







## HB 23 h1

Support Coliable Energy for Arizonans Fact Sneet



GREATER PHOENIX

vouoboli Reliable and affordable electricity is essential for life in Arizona – there's really no quest The Electric Reliability Act (HB 2101) ensures that the State priority as energy reliability and consumer protection instead of allowing the same failed electric decoulated model that exists in other states to jeopardize Arizona's proven standardin reliability, an ordability, and customer protection. The resource planning challenged calle pricing and predatory practices in restructured states should be a warning to Arizonans, who narrowly escaped a similar fate after turning back rom electric leregulation in the early 2000s. Now, Arizona can reinforce its proven sy emw n wlic policy that promotes landing and investment in a reliable grid, with afford ble rates, and consumer projection





The Electric Regability Act protects Arizons as and the grid in three important ways:



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1. Resets public policy to prioritize reliability and affordability through long-term planning and investments in the grid.



Reestablishes a public policy that recognizes electricity as an essential public service and the need for infrastructure planning and investments to ensure reliable and affordable electric service that is provided at constitutionally required just and reasonable rates. [Sec. 15]



Repeals the defunct 1998 electric deregulation law that could be used to jeopardize the delivery of an essential public service, expose customers to predatory marketing and threaten Arizona's continued steady economic growth. [Sec. 6, Sec. 8, Sec. 13, and Sec. 16]





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Electric deregulation has proven far more problematic than traditional regulation. Deregulation in Montana caused the local utility to shed its generation assets, and after prices acity evaporated, Montana recersed course – and ratepayers are still footing the bill for the "deregulation debate" The Attorneys General in Nin Jis and busette have cought to proceed esidential customers from the effects of competition in their states, in Julying higher prices and predator, thactices. <sup>2</sup> Ir New York, the New York Public Utility Commission concluded in 2516 that customers had paid competitive provided \$820 million more for electric and gal service than they would have paid their incumbent





<sup>&</sup>lt;sup>1</sup> Szpaller, Keila. Daily Montanan, April 20, 2021. "Cols rip "U reminds many of ergy deregulation deb accessed here: Colstrip bill reminds many nergy dei gulation 'd

own of Individual Residential Competitive Supply and structor Protect Electric mass.gov/news/ag-healey-calls-for-shut-down a individual residential-competitive-<sup>2</sup> Press Release: AG Healey Calls for Sh Customers, March 29, 2019 (Leaps://www.mass.gov/news/ag-healey-calls-fo 











mistakes of other states by proticing residents and small





utilities.<sup>3</sup> In Texas, deregulation has discouraged reliability innes months and all ov reserves to dwindle to the point that its trid suffered cotastrophic railure when Texans needed it the most last winter



shoul learn from the businesses and endorsing energy policy that processes reliable, affordable electric service.

2. Prevent predatory marketing factices common in deregulated states and expands consumer protection.





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In the traditional atility structure, there is no room for predatory marketers because utilities focus on customer service not customer acquisition. This bill maintains the Arizona-based regulatory structure that has served Arizona customers well for more than 100 years. With an ol ligation to serve customers in the defined service area, the utilities focus on expending customer options to manage their energy use and meet their lifegyle needs, not providing d ceptive in entives just to get them to sign on the dotted line.





Requires public power extities to establish an Ombudsman's office to it vestigate complints about customer service. [Sec. 7]



- Requires of blic power entities to establish policies against:
  - Deceptive, unfair or abusive pusiness practices
  - Intrusive or abusive marketing practices
  - Deceptive of untrue advertising tractices [Sec. 7]



- Requires contractors used by utilities for in-home services to be licensed and follow applicable codes. [Sec. 7]
  - rotects confidential cust mer information and trade secrets. [Sec. 🔻]



Grants a city or town that operates a public power entity the ability to create a structure to address customer service and consumer protection issues. [Sec. 7]





Enables all persons, even those who are not public power customers, to challenge teresting telegrons by the Arizona-based governing body and provides clarity that the grounds of which the courts can overturn are that the governing body's decision valuables, not supported by substantial evidence or that the governing body its dig 🕞 [Sh. [Sec. 10] Sec. 11 and Sec. 12]







<sup>&</sup>lt;sup>3</sup> Matyi, Bob, "New York Launches formal review of competitive energy markets," Platts https://www.spglobal.com/platts/en/ma\_ket-insights/latest-news/electric-power/



RIZONA







## 3. Ensures stable, affordable rates are projected from unpredictable volatity. [Sec. 15]

Arizona's system provider subility by ensuring that rates are just and reasonable, as
the Constitution requires, and not volatile and pegged to daily market fluctuations.
 Iraditional utility planning features investments in capacity that insulate customers
from power outages and price volatility;

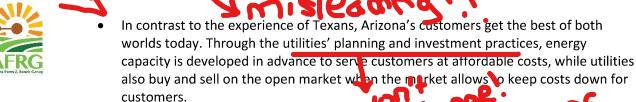


In contrast, deregulation can lead to a lack or planning and investment in grid
infrastructure, threatening the stability of an essential public service and exposing
customers to volatile pricing.



During the Texas winter crisis, customers experienced unfathor the spikes in their energy bills. One customer was reportedly billed over \$16,000 because of a single storm event last spring – 70x his normal bill! And one electric cooperative was forced into bankruptcy because of the \$1.8 billion bill it received from the Texas grid operator. This se costs are ultimately borne by the customers.





## 4. Considers the needs of retail consumers and potential future generation by the mission of the following special property of the property of

- Provides that Salt River Project will develop and offer a buy-th out in a jeop ardize reliability.
- Allows public power entities to continue to explore regional market; that have the
  potential to benefit customers from a larger footprint and more repust resource mix.

Ar zona has had two decades to see how deregulation or "market restructuring" overpromises and threatens commonic stability. The 2000-2001 Enron market manipulation scandal cound Colifornia's deregulation experiment to collapse, and the Arizona courts of the Arizona Corporation Commission's deregulation rules. Current and previously deregulated states are often short on energy capacity, and when their systems are

Stayed on During Texas' Storm Now He Owes \$10,752." Article can be access there?

<a href="https://www.nytimes.com/2021/02/20/us/texas-storm-electric-bills.html">https://www.nytimes.com/2021/02/20/us/texas-storm-electric-bills.html</a>

<sup>&</sup>lt;sup>5</sup> Diaz, Jaclyn. National Public Radio, March 1, 2021 "Leans Energy Co-Op Files for Bankruptcy Δft", Storm, High Bill." Article can be accessed here: Texas Energy Co-Op Files For Bankruptcy After Storm, High Bill. Non