

## Report on the Arizona Corporation Commission (ACC)

- By Bill Wanamaker
- Monday, March 15, 2021

The ACC has regulatory authority over all privately owned (thus “regulated”) utility companies in Arizona. By contrast, utilities owned by municipalities do not come under ACC jurisdiction. For all regulated (private) power-generating utilities under ACC’s jurisdiction, the ACC is giving serious consideration to mandating a Zero Carbon footprint by 2050. At the recent March 15 hearing, Arizona utility companies presented their Integrated Resource Plans (IRPs) to Commissioners indicating which new Green Technologies they would use to achieve the Zero Carbon footprint, and the resulting significant rate hikes to pay for them.

Accordingly, Commissioner Justin Olson asked each company providing testimony a key question, i.e. what would happen to rates if they were agnostic regarding the kinds of technologies they used to support their customers? Surprisingly, none of the utility company representatives were prepared to answer his question. Power company Arizona Public Service (APS) did have some information in their IRP filing that they referenced. It projected that between now and 2035 costs for the specified new technologies would add \$1.9 Billion to about \$3.5 Billion dollars to current rates.

Based on these increased costs for green technologies, APS customers alone would see estimated annual increases of \$100/year to approximately \$500/year through 2035. No witness had any numbers beyond 2035.

Additionally, the law of diminishing returns kicks in the closer you get to 100% carbon reduction because the technologies get increasingly expensive on the way to 100% attainment of zero carbon. Some express this phenomenon with the 80%/20% rule, where roughly 80% of the cost may well be required to achieve the last 20% of environmental benefits. If adopted by the ACC, the final phase of implementation (the 20%) would likely happen closer to 2050.

It was Commissioner Olson’s questions that revealed that the projected increases equate to about \$42 per month just to fast tract the implementation of the “green energy” technologies. It obviates the need to ascertain what the cost to consumers would be if the utility companies could select technologies on the merits of more efficient production costs that would result in lower bills to customers, as compared to new, and sometimes, untested theories and technologies. One subject that was entirely unaddressed was any analysis of the total environmental effects of any new technologies, especially when their feasibility relies on support from traditional power generating technologies.

These revelations caught the attention of both Commissioner O'Connor and Chairwoman Marquez-Peterson, as they too followed up with questions about the total systemic costs of popular new technologies that purport to be green. There is one more opportunity at a date to be set to address the issue of mandated carbon emission reductions. Now is the time to urge all commissioners to NOT ADOPT the carbon emissions/renewable energy standards.

**Call to action:** There is a real possibility that the ACC could adopt new, and extremely expensive technologies that would have a huge impact on power bills for families and businesses throughout Arizona. To urge the ACC to be sensitive to household and business price hikes to pay for new “green” technologies, contact:

Chairwoman Lea Marquez Peterson here:	<a href="mailto:lmarquezpeterson-web@azcc.gov">lmarquezpeterson-web@azcc.gov</a>
Commissioner Jim O’Connor here:	<a href="mailto:OConnor-Web@azcc.gov">OConnor-Web@azcc.gov</a>
Commissioner Justin Olson here:	<a href="mailto:Olson-web@azcc.gov">Olson-web@azcc.gov</a>
Commissioner Sandra Kennedy here:	<a href="mailto:SDKennedy-Web@azcc.gov">SDKennedy-Web@azcc.gov</a>
Commissioner Anna Tovar here:	<a href="mailto:Tovar-Web@azcc.gov">Tovar-Web@azcc.gov</a>

***Following is a SAMPLE MESSAGE that you can recast into your own words:***

Dear Councilman/Councilwoman \_\_\_\_\_

While we all want a clean environment, the path to greener technologies must be harmonized with total real costs. Before specifying that Arizona’s privately owned and operated (regulated) utility companies use specific green new technologies, the ACC should make sure that the full and comprehensive cost of such technologies is understood, including the cost to customers – families, low income, the elderly, and employers.

We’ve all heard examples of green technologies that appear to have been rushed to implementation without adequate consideration of all environmental and economic consequences. Examples are electric vehicle charging stations powered by diesel generators, vastly increased mining of rare earth minerals needed to build the new technologies, diminishing efficiencies of solar panels over time, and the full and true cost (including environmental impacts) of decommissioning such green equipment once the equipment is retired.

Also, Arizona has more migratory bird activity than any other state. We have all heard that wind turbines kill many birds. We should understand the full spectrum of implications before we adopt and specify to our regulated utility providers what technologies they must use.

There is a reasonable path to a better and sustainable environment. But we must be diligent to study the options and costs thoroughly before we commit to building and paying for expensive new infrastructures.

Sincerely,  
[Your name,  
Registered Arizona Voter]