

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 78

Senate Engrossed
FILED
MICHELE REAGAN
SECRETARY OF STATE

SENATE BILL 1007

AN ACT

AMENDING TITLE 41, CHAPTER 7, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 12;
AMENDING TITLE 49, CHAPTER 3, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING
SECTION 49-459; RELATING TO CARBON DIOXIDE EMISSIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 7, Arizona Revised Statutes, is amended
3 by adding article 12, to read:

4 ARTICLE 12. JOINT LEGISLATIVE COMMITTEES

5 41-1291. Joint legislative review committee on state plans
6 relating to carbon dioxide emissions from existing
7 power plants; committee termination

8 A. THE JOINT LEGISLATIVE REVIEW COMMITTEE ON STATE PLANS RELATING TO
9 CARBON DIOXIDE EMISSIONS FROM EXISTING POWER PLANTS IS ESTABLISHED AND
10 CONSISTS OF THE FOLLOWING MEMBERS:

11 1. THE CHAIRPERSON OF THE SENATE COMMITTEE ON WATER AND ENERGY OR ITS
12 SUCCESSOR COMMITTEE.

13 2. THE CHAIRPERSON OF THE HOUSE OF REPRESENTATIVES COMMITTEE ON
14 ENERGY, ENVIRONMENT AND NATURAL RESOURCES OR ITS SUCCESSOR COMMITTEE.

15 3. TWO MEMBERS OF THE SENATE WHO ARE APPOINTED BY THE PRESIDENT OF THE
16 SENATE AND WHO ARE MEMBERS OF DIFFERENT POLITICAL PARTIES.

17 4. TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE APPOINTED BY
18 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND WHO ARE MEMBERS OF DIFFERENT
19 POLITICAL PARTIES.

20 B. THE CHAIRPERSON OF THE SENATE COMMITTEE ON WATER AND ENERGY OR ITS
21 SUCCESSOR COMMITTEE AND THE CHAIRPERSON OF THE HOUSE OF REPRESENTATIVES
22 COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES OR ITS SUCCESSOR
23 COMMITTEE SHALL SERVE AS COCHAIRPERSONS.

24 C. THE COMMITTEE SHALL MEET AS OFTEN AS THE MEMBERS DEEM NECESSARY,
25 AND A MAJORITY OF THE MEMBERS CONSTITUTES A QUORUM FOR THE TRANSACTION OF
26 BUSINESS.

27 D. THE COMMITTEE ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2018
28 PURSUANT TO SECTION 41-3103.

29 41-1291.01. Powers and duties; review; staff

30 A. WITHIN SIXTY DAYS AFTER THE DIRECTOR OF ENVIRONMENTAL QUALITY
31 TRANSMITS A PROPOSED STATE PLAN TO THE COMMITTEE PURSUANT TO SECTION 49-459,
32 THE JOINT LEGISLATIVE REVIEW COMMITTEE ON STATE PLANS RELATING TO CARBON
33 DIOXIDE EMISSIONS FROM EXISTING POWER PLANTS SHALL REVIEW THE PROPOSED STATE
34 PLAN DEVELOPED PURSUANT TO SECTION 49-459 IN COMPLIANCE WITH RULES ADOPTED BY
35 THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY UNDER SECTION 111(d)
36 OF THE CLEAN AIR ACT AS DEFINED IN SECTION 49-401.01.

37 B. THE COMMITTEE MAY MEET BEFORE RECEIVING THE PROPOSED STATE PLAN FOR
38 THE PURPOSE OF OBTAINING INFORMATION REGARDING THE DEVELOPMENT OF THE STATE
39 PLAN AND SHALL MEET TO DEVELOP FACTORS THAT MAY BE CONSIDERED BY THE
40 COMMITTEE IN REVIEWING THE PLAN. THE FACTORS SHALL INCLUDE CONSIDERATION OF
41 THE FOLLOWING:

42 1. THE SECURITY OF THE ELECTRICAL POWER GRID IN THIS STATE AND IN THIS
43 REGION.

44 2. THE AVAILABILITY OF NATURAL GAS AND ACCESS TO NATURAL GAS
45 INFRASTRUCTURE IN THIS STATE.

1 3. THE EFFECTS OF IMPROVED TECHNOLOGIES AND EFFICIENCIES IN POWER
2 GENERATION FOR THIS STATE.

3 4. THE EFFECTS OF EXEMPTING EXISTING ELECTRIC GENERATING PLANTS FROM
4 FURTHER MEASURES.

5 5. THE ROLE OF STRANDED COSTS IN THE OPERATION OF EXISTING OR NEW
6 ELECTRIC GENERATING PLANTS.

7 6. THE EFFECTS ON LOCAL ECONOMIES AND THE ECONOMY OF THIS STATE,
8 INCLUDING IMPACTS ON NEW AND EXISTING JOBS, HOUSING AFFORDABILITY AND INCOME
9 AND EMPLOYMENT LEVELS.

10 7. THE IMPACT ON THIS STATE'S ABILITY TO ATTRACT CAPITAL INVESTMENT
11 AND NEW BUSINESSES AND TO DEVELOP AND EXPAND EXISTING BUSINESSES.

12 8. THE RELATIVE COSTS AND BENEFITS OF THE PLAN.

13 9. THE UNIQUE CHALLENGES FACED BY SMALL UTILITIES AND ELECTRICAL
14 COOPERATIVE ASSOCIATIONS.

15 10. THE EFFECTS ON LOCAL RATEPAYERS, INCLUDING RATEPAYERS IN ELECTRICAL
16 COOPERATIVE ASSOCIATIONS.

17 11. THE EFFECTS ON THE CUSTOMS, CULTURE, HISTORY AND HERITAGE OF THIS
18 STATE AND ITS COMMUNITIES.

19 12. ANY OTHER FACTORS THE COMMITTEE DEEMS APPROPRIATE.

20 C. ON RECEIPT OF THE PROPOSED STATE PLAN, THE COMMITTEE SHALL REVIEW
21 THE PLAN BASED ON THE FACTORS IT HAS DEVELOPED, TAKE PUBLIC COMMENT, AND
22 CONSIDER WHETHER SUBMISSION OF THE PLAN TO THE ADMINISTRATOR, AS DEFINED IN
23 SECTION 49-401.01, IS IN THE PUBLIC INTEREST. FOR THE PURPOSES OF THIS
24 SUBSECTION, THE REVIEW SHALL INCLUDE ADOPTION OF COMMENTS BY THE COMMITTEE BY
25 A VOTE OF A MAJORITY OF A QUORUM OF THE MEMBERS.

26 D. THE COMMITTEE HAS THE POWERS CONFERRED BY LAW ON LEGISLATIVE
27 COMMITTEES.

28 E. THE LEGISLATURE SHALL PROVIDE STAFF ASSISTANCE TO THE COMMITTEE AS
29 DIRECTED BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
30 REPRESENTATIVES.

31 Sec. 2. Title 49, chapter 3, article 2, Arizona Revised Statutes, is
32 amended by adding section 49-459, to read:

33 49-459. State plan; carbon emissions from power plants

34 A. THE DIRECTOR, IN CONSULTATION WITH THE CORPORATION COMMISSION, THE
35 GOVERNING BODIES OF AFFECTED PUBLIC POWER ENTITIES AS DEFINED IN SECTION
36 30-801, ELECTRIC UTILITIES REGULATED BY THE CORPORATION COMMISSION AND
37 INDEPENDENTLY OWNED ELECTRIC GENERATING UNITS SHALL DEVELOP, ADOPT AND
38 ENFORCE A STATE PLAN TO REGULATE THE EMISSIONS OF CARBON DIOXIDE FROM
39 EXISTING ELECTRIC GENERATION UNITS IN COMPLIANCE WITH RULES ADOPTED BY THE
40 ADMINISTRATOR UNDER SECTION 111(d) OF THE CLEAN AIR ACT.

41 B. ON OR BEFORE THE LAST DAY OF EACH CALENDAR QUARTER AFTER THE
42 EFFECTIVE DATE OF THIS SECTION AND UNTIL SUBMISSION OF A COMPLETE STATE PLAN
43 PURSUANT TO SUBSECTION F OF THIS SECTION, THE DIRECTOR SHALL TRANSMIT A
44 REPORT ON ACTIONS AS PRESCRIBED IN SUBSECTION A OF THIS SECTION TO THE JOINT

1 LEGISLATIVE REVIEW COMMITTEE ON STATE PLANS RELATING TO CARBON DIOXIDE
2 EMISSIONS FROM EXISTING POWER PLANTS.

3 C. THE DIRECTOR MAY PARTICIPATE IN ONE OR MORE FULL OR PARTIAL
4 MULTIJURISDICTIONAL PLANS OR AGREEMENTS, INCLUDING PLANS OR AGREEMENTS WITH
5 INDIAN TRIBES, FOR THE PURPOSES OF COMPLYING WITH THIS SECTION.

6 D. NOT LESS THAN NINETY DAYS BEFORE SUBMITTING A COMPLETE STATE PLAN
7 ADOPTED PURSUANT TO SUBSECTION A OF THIS SECTION TO THE ADMINISTRATOR, THE
8 DIRECTOR SHALL TRANSMIT THE PROPOSED STATE PLAN TO THE JOINT LEGISLATIVE
9 REVIEW COMMITTEE ON STATE PLANS RELATING TO CARBON DIOXIDE EMISSIONS FROM
10 EXISTING POWER PLANTS FOR REVIEW PURSUANT TO SECTION 41-1291.01. THE
11 COMMITTEE MAY REVIEW THE PROPOSED STATE PLAN CONCURRENTLY WITH ANY PUBLIC
12 REVIEW REQUIRED FOR THE PLAN.

13 E. THE DIRECTOR MAY NOT TRANSMIT A STATE PLAN TO THE JOINT LEGISLATIVE
14 REVIEW COMMITTEE ON STATE PLANS RELATING TO CARBON DIOXIDE EMISSIONS FROM
15 EXISTING POWER PLANTS UNTIL THE ADMINISTRATOR ADOPTS RULES UNDER SECTION
16 111(d) OF THE CLEAN AIR ACT.

17 F. AFTER REVIEW AND COMMENT BY THE JOINT LEGISLATIVE REVIEW COMMITTEE
18 OR IF THE COMMITTEE FAILS TO ACT IN A TIMELY MANNER PURSUANT TO SECTION
19 41-1291.01, THE DIRECTOR MAY SUBMIT A STATE PLAN TO THE ADMINISTRATOR FOR
20 APPROVAL.

21 G. THE DIRECTOR MAY ADOPT RULES TO IMPLEMENT SUBSECTION A OF THIS
22 SECTION. ANY RULEMAKING CONDUCTED PURSUANT TO THIS SECTION IS EXEMPT FROM
23 THE REQUIREMENT UNDER SECTIONS 41-1024 AND 41-1052 TO SUBMIT THE RULE TO THE
24 GOVERNOR'S REGULATORY REVIEW COUNCIL FOR APPROVAL. BEFORE FILING A FINAL
25 RULE WITH THE SECRETARY OF STATE, THE DIRECTOR SHALL PROVIDE THE JOINT
26 LEGISLATIVE REVIEW COMMITTEE ON STATE PLANS RELATING TO CARBON DIOXIDE
27 EMISSIONS FROM EXISTING POWER PLANTS NOTICE OF ANY RULES PROPOSED PURSUANT TO
28 THIS SECTION AT THE SAME TIME THAT A NOTICE OF PROPOSED RULEMAKING IS
29 SUBMITTED TO THE SECRETARY OF STATE FOR PUBLICATION IN THE ADMINISTRATIVE
30 REGISTER.

31 H. SUBMISSION OF A STATE PLAN DOES NOT IMPAIR THE ABILITY OF ANY
32 AFFECTED STATE ENTITY TO CHALLENGE THE LAWFULNESS OF THE FEDERAL REGULATION
33 OF CARBON DIOXIDE EMISSIONS FROM EXISTING ELECTRIC GENERATING UNITS AND DOES
34 NOT CONSTITUTE A WAIVER OF ANY CLAIMS.

APPROVED BY THE GOVERNOR MARCH 30, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2015.

Passed the House March 24, 2015,

Passed the Senate March 3, 2015,

by the following vote: 58 Ayes,

by the following vote: 30 Ayes,

0 Nays, 2 Not Voting

0 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Assistant Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
25th day of March, 2015,

at 2:27 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 30th day of

March, 2015,

at 12:20 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 31st day of March, 2015,

at 10:00 o'clock A M.

[Signature]
Secretary of State

S.B. 1007