

# The Arizona Energy Roadmap

**Creating a Plan for the State's Energy Sector**

Christopher Davey  
EnviroMission

Michelle De Blasi  
Greenberg Traurig



ARIZONA  
TECHNOLOGY  
COUNCIL

---

ARIZONA ENERGY CONSORTIUM  
Powering Arizona's Future

# Arizona's Energy Economy

Arizona's energy industry has experienced many successes including:

- Affordable, reliable power
- The nation's largest nuclear facility
- The first renewable portfolio standard in the country
- Distributed solar generation saturation
- Aggressive energy efficiency standards
- Tax incentives for manufacturing

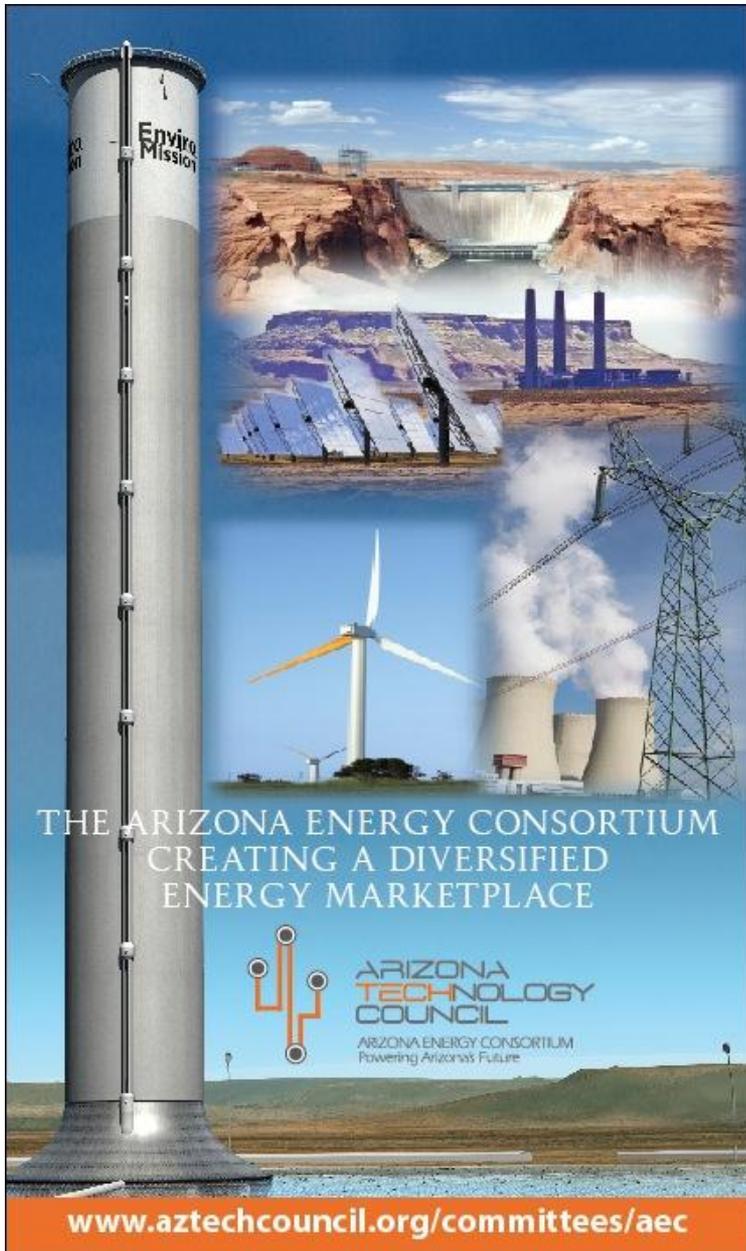
## Need for an Energy Roadmap?

- An all encompassing energy plan is essential to effectively promote development of a strong position for AZ in the region's energy future
- Must maintain diversity, reliability, affordability and an increased production of renewable generation



The Arizona Energy Roadmap is a dynamic plan developed by industry stakeholders to promote **clarity** and **certainty** for development of the industry via a diverse energy portfolio approach.



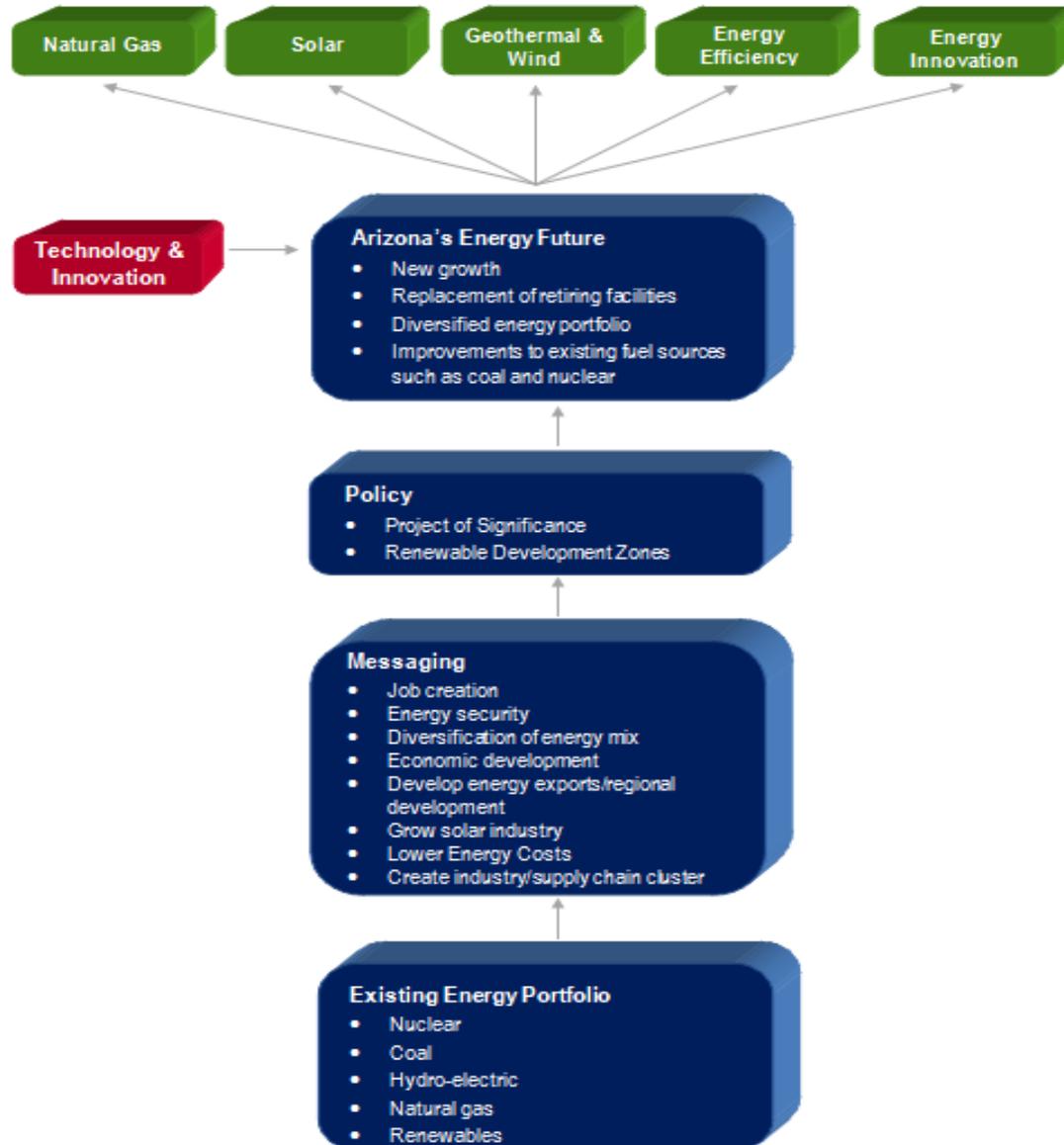


## Arizona's Energy Industry Mission

- Enhanced job creation and higher-waged jobs within Arizona
- Enhanced energy export potential
- An increase in state economic revenue
- Heightened energy self-sufficiency and national security
- Increased system reliability



# Overview of Strategic Goals



## The Strategy

Create more stable environment for energy development through:

- better permitting mechanisms
- more attractive finance structures
- improved policy
- increased cross border potential
- consistent energy policy

**Consistency and certainty in policy**



**Development and sustainability  
of industry**



## How will the Arizona Energy Roadmap be implemented?

- Work with other entities and organizations to coordinate and support efforts toward the implementation of an all encompassing energy plan for Arizona
- Utilize a state-wide, energy resource-wide perspective, focus and approach
- Be results driven, focused on implementation of realistic and constructive objectives

## Objectives Supporting the Strategic Goals

Strategic Goals	Objectives
<p><b>Messaging:</b> <i>Diversity + Sustainability = Security</i></p>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Energy security</li> <li>• Diversification of energy mix</li> <li>• Economic development</li> <li>• Develop energy exports / regional development</li> <li>• Grow renewable energy industry</li> <li>• Create industry / supply chain cluster through enhanced demand</li> </ul>
<p><b>Policy:</b> <i>Consistency + Support = Development</i></p>	<ul style="list-style-type: none"> <li>• Meaningful collaboration must occur among the executive government, legislative government, local government and the Arizona Corporation Commission to ensure the sustainability of Arizona’s renewable industry development,</li> <li>• Outreach to our neighboring states in efforts to discuss the Southwest regional need for enhancing regional energy development and in particular renewable energy</li> </ul>
<p><b>Finance:</b> <i>Certainty and Clarity = Investment</i></p>	<ul style="list-style-type: none"> <li>• Project of State Significance</li> <li>• Master limited partnerships</li> <li>• Production based incentives</li> <li>• PACE or variation of program</li> <li>• Certainty in policy</li> </ul>
<p><b>Incentives:</b> <i>Production Based + Clarity = Generation</i></p>	<ul style="list-style-type: none"> <li>• Implement policy/incentives that support generation to increase manufacturing sector</li> <li>• Utilize back-end incentives that reward success</li> </ul>

## Objectives Supporting the Strategic Goals

Strategic Goals	Objectives
<p><b>Permitting:</b> <i>Clarity + Timeliness = Development</i></p>	<ul style="list-style-type: none"> <li>• Standardization of permitting procedures within and across jurisdictions</li> <li>• Implement Projects of State Significance program to streamline permitting for utility scale generation projects</li> <li>• Support proliferation of overlay zones to promote development</li> </ul>
<p><b>Siting/Public Lands:</b> <i>Accountability + Participation = Development</i></p>	<ul style="list-style-type: none"> <li>• Implement enforceable timelines</li> <li>• Remove the auction process of state land for energy generation projects</li> <li>• Incorporate and enforce achievable milestones to protect the landowner</li> <li>• Extend lease terms to mirror other energy leases – if producing power the lease term would continue</li> <li>• Utilize production based leases so the land owner shares in the success of the project</li> </ul>
<p><b>Generation:</b> <i>Demand + Policy = Generation</i></p>	<ul style="list-style-type: none"> <li>• Implement a regional approach to generation and consumption to provide the cheapest access to power, as well as security through geographically dispersed resources strength of the currently over-extended grid</li> </ul>
<p><b>Energy Clusters:</b> <i>Generation + Demand = Supply Chain Cluster</i></p>	<ul style="list-style-type: none"> <li>• Focus to promoting new generation in the region to attract innovative companies to metropolitan areas in Arizona</li> <li>• Invest in training programs for the creation of a skilled workforce</li> <li>• Develop Arizona’s supply-chain to build a robust manufacturing sub-sector</li> </ul>

## Objectives Supporting the Strategic Goals

Strategic Goals	Objectives
<b>Transmission:</b> <i>Policy + Demand = Transmission</i>	<ul style="list-style-type: none"> <li>• Identify the appropriate paths for transmission development</li> <li>• Provide clarity in policy so private dollars can be invested</li> <li>• Capitalize on available federal programs (i.e., TIP/SMRT through Western Area Power Administration)</li> <li>• Engage neighboring states to allow intra-state transmission</li> </ul>
<b>Energy Efficiency:</b> <i>Education + Finance = Implementation</i>	<ul style="list-style-type: none"> <li>• Develop an Energy Efficiency Campaign for educating the Arizona public on the benefits of energy efficiency and available efficiency programs and opportunities to modify current habits to ensure conservation and efficiency</li> <li>• Implement programs such as PACE</li> </ul>
<b>Technology and Innovation:</b> <i>Reduced Costs + Reliability = Innovation</i>	<ul style="list-style-type: none"> <li>• Elevate the state's intellectual capacity in the form of research and development (R&amp;D)</li> <li>• Educate and build an energy related workforce</li> <li>• Implement tax incentives and funding vehicles like Master Limited Partnerships to make investment in innovation easier</li> <li>• Increase state R&amp;D tax credits and continue support of university partnerships within Arizona's growing solar industry</li> </ul>
<b>Transportation Fuels:</b> <i>Investment + Strategic Planning = Price Stability</i>	<ul style="list-style-type: none"> <li>• Develop and leverage emerging alternative fuels economy</li> <li>• Increased utilization of electric vehicles</li> <li>• Targeted tax incentives</li> <li>• Development of robust transportation system</li> </ul>

## Measures of Success

The successful implementation of the Energy Roadmap will be measured by the occurrence of a multitude of specified positive outcomes within Arizona's energy industry including:

1. Increased economic revenue from Arizona's growing energy industry
2. Increased job creation and higher-waged salaries for the state's energy workforce resulting from increased manufacturing
3. Energy security or self-sufficiency due to a reduction in the nation's reliance on foreign energy sources and increased emphasis placed on domestic renewable and natural gas resources
4. Progressive advances within the industry's technology innovation sector
5. Reduced greenhouse gas emissions resulting from increased use of renewable energy, energy efficiency and cleaner burning fossil fuels
6. Expansion of Arizona universities' research and development
7. Expansion of energy related curricula



A copy of the Energy Roadmap can be found at:  
<http://www.aztechcouncil.org/committees/aec>

Contact information:

Michelle De Blasi [deblasim@gtlaw.com](mailto:deblasim@gtlaw.com)

Christopher Davey [cdavey@enviromission.com.au](mailto:cdavey@enviromission.com.au)