

Tucson Electric Power's 2023 Integrated Resource Plan

WRA'S ANALYSIS AND FEEDBACK

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 utilities in Arizona to demonstrate to the Arizona Corporation Commission that Arizona's families and businesses will have affordable, reliable, and sustainable energy for the next 15 years.

While WRA recommends that the Commission acknowledge TEP's IRPs 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. TEP's IRP outlines a reduction target close to this mark (80% by 2035), which places it far ahead of Arizona Public Service and Salt River Project. However, TEP also seeks to construct a 400-megawatt methane gas plant, and the need for this is not definitively established by TEP's provided data and analysis of IRP portfolios.

Recommendations

In its updated filing, due by May 2024, TEP should:

- ✓ Accelerated procurement of resources like wind, solar, storage, and energy efficiency, which the portfolio modeling demonstrates are needed to provide low-cost energy and system benefits.
- ✓ Thoroughly justify the need for the proposed 400 megawatts of new methane gas generation, utilizing system modelling software.
- ✓ Present a comprehensive early retirement analysis for its coal-fired power plants (Springerville Units 1 & 2, Four Corners Units 4 & 5).
- ✓ WRA also offered suggestions on how the Commission can improve the overall IRP process.

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