

REFERENCE TITLE: electric utilities; renewable energy standards

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HB 2182

Introduced by
Representative Seel

AN ACT

AMENDING TITLE 30, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 7; RELATING TO
ELECTRIC UTILITY RENEWABLE ENERGY STANDARDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 30, Arizona Revised Statutes, is amended by adding
3 chapter 7, to read:

4 CHAPTER 7

5 ELECTRIC UTILITY RENEWABLE ENERGY STANDARDS

6 ARTICLE 1. GENERAL PROVISIONS

7 30-901. Findings and policy

8 A. THE LEGISLATURE FINDS THAT:

9 1. THE DEVELOPMENT AND DISTRIBUTION OF RENEWABLE ENERGY RESOURCES IS
10 IMPORTANT TO ACHIEVING ENERGY INDEPENDENCE, ENSURING A DIVERSITY OF ENERGY
11 SUPPLIES AND PROTECTING THE ENVIRONMENT.

12 2. RENEWABLE ENERGY POLICY MUST BE DYNAMIC IN ORDER TO RESPOND TO
13 CHANGES IN TECHNOLOGY AND MARKET FORCES.

14 B. IT IS THE POLICY OF THIS STATE TO USE RENEWABLE ENERGY RESOURCES IN
15 CONJUNCTION WITH THE NEED TO PROVIDE RELIABLE AND LOW-COST ENERGY RESOURCES
16 TO RESIDENTS AND BUSINESSES.

17 C. PURSUANT TO ITS POLICE POWER, THE LEGISLATURE HAS EXCLUSIVE
18 AUTHORITY TO DETERMINE RENEWABLE ENERGY POLICY FOR THIS STATE.

19 30-902. Definitions

20 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

21 1. "PUBLIC POWER ENTITY" MEANS ANY MUNICIPAL CORPORATION, CITY, TOWN
22 OR OTHER POLITICAL SUBDIVISION THAT IS ORGANIZED UNDER LAW AND THAT
23 GENERATES, TRANSMITS, DISTRIBUTES OR OTHERWISE PROVIDES ELECTRICITY. PUBLIC
24 POWER ENTITY DOES NOT INCLUDE A PUBLIC SERVICE CORPORATION.

25 2. "RENEWABLE ENERGY" MEANS RENEWABLE AND NONCARBON PRODUCING ENERGY
26 RESOURCES, INCLUDING SOLAR, WIND, GEOTHERMAL, BIOMASS, HYDROELECTRIC,
27 AGRICULTURAL WASTE, LANDFILL GAS AND NUCLEAR SOURCES.

28 3. "RENEWABLE ENERGY POLICY" INCLUDES TARGETS, MANDATES, TAX CREDITS,
29 INCENTIVES AND OTHER DIRECT MEANS TO DETERMINE OR ENCOURAGE THE PRODUCTION,
30 DISTRIBUTION AND USE OF RENEWABLE ENERGY SOURCES. RENEWABLE ENERGY POLICY
31 DOES NOT INCLUDE SETTING UTILITY RATES.

32 30-903. Renewable energy standards

33 A. THE FOLLOWING CONSTITUTE THE RENEWABLE ENERGY STANDARDS FOR PUBLIC
34 AND PRIVATE POWER ENTITIES IN THIS STATE:

35 1. PUBLIC POWER ENTITIES SERVING AN ANNUAL RETAIL LOAD OF AT LEAST
36 SEVEN HUNDRED FIFTY THOUSAND ENERGY HOURS AS OF JANUARY 1, 2015 MUST ADHERE
37 TO A GOAL THAT BY 2030 AT LEAST FIFTEEN PER CENT OF ELECTRICITY USED BY THEIR
38 RETAIL CUSTOMERS WILL BE DERIVED FROM RENEWABLE ENERGY SOURCES.

39 2. IF A PUBLIC POWER ENTITY DOES NOT SERVE AN ANNUAL RETAIL LOAD OF AT
40 LEAST SEVEN HUNDRED FIFTY THOUSAND ENERGY HOURS AS OF JANUARY 1, 2015 BUT
41 THEREAFTER REACHES THAT THRESHOLD, THAT PUBLIC POWER ENTITY MUST ADHERE TO A
42 GOAL THAT WITHIN FIFTEEN YEARS AFTER REACHING THAT THRESHOLD AT LEAST FIFTEEN
43 PER CENT OF ELECTRICITY USED BY ITS RETAIL CUSTOMERS WILL BE DERIVED FROM
44 RENEWABLE ENERGY SOURCES.

1 3. IN ADDITION TO DEVELOPING RENEWABLE ENERGY PORTFOLIOS, APPROPRIATE
2 TOOLS THAT PUBLIC POWER ENTITIES MAY USE TO REACH THE RENEWABLE ENERGY GOALS
3 ESTABLISHED BY THIS SECTION INCLUDE CUSTOMER-BASED INCENTIVES SUCH AS:
4 (a) ENERGY EFFICIENCY REBATES.
5 (b) NET METERING.
6 (c) DEMAND RESPONSE PROGRAMS AND USAGE INFORMATION.
7 (d) SUPPORT, ASSISTANCE AND NET METERING FOR CUSTOMER FACILITIES
8 GENERATING ELECTRICITY AND SELLING ALL OR PART OF THE ELECTRICITY TO THE
9 PUBLIC POWER ENTITY.
10 B. PUBLIC POWER ENTITIES ARE EXEMPT FROM THE REQUIREMENTS OF THIS
11 SECTION TO THE EXTENT THAT THE REQUIREMENTS CANNOT BE ACHIEVED CONSISTENT
12 WITH THE ENTITY'S REQUIREMENT TO PROVIDE SERVICES AT JUST AND REASONABLE
13 COSTS TO CUSTOMERS PURSUANT TO SECTION 40-361, SUBSECTION A.
14 C. THE GOVERNING BODY OF EACH PUBLIC POWER ENTITY SHALL ENFORCE THE
15 STANDARDS PRESCRIBED BY THIS SECTION WITH RESPECT TO THE PUBLIC POWER ENTITY
16 IT GOVERNS, BY APPROPRIATE RULES AND PROCEDURES THAT DO NOT ENLARGE THE
17 OBLIGATIONS OF THIS SECTION AND THAT DO NOT INCREASE THE COST OF PROVIDING
18 ENERGY TO CUSTOMERS BEYOND NECESSARY ADMINISTRATIVE COMPLIANCE EXPENSES.
19 D. THIS SECTION DOES NOT SUPERSEDE ANY EXISTING AUTHORITY OF ANY
20 POLITICAL SUBDIVISION TO ADOPT OR ENFORCE A LOCAL RENEWABLE ENERGY POLICY
21 THAT DOES NOT CONFLICT WITH THE STATE RENEWABLE ENERGY POLICY SET FORTH BY
22 THIS CHAPTER.