

THE PROBLEM:



Don't Bet on NET ZERO!



Across the country, utilities have adopted “Net Zero by 2050,” a global push to have “net zero” carbon emissions by 2050 by eliminating all forms of carbon emitting generation sources, like natural gas and coal, and replacing them with “renewable” sources including solar and wind. One problem among many is that the former sources are reliable and dispatchable, meaning they can be turned on or off to meet demand around the clock. But the latter are unreliable and definitionally intermittent – utilities cannot turn the sun on and off, nor can they control the wind. Not only would this lead to energy shortages resulting in black outs, but it is also costly for ratepayers.

In 2006, the Arizona Corporation Commission approved the first renewable mandates in the state, requiring 15% of generation come from “renewables” by 2025, which has already cost ratepayers more than \$2 billion. In 2018, an out of state initiative was put on the ballot requiring 50% renewable energy by 2035, excluding nuclear generation even though it produces zero carbon emissions. The utilities spent millions opposing this measure, which eventually failed by a more than 2 to 1 vote, arguing that it would cost the average ratepayer \$1,250/year.

Then, in 2020, the Arizona Corporation Commission began considering a 100% mandate by 2050. After obtaining a third-party cost analysis finding a \$6 billion cost for ratepayers, the mandate failed. But Arizona utilities then committed to going Net Zero by 2050 voluntarily – mandate or no mandate. This commitment is not just made publicly, they have committed to “transitioning” the grid in binding SEC filings to their shareholders, and, even worse, they compensate their top executives based on how much “clean energy” they build in our state.

The enormous cost to ratepayers is unavoidable. A 2024 report from economist Steve Moore found that ratepayers residing in states with renewable mandates pay 42% more for electricity than residents of states with no mandates. Further, a recent report commissioned by the Arizona Free Enterprise Club found that the recently approved APS Integrated Resource Plan, which seeks to go “Net Zero” by 2050, would cost ratepayers \$42.5 billion and result in an energy deficit of more than 4,000 MW at peak demand in the summer, meaning Arizonans’ air conditioners shutting off during the hottest nights of the year.

We do not have to rely solely on studies, but on real world experience around the country and world. After Germany prematurely shut down all of their reliable sources of energy generation, customers saw rates skyrocket to more than 42 cents per kilowatt hour. In California, rates continue to rise, blackouts become more regular, and they have to ask electric vehicle owners to not charge their cars at certain times of the day because they do not have enough power to meet demand.



A top priority of the Trump administration is to unleash America energy, because having affordable, reliable, and abundant energy is necessary for human flourishing.

If Net Zero is not stopped, these plans will plunge Arizona into energy poverty with sky high rates for customers.



THE SOLUTION:



UNLEASH ARIZONA ENERGY!



HB2527 – Electricity Trajectory Management Act

As utilities plan to retire large portions of their reliable, dispatchable power, HB2527 would prevent them from doing so unless and until they have an equal or greater amount of reliable and dispatchable energy online to replace it.



HB2518 – Slamming the Revolving Door Shut

The Corporation Commission should be regulating the utilities in the best interest of ratepayers, not utility shareholders. HB2518 would prohibit Commissioners from going to work for the very utilities they were just regulating to prevent regulatory capture and Commissioners making decisions based on potential future employment.



HB2788 – Ensuring a Least Cost Energy Portfolio

In the most recent Integrated Resource Plan process, all of Arizona's utilities submitted IRPs with a "Least Cost" portfolio that cost more than their preferred portfolios which included their Net Zero targets. This is definitionally impossible. HB2788 would ensure a truly least cost portfolio is developed every three years that can reliably meet future energy demand within their service territory.



HB2738 – Protecting Captive Ratepayers from Funding Net Zero

Ratepayers in Arizona are held captive to their monopoly utility providers, they have no choice but to use whatever provider is granted a monopoly over their area. If a utility adopts "Net Zero by 2050" or any other environmental goal that conflicts with them providing affordable and reliable power, HB2738 would allow those captive ratepayers to "opt out" and choose another provider.



HCM2014 – Urging the Corporation Commission to Protect Ratepayers

Ensuring affordable, reliable, and plentiful energy in this state is a statewide concern and the legislature has a duty to ensure that the Corporation Commission is adequately protecting the grid and ratepayers. HCM2014 urges the Commission to shut down Net Zero at the utilities and adopt a rule only allowing utilities to recover the reliable portion of energy generation from future sources, so that ratepayers only pay for the energy they truly get. Thermal power generation is reliable, and so ratepayers can count on getting the advertised capacity. But intermittent sources like solar and wind are unreliable, so ratepayers should only be on the hook for the portion of energy they actually get.

SAY NO TO NET ZERO.