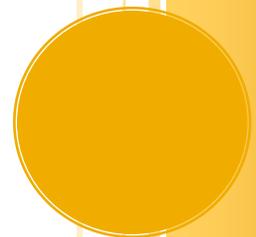


# ARIZONA ENERGY JUSTICE SNAPSHOT



National Association for the Advancement of Colored People,  
Environmental and Climate Justice Program

5/1/2017

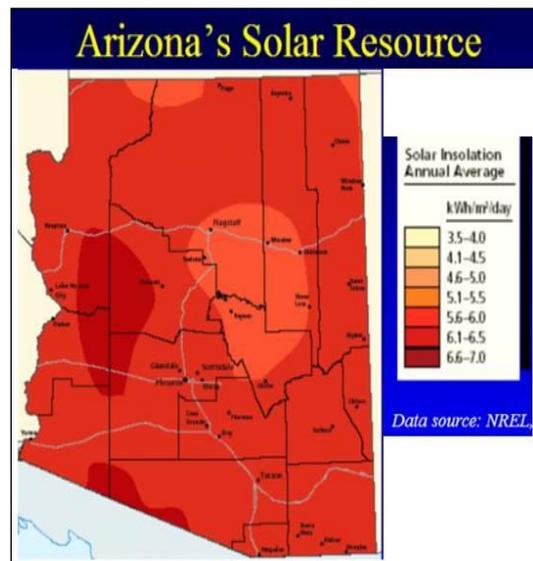


# ARIZONA ENERGY JUSTICE SNAPSHOT

## SUMMARY

Access to clean energy is not just an environmental issue, but also a civil right. Communities of color bear a disproportionate share of the burdens of a fossil fuel based energy economy. This is why the NAACP Environmental and Climate Justice Program stands for just energy policies that will help protect our communities from harmful energy production processes and provide equitable access to the clean energy economy.

This Snapshot profiles Arizona's energy portfolio, evaluates key state energy policies, documents state utility disconnection policies, and outlines opportunities in the clean energy economy. This snapshot also provides information that will inform NAACP members on avenues for future engagement.



## STATE ENERGY PROFILE

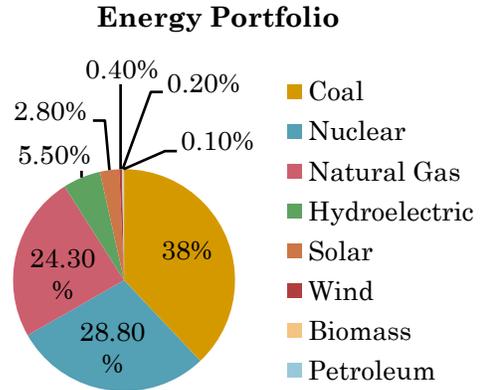
Although Arizona is endowed with the geography, climate, and natural resources to generate abundant renewable energy, the state's energy infrastructure is stuck in the fossil fuel past. A majority of Arizona's energy is generated from coal, nuclear, and natural gas. Coal has been on the decline in recent years, but state level policies lock-in the energy-industry status quo and inhibit the clean energy transition we need to fight climate change and keep our communities safe and healthy. This section will outline Arizona's energy portfolio and document current key state energy policies.

## Energy Portfolio

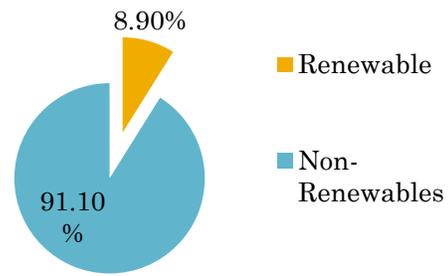
Coal is the dirtiest fossil fuel and Arizona's primary energy source. There are two coalfields and one operating coal mine in the state. In-line with national trends, there are efforts in the state to reduce reliance on coal. Arizona is a part of a multi-state effort to develop carbon sequestration infrastructure in geologic formation, but these efforts have not been actualized.

Nuclear is second-most relied upon energy source. Arizona's Palo Verde Nuclear Generating Station is the nation's largest nuclear power plant. While nuclear energy is not generated from fossil fuels, it is a non-renewable energy source and not generally accepted by the environmental justice community. **The NAACP does not endorse nuclear as a clean energy source.** As coal becomes a shrinking portion of the state energy portfolio, natural gas is on the rise. However, with only a few producing wells and little drilling activity in the state, most natural gas resources are imported across state lines.

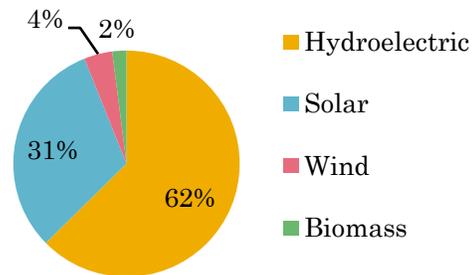
**Hydroelectricity provides the bulk of Arizona's renewable energy.** With that said, increasing amounts of electricity generation capacity from other renewable sources are coming online. Most of Arizona is semiarid, providing **abundant sunshine that endows the state with some of the nation's greatest solar power potential.** There is also potential for expanded wind energy generation in Arizona's higher elevations, including along the 200 mile long Mogollon Rim. Arizona also has geothermal resources, however, the state does not have any utility-scale power plants that use geothermal energy.<sup>i</sup>



## Renewables vs. Non-Renewables



## Renewable Energy Portfolio



Figures 1-3: <http://spotforcleanenergy.org/state/arizona/>

For more detailed information and data on Arizona's energy portfolio visit the U.S. Energy Information Administration's webpage,

<http://www.eia.gov/state/?sid=AZ>

## State Energy Policies<sup>ii</sup>

| Policy Type                                       | NAACP Recommended Policy Standards  | Arizona Policy Details  |
|---|---|---|
| <b>Net Metering</b>                               | <p>Net Metering Standards require utility companies to provide retail credit for new renewable energy produced by a consumer.</p> <p><b>Capacity Limit Recommendation:</b><br/>2,000 kW (minimally), per system<br/><b>Mandatory/Voluntary:</b> Mandatory</p>   | <p>In the end of 2016, the Arizona Corporation Commission approved significant changes to the state's distributed solar policies that ended net metering policies and lowered the credit residential solar customers receive for excess energy sent back to the grid.</p> <p>Through 2017, there continues to be ongoing negotiations for distributed solar rate design.</p>  |
| <b>Renewable Portfolio Standard (RPS)</b>         | <p>A RPS requires electric utility companies and other retail electric providers to supply a specific minimum among of customer load with electricity from eligible renewable energy sources.</p> <p><b>Recommended Standard:</b> Minimally 25% renewable by 2025<br/><b>Mandatory/Voluntary:</b> Mandatory<br/><b>Allowable Sources:</b> Wind, solar, geothermal, ocean/wave energy</p>  | <p>Arizona has a mandatory renewable energy standard of <b>15% by 2025</b>. Therefore, in order to reach the recommended mandatory goal of 25% renewable energy by 2025, Arizona must raise the standard by at least 10%.</p> <p><b>Arizona's RPS has a 30% distributed generation carve-out.</b></p>   |
| <b>Energy Efficiency Resource Standard (EERS)</b> | <p>A EERS establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency program.</p> <p><b>Recommended Standard:</b> Minimally 2% annual reduction of each previous year's retail electricity sales.<br/><b>Mandatory/Voluntary:</b> Mandatory</p>  | <p>Arizona has a mandatory energy efficiency standard that calls for annual savings of 22% of retail sales, and natural gas savings of 6%, by 2020.</p> <p>This standard meets the NAACP recommendation so ideally Arizona will increase its ambition.</p>  |
| <b>Local Hire Provision</b>                       | <ul style="list-style-type: none"> <li>• Extra renewable energy credit multipliers for in-state installation and in-state manufactured content</li> <li>• Renewable energy credits for utility providing incentives to build a plant in-state</li> <li>• Renewable energy credit for utility that makes an investment in a plate located in-state</li> <li>• Quota for government assisted construction project employers to hire a percentage of workers locally</li> <li>• Bidding Preferences for companies that hire a percentage of their employees in-state for state-funded public works projects and service contracts</li> </ul> | <p>Arizona has a local procurement provision that provides incentives to contractors who utilize in-state solar installation and in-state manufactured content. This is somewhat exceptional as few states have local hire provisions that apply to energy projects at all. Expanding this provision to include wind and geothermal, as well as establishing a Local Hire Provision that encompasses all energy projects, would significantly increase the amount of tax dollars Arizona reinvests in the local economy and provide local jobs so people can work near where they live.</p> |
| <b>Disadvantaged Business Enterprise</b>          | <ul style="list-style-type: none"> <li>• Provide training opportunities</li> <li>• Notify DBEs of state business opportunities</li> <li>• Set-aside funds for DBEs</li> </ul>   | <p>Arizona has a Minority Business Enterprise certification process and therefore partially meets the NAACP's recommendations.</p>  |

## Utility Disconnection Policies<sup>iii</sup>

|                                     |  |
|-------------------------------------|--|
| <b>Notice</b>                       | Written notice must be provided five days prior to scheduled disconnections.   |
| <b>Date Based Protection</b>        | None   |
| <b>Temperature Based Protection</b> | Yes; disconnections may not take place on a day when the forecasted temperature for the following day does not exceed 32 degrees Fahrenheit. The commission may determine the other weather conditions are especially dangerous to health as the need arises.  |
| <b>Payment Plan</b>                 | Each utility may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for utility service.   |
| <b>Reconnection Fee</b>             | Yes  |
| <b>Disconnection Limitations</b>    | Utilities are advised not to terminate residential service when the customer has an inability to pay and where weather will be especially dangerous to health as determined by the Commission. There are also rules prohibiting disconnection of service for certain medical reasons. Several of Arizona's energy vendors enforce moratoriums with varying criteria. |

*Utility shut-offs have a disproportionate impact on low-income and African American communities. Check out the [NAACP report](#), "Lights Out in the Cold" for more information.*

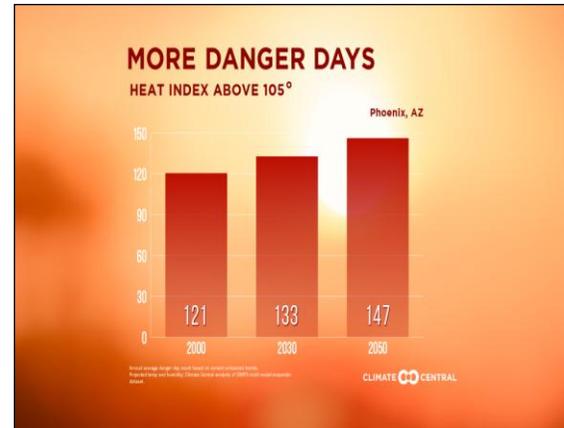


Figure 4: <http://statesatrisk.org/arizona>

**Access to electricity is not a luxury; it's a human right.** With increasingly dangerous high heat conditions in Arizona, utility services are essential to sustaining life. Folks should not be forced to choose between paying for medications or their energy bill. Public officials have implemented some policies that protect consumers from the life-threatening practice of utility disconnection, however, energy justice advocates must continue to hold utility companies and regulators accountable to human rights and basic but life-saving protections.

*According to [Climate Central](#), Phoenix, AZ is the second fastest warming city in the United States.*

More details about Arizona's disconnection policies are available at:

<http://www.azcc.gov/divisions/utilities/electric/faqs.asp>

## DEVELOPING THE BLACK-GREEN PIPELINE

African Americans are inadequately represented in the clean energy sector. It is the goal of the NAACP Black-Green Pipeline Initiative that African Americans will have increased representation across all sectors of the clean energy economy. The Black-Green Pipeline Initiative promotes the equitable inclusion of communities of color into the green economy in order to address unemployment in our communities and to increase the voices and influence of our communities in the green economy.

To subscribe to the Black-Green Pipeline Initiative Weekly Digest send a blank email to:  
[naacp-bgp-subscribe@yahoogroups.com](mailto:naacp-bgp-subscribe@yahoogroups.com)

## The Green Labor Market and Communities of Color

Arizona has a low concentration of energy employment, with 42,761 traditional energy workers in 2016. That's only 1.6% of total state employment (compare to a 2.4% national average). According to the [US Energy and Jobs Report](#), Arizona had almost 10,000 solar jobs in 2016, even with a relatively small solar market (compared to other energy sources).<sup>iv</sup> Done right, expanding renewable energy would increase local jobs in the Arizona green economy.



### *Unemployment*

In 2015 the gap between the U.S. unemployment rate and the rate for African Americans was 4.3 percentage points. In Arizona the unemployment rate in 2015 for African Americans was 3.2 percentage points above the state average.

**2015 National Unemployment Rate:  
5.3%**

**2015 Arizona Unemployment Rate:  
5.9%**

**2015 National African American  
Unemployment Rate: 9.6%**

**2015 Arizona African American  
Unemployment Rate: 9.1%**

v

Renewable energy generation is not only more environmentally sustainable than fossil fueled energy generation, but it can also provide numerous economic benefits. According to a recent [report](#) from the Environmental Defense Fund, the solar and wind industries are creating jobs at a rate 12 times faster than that of the rest of the U.S. economy.<sup>vi</sup> In Arizona, the solar economy mirrored these national trends until contentious debates over the evolution of rooftop solar policy and electric utility rate design brought uncertainty to the strength of the Arizona green economy. In 2016 Arizona saw a six percent increase in solar jobs, well behind national average growth of 25% in solar jobs. The Arizona solar workforce also needs to be diversified. According to the [Arizona Solar Jobs Census](#), in 2016 the Arizona solar workforce was only 3% African American.<sup>vii</sup>

*Check out the 2016 Solar Jobs Census, which includes a profile of Arizona, here:*

<https://solarstates.org/#state/arizona/counties/solar-jobs/2016>

## TAKE ACTION

Although Arizona has the potential to be a clean energy leader, yet it's quickly falling behind and our communities suffer as a result. Arizona NAACP branches can be leaders in ensuring that state energy practices are not only clean but also just and equitable. Below are some potential action steps branches can take:

### Establish an Arizona Environmental and Climate Justice Committee

- In order to increase capacity within the state conference for advancing energy justice advocacy and initiatives, establish an Environmental and Climate Justice Committee.
- Conduct a preliminary needs/issues/opportunities assessment in order to determine what specific causes the ECJ committee would like to focus efforts on.
- Conduct outreach at branch meetings and state gatherings in order to generate interest and support of the committee and recruit new members.
- Recruit a team and develop an action plan.

### Launch a Just Energy Policies Campaign

- Host a town-hall to educate the community about the policy and get input from members on their needs, priorities, and perspectives.
- Identify one or more of the focal policies outlined in the Just Energy Policies Report, or another relevant policy in Arizona, that the state conference would like to advocate on behalf of.
- Build a coalition with likeminded energy justice advocates and other allies to build power and momentum.
- Set up lobby trainings and coordinate a lobby-day with elected officials.

### Host a Bridging the Gap: Connecting Black Communities to the Green Economy Roundtable

- The NAACP ECJ Program is committed to advancing a meaningful dialogue and concerted action on engagement of communities of color in the green economy.
- To start taking action, organize a multi-stakeholder roundtable with socially responsible energy business leaders, historically black colleges and universities, environmental groups, civil rights organizations, labor unions, and others to discuss developing and implementing a strategy to ensure that policies/laws/regulation, research initiatives, community level practices, corporate social responsibility measures, etc. are in place to ensure greater engagement of communities of color in the green economy.

### Implement a demonstration project such as a community solar garden or rooftop solar project

- Interested in taking a direct role in implementing clean energy practices in your community? Install rooftop solar or community solar.
- There are several rebates and incentives available to Arizonans interested in pursuing renewable energy projects. Visit [energy.gov](http://energy.gov) for a list of renewable energy incentive program available.
- You can also check out funding opportunities offered through the Department of Energy SunShot Initiative, which aims to support solar energy adoption by making solar energy accessible to all Americans.

### Engage the public through media

- Develop and place an op-ed by NAACP Unit President or ECJ Chair in a local newspaper
- Participate in a radio interview, TV interview, podcast
- Post an article or blog to an online platform
- Promote the state's energy justice advocacy efforts on Facebook.

**Climate Justice Alliance:** A coalition of organizations united for a just transition to a clean energy economy.

**Arizona Forward:** An advocacy organization that mobilizes state business leaders and policymakers to leverage their collective power to influence how to grow communities, stimulate the economy, and enhance the environment.

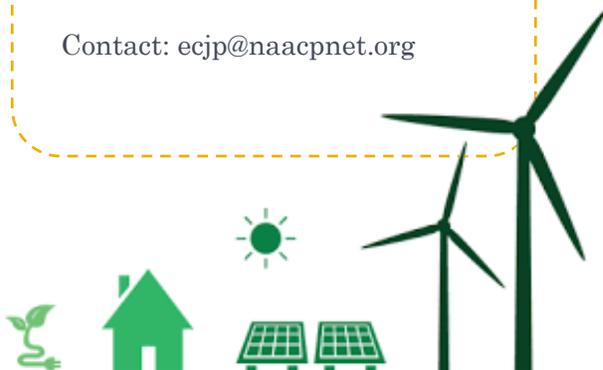
**Sustainable Arizona:** An organization that engages leaders in economic development, technology, education and community enhancement using the processes necessary to achieve sustainable development.

**Institute of the Environment:** A program at the University of Arizona that aims to advance innovative solutions to environmental challenges in Arizona and around the planet.

**Environment Arizona Research and Policy Center:** An organization dedicated to protecting air, water, and open spaces that investigates problems, crafts solutions, educates the public, and participates in state and national debates over environmental quality.

***Need additional support, resources, or other assistance?***

Contact: [ecjp@naacpnet.org](mailto:ecjp@naacpnet.org)



## CLOSING

Today there is unprecedented urgency for climate action and a just transition to clean renewable energy. For over one hundred years our nation has relied on energy from dirty fossil fuel sources, which has had serious consequences for the physical and economic health on communities of color. With significant renewable energy potential, Arizona can lead the charge towards a just transition to cleaner, healthier, more equitable energy economy. The NAACP can be key leaders in advancing this important civil rights cause.



Embracing a transition to clean, renewable energy sources will not only provide significant environmental and health benefits for the people of Arizona, it will also diversify and strengthen the state's economy. While the state has significant renewable energy potential, state policies have not adequately incentivized the growth of renewable energy. NAACP leaders should advocate on behalf of just energy policies including a strong Renewable Portfolio Standard, Energy Efficiency Resource Standard, Net Metering standards, Local Hire Provisions, and Minority Business Enterprise Programs. Our communities have the potential to be key leaders facilitating a just transition to clean, renewable, locally owned and controlled energy.

## JULY 2017

### Created by the NAACP Environmental and Climate Justice Program

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<sup>i</sup> "Arizona State Profile and Energy Estimates," *United State Energy Information Administration*, last modified on 15 December 2016,

<https://www.eia.gov/state/analysis.php?sid=AZ>.

<sup>ii</sup> "Programs," *DSIRE*, accessed 11 July 2017,

<http://programs.dsireusa.org/system/program?fromSir=0&state=AZ>.

<sup>iii</sup> Jacqueline Patterson, Marcus Franklin, Caroline Kurtz, Mike Alksnis, Lorah Steichen, Chiquita Younger, "Lights Out In the Cold: Reforming Shut-Off Policies as if Human Rights Matter," *NAACP Environmental and Climate Justice Program*, March 2017,

[http://www.naacp.org/wp-content/uploads/2017/04/Lights-Out-in-the-Cold\\_NAACP-ECJP-4.pdf](http://www.naacp.org/wp-content/uploads/2017/04/Lights-Out-in-the-Cold_NAACP-ECJP-4.pdf).

<sup>iv</sup> "2017 US Energy and Jobs Report State Charts," *United States Department of Energy*, accessed 11 July 2017,

<https://energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report%20State%20Charts%200.pdf>.

<sup>v</sup> "Unemployment rates for African Americans by state in 2015," *Bureau of Labor Statistics*, last modified 4 March 2016, <https://www.bls.gov/opub/ted/2016/unemployment-rates-for-african-americans-by-state-in-2015.htm>.

<sup>vi</sup> "Now Hiring: The Growth of America's Clean Energy and Sustainability Jobs,"

*Environmental Defense Fund*, 2017,

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<sup>vii</sup> "Solar Jobs Census 2016," *The Solar Foundation*, 2017,

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