

CASE STUDY

ARIZONA CLEAN ENERGY MARKET DEVELOPMENT

OPPORTUNITY

As a net electricity exporter with some of the highest levels of solar radiation in the nation, and a relatively simple marketplace where three vertically integrated utilities provide 84% of the state's electricity, Arizona holds unique potential for clean energy market development and leadership. Despite these ideal conditions, transitioning to a clean energy future has been challenging for the state.

STRATEGEN APPROACH

From 2015-2020, Strategen has worked with diverse stakeholders on a comprehensive range of projects to promote clean energy market development in Arizona. Strategen efforts have informed policy and influenced utility resource planning with consumer-friendly policies that promote economic development and increase clean energy deployment.

IMPACT

From 2015 to 2020, the Arizona Corporation Commission, its regulated utilities, and other key public agencies in the state have markedly helped shift the states' clean policies.

In this relatively short time, Arizona utilities have made a remarkable and dramatic shift in their electricity procurement plans.

Salt River Project (SRP) aims to reduce its coal fleet carbon emissions 30% by 2035 and reduce CO2 emissions by 90% from 2005 levels by 2050

TEP plans to reduce reliance on coal to 38% of retail energy deliveries and serve 30% of its retail load with renewable generation by 2030.

APS has announced its plans to cease coal generation by 2038

Strategen supported these outcomes through a variety of engagements with thought leadership and analysis that demonstrated how clean energy adoption in the state could reduce costs and pollution, spur economic development, and establish the state as a renewable energy leader.

There is still more to be done to accelerate clean energy adoption and decarbonize Arizona, but a major change in attitudes and priorities among the ACC and the state's key utilities has been achieved in the short period of five years to initiate this change, supported by Strategen.

BELOW IS A SUMMARY OF STRATEGEN ACTIVITIES IN ARIZONA FROM 2015-2020
2015 CLIENTS

Analyzed the IRPs developed by Arizona's utilities and their impact to customer bills, and assisting in the development of consumer-friendly policies for residential rate-payers by recommending fixed charges not be increased, a position that was adopted. Higher fixed charges mean that consumers can do less to lower their energy bill, disincentivizing the pursuit of lower cost clean energy options like rooftop solar.


2015 - 2016 CLIENTS

Constructed and modeled state-wide compliance for the EPA Clean Power Plan under the Obama administration to reduce greenhouse gas emissions.


2016 CLIENTS

Developed the Clean Peak Standard framework for Arizona, which would require utilities to provide 50% of peak energy demand from renewable clean energy resources. Proposition 127 was included on the 2018 ballot where it did not pass, however it is again being evaluated. Other states, including Massachusetts, are also evaluating this original Strategen framework.


2017 CLIENTS

As part of a coalition of public interest stakeholders for the Southwest Energy Efficiency Project, Strategen provided critical analysis and alternatives to the 2017 integrated resource plans (IRPs) of the state's major utilities, Arizona Public Service (APS) and Tucson Electric Power (TEP). This analysis contributed to the Arizona Corporation Commission (ACC) historic decision to not acknowledge APS and TEP 2017 IRPs and send the utilities back to the drawing board, thus establishing the ACC position of prioritizing clean energy in the state.


2018 CLIENTS

Provided technical support to promote a clean, economic transition for the Navajo and Hopi tribes following to the shutdown of the coal-fired Navajo Generating Station.


2019 CLIENTS

Assessed the economics of 11 coal burning power plants across the state, finding that retiring the units and replacing them with solar PV or wind plus storage would save customers over \$3.5 billion.


2020 CLIENTS

Evaluated the efficacy of the Renewable Energy Standard and Tariff and calculated \$2 billion in gross benefits for the state from 2008-2018. Going forward, Strategen found that the deployment of renewable resources ramping up to 45% by 2030 could result in one billion dollars of net benefits of generation costs alone for Arizona in the next ten years.

