



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2248: corporation commission; electric generation resources

Sponsor: Representative Griffin, LD 14

Committee on Natural Resources, Energy & Water

Overview

Prohibits the Arizona Corporation Commission from adopting or enforcing any policy, decision or rule that regulates certain electric generation resources used by public service corporations in Arizona without express legislative authorization. Specifies that this requirement does not apply to any Arizona Corporation Commission policy, decision or rule adopted before June 30, 2020.

History

The Arizona Corporation Commission is established in the Constitution of Arizona to regulate public service corporations, which includes non-municipal corporations that furnish gas, oil or electricity for light, fuel or power ([Constitution of Arizona, Article 15, § 2](#)). Specifically, the Commission has the full power to prescribe rules, regulations and orders that govern a public service corporation's rates, charges and classifications, which is collectively referred to as its "ratemaking authority." Additionally, the Commission can prescribe the forms of contracts and systems of accounts these corporations employ and can make and enforce reasonable rules, regulations and orders for the convenience, comfort, safety and preservation of health of the corporation's employees and patrons ([Constitution of Arizona, Article 15, § 3](#)).

The Arizona Corporation Commission has promulgated rules for certain public service corporations that involve how much electricity these businesses generate from solar, wind, biomass, nuclear and other renewable energy sources. In 2006, the Commission adopted the Renewable Energy Standard and Tariff rules, which required 15% of retail energy sales from certain regulated electric utilities to come from renewable energy sources by 2025 ([Decision No. 69127](#)). The Commission is currently considering new rules to require these utilities to generate at least 50% of electricity from renewable sources by 2035 and 100% by 2050. Each utility would also need to annually achieve an average of 1.3% energy efficiency savings starting in 2021 and comply with a 5% energy storage capacity requirement ([Decision No. 77829](#)).

Provisions

1. Prohibits the Arizona Corporation Commission from adopting or enforcing any policy, decision or rule that directly or indirectly regulates *critical electric generation resources* used or acquired by public service corporations within Arizona's energy grid without express legislative authorization. (Sec. 1)
2. Defines *critical electric generation resources*. (Sec. 1)
3. Specifies that this prohibition does not apply to any policy, decision or rule adopted before June 30, 2020. (Sec. 1)
4. Declares that this prohibition does not prevent the Arizona Corporation Commission from setting electricity rates for public service corporations. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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5. Contains a retroactivity clause of June 29, 2020. (Sec. 3)
6. Contains legislative findings. (Sec. 2)