



CLEAN AIR
TASK FORCE

RENEWABLE ENERGY STANDARD

Arizona

Policy type

Renewable Portfolio Standard

Form of the standard

Energy-based

% of renewable energy required

Targets

- **Interim:** Beginning in 2006, 1.25% and increasing incrementally each year
- **Final:** 15% by 2025 and after

Economy-wide goal: N/A

Point of regulation: Retail sales

Regulated entities: Investor-owned utilities and cooperatives (“Affected Utility” is defined as a public service corporation serving retail electric load in Arizona, excluding any Utility Distribution Company with more than half of its customers located outside of Arizona)

Percent of retail sales covered by RPS: 59%

Implementing agency: Arizona Corporation Commission (ACC)

Enforcement mechanisms: A utility must submit a report of noncompliance if it fails to meet its targets. ACC may penalize utility by withholding cost recovery.

Compliance flexibility and cost containment: Utilities may petition ACC to waive compliance for “good cause.”

Carve-outs and incentives: An affected utility must satisfy 30% of its Annual Renewable Energy Requirement with distributed generation, 50% of which must be from residential, 50% from non-utility, non-residential applications.

Compliance tracking: [WREGIS](#)

Notable features: *For pre-1997 hydropower facilities, only new increased capacity or facilities used to firm or regulate the output of intermittent renewable resources are eligible. New hydropower less than 10 MW is also eligible.

Links to agency website and statutes/rules: [Arizona Administrative Code](#); [Arizona Corporation Commission](#); [Retail Electricity Sales](#); [EPA's REC Tracking Systems](#)

Eligible sources

Biogas

Biomass

Clean Hydrogen

Distributed Generation

Geothermal

Hydropower*

Hybrid Wind and Solar

Solar

Waste-to-Energy

Wind

See [A.C.C. s.R14-2-1802\(A\)](#) for definitions of eligible resources. Certain limits may apply.