

ERS

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**ARIZONA CORPORATION COMMISSION**

April 3, 2025

***In the Matter of the Commission's Inquiry and Review of the Existing Rate Classifications
and other Potential Issues relating to Data Centers (Docket No. E-00000A-25-0069)***

Commissioners, Utilities, and Stakeholders:

Arizona's power generation and infrastructure needs have been exponentially growing long before the recent influx of data center development and large industrial users. To date in Arizona, the data center industry is paying its fair share of expansion of power generation and infrastructure under existing utility rate structures and Commission practices.

As data centers continue to expand and contribute to our ever-growing demands on Arizona's and the nation's power infrastructure with their unique and large power needs, it's important to balance the economic opportunities presented by data centers with the need to financially protect other ratepayers to ensure they are not bearing the rising energy generation and transmission costs associated with this burgeoning industry.

To that end, I opened a new docket to review the existing rate classifications and the possible creation of more transparent rates for data center customers and the public. Other topics could include a review of utility mechanisms being implemented with data center customers, as well as behind-the-meter and in-front-of-the-meter solutions, and user-funded utility scale generation to help large customers such as data centers meet their power needs, while at the same time providing improvements to Arizona's power infrastructure that ultimately benefit the utilities' and other ratepayers through a more robust grid.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Thompson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chair Kevin Thompson