

The U.S. Environmental Protection Agency (EPA) has finalized a rule to reduce carbon pollution from existing power plants—a critical step to address climate change in the U.S. The rule, dubbed the Clean Power Plan, asks each state to design its own strategy to achieve carbon reduction targets by 2030. It offers Arizona a great opportunity not just to reduce climate change, but to lower electricity bills and boost the state economy.

Basics on the Clean Power Plan in Arizona

In August 2015, the EPA finalized a rule to curb carbon pollution from existing power plants. The EPA has set a 34 percent emission reduction target by 2030 for Arizona. States must submit their plans for compliance with the Clean Power Plan starting in the summer of 2016.

The EPA rule offers a significant opportunity to save Arizona electricity consumers money and boost the state economy. **A Public Citizen analysis projects that energy efficiency measures under the Clean Power Plan will cut electricity bills for Arizona residents up to 10.2 percent by 2030.**

Arizona can save electricity consumers even more money if it adopts stronger energy efficiency policies. It should seize this opportunity to serve its citizens, who overwhelmingly support more investment in efficiency and clean energy.¹² In fact, an overwhelming majority of the Hispanic population in Arizona is concerned about carbon pollution and supports the use of more renewables even in the face of increased costs.³

The Clean Power Plan Will Cut Arizona Electricity Bills

- Based on the EPA's conservative data, by 2030, electricity bills will be 6.4 to 10.2 percent lower under the Clean Power Plan, saving the average Arizona household up to \$163 annually.⁴
- Without the Clean Power Plan a typical Arizona household will pay roughly \$1,595 for electricity in 2030; with the Clean Power Plan it will pay \$1,432 to \$1,493.⁵
- Arizona could see even greater savings than the EPA's data suggest because the agency omits entire categories of efficiency measures that states can use, such as building codes and appliance standards.⁶

Promoting Energy Efficiency Benefits Arizona Consumers and the Environment

- The American Council for an Energy-Efficient Economy estimates that Arizona's investments in energy efficiency in 2013 saved ratepayers 1,317,329 megawatt hours (MWh)—the equivalent of meeting the annual electricity needs of more than 105,000 Arizona households.⁷
- At the average price of electricity, \$0.12 per kWh, Arizona saved more than \$154 million through energy efficiency programs in 2013.⁸
- In 2014, the Grand Canyon state was ranked 15th in the country for its energy efficiency advancements including utility energy efficiency programs,

building energy codes standards and appliance and equipment efficiency standards.⁹

- According to the Southwest Energy Efficiency Project, scaling up energy efficiency programs could save Arizona consumers over \$7 billion by 2030 and allow utilities serving Arizona to avoid spending \$10 billion constructing and operating power plants.¹⁰

Arizona Can Capitalize on the Expanding Clean Energy Economy

- Arizona's energy efficiency programs can have a profound impact on the state's economy. Electricity conservation could help create as many as 10,400 jobs by 2020.¹¹
- Arizona's clean energy economy employs 48,851 people.¹²
- Arizona has the potential to generate 25.8 million gigawatts of renewable energy, significantly more than the state's current energy usage.¹³
- Solar alone could power the state.¹⁴ With the most photovoltaic solar installed per capita,¹⁵ Arizona residents are taking advantage of this abundant resource. In the past year, installed residential and commercial photovoltaic system prices have fallen by 12%.¹⁶

ENDNOTES

¹ Scott Clement & Peyton M. Craighill, *A Huge Majority of Americans Support Regulating Carbon from Power Plants. And They're Even Willing to Pay for It*, WASHINGTON POST, June 2, 2014, <http://www.washingtonpost.com/blogs/the-fix/wp/2014/06/02/a-huge-majority-of-americans-support-regulating-carbon-from-power-plants-and-theyre-even-willing-to-pay-for-it/>.

³ THE BENENSON STRATEGY GROUP, NEW MEXICO AND ARIZONA HISPANIC ENERGY ATTITUDES, July 2014, <http://www.lcv.org/issues/polling/nm-az-energy-english.pdf>

⁴ Public Citizen analysis of EPA and Energy Information Administration data.

⁵ *Id.*

⁶ *Id.*

⁷ AMERICAN COUNCIL FOR AN ENERGY-EFFICIENCY ECONOMY, THE 2014 STATE ENERGY EFFICIENCY SCORECARD, <http://aceee.org/sites/default/files/publications/researchreports/u1408.pdf>.

⁸ Energy Information Administration, How Much Electricity Does an American Home Use?, <http://www.eia.gov/tools/faqs/faq.cfm?id=97&t=3>.

⁹ AMERICAN COUNCIL FOR AN ENERGY-EFFICIENCY ECONOMY, THE 2014 STATE ENERGY EFFICIENCY SCORECARD, <http://aceee.org/sites/default/files/publications/researchreports/u1408.pdf>.

¹⁰ THE SOUTHWEST ENERGY EFFICIENCY PROJECT, THE \$20 BILLION BONANZA: BEST PRACTICE UTILITY ENERGY EFFICIENCY PROGRAMS AND THEIR BENEFITS FOR THE SOUTHWEST, ARIZONA HIGHLIGHTS (2012), <http://www.swenergy.org/Data/Sites/1/media/documents/press/PRESSRELEASE%20AZ%2020BB%2010-9-12.pdf>.

¹¹ *Id.*

¹² AMERICAN COUNCIL ON RENEWABLE ENERGY, RENEWABLE ENERGY IN ARIZONA, (2014), <http://www.acore.org/files/pdfs/states/Arizona.pdf>.

¹³ CLEAN ENERGY WORKS FOR US, HOW CLEAN ENERGY WORKS FOR ARIZONA, <http://cleanenergyworksforus.org/states/arizona/>.

¹⁴ Environment Arizona, Star Power: the Growing Role of Solar Energy in Arizona, November 2014, <http://www.environmentarizona.org/site>

[s/environment/files/reports/AZ_Star_Power.pdf](http://www.environmentarizona.org/site/files/reports/AZ_Star_Power.pdf).

¹⁵ AMERICAN COUNCIL ON RENEWABLE ENERGY, RENEWABLE ENERGY IN ARIZONA, (2014), <http://www.acore.org/files/pdfs/states/Arizona.pdf>.

¹⁶ Solar Energy Industries Association, Arizona Solar, <http://www.seia.org/state-solar-policy/arizona>.