

# Arizona's Energy Future

Lea Márquez Peterson, Chairwoman  
Arizona Corporation Commission





## The Arizona Corporation Commission



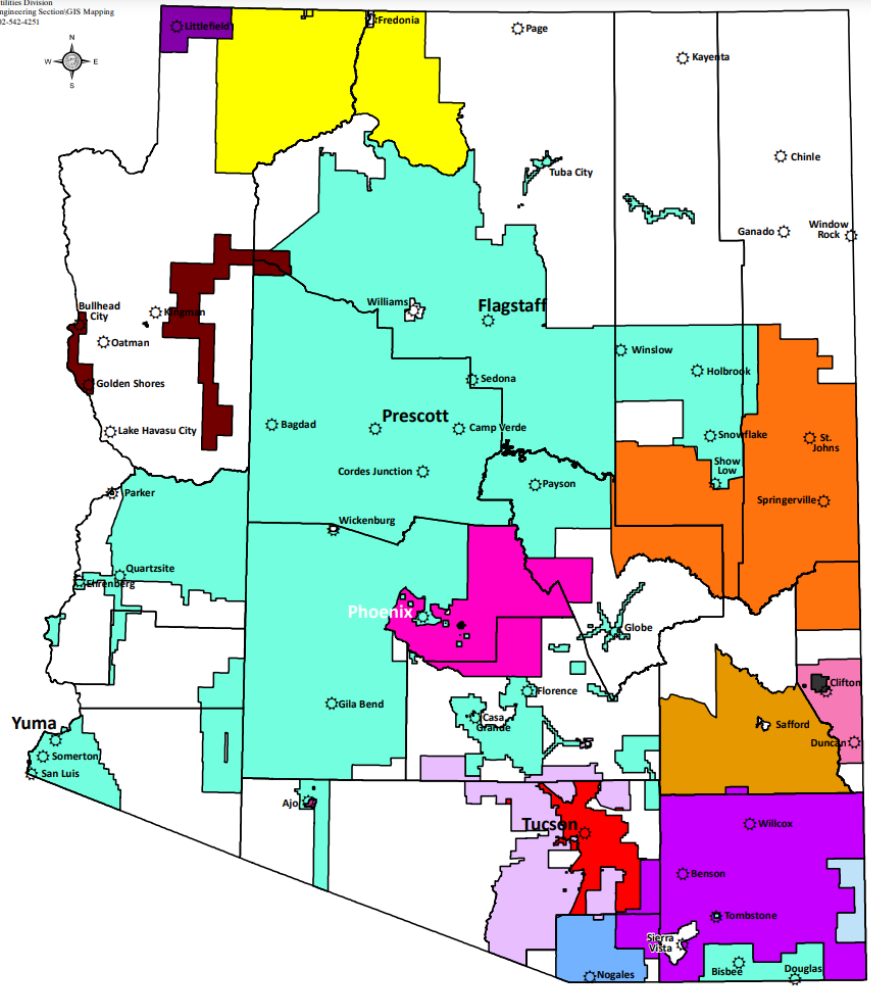
- “The Arizona Corporation Commission’s mission is to ensure safe, reliable, and affordable utility services . . .”

# The Arizona Corporation Commission

- Article 15 of the Arizona Constitution establishes the Arizona Corporation Commission.
- Only 7 states have constitutionally formed Commissions.
- Arizona is one of only 10 states with elected Commissioners.







# Arizona's Regulated Electric Utilities



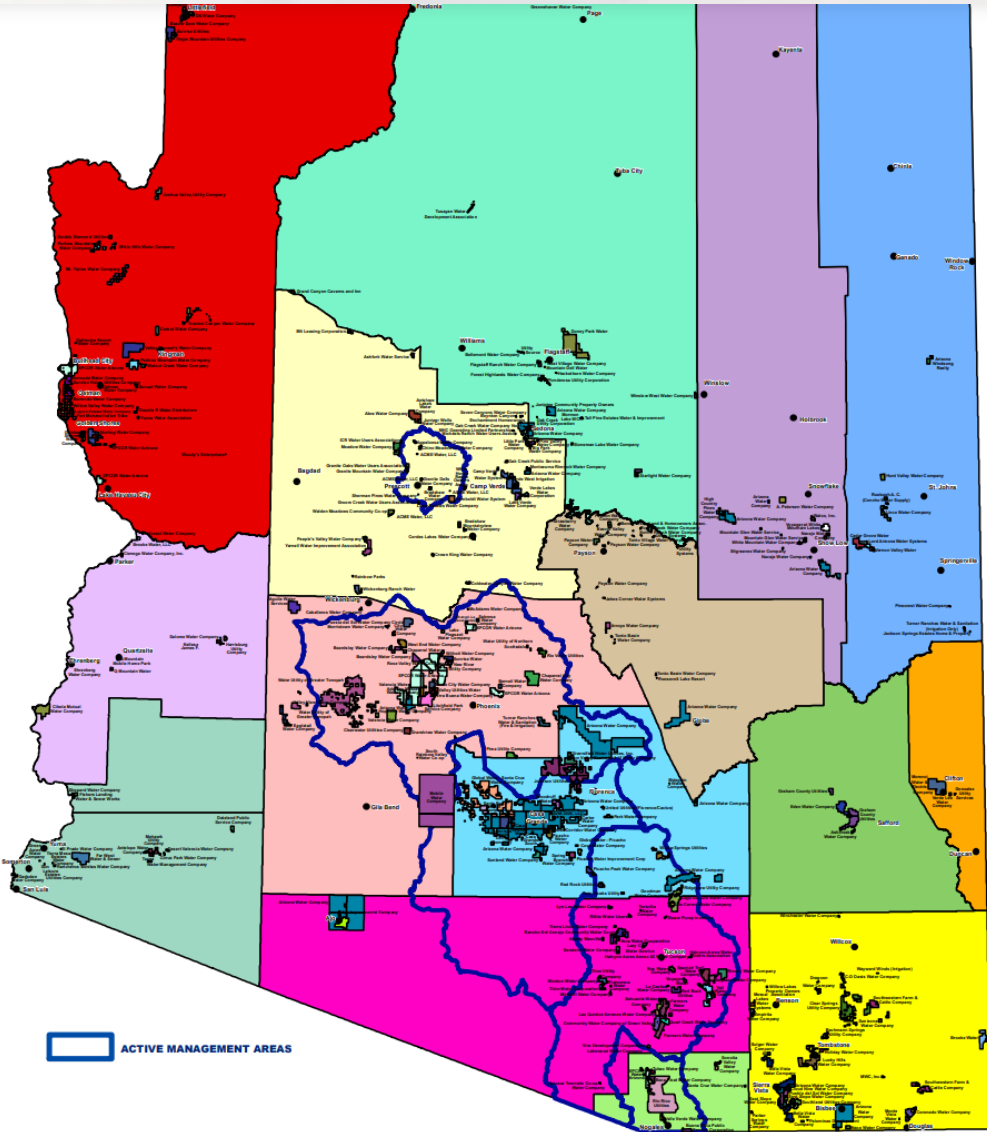
## Electric Retail Co-ops

### STATE OF ARIZONA - ELECTRIC

Revised July 1, 2018

- |                                            |                                    |                                       |
|--------------------------------------------|------------------------------------|---------------------------------------|
| Ajo Improvement Company                    | Duncan Valley Electric Cooperative | Navopache Electric Co-op              |
| Arizona Public Service                     | Garkane Power Association          | Salt River Project                    |
| City of Mesa                               | Graham County Electric Cooperative | Sulphur Springs Valley Electric Co-op |
| Columbus Electric Co-op                    | Trico Electric Cooperative         | Tucson Electric Power                 |
| Dixie Escalante Rural Electric Association | Morenci Water & Electric Company   | UNS Electric, Inc.                    |





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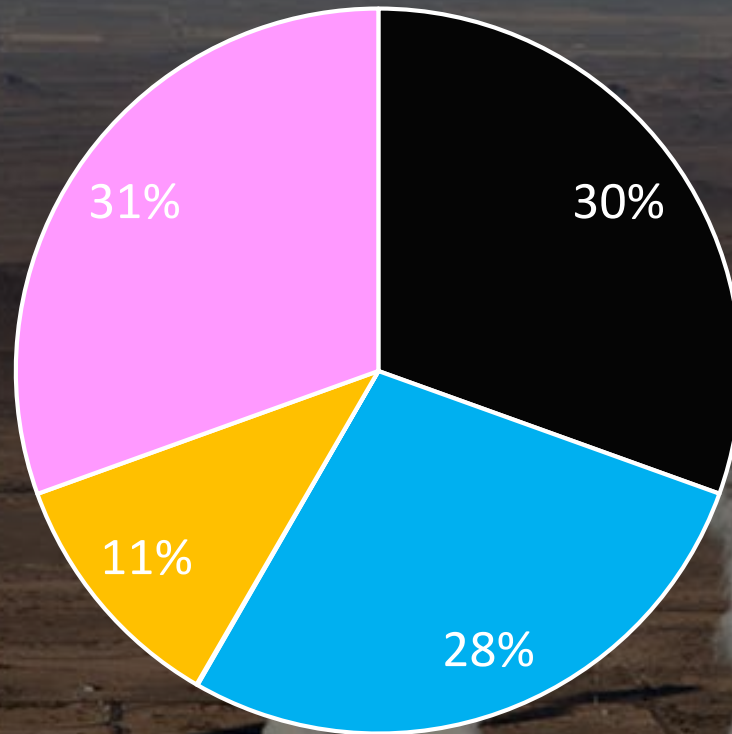
**STATE OF ARIZONA**  
**WATER COMPANIES REGULATED BY THE**  
**CORPORATION COMMISSION**

Arizona's Regulated Water Utilities





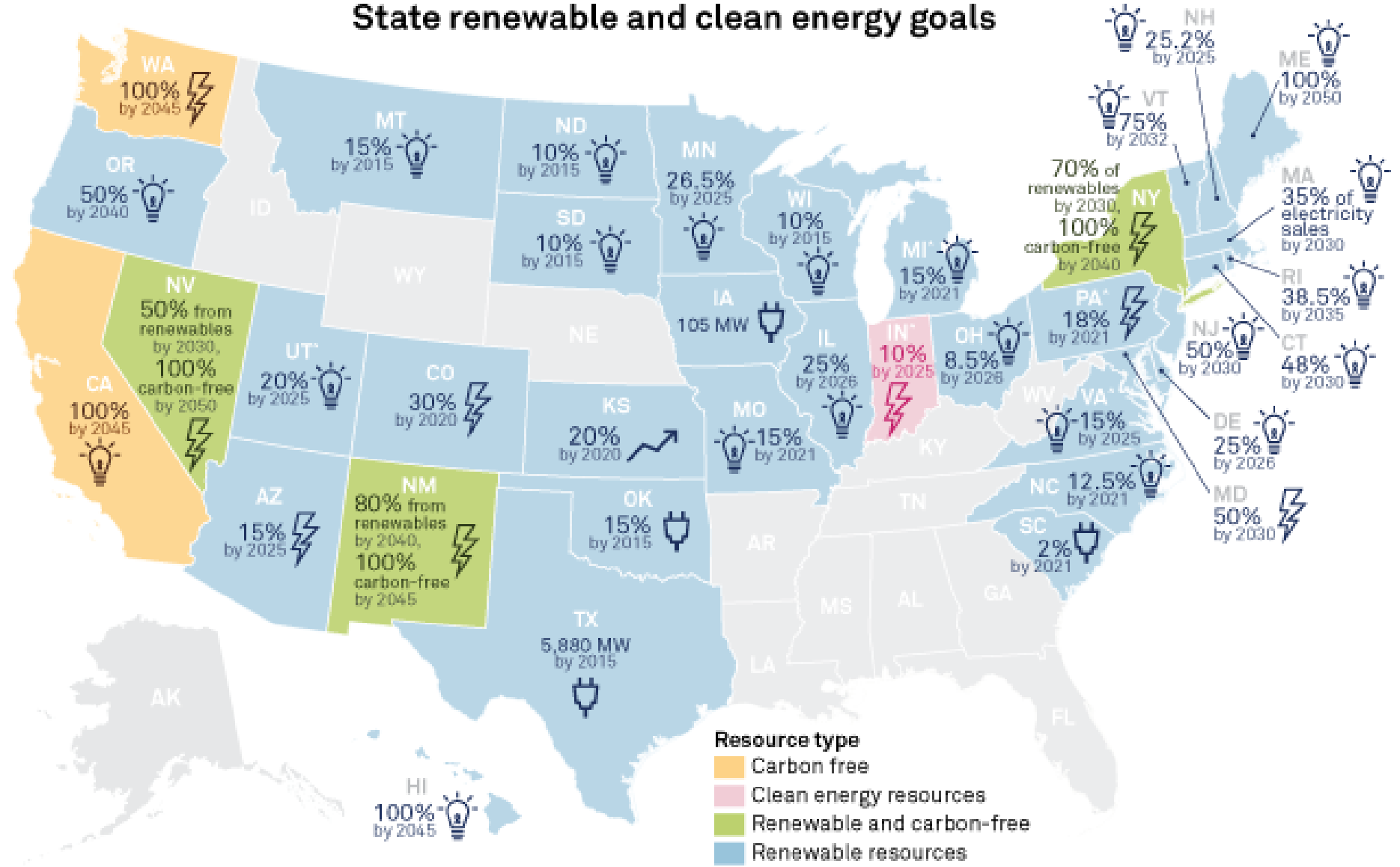
# Arizona's Energy Mix



- Coal
- Natural Gas
- Renewable Energy
- Nuclear Power

# Energy Goals across the U.S.

## State renewable and clean energy goals



**S&P Global**  
Market Intelligence  
Data compiled Aug. 2019.

**Resource type**

- Carbon free
- Clean energy resources
- Renewable and carbon-free
- Renewable resources

**Generation** (Lightning bolt icon)  
**Retail sales** (Lightbulb icon)  
**Capacity** (Plug icon)  
**Peak demand** (Upward arrow icon)



# Current Arizona Energy Rule: “Renewable Energy Standard & Tariff” (REST)

- Set in 2006
- 15% of kWh sales by 2025
- Cost to APS ratepayers since 2007: \$1.25 billion





# Quick Facts

- With a net summer capacity of 3,937 megawatts, Arizona's Palo Verde Nuclear Generating Station is the largest nuclear power plant, the largest net generator of electricity, and the second-largest power plant by capacity of any kind in the nation.
- Electricity prices in Arizona in September 2020 averaged 12.53 cents per kilowatthour (¢/kWh), which is approximately 8% less than the average U.S. price. ([utilitieslocal.com](https://www.utilitieslocal.com))
- In 2018, Arizona ranked second in the nation in electricity generation from solar energy, which provided more power than the state's other nonhydroelectric renewable energy sources.





## Voluntary Energy Commitments:

APS - 100% Clean Energy by 2050

TEP - 70% from renewable energy by 2035

SRP – Reducing 90% of carbon by 2050\*

\*from 2005 levels



# Clean Energy Transition:

SHUT DOWN IN 2019





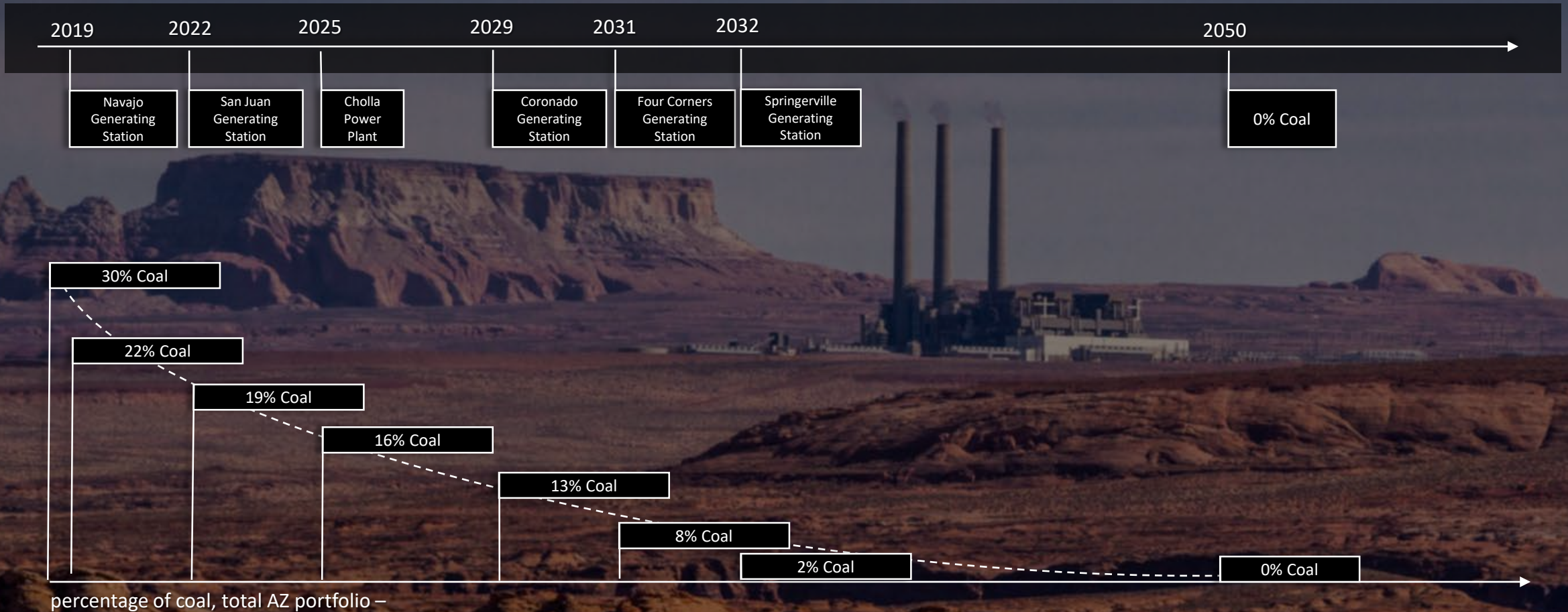
# AZ Plant Retirements

2019	Navajo	2,250 MW
2022	San Juan	837 MW
2025	Cholla (in AZ)	801 MW
2029	Coronado (in AZ)	773 MW
2031	Four Corners	1,540 MW
2032	Springerville (in AZ)	1,625 MW
( ? )	Apache	605 MW
2050	total retirements	8,431 MW





# Arizona Plant Retirements





# Community Impact

3 coal plants remaining in Arizona

- Cholla
- Coronado
- Springerville

Cleaner air and carbon impact

Jobs Lost / Workforce Development / Economic Impact to Region

APS coal plant closures by 2031

TEP closing or exiting from coal plants by 2032



**100% Clean Energy**







The Guardrails  
of Affordability  
& Reliability

Long term  
planning

Resource  
Adequacy

Just and  
reasonable  
return for our  
utilities

The Guardrails  
of Affordability  
& Reliability



# Next Steps?

- Continue protecting Arizona families and small businesses from imprudent investments
- Continue balancing the Commission's long-term goals with the need to ensure safe and reliable service at affordable rates



An aerial photograph of a river winding through a deep, red rock canyon. The canyon walls are steep and layered, showing signs of erosion. The river is dark and flows through the center of the canyon. The lighting is warm, suggesting late afternoon or early morning.

Thank you

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