

Arizona's Energy Future Conversation

AT THE ARIZONA LEGISLATURE

October 5, 2026 | Meeting Memo

I hosted a bipartisan conversation with members of the Arizona Senate and Arizona House. Policy staff from the House and Senate NREW (Natural Resources, Energy & Water) committees, representing both the Republican and Democratic caucuses, were also in attendance.

A total of 14 members participated, including the Vice Chair of NREW, the Chair of Health, and several ranking members; House Majority research staff were also present. My goal was to bring together a diverse group of legislators with influence in their respective caucuses, along with the policy staff who shape NREW and Health legislation for a discussion of the importance of solar and storage in meeting Arizona's future energy needs.

The presentation and discussion was driven by this PowerPoint presentation: [Clean Energy & Public Health – Arizona's Public Policy Choices on Cost, Reliability and Siting](#)

AZ Energy Conversation Attendees (10.5.26)

IN PERSON

- **Corbin Wright** — House Majority NREW Research Analyst
- **Courtney Acosta** — Sen Dem NREW Policy Advisor
- **Rep. Liguori** — Science and Technology Ranking Member (D)
- **Rep. Lopez** — NREW Vice Chairman; Rural Economic Dev Vice Chairman (R)
- **Rep. Aguilar** — Commerce Ranking Member (D)
- **Rep. Taylor** — Artificial Intelligence and Innovation Vice Chairman (R)
- **Rep. Consuelo Hernandez** (D)

THROUGH ZOOM

- **Senator Sears** (D)
- **Rep. A. Hernandez** — Judiciary Ranking Member (D)
- **Rep. Rivero** — International Trade Chairman (R)
- **Senator Bravo** (D)

- **Rep. Cavero** (D)
- **Rep. L. Hernandez** — Federal, Military Affairs & Elections Ranking Member (D)
- **Senator Bliss** — Health and Human Services Chairman (R)
- **Simone Westbrook Hall** — Sen Maj NREW Policy Advisor
- **Senator Sally Ann Gonzales** — Ranking Member, Health (D)
- **Rep. Wilmeth** — Commerce Chairman; Science & Technology Vice Chairman (R)
- **Robert Swoboda** — House Maj Assistant Research Analyst

Executive Summary

The conversation focused on how Arizona can meet growing electricity demand while maintaining reliability and affordability, protecting residential and small-business ratepayers, respecting local siting authority, and addressing public-health and water impacts. Fourteen legislators from the House and Senate participated, together with legislative policy and research staff.

Affordability and data centers generated the most sustained policy discussion. Legislators repeatedly asked who should pay for new generation, transmission, substations and other infrastructure required by large-load customers. Other recurring issues included time-of-use rates, solar and battery siting, local control, rural concerns about wind and solar, small-business energy costs, vulnerable households, electric vehicles, and the energy-water relationship.

In closing, legislators asked for policy ideas that address the issues discussed and the state's growing energy demand. Primary advice was to allow local governments to make siting decisions regarding proposed solar facilities (and storage) and avoid measures at the legislature that pre-empt or otherwise restrict solar and storage siting decisions.

Discussion Areas and Questions

1. Demand & Grid Reliability

Peak demand and annual consumption were identified as central planning issues. Population growth, new industries, data centers, advanced manufacturing and electrification were discussed as contributors.

Questions: What is driving the projected increase? • How much comes from data centers, EVs, manufacturing and population? • How much capacity is needed for summer peaks? • Can efficiency, storage or demand response reduce peak needs?

Follow-up: Load-growth attribution by customer/industry type, plus updated ACC and utility forecasts.

2. Future Generation Mix

Natural gas, solar PV and solar-plus-storage were presented as major near-term pathways. Gas is dispatchable but exposed to fuel-price and emissions concerns; solar has no fuel cost but is intermittent; storage can shift energy into evening peaks.

Questions: What mix best balances reliability and affordability? • How much gas, solar and storage is realistically needed? • What role should nuclear, wind, hydro and emerging technologies play?

Follow-up: Arizona-specific system-cost and reliability comparison across major resource options.

3. Solar, Storage & Siting

Utility-scale solar depends on land, financing, interconnection, transmission and local approvals. Community concerns included battery fires, dust, aesthetics, property values, farmland, maintenance and decommissioning.

Questions: What setbacks and fire standards are evidence-based? • How should dust, vegetation and fire hazards be managed? • What decommissioning and restoration security should be required?

Follow-up: Arizona evidence on battery incidents, property values, dust, wildlife and local siting standards.

4. State vs. Local Authority

The presentation separated roles among the Legislature, local governments, the ACC, utilities and the State Land Department. The policy tension is protecting local decision-making without creating barriers that unnecessarily increase cost or block needed generation.

Questions: What should be statewide vs. local? • When does local regulation become an unreasonable barrier? • What authority does the Legislature have over ACC-regulated utility policy?

Follow-up: Legal map of statutory authority/preemption, with specific Arizona examples where projects stalled and the local economic consequences.

5. Data Centers & Ratepayer Protection

This generated the longest discussion. Legislators asked whether large-load customers should pay the full cost of additional generation, transmission, substations and interconnection, and whether current rate structures prevent cross-subsidization.

Questions: Who pays for new infrastructure? • Are any costs shifted to residential or small-business customers? • Should Arizona require separate large-load rates, minimum payments or independent cost studies? • Should utilities have to show existing customers are held harmless?

Follow-up: Review what the ACC has already done, identify statutory/tariff gaps, and develop concrete bipartisan legislative options.

6. Data Centers: Trust, Water & Transparency

Participants said opposition is broader than electricity rates and includes water, noise, heat, distrust and limited transparency. Representative Cavero specifically asked for research on energy and water; the presenter did not have a substantive answer.

Questions: What do data centers pay for electricity? • What information can be publicly disclosed? • How much water do facilities use and how does cooling technology change that? • What technologies reduce both water and power use?

Follow-up: Transparency review plus an Arizona energy-water nexus memo using university, utility, ADWR, local-government and national-lab research.

7. Utility Rates & Time-of-Use

Affordability was a recurring concern. Senator Sears raised changes to time-of-use plans and the possibility that customers who currently save by shifting usage could face large bill increases.

Questions: Why are residential bills rising? • Which utilities are changing time-of-use plans? • How many customers are affected and what is their average savings? • Would eliminating these incentives increase peak demand?

Follow-up: Utility-specific rate-plan data and before/after bill modeling.

8. Vulnerable Households & Public Health

The presentation framed energy burden as a public-health issue. The discussion described seniors on fixed incomes who need cooling and powered medical equipment and may be forced to cut other essentials.

Questions: How many households have high energy burdens? • How many are seniors or medically vulnerable? • What shutoff and medical-equipment protections exist? • How do high bills relate to heat illness?

Follow-up: Energy-burden, utility-assistance, shutoff and heat-health data, with a focus on vulnerable populations.

9. Small-Business Costs

A legislator described small-business owners reporting that electricity had become a major operating expense and was eroding revenue.

Questions: How much have commercial rates increased? • Which sectors are most energy-intensive? • Are small commercial customers seeing different trends than large industrial users?

Follow-up: Small-business energy burden analysis using utility and sector-specific cost data.

10. Electric Vehicles

A participant asked how EV adoption will affect the grid. The presenter said EVs contribute to demand but did not have a percentage showing their share of projected load growth.

Road-funding impacts from reduced gasoline taxes were also noted.

Questions: What share of future load growth is EV-related? • When do Arizona drivers charge? • Will charging overlap with peak hours? • Can managed charging shift demand off-peak?

Follow-up: Arizona EV grid-impact forecast including charging behavior and peak overlap.

11. Rural Communities & Private Property

Senator Bliss discussed rural opposition to wind and solar, including visibility, night lighting, sound and wildlife concerns, as well as citizen initiatives affecting projects proposed on private property.

Questions: How should private-property rights be balanced with community impacts? • What wildlife, noise and lighting standards are supported by evidence? • How do energy leases compare with agricultural or ranch use?

Follow-up: Rural siting/property-rights review, including county authority, initiative powers and landowner economics.

12. Public Education & Evidence

Participants repeatedly returned to the need for better data and neutral explanations. Legislators from both parties asked for ideas that balance consumer protection, local control, citizen participation, economic growth and clean-energy needs.

Questions: Which concerns are supported by reliable evidence? • What information should be disclosed before project approval? • Where can AzPHA, universities or independent experts provide useful testimony?

Follow-up: Neutral evidence inventory and short fact sheets on cost allocation, water, safety, siting, public health and rates.

Overall Takeaways

- Affordability was the common thread. Discussions about generation, data centers, siting, water, public health and local control repeatedly returned to who pays and how costs affect households and businesses.
- Arizona's planning challenge is substantially a peak-demand challenge; reliable capacity must be available during the hours when demand is highest.
- Solar was discussed as one part of the solution, not the only solution. Natural gas, solar, storage, existing nuclear generation, wind and emerging technologies have different advantages and limitations.
- Data-center cost allocation and transparency remain major unresolved policy areas, especially whether large-load customers bear the generation and infrastructure costs attributable to them.
- Local governments have legitimate siting responsibilities, but restrictive requirements can also affect the cost and feasibility of new generation, creating an ongoing state-local policy tension.

- Utility affordability can become a public-health and safety issue, particularly for low-income households, seniors and people who rely on powered medical equipment.
- Legislators from both parties asked for concrete solutions that balance consumer protection, local control, citizen participation, economic development and clean-energy needs.
- Several important questions could not be answered as legislators were requesting specific data such as ASU, load-growth attribution, EV impacts, time-of-use impacts and the energy-water nexus.

Requested Follow-Ups from Legislators

- Request current ACC/utility materials on large-load tariffs, cost allocation and commitments not to shift data-center costs to residential customers.
- Request a short comparison of other states' large-load/data-center protections to identify options Arizona may or may not need.
- Collect Arizona-specific time-of-use plan changes and model representative household bill impacts.
- Compile a one-page energy-water research inventory responding directly to Representative Cavero's question.
- Identify two or three Arizona siting examples, urban and rural, where local concerns, project delays and economic impacts can be documented for bipartisan discussion.

Source Materials

1. HERNANDEZ AZ FUTURE ENERGY CONVERSATION TRANSCRIBE.pdf — meeting transcription.
2. Energy_Candidate_Education_Solar_Final.pdf — Clean Energy & Public Health: Arizona's Public Policy Choices on Cost, Reliability &

Note: This document summarizes the source materials and the attendee list.