

# ARIZONA CORPORATION COMMISSION VOTES DOWN ENERGY RULE MODIFICATIONS, PROPOSES NEW DOCKET FOR ALL-SOURCE IRPS, RFPs

By James Voyles on 01/28/2022  
Posted in Energy & Natural Resources



On January 26<sup>th</sup>, Arizona Corporation Commissioners voted 3-2 against modifications to the state's Energy Rules. The proposed modifications to the Energy Rule would have included delivering 100% carbon-free power by 2070, a cost-waiver provision to protect consumers from unnecessary cost increases, an all-source Request for Proposal ("RFP") processes, and prudence reviews. The Energy Rule would have updated the state's Renewable Energy Standard and Tariff passed in 2006 that required utilities to procure 15% of their power from renewable energy sources by 2025.

As rationale for their votes against the Energy Rule modifications, Commissioners cited voluntary utility commitments to decarbonize, pressure from Wall Street, and federal mandates as providing utilities with sufficient incentives to decarbonize their generation fleet outside of the regulatory process. Commissioners voting with the majority also suggested that the rule modifications possessed substantial rate increase risks to consumers. Commissioners who voted in favor of the Energy Rule modifications did so on the basis of consumer protections, cost savings, decreasing emissions to limit the impacts of climate change, protecting low-income communities, and protecting the environment.

After voting on the Energy Rule, Commissioners voted to open a new case that will develop rules on an all-source Integrated Resource Planning ("IRP") and RFP process. This case is expected to take at least 18 months to complete and will borrow heavily from the IRP and RFP work performed in the Energy Rule docket.

If you have questions about the Commission's decision on the Energy Rule, the forthcoming all-source IRP and RFP docket, or other Corporation Commission matters, please contact James Voyles at [jvoyles@lewisroca.com](mailto:jvoyles@lewisroca.com) or Stan Lutz at [sblutz@lewisroca.com](mailto:sblutz@lewisroca.com).

**Tags:** Environmental and Natural Resources