ACC Approves Measure to Ensure Electric Cooperative Customers Don't Pay for Large-Load Growth

Aug 13, 2026, 10:17 by Nicole Garcia

Phoenix, Ariz. – The Arizona Corporation Commission voted unanimously during the August 12, 2026 Open Meeting to approve a joint application by several electric cooperatives that creates a streamlined process to protect its existing ratepayers from the costs of new transmission and infrastructure demands brought on by new large-load customers. Arizona Electric Power Cooperative, Inc. (AEPCO), Duncan Valley Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc, Mohave Electric Cooperative, Inc., Graham County Electric Cooperative, Inc. and Trico Electric Cooperative, Inc. (collectively, the "Distribution Cooperatives") collaborated on the application, which would request ACC approval for electric service agreements between large-load customers, such as data centers, and the cooperatives. This procedure supports the Commission's "Growth Pays for Growth" approach when it comes to the addition of new large-load customers.

"This new large load process gives Arizona cooperative utilities, a clear standardized framework for bringing data centers and large load users online while protecting existing ratepayers from bearing the costs," said Chairman Nick Myers. "Large load customers are becoming increasingly interested in rural areas of Arizona. This new process allows rural Arizona to capture the economic growth responsibly without being subsidized by other customers of the utilities."

"I applaud our electric retail cooperatives for addressing the challenge of large load customers interested in rural Arizona," said Commissioner Lea Márquez Peterson. "As we know, every cooperative is structured a little differently and represent diverse communities across the state. It's important that the process for onboarding large loads reflects this difference. I was proud to support their effort to streamline their processes and to protect their members and ratepayers."

The Commission commended the Distribution Cooperatives for being proactive in helping to protect the affordability and reliability of service for their existing members. The Distribution Cooperatives say they are in talks with several prospective large-load businesses looking to build new facilities in their service territories, which would create the

necessity for new electric service agreements between AEPCO (the wholesale electricity provider), the Distribution Cooperatives (the electric retail company) and the large load customer (the retail customer).

The proposed process for establishing prospective large-load service agreements would adhere to a common set of guidelines, a checklist of application requirements that the Commission would ultimately approve, deny or amend. The Commission's Utilities Division Staff's review of the application will include at a minimum three criteria: whether the agreement is in the public interest, whether the rates charged are reasonable, and whether the agreement ensures that no other customer class of AEPCO or the Distribution Cooperatives subsidizes the customer's commercial activities.

"As we confirmed in our meeting, large load customers will be required continue to cover all costs associated with commercial services under this framework, including new infrastructure and transmission construction," said Commissioner Kevin Thompson. "This further protects ratepayers from potentially subsidizing costs attributed to serving "cost causers" such as manufacturing facilities and data centers."

All documents related to this application can be found in the ACC's eDocket **https://edocket.azcc.gov/** under Docket No. **E-01773A-26-0123**.

Arizona Corporation Commission (ACC) Decision #82128

Approves a Streamlined Process for Multiparty Agreements for Electric Service to Large-Load Customers Submitted by the Cooperatives

https://edocket.azcc.gov/search/docket-search/item-detail/29862

Arizona Corporation Commission's News Release

https://azcc.gov/news/home/2026/08/13/acc-approves-measure-to-ensure-electric-cooperative-customers-don-t-pay-for-large-load-growth