

Issue: AZ ACC and Corruption

## Talking Points: Undue Influence and the ACC

### Arizona's Stymied Solar Energy – No Accident

- Arizona is the sunniest state in the U.S. but trails other states in solar power generation in part because the largest power provider in the state, Arizona Public Service Company (APS) has been spending millions to get anti-solar Republicans on the Arizona Corporation Commission (ACC).
- Why would APS support anti-solar candidates? Because APS loses money when:
  - Consumers install rooftop solar to generate their own power, and
  - Utilities are required to buy consumers' surplus solar power via "net metering".
- Contentious fighting over net metering has also hampered the growth of solar power in Arizona.

### The Arizona Corporation Commission (ACC)

A co-equal fourth branch of the Arizona government, **the ACC is tasked with ensuring safe, reliable, and affordable utility services for consumers.** It has a board of 5 commissioners, elected in the general election to 4-year terms. Despite the ACC's pro-consumer mandate, APS campaign interference through dark money funding of its preferred anti-solar Republican candidates has led to voter dissatisfaction with the ACC.

### History of Corruption: Allegations, Investigations, and Undue Influence

- 2014 election: APS and its parent company donated \$10.2 million via dark money groups to fund anti-solar ACC candidates and ran smear campaigns against pro-solar candidates. Result: ACC board stacked with 5 Republican pro-APS, anti-solar commissioners.
- 2016: The APS openly spent \$4.2 million on the ACC race; the board stayed all Republican. Also:
  - The FBI investigated dark money groups and the APS's role in the 2014 ACC elections.
  - Commissioner Bob Burns (R), disturbed by ACC corruption, began a campaign for transparency in ACC election contributions but lacked support of other commissioners.
- 2017: A poll showed 66% of Arizona voters believed the ACC was corrupted by outside influences.
- 2018: Rate hikes, biased ACC voting, and a failed pro-solar ballot measure increased public awareness of the APS's corrupting influence on the ACC.
- 2019: The ACC ordered APS to provide information on the 2017 rate hike and examined APS documents that revealed the scope of the utility company's involvement in politics.
- 2020: Three Republican ACC commissioners stood against a bipartisan renewable energy proposal thus tabling it, despite widespread support.

### 2020 Election Opportunity: Flip the ACC to Democratic Control

- Running for three open ACC seats in 2020: three pro-solar Democrats (William Mundell, Shea Stanfield and Anna Tovar) and three Republicans. Retained seats: Olson (R) and Kennedy (D)—neither voted for the 2017 APS rate hike.
- An informed electorate will vote for pro-solar ACC candidates to ensure:
  - More affordable rooftop solar options,
  - Reasonable rate hikes,
  - Increased energy from renewable sources (50% by 2050), and
  - Effective use of Arizona's vast natural supply of renewable energy.

Complete report available at: <https://www.localmajority.org/research-reports/#AZ-ACC>