

# Integrated Resource Planning (IRP)

## What is IRP?

IRP is the process of systematically analyzing what Mesa's electric customers will need over the next 5 – 10 years; determining what resources are available to meet those electric needs; then deciding which resource or resource mix will be most appropriate for meeting those needs

## What Resources are Considered Viable Options for Meeting Mesa Electric Customers' Needs?

At the beginning of the IRP process, all resources are considered viable for meeting Mesa electric customers' needs. These resources include:

- Long Term Contractual Resources
  - o This is where Mesa issues requests for proposals from energy suppliers whereby the suppliers can generate energy and sell it to Mesa for an extended period of time. The energy may be generated by any technology that the supplier chooses, but typical supplies in the southwest region may include natural gas generated electricity, coal generated electricity and possibly some small contributions from wind generated electricity or electricity generated at hydro-electric generators.
- Purchasing Physical Resources
  - o Mesa may have opportunities to own the resources that could provide electricity to its customers. This may include owning and operating natural gas fired generation, wind-powered generation or solar photovoltaic generation. Mesa may also have opportunities for joint ownership resources with other utilities.
- Demand Side Management
  - o Opportunities may exist for Mesa to facilitate programs which incent Mesa electric customers to reduce their electric consumption. This way, Mesa helps its customers to keep their demand low to avoid the cost of acquiring other resources.

## What Kind of Resources Does Mesa Currently Have?

Mesa currently receives all of its electrical energy through long-term contractual resources. Even though Mesa isn't subject to the Arizona Corporation Commission's Renewable Energy Standard (RES), Mesa still receives over 17% of its peak demand requirements from renewable hydro-electric generation. Mesa's remaining supplies come from long-term contractual resources with mixes of generation sources and ad-hoc market purchases.

## Why Does Mesa go Through the IRP Process?

Mesa is a long-term firm electric power and transmission customer of the U.S. Department of Energy's Western Area Power Administration (Western). As such, the IRP process is required by the Energy Policy Act of 1992 which requires Western's long-term firm power customers to

prepare Integrated Resource Plans. Notwithstanding this requirement, Mesa believes that the IRP process provides both Mesa and its customers a rational methodology in terms of choosing technically and economically feasible power resources to meet future energy requirements.

**Can Mesa Electric Customers Provide Input For These Decisions?**

Yes! In fact, Mesa would love for you to participate in the IRP process. Any of the Mesa electric customers within Mesa's 5.5 square mile electric service territory are welcome to attend upcoming public information sessions and provide their input to the IRP process.

We will be presenting our initial findings at a meeting:

November 10, 2011  
5-6:30pm  
Mesa Public Library  
Saguaro Room  
64 East 1st Street  
Mesa, AZ 85201-6768

Check the web site below for the time and location of our next meeting to be held the second week of December 2011. [www.mesaaz.gov/energy](http://www.mesaaz.gov/energy).