



ARIZONA CORPORATION COMMISSION

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CONTACT: Rebecca Wilder (602) 542-0844

Commission Gives Final Approval to Resource Planning Rules for Arizona's Electric Utilities

Rules Provide a Forward-looking Approach to Energy Planning

PHOENIX—The Arizona Corporation Commission has given final approval to rules that require Arizona's electric utilities to engage in Integrated Resource Planning (IRP), which will provide a forward-looking approach to energy planning. Through these rules, each utility must demonstrate how it will meet its energy requirements in an efficient, cost-effective, and responsible manner.

The rules require that every two years, Arizona's public utilities file a 15-year plan for how they will fulfill the energy needs of their customers. The companies must identify the sources of the energy they will generate and what percentage of each source will be employed.

Included in the rules are requirements for utilities to identify how they will comply with demand response, energy efficiency, and the state's Renewable Energy Standard. Additionally, the Commission approved amendments to the IRP rules that would enhance consideration of other elements such as how much water electric companies use in the generation of energy and the level of harmful emissions and by-products such as coal ash that are created through generation.

The Integrated Resource Planning rules have fulfilled the proposed rulemaking process by the Arizona Secretary of State and will now go to the Attorney General for final endorsement.

"After a decade of much discussion, debate and analysis, we now have the IRP rules which will be a tremendous tool for Commissioners, Utilities and Ratepayers to assess the state's utilities needs," said **Commissioner Sandra Kennedy**. "Truly a win-win situation as we move ahead with the state's energy policy."

"Minimizing costs and maximizing efficiencies requires forethought and planning, and that is exactly what is required by these rules," said **Commissioner Gary Pierce**. "I am happy to see them move forward."

"These IRP rules will ensure that utilities are planning an appropriate mix of generation resources that includes energy efficiency and renewable sources like solar and wind," **Chairman Kris Mayes** said. "The rules will also allow every Arizonan an opportunity to weigh in on how they believe electric companies like APS and TEP should meet the state's long-range energy needs."

"These IRP rules include the forward-thinking idea that so-called 'externalities' -- the uncounted costs in power production such as air pollution, water pollution, water use by power plants, and potential liability for coal ash contamination -- have a monetary value," said **Commissioner Paul Newman**. "Including *all* the costs of power generation makes good sense, protects our health, and recognizes the value of clean air and water."

"These changes to the IRP rules were long awaited, and will provide a comprehensive tool to prepare for our future generation needs," said **Commissioner Bob Stump**.

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