,588 |
| HUNTINGTON INGALLS INDU I |  |  | 106,068 |
|  | 19 |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |
| --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | **(e) Current Value** |
| ICON PLC |  |  | 86,716 |
| INGEVITY CORP |  |  | 100,308 |
| INGREDION INC |  |  | 95,480 |
| INSIGHT ENTERPRISES INC |  |  | 232,921 |
| INTERDIGITAL INC |  |  | 153,718 |
| INTL GAME TECH PLC |  |  | 65,828 |
| INVESTORS BANCORP INC |  |  | 114,943 |
| JAZZ PHARMA PLC |  |  | 46,883 |
| JONES LANG LASALLE INC |  |  | 75,146 |
| KAR AUCTION SVCS INC |  |  | 186,893 |
| KOSMOS ENERGY LTD |  |  | 117,723 |
| LANDSTAR SYS INC |  |  | 59,435 |
| LCI INDU |  |  | 187,979 |
| LITHIA MOTORS INC CL A |  |  | 88,788 |
| LPL FINL HLDGS INC |  |  | 243,337 |
| MASONITE WORLDWIDE HLDGS |  |  | 100,847 |
| MERITAGE HOMES CORP |  |  | 86,418 |
| MIDLAND STATES BANCORP IN |  |  | 64,280 |
| MINERALS TECH INC |  |  | 55,228 |
| MOLINA HEALTHCARE INC |  |  | 278,002 |
| MOSAIC CO NEW |  |  | 76,616 |
| MR COOPER GROUP INC |  |  | 134,858 |
| NATIONAL ENERGY SVCS REUN |  |  | 45,388 |
| NAVIENT CORP |  |  | 100,922 |
| NCR CORP |  |  | 187,734 |
| NEXSTAR MEDIA GROUP INC A |  |  | 230,999 |
| NEXTIER OILFIELD SOLUTION |  |  | 38,691 |
| NMI HLDGS INC |  |  | 67,801 |
| NOMAD FOODS LTD |  |  | 98,970 |
| NORTONLIFELOCK INC |  |  | 128,601 |
| OMNICOM GROUP INC |  |  | 97,742 |
| ORTHO CLINICAL DIAGNOSTIC |  |  | 170,200 |
| OWENS CORNING INC |  |  | 99,369 |
| PACWEST BANCORP |  |  | 157,418 |
| PDC ENERGY INC |  |  | 135,706 |
| PENNYMAC FIN SVCS INC |  |  | 124,976 |
| PETIQ INC CL A |  |  | 133,262 |
| PRA GROUP INC |  |  | 106,345 |
| PREFERRED BANK LOS ANGELE |  |  | 75,092 |
| PROASSURANCE CORPORATION |  |  | 127,841 |
| QORVO INC |  |  | 146,225 |
| R1 RCM INC |  |  | 216,563 |
| RACKSPACE TECH INC |  |  | 40,599 |
|  | 20 |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |
| --- | --- | --- | --- |
| **(a) (b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | **(e) Current Value** |
| RANGE RESOURCES CORP |  |  | 53,597 |
| REALOGY HLDGS CORP |  |  | 85,513 |
| REINSURANCE GROUP OF AMER |  |  | 91,862 |
| RENAISSANCERE HLDGS LTD |  |  | 154,429 |
| RESIDEO TECH INC |  |  | 69,006 |
| SALLY BEAUTY HLDGS INC |  |  | 130,697 |
| SCHWEITZER-MAUDUIT INTL I |  |  | 113,829 |
| SCIENCE APPLICATIONS INTL |  |  | 265,565 |
| SENSATA TECH HLDGS PLC |  |  | 150,092 |
| SKECHERS USA INC CL A |  |  | 80,203 |
| SLM CORP |  |  | 360,158 |
| SOTERA HEALTH CO |  |  | 192,663 |
| SOUTHSTATE CORP |  |  | 78,187 |
| SPECTRUM BRANDS HLDGS INC |  |  | 89,310 |
| SPIRIT RLTY CAP INC |  |  | 76,140 |
| STANDARD MOTOR PRODUCTS I |  |  | 45,894 |
| STARWOOD PROPERTY TR INC |  |  | 132,119 |
| STEELCASE INC CLASS A |  |  | 68,445 |
| STEVEN MADDEN LTD |  |  | 204,003 |
| STRIDE INC |  |  | 264,207 |
| SYNEOS HEALTH INC |  |  | 331,862 |
| SYNOVUS FIN CORP. |  |  | 155,195 |
| TD SYNNEX CORP |  |  | 235,582 |
| TEGNA INC |  |  | 216,373 |
| TEMPUR SEALY INTL INC |  |  | 136,058 |
| TEREX CORP |  |  | 67,815 |
| TEXTRON INC |  |  | 89,629 |
| TOLL BROTHERS INC |  |  | 85,999 |
| TRAVEL+LEISURE CO |  |  | 120,820 |
| TTEC HLDGS INC |  |  | 102,412 |
| TURNING POINT BRANDS INC |  |  | 70,006 |
| ULTRA CLEAN HLDGS INC |  |  | 173,858 |
| UMPQUA HLDGS CORP |  |  | 116,075 |
| UNISYS CORP NEW |  |  | 45,048 |
| UNIVERSAL CORP |  |  | 117,474 |
| UNIVERSAL HEALTH SVCS INC |  |  | 140,811 |
| US FOODS HLDGS CORP |  |  | 71,332 |
| VALLEY NATL BANCORP |  |  | 122,196 |
| VALVOLINE INC |  |  | 320,992 |
| VIAD CORP |  |  | 43,346 |
| VIPER ENERGY PARTNERS LP |  |  | 151,109 |
| VISTRA CORP |  |  | 82,086 |
| WABASH NATIONAL CORP |  |  | 88,016 |
|  | 21 |  |  |

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **(a)** | **(b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | | **(e) Current Value** |  |
|  | WALKER & DUNLOP INC |  |  |  | 267,812 |  |
|  | WEBSTER FIN |  |  |  | 113,634 |  |
|  | WERNER ENTERPRISES INC |  |  |  | 66,104 |  |
|  | WESCO INTL INC |  |  |  | 474,892 |  |
|  | WESTERN UNION CO |  |  |  | 78,086 |  |
|  | WHITE MOUNTAINS INS GROUP |  |  |  | 131,807 |  |
|  | WHITING PETROLEUM CORP NE |  |  |  | 88,935 |  |
|  | WINTR FIN CORP |  |  |  | 72,928 |  |
|  | WORLD FUEL SVCS CORP |  |  |  | 110,512 |  |
|  | YELP INC |  |  |  | 117,998 |  |
|  | SUBTOTAL |  |  | $ | 23,505,767 |  |
|  |  |  |  |  |  |  |
|  | Total common stocks |  | $ | | 94,332,364 |  |
|  |  |  |  |  |  |  |
|  | **Common and Collective Trusts** |  |  |  |  |  |
|  | Blackrock US Debt Index NL Fund M | US Bond Index | $ | | 170,596,143 |  |
|  | Northern Trust Collective 1-10 Yr Treasury Inflation-Protected Securities (TIPS) | Diversified Inflation Fund |  |  | 51,785,225 |  |
|  | Index Fund - NL - Tier Three |  |  |  |
|  | SSgA Global All Cap Equity Ex US Index Non-Lending Series Fund Class A | Non-US Stock Index |  |  | 171,245,673 |  |
|  | SSgA S&P 500 Index Non-Lending Series Fund Class A | US Large Cap Stock Fund/Index |  |  | 399,238,685 |  |
|  | SSgA Russell Small/Mid Cap Index Non-Lending Series Fund | US Small/Mid Cap Stock |  |  | 124,914,973 |  |
|  | Class A | Fund/Index |  |  |  |
|  | William Blair Small/Mid Cap Growth Collective Fund | US Small/Mid Cap Stock Fund |  |  | 24,211,098 |  |
|  | Total common and collective trusts |  |  | $ | 941,991,797 |  |
|  |  |  |  |  |  |  |
|  | **Mutual Funds** |  |  |  |  |  |
| \* | Fidelity Institutional Money Market: Government Portfolio - Class I | Short-Term Investments\*\*\* | $ | | 4,466,554 |  |
| \* | Fidelity Institutional Money Market: Treasury Portfolio - Class I | Short-Term Investments\*\*\* |  |  | 863,992 |  |
|  | American Funds EuroPacific Growth Fund R6 Shares | Non-US Stock Fund |  |  | 123,278,655 |  |
|  | Dodge & Cox Income Fund 1 Shares | Bond Fund |  |  | 38,638,779 |  |
|  | Metropolitan West Total Return Bond Fund Institutional Shares | Bond Fund |  |  | 37,570,317 |  |
|  | Total mutual funds |  |  | $ | 204,818,297 |  |
|  |  |  |  |  |  |  |
|  | **SGICs** | Stable Value Fund |  |  |  |  |
|  | RGA Reinsurance Co yield 1.546% |  |  |  |  |  |
|  | Morley Stable Income Bond Fund Common and Collective Trust |  | $ | | 43,127,532 |  |
|  | Principal Life Ins Co yield 1.537% |  |  |  |  |  |
|  | Morley Stable Income Bond Fund Common and Collective Trust |  |  |  | 44,667,260 |  |
|  | Transamerica Premier Life Ins Co yield 1.595% |  |  |  |  |  |
|  | Morley Stable Income Bond Fund Common and Collective Trust |  |  |  | 43,573,686 |  |
|  | Total SGICs |  |  | $ | 131,368,478 |  |

22

FORM 5500, SCHEDULE H, PART IV, LINE 4i

PLAN # 002 EIN # 86-0512431

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2021

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **(a)** | **(b) Identity of Issuer, Borrower, Lessor, or Similar Party** | **(c) Description** | **(d) Cost\*\*** | | **(e) Current Value** |
|  | **Other Investments** |  |  |  |  |
| \* | Pinnacle West Common Stock | Pinnacle West Stock Fund | $ | | 57,733,655 |
|  | Self-Directed Brokerage Account | Self-Directed Brokerage Account |  |  | 121,860,769 |
|  | BBH STIF Fund | Short-Term Investments\*\*\* |  |  | 1,310,137 |
| \* | Various participants\*\*\*\* | Participant loans |  |  | 21,628,296 |
|  | Total other investments |  |  | $ | 202,532,857 |
|  |  |  |  |  |  |
|  | **Total Assets Held for Investment Purposes** |  | $ | | 1,575,043,793 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**\***Party-in-interest

**\*\***Cost information is not required for participant-directed investments and therefore is not included.

**\*\*\***Short-Term Investments represent $4,466,544 held in the Stable Value Fund, $1,310,137 in the US Small/Mid Cap Stock Fund and US Large Cap StockFund and $863,992 in the Pinnacle West Stock Fund and $10,000 in the Treasury Fund.

**\*\*\*\***Interest rates for participant loans as of December 31, 2021, ranged from 4.25% to 9.25% with maturity dates ranging from 2021 to 2036. Presentednet of $638,522 in deemed loan distributions.

See accompanying Report of Independent Registered Public Accounting Firm.

23

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Exhibits Filed | | |  |  |  |
|  |  |  |  |  |  |  |
| **Exhibit No.** | | | |  | **Description** | |
| 23.1 |  |  |  |  | Consent of Independent Registered Public Accounting Firm | |
|  |  |  |  |  |  |  |

24

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE PINNACLE WEST CAPITAL

CORPORATION SAVINGS PLAN

Date:

June 22, 2022

By

/s/ Donna M. Easterly



Donna M. Easterly

Senior Vice President Human Resources & Ethics

Arizona Public Service Company

25

**EXHIBIT 23.1**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-157151 on Form S-8 of our report dated June 22, 2022, relating to the financial statements and supplemental schedule of The Pinnacle West Capital Corporation Savings Plan appearing in this Annual Report on Form 11-K for the year ended December 31, 2021.

/s/ *DELOITTE & TOUCHE LLP*

Phoenix, Arizona

June 22, 2022