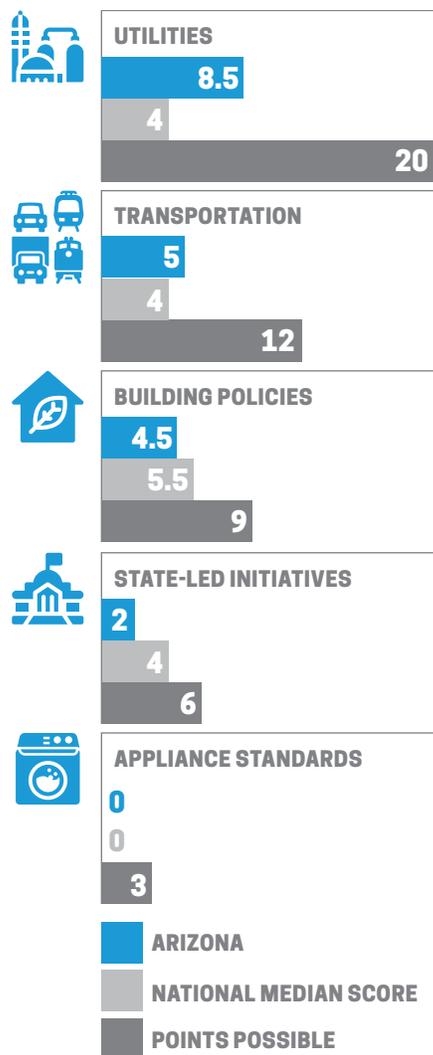




Arizona

Arizona ranked 23rd in the 2020 State Energy Efficiency Scorecard, falling four spots from its 2019 rank. The state earned 20 points out of a possible 50, 1.5 points less than last year.



Arizona and its utilities have been regional leaders in energy efficiency, delivering among the strongest levels of savings in the Southwest. Arizona is at an important turning point as it determines which direction to take in its next iteration of utility efficiency programs following a decision this year by the Arizona Corporation Commission to extend and expand the state’s current energy efficiency resource standard (EERS) and set a 100% carbon-free electricity standard. Meanwhile, opportunities remain to strengthen efficiency in other areas, including adopting fleet and freight efficiency policies and working with localities to adopt and enforce more stringent building standards.

UTILITIES

The state’s strong EERS has historically helped deliver electricity savings well above the national median, though savings were lower in 2019 as utilities scaled back program spending. However, the state corporation commission recently signaled a promising new era for efficiency in November, when it voted to approve a clean energy rule packaging, which included an extension of the state’s EERS through 2030. A final vote to adopt the pending policy changes is expected in 2021. Performance incentives are in place for electric utilities. While electric utilities are not decoupled, state regulators do allow them to recover lost revenues.

TRANSPORTATION

The state integrates transportation and land use planning to address sprawl and shape future growth and has seen a decrease in per capita vehicle miles traveled in recent years. Arizona also has more electric vehicle (EV) registrations per capita than most states. Although the state has a comprehensive freight plan in place, opportunities remain to strengthen the plan’s energy efficiency goals through concrete strategies and metrics. Additionally, Arizona has room for improvement in funding public transportation initiatives and developing complete streets policies. The state does consider the proximity of transit facilities when distributing federal Low-Income Housing Tax Credits to qualifying property owners.

BUILDING ENERGY EFFICIENCY POLICIES

Arizona is a home rule state, with significant local adoption of the 2012 International Energy Conservation Code (IECC) for both residential and commercial buildings, and a small but growing number of communities moving to adopt the 2018 IECC. Utilities are involved in code compliance support activities, and the state also organizes energy code training and outreach. Opportunity remains for the state to work with local jurisdictions to adopt the most recent iteration of building energy codes.

STATE GOVERNMENT-LED INITIATIVES

A property tax exemption is available for energy-efficient building components, although other consumer incentives are limited. The state government leads by setting stringent energy standards for newly constructed public buildings and encouraging use of energy savings performance contracts. Some universities conduct energy efficiency research.

APPLIANCE STANDARDS

Although Arizona has set appliance standards in the past, no additional standards have gone into effect in recent years. The state’s most recent standards were adopted in 2012.