



ARIZONA CORPORATION COMMISSION

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Commission Approves Resource Planning Rules for Arizona's Electric Utilities

Rules Provide a Forward-looking Approach to Energy Planning

PHOENIX—The Arizona Corporation Commission today approved rules to require Arizona's electric utilities to engage in Integrated Resource Planning (IRP), which will provide a forward-looking approach to energy planning. Through these rules, each utility must demonstrate how it will meet its energy requirements in an efficient, cost-effective, and responsible manner.

The rules require that every two years, Arizona's public utilities file a 10-year plan for how they will fulfill the energy needs of their customers. The companies must identify the sources of the energy they will generate and what percentage of each source will be employed.

Included in the rules are requirements for utilities to identify how they will comply with demand response, energy efficiency, and the state's Renewable Energy Standard. Additionally, the Commission approved amendments to the IRP rules that would enhance consideration of other elements such as how much water electric companies use in the generation of energy and the level of harmful emissions and by-products such as coal ash that are created through generation.

The approved Integrated Resource Planning rules will now be sent to the Arizona Secretary of State to open a notice of proposed rulemaking. Following approval by the Secretary of State, the rules would go to the Attorney General for endorsement before implementation.

"These resource planning rules will help ensure that Arizona has a balanced energy portfolio that will bring down electricity prices over time and guarantee a reliable electricity system," said **Chairman Kris Mayes**. "The rules will give every Arizonan an opportunity to participate in the planning of Arizona's energy future."

"These rules will serve as valuable tools in ensuring reliable power for consumers, and will provide valuable data on the cost impacts of all energy sources," said **Commissioner Bob Stump**.

"These rules require that utilities take a more holistic view of Arizona's power generation going forward," said **Commissioner Paul Newman**. "I appreciate the Commission's support in passing my 'environmental impacts' amendment. Including so-called 'externalities' such as power plant water use, coal ash and air pollution will give us more accurate cost estimates of power production. Solar and wind have near-zero emissions, and it's smart planning to include all costs when comparing various types of generation."

"Minimizing costs and maximizing efficiencies requires forethought and planning, and that is exactly what is required by these rules," said **Commissioner Gary Pierce**. "I am happy to see them move forward."

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