

WRA'S ANALYSIS AND FEEDBACK

Arizona Public Service's 2023 Integrated Resource Plan

Background

An Integrated Resource Plan (IRP) is a tool for utilities and regulators to determine which mix of resources will meet energy demand while keeping costs low and mitigating risk. Integrated Resource Planning presents an opportunity for the Arizona Corporation Commission to ensure Arizona's utilities will provide affordable, reliable, and sustainable energy for the next 15 years.

While WRA recommends that the Commission acknowledge APS's IRP this fall, we presented detailed suggestions on how the utility can present a revised IRP with stronger commitments to clean energy resource procurement and greenhouse gas emissions reductions.

WRA is working across the region to put the major utilities in our region on a pathway to meet the science-based standard of reducing greenhouse gas emissions at least 80% by 2030. APS's IRP misses the mark, projecting to reduce carbon emissions just 60% by 2030. By accelerating acquisitions of clean energy and moving away from costly fossil fuel sources of generation that pollute our air and climate, APS could position itself as a leader in the West.

Recommendations

In its updated filing, due in May 2024, APS should:

- ✓ Accelerate procurement of wind, solar, storage, and energy efficiency, which the portfolio modeling demonstrates are needed to provide low-cost energy and system benefits.
- ✓ Retire the coal-powered Four Corners plant in 2028, not 2031. APS's own modeling shows \$139 million in customer savings if the plant is retired sooner than outlined in the utility's IRP.
- ✓ Refine and update its assumptions about future electricity demand and explore new and innovative ways to reduce the impacts of projected load growth.
- ✓ Evaluate the benefits of joining a day-ahead energy market.

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