



Arizona Renewable Electricity Mandate Status

Renewable Mandate Status: Not on Track

- 2009 Estimated Qualified Renewable Generation: 0.3%¹
- 2009 Mandate: 2%
- 2025 Mandate: 15%

Current Renewable Electricity Mandate: 15% of electricity generated by 2025²

Eligible Resources: biogas, biomass, distributed renewables, renewable fuel cells, geothermal, hybrid wind and solar, landfill gas generator, new hydropower less than 10 MW, solar, and wind.³

- 30% of this must come from distributed renewable (DR) sources by 2012 and thereafter (4.5% of total retail sales). One-half of this distributed renewable energy requirement must come from residential applications, the other half from nonresidential, non-utility applications.⁴

Annual compliance schedule⁵:

2006: 1.25%	2009: 2%	2012: 3.5%	2015: 5%	2018: 8%	2021: 11%	2024: 14%
2007: 1.5%	2010: 2.5%	2013: 4%	2016: 6%	2019: 9%	2022: 12%	2025+: 15%
2008: 1.75%	2011: 3%	2014: 4.5%	2017: 7%	2020: 10%	2023: 13%	

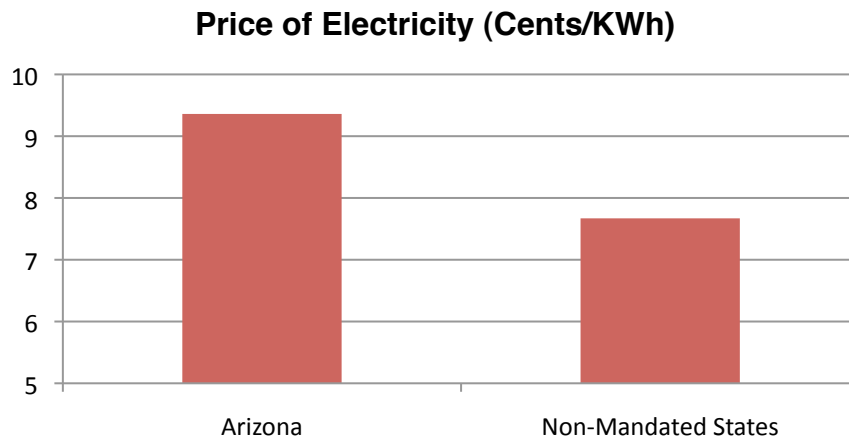
Renewable Portfolio history: Current “Renewable Energy Standard” was preceded by a “Environmental Portfolio Standard” (EPS) which required regulated utilities to generate 0.4% from renewables in 2001 increasing to 1.1% in 2007–2012 (60% of which was to be solar). This replaced a repealed 1996 solar portfolio standard which set a goal of 0.2% by 1999 and 1% by 2003.⁶

Credit Trading: Yes

Noncompliance penalty: The inability to recover costs due to the act’s enforcement. The Corporation Commission, however, can waive compliance for “good cause.”⁷

Electricity Price Ranking: 20th Highest⁸

- 9.36 cents/KWh for Arizona
- 7.67 cents/KWh for non-mandated states



¹ Energy Information Administration, *Electricity Generation 2009*, http://www.eia.doe.gov/cneaf/electricity/epa/generation_state_mon.xls. Arizona law limits eligible hydroelectric, but includes hydroelectric used to “firm or regulate intermittent renewable sources” like wind and solar, but they have not published any reports on the amount of hydroelectric produced that is used under this standard. Arizona did not respond to repeated attempts to clarify their standard.

² Arizona Administration Code R14-2-1801 et seq. (Nov. 14, 2006), http://www.azsos.gov/PUBLIC_SERVICES/Title_14/14-02.htm.

³ Arizona Administration Code R14-2-1802 (Nov. 14, 2006), http://www.azsos.gov/PUBLIC_SERVICES/Title_14/14-02.htm.

⁴ Arizona Administration Code R14-2-1805 (Nov. 14, 2006), http://www.azsos.gov/PUBLIC_SERVICES/Title_14/14-02.htm.

⁵ Arizona Administration Code R14-2-1804 (Nov. 14, 2006), http://www.azsos.gov/PUBLIC_SERVICES/Title_14/14-02.htm.

⁶ Database of state Incentives for Renewables and Efficiency, *Arizona*, http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=AZ03R&re=1&ee=1.

⁷ Ariz. Rev. Stat. 34-471, Public Service Corporations; Corporations And Associations; Securities Regulation, http://www.azsos.gov/PUBLIC_SERVICES/Title_14/14-02.htm.

⁸ EIA, Electric Power Monthly, Table 5.6.B., Average Retail Price of Electricity, June 2010, Released Sept. 15, 2010, http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html.