

U.S. Department of Energy Quadrennial Energy Review

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Santa Fe, New Mexico



mesa·az

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City of Mesa, Arizona

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

Balancing Opportunities(cont.)

- 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”.

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?

