



MEMORANDUM

TO: IEDA Board
RE: Power Report
DATE: March 13th, 2026

Arizona Corporation Commission

The Arizona Corporation Commission repealed the REST Rules on March 4th, citing that the cost to customers was no longer justifiable. The IOU's in Arizona have collected \$2.3B in surcharges since the rules were adopted in 2006. The all republican commission voted unanimously, citing costs and the fact that they have already achieved the targets for the repeal.

Data Centers

It seems that the entire electric industry is talking about data centers, and for good reason. Jim Robb (NERC) estimates that 50% of new load will be due to data centers, with an anticipated increase in load of 225 GW over the next 10 years. EPRI's projections were modified recently, doubling their initial projections from just 2 years ago.

New estimates state data centers could consume up to 17% of the U.S. electricity by 2030, doubling their current share. With supply lagging the demand from data centers, multiple projects are "bringing their own generation." Cleanview report identifies 46 DCs with combined capacity of 56 GW that plan to build their own power "Behind-the-Meter".

The costs of these projects are staggering, with Amazon investing \$12B in a data center campus in Louisiana. A friend in the PNW said one of the big 7 just deposited a \$7M check just to get started on a project. With affordability being an

area of concern, it makes sense for the recent “Ratepayer Protection Pledge” that the President got from the 7 AI companies.

NERC is concerned about, and EPRI is working on ride-through events, so that multi-megawatts to gigawatts don’t trip offline due to voltage issues. The second biggest issue NERC is concerned about is reindustrialization. Companies are having to compete with AI for grid access and capacity.

EPRI predicts that the next wave of micro data centers will be 2-3 MW near substations for inference near the population.

Nuclear Renaissance

As demand continues to increase, natural gas generation is no longer under attack, but the desire for carbon free generation has brought nuclear back in vogue. While small modulars have been discussed for years, large scale nuclear plants are back on the table for options.

With the completion of Vogtle units 3 (2023) & 4 (2024), despite being more than double the original estimated cost of \$14B, successful completion has seemed to assuage concerns for future projects.

Fermi America has submitted a Combined Operating License Application accepted by the NRC for a 4.4 GW project on the DOE Pantex site near Amarillo, TX. This is part of the Project Matador, a combined portfolio of 11 GW behind the meter needs for AI infrastructure that will include natural gas, solar and battery, besides the new nuke project. China is currently building 30+ reactors.

Existing, or recently mothballed nuclear plants are getting a new lease on life. The federal government has called for repowering New York’s Indian Point Nuclear Plant. Diablo Canyon in California recently overcame the last hurdle when they received approval from the California Coastal Commission to keep the plant open for at least five more years.

Companies are looking to gain economies of scale with the development of small modular nuclear reactors. There are currently about 100 different designs for SMRs in the works. The NRC recently approved a construction permit for TerraPower’s 345 MW "Natrium" sodium-cooled fast reactor in Kemmerer, Wyoming. Department of Energy is supporting 11 companies to accelerate testing, including Aalo Atomics, Antares, Atomic Alchemy, Deep Fission, Last

Energy, Oklo, Natura Resources, Radiant, Terrestrial Energy, and Valar Atomics of other SMRs.

Geothermal

People are looking at geothermal generation again, thanks to demand and new technological advancements. Aided by a DOE funding announcement of \$171.5 million, geothermal projects are rapidly advancing Enhanced Geothermal Systems (EGS) toward large-scale commercial operation. Key projects include Fervo Energy's 53 MW Cape Station in Utah (online 2026), the DOE's FORGE site in Utah, and new EGS pilots by Chevron and Mazama Energy. One test well measured 555 Degrees F, well above commercial viability, that could unlock a multi-gigawatt resource.

Oil

For anyone who has filled up at the pump this week, the jump of \$1/gallon couldn't be ignored. Driven by the attacks on tankers and the stoppage of shipping through the Strait of Hormuz, where 20% of the world oil flows, the administration and other countries are releasing millions of barrels of oil from strategic reserves.

Thirty two members of the International Energy Agency are releasing 400 millions of barrels to ease price escalations, with the United States contributing 172 million barrels of its current 415 million barrels. Designed to release 4.4 million barrels/day, physical constraints could limit this to 2 million barrels/day.

Good Things to Know

- Near Normal Fire Potential Forecast for Northern Arizona, Much of West
- Farmers In CA Are Backing A Giant Solar Farm – 21 GW, 128K Acres
- CA Orders Companies To Add 6 GW Of Non-Fossil Capacity By 2032
- Interregional Transfer Capability Study Estimates Billions in Savings
- Natural Gas Turbine Equipment Bottleneck Is Easing, Analysts Says
- US -Japan Trade Deal Calls for 9.2-GW Natural Gas Power Plant in Ohio
- Federal District Court Issues Preliminary Injunction Mandating Increased Spill/Reduced Hydropower Production at Eight PNW Dams