



ARIZONA CORPORATION COMMISSION

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CONTACT: Rebecca Wilder (602) 542-0844

Court Affirms Commission's Authority to Set Renewable Energy Standards for Arizona's Utilities

Phoenix, AZ—The Arizona Corporation Commission (ACC) today praised the decision reached by Maricopa County Superior Court Judge Joseph Heilman, affirming that the Commission had proper authority in establishing the Renewable Energy Standard and Tariff (REST) rules. In its decision, the court found that “the Commission’s ratemaking authority extends beyond setting rates and includes the promulgation of rules and regulations when the rules are reasonable and necessary steps in ratemaking.” This decision comes following a lawsuit filed by the Goldwater Institute challenging the Commission’s constitutional authority to set the rules.

The Arizona Corporation Commission was established in 1912 upon Arizona’s statehood by Article 15 of Arizona’s constitution to set “just and reasonable rates and charges” for public utilities and to “make reasonable rules, regulations, and orders, by which such corporations shall be governed.” Additionally, the Commission derives authority from Title 40 of the Arizona Revised Statutes to undertake rulemakings to ensure that utilities provide adequate and reliable service to their customers.

“Today’s decision by Judge Heilman is an enormous victory for all Arizonans,” **Chairman Kris Mayes** said. “We have always believed the Commission has the authority to keep electricity rates as low as possible by requiring our utilities to maintain diverse energy portfolios that include renewable resources like solar and wind energy and this decision upholds those efforts.”

“The Superior Court has rightfully determined that the REST rules are constitutional; now the Commission must ensure they are efficient,” said **Commissioner Gary Pierce**. “Ratepayers deserve the best renewable energy value for their dollar.”

“This ruling gives the ACC the necessary tools to incentivize and grow the solar and wind energy industry in Arizona,” **Commissioner Paul Newman** said.

“The court decision reaffirms the ACC’s constitutional ratemaking authority,” said **Commissioner Sandra Kennedy**. “Today’s decision is not just a victory for the Commission, but a victory as well for our Arizona ratepayers. They will now have options to choose environmental friendly energy sources and additional avenues to mitigate rising utility costs.”

“The decision confirms the scope of the Commission’s ratemaking authority and re-affirms the Commission’s efforts at providing a diverse energy portfolio,” said **Commissioner Bob Stump**. “The Commission must continue to ensure that the rules are efficiently implemented with the best interests of the ratepayer in mind.”

In 2006, the Commission approved the REST rules which require utilities to generate 15 percent of their energy from renewable sources such as solar, wind, biomass, biogas, geothermal and other technologies by 2025. Each public utility company is required to increase their renewable energy generation by a certain percentage each year in order to reach this goal. The REST rules will help lead Arizona toward a future with more reliable, affordable, and clean energy.

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