



**Commission on Climate, Energy, and Sustainability  
Franchise Committee Meeting  
Thursday, March 19, 2026, 11:00 AM - 12:00 PM**  
This meeting was held on Microsoft TEAMS

## Meeting Minutes

### 1) Call to Order

Meeting called to order at 11:04 AM by Chair Weaver.

#### Present:

Garrett Weaver  
Ojas Sanghi

Representative, City Manager  
Representative, Ward 3

#### Staff Members & Guests:

Michael Catanzaro

Energy Manager, Environmental & General Services  
Department (EGSD)

Shelly Gordon  
Scott Hancock  
Terry Finefrock  
Dan Dempsey  
Ron Proctor  
Mae Smith  
Bruce Plenk

#### Absent:

Katy Brown

Representative, City Manager

### 2. Call to the Audience

Shelly Gordon - Tucson is at the forefront for any sort of change in utilities. Biggest concern is with memo written. Had email conversations with city attorney. What city has stressed is that FA is not tied to ECA. If city wants to form mini-muni. Forming mini-muni is not in ECA. It should include mini-muni. It would bring competition without condemning the entire utility.

Dan Dempsey - we are all environmentalists. We want the same things. The city will get \$2m. TEPs strategy is to divide and conquer. People will lose jobs if they do not get this money. Doesn't like bargain that was struck. City attorney says we can still pursue public power, but city will lose \$2m per year when that occurs. When you look at affordability, at the environment, municipalization can solve that. This deal will disincentivize municipalization. \$5m cap-ex. We need a better bargain.

Bruce Plenk - Community will be making roadmap based on council meeting on March 3rd. Discussed assignment. Said it is pretty clear. Means evaluating each option. Doesn't think the commission should get the report out in two weeks. Find out what recommendations to put in. Community Choice Energy is

a lobbying effort, detailing that should be in the report. There is a memo about the lobbying effort with this session. There may be a place to start with the state leg. Think about actual steps to get there with muni. There are some appraisal issues, some connection issues. Would not get into details.

### **3. Approval of Minutes - None**

### **4. Discussion of Draft Franchise Agreement and Energy Collaboration Agreement between City of Tucson and Tucson Electric Power**

Comm. Weaver summarized situation, said ECA will bring \$2m to City of Tucson, but in exchange for not going down municipalization route.

Comm. Sanghi - Two ways to look at \$2m. It ties the cities hands and lures away from muni. Another way, since 2023 the city created its own leverage to do municipal power. That is a big win. More inclined to look at it the second way. Have concerns with the vagueness of the plan. Not a fan of the 25 year agreement.

EM Catanzario commented that a Mini-muni would violate the ECA.

Comm. Sanghi asked about what type of mini-muni that would violate.

The response was that anything that would go to a vote would end the ECA. The money and the \$2m would be enough to serve a req center. Large dollar and data center.

Discussion of \$2m and forming a muni.

Discussion of having a shorter agreement put to pressure on stakeholder of agreement.

Motion proposed to write a letter to consider options to renegotiate. Shorter timeframe, recommend every 5 years. Shorter timeframes have helped with negotiations. We're not recommending a shorter franchise. Both parties should continue affirming agreement.

Indicate in a letter that the ECA might influence city to avoid pursuing other energy options. Mention things we like, Money is coming from shareholders, long itemized list that city and TEP will collaborate on.

Motion approved to write a letter.

### **5. Call to the Audience**

Shelly Gordon - Commented that she wonders if forming a muni utility should be in the ECA.

Dan Dempsey - Mentioned that on TEPs website, they say that if the franchise goes away, there will be the public utility tax. The GDS study is pretty conservative. If you get \$2m for muni. Disincentivizing the pursuit is harmful to the public. Perceived competition is harmful.

Scott Hancock - Put up a number that makes Tucson not want to pursue muni. No good cause for leaving the agreement. Makes a poison pill for city. Does not need a volatile backdrop. TEP can leave for any reason to end the agreement.

Terry Finefrock - It looks like city is trying to set up a relationship with TEP. Commented that we don't trust them. Shareholders should pay. It should shift where franchise should support services. Behind the meter we should use existing net metering. We can reduce incremental capacity. We do it through netmetering is the big thing we need to hit. Franchise needs to make sure city gets the money.

**6. Future Agenda Items**

Similar agenda, discuss letter.

**7. Adjournment** - Chair Weaver adjourned the meeting at 11:59

DRAFT