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Energy Resources Department
Mesa, Arizona

- 3rd largest city in Arizona & 38th largest in nation
- 450,000 + population in 132 square miles
- Energy Resources Department
  - Customer owned electric & gas utility services
  - Established in 1917
  - APPA’s & APGA’s SOAR Awards
  - 16,000 electric utility customers (Downtown)
  - 58,000 gas utility customers
- Salt River Project & Southwest Gas Corp. also serve parts of Mesa
Balancing Opportunities...

- Weather, economy, regulatory initiatives frequently & significantly impact the energy utility industry.
- Uncertainties & difficulties compounded by compliance with climate change related regulations & physical security/cyber-security threats.
- Uncertainties/difficulties makes achieving balance more complicated & extremely difficult
Energy utility industry is very capital intensive and solutions are often very capital intensive

- Continued access to low cost capital is imperative
- Jeopardizing recovery of fixed costs = additional risk = increased costs of capital borne by customers
- Investment in higher initial cost options deemed higher risk
Mesa Achieving “Balance”

- Focused on basics: Safety – Reliability – Efficiency
- Endured significant challenges: weather, economy, market uncertainty
- Diverse Portfolio - 20% Green, multiple suppliers, incentives
- Costs stabilized - Rate stability
- Investments in staff and system have significantly enhanced reliability, resiliency, efficiency and safety

- Are benefits of proposed policies based upon: lowering costs by reducing investments in reliability; shifting costs to other customers; increasing risks that are not readily apparent (e.g. heavily leveraged financing); and/or inordinate and economically inefficient subsidies?
- Avoid environmental regulations & requirements that intend to remedy the issues “overnight”.

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Mesa’s Future Energy System

- Microgrid/Smart Grid - Expand Technology to enhance Safety, Reliability, Resilience and Efficiency
- Increase investments/portfolio of Green Resources
- Optimize Mesa’s electric, gas & chilled water utility systems
- Additional Grant Partnership opportunities could accelerate development & implementation
QUESTIONS?

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