

# Fiscal Note

**BILL #** HB 2248

**TITLE:** corporation commission; electric generation resources

**SPONSOR:** Griffin

**STATUS:** As Introduced

**PREPARED BY:** Jeremy Gunderson

## Description

HB 2248 prohibits the Arizona Corporation Commission from adopting or enforcing a policy, decision or rule that regulates the type of critical electric generation resources used by public service corporations without express authorization by the Legislature, retroactive to June 30, 2020.

## Estimated Impact

We estimate that the bill will create no new appropriations or have an impact on the Commission's administrative expenses.

The bill would nullify potential new energy rules adopted by the Commission, which are currently under formal rulemaking consideration. The Commission's new energy rules would require public service corporations to create a clean energy implementation plan that eliminates all carbon emissions by January 1, 2050, including a 50% reduction in baseline carbon emissions by January 1, 2032 and a 75% reduction by January 1, 2040. Currently, the commission's rules require public service corporations generate at least 15% of their energy from renewable sources by 2024.

The lower carbon emission standards could potentially have substantial economic impacts, both positive and negative. The Commission's analysis of the standards outlined the possible costs and benefits of these new rules but did not quantify these factors. The Commission further states that they could not quantify the impact of the new rules on state revenues. Given the complexity of the issue, we are not able to provide any further perspective in the normal timeframe of responding to a fiscal note request.

## Analysis

The bill would prohibit the Corporation Commission from adopting rules that regulate critical electric generation resources by public service corporations without express legislative authorization. Types of critical electric generation resources include: solar, wind, biomass, geothermal, nuclear, hydroelectric, fuel-cell technology, natural gas, and coal.

If the Corporation Commission's proposed new energy rules become effective, then the primary parties affected by HB 2248 would be the public service corporations regulated by the Corporation Commission, and potentially the customers that purchase electricity from those corporations. Estimating the impact to public service corporations and their customers would require forecasting the costs of different types of electric generation resources. Due to research, development and innovation in existing technologies, there will always be challenges in estimating future electric generation resource costs with any certainty.

## Local Government Impact

None

2/12/21

**JLBC**