

REFERENCE TITLE: electrical generating units; carbon standards

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

HB 2623

Introduced by
Representatives Pratt, Orr, Shope: Senator Melvin

AN ACT

AMENDING TITLE 49, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 49-413.01, 49-413.02, 49-413.03 AND 49-413.04; RELATING TO AIR QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 49, chapter 3, article 1, Arizona Revised Statutes,
3 is amended by adding sections 49-413.01, 49-413.02, 49-413.03 and 49-413.04,
4 to read:

5 49-413.01. Carbon dioxide emissions standards: existing
6 electrical generating units: rules: plan

7 A. THE DEPARTMENT SHALL ESTABLISH BY RULE STANDARDS OF PERFORMANCE FOR
8 CARBON DIOXIDE EMISSIONS FROM EXISTING COAL-FIRED ELECTRICAL GENERATING UNITS
9 THAT ARE SEPARATE FROM STANDARDS OF PERFORMANCE FOR CARBON DIOXIDE EMISSIONS
10 FROM EXISTING NATURAL GAS-FIRED ELECTRICAL GENERATING PLANTS.

11 B. THE DEPARTMENT MAY IMPLEMENT THE STANDARDS OF PERFORMANCE
12 ESTABLISHED PURSUANT TO THIS SECTION THROUGH REGULATORY MECHANISMS THAT
13 PROVIDE FLEXIBILITY IN COMPLYING WITH THOSE STANDARDS, INCLUDING THE
14 AVERAGING OF EMISSIONS AND THE USE OF EMISSIONS TRADING OR OTHER ALTERNATIVE
15 IMPLEMENTATION MEASURES THAT THE DIRECTOR DETERMINES WILL FURTHER THE
16 INTERESTS OF THIS STATE AND ITS CITIZENS.

17 C. THE DEPARTMENT MAY NOT SUBMIT ANY PLAN FOR CARBON DIOXIDE EMISSIONS
18 REDUCTIONS TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR APPROVAL
19 IF IT IS INCONSISTENT WITH THE STANDARDS ESTABLISHED PURSUANT TO THIS
20 SECTION.

21 49-413.02. Standards for coal-fired electrical generating units

22 THE DEPARTMENT'S STANDARDS OF PERFORMANCE FOR CARBON DIOXIDE EMISSIONS
23 FROM EXISTING COAL-FIRED ELECTRICAL GENERATING UNITS MUST BE ESTABLISHED
24 BASED ON THE FOLLOWING FACTORS:

25 1. THE BEST SYSTEM OF EMISSIONS REDUCTIONS THAT HAS BEEN ADEQUATELY
26 DEMONSTRATED FOR COAL-FIRED ELECTRICAL GENERATING UNITS THAT ARE SUBJECT TO
27 THE STANDARDS OF PERFORMANCE, AFTER TAKING INTO ACCOUNT THE COST OF ACHIEVING
28 THOSE REDUCTIONS, ANY HEALTH AND ENVIRONMENTAL IMPACTS THAT ARE NOT AIR
29 QUALITY IMPACTS AND ANY RELEVANT ENERGY REQUIREMENTS.

30 2. REDUCTIONS IN EMISSIONS OF CARBON DIOXIDE THAT CAN REASONABLY BE
31 ACHIEVED THROUGH MEASURES UNDERTAKEN AT EACH COAL-FIRED ELECTRICAL GENERATING
32 UNIT.

33 3. EFFICIENCY AND OTHER MEASURES THAT CAN BE UNDERTAKEN AT EACH
34 COAL-FIRED ELECTRICAL GENERATING UNIT TO REDUCE CARBON DIOXIDE EMISSIONS FROM
35 THE UNIT WITHOUT SWITCHING FROM COAL TO OTHER FUELS, USING OTHER FUELS IN
36 CONJUNCTION WITH COAL OR LIMITING THE USE OF THE UNIT.

37 49-413.03. Standards for natural gas-fired electrical
38 generating units

39 THE DEPARTMENT'S STANDARDS OF PERFORMANCE FOR CARBON DIOXIDE EMISSIONS
40 FROM EXISTING NATURAL GAS-FIRED ELECTRICAL GENERATING UNITS MUST BE
41 ESTABLISHED BASED ON THE FOLLOWING FACTORS:

42 1. THE BEST SYSTEM OF EMISSIONS REDUCTIONS THAT HAS BEEN ADEQUATELY
43 DEMONSTRATED FOR NATURAL GAS-FIRED ELECTRICAL GENERATING UNITS THAT ARE
44 SUBJECT TO THE STANDARDS OF PERFORMANCE, AFTER TAKING INTO ACCOUNT THE COST

1 OF ACHIEVING THOSE REDUCTIONS, ANY HEALTH AND ENVIRONMENTAL IMPACTS THAT ARE
2 NOT AIR QUALITY IMPACTS AND ANY RELEVANT ENERGY REQUIREMENTS.

3 2. REDUCTIONS IN EMISSIONS OF CARBON DIOXIDE THAT CAN REASONABLY BE
4 ACHIEVED THROUGH MEASURES UNDERTAKEN AT EACH NATURAL GAS-FIRED ELECTRICAL
5 GENERATING UNIT.

6 3. EFFICIENCY AND OTHER MEASURES THAT CAN BE UNDERTAKEN AT EACH
7 NATURAL GAS-FIRED ELECTRICAL GENERATING UNIT TO REDUCE CARBON DIOXIDE
8 EMISSIONS FROM THE UNIT WITHOUT SWITCHING FROM NATURAL GAS TO OTHER
9 LOWER-CARBON FUELS OR LIMITING THE USE OF THE UNIT.

10 49-413.04. Adjustment to standards: federal standards

11 IN ESTABLISHING STANDARDS OF PERFORMANCE FOR CARBON DIOXIDE EMISSIONS
12 AS PRESCRIBED IN SECTION 49-413.01, THE DEPARTMENT IN ALL CASES SHALL
13 CONSIDER WHETHER TO ADOPT STANDARDS THAT ARE LESS STRINGENT THAN OR
14 COMPLIANCE SCHEDULES THAT ARE LONGER THAN THOSE PROVIDED IN APPLICABLE
15 FEDERAL RULES OR GUIDELINES, BASED ON THE FOLLOWING:

16 1. CONSUMER IMPACTS, INCLUDING ANY DISPROPORTIONATE IMPACT OF ENERGY
17 PRICE INCREASES ON LOWER INCOME POPULATIONS.

18 2. UNREASONABLE COSTS FOR REDUCING EMISSIONS THAT RESULT FROM PLANT
19 AGE OR LOCATION OR BASIC PROCESS DESIGN.

20 3. PHYSICAL DIFFICULTIES WITH OR IMPOSSIBILITY OF IMPLEMENTING
21 EMISSIONS REDUCTION MEASURES.

22 4. THE AGGREGATE COST OF APPLYING THE PERFORMANCE STANDARDS TO THE
23 UNIT.

24 5. THE EXPECTED REMAINING USEFUL LIFE OF THE UNIT.

25 6. THE ECONOMIC IMPACTS OF CLOSING THE UNIT, INCLUDING EXPECTED JOB
26 LOSSES, IF THE UNIT IS UNABLE TO COMPLY WITH THE PERFORMANCE STANDARDS.

27 7. ANY OTHER FACTORS SPECIFIC TO THE UNIT THAT MAKE APPLICATION OF A
28 LESS STRINGENT STANDARD OR LONGER COMPLIANCE SCHEDULE MORE REASONABLE.