

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.C.M. 2014
(Reference to printed memorial)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The memorial as proposed to be amended is reprinted as follows:

2 To the Commissioners of the Arizona Corporation Commission:

3 Your memorialist respectfully represents:

4 [Whereas, in 2006 the Arizona Corporation Commission approved the
5 Renewable Energy Standard and Tariff Rules mandating that regulated
6 electric utilities generate 15% of their energy from renewable resources
7 by 2025, costing ratepayers \$2.3 billion; and

8 Whereas, in 2018, Proposition 127, which would have amended the
9 Arizona constitution to require utilities to obtain 50% renewable energy
10 by 2030, was rejected by voters by more than a two-to-one margin; and

11 Whereas, in 2020, the Arizona Corporation Commission opened a docket
12 to consider mandating utilities to obtain 100% renewable energy by 2050;
13 and

14 Whereas, an independent third-party analysis found that the proposed
15 mandates would cost ratepayers \$6 billion by 2050, resulting in the
16 mandate being rejected by a three-to-two vote; and

17 Whereas, following the rejection of renewable mandates by the
18 Commission, Arizona's utilities announced voluntary commitments to go "Net
19 Zero" by 2050; and

20 Whereas, Net Zero requires retiring all coal generation by 2031 and
21 relying almost exclusively on solar, wind and battery storage; and

22 Whereas, solar and wind are intermittent and therefore unreliable
23 sources of energy generation that cannot be dispatched at all times to
24 respond to demand; and

25 Whereas, countries that have committed to going Net Zero have
26 experienced increased costs and reduced reliability, including in Germany
27 where the cost of electricity per kilowatt hour is more than 42 cents

1 compared to an average cost of 15 cents per kilowatt hour in Arizona,
2 representing an annual cost of \$3,300 more for the average customer; and

3 Whereas, recent reports have found that ratepayers in states with
4 renewable energy mandates spend 42% more on electricity than ratepayers in
5 states with no mandates; and

6 Whereas, Net Zero is built on a faulty presumption that carbon is
7 bad, yet carbon dioxide makes up less than 0.4% of earth's atmosphere,
8 amounting to 400 parts per million, and if carbon dioxide levels drop
9 below 150 ppm life could not be supported; and

10 Whereas, the United States going Net Zero would only reduce global
11 temperatures by 0.02 degrees and the entire world going Net Zero would
12 only reduce global temperatures by 0.13 degrees; and

13 Whereas, this trivial reduction in global temperatures cannot
14 justify the \$78 trillion, at minimum, cost of eliminating carbon
15 emissions; and

16 Whereas, the retirement of reliable generation sources would plunge
17 Arizona into energy poverty; and]

18 Whereas, Arizona citizens, including families, schools, hospitals,
19 small businesses, farms and industries, depend on reliable and affordable
20 electric utility service for everything they do, from operating lifesaving
21 medical equipment to operating lifesaving building temperature and
22 humidity control systems; and

23 ~~Whereas, the transition from fossil fuel-based electric power~~
24 ~~generation to carbon-neutral and carbon-free electric power generation~~
25 ~~presents opportunities for innovation and investment and challenges~~
26 ~~electric utilities to maintain an asset inventory that can provide a~~
27 ~~reliable energy capacity that is equivalent to the asset inventory that~~
28 ~~existed before the transition from fossil fuel-based electric power~~
29 ~~generation began; and~~

30 ~~Whereas, it is the policy of this state that electric utility~~
31 ~~service should be reliable and that an electric utility's recovery of~~
32 ~~costs and expenses through rates should only be for those costs and~~
33 ~~expenses that are fair, just and reasonable; and~~

34 ~~Whereas, in order to provide electric utility service in this state,~~
35 ~~an electric utility that is subject to the jurisdiction of the Arizona~~
36 ~~Corporation Commission should provide reliable and affordable utility~~
37 ~~services that best meet the diverse needs of Arizona's citizens;]~~

38 ~~[Whereas, utilities have to "overbuild" the grid when replacing~~
39 ~~reliable sources of energy with unreliable sources of energy to account~~
40 ~~for the intermittent nature of those sources, recovering costs from~~
41 ~~ratepayers for energy they never receive; and~~

42 ~~Whereas, Arizona ratepayers should only pay for the energy they~~
43 ~~receive; and~~

44 ~~Whereas, utilities and the Corporation Commission should focus only~~
45 ~~on ensuring reliable, affordable and abundant energy generation.]~~

46 Wherefore, your memorialist, the House of Representatives of the
47 State of Arizona, the Senate concurring, prays:

1 ~~[1. That the Arizona Corporation Commission support electric~~
2 ~~utility service providers in this state to ensure reliable and affordable~~
3 ~~electric utility service to the citizens of Arizona.]~~
4 [1. That the Arizona Corporation Commission ensure the Arizona grid
5 is powered by affordable and reliable energy generation.]
6 2. That the Arizona Corporation Commission prevent regulated
7 utilities from going "Net Zero" and shutting down this state's critical
8 dispatchable sources of energy generation and replacing them with costly,
9 intermittent and unreliable solar, wind and battery storage.]
10 3. That the Arizona Corporation Commission protect ratepayers by
11 adopting the national model policy entitled "Only Pay for What You Get" to
12 allow Arizona utilities to recover costs only from the reliable portion of
13 generation from a proposed new source.]
14 ~~2.~~ [4.] That the Secretary of State of the State of Arizona transmit
15 copies of ~~[tis]~~ [this] Memorial to the Chairperson and each Commissioner
16 of the Arizona Corporation Commission.

17 Enroll and engross to conform
18 Amend title to conform

RALPH HEAP

~~HCM2014HEAP.docx~~
~~02/17/2025~~
~~10:18 AM~~
~~C: AW~~

HCM2014HEAP.1.docx
02/17/2025
10:49 AM
H: CW/lis