



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: NREW DP 6-4-0-0

HB 2248: corporation commission; electric generation resources

Sponsor: Representative Griffin, LD 14

House Engrossed

Overview

Declares that the public policy of Arizona requires public service corporations to derive, at minimum, certain percentages of retail sales from renewable energy and prohibits the Arizona Corporation Commission from adopting policies, decisions or rules that change these thresholds.

History

The Arizona Corporation Commission is established in the Constitution of Arizona to regulate public service corporations, which includes non-municipal corporations that furnish gas, oil or electricity for light, fuel or power ([Constitution of Arizona, Article 15, § 2](#)). Specifically, the Commission has the full power to prescribe rules, regulations and orders that govern a public service corporation's rates, charges and classifications, which is collectively referred to as its "ratemaking authority." Additionally, the Commission can prescribe the forms of contracts and systems of accounts these corporations employ and can make and enforce reasonable rules, regulations and orders for the convenience, comfort, safety and preservation of health of the corporation's employees and patrons ([Constitution of Arizona, Article 15, § 3](#)).

The Arizona Corporation Commission has promulgated rules for certain public service corporations that involve how much electricity these businesses generate from solar, wind, biomass, nuclear and other renewable energy sources. In 2006, the Commission adopted the Renewable Energy Standard and Tariff rules, which required 15% of retail energy sales from certain regulated electric utilities to come from renewable energy sources by 2025 ([Decision No. 69127](#)). The Commission is currently considering new rules to require these utilities to generate at least 50% of electricity from renewable sources by 2035 and 100% by 2050. Each utility would also need to annually achieve an average of 1.3% energy efficiency savings starting in 2021 and comply with a 5% energy storage capacity requirement ([Decision No. 77829](#)).

Provisions

1. Declares that it is the public policy of Arizona that public service corporations should pursue using clean energy resources and reducing carbon emissions provided the mix of generation resources is the lowest cost method of providing safe and reliable electricity when considering system-wide costs to meet customer demand. (Sec. 1)
2. Requires public service corporations to derive at least the following percentage of retail kilowatt sales from renewable energy resources by the following dates:
 - a) 12% by December 31, 2022;
 - b) 13% by December 31, 2023;
 - c) 14% by December 31, 2024; and
 - d) 15% by December 31, 2025 and each year thereafter. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

3. Clarifies that these requirements do not prohibit the Arizona Corporation Commission from exercising its ratemaking or statutory authority over public service corporations. (Sec. 1)
4. Authorizes the Arizona Corporation Commission to adopt rules to ensure public service corporations comply with this act. (Sec. 1)
5. Prohibits the Arizona Corporation Commission from adopting or enforcing any policy, decision or rule that increases or decreases the renewable energy generation thresholds specified in this act or that regulates public service corporations' carbon emissions. (Sec. 1)
6. Defines *carbon emissions*, *clean energy resources*, *critical electric generation resources*, *lowest cost method* and *renewable energy resources*. (Sec. 1)
7. Contains legislative findings. (Sec. 2)