

COMMISSIONER TOVAR REVISED AMENDMENT NO. 2

DATE PREPARED: February 7, 2022

COMPANY: Arizona Corporation Commission

AGENDA ITEM NO. 26

DOCKET NO.: E-00000V-19-0034

OPEN MEETING DATE: February 8, 2022

PURPOSE: To maximize the value and cost-effectiveness of energy efficiency for APS and its customers.

At Page 11, Line 5, INSERT NEW SECTION AND NEW FINDINGS OF FACT:

“Strategen Analyses and Recommendations

7. However, the independent capacity expansion analysis conducted by Strategen Consulting on APS's integrated resource plan identified the potential to reduce the net present value of APS's revenue requirement if APS implements both the economic cycling of coal and implements greater energy efficiency by 2030 using a 2010 baseline. In order to maximize customer savings and benefits, we therefore agree that increasing demand side resource capacity should be instituted.”

At Page 13, Line 5 INSERT NEW ORDERING PARAGRAPHS:

“IT IS FURTHER ORDERED that Arizona Public Service Company shall in future Integrated Resource Plans include a portfolio that eliminates coal unit must-run designations.

IT IS FURTHER ORDERED that Arizona Public Service Company shall in future Integrated Resource Plans include a portfolio that removes modeling restrictions that limit the amount of energy efficiency that can be selected as a resource option.

IT IS FURTHER ORDERED that Arizona Public Service Company shall in future Integrated Resource Plans include a portfolio that removes modeling restrictions on the economic cycling and economic retirement of coal units.

IT IS FURTHER ORDERED that by January 1, 2030, Arizona Public Service Company's resource portfolio shall include a demand-side resource capacity equal to at least 35% of Arizona Public Service Company's 2020 peak demand. The portfolio of demand side management measures shall include rate-enabled, load-shifting technologies, including, but not limited to, demand response, energy storage, and smart thermostats, that provide customer bill savings and clean energy benefits.

THIS AMENDMENT:

☐ Passed☐ Passed as amended by _____☐ Failed☐ Not Offered☐ Withdrawn

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IT IS FURTHER ORDERED that Arizona Public Service Company shall demonstrate 1.3% annual energy efficiency measured by megawatt-hour savings over its next three-year planning period and shall report its annual energy efficiency savings in its 2023 Integrated Resource Plan.

IT IS FURTHER ORDERED that Arizona Public Service Company shall file annual reports on the accuracy of its load forecast, including weather-normalized values for energy and peak load.

IT IS FURTHER ORDERED that Arizona Public Service Company shall in future Integrated Resource Plans include a full accounting of the sources and costs of the hydrogen fuel and any associated capital expenditures to produce that fuel.

IT IS FURTHER ORDERED that Arizona Public Service Company shall in future Integrated Resource Plans include the extension of key tax credits (i.e. the Investment Tax Credit and the Production Tax Credit) and its plan to run one of the Four Corners units seasonally.

IT IS FURTHER ORDERED that Arizona Public Service Company shall in future Integrated Resource Plans include information on how each portfolio performs in terms of total cumulative emissions reductions in addition to annual emissions numbers.”

** Please make all conforming changes.

THIS AMENDMENT:		
<input type="checkbox"/> Passed	<input type="checkbox"/> Passed as amended by _____	
<input type="checkbox"/> Failed	<input type="checkbox"/> Not Offered	<input type="checkbox"/> Withdrawn