

Arizona Public Health Association Comments: Modernize—Don't Repeal—Arizona's REST Rules

Docket No. RE-00000A-24-0026

In the Matter of the Proposed Repeal of the Renewable Energy Standard and Tariff Rules

Dear Commissioners:

The Arizona Public Health Association urges the Commission not to repeal the Renewable Energy Standard and Tariff, or REST, rules.

Instead, the Commission should modernize REST by setting a new goal: require regulated utilities to obtain at least 25% of their electricity from renewable energy by 2035.

REST has been a reasonable and workable policy. It required regulated utilities to get just 15% of their electricity from renewable sources by 2025, including a meaningful role for local resources like rooftop solar. Arizona utilities have now met that target. That isn't a reason to eliminate REST. It's proof that the policy worked.

The right response is to update the standard, not erase it.

A 25% renewable-energy requirement by 2035 is practical. It gives utilities time to plan, invest, and build the generation, transmission, storage, and local energy resources needed to meet the goal. It also gives Arizona a clear path forward instead of leaving the state's clean-energy future entirely to voluntary utility commitments.

REST has helped build a more diverse electric system by encouraging solar, wind, rooftop generation, and other clean-energy resources. That matters for public health.

Power from coal and gas-fired plants comes with real health costs. These plants release air pollution that contributes to asthma, heart disease, lung disease, and early death. Arizona already faces major air-quality and extreme-heat challenges. Encouraging cleaner power is a practical public-health tool, not just an environmental preference.

The Commission should also be careful about claims that repealing REST will meaningfully lower customer bills. The economic analysis prepared during this rulemaking projected only modest short-term savings for residential customers. At the same time, it warned that weakening renewable-energy requirements could increase Arizona's dependence on volatile methane and wholesale electricity markets. That could expose families and businesses to more fuel-price swings and future rate spikes.

Electric rates also affect the social determinants of health, the everyday conditions that shape whether people can stay healthy. When power bills rise or become less predictable, families on tight budgets must make harder choices between electricity, rent, food, medicine, transportation, and health care.

During Arizona's hottest months, high electric bills can make it harder for families to keep their homes safely cooled. That can be dangerous for older adults, young children, people with disabilities, people with chronic health conditions, and people living on fixed incomes. Energy affordability is not just a utility issue. It is a health and economic-stability issue.

A modernized REST standard can help Arizona manage those risks. Distributed solar, utility-scale renewable energy, battery storage, and other clean-energy resources can reduce pressure on the grid during high-demand periods. They can reduce the need for costly fuel purchases and help limit future investments in fossil-fuel generation.

The Commission has emphasized the past cost of REST-related programs. But a responsible review shouldn't simply add up prior spending while placing no value on avoided fuel costs, cleaner air, lower health-care costs, better grid resilience, local tax revenue, job creation, and protection from volatile natural-gas prices.

The key question isn't whether REST has a cost. Every energy resource has a cost. The question is whether Arizona is better off with a clear, enforceable clean-energy standard or with no standard at all.

The current record doesn't show that repeal will leave Arizona ratepayers, communities, or the electric system better off over time. In fact, repeal could leave Arizona more dependent on fossil fuels, more exposed to volatile fuel prices, and less prepared for growing electricity demand during extreme heat.

There is also a serious process concern. The Attorney General's rehearing filing argues that the Commission approved the final rulemaking action before the required final Economic Impact Statement was complete and then directed staff to finish the analysis afterward.

A complete analysis should come before a final decision, not after it. Arizonans deserve a fair chance to review and comment on the full economic and public-health effects before the Commission makes an irreversible decision.

AzPHA recognizes that REST can be updated. Administrative requirements can be improved. Incentive programs can be reviewed. Reporting requirements can be streamlined. The renewable-energy target can be revised to reflect today's energy market and Arizona's future needs.

But modernization is very different from repeal.

We urge the Commission to preserve and update the REST rules by establishing a requirement that regulated utilities obtain at least 25% of their electricity from renewable energy by 2035. The Commission should also complete a transparent and thorough review of the costs, benefits, public-health effects, and consumer impacts of any proposed changes before taking further action.

Arizona should build on its clean-energy progress, not remove the modest regulatory backstop that helped create it.

Sincerely,

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Executive Director

Arizona Public Health Association