

Arizona Administrative REGISTER

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Arizona Administrative Register

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ABOUT THIS PUBLICATION

The authenticated pdf of the *Administrative Register* (A.A.R.) posted on the Office of the Secretary of State's website is the official published version for rulemaking activity in the state of Arizona. The *Register* is published weekly by issue number, every Friday by the Administrative Rules Division.

The *Register* is cited by volume and page number. Volumes are published by calendar year. Page numbering continues in each weekly issue.

The *Register* contains notices of docket openings, proposed, final, emergency, expedited, exempt, and terminated rules as defined in Arizona Revised Statutes known as the Arizona Administrative Procedure Act (APA), and A.R.S. Title 41, Chapter 6, Articles 1 through 10. Other "notice only" filings are published in the *Register* which includes Informal Public Meetings on an Open Rulemaking Docket, Formal Rulemaking Advisory Committees, Public Information, Oral Proceedings, Public Hearings, Public Meetings, Agency Guidance Documents, Substantive Policy Statements, Proposed Delegation Agreements, Final Delegation Agreements, and Agency Ombudsman.

ABOUT AMENDMENTS TO RULES

Rulemaking is defined in the APA. Rules can be made (all new text); amended (changed) or repealed (removed) as codified in the *Arizona Administrative Code*; or renumbered (moving rules to a different Section number). New rules published in the *Register*, whether proposed or made as a final rule, are underlined; repealed rules (text being removed), is stricken.

ABOUT THE TABLE OF CONTENTS

On the cover: Each agency is assigned a Chapter in the *Arizona Administrative Code* under a specific Title. Titles represent broad subject areas. The Title number is listed first; with the acronym A.A.C., which stands for the *Arizona Administrative Code*; following the Chapter number and Agency name, then program name. For example, the Secretary of State has rules on rulemaking in Title 1, Chapter 1 of the *Arizona Administrative Code*. The citation for this Chapter is 1 A.A.C. 1, Secretary of State, Rules and Rulemaking.

ABOUT FILE NUMBERS

Notices filed in the Division are assigned a file number. This number is enclosed in brackets and located at the top right of the published documents in the *Register*. Original filed notices are available in pdf for free. For a copy, contact our Division with the file number.

ABOUT THE ADMINISTRATIVE CODE

The *Arizona Administrative Code* (A.A.C.) contains codified text of rules. When published, the underling and striking of text in notices as published in the *Register* are removed. The codified rules have either been approved by the Governor's Regulatory Review Council or Attorney General as prescribed under the APA. The *Code* also contains rules exempt from the rulemaking process, and emergency rules. The authenticated pdf of *Code* Chapters posted on the Office of the Secretary of State's website are the official published version of rules in the A.A.C. The *Code* is posted online for free.

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This publication is available online for free at www.azsos.gov.

ADMINISTRATIVE CODE
The *Arizona Administrative Code* is available online at www.azsos.gov.

PUBLICATION DEADLINES
Publication dates are published in the back of the *Register*. These dates include file submittal dates with a three-week turnaround from filing to published document.

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The Office of the Secretary of State is an equal opportunity employer.

Participate in Rulemaking

Review Published Notices

Those interested in participating in the rulemaking process should review notices published in the *Arizona Administrative Register*.

The Preamble at the beginning of a notice contains information about the rulemaking and provides agency justification and regulatory intent. Agency contact information is published in the Preamble for those interested in participating in the rulemaking process.

The Preamble includes reference to the specific statutes authorizing the agency to make the rule, an explanation of the rule, reasons for proposing the rule, and the preliminary Economic Impact Statement.

Agency Contact Lists

Many agencies maintain stakeholder lists to contact those interested in proposed changes to rules. Check an agency's website and its newsletters for information about notices, oral proceedings, and meetings. Feel like a change should be made to a rule and an agency has not proposed changes? You can petition an agency to make, amend, or repeal a rule. The agency must respond to the petition. Refer to A.R.S. § 41-1033 for more information.

Attend a Public Meeting

Stakeholders can attend an public meeting, known as an oral proceeding, being conducted by the agency on a Notice of Proposed Rulemaking. A proceeding may be listed in the Preamble of a Notice of Proposed Rulemaking or an agency may inform the public of the meeting in a Notice of Oral Proceeding. Attend the meeting and be prepared to speak and comment.

An agency may not have a public meeting scheduled on the Notice of Proposed Rulemaking. If not, you may request the agency schedule a proceeding. This request must be put in writing within 30 days after the published Notice of Proposed Rulemaking.

Refer to information in the Preamble.

Write the Agency

Put your comments in writing and send them to the agency. In order for the agency to consider your comments, the agency must receive them by the close of record. The comment must be received within the 30-day comment timeframe following the *Register* publication of the Notice of Proposed Rulemaking.

You can also submit to the Governor's Regulatory Review Council written comments that are relevant to the Council's power to review a given rule (A.R.S. § 41-1052).

The Council reviews the rule at the end of the rulemaking process, before the rules are filed with the Secretary of State.

THE REGULAR RULEMAKING PROCESS

Authority

An agency is given the authority to promulgate a rule under the APA, statute passed by the Legislature, or ballot proposition, which is passed by the voters.

An agency may be given certain exemptions to the APA or portions thereof.

Information about the exemptions are provided in the Preamble of the rulemaking.

Permission to Proceed

Before moving forward with any notice, an agency first receives permission from the governor's office to proceed with a rulemaking.

The governor's office provides the agency a written response to proceed that is filed with the notice.

Stakeholder and Public Notification

The agency opens a docket. It is filed as a Notice of Rulemaking Docket Opening for publication in the *Register*.

The notice includes agency contact information along with its intentions to make, amend, repeal, or renumber, a rule and its justification to perform the rulemaking action. Often an agency will file the docket with the proposed rulemaking.

An agency may decide not to proceed and not file final rule with G.R.R.C. within one year after proposed rule is published. A.R.S. § 41-1021(A)(4)

Agency Proposes Rules, Public Reviews Proposal

The agency files a Notice of Proposed Rulemaking and the notice is published in the *Register*.

The public is given the opportunity to comment on the proposed rules. The agency opens the comment period to last at least 30 days. Written comments are accepted informally.

The notice *may* contain information about oral proceedings.

A proceeding is held no sooner than 30 days after the notice is published.

If no proceeding is scheduled, the agency provides information on how a person may request to speak to the agency in person at an oral proceeding.

Oral Proceeding

A person requests an agency to conduct an oral proceeding based on the information provided in its Notice of Proposed Rulemaking.

The agency prepares a Notice of Oral Proceeding on Proposed Rulemaking, schedules one or more proceeding, and files the notice for publication in the *Register*.

When it occurs, an agency extends the public comment period.

Close of Record

After evaluating public comments and conducting an internal review of the rule, an agency:

1. Determines whether the rulemaking requires a substantial change. When an agency decides to make substantial changes to a proposed rule, it continues the process as outlined under the APA. The agency obtains permission to proceed as stated under #2 of this timeline. The agency prepares a Notice of Supplemental Proposed Rulemaking with the changes and files it for publication in the *Register*. Comments are once again solicited and reviewed by the agency.
2. Prepares and submits for review a Notice of Final Rulemaking for review and approval by G.R.R.C. or Attorney General. The Notice of Final Rulemaking must be submitted for review within 120 days after the close of record; or
3. Terminates the rulemaking. The agency may decide to terminate its docket and files a notice for publication in the *Register* notifying stakeholders of the termination. Refer to A.R.S. § 41-1021(A)(2).

Time Frame for Approval or Disapproval of the Notice

G.R.R.C. has 90 days to review and approve or return the rule package, in whole or in part; A.G. has 60 days.

The Approved Rule is Published in *Register* and Codified in the Code

After approval by G.R.R.C. or A.G., the rule becomes effective 60 days after filing the notice with the Office of the Secretary of State, unless otherwise indicated in the Preamble of the notice.

The Notice of Final Rulemaking is published in the *Register* and codified in the *Arizona Administrative Code*.

Definitions and Acronyms

Arizona Administrative Code, Code (A.A.C.): Official rules codified and published by the Secretary of State's Office. Available online at www.azsos.gov.

Arizona Administrative Register, Register (A.A.R.): The official publication that includes filed documents pertaining to Arizona rulemaking. Available online at www.azsos.gov.

Administrative Procedure Act (APA): A.R.S. Title 41, Chapter 6, Articles 1 through 10. Available online at www.azleg.gov.

Arizona Revised Statutes (A.R.S.): The statutes are made by the Arizona State Legislature during a legislative session. They are compiled by Legislative Council, with the official publication codified by Thomson Reuters. Citations to statutes include Titles which represent broad subject areas. The Title number is followed by the Section number. For example, A.R.S. § 41-1001 is the definitions Section of Title 41 of the Arizona Administrative Procedures Act. The “§” symbol simply means “section.” Available online at www.azleg.gov.

Chapter: A division in the codification of the *Code* designating a state agency or, for a large agency, a major program.

Close of Record: The close of the public record for a proposed rulemaking is the date an agency chooses as the last date it will accept public comments, either written or oral.

Code of Federal Regulations (CFR): The *Code of Federal Regulations* is a codification of the general and permanent rules published in the *Federal Register* by the executive departments and agencies of the federal government.

Docket: A public file for each rulemaking containing materials related to the proceedings of that rulemaking. The docket file is established and maintained by an agency from the time it begins to consider making a rule until the rulemaking is finished. The agency provides public notice of the docket by filing a Notice of Rulemaking Docket Opening with the Office for publication in the *Register*.

Economic, Small Business, and Consumer Impact Statement (EIS): The EIS identifies the impact of the rule on private and public employment, on small businesses, and on consumers. It includes an analysis of the probable costs and benefits of the rule. An agency includes a brief summary of the EIS in its preamble. The EIS is not published in the *Register* but is available from the agency promulgating the rule. The EIS is also filed with the rulemaking package.

Governor's Regulatory Review (G.R.R.C.): Reviews and approves rules to ensure that they are necessary and to avoid unnecessary duplication and adverse impact on the public. G.R.R.C. also assesses whether the rules are clear, concise, understandable, legal, consistent with legislative intent, and whether the benefits of a rule outweigh the cost.

Incorporated by Reference: An agency may incorporate by reference standards or other publications. These standards are available from the state agency with references on where to order the standard or review it online.

Federal Register (FR): The *Federal Register* is a legal newspaper published every business day by the National Archives and Records Administration (NARA). It contains federal agency regulations; proposed rules and notices; and executive orders, proclamations, and other presidential documents.

Session Laws or “Laws”: When an agency references a law that has not yet been codified into the Arizona Revised Statutes, use the word “Laws” is followed by the year the law was passed by the Legislature, followed by the Chapter number using the abbreviation “Ch.”, and the specific Section number using the Section symbol (§). For example, Laws 1995, Ch. 6, § 2. Session laws are available at www.azleg.gov.

United States Code (U.S.C.): The Code is a consolidation and codification by subject matter of the general and permanent laws of the United States. The Code does not include regulations issued by executive branch agencies, decisions of the federal courts, treaties, or laws enacted by state or local governments.

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Volume 32, Issue 42, October 16, 2026

NOTICES OF PROPOSED RULEMAKING

The Administrative Procedure Act (APA) requires an agency file a Notice of Rulemaking Docket Opening which outlines its rulemaking intentions under [A.R.S. § 41-1021](#). A docket opening and Notice of Proposed Rulemaking are often filed at the same time and published in the same *Register* issue. If they are not filed at the same time, information on where the docket opening was published is listed in the preamble of the proposed rulemaking.

An agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before scheduling any oral proceedings. Written public comments shall be accepted for at least 30 days after the published notice. Refer to A.R.S. §§ [41-1013](#), [41-1022](#) and [41-1023](#).

Questions about the notice can be answered by the person listed in item #5 of the preamble.

Refer to item #11 of the preamble for information on how to comment on this notice, the close of record to comment, and information related to oral proceedings.

NOTICE OF PROPOSED RULEMAKING

TITLE 13. PUBLIC SAFETY

CHAPTER 4. ARIZONA PEACE OFFICER STANDARDS AND TRAINING BOARD

File Number: R26-185

PREAMBLE

1. **Permission to proceed with this proposed rulemaking was granted under A.R.S. § 41-1039 by the governor on:**
September 9, 2026
2.

Article, Part, or Section Affected (as applicable)	Rulemaking Action
R13-4-101	Amend
R13-4-110	Amend
R13-4-112	Amend
R13-4-116	Amend
3. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**
Authorizing statute: A.R.S. § 41-1822(A)
Implementing statute: A.R.S. § 41-1822(A)(8), (B), and (C)
4. **Citations to all related notices published in the Register that pertain to the current record of the proposed rule:**
Notice of Rulemaking Docket Opening: 32 A.A.R. 2612, October 16, 2026 (*in this issue*); File Number: R26-187
5. **The agency's contact person who can answer questions about the rulemaking:**
Name: Michael Giammarino
Title: Program Administrator
Address: 2643 E. University Drive
Phoenix, AZ 85034
Telephone: (602) 774-9302
Email: mikeg@azpost.gov
Website: azpost.gov
6. **An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**
When enacting Laws 2026, Chapter 32, The Military Police to Peace Officer Pathway Act, the legislature indicated an intent to establish an accelerated, fair, and standardized process for eligible military police veterans to receive Arizona peace officer certification. The legislature determined military police veterans possess substantial training, discipline, and law enforcement experience gained through active-duty service and transitioning the veterans into civilian policing strengthens public safety while honoring the military service. In this rulemaking, the Board amends R13-4-110 to

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establish a process that accommodates the expedited pathway for military police officers to become peace officers. To be consistent with A.R.S. § 41-1822(C), the Board amends R13-4-112 to reduce the amount of time the Board requires to act on an application for certification. The Board also amends R13-4-116 to update academy and basic course requirements to be consistent with current industry standards.

7. **A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

Not applicable

8. **A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

9. **The preliminary summary of the economic, small business, and consumer impact:**

The alternative pathway to certification accepts a military police officer's military police training rather than requiring the military police officer to complete the full-authority peace officer basic training course. In 2023, the Arizona Joint Legislative Budget Committee conducted a study at the Phoenix Police Academy. JLBC concluded that a recruit attending the full-authority course requires 672 hours of training and costs the hiring law enforcement agency approximately \$28,000. The alternative pathway requires 180 hours of training and will cost approximately \$8,500 per recruit. This benefits both the hiring law enforcement agency and the MP seeking appointment to obtain full-authority law enforcement certification.

10. **The agency's contact person who can answer questions about the economic, small business and consumer impact statement:**

Name: Michael Giammarino
Title: Program Administrator
Address: 2643 E. University Drive
Phoenix, AZ 85034
Telephone: (602) 774-9302
Email: mikeg@azpost.gov
Website: azpost.gov

11. **The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

Written comments about this proposed rulemaking will be accepted in person at the address provided under item #5, Monday through Friday from 8 a.m. to 5 p.m., except for state holidays. Comments will also be accepted by email at the email address provided under item #5. Mailed written comments shall be postmarked within 30 days of this published notice.

An oral proceeding is scheduled on this proposed rulemaking.

Date: Thursday, November 19, 2026
Time: 10:00 a.m.
Location: AZPOST
2643 E. University Drive
Phoenix, AZ 85034
Nature: Public meeting

12. **All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

A.R.S. § 41-1823 requires that a rule establishing a minimum qualification for law enforcement officers not go into effect until six months after being filed with the Secretary of State. In this rulemaking, this provision applies to R13-4-110.

- a. **Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**

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Certification of an individual as a peace officer is not a general permit as defined under A.R.S. § 41-1001. Under A.R.S. § 41-1822(A), the Board is required to prescribe reasonable minimum qualifications for peace officers. The Board established those qualifications at R13-4-105 and R13-4-109 and certifies only individuals who meet the prescribed qualifications. The rules comply with A.R.S. § 41-1037(A)(3).

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

No federal law is directly applicable to the subject of these rules. There are many federal laws that apply to law enforcement agencies and the work done by peace officers. These include general laws such as OSHA, EEOC, and ADA, federal laws regarding crimes, and federal case law regarding law enforcement. The training provided to peace officers is consistent with federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

Not applicable

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:
Not applicable

14. The full text of the rules follows:

TITLE 13. PUBLIC SAFETY

CHAPTER 4. ARIZONA PEACE OFFICER STANDARDS AND TRAINING BOARD

ARTICLE 1. GENERAL PROVISIONS

Section

R13-4-101.	Definitions
R13-4-110.	Basic Training Requirements
R13-4-112.	Time Frames
R13-4-116.	Academy Requirements

ARTICLE 1. GENERAL PROVISIONS

R134101. Definitions

In this Article, unless the context otherwise requires:

“Academy” means an entity that conducts the Board-prescribed basic training courses for full-authority or specialty peace officers.

“Adderall,” as used in R13-4-105, means a combination drug containing salts of amphetamine that acts as a central nervous system stimulant. The combination may include amphetamine, methamphetamine, methylphenidate, dextroamphetamine, levoamphetamine, or other stimulants.

“Agency” means a law enforcement entity empowered by the state of Arizona.

“Appointment” means the selection by an agency of an individual to be a peace officer or peace officer recruit that the agency believes meets the minimum qualifications for appointment specified in R13-4-105.

“Approved training program” means a course of instruction that meets Board-prescribed course requirements.

“Board” means the Arizona Peace Officer Standards and Training Board.

“Cancellation” means the annulment of certified status without prejudice to reapply for certification.

“Certified” means approved by the Board as being in compliance with A.R.S. Title 41, Chapter 12, Article 8 and this Chapter.

“CE” means the Board-approved Comprehensive Examination that measures mastery of the knowledge and skills taught in the Board-approved full-authority peace officer basic training course.

“Denial” means the refusal of the Board to grant certified status. The Board’s denial may be temporary with an opportunity to reapply for certified status or permanent.

“Dangerous drug or narcotic” means a substance identified in A.R.S. § 13-3401 as being a dangerous drug or narcotic drug.

“Full-authority peace officer” means a peace officer whose authority to enforce the laws of this state is not limited by this Chapter.

“Inactive certification” means a certified peace officer has been terminated and as a result, the peace officer’s certified status becomes inactive rather than lapsing. An individual with an inactive certification shall not function as a peace officer or be assigned the duties of a peace officer.

“Lapsed certification” means the expiration of certified status.

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“Military police officer or MP” means a veteran of the U.S. armed forces who successfully completed and graduated from a formal military law enforcement training academy as verified by a DD214, DD214-1, or NGB22.

“Open enrollee” means an individual who is admitted to an academy but is not appointed by an agency.

“Peace officer” has the meaning in A.R.S. § 1-215.

“Peace officer recruit” means an individual recruited and appointed by an agency to attend an academy.

“Physician” means an individual licensed to practice allopathic or osteopathic medicine in this or another state.

“Polygraph” means an instrument that is used to render a diagnostic opinion as to the honesty of an individual and records continuously, visually, permanently, and simultaneously, changes in cardiovascular, respiratory, and electro dermal patterns as minimum instrumentation standards.

“Resolve-in-the-future or RF” means a designation assigned by the Board regarding alleged misconduct of an inactive peace officer and requires an agency to resolve the alleged misconduct before the agency may appoint the peace officer.

“Restricted certification” means the Board’s limitation on duties allowed to be performed by a certified peace officer.

“Revocation” means the permanent withdrawal of certified status.

“Scenario” means immersive training in which a peace officer recruit demonstrates response skills by applying knowledge and solving problems in a simulated environment.

“Service ammunition” means munitions that perform equivalently in all respects when fired during training or qualification to those carried on duty by a peace officer.

“Service handgun” means the specific handgun or equivalent that a peace officer carries for use on duty.

“Specialty peace officer” means a peace officer whose authority is limited to enforcing specific sections of the Arizona Revised Statutes or *Arizona Administrative Code*, as specified by the appointing agency’s statutory powers and duties.

“Success criteria” means a numerical statement that establishes the performance needed for an individual to demonstrate competency in a knowledge, task, or ability required by this Chapter.

“Suspension” means the temporary withdrawal of certified status.

“Termination” means the end of employment or service with an agency as a peace officer through removal, discharge, resignation, retirement, or otherwise.

“Vendor” means an entity other than the Board or an agency that makes training available to peace officers.

R13-4-110. Basic Training Requirements

- A.** Required training for certified status. The Board shall not certify and an individual shall not perform the duties of a peace officer until the individual successfully completes basic training as follows:
1. Comprehensive examination. To be certified as a full-authority peace officer, an individual shall complete the Board-approved full-authority peace officer basic training course, specified in R13-4-116, at an academy and pass all sections of the CE.
 - a. The Board shall ensure all sections of the CE are administered in a secure manner.
 - b. The Board shall ensure all sections of the CE are administered at appropriate intervals throughout the full-authority peace officer basic training course. The Board shall ensure the last section of the CE is administered during the final two weeks of the full-authority peace officer basic training course.
 - c. An individual passes the CE by achieving a score of at least 70 percent on each section of the CE when each section is scored separately.
 - d. An individual who fails a section of the CE may retake the failed section within seven days of the original examination date if the individual remains appointed by the original appointing agency or enrolled in the academy.
 - e. An individual who fails a retake of a section of the CE, as described in subsection (A)(1)(d), may pursue certification only by repeating the Board-approved full-authority peace officer basic training course.
 2. Scenarios. To be certified as a full-authority peace officer, an individual shall complete the Board-approved full-authority peace officer basic training course, specified in R13-4-116, at an academy and demonstrate skills by passing a series of scenarios.
 - a. The Board shall ensure each scored scenario is marked as either pass or fail.
 - b. An individual who fails a scenario may immediately take a remedial scenario involving the same skill.
 - c. An individual who fails a remedial scenario may pursue certification only by repeating the Board-approved full-authority peace officer basic training course.
 3. To be certified as a specialty peace officer, an individual shall complete a Board-prescribed specialty peace officer basic training course or the Board-approved full-authority peace officer basic training course, specified in R13-4-116, at an academy and pass all sections of the CE prescribed under subsection (A)(1) that are relevant to the duties of a specialty peace officer.
- B.** Exceptions. The training requirement in subsection (A) is waived when an agency uses an individual during a field training program that is a component of a basic training program at an academy, and the individual is under the direct supervision and control of a certified peace officer.
- C.** Firearms training required. Unless otherwise specified in this Section, a peace officer shall complete the firearms qualification courses required in R13-4-116(E) before the peace officer carries a firearm in the course of duty.

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- D. Waiver of required training.**
1. An agency, on behalf of an individual, may apply to the Board for a waiver of required training if:
 - a. The individual's certified status is lapsed;
 - b. The individual has functioned in the capacity of a peace officer in another state, graduated from a Peace Officer Standards and Training Academy, and worked for at least one year as a peace officer; ~~or~~
 - c. The individual graduated from a federal law enforcement academy, worked for at least one year as a law enforcement officer, and meets the requirement under subsection (D)(2)(e)(i); or
 - d. The individual is a veteran of the U.S. armed forces who was a military police officer, worked at least one year active-duty service as a military police officer, was honorably discharged, and meets the requirements specified in subsection (D)(2)(e)(iii).
 2. The Board shall review the application and grant a waiver of required training if the Board determines that the best interests of the law enforcement profession are served, the public welfare and safety are not jeopardized, and:
 - a. The appointing agency submits to the Board written verification of the individual's previous experience and training on a form prescribed by the Board;
 - b. The individual meets the minimum qualifications listed in R13-4-105;
 - c. The individual complies with the requirements of R13-4-103(E)(1);
 - d. The appointing agency complies with the requirements of R13-4-106(C);
 - e. The individual successfully completes an examination measuring the individual's comprehension of the Board-approved full-authority peace officer basic training course as follows:
 - i. If the individual has experience as a certified peace officer for a federal law enforcement agency, submits to the Board basic training and in-service training records that the Board determines demonstrate substantial comparability to Arizona's Board-approved full-authority peace officer basic training course, and passes all sections of the CE; and
 - ii. If the individual's certification is lapsed, the individual shall pass all sections of the CE; and
 - iii. If the individual is a veteran of the U.S. armed forces who was a military police officer, submits to the Board training records confirming completion of the full-authority peace officer basic training courses specified at R13-4-116(E)(1)(b), (c), and (f), and passes all sections of the CE; and
 - ~~iii-iv.~~ Applicable provisions in subsection (A)(1) apply to this subsection; and
 - f. In addition to the examination required under subsection (D)(2)(e), the individual demonstrates proficiency in the areas of physical conditioning, vehicle operations, pursuit operations, and firearms, including firearms qualifications, as required under R13-4-116(E).
- E. Required inspections.** Before an agency provides the Board-approved full-authority peace officer basic training course, Board staff shall conduct an onsite inspection to ensure the agency is equipped to assess peace officer physical conditioning, vehicle and pursuit operations, and firearms use. Following the inspection, Board staff shall provide the agency with an inspection report identifying any deficiencies and necessary corrective action.
- F. This Section is effective six months after filing with the Secretary of State as required by A.R.S. § 41-1823(A).**

R13-4-112. Time Frames

- A.** For the purposes of A.R.S. § 41-1073, the Board establishes the following time frames for peace officer certification:
1. Administrative completeness review time frame: ~~90~~ 60 days.
 2. Substantive review time frame: 180 days.
 3. Overall time frame: ~~270~~ 240 days.
- B.** The administrative completeness review time frame begins on the date the Board receives the report required by R13-4-108(A)(1) from an appointing agency.
1. Within ~~90~~ 60 days, the Board shall review the report and issue to the appointing agency a notice of administrative completeness or a notice of administrative deficiency that lists each document or item of information establishing compliance with R13-4-105 that is missing.
 2. If the Board issues a notice of administrative deficiency, the appointing agency shall make the missing documents and information available to the Board within 90 days of the date of the notice. The administrative completeness review time frame is suspended from the date of the deficiency notice until the date the missing documents and information are made available to the Board.
 3. If the appointing agency fails to make available all missing documents and information within the 90 days provided, the Board shall close the applicant's file. An applicant whose file is closed and who wants to be certified shall apply again under R13-4-103.
 4. When the file is administratively complete, the Board shall provide written notice of administrative completeness to the appointing agency.
- C.** The substantive review time frame begins on the date the Board issues the notice of administrative completeness.
1. During the substantive review time frame, the Board may make one comprehensive written request for additional information.
 2. The appointing agency shall make available to the Board the additional information identified in the request for additional information within 60 days. The time frame for the Board to finish the substantive review of the application is suspended from the date of the request for additional information until the additional information is made available to the Board.
 3. If the appointing agency fails to make available the additional information requested within the 60 days provided, the Board shall close the applicant's file. An applicant whose file is closed and who wants to be certified shall apply again under R13-4-103.

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4. When the substantive review is complete, the Board shall grant or deny certification.

R13-4-116. Academy Requirements

- A. Unless otherwise provided in this Article, only the basic training provided by an academy that the Board determines meets the standards prescribed in this Section may be used to qualify for certified peace officer status.
- B. The academy administrator shall ensure the academy has the following:
1. A classroom with adequate heating, cooling, ventilation, lighting, and space;
 2. Chairs with tables or arms for writing;
 3. Visual aid devices for classroom presentation;
 4. Equipment in good condition for specialized instruction;
 5. A safe driving track for conducting the vehicle and pursuit operations course;
 6. A firearm range with adequate backstop to ensure the safety of all individuals on or near the range; and
 7. A safe location for practical exercises including assessing physical conditioning, defensive tactics, and high-risk vehicle stops.
- C. Administrative requirements. The academy administrator shall ensure the academy:
1. Establishes and maintains written policies, procedures, and rules concerning:
 - a. Operation of the academy,
 - b. Entrance requirements,
 - c. Student and instructor conduct, and
 - d. Administering examinations;
 2. Admits only individuals who meet the requirements of R13-4-105, as electronically or otherwise attested to the Board by the appointing agency or, in the case of an open enrollee, by the academy administrator, on or before the first day of training;
 3. Administers to each student at the beginning of each academy session a written examination measuring competency in reading and writing English;
 4. Schedules sufficient time for the CE to be administered as required by R13-4-110(A); and
 5. Uses only instructors who are qualified under R13-4-114(A).
- D. Academic requirements. The academy administrator shall ensure the academy:
1. Establishes a curriculum with performance objectives and learning activities that meet the requirements of subsection (E) and R13-4-114(B);
 2. Requires instructors to use lesson plans that cover the course content and list the performance objectives to be achieved and learning activities to be used;
 3. Administers written, oral, or practical demonstration examinations that measure the attainment of the performance objectives;
 4. Reviews examination results with each student and ensures the student is shown any necessary corrections and signs and dates an acknowledgment that the student participated in the review;
 5. Requires a student to successfully complete ~~oral or written examinations that cover all topics of the Board-approved full-authority peace officer basic training course~~ all sections of the CE before graduating, as required under R13-4-110(A)(1).
 - a. ~~Successful completion of an examination is a score of 70 percent or greater;~~
 - b. ~~For a student who scores less than 70 percent, the academy shall:~~
 - i. ~~Provide remedial training; and~~
 - ii. ~~Re-examine the student in the area of deficiency; and~~
 - c. ~~The academy shall allow a student to retake each examination only once;~~
 6. Requires a student to qualify with firearms as described in subsection (E);
 7. Ensures a student meets the success criteria for police proficiency skills under subsection (E)(1);
 8. Provides remedial training for a student who misses a class from the Board-approved full-authority peace officer basic training course before allowing the student to graduate; and
 9. Refuses to graduate a student who has missed and failed to make up any classes from the Board-approved full-authority peace officer basic training course.
- E. Basic course requirements. The academy administrator shall ensure the academy uses curricula that meet the requirements of R13-4-114 for the following basic courses of instruction.
1. The Board-approved full-authority peace officer basic training course shall include all of the following topics:
 - a. Introduction to Law Enforcement.
 - i. Criminal justice systems,
 - ii. History of law enforcement,
 - iii. Law enforcement services,
 - iv. Supervision and management,
 - v. Ethics and professionalism, ~~and~~
 - vi. ~~Stress management. Officer wellness, and~~
 - vii. Seven foundational principles of policing.
 - b. Law and Legal Matters.
 - i. Introduction to criminal law;
 - ii. Laws of arrest;
 - iii. Search and seizure;
 - iv. Rules of evidence;
 - v. Summonses, subpoenas, and warrants;
 - vi. Civil process;

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- vii. Administration of criminal justice;
 - viii. Juvenile law and procedures;
 - ix. Courtroom demeanor;
 - x. Constitutional law;
 - xi. Substantive criminal law, A.R.S. Titles 4, 13, and 36; and
 - xii. Liability issues.
 - c. Patrol Procedures.
 - i. ~~Patrol and observation~~ Introduction to patrol,
 - ii. Domestic violence,
 - iii. Behavioral health crisis response,
 - ~~iv. Crimes in progress,~~
 - ~~v. iv.~~ Crowd control formations and tactics,
 - ~~vi. v.~~ Bomb threats and disaster training,
 - ~~vii. vi.~~ Intoxication Impaired persons cases,
 - ~~viii. vii.~~ Communication and police information systems,
 - ~~ix. viii.~~ Hazardous materials,
 - ~~x. ix.~~ Bias-motivated crimes,
 - ~~xi. x.~~ Fires, and
 - ~~xii. xi.~~ Civil Disputes disputes, and
 - xii. Vulnerable, exploited, and neglected persons.
 - d. Traffic Control.
 - ~~i. Impaired driver cases;~~
 - ~~ii. i.~~ Traffic citations;
 - ~~iii. ii.~~ Traffic collision investigation;
 - ~~iv. iii.~~ Traffic collision (practical);
 - ~~v. iv.~~ Traffic direction; and
 - ~~vi. v.~~ Substantive ~~Traffic Law~~ traffic law, A.R.S. Title 28.
 - e. Crime Scene Management.
 - i. Preliminary investigation and crime scene management,
 - ii. Crime scene investigation (practical),
 - iii. Physical evidence procedures,
 - iv. Interviewing and questioning,
 - v. Fingerprinting,
 - vi. Sex crimes investigations,
 - vii. Death investigations including sudden infant death syndrome,
 - viii. Organized crime activity,
 - ix. Investigation of specific crimes, and
 - x. Narcotics and dangerous drugs.
 - f. Community and Police Relations.
 - i. Cultural awareness,
 - ii. Victimology,
 - iii. Interpersonal communications,
 - iv. Crime prevention, and
 - v. Police and the community.
 - g. Records and Reports. Report writing.
 - h. Police Proficiency Skills.
 - i. First aid,
 - ii. Less lethal operations (including certification),
 - iii. Firearms training (including firearms qualification),
 - iv. Physical conditioning,
 - v. ~~High-risk stops~~ Patrol tactics,
 - vi. Arrest and control tactics,
 - vii. Vehicle and pursuit operations,
 - viii. Active assailant response.
 - i. Orientation and Introduction.
 - i. Examinations and reviews,
 - ii. Counseling, and
 - iii. Non-Board specified courses.
2. The specialty peace officer basic training course shall include all of the topics necessary from the Board-approved full-authority peace officer basic training course for the curriculum to meet the requirements of R13-4-114(B).
 3. Administrative functions such as orientation, introductions, examinations and reviews, and counseling are exempt from the requirements of R13-4-114(B).
- F.** Records required. The academy administrator shall ensure the following records are maintained and made available for inspection by the Board or staff. The academy administrator shall provide to the Board copies of records upon request.

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1. A record of all students attending the academy;
 2. A manual containing the policies, procedures, and rules of the academy;
 3. A document signed by each student indicating the student received and read a copy of the academy policies, procedures, and rules;
 4. A copy of all lesson plans used by instructors;
 5. An annually signed and dated acknowledgment that the academy administrator reviewed and approved each lesson plan used at the academy;
 6. A copy of all examinations, answer sheets or records of performance, and examination review acknowledgments;
 7. An attendance roster for all classes or other record that identifies absent students;
 8. A record of classes missed by each student and the remedial training received;
 9. A record of disciplinary actions for all students; and
 10. A file for each student containing the student's performance history.
- G.** Reports required. The academy administrator shall submit to the Board:
1. At least 10 working days before the start of each academy session, a complete schedule of classes containing the name of the instructor for each class and the training location;
 2. No more than five working days after the start of each academy session, on a form prescribed by the Board, a roster indicating whether a student is an open enrollee or appointed and if appointed, identifying the appointing agency, and the full name and Social Security number of each student;
 3. No more than five working days after dismissing a student from the academy, notification of the dismissal and the reason;
 4. No later than the tenth day of each month, a report containing:
 - a. A summary of training activities and progress of the academy class to date;
 - b. Unusual occurrences, accidents, or liability issues; and
 - c. Other problems or matters of interest noted in the course of the academy, if not included under subsection (G)(4)(b);
 5. No more than 10 working days after the end of each academy session, a complete schedule of classes containing the name of the instructor for each class and the training location;
 6. No more than 10 working days after the end of each academy session, on a form prescribed by the Board, a roster indicating whether a student is an open enrollee or appointed and if appointed, identifying the appointing agency, and the full name and Social Security number of each student successfully completing the training.
- H.** Required inspections. Before an academy provides training to individuals seeking certification for any category of peace officer, the Board staff shall conduct an onsite inspection of the academy to determine compliance with this Section and R13-4-114. Board staff shall conduct additional inspections as often as the Board deems necessary.
1. Within 30 days after the inspection, the Board staff shall provide to the academy administrator an inspection report that lists any deficiencies identified and remedial actions the academy is required to take to comply with the standards of this Section and R13-4-114.
 2. Within 30 days after receipt of the inspection report, the academy administrator shall submit to the Board a response that indicates the progress made to complete the remedial actions necessary to correct the deficiencies described in the inspection report. The academy administrator shall submit to the Board additional responses every 30 days until all remedial action is complete.
 3. Within 30 days after receipt of notice that all remedial action is complete, Board staff shall conduct another inspection.
 4. Following each inspection, Board staff shall present an inspection report to the Board describing the academy's compliance in meeting the standards of this Section and R13-4-114.
- I.** If an academy does not conduct a peace officer basic training course for 12 consecutive months, the academy shall not provide training until Board staff conducts another inspection as required by subsection (H). Otherwise, an academy may continue to provide training unless the Board determines the academy is not in compliance with the standards of this Section or R13-4-114.
- J.** If the Board finds an academy fails to comply with the provisions of this Section or R13-4-114, the academy shall not provide training to individuals seeking to be certified as peace officers.
- K.** An academy administrator shall ensure an open enrollee is admitted only after the academy administrator complies with every requirement of an agency or agency head imposed by R13-4-105, R13-4-106, R13-4-107, and R13-4-108 except for R13-4-106(C)(4).

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NOTICES OF FINAL RULEMAKING

Volume 32, Issue 42, October 16, 2026

NOTICES OF FINAL RULEMAKING

An agency shall submit a Notice of Final Rulemaking to the Governor's Regulatory Review Council (Council) or Attorney General for review within 120 days after the close of the record on a proposed rulemaking, and if applicable, supplemental proposed rulemaking, under [A.R.S. § 41-1024](#).

The Notice of Final Rulemaking as published in this section has been filed with a certificate of approval from the Council or Attorney General.

An economic, small business and consumer impact statement is filed with this notice but not published in the *Register*.

The effective date of this notice is published in item #4 of the preamble.

Questions about the notice can be answered by the person listed in item #6 of the preamble.

The codified version of Notices of Final Rulemaking are published in the *Arizona Administrative Code* by title and chapter.

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**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATIONS**

CHAPTER 2. CORPORATION COMMISSION - FIXED UTILITIES

File Number: R26-178

PREAMBLE

1. **Permission to proceed with this final rulemaking was granted under A.R.S. § 41-1039 by the governor on:**
Not applicable (*under A.R.S. § 41-1039(E)(2)(b)*)

2. Article, Part, or Section Affected (as applicable)	Rulemaking Action
Article 24	Repeal
R14-2-2401	Repeal
R14-2-2402	Repeal
R14-2-2403	Repeal
R14-2-2404	Repeal
Table 1	Repeal
Table 2	Repeal
Table 3	Repeal
Table 4	Repeal
R14-2-2405	Repeal
R14-2-2406	Repeal
R14-2-2407	Repeal
R14-2-2408	Repeal
R14-2-2409	Repeal
R14-2-2410	Repeal
R14-2-2411	Repeal
R14-2-2412	Repeal
R14-2-2413	Repeal
R14-2-2414	Repeal
R14-2-2415	Repeal
R14-2-2516	Repeal
R14-2-2417	Repeal
R14-2-2418	Repeal
R14-2-2419	Repeal

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3. **Citations to the agency’s statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**
Authorizing constitutional provisions and statutes: Arizona Constitution Article XV, §§ 3, 13; A.R.S. §§ 40-202, 40-203, 40-204, 40-321, 40-322(A), 40-336, and 40-361.
Implementing constitutional provisions and statutes: Arizona Constitution Article XV, §§ 3, 13; A.R.S. §§ 40-202, 40-203, 40-204, 40-321, 40-322(A), 40-336, and 40-361.
4. **The effective date of the rule:**
November 23, 2026
- a. **If the agency selected a date earlier than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(1) through (5):**
Not applicable
- b. **If the agency selected a date later than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the later date and state the reason the agency selected the later effective date as provided in A.R.S. § 41-1032(B):**
Not applicable
5. **Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the current record of the final rule:**
Notice of Rulemaking Docket Opening: 31 A.A.R. 4139; Issue Date: October 24, 2025; Issue Number: 43; File Number: R25-242
Notice of Proposed Rulemaking: 31 A.A.R. 4079; Issue Date: October 24, 2025; Issue Number: 43; File Number: R25-239
6. **The agency’s contact person who can answer questions about the rulemaking:**
Name: Sean Bodkin
Title: Senior Associate General Counsel
Division: Office of General Counsel
Address: 1200 W. Washington St.
Phoenix, AZ 85007
Telephone: (602) 542-3402
Email: sbodkin@azcc.gov
Website: www.azcc.gov
7. **An agency’s justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**
The purpose of the rulemaking is to repeal Article 24 of Title 14, Chapter 2, the Electric Energy Efficiency Rules, as the energy efficiency standard set by these rules expired on December 31, 2020. In addition, the Commission has determined that the technology related to energy efficiency has evolved significantly since the rule was adopted and that the current rule could limit the adoption of modern energy efficient technologies. A repeal of the rules does not require electric energy efficiency efforts to cease but rather allows utilities and consumers to explore current ways to use electricity more efficiently. Affected utilities are always able to submit applications for cost-effective programs.
The rule changes conform with the Commission’s Rules Review Procedure (“RRP”) as adopted by the Commission in Decision No. 78544 (April 28, 2022), as amended by Decision No. 80698 (April 29, 2025). The approach taken for the repeal of the rules is expected to be the least intrusive and least costly method of achieving the purpose of the rule amendments. The costs associated with repealing the rules are expected to be minimal, thus the benefits will outweigh the costs. The repeal is not illegal, inconsistent with legislative intent, or beyond the Commission’s legal authority.
8. **A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**
Not applicable

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9. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

10. A summary of the economic, small business, and consumer impact:

Decision No. 78544 (April 28, 2022), as amended by Decision No. 80698 (April 29, 2025), requires that the following information be provided concerning this proposed rulemaking:

- i. The conduct and its frequency of occurrence that the rule is designed to change: The repeal of the Electric Energy Efficiency ("EE") Rules is designed to eliminate the current requirements for each Class A Electric utility ("affected utility") to achieve cumulative annual energy savings equivalent to at least 22 percent of the affected utility's retail electric energy sales through cost-effective energy efficiency programs by 2020 and for affected utilities to file annual implementation plans for Commission approval, detailing how affected utilities intend to comply with the Electric EE Rules during the following two-year period, as well as annual reports.
- ii. The harm resulting from the conduct the rule is designed to change and the likelihood it will continue to occur if the rule is not changed: The repeal of the Electric EE Rules is intended to eliminate the requirements described in item 10(i). Elimination of the Electric EE Rules will not prohibit affected utilities from administering energy efficiency programs. Affected utilities may elect to continue administering energy efficiency programs without a rule requirement. Without the repeal of the Electric EE Rules, the requirements will remain in place and will continue to set a standard that is no longer applicable as it was only applicable through 2020.
- iii. The estimated change in frequency of the targeted conduct expected from the rule change: The repeal of the Electric EE Rules is expected to eliminate rule requirement to file implementation plans in odd years and annual reports.
- iv. An Economic, Small Business, and Consumer Impact Statement was prepared by an independent economist at the direction of Commission Staff. The statement includes an identification of the proposed rulemaking. Specifically, this rulemaking will repeal A.A.C. Title 14, Chapter 2, Article 24, the Arizona Corporation Commission's rules for Electric Energy Efficiency Standards. The information provided in the statement explains the affected classes of persons who will be affected by the rules, i.e. affected retail electric utilities that would design, implement, and administer electric energy efficiency programs to meet the standards; affected retail electric utility customers who would receive energy efficiency measures; and retail electric utility customers who would pay for the cost of the energy efficiency programs.

The statement notes that affected retail electric utilities will save the time and costs of designing, implementing, and administering the energy efficiency programs including reporting requirements each year. Retail electric utility customers who implement energy efficiency measures will no longer receive the reductions in electricity use and related bill savings resulting from implementing new measures but would continue to see the benefit of any previously implemented energy efficiency measures, and retail electric utility customers who would pay for the cost of the energy efficiency programs but did not benefit from them would have lower utility bills due to no longer having to pay for the cost of the energy efficiency programs through the utility surcharge created to recover such costs.

The statement also provides the probable costs and benefits to: the agency, political subdivisions, directly affected businesses, and private persons and consumers. Additionally, the statement includes probable impacts to private employment and small businesses. Lastly, the statement explains that there is no probable impact on state revenues from the proposed rulemaking. The statement further explains that the proposed rules are the least costly and least intrusive method for removing the Electric EE Rules.

11. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

Not applicable

12. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

Summary of Formal Comments Made on the Rulemaking and Agency Response Thereto

The formal written and oral comments received by the Arizona Corporation Commission ("Commission") concerning the Notice of Proposed Rulemaking ("NPRM") are included in this Preamble, along with the Commission's response to each. The date shown for the written public comment is the date the comment was docketed, which may not be the date the comment was originally written or received by the Commission.

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Written Comments on the NPRM

Public Comment

Ingrid Eck (October 14, 2025)

Ms. Eck requested that the Commission expand utility incentive programs to make it easier for renters to access electrification upgrades like heat pumps, induction stove, rooftop and community solar, and battery storage. She stated that she wants this because she wants to live in a city she's proud of.

Commission Response

The Commission interprets this as either a request for the Electric Energy Efficiency Standards ("EEE") Rules to be modified rather than repealed or a request for specific types of energy efficiency ("EE") programs to be modified to allow for renter participation. Renewable energy resource programs such as rooftop and community solar are not at issue in this rulemaking docket. Neither are the participation requirements for specific utility EE programs. The Commission is committed to approving cost-effective EE programs that support economically vulnerable customers and will keep in mind participation by renters for those programs in its future reviews.

No change is needed as a result of this comment.

Public Comment

Steven Zylstra, Arizona Technology Council (November 13, 2025)

The submission is a copy of an article written in the *Phoenix Business Journal* that addresses both the Renewable Energy Standard and Tariff ("REST") Rules and the EEE Rules. Much of the article focuses on benefits related to renewable energy, and the article's discussion of the REST Rules and EEE Rules is largely intertwined.

The article states that pro-business energy leadership has strengthened Arizona's economy and increased grid reliability and that repealing the rules will not cut costs and preserve reliability and will instead inject uncertainty, weaken Arizona's competitive advantage, and drive higher energy costs. The Article states that the REST Rules and EEE Rules have attracted billions in private investment, created tens of thousands of good-paying jobs, and helped utilities avoid building power plants, thereby resulting in lower electric bills.

Specifically concerning EE, the article states that EE is the most cost-effective way to meet growing energy demand and that, according to The World Bank, every dollar invested in EE results in nearly \$4 in benefits through lower utility bills and avoided infrastructure costs. The article states that expanding EE can improve grid stability because every MW saved is a MW that does not need to be generated, transmitted, or paid for by consumers. In response to arguments that the goals of the EEE Rules have been met and that the rules are unnecessary because utilities voluntarily pursue clean energy targets, the article states that voluntary goals can change overnight and that there is no guarantee private investment in EE will continue at the necessary pace. The article states that many of the companies it represents (750 science and technology companies) choose Arizona because of its historical "all-of-the-above" energy approach and that repealing the EEE Rules would send the wrong signal and would undercut Arizona's leadership in industries such as battery storage and high-tech construction that bring quality jobs and long-term economic value. The article states that the EEE Rules could be reformed rather than repealed and urges the Commission to expand EE programs to save money and strengthen reliability.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the

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costs of DSM/EE programs and to “address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs” as allowed under R14-2-2410(I).

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make virtual power plants (“VPPs”) a more valuable resource as part of their Integrated Resource Plans (“IRPs”) and has consistently required affected utilities to use All-Source Requests for Proposal (“ASRFPs”) for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

No change is needed as a result of this comment.

Public Comment

Autumn Johnson, AriSEIA (November 14, 2025)

The Arizona Solar Energy Industries Association (“AriSEIA”) submitted comments opposing the repeal of the EEE Rules. AriSEIA states that the EEE Rules have served as the foundation for cost-effective energy savings and provided “clarity for utilities, stability for program administrators, and measurable benefits for ratepayers.” AriSEIA contends that repealing without a substitute framework will reverse years of progress and weaken Arizona’s ability to manage energy demand in a reliable and affordable manner. AriSEIA urges the Commission not to repeal the EEE Rules or at least to ensure that any future modifications preserve the proven benefits of the EEE Rules.

AriSEIA also states that the “Commission has determined that no comments filed before September 26, 2025 will be treated as part of the rulemaking record,” thereby diminishing the contributions of nonprofit organizations and consumer advocates who commented before that time. AriSEIA asserts that to support a more complete record, it attached to its comments all nonprofit comments filed before September 26, 2025.

AriSEIA attached its own comment filed in this docket on September 12, 2025. The comment states that AriSEIA opposes the repeal of the EEE Rules and requests that R14-2-2405 through R14-2-2410, pertaining to DSM plans, as well as any other provisions necessary to DSM plan submission and approval, be preserved. AriSEIA notes that Arizona has been experiencing significant load growth and repeatedly setting new system peak records (citing a Commission press release from August 8, 2025) and asserts that DSM programs thus are now more critical than ever. AriSEIA asserts that DSM/EE resources provide cost-effective capacity, reduce reliance on wholesale markets, and enhance reliability during peak demand. AriSEIA notes that APS meets 14% of its demand from DSM programs and has more than 2 GW of DSM on their system (citing APS’s Form 10-K 2024, dated December 31, 2024, and APS’s 2023 IRP, dated November 2023). AriSEIA asserts that eliminating the framework that enables DSM programs would increase costs for ratepayers and threaten grid stability. AriSEIA expresses concern that repealing R14-2-2405 and the other rules for DSM plans would jeopardize the use of VPPs because “[t]hese provisions are where utilities currently house their [DSM] plans, including their [VPP] programs.” AriSEIA states that the Commission has twice approved VPP programs as valuable and cost-effective resources (citing Docket No. E-01345A-22-0144) and noted that the second year of funding for APS’s VPP pilot program was under consideration in APS’s pending DSM plan in Docket No. E-01345A-23-0088. AriSEIA asserts that VPPs deliver capacity for less than market purchases and help utilities manage peak load reliably and argues that repealing the DSM rule sections could undermine the ability to continue building on approved programs.

AriSEIA also attached a comment filed on October 1, 2024, by the American Council for an Energy-Efficient Economy (“ACEEE”). ACEEE’s comment criticizes the preliminary EIS, which it stated was based on fallacious claims. ACEEE requests that the Commission close this docket without further action and states that the Commission’s failure to do so would increase regulatory burden, increase energy costs and pollution, and potentially result in lives lost. ACEEE states that cost-effectiveness tests and evaluation, measurement, and verification protocols are well-researched, established methods for estimating and validating the impacts of energy savings programs. Because the EEE Rules require a demonstration of cost effectiveness using the Societal Test, ACEEE states, the savings and benefits from existing utility EE programs have been verified. ACEEE states that APS’s programs alone have produced benefits exceeding costs by more than a 2:1 ratio, and net societal benefits of nearly \$1.5 billion from 2005 through 2023 (citing APS’s DSM 2023 Annual Progress Report). ACEEE states that if the EEE Rules are repealed, there will be no framework for the Commission to evaluate EE programs, resulting in increased regulatory costs for utilities and the Commission because Staff would need to “redo[] years of work to develop and implement a

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framework for ensuring that such proposals were still cost effective.” ACEEE states that if utilities instead chose not to request approval of EE programs, they would need to obtain additional generation resources, which would result in extra costs to customers and additional pollution (citing APS’s 2023 IRP, which shows significant projected peak reductions from DSM/EE for 2023 through 2043). ACEEE also states that repealing the EEE Rules would impact businesses that supply EE products and services, eliminating jobs, and would increase costs associated with energy assistance and medical care due to increased temperatures and less reliable energy. ACEEE also states that there is no evidence that repealing the EEE Rules would reduce the regulatory burden for Staff or the Commission.

AriSEIA also included a comment from Advanced Energy United, Ceres, and Arizona Technology Council, which was filed in this docket and the REST Rules docket on September 19, 2024. The comment opposes repeal of both the REST Rules and the EEE Rules. The comment states that the EEE Rules have delivered approximately \$4 for every \$1 invested, have reduced the need for power plants, and have supported more than 42,000 jobs in Arizona. The comment asserts that repealing the EEE Rules would undermine Arizona’s “stable and predictable regulatory environment” and could deter future investments. The comment asserts that the EEE Rules have reduced utility bills and provided a foundation for long-term economic development and that maintaining them is essential to maintain this.

AriSEIA also included a separate comment filed by Advanced Energy United on September 19, 2024, the text of which was identical to the foregoing comment filed by Advanced Energy United, Ceres, and Arizona Technology Group.

AriSEIA also attached a comment filed by the Attorney General of Arizona (“AG”) on September 12, 2025. The comment opposes the repeal of the EEE Rules, stating that repeal “jeopardizes the Commission’s core responsibility to power Arizona’s future safely, reliably, and affordably, and is unlawful.” The comment states that the Commission should instead set higher EE targets and modernize the EEE Rules to reduce administrative costs for Staff and the utilities. The comment states that EE programs support grid reliability and lower costs for ratepayers and that the AG supported adoption of the EEE Rules because they were and are the best tool to lower customer bills and defer the need for investments in new power plants, transmission lines, and distribution systems while also creating good-paying jobs. The comment states that EE is often the most cost-effective resource to meet demand and that EE is predictable, dependable, and especially valuable during peak demand when prices to provide power are the highest. The comment notes that three of Arizona’s largest utilities set new summer peak records (citing a 2025 news item concerning APS, TEP, and the Salt River Project (“SRP”)) and asserts that the Commission should be supporting EE rather than undercutting it. The comment states that EE accounts for more than 44,000, or 33%, of Arizona’s power sector jobs (citing a Department of Energy report from 21024). The comment states that the EEE Rules require utilities to demonstrate the benefit of each dollar spend on EE and notes that APS’s EE programs have delivered \$1.35 million in net benefits since 2005 (citing APS’s 2023 DSM Annual Progress Report). The comment states that it is naïve to believe that utilities will voluntarily invest adequately in EE because they have a financial incentive to prioritize capital investments.

The comment also states that the Commission lacks the evidentiary basis to lawfully repeal the EEE Rules. Specifically, the comment argues that, because the EEE Rules “were adopted pursuant to the Commission’s rate-making authority, . . . the Commission’s attempt to repeal them must also be.” (citing Decision No. 71819 (2010) at 14.) The comment argues that the Commission’s assertion that the probable benefits of the proposed rulemaking in Arizona outweigh the probable costs of the rulemaking in Arizona is unsupported by substantial evidence and irrational because utilities will continue recovering costs for EE investments made to date and customer rates thus will not decrease as a result of the repeal. The comment states that “the EIS acknowledges that all Arizona utility customers will be exposed to costlier, less reliable electric services if the EEE[] Rules are repealed” (citing the revised preliminary EIS at 7). The comment further states that the Proposed Order did not address the Commission’s earlier findings that the EEE Rules are just and reasonable because they enhance grid reliability, lower costs for ratepayers, and ensure utilities have diverse resources to protect customers and the public (citing Decision No. 71819 at 13-15). The comment states that repealing the EEE Rules will increase power bills, undermine the safety of the grid, and violate the Commission’s responsibility to set just and reasonable rates.

AriSEIA also attached a comment from the American Lung Association, Arizona Health Professionals for Climate Action, Unlimited Potential, and the Arizona Public Health Association, which was filed on October 1, 2024. The comment opposes the repeal of the REST Rules and EEE Rules, stating that they are instrumental in improving air quality (citing reductions in pollution (Sulfur Oxides, Oxides of Nitrogen, Carbon Dioxide, and PM 10 particles) from APS’s EE programs for the period from 2005-2023). The comment states that Arizona has some of the worst air pollution in the United States (citing the American Lung Association’s 2024 State of the Air report), which has significant negative health risks that disproportionately impact vulnerable populations. The comment urges the Commission to adopt new standards that would increase utility investments in EE and renewable energy, to curb the health harms associated with Arizona’s air quality.

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AriSEIA also attached a comment filed by JoAnna Strother on behalf of the American Lung Association on September 12, 2025. The comment opposes the repeal of the EEE Rules. It repeats some of the information from the foregoing comment about the detrimental health impacts of pollution from energy production and states that EE is a cost-effective way to reduce energy demand and improve air quality. The comment urges the Commission to protect EE and invest more in programs that promote clean energy such as wind and solar.

AriSEIA also attached a comment filed by Arizona State University (“ASU”) on October 1, 2024. The comment opposes the repeal of the EEE Rules. It states that the preliminary EIS overlooked the substantial economic and societal benefits that have accrued to Arizonans over the last 15 years, asserting that APS’s 2023 DSM Annual Progress Report shows a return of \$4.77 for every \$1.00 spent on EE programs. The comment states that non-residential participants in APS’s Existing Facilities and Large Existing Facilities programs, such as ASU, “have realized a benefit to cost ratio of 1.96, with estimated total energy savings valued at \$15.6 million.” The comment states that for ASU, utility programs created by the EEE Rules have been critical to facility improvements that support more than 80,000 on-campus students by providing rebate incentives that are the incremental funding needed to implement EE projects, saving money for ASU and reducing air pollution and water usage. The comment states that repealing the EEE Rules “would merely create the illusion of rate savings while neglecting the tangible benefits that these investments have yielded,” including direct rebates, bolstered economic development, and cost-effective energy load growth management. The comments state that the EEE Rules must be maintained to support Arizona’s growth and ensure reliable and affordable energy.

AriSEIA also attached a comment filed by the Arizona Public Health Association on September 11, 2025. The comment opposes the repeal of the EEE Rules, stating that the EEE Rules have been one of the most cost-effective and impactful energy policies in Arizona, providing nearly \$4 in benefits for every \$1 invested and delivering a net benefit of \$1.3 to \$1.4 billion while reducing the need for new power plants. The comment states that EE policies strengthen grid reliability, thereby enhancing health and safety, and support a thriving local industry that employs more than 44,000 Arizonans. The comment also states that EE is the quickest, cheapest, and cleanest way to meet Arizona’s energy needs.

AriSEIA also attached a comment filed by Arizona Technology Council on September 12, 2025. The comment opposes repeal of the EEE Rules. The comment states that the cleanest and most affordable energy is the energy that does not need to be generated. The comment also states that the benefits of the EEE Rules include (1) the employment of over 44,000 Arizonans who design, manufacture, and install advanced energy systems; (2) lower costs for ratepayers (based on nearly \$4 in returns for every \$1 invested); and (3) grid stability and resilience from lowering peak demand.

AriSEIA also attached a comment filed by the Building Performance Association and 21 Arizona EE contractors, stakeholders, and business owners representing EE; insulation; heating, ventilation, and air conditioning (“HVAC”); building performance; and home improvement industries. The comment opposes the repeal of the EEE Rules. It states that EE programs provide the following critical benefits to Arizona businesses and residents: (1) energy and cost savings; (2) cost-effectiveness; (3) the ability to leverage federal tax credits and grants; (4) support for local small businesses; (5) support for local jobs; and (6) protection for seniors, low-income households, and other vulnerable communities. The comment includes the following enclosures: (1) a November 2017 National Renewable Energy Laboratory (“NREL”) document with infographics setting forth statewide consumer savings associated with specific EE measures, quantifying the annual average savings per household as well as the statewide savings; (2) an Internal Revenue Service (“IRS”) table displaying the total residential energy credits by state for tax year 2023; (3) a “2021 County Business Patterns” table displaying Arizona plumbing, heating, and AC contractors and drywall and insulation contractors and quantifying the number of firms and establishments, their employment, and their annual payrolls; (4) the preliminary EIS; (5) a United States Energy and Employment 2024 document with an infographic depicting employment by major technology application in Arizona (showing 44,313 for EE in 2024); (6) a 2023 E2, E4 The Future, and BW Research Partnership document with infographics regarding EE jobs in Arizona (showing, *inter alia*, 42,638 jobs and 10,454 EE businesses in Arizona in 2022 and that most EE businesses have fewer than 100 employees); and (7) a 2023-2024 E4 The Future “Faces of EE” document showing a number of individuals working in the Arizona EE industry.

AriSEIA also attached a comment filed by Ceres BICEP (Business for Innovative Climate and Energy Policy) Network on October 2, 2024, opposing repeal of both the REST Rules and the EEE Rules. The comment states that the rules established a stable policy environment for development of competitive low-cost energy and efficiency solutions and are important drivers of economic opportunity in Arizona. The comment references but does not include a 2020 Strategen and Ceres study regarding the benefits of the REST Rules. The comment states that EE helps to keep the state’s grid reliable and businesses competitive and drives consumer choice. The comment states that the EEE Rules have been an economic engine for the state, delivering \$4 in benefits for every \$1 invested and supporting more than 44,000 jobs. The comment states that cost-effective EE and DSM programs meet customer

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needs and help businesses stay competitive by reducing their energy costs and freeing up resources for further investment and growth. The comment states that a growing number of companies in Arizona have set goals to invest in EE and support the EEE Rules. The comment states that EE programs bring federal benefits to Arizona by leveraging federal tax credits and grants and that utility EE programs are key to supporting Arizonans in taking advantage of more than \$150 million in Home Energy Rebates authorized for Arizona by the Inflation Reduction Act ("IRA"). The comment states that shifting to voluntary standards would create significant policy uncertainty and could impact Arizona's competitiveness for federal investment. The comment attached an August 20, 2021, letter from 34 businesses to the Commission, filed in Docket No. RU-00000A-18-0284, expressing the businesses' support for an EE standard of 35% by 2030 as well as a 100% carbon-free electricity standard. The letter focused primarily on Arizona's clean energy policies under the REST Rules. Ceres's comment also attached the *Arizona Renewable Energy Standard and Tariff: 2020 Progress Report* prepared by Strategen Consulting, LLC ("Strategen") for Ceres. The study describes the benefits of the REST Rules.

AriSEIA also attached a comment filed by Chispa Arizona on September 24, 2024, urging the Commission to support greater investments in EE because EE technologies and practices help lower energy consumption, resulting in lower utility bills. The comment states that Arizona cities have some of the most polluted air in the country and that EE cuts emissions and air pollution. The comment asserts that the EEE Rules should be maintained "unless a clear plan is in place to shield customers from rising utility bills" because utilities have no financial incentive to prioritize EE.

AriSEIA also attached a comment filed on October 7, 2024, on behalf of SouthEastern Arizona Community Action Program, Community Action Human Resources Agency, Western Arizona Council of Governments, Northern Arizona Council of Governments, Coconino County Health and Human Services, A New Leaf: MesaCAN, and the City of Glendale, supporting continuation of the EEE Rules. The comment states that EE has a positive impact on low-income Arizona families each year and that energy assistance and weatherization services are core parts of this effort to help low-income households lower their energy expenses. The comment urges the Commission to preserve and strengthen the EEE Rules.

AriSEIA also attached a comment filed on September 30, 2024, on behalf of Common Defense, urging the Commission not to eliminate the EEE Rules without a plan to protect customers from rising utility bills. The comment urges the Commission to support increased investments in EE because EE measures protect families, including those of service members and veterans who are often on fixed incomes and often are living paycheck to paycheck. The comment states that repealing the EEE Rules will hurt these families and America's military readiness. The comment also states that EE policies create jobs in other states and that programs aimed at helping veterans and their families find these jobs will benefit local communities and Arizona. The comment also states that the Commission should "update its flawed and outdated" IRP rules before repealing rules that protect consumers and the public interest.

AriSEIA also attached a comment filed by the City of Flagstaff on September 27, 2024, opposing the repeal of the EEE Rules. It states that the EE programs established under the EEE Rules provide critical resources that benefit Arizona households, businesses, workers, and ratepayers and that abolishing these programs would have a direct negative impact on Arizona residents and businesses. The comment lists the following benefits from EE programs: energy and cost savings (citing NREL modeling showing that EE insulation and duct sealing improvements would be cost-effective for more than 65% of Arizona households, with annual savings of \$86 per year and a total statewide savings potential of \$98 million), cost-effectiveness (citing the EEE Rules' requirement), leverage of federal benefits (stating that more than 46,000 Arizonans received the 25C EE home improvement tax credit in 2023, representing \$41 million, and noting the more than \$150 million in Home Energy Rebates authorized for Arizona by the IRA), benefits to local small businesses (stating that the EE industry is primarily composed of small businesses with fewer than 20 employees), support for local jobs (stating that the EE industry included more than 44,000 workers in 2023), and support for equity (stating that EE programs help the most vulnerably Arizonans).

AriSEIA also attached a comment filed on October 2, 2024, on behalf of the SouthEastern Arizona Community Action Program and the Western Arizona Council of Governments, including some of the same language as in the October 7, 2024, comment described above. The comment emphasizes the value of EE programs to low-income households and urges the Commission to preserve and strengthen the Commission's EEE Rules.

AriSEIA also attached a Joint Stakeholder Proposal for Rules Repeal Alternative ("Proposal"), filed in this docket and the REST Rules docket on October 2, 2024, on behalf of Chispa Arizona, AriSEIA, Moms Clean Air Force, Keep Sedona Beautiful, Arizona Faith Network, Common Defense, Mountain Mamas, VetsFWD, Sierra Club, Vote Solar, Elders Climate Action – AZ, Arizona Interfaith Power & Light, Western Grid Group, Western Clean Energy Campaign, Climate Cabinet Action, Rural Arizona Action, Solar United Neighbors, the Southwest Energy Efficiency Project ("SWEET"), Citizens Climate Lobby, AZClimate Action, Grand Canyon Trust, Northern Arizona Cli-

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mate Change Alliance, and Physicians for Social Responsibility (Arizona Chapter). The Proposal opposes the repeal of the REST Rules and EEE Rules and asks the Commission to strengthen and expand them instead. The Proposal includes: (1) an EE resource standard requiring a 1.3% annual energy savings and a 35% cumulative energy savings by 2030; (2) a technology-neutral clean energy standard of 100% by 2050; and (3) modifications to the IRP process, including Commission approval rather than acknowledgement of Action Plans. The comment included as Attachment A the original Proposal filed in Docket No. RU-00000A-18-0284 on March 12, 2020, which included reline and clean versions of extensive proposed modifications to the Resource Planning and Procurement Rules in A.A.C. Title 14, Chapter 2, Article 7, as well as to the REST Rules and EEE Rules.

AriSEIA also attached a comment filed by Local First Arizona on October 1, 2024, urging the Commission to maintain the EEE Rules. It states that the EE standards have provided businesses with valuable rebates and programs to replace old equipment while saving energy and boosting productivity, reducing operating expenses and increasing property value. The comment states that the EEE Rules have generated 7,100 KWh of energy savings since their inception (combined energy savings from TEP and APS DSM reports from 2010 through 2023), saving small business owners thousands of dollars each year. The comment states that in 2023, commercial and industrial EE programs produced savings of 27,083,930 kWh for TEP and 58,403 MWh for APS (citing 2023 DSM Annual Progress Reports). The comment also states that the EE standards have saved locally owned businesses money, increased employment, and provided business owners with the tools they need to plan and grow their businesses sustainably.

AriSEIA also attached a comment filed by Mormon Women for Ethical Government on September 15, 2025, opposing repeal of the EEE Rules. The comment states that EE is a key part of good economic policy because it consistently delivers savings at a lower cost than building new power plants and improves grid reliability (citing ACEEE). The comment states that households and businesses have saved hundreds of millions of dollars on utility bills since the implementation of EE programs, which helps families, especially low-income households. The comment states that EE eases strain on the grid during peak summer conditions by reducing demand, requires no fuel, and consumes very little water. The comment also states that EE supports local jobs in construction, retrofitting, HVAC, and smart technology installation, providing stable employment in rural and urban communities. The comment states that repeal of the EEE Rules would increase utility costs, weaken the grid, and forfeit the economic and environmental advantages gained thus far. The comment urges the Commission to preserve and strengthen the EEE Rules.

AriSEIA also attached a comment filed by Mormon Women for Ethical Government on September 30, 2024, asking the Commission to support and expand the EEE Rules. The comment stated that EE programs are cost-effective for both consumers and providers, that every dollar of ratepayer money invested in EE returns at least \$4 in benefits to ratepayers, that it is much less expensive to provide EE programs than to generate more electricity by buying or building new power plants, that the EEE Rules contribute to grid reliability and lower the risk of outages (a matter of public safety), and that the EEE Rules reduce air pollution and thus make Arizona safer for families.

AriSEIA also attached a comment from Northern Arizona University ("NAU"), encouraging the Commission to maintain the EEE Rules to drive EE "and a host of co-benefits for all consumers" in Arizona. The comment states that NAU spends approximately \$6.5 million per year "in electrical utilities," that programs that facilitate deployment of EE help to stabilize or reduce long-term operational costs, and that NAU would spend an additional \$1 million or more if it had not reduced its electrical consumption through APS-supported EE programs over the past five years. The comment states that the savings have a direct impact on students and their families of approximately \$50 per student per year, contributing to greater accessibility to higher education. The comment states that NAU is committed to partnering with APS to continue its cost saving measures and has targeted a reduction of more than 25% in electrical consumption by 2030. The comment states that rebate programs help customers deploy EE measures by removing the major barrier of significant up-front costs. The comment states that eliminating the EEE Rules would undermine the least cost means of meeting energy demand and thereby increase the costs of meeting demand and capacity, ultimately increasing NAU's long-term electrical costs, and that all customers benefit when the peak energy demand is reduced. The comment states that ACEEE estimates that for every \$1 spent by APS on EE for non-residential facilities, approximately \$4 in benefits result. The comment also praised APS contractors involved in the EE programs from which NAU has learned about inefficiencies and potential cost-effective EE measures.

AriSEIA also attached a comment filed by the Governor's Office of Resiliency in this docket, the REST Rules docket, and the docket for repeal of the Gas Utility Energy Efficiency Standards Rules ("Gas EE Rules") (Docket No. RG-00000A-24-0024) on October 1, 2024, urging the Commission to preserve the REST Rules and EEE Rules. The comment states that the EEE Rules are a cost-effective tool for consumers to decrease their energy consumption, improve the overall reliability of the grid, and serve as an additional energy resource pool that decreases utilities' need to build additional energy generation. The comment states that the Commission has previously acknowledged that Arizonans have faced increasing costs of living, particularly impacting the most vulnerable households living

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paycheck to paycheck. The comment states that the U.S. Energy Information Administration has determined that households facing energy insecurity spend 26% more on energy per square foot compared to households that are more energy secure and that NREL has determined that a full package of EE improvements (like LED lighting, duct sealing, smart thermostats) could save \$685.5 million per year in bills for Arizona residents. The comment states that DSM/EE helps households become more financially secure and contributes to grid reliability by establishing an additional energy resource pool and decreasing utilities' need to build generation and thus the costs borne by customers. The comment states that through APS's thermostat program, residential customer homes eliminated approximately 140 MW of peak energy demand in summer 2024 (citing a September 2024 APS press release on its VPP program).

AriSEIA also attached a comment filed on behalf of the Arizona PIRG Education Fund and The Nature Conservancy Arizona on October 1, 2024. The comment states that the EE standards have provided a reasonable, successful, and consistent baseline for the electric utilities to maintain and expand their existing EE programs and develop innovative pilot programs and have provided valuable options for low- and fixed income customers without the financial means independently to weatherize their homes or benefit from other energy cost-saving programs like smart thermostats. The comment states that overall load growth and peak load growth are soaring in Arizona and that the EEE Rules have caused utilities to implement programs that achieve energy and cost savings during the summer peak demand period, benefiting all ratepayers. The comment states that new generation and investment in new capital infrastructure is expensive for everyone and that EE/DSM and demand response programs can help avoid those costs while providing the highest return on investment. The comment also posed a number of questions and asserted that the preliminary EIS was inadequate because it did not appear to have considered certain data and information. The comment concluded that answers to the questions posed would provide the Commission a true evaluation of the net positive results of the EEE Rules and provide guidance for next steps.

AriSEIA also attached a comment filed on behalf of Arizona PIRG Education Fund and The Nature Conservancy Arizona on January 7, 2025, requesting that the Commission explore modern and innovative approaches to integrating economic analyses into their regulatory decision-making processes, recognizing its role as a driver of economic development and its significant impact on the state's economy. The comment repeats assertions made in the October 1, 2024, comment and requests that (1) the Commission postpone the elimination of the EEE Rules until a comprehensive review of existing rules is evaluated and a comprehensive assessment of the furtherance of the rules, with an emphasis on enhancing economic return on investment, is conducted; and (2) the Commission agree to have further discussions on establishing a modern and metrics driven EE program to benefit all Arizonans in the coming years. The comment states that it relied upon an attached November 22, 2024, memorandum by Rounds Consulting Group, Inc. ("RCG"). The RCG memo provides a preliminary summary and evaluation of the EEE Rules "from an economic development perspective and provides recommendations related to achieving additional efficiency within energy programs." The RCG memo criticizes the preliminary EIS as unsupported by empirical data and lacking in proper analysis of the broad economic implications of the EEE Rules, such as helping to avoid costly capital investments in new generation resources and providing net savings to utility customers. The RCG memo agreed with an analysis conducted by SWEEP finding that APS and TEP's EE programs avoided more than 1,794 MW of capacity investments from 2010 to 2023 and that this produced a net economic benefit of more than \$1.7 billion to Arizona customers during that period. The RCG memo states that the economic "costs" presented to the Commission are invalid and should not be considered and that the Commission should consider a true cost-benefit analysis before making a decision on the EEE Rules. The RCG memo also recommends that the Commission support modification or replacement of the EEE Rules with an emphasis on reducing peak load and load growth, producing monthly customer bill savings, and advancing economic development. The RCG memo asserts that the EEE Rules "were found to be vague in terms of how they would create economic value" and were "created using arbitrary goals and lacked formal analysis in identifying the specific thresholds used for energy demand reduction." The RCG memo states that the Commission should consider approving a more refined EE program that includes data collection and analysis through Commission order rather than administrative rule. The RCG memo also recommended two options: (1) that the commenters request that repeal of the EEE Rules be postponed "until a comprehensive review of existing rules can be evaluated to enhance economic return on investment"; or (2) that the commenter request that the Commission repeal the EEE Rules in 2024 and agree to further discussions on establishing a more effective EE program in 2025.

AriSEIA also attached a comment filed by Physicians for Social Responsibility on September 19, 2024, urging the Commission to halt the rollback of energy conservation efforts and instead adopt policies promoting EE. The comment states that adopting EE standards in Arizona is critical for protecting public health and mitigating the effects of climate change by reducing greenhouse gas emissions and air pollutants that contribute to respiratory and cardiovascular diseases. The comment also states that EE reduces the energy needed to power buildings, transportation, and industry and thereby lowers the overall carbon footprint. The comment states that EE is a vital tool for cli-

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mate adaptation and resilience, reduces energy costs for households and businesses, creates healthier indoor environments, and can save lives and improve well-being while contributing to a more sustainable future.

AriSEIA also attached a comment filed by the Phoenix Union High School District (“PXU”) on September 27, 2024, stating that EE is essential to creating a better learning environment and benefits Arizona’s environment, economy, and communities. The comment states that, by implementing EE building designs and optimizing performance, PXU has significantly reduced operating costs with the help of programs available through APS’s Schools Program. The comment states that PXU has achieved estimated annual energy savings of over 1,200,000 kWh and reduced carbon emissions equivalent to the elimination of 17.5 million pounds of carbon dioxide. The comment states that PXU has also “reduc[ed] the generation of energy equivalent to saving 4.5 million gallons of water.”

AriSEIA also attached a comment filed by RUCO in this docket, the REST Rules docket, and the Gas EE Rules docket on October 1, 2024, opposing repeal of the EEE Rules, REST Rules, and Gas EE Rules and stating that the rules should be retained because they are reasonable and prudent, foster economic investment in Arizona, promote reliability, and save customers money. The comment states that EE programs are some of the easiest, most cost-effective ways for customers to control their growing energy bills. The comment also states that every approved EE program meets the cost-effectiveness test—meaning that each program saves more than it costs. The comment adds that these savings benefit all customers, not just those who participate in the programs. The comment states that between 2010 and 2022, TEP estimated a cumulative annual energy savings of 2,059,878 MWh (citing TEP’s Application for 2022 EE Implementation Plan) and that in summer 2024, APS’s thermostat program included nearly 90,000 thermostats and eliminated approximately 140 MW of peak energy demand during one of the summer thermostat events (citing an APS press release from September 2024). The comment states that EE, particularly DSM programs, benefit residential ratepayers by lowering energy bills, hedge against fluctuating market prices, reduce the stress on the grid during high demand, promote equity for families with high energy burden, and diversify utility resource portfolios.

AriSEIA also attached a comment filed by Sierra Club on September 12, 2025, opposing repeal of the EEE Rules but recommending that, if the Commission decides to repeal the EE standards in R14-2-2404, the Commission preserve the other sections of the rules because they contain important provisions related to DSM plans, monitoring and reporting, and consumer protections. The comment states that Arizona’s EEE Rules have been effective, saving money for ratepayers by requiring utilities to offer cost-effective programs that conserve energy and lower electric bills. The comment states that from 2010 to 2023, the EEE Rules have achieved more than 7,100 GWhs of energy savings annually, enough to power nearly 1 million homes. The comment states that EE is the cheapest, most competitive energy resource option available, costing at least three or four times less than other options (citing TEP’s 2017 IRP Plan), because reducing power consumption through EE is much less expensive than building new generation resources. The comment states that from 2010 to 2023, every \$1 of APS and TEP ratepayer money invested in EE has resulted in a return of approximately \$4 in economic and social benefits (citing 2010 to 2023 Annual DSM reports of TEP and APS) and that EE has created more than 42,000 jobs in Arizona (citing a 2023 E4 The Future document). The comment states that businesses need regulatory certainty and that repealing the EEE Rules would harm Arizona businesses by increasing risks and costs, potentially dissuading businesses from investing in Arizona. In addition, the comment states that the revised preliminary EIS shows the harmful effects of repealing the EEE Rules, including higher utility bills over time, impacts to grid reliability, increased air pollution, regulatory uncertainty, and higher energy costs for businesses. The comment also states that the revised preliminary EIS still failed to fully analyze the impacts of repealing the EEE Rules because it used qualitative rather than quantitative analysis, did not include information obtained by interviewing utilities other than APS and TEP, and continued to suggest the availability of federal EE incentives authorized under the IRA although the federal incentives have been weakened or partially repealed under the current federal administration. The comment also states that Staff’s Proposed Order lacked analysis to support its recommendation and contradicted the conclusions of the revised preliminary EIS. The comment asserts that the EEE Rules should not be repealed but instead strengthened and extended to require a new EE standard of 35% cumulative energy savings by 2030 and that the revised preliminary EIS be updated.

AriSEIA also attached a comment filed by Sierra Club on October 1, 2024, opposing repeal of the EEE Rules and REST Rules. The comment states that Arizona’s EE standards save ratepayers money by requiring utilities to offer cost-effective programs that conserve energy and lower electric bills. The comment includes the same savings, comparative cost, economic benefit, and jobs figures as included in the September 12, 2025, comment. The comment states that if the EEE Rules are repealed, critically important EE programs that help seniors, low-income households, and other vulnerable communities to reduce their utility bills could be eliminated. The comment also includes the same information about harm to businesses from the repeal of the EEE Rules. The comment also asserts that the preliminary EIS did not adequately analyze the impacts of repealing the EEE Rules. The comment states that the Commission should adopt new strengthened and extended EEE Rules.

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AriSEIA also attached a comment filed by David Ortega, then-Mayor of the City of Scottsdale, on October 1, 2024, opposing the repeal of the EEE Rules and urging the Commission to adopt a rule that maintains a robust EE standard. The comment states that EE carries immense benefits for the economy, public health, and environment and that Arizona risks falling behind other states instead of continuing to progress as a leader in energy innovation if the EEE Rules are repealed. The comment states that utility rebates and incentives have allowed Scottsdale businesses and homeowners to make EE upgrades, saving money and contributing to sustainability goals. The comment states that by reducing overall demand for electricity, EE eases pressure on the grid, particularly during peak periods, ensuring more reliable service and limiting the need for costly infrastructure expansion.

AriSEIA also attached a comment filed in the REST Rules and EEE Rules dockets by the Energy Transformation Working Group of Sustainable Tucson on September 23, 2024. The comment states that climate change is directly contributing to heatwaves, wildfires, floods, and hurricanes that are increasing in scale, frequency, intensity, and health and economic impacts. The comment adds that, over the last ten years, annual heat-related deaths in Arizona have steadily risen by a factor of six. The comment also states that strong support for EE and appropriate utility regulation is needed to avoid bloated utility rates and stranded fossil fuel assets resulting from misguided investment decisions.

AriSEIA also attached a comment filed by SWEEP on October 3, 2024, opposing repeal of the EEE Rules. The comment states that the EEE Rules have been one of the Commission's most successful consumer protection policies, safeguarding Arizona's most vulnerable populations, boosting employment, enhancing grid resiliency, and saving ratepayers billions of dollars. The comment states that the preliminary EIS failed to include the quantifiable benefits of the EEE Rules for utilities, customers, and the economy, and that its analysis was thus flawed and reached improper conclusions. The comment states that eliminating the EEE Rules would allow utilities complete discretion in efficiency investment without addressing how DSM planning and implementation will be conducted in the future and thus will result in much higher utility bills. The comment states that, instead of repealing the EEE Rules, the Commission should "investigate the next iteration" of them. The comment states that SWEEP analyzed the savings from technology-based programs reported in APS and TEP DSM reports and asserts, inter alia, that from 2010 through 2023, EE programs avoided more than 1,794 MW of capacity additions, every \$1 of ratepayer money resulted in nearly \$4 in benefits to ratepayers, EE programs delivered more than \$1.7 billion in net economic benefits, EE created more than 40,000 jobs in Arizona, and EE programs have saved more than 19 billion gallons of water. The comment provides various graphs showing first year and cumulative energy savings from EE programs, peak demand contributions from DSM programs due to the EEE Rules, the leveled cost of EE over time, the years required to pay back EE investments, the societal costs and benefits of EE programs, the total water conserved and air pollution reduced due to EE programs, net benefits by customer class (residential versus commercial and industrial), and a breakdown of household energy use. The comment also attributes improvements in utilities' resource planning and IRPs to the EEE Rules' causing utilities to incorporate EE savings into IRP modeling and thus enabling EE to serve as a capacity resource. The comment concludes by stating that EE is the only utility resource that reduces customer energy bills and the need for more expensive supply-side resources, while enabling the growth of the private marketplace. The comment attached a table displaying the combined savings results (including water and pollution savings) of APS's and TEP's technology-based EE programs from 2010 to 2023, a list of the eDocket locations for DSM Annual Reports by APS and TEP, a copy of a SWEEP comment on utility stranded assets (prepared for Docket No. RU-00000A-18-0284), an analysis of APS's 2020 IRP prepared for SWEEP by Strategen, a Summary of Alternative Resource Plan analysis concerning TEP's 2020 IRP prepared for SWEEP by Strategen, an analysis of TEP's 2020 IRP prepared for SWEEP by Strategen, and an AZ Energy Rules Analysis prepared for SWEEP by Strategen in 2021 (concerning Docket No. RU-00000A-18-0284).

AriSEIA also attached a comment filed by SWEEP on September 12, 2025. The comment states that Arizona's EEE Rules target of 22% by 2020 has run its course and that SWEEP does not oppose updating or retiring R14-2-2404 but that the remaining EEE Rules provide oversight and consumer protections against cost shift. The comment states that by adopting the EEE Rules in 2010, the Commission addressed a conflict between ratepayers who benefit from eliminating waste in the electric system and utilities who benefit from the increased revenues and investments resulting from sales growth. SWEEP states "By overcoming this dynamic, that would normally push utilities to drag their feet on DSM, the Commission succeeded in spurring the utilities to consider DSM in their portfolios." The comment states that, if the Commission decides to entirely repeal the EEE Rules, it should find alternative avenues to ensure that utilities continue to use DSM because otherwise there is a risk that utilities will over time back away from activities that reduce their sales. The comment adds that ratepayers who install attic insulation, window shades, or smart thermostats; who seal duct leaks; and who upgrade HVAC systems reduce their own bill but also lessen strain on the grid at peak hours, preventing the need for utility capital investment. The comment state "SWEEP supports closer examination of DSM programs to ensure funds are allocated in the most beneficial manner and putting in place stronger guardrails preventing overcollection and misuse of DSM funds." The comment attached SWEEP

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Proposed Amendment No. 1, which set forth language intended to repeal R14-2-2404 while retaining other Sections of the EEE Rules.

AriSEIA also attached a comment filed by Tó Nizhóní Ání on September 27, 2024, opposing repeal of the EEE Rules. The comment states that the Commission's EEE Rules are essential in supporting environmental integrity. The comment also states that EE programs can alleviate the pressure on natural resources like water and land and have saved Navajo and Hopi households and families a total of 11,892,000 kWh of energy. In addition, the comment states that EE promotes equitable access to clean, affordable energy while reducing the health impacts of pollution and creating jobs and economic prosperity.

AriSEIA also attached a comment filed by Daikin Comfort Technologies, North American Insulation Manufacturers Association, Opinion Dynamics, Owens Corning, and U.S. Green Building Council on October 1, 2024. The comment expresses concern that the Commission intends to repeal the EEE Rules without proposing an alternative. The comment states that EE remains the most cost-effective solution to meeting energy demand (costing at least five times less than alternatives); that every dollar invested in EE returns nearly \$4 in benefits to ratepayers; and that EE programs save consumers money, reduce strain on the grid, and have created 44,000 Arizona jobs.

AriSEIA also attached a comment filed by Vote Solar on September 15, 2025. The comment urges the Commission to preserve and modernize rather than repeal the EEE Rules because the rules have made energy more affordable and reliable for consumers. The comment states that consumers who invest in EE improvements realize savings on their monthly utility bills and also contribute towards long-term savings benefiting every ratepayer because of the reduction in need to build new power plants. The comment states that because utilities earn a rate of return on the total kWh sold, they face a financial disincentive when their customers reduce their energy usage. The comment states that repealing the EEE Rules would prevent the Commission from effectively monitoring utilities and ensuring that they continue to make investments in cost-effective EE measures that deliver savings for everyone and would deprive customers of access to important tools to help achieve energy savings during a time of increasing peak demand and rising energy costs. The comment requests that the Commission preserve the important monitoring and reporting provisions in the EEE Rules other than R14-2-2404.

AriSEIA also attached a petition filed by Vote Solar on September 30, 2024. The petition was signed by 369 Arizona residents. The petition opposes the repeal of the EEE Rules and the REST Rules. The petition states that these rules are instrumental in driving down utility bills, creating jobs, and reducing pollution. The petition requests policies that (1) expand renewable energy investments; (2) increase EE programs that save consumers money; and (3) protect communities that have been disproportionately harmed by fossil pollution, threatened by power cut-offs, and financially burdened by the high cost of energy.

AriSEIA also attached a comment filed by Vote Solar on September 30, 2024. The comment opposes the repeal of the REST Rules and EEE Rules and urges the Commission to revisit the joint stakeholders' Proposal of March 2020 (filed in Docket No. RU-00000A-18-0284 and described above). The comment states that the REST Rules and EEE Rules enhance Arizona's energy independence and security and promote affordability by promoting diverse energy sources and conservation of energy resources, provide consumers economic benefits, and provide health and environmental benefits and water conservation. The comment also states that the REST Rules and EEE Rules are critical for Arizona's economic and environmental well-being and that the preliminary EIS needed to be updated to account for their benefits. The comment urges the Commission to maintain the rules or, alternatively, to update the energy rules to set a goal for 100% reduction in carbon emissions.

AriSEIA also attached a comment filed by Western Grid Group on September 19, 2024, opposing repeal of the EEE Rules. The comment states that EE can improve grid reliability and stability by reducing overall demand, which helps lower the risk of outages and reduces the need for costly new power generation infrastructure. The comment states that the EEE Rules are essential because utilities have a disincentive to reduce customer energy, and repealing the rules will result in higher electric bills.

AriSEIA also attached a comment filed by Wildfire on October 1, 2024, opposing the repeal of the EEE Rules and asserting that they should instead be expanded. The comment states that households facing energy insecurity spend 26% more on energy per square foot and that this disparity is primarily attributed to the unaffordability of EE measures such as weatherization without EE program assistance. The comment states that EE programs are crucial to helping limited income households achieve more manageable energy costs. The comment also states that, from 2010 to 2024, APS and TEP's Limited Income Weatherization programs achieved savings of more than 668,000 MWh and that they would achieve more than 1.4 million MWh over the 18-year expected life of the EE measures. The comment states that in 2023, APS's program had 782 participating households and achieved annual savings of 3,353 MWh and encourages the Commission to expand access to programs providing direct financial benefits to low-income families.

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AriSEIA also attached a comment filed by Western Resource Advocates on October 1, 2024. The comment characterizes the Commission's directive to repeal the EEE Rules as unreasonable and inappropriate and requests that the Commission use this rulemaking process to engage with stakeholders in a comprehensive and good faith review of how the rule provisions can be updated and revised, asserting that the EEE Rules are now more important than ever due to the extraordinary levels of projected load growth in Arizona. The comment provides an overview and history of the EEE Rules and compares Arizona's EE to that of other states. The comment states that the preliminary EIS is insufficient because it provides no justification for repealing the EEE Rules and asserts without support, *inter alia*, that the repeal would minimally affect utilities and customers. The comment states that APS will rely on EE and demand response for 15-18% of its energy mix and will add approximately 2.5 GW of new DSM program savings over the next 15 years, that APS will need to make costly market purchases or invest in expensive generation resources if it instead removes EE programs, that APS reportedly spent approximately \$206 per kW overall and about \$60 per kW for demand response programs while all future generation resource options cost more than \$900 per kW (citing APS's 2023 IRP Plan). The comment states that peak day load would drop by approximately 36% if Phoenix area households replaced their AC equipment with efficient heat pumps (citing NREL's ResStock Tool) and further asserts that EE program rebates and marketing are critical for customers to make these changes. The comment states that APS spent \$69 million in 2023 on EE/DSM programs that resulted in approximately 334 MW of peak reductions and 408 GW of energy saved, with net benefits of more than \$97 million (citing APS's 2023 DSM Annual Progress Report). The comment states that for every \$1 collected from customers, APS programs generated more than \$2.02 in benefits for all customers (citing APS's 2023 DSM Annual Progress Report). The comment states that APS customers paid approximately \$6-8 per year per household through the DSMAC (citing APS's Energy Estimator) and that their bills would not be lower if the EEE Rules were repealed because for 2023 alone, APS would have paid \$300 million more to serve the peak load saved by its DSM programs and even more to provide the 408 GWh saved (citing APS's 2023 DSM Annual Progress Report and 2023 IRP Plan). The comment estimates that APS's DSM programs in 2023 saved participating customers approximately \$57 million (citing APS's 2023 DSM Annual Progress Report). The comment also states that EE programs subsidize all or part of the incremental cost for customers to purchase appliances that are more energy efficient than the federal minimum standard requires and that APS paid \$33 million in incentives to participating customers in 2023 (citing APS's 2023 DSM Annual Progress Report). The comment also states that local governments will be adversely impacted by the repeal of the EEE Rules because they have sustainability or climate action plans to reduce carbon emissions and rely on EE to meet their goals. The comment also states that over 44,000 people are employed in EE jobs in Arizona, and phasing out EE programs will likely lead to layoffs, which will impact tax revenue and local economies. The comment also provides data on the net environmental benefits provided by APS and TEP's DSM programs in 2023, which Western Resource Advocates estimates to have a value of \$794 million (citing APS and TEP 2023 Annual DSM Progress Reports and a November 2023 U.S. Environmental Protection Agency Report on the Social Cost of Greenhouse Gases).

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs

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offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission does not agree that repeal of the EEE Rules will result in instability or regulatory uncertainty. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

The APA establishes the process for rulemaking by state agencies, including the Commission, and requires an agency to summarize and respond to comments received during a formal public comment period, which starts the date the NPRM is published. See A.R.S. § 41-1024. The Commission exceeds this requirement by expanding the comments it summarizes and to which it responds by including all comments filed on or after the effective date of the decision wherein the Commission directed the publishing of an NPRM. The Commission's determination, consistent with the requirements of the APA, not to summarize and provide responses to all comments received before the decision directing the publishing of an NPRM does not mean that the comments submitted prior to the effective date of Decision No. 81496 (September 26, 2025) were ignored. Rather, it means that the Commission reviewed and considered those comments before determining what to include in the NPRM.

Many of the comments attached by AriSEIA were drafted by organizations that also submitted similar comments during the formal comment period, which are addressed herein. The comments generally oppose repeal of the EEE Rules, asserting the benefits of EE and the purported risks to ratepayers, the EE industry, and the environment, from a repeal. These issues are addressed in the information provided in response to AriSEIA's initial comment.

Specifically in reference to allegations that repealing the EEE Rules would be unlawful, the Commission disagrees. The Arizona Constitution grants the Commission "full power" to prescribe just and reasonable rates and charges for public service corporations and to "make reasonable rules, regulations, and orders" governing such corporations. Ariz. Const. Art. 15 § 3. Further, the Arizona Constitution specifically grants the Commission the authority to repeal its rules. See Ariz. Const. Art. 15 § 3 ("classifications, rates, charges, rules, regulations, orders, and forms or systems prescribed or made by said corporation commission may from time to time be amended or repealed by such commission") (emphasis added). The Commission's Decision in this matter is supported by its Findings of Fact that the EEE Rules no longer establish an EE standard and are no longer necessary or in the public interest. The reasons for the Commission's changed position regarding the need for the EEE Rules are rational based on the factual conclusions made in its Decision, and the Commission's action in repealing the EEE Rules is neither arbitrary nor capricious based on its conclusions. The APA does not require the Commission to engage in an evidentiary process (such as a hearing) to adopt or repeal its rules, and the Commission's Rules Review Procedure (adopted in Decision No. 78544 (April 28, 2022) and amended in Decision No. 80698 (April 22, 2025)) ("RRP") also does not require such an evidentiary process. Like every other state agency, the Commission engages in rulemaking by publishing docket opening and proposed rulemaking notices in the Arizona Administrative Register, obtaining and considering public comments, deciding whether and how to move forward with rulemaking, and if it moves forward, approving a Notice of Final Rulemaking that either goes to the Attorney General for approval under A.R.S. § 41-1044 or goes directly to the Office of the Secretary of State for publication because the rulemaking is wholly authorized by the Commission's exclusive and plenary constitutional rulemaking authority under Arizona Constitution Article 15, § 3. The fact that the EEE Rules were adopted under the Commission's constitutional rulemaking authority did not create a requirement for an evidentiary process to be used in their adoption, and no such evidentiary process was used in their adoption. See Decision No. 71819 (August 10, 2010). Likewise, that fact does not create a requirement for an

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evidentiary process to be used in their repeal. Whether to enact, modify, or repeal rules is a policy determination to be made by an agency for areas within the agency's jurisdiction. The APA establishes requirements for the process to be used to accomplish the policy changes embodied by rules, or the repeal of rules. The legislature created the APA process, the Commission created its RRP to satisfy the A.R.S. § 41-1057(A)(2) requirement for the Commission to adopt a substantially similar process as a replacement for the Governor's Regulatory Review ("GRRR") process, and the Commission has complied with all applicable legal requirements.

The Commission notes that it currently is evaluating proposed modifications to the IRP Rules and the adoption of ASRFPs in Docket No. RE-00000A-22-0029 and that the Commission approved repeal of the REST Rules in Decision No. 81677 (March 10, 2026), issued in Docket No. RE-00000A-24-0026.

To the extent that comments included in AriSEIA's comment filing acknowledged that the EE standard in R14-2-2404 expired in 2020 and that the EEE Rules no longer establish an EE standard, the Commission appreciates the acknowledgment.

No change is needed as a result of AriSEIA's comment or the comments and reports attached thereto.

Public Comment

Abhay Padgaonkar (November 14, 2025)

The comment consists of a comment filed in this docket and the REST Rules docket by Mr. Padgaonkar on September 15, 2025. The comment opposes repealing the REST Rules and EEE Rules and characterized the preliminary EIS as "worthless" based on Western Resource Advocate's comments. The comment states that any "purported 'subsidy'" from the rules is far surpassed by the energy savings provided from the residential sector alone along with water savings and pollution reduction. The comment states that 25 years of Energy Information Administration data regarding average residential usage contradict assertions that the rules have resulted in unnecessarily higher costs to customers. The comment describes savings created by the REST Rules beginning in 2007. The comment provides graphics to support that the REST Rules and EEE Rules have driven down average residential usage for both APS and TEP customers. The comment states that the REST Rules and EEE Rules have resulted in combined energy savings from 2008 to 2024 of \$4.52 billion and that the Commission thus lacks an evidentiary basis to lawfully repeal the EEE Rules. The comment states that repealing the EEE Rules will only benefit the utilities' shareholders, boost profits, and harm ratepayers.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that

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utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their Integrated Resource Plans ("IRPs") and has consistently required affected utilities to use All-Source Requests for Proposal ("ASRFPs") for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Abhay Padgaonkar (November 14, 2025)

The comment, filed in this docket and the REST Rules docket, consists of an article that was published on 12News.com on October 16, 2025, titled, "Kill or Reform? Arizona Utility Regulators Target Energy Efficiency Mandates." The article provides data regarding residential usage savings and quotes Commissioners and stakeholders and criticizes the Commission's plan to repeal the REST Rules and EEE Rules. The article also quotes APS as saying that the VPP program will continue out of necessity and that APS will continue to operate its DSM programs and collecting DSM program costs through an adjuster mechanism, with or without the EEE Rules. The article also quotes a 2024 Pinnacle West report to investors characterizing EE, conservation, and rooftop solar, and their resultant reduced demand and savings, as operational risks if ratemaking mechanisms do not substantially offset them. The article also quotes the AG's assertion that repealing the EEE Rules is unlawful because the Commission must set just and reasonable rates and shows that APS's 2024 Energy Resource Report included DSM as 14% of its resources.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission has no control over what Pinnacle West or any other holding company says about operational risks or anything else and declines to comment on it.

As stated above at length, the Commission's repeal of the EEE Rules is not unlawful.

No change is needed as a result of this comment.

Public Comment

Valerie Piet (November 17, 2025)

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The comment opposes the repeal of the EEE Rules, stating that EE is the single most cost-effective way to reduce energy demand, lower utility bills, and minimize the need for expensive new generation. The comment states that the EEE Rules have proven effective and that repealing them will inevitably increase long-term costs for ratepayers. In response to comments by then-Vice Chair Myers, the comment states that no clear evidence has been presented that the mandate has harmed ratepayers or that they will be helped by repealing it. In addition, the comment states that removing a proven, cost-saving policy without clear justification undermines the Commission's responsibility to protect the interests of Arizona residents. The comment urges the Commission to retain the EEE Rules or replace them with an equally strong set of standards.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

No change is needed as a result of this comment.

Public Comment

Kathy Wagner (November 25, 2025)

The comment opposes lowering the "emission standards" and states that the current standards should be kept in place.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Thus, there is no standard to retain, only requirements that impose costs and do not result in increases in utilities' use of DSM/EE.

No change is needed as a result of this comment.

Public Comment

Ann Sawyer (November 25, 2025)

The comment opposes the repeal of the EEE Rules, stating that responsible leadership requires wise decision making for the well-being of the citizenry and future generations. The comment asks the Commission to consider the disruption to the many clean energy business ventures in Arizona that were started in the faith that they had the Commission's support.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the

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Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to “address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs” as allowed under R14-2-2410(l).

No change is needed as a result of this comment.

Public Comment

Gerald Anderson (November 25, 2025)

The comment states that a Commission study found that eliminating EE standards may require additional infrastructure investment or the use of less efficient peaking methane gas resources, and that the loss of subsidized programs, rebates, and technical support will most affect rural areas and low- and moderate-income households. The comment states that the \$1 billion cost of EE standards cited by Commissioners does not take into account that Arizona saw nearly \$4 in benefits from every \$1 spent. The comments stated that EE programs benefit families and businesses by giving them control over their energy use and costs and cause utilities to prioritize consumer needs rather than profits. The comment also states that because Arizona’s EE industry mostly consists of local businesses and employees 44,313 workers—the largest energy sector in the state—repealing the EEE Rules will significantly impact small and local businesses.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

Repealing the EEE Rules does not require electric utilities’ investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities’ current resources and will be addressed in utilities’ IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

Arizona’s electric utilities face tremendous growth, primarily but not exclusively from new commercial and industrial operations. DSM/EE programs alone will not be adequate to meet all of this growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Harry McDermott (November 26, 2025)

The comment opposes repealing the EEE Rules because they have lowered utility bills, reduced waste, and improved grid reliability and are critical for Arizona’s energy future. The comment states that repealing the EEE Rules risks higher energy costs, less reliable power, and lost jobs and would be irresponsible because consumers are already struggling with high costs of living. The comment also states that a Commission study found that eliminating EE standards may require additional infrastructure investment or the use of less efficient peaking methane gas resources, and that the loss of subsidized programs, rebates, and technical support will most affect rural areas

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and low- and moderate-income households. The comment states that the \$1 billion cost of EE standards should be considered in light of the \$4 billion in benefits created. The comment also states that Arizona's EE industry employs 44,313 workers—the largest energy sector in the state—and that repealing the EEE Rules will significantly impact small and local businesses.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

Arizona's electric utilities face tremendous growth, primarily but not exclusively from new commercial and industrial operations. DSM/EE programs alone will not be adequate to meet all of this growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Robert Bard (November 28, 2025)

The comment states that the commenter does not mind spending additional money for necessary additions or compensation but does not want it spent hurriedly and without safeguards.

Commission Response

The Commission is uncertain what the commenter's position is concerning the NPRM and thus is unable to respond, other than to say that the Commission agrees that safeguards to protect ratepayers are important.

No change is needed as a result of this comment.

Public Comment

Kent Gugler (November 28, 2025)

The comment opposes the repeal of the EEE Rules. The comment states that the environmental need has not changed and that the current fad for removing environmental rules to increase immediate profits is long term foolishness.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major

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driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRP and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Savannah Rhoden, et al. (December 1, 2025)

(The comment was filed with a Memorandum from the office of then-Chair Thompson stating that his office had received approximately 136 form emails from multiple consumers regarding this docket. The form email example provided was from Ms. Rhoden.)

The comment opposes the repeal of the EEE Rules, stating that they save money for ratepayers by requiring utilities to offer cost-effective programs that reduce energy use and lower electric bills by reducing peak demand and providing upgrades to air conditioners and other home appliances as well as energy audits and retrofits. The comment states that the EEE Rules have been a resounding success and from 2010 to 2023 achieved more than 7,100 GWh of energy-savings annually, enough to power almost 1 million homes. The comment also states that EE is the cheapest, most competitive energy resource option available, costing at least three or four times less than other options.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Thomas Swift (December 1, 2025)

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The comment opposes repealing the EEE Rules. It states that we must do what we can to reduce the harmful effects of climate change for future generations.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Additionally, the EE standard for 2020 has already been met by the affected utilities that were subject to the standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use.

Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Steve Winn (December 1, 2025)

The comment opposes repealing the EEE Rules. The comment states that the Commission's own research makes clear that eliminating these standards will raise costs for Arizona families and businesses, weaken rural and low-income communities, and harm one of the state's largest job-creating industries. The comment also states that a Commission study found that eliminating EE standards may require additional infrastructure investment or the use of less efficient peaking resources, and that the costs will be borne by ratepayers. The comment also states that the \$1 billion cost of EE standards should be considered in light of the financial benefits created. The comment states that Arizona's EE industry employs 44,313 workers—the largest energy sector in the state—and that repealing the EEE Rules will significantly impact small and local businesses. In addition, the comment states that the EEE Rules create certainty and consistency, ensuring that all customers, regardless of geography or income, have access to reliable programs, rebates, and assistance. The comment states that repealing the EEE Rules will shift all risk back to consumers, making the use of EE discretionary for utilities, and is not good governance or in the public interest.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

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Public Comment

Arizona Alliance for Retired Americans ("AARA") (December 2, 2025)

The comment states that the AARA, which is composed of nearly 50,000 union retirees and older Arizonans, opposes the repeal of the EEE Rules because EE is the cheapest energy resource available and provides nearly \$4 of benefits for every \$1 invested, providing seniors with simple and effective ways to manage their energy use and keep costs down, which is especially important during summer months. The comment states that without standards in place, utilities have less incentive to help customers save energy and money. The comment also states that EE programs support more than 44,000 Arizona jobs, most of which are at local small businesses and many of which are held by veterans. The comment urges the Commission to keep the EEE Rules in place.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Julie Pindzola (December 2, 2025)

The comment states that over-reliance on expensive oil and gas energy sources is undesirable for Arizona. The comment states that, compared to gas, renewables are less expensive, use less water, and reduce CO2 and methane emissions. The comment states that Arizona is hotter and requires more air conditioning use; suggests that the Commission desires less clean air, a diminishing water supply, a hotter climate, and higher rates; and calls the proposed repeal "wrong headed."

Commission Response

The Commission believes that the commenter's focus on renewables indicates that this comment may be addressing the REST Rules rather than the EEE Rules. The repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

To the extent that the comment is intended to oppose repeal of the EEE Rules due to the economic and environmental benefits of DSM/EE programs, the Commission notes that the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be

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able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Elizabeth Wilkening (December 2, 2025)

The comment opposes the repeal of the EEE Rules. The comment states that the members of the Commission were elected to represent ratepayers and not utilities. The comment states that energy costs are increasing in Arizona because of data centers and the volatile price of methane gas, not the EEE Rules. The comment states that repealing the EE standard risks higher energy costs, less reliable power, and lost jobs and that it is irresponsible to shift away from clean energy goals at the expense of consumers, who are already struggling with high costs of living. The comment adds that repealing the EEE Rules will significantly impact small and local businesses because the EE industry employs 44,313 workers, and 93.6% of EE businesses are locally owned. The comment urges the Commission to retain or strengthen the EEE Rules.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use.

Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Molly McKasson (December 2, 2025)

The comment opposes the repeal of the EEE Rules, stating that to serve the public fairly and ensure a sustainable future for Arizona, the Commission must keep its EE mandates and thereby reduce waste, lower bills, and ensure grid reliability.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Additionally, the EE standard for 2020 has already been met by the affected utilities that were subject to the standard.

Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

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No change is needed as a result of this comment.

Public Comment

Franklin Energy (December 3, 2025)

The comment states that Franklin Energy delivers EE and grid optimization programs through utilities and opposes repealing the EEE Rules. The comment states that the EEE Rules have generated many net benefits (more than \$1 billion) for Arizona's economy by reducing the need for costly new power infrastructure and supporting tens of thousands of local jobs across construction, engineering, manufacturing, and research sectors. The comment notes that Arizona's EE industry employs more than 44,000 workers and that 93% of EE businesses are locally owned. The comment states that repealing the EEE Rules would put these jobs at risk, which would have a ripple effect on local economies. The comment states that the EEE Rules have also strengthened grid reliability and supported the competitiveness of Arizona businesses. The comment states that energy-efficient buildings are increasingly attractive to tenants, buyers, and investors, leading to higher occupancy rates and better long-term value retention and that EE is a practical and effective way to future-proof properties against rising operating costs. The comment states that repealing the EEE Rules "would undermine a critical policy lever that supports affordability, reliability, and economic development in Arizona" and would threaten the livelihoods of those who work in the EE industry. The comment urges the Commission to maintain and enhance the EEE Rules.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Karen MacDonald (December 3, 2025)

The comment opposes the repeal of the EEE Rules, stating that they have been a success, as APS and TEP have reduced energy usage by 26 to 28%. The comment also states that the Commission should keep this momentum by updating the EEE Rules rather than repealing them. In response to Commissioner statements that the rules have caused utilities to incur costs that have been passed on to ratepayers, the comment states that the rules have significantly reduced demand and the need for new infrastructure, the cost of which would be passed on to ratepayers. The comment states that the rules have enabled customers to buy energy efficient appliances to reduce their energy costs and notes that the revised preliminary EIS states that some customers could see increased energy bill

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costs as they continue to use old appliances because they cannot afford new ones. The comment points out that the revised preliminary EIS also states that low- and moderate-income households—especially in rural areas—could be disproportionately affected by the loss of subsidized programs, rebates, and technical support designed to reduce energy burden and improve affordability. The comment states that the Commission’s mandate is to protect ratepayers by regulating utilities and urges the Commission to update rather than repeal the EEE Rules.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Additionally, as noted by Ms. MacDonald, the EE standard for 2020 has already been met by the affected utilities that were subject to the standard.

The Commission notes that the benefits from the EEE Rules came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to “address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs” as allowed under R14-2-2410(I). Low- and moderate-income ratepayers have paid these costs as well.

Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Julie Boston (December 3, 2025)

The comment states that with the construction of data centers and the growth of development, the valley is under significant strain, and utility customers are already seeing higher energy bills. The comment states that removing assistance and sound EE advice seems counter to the Commission’s mission. The comment states that Arizona’s air quality is poor, the water supply is in question, and energy bills are increasing along with summer temperatures. The comment states that elected officials need to address the problems of today but also in the future to help Arizona and its residents live a healthy and productive life.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers.

Repealing the EEE Rules does not require electric utilities’ investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations.

No change is needed as a result of AriSEIA’s comment or the comments and reports attached thereto.

Public Comment

Troy Horton (December 4, 2025)

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The comment opposes the repeal of the REST Rules and does not mention the EEE Rules. However, the comment expresses concerns regarding Arizona's vulnerability to climate change and states that fossil fuel generation exacerbates the risks of rising temperatures, prolonged droughts, and wildfires while consuming vast amounts of water. The comment also expresses concerns related to public health, noting that fossil fuel pollution contributes to asthma, heart disease, and heat-related illness.

Commission Response

This comment primarily addresses the REST Rules rather than the EEE Rules. The repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

To the extent that the comment is intended to oppose repeal of the EEE Rules due to the environmental benefits of DSM/EE programs, the Commission notes that the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Jovita Fine (December 4, 2025)

The comment does not mention the EEE Rules but states that the citizens of Arizona want clean air, water, and soil and the benefits of solar energy. The comment requests that the Commission help lower the cost of utilities as Arizona moves to cleaner sources of energy. The comment also states that now is not the time to take back constructive clean energy progress.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

To the extent that this comment addresses the REST Rules (concerning mandates for the use of renewables such as solar) rather than the EEE Rules, the repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

No change is needed as a result of this comment.

Public Comment

Michael Sills-Trausch (December 4, 2025)

The comment opposes the repeal of the EEE Rules. The comment states that the United States has enjoyed the benefits of a regulated capitalist economic system for nearly 100 years, ensuring that markets are served and stockholders are rewarded. The comment states that rolling back EE regulations would be a reversion to a time when capitalists were favored and consumers were forced to swim upstream. The comment states that EE is how manufacturers and suppliers respond to markets in a socially responsible way and that the changed climate demands more EE. The comment also states that high inflation will worsen as consumers pay higher prices for the energy their products require and urges the Commission to retain and promote EE.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Additionally, the EE standard for 2020 has already been met by the affected utilities that were subject to the standard.

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The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use.

Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Ceres (December 4, 2025)

The comment opposes the repeal of the EEE Rules. The comment states that the EEE Rules have delivered \$4 in benefits for every \$1 invested while reducing the need for costly new power plants, that the EE sector employs 44,000 Arizonans ranging from construction and engineering to manufacturing and research, and that cost-effective EE and DSM programs help Arizona businesses stay competitive by lowering energy costs and freeing up resources for investment and growth. The comment states that since the EEE Rules were adopted, more than 2,000 MW of peak demand savings have been attained by customers of APS, TEP, and UNSE, avoiding costly investments, lowering bills, and delivering more than \$1.7 billion in net economic benefits. The comment states that due to the Commission's scaling back of APS's DSM program, the grid will face more strain and need more investments to maintain reliability. In addition, the comment states that buildings that are energy-efficient are more attractive to tenants and buyers, have higher occupancy rates, and tend to hold their value better over time. The comment urges the Commission not to repeal the EEE Rules.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in

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determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Sierra Club (December 4, 2025)

The comment opposes the repeal of the EEE Rules. The comment states that Arizona's EE standards have saved money for ratepayers by requiring utilities to offer cost-effective programs that conserve energy and lower electric bills and cites the same statistics set forth in earlier Sierra Club comments. The comment states that EE is the cheapest, most competitive energy resource option available, costing at least three or four times less than other options. The comment states that if the EEE Rules are repealed, critically important efficiency programs that help seniors, low-income households, and other vulnerable communities reduce their utility bills could be eliminated and that residential ratepayers will be harmed. The comment also states that repealing the EEE Rules would harm businesses, which need regulatory certainty and consistent policies that keep costs low. In addition, the comment states that the revised preliminary EIS, although it identifies many of the harms of repealing the EEE Rules, does not adequately address the impacts of repealing the EEE Rules. The comment recounts a number of the harms identified in the revised preliminary EIS but states that it is still flawed because it provides only qualitative analysis, did not include information obtained by utilities other than APS and TEP, and appeared to rely on the continued availability of IRA incentives. The comment also takes issue with statements made in the preamble to the NPRM. The comment states that the repeal is too broad and is unsupported by evidence or analysis. The comment states that it would be understandable to update the EE targets in R14-2-2404 but that the rest of the rules should not be repealed. The comment states that repealing the rules will reduce transparency and weaken oversight of utilities' DSM programs by eliminating reporting requirements and program criteria. The comment states that the Commission should adopt new, strengthened, and extended EEE Rules or, if it desires to repeal R14-2-2404, maintain the remaining sections of the rules.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

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The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission does not agree that repeal of the EEE Rules will result in instability or regulatory uncertainty. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

The Commission notes that the Final EIS is updated from the revised preliminary EIS and, further, that the Commission also included only qualitative analysis when it adopted the EEE Rules in Decision No. 71819. Those rules were, in an abundance of caution and without waiving the Commission's position that they were adopted wholly under the Commission's exclusive and plenary constitutional ratemaking authority, submitted to the AG for approval under A.R.S. § 41-1044 and were approved by the AG.

No change is needed as a result of this comment.

Public Comment

TEP and UNSE (December 4, 2025)

The comment states that TEP and UNSE support and appreciate the Commission's efforts to update outdated rules and reduce regulatory burden for TEP, UNSE, and Commission Staff. The comment states that TEP and UNSE continue to believe that well-designed, cost-effective EE and demand response programs can help customers manage and lower their energy use and address affordability concerns for customers, particularly the most vulnerable customers, and that these programs can also help reduce peak demand on the system. The comment states TEP and UNSE's understanding that regardless of the pending repeal of the EEE Rules, utilities will still be able to propose programs that benefit customers, particularly those targeted at low-income households and schools. The comment also states that in TEP's pending rate case, it proposed a Customer Energy Management framework that includes a funding mechanism and establishes a transparent, criteria-based structure that will guide future initiatives in alignment with grid and customer needs. In addition, the comment states TEP and UNSE's understanding that Commission-approved EE programs and DSM surcharges will remain in effect until a future order of the Commission.

Commission Response

The Commission appreciates the supportive comment, confirms that utilities will still be able to propose and obtain Commission approval of cost-effective DSM/EE programs, and confirms that each utility's Commission-approved EE programs and DSM surcharge will remain in effect until a future Commission order in a utility-specific case.

The Commission notes that in TEP's pending rate case (Docket No. E-01933A-25-0103), TEP ultimately abandoned its Customer Energy Management framework and proposed retention of its existing DSM adjustor mechanism.

No change is needed as a result of this comment.

Public Comment

Michael Barrio (December 4, 2025)

The comment opposes repeal of the REST Rules and EEE Rules and requests that the Commission instead maintain a clear, predictable framework that supports reliability and cost control for customers.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Additionally, the EE standard for 2020 has already been met by the affected utilities that were subject to the standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use.

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Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

The repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

The Commission notes that it currently is evaluating proposed modifications to the IRP Rules and the adoption of ASRFPs in Docket No. RE-00000A-22-0029. The Commission anticipates that DSM/EE programs as resources will be addressed in the context of IRPs and ASRFPs.

No change is needed as a result of this comment.

Public Comment

Office of the Arizona Attorney General (December 4, 2025)

The comment opposes repeal of the EEE Rules. The comment argues that the NPRM failed to demonstrate that the probable benefits of repealing the EEE Rules outweigh the probable costs, thus violating the Commission's Rules Review Procedure. The comment argues that repeal of the EEE Rules will result in unjust and unreasonable rates. The comment states that the EEE Rules were adopted "based on evidence in the record" that EE targets would reduce customer bills, postpone investment in electricity infrastructure, and reduce reliance on out-of-state fuels that drive rate hikes and further states that the EEE Rules "delivered on this promise." The comment states that APS has relied on 1,740 MW of capacity from EE and demand response programs since 2005 (citing the revised preliminary EIS), that TEP used 764 MW from EE to maintain grid reliability last year (citing the 12News article described above), and that ratepayers have saved more than 5.8 million MWh of energy from programs implemented between 2010 and 2023 (citing SWEEP comments from October 3, 2024, described above). The comment asserts that while the Commission is exempt from GRRC requirements, it must comply with its own RRP adopted in Decision No. 78544 and that these require the Commission to find that the probable benefits of the rule exceed the probable costs. The comment argues that the "NPRM fails to make the required cost-benefit determination and indeed . . . cannot, as the docket is devoid of evidence supporting such an assertion" and includes facts supporting the opposite conclusion. The comment states that the revised preliminary EIS recognizes that repealing the EEE Rules could present potentially significant harm to households, businesses, and the state and describes the benefits as "modest." The comment characterizes any ratepayer savings from the repeal as "illusory" because the historic expenses incurred by utilities to implement the EEE Rules will remain and asserts that consumers may experience higher bills because utilities may invest in costly supply-side resources to address the capacity shortfall that could result from repeal of the EEE Rules. The comment also states that the NPRM's claim that the repeal has no probable impact on state revenues is directly contradicted by the revised preliminary EIS, which acknowledges that the repeal will impact state revenues in four ways. The comment states that because no state agencies have submitted comments or provided evidence to support the claims in the NPRM, the Commission has no basis to make a conclusive determination that the benefits of repeal outweigh the risk of financial losses to state revenue sources. The comment also asserts that the EEE Rules were adopted pursuant to the Commission's ratemaking authority, so any repeal must be based on that same power. The comment asserts that ratemaking decisions must be just and reasonable, which means they must be supported by substantial evidence. The comment states that the Commission must "rationally explain its findings of fact to support its final rulemaking and must reconcile its findings with any determinations it made when it adopted the [EEE] Rules." The comment states that without changes to the final rule, "the Commission's decision will lack the support needed to satisfy the substantial evidence standard and will lack a rational connection to the administrative record." The comment states that the revised preliminary EIS concludes that the costs of repealing the EEE Rules outweigh any savings from the repeal and that the NPRM thus was premised on speculation and would produce unjust and unreasonable rates. The comment states that "[t]he State's opposition to the [EEE] repeal . . . is not just a difference of opinion about energy policy" and warns that if the Commission finalizes the repeal without providing economic justification as called for by the comment, "the Commission risks producing unjust and unreasonable rates that exceed its lawful authority."

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the

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energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to “address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs” as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities’ investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities’ current resources and will be addressed in utilities’ IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

Specifically in reference to allegations that repealing the EEE Rules would be unlawful, the Commission disagrees. The Arizona Constitution grants the Commission “full power” to prescribe just and reasonable rates and charges for public service corporations and to “make reasonable rules, regulations, and orders” governing such corporations. Ariz. Const. Art. 15 § 3. Further, the Arizona Constitution specifically grants the Commission the authority to repeal its rules. See Ariz. Const. Art. 15 § 3 (“classifications, rates, charges, rules, regulations, orders, and forms or systems prescribed or made by said corporation commission may from time to time be amended or repealed by such commission”) (emphasis added). The Commission’s Decision in this matter is supported by its Findings of Fact that the EEE Rules no longer establish an EE standard and are no longer necessary or in the public interest. The reasons for the Commission’s changed position regarding the need for the EEE Rules are rational based on the factual conclusions made in its Decision, and the Commission’s action in repealing the EEE Rules is neither arbitrary nor capricious based on its conclusions. The APA does not require the Commission to engage in an evidentiary process (such as a hearing) to adopt or repeal its rules, and the Commission’s RRP (adopted in Decision No. 78544 (April 28, 2022) and amended in Decision No. 80698 (April 22, 2025)) also does not require such an evidentiary process. Like every other state agency, the Commission engages in rulemaking by publishing docket opening and proposed rulemaking notices in the Arizona Administrative Register, obtaining and considering public comments, deciding whether and how to move forward with rulemaking, and if it moves forward, approving a Notice of Final Rulemaking that either goes to the Attorney General for approval under A.R.S. § 41-1044 or goes directly to the Office of the Secretary of State for publication because the rulemaking is wholly authorized by the Commission’s exclusive and plenary constitutional ratemaking authority under Arizona Constitution Article 15, § 3. The fact that the

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EEE Rules were adopted under the Commission's constitutional ratemaking authority did not create a requirement for an evidentiary process to be used in their adoption, and no such evidentiary process was used in their adoption. See Decision No. 71819 (August 10, 2010). Likewise, that fact does not create a requirement for an evidentiary process to be used in their repeal. Whether to enact, modify, or repeal rules is a policy determination to be made by an agency for areas within the agency's jurisdiction. The APA establishes requirements for the process to be used to accomplish the policy changes embodied by rules, or the repeal of rules. The legislature created the APA process, the Commission created its RRP to satisfy the A.R.S. § 41-1057(A)(2) requirement for the Commission to adopt a substantially similar process as a replacement for the GRRC process, and the Commission has complied with all applicable legal requirements.

The Commission notes that the Final EIS is updated from the revised preliminary EIS and, further, that the Commission also included only qualitative analysis when it adopted the EEE Rules in Decision No. 71819. Those rules were, in an abundance of caution and without waiving the Commission's position that they were adopted wholly under the Commission's exclusive and plenary constitutional ratemaking authority, submitted to the AG for approval under A.R.S. § 41-1044 and were approved by the AG.

Additionally, the Commission notes that it has no control over whether another state agency chooses to submit comments in response to a NPRM and that there is no legal requirement to obtain such comments in order to move forward.

Finally, the Commission notes that any impacts on state revenues from the EEE Rules were indirect, as the rules do not inherently impact state revenues. It is only the economic activity spurred by the EE standard (now expired) and incentives in the EEE Rules that impacted state revenues. Because currently approved DSM/EE programs will continue in effect unless and until specific Commission decisions eliminate them, and the largest affected utilities have stated that they intend to continue using DSM/EE programs as a resource, it is unlikely that state entities (as customers) will be directly impacted by the repeal, at least not in the short term. With the trend toward increased electrification in general and the tremendous, anticipated growth in demand for electricity due to businesses such as data centers, it is also unlikely that tax revenues will decrease from reduced electricity consumption (regardless of the EEE Rules repeal).

No change is needed as a result of this comment.

Public Comment

Mormon Women for Ethical Government of Arizona (December 5, 2025)

The comment expresses disappointment in the Commission's September 2025 vote to repeal the EEE Rules and requests that the Commission reconsider it. The comment cites the revised preliminary EIS's statement that removing the binding regulatory framework could lead to lower EE investment levels, additional infrastructure investment and the use of less efficient peaking resources, uneven access to EE across customer classes, and higher utility bills over time as well as the introduction of uncertainty about long-term program development, data transparency, and vendor stability. The comment notes that the EE industry supports more than 44,000 jobs in Arizona and asserts that EE helps to maintain safe indoor temperatures by reducing strain on the grid during extreme heat. The comment also notes APS and TEP's acknowledgment that EE is a cost-effective tool for managing load growth, reducing system costs, and enhancing customer affordability.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the

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costs of DSM/EE programs and to “address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs” as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities’ investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities’ current resources and will be addressed in utilities’ IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers. APS and TEP have stated that they intend to continue using EE/DSM as a resource.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

No change is needed as a result of this comment.

Public Comment

John Peterkin (December 9, 2025) 77 Individuals

(The comment was filed with a Memorandum from the office of then-Chair Thompson stating that his office had received approximately 77 form emails from multiple consumers regarding this docket. The form email example provided was from Mr. Peterkin.)

The comment opposes the repeal of the EEE Rules, stating that they save money for ratepayers by requiring utilities to offer cost-effective programs that reduce energy use and lower electric bills by reducing peak demand and providing upgrades to air conditioners and other home appliances as well as energy audits and retrofits. The comment states that the EEE Rules have been a resounding success and from 2010 to 2023 achieved more than 7,100 GWh of energy-savings annually, enough to power almost 1 million homes. The comment also states that EE is the cheapest, most competitive energy resource option available, costing at least three or four times less than other options.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. Additionally, the EE standard for 2020 has already been met by the affected utilities that were subject to the standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use.

Repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Bill Janiga (December 9, 2025)

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The comment addresses the repeals of both the REST Rules and the EEE Rules and states that the Commission should implement a more aggressive renewable energy usage standard because utilities are responsible for a significant amount of greenhouse gases that drive up temperatures and renewable energy is less expensive than fossil fuels. The comment asks the Commission to look to the future, consider their children and grandchildren, and make the right choice for the environment.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

To the extent that this comment addresses the REST Rules (concerning mandates for the use of renewables such as solar) rather than the EEE Rules, the repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

No change is needed as a result of this comment.

Public Comment

Marissa Ruiz (December 9, 2025)

The comment states that climate "doom and gloom" is caused by elected officials who do not take seriously the threat of poor air quality, extreme heat, wildfire, drought, and flooding. The comment states that people fear for their futures and that the Commission is engaging in "climate denial." The comment states that the U.S. Department of Energy's 2010 State Energy Efficiency Resource Standards Analysis said that utilities' concerns were a barrier to EE standards because there was a fear of investing in new technology that could threaten the status quo and that this is being experienced now. The comment also criticizes then-Chair Thompson's article published in the AZ Capitol Times on October 10, 2025.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

The Commission notes that Arizona's utilities subject to the EEE Rules have already met or exceeded the 2020 cumulative EE standard included in the EEE and that they continue to propose and implement DMS/EE programs. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource. The expressed concern about utilities' fears of newer technology do not appear to be warranted in Arizona.

Additionally, criticisms of the Commissioners' perceived perspectives on climate change do not specifically address the NPRM and need not be addressed herein.

No change is needed as a result of this comment.

Public Comment

Richard Sigler (December 9, 2025)

The comment opposes repeal of the EEE Rules because they save energy to the benefit of all ratepayers, as the cheapest energy is the energy that is not used, and EE reduces the need for new infrastructure. The comment states that utilities have an incentive to increase their capital investments because they can then make more money and argues that utilities will not voluntarily choose to invest in EE if the EEE Rules are repealed. The comment states

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that the Commission must make sure that utilities put the interests of consumers first and must require utilities to make the most energy-efficient and cost-effective choices.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers. The Commission notes that APS had adopted DSM/EE programs before the EEE Rules were even adopted. Thus, it is inaccurate to state that utilities will not voluntarily choose to invest in EE. They have and are expected to continue to do so.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Kay Allen (June 1, 2026)

The comment tells the Commission to follow its constitutional mandate to keep electric rates fair and reasonable and appears to say that data centers must create their own electric grid sources. (Significant typographical errors required judgment as to the intended words.)

Commission Response

The Commission believes that the comment does not specifically address repeal of the EEE Rules and may have been intended for another docket. Nonetheless, the Commission reiterates that repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

No change is needed as a result of this comment.

Oral Comments on the NPRM, Oral Proceedings 12/2/25 and 12/4/25

Public Comment

Cepand Alizadeh, Arizona Technology Council (December 2, 2025)

Mr. Alizadeh opposed the repeal of the pro-business EEE Rules because, he said, they are the most cost-effective way to meet growing energy demands, and every \$1 invested in EE businesses brings \$4 in returns through lower utility bills and avoided infrastructure costs. He stated that the EEE Rules have reduced demand, improved

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grid stability, and created many jobs in the HVAC industry (many held by veterans). He stated that Arizona's Universal Technical Institute published a blog post in September 2025 about why veterans should consider HVAC training. He acknowledged that repealing the EEE Rules "is not a death knell per se for an industry that has blossomed" since their adoption but asserted that it would discourage the highest amounts of investment in the field. He asked the Commission to enhance and extend the EEE Rules into the next decade by finding reasonable energy savings requirements for utilities and giving them flexibility to meet them.

Commission Response

The Commission appreciates Mr. Alizadeh's acknowledgment that repealing the EEE Rules "is not a death knell" for the DSM/EE industry.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Because the EE standard in R14-2-2404 expired in 2020, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

As Mr. Alizadeh appears to recognize, repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Joanna Strother, American Lung Association (December 2, 2025)

Ms. Strother urged the Commission not to repeal the REST Rules because doing so would derail years of clean air progress. Ms. Strother stated that the REST Rules have been instrumental in improving air quality and have encouraged utilities to consider pollution-free energy sources like wind and solar. Ms. Strother stated that 84% of Arizona residents live with unhealthy air and that utilities need to do more and that Phoenix ranks fourth among the most polluted U.S. cities for ozone, ranks 28th for short-term PM 2.5, and ranks 20th for annual particle pollution. Ms. Strother stated that all of these can cause respiratory distress and cardiovascular issues and that vulnerable Arizona populations face the greatest risk for negative health outcomes. Ms. Strother urged the Commission to adopt new standards for utilities to invest in clean energy and noted that a recent poll found that 77% of Arizona voters support clean energy and want to see more solar and wind. Ms. Strother concluded that Commissioners must act in good faith and consider policies to promote clean energy solutions, support healthier communities, save Arizonans money, and spur economic development.

Commission Response

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This comment addresses the REST Rules rather than the EEE Rules. The repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

To the extent that the comment is intended to oppose repeal of the EEE Rules due to the environmental benefits of DSM/EE programs, the Commission notes that the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Diane Brown, Arizona PIRG Education Fund (December 2, 2025)

Ms. Brown stated that contrary to what Staff stated, the "standard has not expired," is still intact as part of the rule, and "keeps giving to ratepayers year after year after year." Ms. Brown stated that more than any other rule, the EE standard provides financial benefits to Arizona ratepayers regardless of their financial status or location in Arizona or whether they take advantage of a related utility program. Ms. Brown stated that repealing the EEE Rules is not in the public interest and that one of the reasons they have been successful is that they are "not subject to the whims of a particular Commission or a utility CEO," instead providing consistency and stability. Ms. Brown acknowledged that utilities can continue to do EE programs and that customers want EE and stated that the EEE Rules have resulted in significant cost savings for ratepayers. Ms. Brown stated that under the EEE Rules, utilities know what the Commission expects, which allows relevant employers to predict their employee and business needs and ratepayers to turn to programs to save money while also reducing strain on the grid. Ms. Brown stated that the revised preliminary EIS "makes the case," noting \$1.7 billion in net benefits since the EEE Rules' inception and what that means for capacity and grid reliability. Ms. Brown noted that the Arizona PIRG Education Fund and The Nature Conservancy Arizona had posed a number of questions in a joint filing and requested that several of those be answered. Ms. Brown asked the Commission to closely review the revised preliminary EIS and the comments in the docket that overwhelmingly support the EEE Rules and then to extend and expand the EEE Rules rather than repealing them.

In response to a question from the Administrative Law Judge, Ms. Brown stated that the then-Chair's proposed amendment to APS's DSM Plan (to be considered at Open Meeting on December 3, 2025) would dramatically decrease APS's DSM program offerings and cut its overall DSM funding in half, which would have a dramatic effect on ratepayers' bills and on the industry and would reduce the savings to the grid from DSM. Ms. Brown stated that because dramatic load growth is expected, everything possible needs to be done to ensure there is sufficient grid capacity and continued reliability.

Commission Response

Contrary to Ms. Brown's statement to the contrary, the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

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The Commission appreciates Ms. Brown's acknowledgment that repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case, as it did in the recent APS DSM case.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission does not agree that repeal of the EEE Rules will result in instability or regulatory uncertainty. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

The Commission notes that the Final EIS is updated from the revised preliminary EIS and, further, that the Commission also included only qualitative analysis when it adopted the EEE Rules in Decision No. 71819. Those rules were, in an abundance of caution and without waiving the Commission's position that they were adopted wholly under the Commission's exclusive and plenary constitutional rulemaking authority, submitted to the AG for approval under A.R.S. § 41-1044 and were approved by the AG.

No change is needed as a result of this comment.

Public Comment

Ricardo Reyes, Vets Forward (December 2, 2025)

Mr. Reyes stated that Arizona families, including veterans and seniors, cannot afford more unnecessary rate hikes, and EE is one of the only tools that directly lowers costs for everyday Arizonans because the cheapest energy is the energy that is not generated. Mr. Reyes stated that when utilities invest in EE, better appliances, weatherization, and smart buildings, it saves taxpayers money, and every \$1 saves \$2 to \$3 by avoiding new power plants, new transmission lines, and fuel costs, providing long-term bill relief. Mr. Reyes stated that many veterans and even active-duty members are low income and that EE programs help them keep their homes cool, safe, and affordable. He stated that EE also strengthens the grid, preventing outages and reducing blackout risks during extreme heat as the most reliable grid management strategy. He said that EE also supports local jobs that cannot be outsourced and that rolling back the standards would kill jobs while raising bills. He stated that states across the political spectrum use EE because it works, that Arizona should not fall behind, and that the Commissioners should keep strong EE standards as the responsible and fiscally conservative choice to protect the public from unnecessary rate hikes, strengthen the grid, and save families during extreme heat. He added that Vets Forward provides bill assistance and has received the most such requests in the past year due to utility bills.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the

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energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case, as it did in the recent APS DSM case.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Marissa Ruiz (December 4, 2025)

Ms. Ruiz stated that she opposes repeal of the EEE Rules and that she is a climate activist with a master's degree in the subject. She stated that she has heard the decision about EE standards is emotionally driven and that climate activists are fearmongers and stated that fear tells us when something is wrong. She stated that Arizonans are afraid of climate change, that the Commission has a significant role in addressing it, and that the Commission should not ignore people's fear. She stated that she knows the Commissioners know the facts and the benefits of EE and that it is an investment that people are willing to make. She stated that the point of all of the monitoring and the filings that utilities and the Commission have invested in over the years is to improve the programs not to repeal them once they have met the landmark. She concluded: "It's preposterous."

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

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The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Richard Sigler (December 4, 2025)

Mr. Sigler stated that he opposes the repeal of the EEE Rules because they are an effective way to save energy and benefit all ratepayers because the cheapest energy is the energy not used, and lowering demand through EE reduces the need for new infrastructure, saving money for everyone. He stated that utilities make money through capital investments rather than the amount of electricity they sell and do not approve programs that save electricity for the benefit of consumers because they can make more money by increasing capital investments (i.e., by building gas plants). Mr. Sigler stated that for utilities, the motivation is to sell more electricity to justify more gas plants, not to conserve electricity. Mr. Sigler stated that it is a "false argument" that repealing the EEE Rules will give utilities the ability to choose on a case-by-case basis what the most cost-effective EE programs are because the utilities will not do it, as their first priority is to make money, and they do not put ratepayers' best interests first. Mr. Sigler stated that the Commission is there to make sure that utilities put the interests of consumers first. Mr. Sigler requested that the Commission not repeal the EEE Rules and instead "be a watchdog" and require utilities to make the most energy-efficient and cost-effective choices because they will not do it on their own.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

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Public Comment

Bill Janiga (December 4, 2025)

Mr. Janiga stated that “if we continue down the path we are going,” Phoenix will not be made a better place to live. He cited then-Chair Thompson’s article in the AZ Capitol Times about repealing the REST Rules and EEE Rules and stated that he is strongly opposed to this. He stated that the mandates were implemented 15 years ago to help promote the use of renewable energy and that the original goal of 15% has been met, which is great, but that the Commission desires to repeal the rules and blames renewable energy for rate increases. Mr. Janiga stated that the Commission should be looking forward to implementing a more aggressive usage of renewable energy because utilities are responsible for a significant amount of the greenhouse gases driving temperatures higher and renewables can be implemented less expensively than fossil fuels. Mr. Janiga stated that Arizona temperatures are rising, and Arizona will lose its appeal as a destination. He stated that he hopes the Commission will have the courage and foresight to plan for the future and asked each Commissioner to think of their children and grandchildren and to make the right choice when considering the value of financial gains versus the value of the environment.

Commission Response

This comment primarily addresses the REST Rules rather than the EEE Rules. The repeal of the REST Rules is addressed in Docket No. RE-00000A-24-0026 and was approved in Decision No. 81677 (March 10, 2026).

To the extent that the comment is intended to oppose repeal of the EEE Rules due to the environmental benefits of DSM/EE programs, the Commission notes that the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use and reiterates that repealing the EEE Rules will not cause DSM/EE programs to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona’s most economically vulnerable populations.

No change is needed as a result of this comment.

Public Comment

Will Greene, SWEEP (December 4, 2025)

Mr. Greene stated that SWEEP supports updating the EEE Rules and acknowledges that they are outdated but that they should not be discarded. Mr. Greene stated that in its September 2025 comments, SWEEP expressed concern that repealing the rules would result in utilities gradually backing away from initiatives that reduce their sales, as EE does. He stated that this is what happened the day before at Open Meeting when APS supported the then-Chair’s amendment cutting APS’s EE budget in half. Mr. Greene stated that the Chair had said nearly no one reached out to him to support APS’s EE plan and, further, asserted that other Commissioners’ inaccurate statements at Open Meeting indicated that APS had not attempted to explain to Commissioners the effectiveness of its EE programs. Mr. Greene stated that it would be a lot to ask APS to embrace reducing its own sales and that the Commission was formed to see the bigger picture for ratepayers, which is that EE is by far the lowest cost resource. Mr. Greene acknowledged that the current EE standard is outdated but stated that SWEEP does not understand why Commissioners are not interested in maintaining the Sections of the EEE Rules requiring utilities to report their results in a docket so the public can see what they are doing and addressing cost-effectiveness and consumer protections. Mr. Greene noted that SWEEP’s September 12, 2025, comments included amendment language that would maintain these bare minimum rule provisions.

Commission Response

The Commission appreciates Mr. Greene’s acknowledgment that the EEE Rules are outdated. In fact, the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major

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driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case, as it did in the recent APS DSM case. It should also be noted that the Commission can, in these utility-specific cases, enact reporting requirements to enhance program evaluation.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Maureen Rojas (December 4, 2025)

Ms. Rojas stated that she knows the Commission is concerned with meeting the demand for energy but that repealing the EEE Rules is counterproductive to that because they help meet that demand. Ms. Rojas stated that EE programs save customers money and that the cheapest electron is the one that is not used. Ms. Rojas stated that if the EEE Rules are repealed, there is no guarantee that utility programs will continue. She noted the \$1 billion cost to customers for the programs but stated that each dollar produced nearly \$4 in benefits. She also referred to the revised preliminary EIS finding that eliminating the EEE Rules may cause a need for new infrastructure or the use of less efficient resources, like methane gas, to meet peak demand, resulting in consumers paying the cost. Ms. Rojas stated that the EEE Rules have saved families "hundreds of millions," reduced stress on the grid, and reduced the need for gas power plants. She said that people at her church are concerned about Arizona's need for energy to deal with growth and extreme heat and that they are concerned about the lack of focus on EE and clean energy and about those who are having trouble economically. She asked the Commission not to make a decision that gives priority to utility profits while increasing costs for ratepayers, putting strain on the grid, and causing job loss in an industry that employs nearly 45,000 Arizonans.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs

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offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case, as it did in the recent APS DSM case.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission notes that the Final EIS is updated from the revised preliminary EIS, which the Commission found needed modification to be accurate and updated.

No change is needed as a result of this comment.

Public Comment

Cynthia Zwick, RUCO (December 4, 2025)

Ms. Zwick stated that RUCO believes that preserving the EEE Rules is in the best interests of all residential customers because the rules are reasonable and prudent, foster economic investment, promote reliability, and save customers money. She stated that EE programs are some of the most cost-effective ways for customers to control energy bills. Ms. Zwick noted that every EE program is required to meet the cost-effectiveness test and that the programs benefit all residential customers, not just those who participate in EE programs. Ms. Zwick stated that between 2010 and 2022, TEP estimated cumulative annual energy savings of more than 2 million MWh and that in summer 2024, APS's thermostat program had nearly 90,000 thermostats installed in residences and saved 140 MW of peak energy demand during one event. Ms. Zwick stated that APS's 2024 report indicated it spent approximately \$70 million and produced a net benefit of more than \$106 million. She acknowledged that utilities may not eliminate their programs if the rules are repealed but that even if they propose some programs, the Commission may not approve them, as many are being eliminated or defunded or having their funding reduced. Ms. Zwick called the net benefit of the programs "astounding," stated that RUCO supports their continuation, and opined that there is state-wide support for them across residential and large and small business customers.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case, as it did in the recent APS DSM case.

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EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Horst Schmidt (December 4, 2025)

Mr. Schmidt stated that he supports keeping the EEE Rules because repealing them will result in higher costs, less reliable power, and the loss of jobs. Mr. Schmidt stated that due to record-breaking heat and tremendous population growth, EE is needed to serve people, and EE is needed to provide insulation and other improvements in older housing. He stated that EE programs give families and businesses tools to control their energy use and costs. He also stated that the EE industry employs almost 45,000 people, mostly in small business. He stated that repealing the EEE Rules will make the Commission a "job killer." He stated that APS and TEP have both reported that EE is a cost-effective tool for reliability and resilience in the face of load growth and has reduced system costs and enhanced customer affordability. He stated that if the rules are repealed, there will be higher utility bills, while keeping the rules will result in less infrastructure and lower costs.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. They do, however, impose annual reporting requirements and require biennial implementation plans to be created and filed by affected utilities and reviewed and considered for approval by the Commission. They also allow affected utilities to request reimbursement for all of their Commission-approved DSM/EE costs; allow them to request performance incentives as part of those costs; and allow them to take credit for up to one third of the energy savings resulting from EE building codes that are quantified and reported through a study undertaken by the affected utility and also paid for by ratepayers.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

The Commission disagrees that repealing the EEE Rules will be a "job killer," as repealing the EEE Rules does not mean that DSM/EE programs will cease to exist, and Arizona's tremendous growth will need to be met with myriad resources, including DSM/EE.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in

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determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Shayla Patel, Arizona Youth Climate Coalition (December 4, 2025)

Ms. Patel stated that she is an ASU student and was speaking on behalf of more than 80 young people who demand that the EEE Rules be updated and not repealed. Ms. Patel stated that the revised preliminary EIS warned that repealing the rules would lead to long-term utility bill increases and stated that the need and benefits of EE are greater with higher peak demand. Ms. Patel stated that with growth in Arizona, the EE standard could be the reason the grid is not shut down. Ms. Patel addressed Commissioner Lopez's statement that he did not support letting rules with expiration dates linger by saying that all rules need to have an expiration date so they can be repealed or changed if they are not working. But she stated that the EEE Rules are working and that the EE standard addressed accessibility, lowered ratepayer bills, and held APS and TEP accountable for their actions regarding EE. She stated that the Commissioners' job is to pass and implement such rules for utilities and that updating and extending the EE mandate is an easy way to do that job.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Troy Horton, Scientist Rebellion, Sierra Club, and Third Act (December 4, 2025)

Mr. Horton stated that there were seven reasons to keep the EE standard: (1) lower consumer costs because they allow customers to reduce demand and save money; (2) grid reliability because EE and DSM programs reduce strain on the grid during peak hours, prevent blackouts, and reduce the need for costly emergency power; (3) avoiding new generation costs because building new power plants is far more expensive than saving energy and EE thus saves billions in infrastructure costs; (4) proven success because APS and TEP have exceeded the standard, showing that the programs are effective and scalable; (5) environmental benefits because EE reduces emissions and thus supports cleaner air and broader sustainability goals; (6) equity and fairness because EE programs can be designed to help low-income households reduce their energy burdens and repealing the EE standard risks leaving vulnerable communities behind; and (7) modernization opportunity because the Commission could update the EEE Rules to reflect new technologies like thermostats, battery storage, electric vehicle integration, and others, keeping Arizona competitive. Mr. Horton said that the repeal is risky. He stated that Commissioners argue that the mandates have

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cost ratepayers over \$1 billion in surcharges but asserted that these costs are investments that return long-term savings and reliability, and without a standard, utilities may underinvest in EE resulting in higher bills and more expensive infrastructure. He said that repeal would also send a signal that Arizona is stepping back from proven cost-effective energy solutions because while utilities can still propose EE programs voluntarily, if there is no EE standard, there is less accountability to ensure consistent savings across Arizona. Mr. Horton said that keeping and modernizing the EE standard would protect consumers, strengthen the grid, and ensure Arizona continues to benefit from cost-effective energy savings.

Commission Response

The Commission agrees with Mr. Horton concerning the many benefits of cost-effective DSM/EE programs but does not agree that the EEE Rules must be maintained or modernized to achieve the benefits of cost-effective DSM/EE programs.

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Kelly McGowan, Wildfire (December 4, 2025)

Ms. McGowan stated that Wildfire operates several programs geared toward EE, including for low-income households and that Wildfire opposes the repeal of the EE standards. She stated that EE is a financial lifeline for low-income families who spend a much greater share of their income on energy bills and that draft homes, inefficient appliances, and outdated heating and cooling systems cost families money every month. She said that EE measures help reduce the burden, making energy bills more predictable and manageable and that repealing them would take away some of the simplest and lowest cost tools available to help families stay in their homes, avoid utility shut offs, and maintain safe living conditions. She stated that the benefits can be the difference between whether or not a parent can buy food or medication or pay rent. Ms. McGowan stated that EE also benefits all ratepayers because it results in lower demand, reduces strain on the grid, delays the need for new infrastructure, and lowers costs for everyone. She stated that the cheapest energy is the energy that does not need to be produced and that the savings flow directly to ratepayers. Ms. McGowan stated that repealing EE measures would move Arizona in the wrong direction toward higher bills, greater volatility, and deeper energy insecurity for those who can least afford it. She stated that Wildfire urges the Commission to reject the repeal and to maintain strong EE standards.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

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Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Sandy Bahr, Sierra Club (December 4, 2025)

Ms. Bahr stated that Sierra Club strongly opposes repeal of the EE standards, which have been effective and successful, saving money for ratepayers by requiring utilities to offer cost-effective programs that conserve energy, lower electric bills, and benefit Arizona's economy while indirectly conserving water and reducing air pollution. She stated that Sierra Club was involved in the stakeholder process when the EEE Rules were created, that they have made a difference, and that Arizona can be proud of the EE standard. She stated that EE has the lowest cost and the best return on investment of any energy resource, costs three or four times less than other options, and is much less expensive than building new generating resources to provide equivalent amounts of power. Ms. Bahr stated that EE can save ratepayers millions of dollars every year and help with shaving off peaks. She stated that deleting the EE standards would be a "huge step backwards for Arizona ratepayers." She stated that the revised preliminary EIS identified many of the costs and harms of repeal. She also stated that repeal would likely reduce ratepayers' access to programs that help them upgrade appliances and reduce their utility bills, while also creating uncertainty for utilities and undermining businesses in the EE sector. She stated that if the rules are repealed, there is a risk that utilities will not voluntarily invest enough in EE and that ratepayers will have access to fewer EE programs and will have higher bills. She stated that repealing the rules is especially concerning because utilities have been "backsliding on their commitments to ratepayers." She acknowledged that the EEE Rules only set a standard through 2020 but stated that the solution is to adopt an updated standard, not to eliminate the rules. She also stated that even if the Commission eliminates the EE standard rule, it should keep the other rule provisions requiring utilities to create implementation plans and to submit EE progress reports to the Commission.

Commission Response

As Ms. Bahr appears to acknowledge, the EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valu-

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able resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission notes that it currently is evaluating proposed modifications to the IRP Rules and the adoption of ASRFPs in Docket No. RE-00000A-22-0029. The Commission anticipates that DSM/EE programs as resources will be addressed in the context of IRPs and ASRFPs.

No change is needed as a result of this comment.

Public Comment

Amanda Ormond, Western Grid Group (December 4, 2025)

Ms. Ormond stated that she is opposed to elimination of the EE standard, that she was active at the Commission when the EEE Rules were passed, and that she has watched each year as the programs have been scrutinized to ensure they provide benefits. Ms. Ormond stated that eliminating the standard would be allowing utilities to be unnecessarily wasteful, as the benefits of the EE standard and programs are well documented, clear, and compelling. She stated that these benefits include more than \$1.4 billion in benefits, water savings, reduced air emissions, and reduced need for new generation. She stated that utilities do what is in their best interest, which is making money for shareholders, and that it is not reasonable to think that a for-profit company will voluntarily continue programs that cut into their profits. Ms. Ormond stated that EE is not in regulated utilities' interest but is in the public's interest. She stated that an EE standard is essential to ensure that utilities work to reduce customers' energy use and the overall size of the electricity system. She referred to the EE standard as a floor. She stated that the Commission had the day before approved an amendment cutting \$40 million from DSM programs "without any analysis," cutting or modifying 14 programs "with no rationale or without knowing the effect that that would have on customers or on customer cost" and although Staff supported the programs. Ms. Ormond stated that the EE standard has produced significant benefits, that the utilities will not continue significant EE programs against their interests, and that the EE standard needs to be maintained because it is in the public interest.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard. The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

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No change is needed as a result of this comment.

Public Comment

Tatyana Johnson, Mi Familia en Accion (December 4, 2025)

Ms. Johnson stated that she was speaking on behalf of Arizonans and the Latino community who already bear the burden of high energy costs. She urged the Commission to reject the repeal of the EE standard, which she stated has saved Latino families millions of dollars and provided safe and reliable solutions to Arizonans' homes during extreme heat. She said that EE programs support communities with access to things such as window shading, attic insulation, and low-income weatherization. Ms. Johnson stated that repealing the EE standard is a mistake and that it is Arizonans, specifically struggling Latinos, not utilities, who pay the increased costs. She stated that for every \$1 spent on EE, \$4 in benefits are returned; that APS has saved 1,740 MW in peak demand since 2005; and that TEP has saved more than 600 MW since 2015. She stated that EE is both cost-effective and essential for stable grid reliability. She urged the Commission to reject the repeal and instead commit to EE standards to lower bills because Arizonans are already struggling economically and deserve fair access to affordable, reliable energy.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Jose Gonzalez (December 4, 2025)

Mr. Gonzalez stated: "[J]ust as President Trump has a brilliant plan to replace Obamacare, I'm sure the Arizona Corporation Commission has a brilliant plan to replace the energy efficiency mandates, but I'd like to see what those plans are before they destroy a significant segment of the economy, as well as contribute to worsening climate change."

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as

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part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission notes that it currently is evaluating proposed modifications to the IRP Rules and the adoption of ASRFPs in Docket No. RE-00000A-22-0029. The Commission anticipates that DSM/EE programs as resources will be addressed in the context of IRPs and ASRFPs.

No change is needed as a result of this comment.

Public Comment

Vania Guevara, Chispa Arizona (December 4, 2025)

Ms. Guevara stated that she opposes the repeal of the EEE Rules and that they are extremely important to Chispa Arizona's members. She stated that the day before, one of the members made an emotional statement to the Commission about how she is retired and constantly must choose between buying her medicine and paying her utility bills. She stated that the revised preliminary EIS clearly states that the repeal will cost consumers significantly more. She stated that the Commissioners constantly vote against consumers and asserted that people are becoming more aware of the economic and political system in which she said private interests are constantly prioritized over basic human needs. She requested that the Administrative Law Judge, Staff, and anyone listening continue to do their best to demonstrate to the Commission why the EE standards are needed and need to be modernized rather than repealed.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application.

EE/DSM programs are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

No change is needed as a result of this comment.

Public Comment

Diane Brown, Arizona PIRG Education Fund (December 4, 2025)

Ms. Brown requested that Staff agree with her on the record that the EE standard has not expired, that the energy savings just do not continue to increase. She stated that Staff's statement that the EE standard has expired is incorrect.

Commission Response

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The Commission disagrees with Ms. Brown's statement. While the EEE Rules themselves have not expired, the EE standard in R14-2-2404 expired at the end of 2020, and the EEE Rules no longer establish any EE standard.

Public Comment

Michael Barrio, Advanced Energy United (December 4, 2025)

Mr. Barrio stated that Advanced Energy United represents companies that develop and deploy advanced energy tech in Arizona and the U.S. and that from a business and industry perspective, regulatory certainty and consistency are critical. He stated that for years, the EE and renewable energy rules framework has given companies clarity on how the state will manage growth, diversify resources, and control costs, and that it has been working, supporting cost-effective energy savings and addition of clean resources and helping utilities plan ahead. Mr. Barrio stated that repealing the rules when the state's load growth is outpacing existing grid capacity sends the opposite signal, that the rules of the game can change abruptly. Mr. Barrio stated that EE is one of the lowest cost tools to reduce strain on the system and limit long-term costs to customers. He said the question is whether the Commission will maintain a stable framework to help manage growth or step away from that when it is most needed. He urged the Commission not to repeal the rules.

Commission Response

The EE standard set by R14-2-2404 expired at the end of 2020, and the EEE Rules currently do not establish any EE standard.

The EE standard for 2020 has already been met by the affected utilities that were subject to the standard. Consequently, even in the absence of a repeal, it is unlikely that the EEE Rules are now or will continue to be a major driver of growth in the adoption of DSM/EE. Growth in DSM/EE will be driven by market forces and available cost-savings in the face of tremendous, anticipated load growth due to new businesses such as data centers.

The Commission acknowledges that the EEE Rules helped achieve significant growth in the DSM/EE industry in Arizona, creating jobs, providing tax revenue and economic growth, and reducing pollution and water use. But the Commission also notes that these benefits came at a significant financial cost to ratepayers. Since 2017, for example, ratepayers of APS and TEP combined have paid more than \$35 million in performance incentives alone due to the provisions in the EEE Rules. They have also paid many times that amount since 2011 in surcharges to cover the costs of DSM/EE programs and to "address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs" as allowed under R14-2-2410(I).

Repealing the EEE Rules does not require electric utilities' investments in EE to cease. Electric utilities will continue to be able to, and will be encouraged to, invest in cost-effective EE programs to benefit their systems and customers. Further, repealing the EEE Rules will not automatically impact existing Commission-approved programs offered by a utility, as those are only modified in utility-specific cases. Electric utilities will continue to have the ability to file for modifications to existing Commission-approved EE/DSM programs or for approval of new programs as part of a rate case application or in a separate application. Staff will continue to evaluate proposed modifications to existing or new programs in utility-specific cases, and the Commission will make the determination as to what modifications are to be made only after consideration of the information in each case. EE/DSM programs also are crucial parts of utilities' current resources and will be addressed in utilities' IRPs. The Commission believes and expects that utilities will continue to recognize the need for cost-effective EE programs as part of their overall resource portfolios, as cost-effective EE/DSM programs are an economical choice for both the utilities and their customers.

The Commission supports cost-effective DSM/EE programs as resources that will reduce peak and the need for additional generation resources without imposing unnecessary costs on Arizona's most economically vulnerable populations. The Commission particularly encourages affected utilities to examine how to make VPPs a more valuable resource as part of their IRPs and has consistently required affected utilities to use ASRFPs for resource acquisition (i.e., an all-of-the-above approach). Repeal of the EEE Rules will allow the Commission more flexibility in determining the cost-effectiveness of DSM/EE programs and will allow the Commission to ensure that DSM/EE programs do not benefit more affluent customers or particular industries at the cost of all other customers, including those who are most economically vulnerable.

The Commission does not agree that repeal of the EEE Rules will result in instability or regulatory uncertainty. To the extent that the products and services offered by the DSM/EE industry are cost-effective and result in benefits to the grid and thus to all ratepayers, those products and services will continue to be approved by the Commission when presented in utility proposals and to be successful in the marketplace. Arizona faces tremendous growth, and utilities are approaching that growth with an all-hands-on-deck mentality that includes using cost-effective DSM/EE as a valuable resource.

No change is needed as a result of this comment.

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13. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

Not applicable

- a. **Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**
The rule does not require a permit.
- b. **Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:**
Staff notes that in Decision No. 71819, footnote 7 indicates a December 17, 2008, Staff Memorandum that refers to Section 532 of the Energy Independence and Security Act of 2007 that required state regulatory authorities to consider whether or not to adopt standards regarding rate design modifications to promote energy efficiency investments.
- c. **Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:**
Not applicable

14. **A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:**
Not applicable

15. **Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the *Register* as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:**
Not applicable

16. **The full text of the rules follows:**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATIONS**

CHAPTER 2. CORPORATION COMMISSION - FIXED UTILITIES

ARTICLE 24. ELECTRIC ENERGY EFFICIENCY STANDARDS REPEALED

Section

R14-2-2401.	<u>Definitions-Repealed</u>
R14-2-2402.	<u>Applicability-Repealed</u>
R14-2-2403.	<u>Goals and Objectives-Repealed</u>
R14-2-2404.	<u>Energy Efficiency Standards-Repealed</u>
Table 1.	<u>Energy Efficiency Standard-Repealed</u>
Table 2.	<u>Illustrative Example of Calculating Required Energy Savings-Repealed</u>
Table 3.	<u>Credit for Pre-Rules Energy Savings-Repealed</u>
Table 4.	<u>Illustrative Example of How the Energy Standard Could Be Met in 2020-Repealed</u>
R14-2-2405.	<u>Implementation Plans-Repealed</u>
R14-2-2406.	<u>DSM Tariffs-Repealed</u>
R14-2-2407.	<u>Commission Review and Approval of DSM Programs and DSM Measures-Repealed</u>
R14-2-2408.	<u>Parity and Equity-Repealed</u>
R14-2-2409.	<u>Reporting Requirements-Repealed</u>
R14-2-2410.	<u>Cost Recovery-Repealed</u>
R14-2-2411.	<u>Performance Incentives-Repealed</u>
R14-2-2412.	<u>Cost-effectiveness-Repealed</u>
R14-2-2413.	<u>Baseline Estimation-Repealed</u>
R14-2-2414.	<u>Fuel Neutrality-Repealed</u>
R14-2-2415.	<u>Monitoring, Evaluation, and Research-Repealed</u>
R14-2-2416.	<u>Program Administration and Implementation-Repealed</u>
R14-2-2417.	<u>Leveraging and Cooperation-Repealed</u>
R14-2-2418.	<u>Compliance by Electric Distribution Cooperatives-Repealed</u>
R14-2-2419.	<u>Waiver from the Provisions of this Article-Repealed</u>

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ARTICLE 24. ELECTRIC ENERGY EFFICIENCY STANDARDS REPEALED

R14-2-2401. Definitions Repealed

In this Article, unless otherwise specified:

1. “Adjustment mechanism” means a Commission-approved provision in an affected utility’s rate schedule allowing the affected utility to increase and decrease a certain rate or rates, in an established manner, when increases and decreases in specific costs are incurred by the affected utility.
2. “Affected utility” means a public service corporation that provides electric service to retail customers in Arizona.
3. “Baseline” means the level of electricity demand, electricity consumption, and associated expenses estimated to occur in the absence of a specific DSM program, determined as provided in R14-2-2413.
4. “CHP” means combined heat and power, which is using a primary energy source to simultaneously produce electrical energy and useful process heat.
5. “Commission” means the Arizona Corporation Commission.
6. “Cost-effective” means that total incremental benefits from a DSM measure or DSM program exceed total incremental costs over the life of the DSM measure, as determined under R14-2-2412.
7. “Customer” means the person or entity in whose name service is rendered to a single contiguous field, location, or facility, regardless of the number of meters at the field, location, or facility.
8. “Delivery system” means the infrastructure through which an affected utility transmits and then distributes electrical energy to its customers.
9. “Demand savings” means the load reduction, measured in kW, occurring during a relevant peak period or periods as a direct result of energy efficiency and demand response programs.
10. “Demand response” means modification of customers’ electricity consumption patterns, affecting the timing or quantity of customer demand and usage, achieved through intentional actions taken by an affected utility or customer because of changes in prices, market conditions, or threats to system reliability.
11. “Distributed generation” means the production of electricity on the customer’s side of the meter, for use by the customer, through a process such as CHP.
12. “DSM” means demand-side management, the implementation and maintenance of one or more DSM programs.
13. “DSM measure” means any material, device, technology, educational program, pricing option, practice, or facility alteration designed to result in reduced peak demand, increased energy efficiency, or shifting of electricity consumption to off-peak periods and includes CHP used to displace space heating, water heating, or another load.
14. “DSM program” means one or more DSM measures provided as part of a single offering to customers.
15. “DSM tariff” means a Commission-approved schedule of rates designed to recover an affected utility’s reasonable and prudent costs of complying with this Article.
16. “Electric utility” means a public service corporation providing electric service to the public.
17. “Energy efficiency” means the production or delivery of an equivalent level and quality of end-use electric service using less energy, or the conservation of energy by end-use customers.
18. “Energy efficiency standard” means the reduction in retail energy sales, in percentage of kWh, required to be achieved through an affected utility’s approved DSM programs as prescribed in R14-2-2404.
19. “Energy savings” means the reduction in a customer’s energy consumption directly resulting from a DSM program, expressed in kWh.
20. “Energy service company” means a company that provides a broad range of services related to energy efficiency, including energy audits, the design and implementation of energy efficiency projects, and the installation and maintenance of energy efficiency measures.
21. “Environmental benefits” means avoidance of costs for compliance, or reduction in environmental impacts, for things such as, but not limited to:
 - a. Water use and water contamination;
 - b. Monitoring storage and disposal of solid waste such as coal ash (bottom and fly);
 - c. Health effects from burning fossil fuels; and
 - d. Emissions from transportation and production of fuels and electricity.
22. “Fuel-neutral” means without promoting or otherwise expressing bias regarding a customer’s choice of one fuel over another.
23. “Incremental benefits” means amounts saved through avoiding costs for fuel, purchased power, new capacity, transmission, distribution, and other cost items necessary to provide electric utility service, along with other improvements in societal welfare, such as through avoided environmental impacts, including, but not limited to, water consumption savings, air emission reduction, reduction in coal ash, and reduction of nuclear waste.
24. “Incremental costs” means the additional expenses of DSM measures, relative to baseline.
25. “Independent program administrator” means an impartial third party employed to provide objective oversight of energy efficiency programs.
26. “kW” means kilowatt.
27. “kWh” means kilowatt-hour.
28. “Leveraging” means combining resources to more effectively achieve an energy efficiency goal, or to achieve greater energy efficiency savings, than would be achieved without combining resources.
29. “Load management” means actions taken or sponsored by an affected utility to reduce peak demands or improve system operating efficiency, such as direct control of customer demands through affected utility-initiated interruption or cycling, thermal storage, or educational campaigns to encourage customers to shift loads.

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- 30. “Low-income customer” means a customer with a below average level of household income, as defined in an affected utility’s Commission-approved DSM program description.
- 31. “Market transformation” means strategic efforts to induce lasting structural or behavioral changes in the market that result in increased energy efficiency.
- 32. “Net benefits” means the incremental benefits resulting from DSM minus the incremental costs of DSM.
- 33. “Non-market benefits” means improvements in societal welfare that are not bought or sold.
- 34. “Program costs” means the expenses incurred by an affected utility as a result of developing, marketing, implementing, administering, and evaluating Commission-approved DSM programs.
- 35. “Self-direction” means an option made available to qualifying customers of sufficient size, in which the amount of money paid by each qualifying customer toward DSM costs is tracked for the customer and made available for use by the customer for approved DSM investments upon application by the customer.
- 36. “Societal Test” means a cost-effectiveness test of the net benefits of DSM programs that starts with the Total Resource Cost Test, but includes non-market benefits and costs to society.
- 37. “Staff” means individuals working for the Commission’s Utilities Division, whether as employees or through contract.
- 38. “Thermal envelope” means the collection of building surfaces, such as walls, windows, doors, floors, ceilings, and roofs, that separate interior conditioned (heated or cooled) spaces from the exterior environment.
- 39. “Total Resource Cost Test” means a cost-effectiveness test that measures the net benefits of a DSM program as a resource option, including incremental measure costs, incremental affected utility costs, and carrying costs as a component of avoided capacity cost, but excluding incentives paid by affected utilities and non-market benefits to society.

R14-2-2402. Applicability Repealed

This Article applies to each affected utility classified as Class A according to R14-2-103(A)(3)(q), unless the affected utility is an electric distribution cooperative that has fewer than 25% of its customers in Arizona.

R14-2-2403. Goals and Objectives Repealed

- A.** An affected utility shall design each DSM program:
 - 1. To be cost-effective, and
 - 2. To accomplish at least one of the following:
 - a. Energy efficiency;
 - b. Load management; or
 - c. Demand response.
- B.** An affected utility shall consider the following when planning and implementing a DSM program:
 - 1. Whether the DSM program will achieve cost-effective energy savings and peak demand reductions;
 - 2. Whether the DSM program will advance market transformation and achieve sustainable savings, reducing the need for future market interventions; and
 - 3. Whether the affected utility can ensure a level of funding adequate to sustain the DSM program and allow the DSM program to achieve its targeted goal.
- C.** An affected utility shall:
 - 1. Offer DSM programs that will provide an opportunity for all affected utility customer segments to participate, and
 - 2. Allocate a portion of DSM resources specifically to low-income customers.

R14-2-2404. Energy Efficiency Standards Repealed

- A.** Except as provided in R14-2-2418, in order to ensure reliable electric service at reasonable ratepayer rates and costs, by December 31, 2020, an affected utility shall, through cost-effective DSM energy efficiency programs, achieve cumulative annual energy savings, measured in kWh, equivalent to at least 22% of the affected utility’s retail electric energy sales for calendar year 2019.
- B.** An affected utility shall, by the end of each calendar year, meet at least the cumulative annual energy efficiency standard listed in Table 1 for that calendar year. An illustrative example of how the required energy savings would be calculated is shown in Table 2. An illustrative example of how the standard could be met in 2020 is shown in Table 4.

Table 1. Energy Efficiency Standard Repealed

CALENDAR YEAR	ENERGY EFFICIENCY STANDARD (Cumulative Annual Energy Savings by the End of Each Calendar Year as a Percentage of the Retail Energy Sales in the Prior Calendar Year)
2011	1.25%
2012	3.00%
2013	5.00%
2014	7.25%

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2015	9.50%
2016	12.00%
2017	14.50%
2018	17.00%
2019	19.50%
2020	22.00%

Table 2. Illustrative Example of Calculating Required Energy Savings Repealed

CALENDAR YEAR	A RETAIL SALES (kWh)	B ENERGY- EFFICIENCY STANDARD	C REQUIRED CUMULATIVE- ENERGY- SAVINGS (B of current year × A of prior year)
2010	100,000,000		0
2011	100,750,000	1.25%	1,250,000
2012	101,017,500	3.00%	3,022,500
2013	101,069,925	5.00%	5,050,875
2014	100,915,646	7.25%	7,327,570
2015	100,821,094	9.50%	9,586,986
2016	100,517,711	12.00%	12,098,531
2017	100,293,499	14.50%	14,575,068
2018	100,116,043	17.00%	17,049,895
2019	99,986,628	19.50%	19,522,628
2020	99,902,384	22.00%	21,997,058

- C.** An affected utility's measured reductions in peak demand resulting from cost-effective demand response and load management programs may comprise up to two percentage points of the 22% energy efficiency standard, with peak demand reduction capability from demand response converted to an annual energy savings equivalent based on an assumed 50% annual load factor. The credit for demand response and load management peak demand reductions shall not exceed 10% of the energy efficiency standard set forth in subsection (B) for any year. The measured reductions in peak demand occurring during a calendar year after the effective date of this Article may be counted for that calendar year even if the demand response or load management program resulting in the reductions was implemented prior to the effective date of this Article.
- D.** An affected utility's energy savings resulting from DSM energy efficiency programs implemented before the effective date of this Article, but after 2004, may be credited toward meeting the energy efficiency standard set forth in subsection (B). The total energy savings credit for these pre-rules energy efficiency programs shall not exceed 4% of the affected utility's retail energy sales in calendar year 2005. A portion of the total energy savings credit for these pre-rules energy efficiency programs may be applied each year, from 2016 through 2020, as listed in Table 3, Column A:

Table 3. Credit for Pre-Rules Energy Savings Repealed

CALENDAR YEAR	A CREDIT FOR THE PRE-RULES ENERGY- SAVINGS APPLIED IN EACH YEAR (Percentage of the Total Eligible Pre-Rules Cumulative Annual Energy Savings That Shall Be Applied in the Year)	B CUMULATIVE APPLICATION OF THE CREDIT FOR THE PRE-RULES ENERGY SAVINGS IN- 2016-2020 (Percentage of the Total Eligible Pre- Rules Cumulative Annual Energy Sav- ings That Are Credited by the End of Each Year)
2016	7.5%	7.5%
2017	15.0%	22.5%

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2018	20.0%	42.5%
2019	25.0%	67.5%
2020	32.5%	100.0%

- E.** An affected utility may count toward meeting the standard up to one third of the energy savings, resulting from energy efficiency building codes, that are quantified and reported through a measurement and evaluation study undertaken by the affected utility.
- F.** An affected utility may count the energy savings from combined heat and power (CHP) installations that do not qualify under the Renewable Energy Standard toward meeting the energy efficiency standard.
- G.** An affected utility may count a customer's energy savings resulting from self-direction toward meeting the standard.
- H.** An affected utility's energy savings resulting from efficiency improvements to its delivery system may not be counted toward meeting the standard.
- I.** An affected utility's energy savings used to meet the energy efficiency standard will be assumed to continue through the year 2020 or, if expiring before the year 2020, to be replaced with a DSM energy efficiency program having at least the same level of efficiency.

Table 4. Illustrative Example of How the Energy Standard Could Be Met in 2020 Repealed

	2020 Energy Efficiency Standard	2019 Retail Sales (kWh)	Required Cumulative Annual Energy Savings (kWh)
Total	22.00%	99,986,628	21,997,058
Breakdown of Savings and Credits Used To Meet 2020 Standard:			
			Cumulative Annual Energy Savings or Credit (kWh)
Demand Response Credit R14-2-2404(C)	Up to 2.00%		1,999,733
Pre-rules Savings Credit R14-2-2404(D)			1,100,000*
Building Code R14-2-2404(E)			1,000,000
CHP R14-2-2404(F)			500,000
Self-direction R14-2-2404(G)			100,000
Energy Efficiency R14-2-2404(A)			17,297,325
Total			21,997,058

*The total pre-rules savings credit is capped at 4% of 2005 retail energy sales, and the total credit is allocated over five years from 2016 to 2020. The credit shown above represents an estimate of the portion of the total credit that can be taken in 2020, or 32.5% of the total credit allowed.

R14-2-2405. Implementation Plans Repealed

- A.** Except as provided in R14-2-2418, on June 1 of each odd year, or annually at the election of each affected utility, each affected utility shall file with Docket Control, for Commission review and approval, an implementation plan describing how the affected utility intends to meet the energy efficiency standard for the next one or two calendar years, as applicable, except that the initial implementation plan shall be filed within 30 days of the effective date of this Article.
- B.** The implementation plan shall include the following information:
 1. Except for the initial implementation plan, a description of the affected utility's compliance with the requirements of this Article for the previous calendar year;
 2. Except for the initial implementation plan, which shall describe only the next calendar year, a description of how the affected utility intends to comply with this Article for the next two calendar years, including an explanation of any modification to the rates of an existing DSM adjustment mechanism or tariff that the affected utility believes is necessary;
 3. Except for the initial implementation plan, which shall describe only the next calendar year, a description of each DSM program to be newly implemented or continued in the next two calendar years and an estimate of the annual kWh and kW savings projected to be obtained through each DSM program;
 4. The estimated total cost and cost per kWh reduction of each DSM measure and DSM program described in subsection (B)(3);
 5. A DSM tariff filing complying with R14-2-2406(A) or a request to modify and reset an adjustment mechanism complying with R14-2-2406(C), as applicable; and
 6. For each new DSM program or DSM measure that the affected utility desires to implement, a program proposal complying with R14-2-2407.
- C.** An affected utility shall notify its customers of its annual implementation plan filing through a notice in its next regularly scheduled customer bills.

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- D.** The Commission may hold a hearing to determine whether an affected utility's implementation plan satisfies the requirements of this Article.
- E.** An affected utility's Commission-approved implementation plan, and the DSM programs authorized thereunder, shall continue in effect until the Commission takes action on a new implementation plan for the affected utility.

R14-2-2406. DSM Tariffs Repealed

- A.** An affected utility's DSM tariff filing shall include the following:
 - 1. A detailed description of each method proposed by the affected utility to recover the reasonable and prudent costs associated with implementing the affected utility's intended DSM programs;
 - 2. Financial information and supporting data sufficient to allow the Commission to determine the affected utility's fair value, including, at a minimum, the information required to be submitted in a utility annual report filed under R14-2-212(G)(4);
 - 3. Data supporting the level of costs that the affected utility believes will be incurred in order to comply with this Article; and
 - 4. Any other information that the Commission believes is relevant to the Commission's consideration of the tariff filing.
- B.** The Commission shall approve, modify, or deny a tariff filed pursuant to subsection (A) within 180 days after the tariff has been filed. The Commission may suspend this deadline or adopt an alternative procedural schedule for good cause.
- C.** If an affected utility has an existing adjustment mechanism to recover the reasonable and prudent costs associated with implementing DSM programs, the affected utility may, in lieu of making a tariff filing under subsection (A), file a request to modify and reset its adjustment mechanism by submitting the information required under subsections (A)(1) and (3).

R14-2-2407. Commission Review and Approval of DSM Programs and DSM Measures Repealed

- A.** An affected utility shall obtain Commission approval before implementing a new DSM program or DSM measure.
- B.** An affected utility may apply for Commission approval of a DSM program or DSM measure by submitting a program proposal either as part of its implementation plan submitted under R14-2-2405 or through a separate application.
- C.** A program proposal shall include the following:
 - 1. A description of the DSM program or DSM measure that the affected utility desires to implement;
 - 2. The affected utility's objectives and rationale for the DSM program or DSM measure;
 - 3. A description of the market segment at which the DSM program or DSM measure is aimed;
 - 4. An estimated level of customer participation in the DSM program or DSM measure;
 - 5. An estimate of the baseline;
 - 6. The estimated societal benefits and savings from the DSM program or DSM measure;
 - 7. The estimated societal costs of the DSM program or DSM measure;
 - 8. The estimated environmental benefits to be derived from the DSM program or DSM measure;
 - 9. The estimated benefit-cost ratio of the DSM program or DSM measure;
 - 10. The affected utility's marketing and delivery strategy;
 - 11. The affected utility's estimated annual costs and budget for the DSM program or DSM measure;
 - 12. The implementation schedule for the DSM program or DSM measure;
 - 13. A description of the affected utility's plan for monitoring and evaluating the DSM program or DSM measure; and
 - 14. Any other information that the Commission believes is relevant to the Commission's consideration of the tariff filing.
- D.** In determining whether to approve a program proposal, the Commission shall consider:
 - 1. The extent to which the Commission believes the DSM program or DSM measure will meet the goals set forth in R14-2-2403(A), and
 - 2. All of the considerations set forth in R14-2-2403(B).
- E.** Staff may request modifications of on-going DSM programs to ensure consistency with this Article. The Commission shall allow affected utilities adequate time to notify customers of DSM program modifications.

R14-2-2408. Parity and Equity Repealed

- A.** An affected utility shall develop and propose DSM programs for residential, non-residential, and low-income customers.
- B.** An affected utility shall allocate DSM funds collected from residential customers and from non-residential customers proportionately to those customer classes to the extent practicable.
- C.** The affected utility costs of DSM programs for low-income customers shall be borne by all customer classes, except where a customer or customer class is specifically exempted by Commission order.
- D.** DSM funds collected by an affected utility shall be used, to the extent practicable, to benefit that affected utility's customers.
- E.** All customer classes of an affected utility shall bear the costs of DSM programs by payment through a non-bypassable mechanism, unless a customer or customer class is specifically exempted by Commission order.

R14-2-2409. Reporting Requirements Repealed

- A.** By March 1 of each year, an affected utility shall submit to the Commission, in a Commission-established docket for that year, a DSM progress report providing information for each of the affected utility's Commission-approved DSM programs and including at least the following:
 - 1. An analysis of the affected utility's progress toward meeting the annual energy efficiency standard;
 - 2. A list of the affected utility's current Commission-approved DSM programs and DSM measures, organized by customer segment;
 - 3. A description of the findings from any research projects completed during the previous year; and
 - 4. The following information for each Commission-approved DSM program or DSM measure:
 - a. A brief description;

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- b. Goals, objectives, and savings targets;
 - c. The level of customer participation during the previous year;
 - d. The costs incurred during the previous year, disaggregated by type of cost, such as administrative costs, rebates, and monitoring costs;
 - e. A description and the results of evaluation and monitoring activities during the previous year;
 - f. Savings realized in kW, kWh, therms, and BTUs, as appropriate;
 - g. The environmental benefits realized, including reduced emissions and water savings;
 - h. Incremental benefits and net benefits, in dollars;
 - i. Performance-incentive calculations for the previous year;
 - j. Problems encountered during the previous year and proposed solutions;
 - k. A description of any modifications proposed for the following year; and
 - l. Whether the affected utility proposes to terminate the DSM program or DSM measure and the proposed date of termination.
- B.** By September 1 of each year, an affected utility shall file a status report including a tabular summary showing the following for each current Commission-approved DSM program and DSM measure of the affected utility:
- 1. Semi-annual expenditures compared to annual budget; and
 - 2. Participation rates.
- C.** An affected utility shall file each report required by this Section with Docket Control, where it will be available to the public, and shall make each such report available to the public upon request.
- D.** An affected utility may request within its implementation plan that these reporting requirements supersede specific existing DSM reporting requirements.

R14-2-2410. Cost Recovery Repealed

- A.** An affected utility may recover the costs that it incurs in planning, designing, implementing, and evaluating a DSM program or DSM measure if the DSM program or DSM measure is all of the following:
- 1. Approved by the Commission before it is implemented;
 - 2. Implemented in accordance with a Commission-approved program proposal or implementation plan; and
 - 3. Monitored and evaluated for cost-effectiveness pursuant to R14-2-2415.
- B.** An affected utility shall monitor and evaluate each DSM program and DSM measure, as provided in R14-2-2415, to determine whether the DSM program or DSM measure is cost-effective and otherwise meets expectations.
- C.** If an affected utility determines that a DSM program or DSM measure is not cost-effective or otherwise does not meet expectations, the affected utility shall include in its annual DSM progress report filed under R14-2-2409 a proposal to modify or terminate the DSM program or DSM measure.
- D.** An affected utility shall recover its DSM costs concurrently, on an annual basis, with the spending for a DSM program or DSM measure, unless the Commission orders otherwise.
- E.** An affected utility may recover costs from DSM funds for any of the following items, if the expenditures will enhance DSM:
- 1. Incremental labor attributable to DSM development;
 - 2. A market study;
 - 3. A research and development project such as applied technology assessment;
 - 4. Consortium membership; or
 - 5. Another item that is difficult to allocate to an individual DSM program.
- F.** The Commission may impose a limit on the amount of DSM funds that may be used for the items in subsection (E).
- G.** If goods and services used by an affected utility for DSM have value for other affected utility functions, programs, or services, the affected utility shall divide the costs for the goods and services and allocate funding proportionately.
- H.** An affected utility shall allocate DSM costs in accordance with generally accepted accounting principles.
- I.** The Commission shall review and address financial disincentives, recovery of fixed costs, and recovery of net lost income/revenue, due to Commission-approved DSM programs, if an affected utility requests such review in its rate case and provides documentation/records supporting its request in its rate application.
- J.** An affected utility, at its own initiative, may submit to the Commission twice annual reports on the financial impacts of its Commission-approved DSM programs, including any unrecovered fixed costs and net lost income/revenue resulting from its Commission-approved DSM programs.

R14-2-2411. Performance Incentives Repealed

In the implementation plans required by R14-2-2405, an affected utility may propose for Commission review a performance incentive to assist in achieving the energy efficiency standard set forth in R14-2-2404. The Commission may also consider performance incentives in a general rate case.

R14-2-2412. Cost-effectiveness Repealed

- A.** An affected utility shall ensure that the incremental benefits to society of the affected utility's overall DSM portfolio exceed the incremental costs to society of the DSM portfolio.
- B.** The Societal Test shall be used to determine cost-effectiveness.
- C.** The analysis of a DSM program's or DSM measure's cost-effectiveness may include:
- 1. Costs and benefits associated with reliability, improved system operations, environmental impacts, and customer service;
 - 2. Savings of both natural gas and electricity; and
 - 3. Any uncertainty about future streams of costs or benefits.

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- ~~D.~~ An affected utility shall make a good faith effort to quantify water consumption savings and air emission reductions, while other environmental costs or the value of environmental improvements shall be estimated in physical terms when practical but may be expressed qualitatively. An affected utility, Staff, or any party may propose monetized benefits and costs if supported by appropriate documentation or analyses.
- ~~E.~~ Market transformation programs shall be analyzed for cost-effectiveness by measuring market effects compared to program costs.
- ~~F.~~ Educational programs shall be analyzed for cost-effectiveness based on estimated energy and peak demand savings resulting from increased awareness about energy use and opportunities for saving energy.
- ~~G.~~ Research and development and pilot programs are not required to demonstrate cost-effectiveness.
- ~~H.~~ An affected utility's low-income customer program portfolio shall be cost-effective, but costs attributable to necessary health and safety measures shall not be used in the calculation.

R14-2-2413. Baseline Estimation Repealed

- ~~A.~~ To determine the baseline, an affected utility shall estimate the level of electric demand and consumption and the associated costs that would have occurred in the absence of a DSM program or DSM measure.
- ~~B.~~ For demand response programs, an affected utility shall use customer load profile information to verify baseline consumption patterns and the peak demand savings resulting from demand response actions.
- ~~C.~~ For installations or applications that have multiple fuel choices, an affected utility shall determine the baseline using the same fuel source actually used for the installation or application.

R14-2-2414. Fuel Neutrality Repealed

- ~~A.~~ Ratepayer-funded DSM shall be developed and implemented in a fuel-neutral manner.
- ~~B.~~ An affected utility shall use DSM funds collected from electric customers for electric DSM programs, unless otherwise ordered by the Commission.
- ~~C.~~ An affected utility may use DSM funds collected from electric customers for thermal envelope improvements.

R14-2-2415. Monitoring, Evaluation, and Research Repealed

- ~~A.~~ An affected utility shall monitor and evaluate each DSM program and DSM measure to:
 - 1. Ensure compliance with the cost-effectiveness requirements of R14-2-2412;
 - 2. Determine participation rates, energy savings, and demand reductions;
 - 3. Assess the implementation process for the DSM program or DSM measure;
 - 4. Obtain information on whether to continue, modify, or terminate a DSM program or DSM measure; and
 - 5. Determine the persistence and reliability of the affected utility's DSM.
- ~~B.~~ An affected utility may conduct evaluation and research, such as market studies, market research, and other technical research, for DSM program planning, product development, and DSM program improvement.

R14-2-2416. Program Administration and Implementation Repealed

- ~~A.~~ An affected utility may use an energy service company or other external resource to implement a DSM program or DSM measure.
- ~~B.~~ The Commission may, at its discretion, establish independent program administrators who would be subject to the relevant requirements of this Article.

R14-2-2417. Leveraging and Cooperation Repealed

- ~~A.~~ An affected utility shall, to the extent practicable, participate in cost sharing, leveraging, or other lawful arrangements with customers, vendors, manufacturers, government agencies, other electric utilities, or other entities if doing so will increase the effectiveness or cost-effectiveness of a DSM program or DSM measure.
- ~~B.~~ An affected utility shall participate in a DSM program or DSM measure with a natural gas utility when doing so is practicable and if doing so will increase the effectiveness or cost-effectiveness of a DSM program or DSM measure.

R14-2-2418. Compliance by Electric Distribution Cooperatives Repealed

- ~~A.~~ An electric distribution cooperative that is an affected utility shall comply with the requirements of this Section instead of meeting the requirements of R14-2-2404(A) and (B) and R14-2-2405(A).
- ~~B.~~ An electric distribution cooperative shall, on June 1 of each odd year, or annually at its election:
 - 1. File with Docket Control, for Commission review and approval, an implementation plan for each DSM program to be implemented or maintained during the next one or two calendar years, as applicable; and
 - 2. Submit to the Director of the Commission's Utilities Division an electronic copy of its implementation plan in a format suitable for posting on the Commission's web site.
- ~~C.~~ An implementation plan submitted under subsection (B) shall set forth an energy efficiency goal for each year of at least 75% of the savings requirement specified in R14-2-2404 and shall include the information required under R14-2-2405(B).

R14-2-2419. Waiver from the Provisions of this Article Repealed

- ~~A.~~ The Commission may waive compliance with any provision of this Article for good cause.
- ~~B.~~ An affected utility may petition the Commission to waive its compliance with any provision of this Article for good cause.
- ~~C.~~ A petition filed pursuant to this Section shall have priority over other matters filed under this Article.

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NOTICES OF RULEMAKING DOCKET OPENING

Volume 32, Issue 42, October 16, 2026

NOTICES OF RULEMAKING DOCKET OPENING

The Administrative Procedure Act (APA) requires an agency file a Notice of Rulemaking Docket Opening which outlines its rulemaking intentions under [A.R.S. § 41-1021](#).

A docket opening and Notice of Proposed Rulemaking are often filed at the same time and published in the same *Register* issue.

If a Notice of Proposed Rulemaking is not published in this *Register* that corresponds with a published docket in this week's issue, it simply means the agency has not filed the notice for consideration and public review.

An agency has one year from the publishing of this notice to propose a rule; after one year the docket expires.

Questions about the notice can be answered by the person listed in item #5 of the preamble.

Refer to item #6 in the preamble for information on how to comment on this notice.

NOTICE OF RULEMAKING DOCKET OPENING

**DEPARTMENT OF HEALTH SERVICES
HEALTH CARE INSTITUTIONS: LICENSING**

File Number: R26-186

1. **Permission to proceed with this docket was granted under A.R.S. § 41-1039 by the governor on:**
September 22, 2026

2. **Title and its heading:**
9. Health Services

Chapter and its heading:
10. Department of Health Services – Health Care Institutions: Licensing

Article and its heading:
8. Assisted Living Facilities

Section number:
R9-10-820
Sections may be added, amended, repealed, or renumbered as necessary.

3. **The subject matter of the proposed rule:**
Arizona Revised Statutes (A.R.S.) § 36-132(A)(1) requires the Arizona Department of Health Services (Department) to protect the health of the people in Arizona. In order to ensure public health, safety, and welfare, A.R.S. §§ 36-405 and 36-406 requires the Department to adopt rules establishing minimum standards and requirements for construction, modification, and licensure of health care institutions. In a recent five-year-review report, the Department stated a plan to amend the rules in R9-10-820 to be less stringent regarding garbage and refuse stored in covered containers. The proposed rules will conform to rulemaking format and style requirements of GRRC and the Office of the Secretary of State.

4. **A citation to all published notices relating to the current proceeding:**
Not applicable

5. **The name and address of agency personnel with whom persons may communicate regarding the rule:**

Name:	Odette Colburn
Title:	Deputy Director
Division:	Public Health Licensing
Address:	150 N. 18th Ave., Suite 500 Phoenix, AZ 85007
Telephone:	(602) 542-6383
Email:	Odette.Colburn@azdhs.gov
or	
Name:	Stacie Gravito

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Title: Office Chief, Administrative Counsel and Rules
Division: Director's Office
Address: 150 N. 18th Ave., Suite 540
Phoenix, AZ 85007
Telephone: (602) 542-1020
Email: stacie.gravito@azdhs.gov

6. **The time during which the agency will accept written comments and the time and place where oral comments may be made:**
To be announced in future notices regarding the rulemaking.
7. **A timetable for agency decisions or other action on the current proceeding, if known:**
To be announced in future notices regarding the rulemaking.

NOTICE OF RULEMAKING DOCKET OPENING

ARIZONA PEACE OFFICER STANDARDS AND TRAINING BOARD

File Number: R26-187

1. **Permission to proceed with this docket was granted under A.R.S. § 41-1039 by the governor on:**
September 9, 2026
2. **Title and its heading:**
13. Public Safety

Chapter and its heading:
4. Arizona Peace Officer Standards and Training Board

Section number:
R13-4-101, R13-4-110, R13-4-112, R13-4-116
Sections may be added, amended, repealed, or renumbered as necessary.

3. **The subject matter of the proposed rule:**
When enacting Laws 2026, Chapter 32, The Military Police to Peace Officer Pathway Act, the legislature indicated an intent to establish an accelerated, fair, and standardized process for eligible military police veterans to receive Arizona peace officer certification. The legislature determined military police veterans possess substantial training, discipline, and law enforcement experience gained through active-duty service and transitioning the veterans into civilian policing strengthens public safety while honoring the military service. In this rulemaking, the Board amends R13-4-110 to establish a process that accommodates the expedited pathway for military police officers to become peace officers. To be consistent with A.R.S. § 41-1822(C), the Board amends R13-4-112 to reduce the amount of time the Board requires to act on an application for certification. The Board also amends R13-4-116 to update academy and basic course requirements to be consistent with current industry standards.

4. **A citation to all published notices relating to the current proceeding:**
Notice of Proposed Rulemaking: 32 A.A.R. 2543, October 16, 2026 (*in this issue*); File Number: R26-185

5. **The name and address of agency personnel with whom persons may communicate regarding the rule:**
Name: Michael Giammarino
Title: Program Administrator
Address: 2643 E. University Drive
Phoenix, AZ 85034
Telephone: (602) 774-9302
Email: mikeg@azpost.gov
Website: azpost.gov

NOTICES OF RULEMAKING DOCKET OPENING

6. The time during which the agency will accept written comments and the time and place where oral comments may be made:

Written comments about this proposed rulemaking will be accepted in person at the address provided under item #5, Monday through Friday from 8 a.m. to 5 p.m., except for state holidays. Comments will also be accepted by email at the email address provided under item #5. Information about an oral proceeding is included in the Notice of Proposed Rulemaking in this issue.

7. A timetable for agency decisions or other action on the current proceeding, if known:

Unknown

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2026 REGISTER INDEXES

The *Register* is published by volume in a calendar year. Refer to the “Information” pages in the front of each issue for more details.

Abbreviations for rulemaking activity in this Index include:

PROPOSED RULEMAKING

PN means Proposed new Section
PM means Proposed amended Section
PR means Proposed repealed Section
P# means Proposed renumbered Section

SUPPLEMENTAL PROPOSED RULEMAKING

SPN means Supplemental proposed new Section
SPM means Supplemental proposed amended Section
SPR means Supplemental proposed repealed Section
SP# means Supplemental proposed renumbered Section

FINAL RULEMAKING

FN means Final new Section
FM means Final amended Section
FR means Final repealed Section
F# means Final renumbered Section

SUMMARY RULEMAKING

PROPOSED SUMMARY

PSMN means Proposed Summary new Section
PSMM means Proposed Summary amended Section
PSMR means Proposed Summary repealed Section
PSM# means Proposed Summary renumbered Section

FINAL SUMMARY

FSMN means Final Summary new Section
FSMM means Final Summary amended Section
FSMR means Final Summary repealed Section
FSM# means Final Summary renumbered Section

EXPEDITED RULEMAKING

PROPOSED EXPEDITED

PEN means Proposed Expedited new Section
PEM means Proposed Expedited amended Section
PER means Proposed Expedited repealed Section
PE# means Proposed Expedited renumbered Section

SUPPLEMENTAL EXPEDITED

SPEN means Supplemental Proposed Expedited new Section
SPEM means Supplemental Proposed Expedited amended Section
SPER means Supplemental Proposed Expedited repealed Section
SPE# means Supplemental Proposed Expedited renumbered Section

FINAL EXPEDITED

FEN means Final Expedited new Section
FEM means Final Expedited amended Section
FER means Final Expedited repealed Section
FE# means Final Expedited renumbered Section

EXEMPT RULEMAKING

EXEMPT

XN means Exempt new Section
XM means Exempt amended Section
XR means Exempt repealed Section
X# means Exempt renumbered Section

EXEMPT PROPOSED

PXN means Proposed Exempt new Section
PXM means Proposed Exempt amended Section
PXR means Proposed Exempt repealed Section
PX# means Proposed Exempt renumbered Section

EXEMPT SUPPLEMENTAL PROPOSED

SPXN means Supplemental Proposed Exempt new Section
SPXR means Supplemental Proposed Exempt repealed Section
SPXM means Supplemental Proposed Exempt amended Section
SPX# means Supplemental Proposed Exempt renumbered Section

FINAL EXEMPT RULEMAKING

FXN means Final Exempt new Section
FXM means Final Exempt amended Section
FXR means Final Exempt repealed Section
FX# means Final Exempt renumbered Section

EMERGENCY RULEMAKING

EN means Emergency new Section
EM means Emergency amended Section
ER means Emergency repealed Section
E# means Emergency renumbered Section
EEXP means Emergency expired

RECODIFICATION OF RULES

RC means Recodified

REJECTION OF RULES

RJ means Rejected by the Attorney General

TERMINATION OF RULES

TN means Terminated proposed new Section
TM means Terminated proposed amended Section
TR means Terminated proposed repealed Section
T# means Terminated proposed renumbered Section

RULE EXPIRATIONS

EXP means Rules have expired
Refer to “emergency expired” under emergency rulemaking

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RULEMAKING ACTIVITY INDEX

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Arizona Administrative Register
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Volume 32, Issue 42, October 16, 2026

RULES EFFECTIVE DATES CALENDAR

A.R.S. § 41-1032(A), as amended by Laws 2002, Ch. 334, § 8 (effective August 22, 2002), states a rule generally becomes effective 60 days after the day it is filed with the Secretary of State's Office. The following table lists filing dates and effective dates for rules that follow this provision. Please also check the rulemaking notice's preamble for effective dates.

January

Date Filed		Effective Date
January 1	effective	March 2
January 2	effective	March 3
January 3	effective	March 4
January 4	effective	March 5
January 5	effective	March 6
January 6	effective	March 7
January 7	effective	March 8
January 8	effective	March 9
January 9	effective	March 10
January 10	effective	March 11
January 11	effective	March 12
January 12	effective	March 13
January 13	effective	March 14
January 14	effective	March 15
January 15	effective	March 16
January 16	effective	March 17
January 17	effective	March 18
January 18	effective	March 19
January 19	effective	March 20
January 20	effective	March 21
January 21	effective	March 22
January 22	effective	March 23
January 23	effective	March 24
January 24	effective	March 25
January 25	effective	March 26
January 26	effective	March 27
January 27	effective	March 28
January 28	effective	March 29
January 29	effective	March 30
January 30	effective	March 31
January 31	effective	April 1

February

Date Filed		Effective Date
February 1	effective	April 2
February 2	effective	April 3
February 3	effective	April 4
February 4	effective	April 5
February 5	effective	April 6
February 6	effective	April 7
February 7	effective	April 8
February 8	effective	April 9
February 9	effective	April 10
February 10	effective	April 11
February 11	effective	April 12
February 12	effective	April 13
February 13	effective	April 14
February 14	effective	April 15
February 15	effective	April 16
February 16	effective	April 17
February 17	effective	April 18
February 18	effective	April 19
February 19	effective	April 20
February 20	effective	April 21
February 21	effective	April 22
February 22	effective	April 23
February 23	effective	April 24
February 24	effective	April 25
February 25	effective	April 26
February 26	effective	April 27
February 27	effective	April 28
February 28	effective	April 29

March

Date Filed		Effective Date
March 1	effective	April 30
March 2	effective	May 1
March 3	effective	May 2
March 4	effective	May 3
March 5	effective	May 4
March 6	effective	May 5
March 7	effective	May 6
March 8	effective	May 7
March 9	effective	May 8
March 10	effective	May 9
March 11	effective	May 10
March 12	effective	May 11
March 13	effective	May 12
March 14	effective	May 13
March 15	effective	May 14
March 16	effective	May 15
March 17	effective	May 16
March 18	effective	May 17
March 19	effective	May 18
March 20	effective	May 19
March 21	effective	May 20
March 22	effective	May 21
March 23	effective	May 22
March 24	effective	May 23
March 25	effective	May 24
March 26	effective	May 25
March 27	effective	May 26
March 28	effective	May 27
March 29	effective	May 28
March 30	effective	May 29
March 31	effective	May 30

Arizona Administrative Register
RULES EFFECTIVE DATES CALENDAR

April

Date Filed		Effective Date
April 1	effective	May 31
April 2	effective	June 1
April 3	effective	June 2
April 4	effective	June 3
April 5	effective	June 4
April 6	effective	June 5
April 7	effective	June 6
April 8	effective	June 7
April 9	effective	June 8
April 10	effective	June 9
April 11	effective	June 10
April 12	effective	June 11
April 13	effective	June 12
April 14	effective	June 13
April 15	effective	June 14
April 16	effective	June 15
April 17	effective	June 16
April 18	effective	June 17
April 19	effective	June 18
April 20	effective	June 19
April 21	effective	June 20
April 22	effective	June 21
April 23	effective	June 22
April 24	effective	June 23
April 25	effective	June 24
April 26	effective	June 25
April 27	effective	June 26
April 28	effective	June 27
April 29	effective	June 28
April 30	effective	June 29

May

Date Filed		Effective Date
May 1	effective	June 30
May 2	effective	July 1
May 3	effective	July 2
May 4	effective	July 3
May 5	effective	July 4
May 6	effective	July 5
May 7	effective	July 6
May 8	effective	July 7
May 9	effective	July 8
May 10	effective	July 9
May 11	effective	July 10
May 12	effective	July 11
May 13	effective	July 12
May 14	effective	July 13
May 15	effective	July 14
May 16	effective	July 15
May 17	effective	July 16
May 18	effective	July 17
May 19	effective	July 18
May 20	effective	July 19
May 21	effective	July 20
May 22	effective	July 21
May 23	effective	July 22
May 24	effective	July 23
May 25	effective	July 24
May 26	effective	July 25
May 27	effective	July 26
May 28	effective	July 27
May 29	effective	July 28
May 30	effective	July 29
May 31	effective	July 30

June

Date Filed		Effective Date
June 1	effective	July 31
June 2	effective	August 1
June 3	effective	August 2
June 4	effective	August 3
June 5	effective	August 4
June 6	effective	August 5
June 7	effective	August 6
June 8	effective	August 7
June 9	effective	August 8
June 10	effective	August 9
June 11	effective	August 10
June 12	effective	August 11
June 13	effective	August 12
June 14	effective	August 13
June 15	effective	August 14
June 16	effective	August 15
June 17	effective	August 16
June 18	effective	August 17
June 19	effective	August 18
June 20	effective	August 19
June 21	effective	August 20
June 22	effective	August 21
June 23	effective	August 22
June 24	effective	August 23
June 25	effective	August 24
June 26	effective	August 25
June 27	effective	August 26
June 28	effective	August 27
June 29	effective	August 28
June 30	effective	August 29

Arizona Administrative Register
RULES EFFECTIVE DATES CALENDAR

July

Date Filed		Effective Date
July 1	effective	August 30
July 2	effective	August 31
July 3	effective	September 1
July 4	effective	September 2
July 5	effective	September 3
July 6	effective	September 4
July 7	effective	September 5
July 8	effective	September 6
July 9	effective	September 7
July 10	effective	September 8
July 11	effective	September 9
July 12	effective	September 10
July 13	effective	September 11
July 14	effective	September 12
July 15	effective	September 13
July 16	effective	September 14
July 17	effective	September 15
July 18	effective	September 16
July 19	effective	September 17
July 20	effective	September 18
July 21	effective	September 19
July 22	effective	September 20
July 23	effective	September 21
July 24	effective	September 22
July 25	effective	September 23
July 26	effective	September 24
July 27	effective	September 25
July 28	effective	September 26
July 29	effective	September 27
July 30	effective	September 28
July 31	effective	September 29

August

Date Filed		Effective Date
August 1	effective	September 30
August 2	effective	October 1
August 3	effective	October 2
August 4	effective	October 3
August 5	effective	October 4
August 6	effective	October 5
August 7	effective	October 6
August 8	effective	October 7
August 9	effective	October 8
August 10	effective	October 9
August 11	effective	October 10
August 12	effective	October 11
August 13	effective	October 12
August 14	effective	October 13
August 15	effective	October 14
August 16	effective	October 15
August 17	effective	October 16
August 18	effective	October 17
August 19	effective	October 18
August 20	effective	October 19
August 21	effective	October 20
August 22	effective	October 21
August 23	effective	October 22
August 24	effective	October 23
August 25	effective	October 24
August 26	effective	October 25
August 27	effective	October 26
August 28	effective	October 27
August 29	effective	October 28
August 30	effective	October 29
August 31	effective	October 30

September

Date Filed		Effective Date
September 1	effective	October 31
September 2	effective	November 1
September 3	effective	November 2
September 4	effective	November 3
September 5	effective	November 4
September 6	effective	November 5
September 7	effective	November 6
September 8	effective	November 7
September 9	effective	November 8
September 10	effective	November 9
September 11	effective	November 10
September 12	effective	November 11
September 13	effective	November 12
September 14	effective	November 13
September 15	effective	November 14
September 16	effective	November 15
September 17	effective	November 16
September 18	effective	November 17
September 19	effective	November 18
September 20	effective	November 19
September 21	effective	November 20
September 22	effective	November 21
September 23	effective	November 22
September 24	effective	November 23
September 25	effective	November 24
September 26	effective	November 25
September 27	effective	November 26
September 28	effective	November 27
September 29	effective	November 28
September 30	effective	November 29

Arizona Administrative Register
RULES EFFECTIVE DATES CALENDAR

October

Date Filed		Effective Date
October 1	effective	November 30
October 2	effective	December 1
October 3	effective	December 2
October 4	effective	December 3
October 5	effective	December 4
October 6	effective	December 5
October 7	effective	December 6
October 8	effective	December 7
October 9	effective	December 8
October 10	effective	December 9
October 11	effective	December 10
October 12	effective	December 11
October 13	effective	December 12
October 14	effective	December 13
October 15	effective	December 14
October 16	effective	December 15
October 17	effective	December 16
October 18	effective	December 17
October 19	effective	December 18
October 20	effective	December 19
October 21	effective	December 20
October 22	effective	December 21
October 23	effective	December 22
October 24	effective	December 23
October 25	effective	December 24
October 26	effective	December 25
October 27	effective	December 26
October 28	effective	December 27
October 29	effective	December 28
October 30	effective	December 29
October 31	effective	December 30

November

Date Filed		Effective Date
November 1	effective	December 31
November 2	effective	January 1
November 3	effective	January 2
November 4	effective	January 3
November 5	effective	January 4
November 6	effective	January 5
November 7	effective	January 6
November 8	effective	January 7
November 9	effective	January 8
November 10	effective	January 9
November 11	effective	January 10
November 12	effective	January 11
November 13	effective	January 12
November 14	effective	January 13
November 15	effective	January 14
November 16	effective	January 15
November 17	effective	January 16
November 18	effective	January 17
November 19	effective	January 18
November 20	effective	January 19
November 21	effective	January 20
November 22	effective	January 21
November 23	effective	January 22
November 24	effective	January 23
November 25	effective	January 24
November 26	effective	January 25
November 27	effective	January 26
November 28	effective	January 27
November 29	effective	January 28
November 30	effective	January 29

December

Date Filed		Effective Date
December 1	effective	January 30
December 2	effective	January 31
December 3	effective	February 1
December 4	effective	February 2
December 5	effective	February 3
December 6	effective	February 4
December 7	effective	February 5
December 8	effective	February 6
December 9	effective	February 7
December 10	effective	February 8
December 11	effective	February 9
December 12	effective	February 10
December 13	effective	February 11
December 14	effective	February 12
December 15	effective	February 13
December 16	effective	February 14
December 17	effective	February 15
December 18	effective	February 16
December 19	effective	February 17
December 20	effective	February 18
December 21	effective	February 19
December 22	effective	February 20
December 23	effective	February 21
December 24	effective	February 22
December 25	effective	February 23
December 26	effective	February 24
December 27	effective	February 25
December 28	effective	February 26
December 29	effective	February 27
December 30	effective	February 28
December 31	effective	March 1

Arizona Administrative Register
RULES EFFECTIVE DATES CALENDAR

REGISTER DEADLINES

The Secretary of State's Office publishes the *Register* weekly. There is a three-week delay between the deadline date to file a notice and the *Register* date in which the notice is published. The weekly deadline dates are listed in the first column and issue dates are provided in the second column. Listed in the third column are the earliest dates on which an oral proceeding can be held on proposed rulemakings or proposed delegation agreements, following publication of the notice in the *Register*. Governor Regulatory Review Council meetings and *Register* deadlines do not correlate.

Deadline Date Friday, 5:00 p.m.	<i>Register</i> Publication Date	Oral Proceeding may be scheduled on or after
August 7, 2026	August 28, 2026	September 28, 2026
August 14, 2026	September 4, 2026	October 5, 2026
August 21, 2026	September 11, 2026	October 13, 2026 Later date due to a holiday
August 28, 2026	September 18, 2026	October 19, 2026
September 4, 2026	September 25, 2026	October 26, 2026
September 11, 2026	October 2, 2026	November 2, 2026
September 18, 2026	October 9, 2026	November 9, 2026
September 25, 2026	October 16, 2026	November 16, 2026
October 2, 2026	October 23, 2026	November 23, 2026
October 9, 2026	October 30, 2026	November 30, 2026
October 16, 2026	November 6, 2026	December 7, 2026
October 23, 2026	November 13, 2026	December 14, 2026
October 30, 2026	November 20, 2026	December 21, 2026
November 6, 2026	November 27, 2026	December 28, 2026
November 13, 2026	December 4, 2026	January 4, 2027
November 20, 2026	December 11, 2026	January 11, 2027
November 27, 2026	December 18, 2026	January 19, 2027 Later date due to a holiday
December 4, 2026	December 25, 2026	January 25, 2027
December 11, 2026	January 1, 2027	February 1, 2027
December 18, 2026	January 8, 2027	February 8, 2027
December 24, 2026 Early date due to a holiday	January 15, 2027	February 16, 2027
December 31, 2026 Early date due to a holiday	January 22, 2027	February 22, 2027
January 8, 2027	January 29, 2027	March 1, 2027
January 15, 2027	February 5, 2027	March 8, 2027
January 22, 2027	February 12, 2027	March 15, 2027
January 29, 2027	February 19, 2027	March 22, 2027
February 5, 2027	February 26, 2027	March 29, 2027
February 12, 2027	March 5, 2027	April 5, 2027
February 19, 2027	March 12, 2027	April 12, 2027
February 26, 2027	March 19, 2027	April 19, 2027
March 5, 2027	March 26, 2027	April 26, 2027
March 12, 2027	April 2, 2027	May 3, 2027
March 19, 2027	April 9, 2027	May 10, 2027

GOVERNOR'S REGULATORY REVIEW COUNCIL DEADLINES

Volume 32, Issue 42, October 16, 2026

GOVERNOR'S REGULATORY REVIEW COUNCIL DEADLINES

MEETING DATES ARE SUBJECT TO CHANGE

The deadlines provided in the following table apply to all Five-Year Review Reports and any rulemaking notice submitted for review to the Governor's Regulatory Review Council (Council). The Office publishes these deadlines under A.R.S. § [41-1013](#)(B)(15).

Council meetings and *Register* deadlines do not correlate.

All rulemaking notices submitted for review and Five-Year Review Reports are due in the Council office by 5 p.m. of the deadline date.

The Council's office is located at 100 N. 15th Ave., Suite 305, Phoenix, AZ 85007.

For more information, call (602) 542-2058 or visit the Council's [website](#).

File Number: M25-79

DEADLINE FOR PLACEMENT ON AGENDA Materials must be submitted by 5 p.m. on dates listed in this column as a deadline for placement on a particular agenda. Placement on a par- ticular agenda is not guaran- teed.	DEADLINE FOR FINAL MATERIALS SUBMITTED TO COUNCIL	DATE OF COUNCIL STUDY SESSION	DATE OF COUNCIL MEETING
Tuesday March 24, 2026	Tuesday April 21, 2026	Tuesday April 28, 2026	Tuesday May 5, 2026
Tuesday April 21, 2026	Tuesday May 19, 2026	Wednesday May 27, 2026	Tuesday June 2, 2026
Tuesday May 19, 2026	Tuesday June 23, 2026	Tuesday June 30, 2026	Tuesday July 7, 2026
Tuesday June 23, 2026	Tuesday July 21, 2026	Tuesday July 28, 2026	Tuesday August 4, 2026
Tuesday July 21, 2026	Tuesday August 18, 2026	Tuesday August 25, 2026	Tuesday September 1, 2026
Tuesday August 18, 2026	Tuesday September 22, 2026	Tuesday September 29, 2026	Tuesday October 6, 2026
Tuesday September 22, 2026	Tuesday October 20, 2026	Tuesday October 27, 2026	Tuesday November 3, 2026
Tuesday October 20, 2026	Tuesday November 17, 2026	Tuesday November 24, 2026	Tuesday December 1, 2026
Tuesday November 17, 2026	Tuesday December 22, 2026	Tuesday December 29, 2026	Tuesday January 5, 2027
Tuesday December 22, 2026	Tuesday January 19, 2027	Tuesday January 26, 2027	Tuesday February 2, 2027