

## City Council Work Session

**Meeting Date:** 04/28/2026

**From:** Nicole Antonopoulos, Sustainability Division Director

**Department:** Sustainability

**Co-Submitter:**

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**TITLE:**

**Renewable Energy Credits for Municipal Operations**

**DESIRED OUTCOME:**

This informational session will provide the City Council with an update on discussions with the Navajo Tribal Utility Authority to procure renewable energy credits (RECs) for municipal operations.

**Executive Summary:**

The City of Flagstaff currently purchases renewable energy credits (RECs) from Arizona Public Service (APS) to support its commitment to 100 percent clean electricity for municipal operations, at a cost of \$2.50 per megawatt hour (MWh). Staff recommends transitioning to purchasing RECs from the Navajo Tribal Utility Authority (NTUA) at \$1.85 per megawatt hour plus 6% sales tax. This shift would generate cost savings for the City while building a new partnership with NTUA.

**Information:**

The City of Flagstaff currently purchases approximately 39,000 MWh of renewable energy credits (RECs) each year through the APS Green Power Partners (GPP) program at a rate of \$2.50 per MWh, costing roughly \$97,400 annually. With City electricity use projected to continue to increase due to a variety of factors, including weather, precipitation, operations, and new facilities being commissioned, staff have evaluated alternative REC suppliers that offer more competitive pricing. NTUA provides RECs at \$1.85 per MWh plus 6% tax. Using last year's REC volume (39,000 MWh), the total cost through NTUA would have been \$76,479 (\$72,150 for RECs + \$4,329 tax) compared to the APS rate of \$97,400.

Staff is recommending that the City begin purchasing RECs from NTUA for a minimum of one year while the Arizona Consortium Virtual Power Purchase Agreement (VPPA) undergoes review and potential negotiation. Should the City ultimately decide not to pursue the VPPA option, NTUA is prepared to offer longer-term REC procurement contracts.

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**Attachments**

[Municipal Energy and Fuel Trends](#)

[Renewable Energy Credits for Municipal Operations Slides](#)