



August 7, 2023

Arizona Corporation Commission
1200 W Washington St.
Phoenix, AZ 85007

RE: Comments regarding Docket No. E-01933A-22-0107, Tucson Electric Power Rate Case

Dear Chairman O'Connor and Commissioners:

Many of our organizations contacted you previously regarding our concerns about the proposed Tucson Electric Power (TEP) rate increase and how it will impact low-income customers and clean energy. The recommended opinion and order calls for a 13.71% increase in residential rate revenue.¹ This will place a significant burden on those who are already struggling to pay their bills and who already were hit with a big increase in

¹ Recommended Opinion and Order at p. 74.

the last rate case, as well as with the fuel adjusters that TEP adopted. The Commission should consider the cumulative impact of all of these rate increases and pare back this proposed increase.

Despite proposing to allow TEP this big increase, the recommended opinion and order fails to include any provisions for economic transition in coal-impacted communities, and instead recommends yet another process not unlike what was recommended in the last TEP rate case — one that did not help to resolve this important issue. TEP has benefited from the Navajo Generating Station, which has now been closed for almost four years, and the San Juan Generating Station, which closed last September. TEP also has an interest in the Four Corners Power Plant, which will close in 2031, and is proposing to retire its units at Springerville Generating Station in 2027 and 2032. TEP should be working now to invest in these communities for an economic transition and should also hold harmless low-income customers for those transition costs. Please consider an amendment to address this (See Sierra Club amendments 6 and 7).

The Springerville and Four Corners coal-fired power plants are outdated, expensive, and highly polluting facilities. TEP has unwisely continued to spend money to operate these high-cost, unreliable plants, leading to higher costs for ratepayers, despite the fact that cleaner and more economical alternatives are available now, including solar, wind, and energy efficiency. By closing the Springerville plant and exiting Four Corners sooner, and expediting the transition to lower-cost clean energy, TEP can help save its ratepayers' dollars.

TEP should also be required to modernize its Time of Use (TOU) rates to reduce its need to build additional resources just to meet peak demand. This will help reduce TEP's reliance on coal and gas and reduce pollution that contributes to public health concerns, including increased asthma attacks, bronchitis, and heart attacks. The Commission should adopt an amendment to direct TEP to analyze and implement changes to TOU to better serve its ratepayers (See SWEEP/WRA amendment 1).

TEP should be required to invest more in energy that saves ratepayer dollars and increase investments in renewable energy and storage, including distributed resources, which coupled with energy efficiency can help to reduce TEP's peak energy demand and keep its ratepayers' bills lower.

Finally, please amend the order to require TEP to fully examine and utilize Inflation Reduction Act programs, including the Energy Infrastructure Reinvestment program to help replace the dirty fossil fuel infrastructure and to help TEP to deliver electricity at a lower cost to TEP ratepayers (See Sierra Club amendment 5 and Vote Solar amendment 3).

Thank you in advance for carefully and thoughtfully considering TEP's proposed rate increase, the burden it will impose on Arizona ratepayers, and how it will affect public health.

Sincerely,

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