

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

# SENATE BILL 1402

AN ACT

AMENDING SECTIONS 1-215 AND 40-201, ARIZONA REVISED STATUTES; RELATING TO  
RENEWABLE ENERGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 1-215, Arizona Revised Statutes, is amended to  
3 read:

4 1-215. Definitions

5 In the statutes and laws of this state, unless the context otherwise  
6 requires:

7 1. "Action" includes any matter or proceeding in a court, civil or  
8 criminal.

9 2. "Adopted rule" means a final rule as defined in section 41-1001.

10 3. "Adult" means a person who has attained eighteen years of age.

11 4. "Alternative fuel" means:

12 (a) Electricity.

13 (b) Solar energy.

14 (c) Liquefied petroleum gas, natural gas, hydrogen or a blend of  
15 hydrogen with liquefied petroleum or natural gas that complies with any of  
16 the following:

17 (i) Is used in an engine that is certified to meet at a minimum the  
18 United States environmental protection agency low emission vehicle standard  
19 pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

20 (ii) Is used in an engine that is certified by the engine modifier to  
21 meet the addendum to memorandum 1-A of the United States environmental  
22 protection agency as printed in the federal register, volume 62, number 207,  
23 October 27, 1997, pages 55635 through 55637.

24 (iii) Is used in an engine that is the subject of a waiver for that  
25 specific engine application from the United States environmental protection  
26 agency's memorandum 1-A addendum requirements and that waiver is documented  
27 to the reasonable satisfaction of the director of the department of  
28 environmental quality.

29 (d) Only for vehicles that use alcohol fuels before August 21, 1998,  
30 alcohol fuels that contain not less than eighty-five per cent alcohol by  
31 volume.

32 (e) A combination of at least seventy per cent alternative fuel and no  
33 more than thirty per cent petroleum based fuel that operates in an engine  
34 that meets the United States environmental protection agency low emission  
35 vehicle standard pursuant to 40 Code of Federal Regulations section 88.104-94  
36 or 88.105-94 and that is certified by the engine manufacturer to consume at  
37 least seventy per cent alternative fuel during normal vehicle operations.

38 5. "Bribe" means anything of value or advantage, present or  
39 prospective, asked, offered, given, accepted or promised with a corrupt  
40 intent to influence, unlawfully, the person to whom it is given in that  
41 person's action, vote or opinion, in any public or official capacity.

42 6. "Child" or "children" as used in reference to age of persons means  
43 persons under eighteen years of age.

1           7. "Clean burning fuel" means:

2           (a) An emulsion of water-phased hydrocarbon fuel that contains not  
3 less than twenty per cent water by volume and that complies with any of the  
4 following:

5           (i) Is used in an engine that is certified to meet at a minimum the  
6 United States environmental protection agency low emission vehicle standard  
7 pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

8           (ii) Is used in an engine that is certified by the engine modifier to  
9 meet the addendum to memorandum 1-A of the United States environmental  
10 protection agency as printed in the federal register, volume 62, number 207,  
11 October 27, 1997, pages 55635 through 55637.

12           (iii) Is used in an engine that is the subject of a waiver for that  
13 specific engine application from the United States environmental protection  
14 agency's memorandum 1-A addendum requirements and that waiver is documented  
15 to the reasonable satisfaction of the director of the department of  
16 environmental quality.

17           (b) A diesel fuel substitute that is produced from nonpetroleum  
18 renewable resources if the qualifying volume of the nonpetroleum renewable  
19 resources meets the standards for California diesel fuel as adopted by the  
20 California air resources board pursuant to 13 California Code of Regulations  
21 sections 2281 and 2282 in effect on January 1, 2000, the diesel fuel  
22 substitute meets the registration requirement for fuels and additives  
23 established by the United States environmental protection agency pursuant to  
24 section 211 of the clean air act as defined in section 49-401.01 and the use  
25 of the diesel fuel substitute complies with the requirements listed in 10  
26 Code of Federal Regulations part 490, as printed in the federal register,  
27 volume 64, number 96, May 19, 1999.

28           (c) A diesel fuel that complies with all of the following:

29           (i) Contains a maximum of fifteen parts per million by weight of  
30 sulfur.

31           (ii) Meets ASTM D975.

32           (iii) Meets the registration requirements for fuels and additives  
33 established by the United States environmental protection agency pursuant to  
34 section 211 of the clean air act as defined in section 49-401.01.

35           (iv) Is used in an engine that is equipped or has been retrofitted  
36 with a device that has been certified by the California air resources board  
37 diesel emission control strategy verification procedure, the United States  
38 environmental protection agency voluntary diesel retrofit program or the  
39 United States environmental protection agency verification protocol for  
40 retrofit catalyst, particulate filter and engine modification control  
41 technologies for highway and nonroad use diesel engines.

42           (d) A blend of unleaded gasoline that contains at minimum eighty-five  
43 per cent ethanol by volume or eighty-five per cent methanol by volume.

44           (e) Neat methanol.

45           (f) Neat ethanol.

1           8. "Corruptly" means a wrongful design to acquire or cause some  
2 pecuniary or other advantage to the person guilty of the act or omission  
3 referred to, or to some other person.

4           9. "Daytime" means the period between sunrise and sunset.

5           10. "Depose" includes every manner of written statement under oath or  
6 affirmation.

7           11. "Federal poverty guidelines" means the poverty guidelines as  
8 updated annually in the federal register by the United States department of  
9 health and human services.

10          12. "Grantee" includes every person to whom an estate or interest in  
11 real property passes, in or by a deed.

12          13. "Grantor" includes every person from or by whom an estate or  
13 interest in real property passes, in or by a deed.

14          14. "Includes" or "including" means not limited to and is not a term of  
15 exclusion.

16          15. "Inhabitant" means a resident of a city, town, village, district,  
17 county or precinct.

18          16. "Issue" as used in connection with descent of estates includes all  
19 lawful, lineal descendants of the ancestor.

20          17. "Knowingly":

21           (a) **MEANS** only a knowledge that the facts exist that bring the act or  
22 omission within the provisions of the statute using such word.

23           (b) Does not require any knowledge of the unlawfulness of the act or  
24 omission.

25          18. "Magistrate" means an officer having power to issue a warrant for  
26 the arrest of a person charged with a public offense and includes the chief  
27 justice and justices of the supreme court, judges of the superior court,  
28 justices of the peace and police magistrates in cities and towns.

29          19. "Majority" or "age of majority" as used in reference to age of  
30 persons means ~~the age of~~ eighteen years or more **OF AGE**.

31          20. "Malice" and "maliciously" mean a wish to vex, annoy or injure  
32 another person, or an intent to do a wrongful act, established either by  
33 proof or presumption of law.

34          21. "Minor" means a person under the age of eighteen years.

35          22. "Minor children" means persons under the age of eighteen years.

36          23. "Month" means a calendar month unless otherwise expressed.

37          24. "Neglect", "negligence", "negligent" and "negligently" import a  
38 want of such attention to the nature or probable consequence of the act or  
39 omission as a prudent man ordinarily bestows in acting in his own concerns.

40          25. "Nighttime" means the period between sunset and sunrise.

41          26. "Oath" includes an affirmation or declaration.

42          27. "Peace officers" means sheriffs of counties, constables, marshals,  
43 policemen of cities and towns, commissioned personnel of the department of  
44 public safety, personnel who are employed by the state department of  
45 corrections and the department of juvenile corrections and who have received

1 a certificate from the Arizona peace officer standards and training board,  
2 peace officers who are appointed by a multicounty water conservation district  
3 and who have received a certificate from the Arizona peace officer standards  
4 and training board, police officers who are appointed by community college  
5 district governing boards and who have received a certificate from the  
6 Arizona peace officer standards and training board, police officers who are  
7 appointed by the Arizona board of regents and who have received a certificate  
8 from the Arizona peace officer standards and training board, police officers  
9 who are appointed by the governing body of a public airport pursuant to  
10 section 28-8426 and who have received a certificate from the Arizona peace  
11 officer standards and training board and special agents from the office of  
12 the attorney general, or of a county attorney, and who have received a  
13 certificate from the Arizona peace officer standards and training board.

14 28. "Person" includes a corporation, company, partnership, firm,  
15 association or society, as well as a natural person. When the word "person"  
16 is used to designate the party whose property may be the subject of a  
17 criminal or public offense, the term includes the United States, this state,  
18 or any territory, state or country, or any political subdivision of this  
19 state that may lawfully own any property, or a public or private corporation,  
20 or partnership or association. When the word "person" is used to designate  
21 the violator or offender of any law, it includes corporation, partnership or  
22 any association of persons.

23 29. "Personal property" includes money, goods, chattels, dogs, things  
24 in action and evidences of debt.

25 30. "Population" means the population according to the most recent  
26 United States decennial census.

27 31. "Process" means a citation, writ or summons issued in the course of  
28 judicial proceedings.

29 32. "Property" includes both real and personal property.

30 33. "Real property" is coextensive with lands, tenements and  
31 hereditaments.

32 34. "Registered mail" includes certified mail.

33 35. "RENEWABLE ENERGY" INCLUDES SOLAR, WIND, HYDROELECTRIC, PUMPED  
34 STORAGE, FLYWHEEL STORAGE, HYDROGEN, GEOTHERMAL, BIOMASS AND BIOMASS BASELOAD  
35 ENERGY AND NUCLEAR ENERGY FROM SOURCES THAT ARE FUELED BY URANIUM FUEL RODS  
36 THAT INCLUDE EIGHTY PER CENT OR MORE OF RECYCLED NUCLEAR FUEL AND NATURAL  
37 THORIUM REACTOR RESOURCES UNDER DEVELOPMENT.

38 ~~35-~~ 36. "Seal" as used in reference to a paper issuing from a court or  
39 public office to which the seal of such court or office is required to be  
40 affixed means an impression of the seal on that paper, an impression of the  
41 seal affixed to that paper by a wafer or wax, a stamped seal, a printed seal,  
42 a screened seal or a computer generated seal.

43 ~~36-~~ 37. "Signature" or "subscription" includes a mark, if a person  
44 cannot write, with the person's name written near it and witnessed by a  
45 person who writes the person's own name as witness.

~~37.~~ 38. "State", as applied to the different parts of the United States, includes the District of Columbia, this state and the territories.

~~38.~~ 39. "Testify" includes every manner of oral statement under oath or affirmation.

~~39.~~ 40. "United States" includes the District of Columbia and the territories.

~~40.~~ 41. "Vessel", as used in reference to shipping, includes ships of all kinds, steamboats, steamships, barges, canal boats and every structure adapted to navigation from place to place for the transportation of persons or property.

~~41.~~ 42. "Wilfully" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or believes that the person's conduct is of that nature or that the circumstance exists.

~~42.~~ 43. "Will" includes codicils.

~~43.~~ 44. "Workers' compensation" means workmen's compensation as used in article XVIII, section 8, Constitution of Arizona.

~~44.~~ 45. "Writ" means an order or precept in writing issued in the name of the state or by a court or judicial officer.

~~45.~~ 46. "Writing" includes printing.

Sec. 2. Section 40-201, Arizona Revised Statutes, is amended to read:

~~40-201.~~ Definitions

A. In this chapter, unless the context otherwise requires:

1. "Ancillary services" means those services designated as ancillary services in federal energy regulatory commission order 888 adopted in 1996 including the services necessary to support the transmission of electricity from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice.

2. "Appliance application" means central space heating, clothes drying, water heating and indoor cooking.

3. "Bundled service" means electric service provided as a package to the consumer including all generation, transmission, distribution, ancillary and other services necessary to deliver and measure useful electricity used by consumers.

4. "Commission" means the Arizona corporation commission.

5. "Common carrier" means a railroad or street railroad.

6. "Electric distribution facilities" means all property used in connection with the distribution of electricity from an electric generating plant to retail electric customers except electric transmission facilities.

7. "Electric distribution service" means the distribution of electricity to retail electric customers through the use of electric distribution facilities.

8. "Electric distribution utility" means a public service corporation or public power entity that operates, controls or maintains electric distribution facilities.

1           9. "Electric generation plant" means all property used in connection  
2 with the generation for sale of electricity to retail electric customers but  
3 excluding any services provided by electric transmission facilities or  
4 electric distribution facilities.

5           10. "Electric generation service" means the provision of electricity  
6 for sale to retail electric customers but does not include electric  
7 distribution or transmission services and generation that are necessary for  
8 the reliable operation of the electric distribution or transmission system.

9           11. "Electric transmission facilities" means all property so classified  
10 by the federal energy regulatory commission or, to the extent permitted by  
11 law, so classified by the Arizona corporation commission.

12           12. "Electric transmission service" means the transmission of  
13 electricity to retail electric customers or to electric distribution  
14 facilities that is so classified by the federal energy regulatory commission  
15 or, to the extent permitted by law, so classified by the Arizona corporation  
16 commission.

17           13. "Electricity" means electric energy, electric capacity or electric  
18 capacity and energy.

19           14. "Electricity supplier" means a person, whether acting in a  
20 principal, agent or other capacity, that is a public service corporation that  
21 offers to sell electricity to a retail electric customer in this state.

22           15. "Foreign nonprofit, member owned cooperative corporation" means a  
23 cooperative incorporated in another state if that state has not ordered  
24 electric competition for cooperative corporations.

25           16. "Gas plant" includes all property used in connection with the  
26 production, transmission or delivery of gas for light, heat or power for  
27 sale.

28           17. "Other services" means metering, meter reading, billing and  
29 collecting services.

30           18. "Pipeline" includes all property used in transmission for  
31 compensation of air, steam or fluid substances, except water, through  
32 pipelines.

33           19. "Railroad" includes every railway, other than a street railroad,  
34 operated for public transportation of persons or property.

35           20. "Residential structure" means a detached owner-occupied or rental  
36 one or two family dwelling unit, an attached duplex or fourplex unit, a  
37 manufactured home, a residential factory-built building as defined in section  
38 41-2142, paragraph 14 or a mobile home designed to be used with a permanent  
39 structure, excluding real property used to accommodate more than four  
40 attached dwelling units.

41           21. "Retail electric customer" means a person who purchases electricity  
42 for that person's own use, including use in that person's trade or business,  
43 and not for resale, redistribution or retransmission.

44           22. "Service territory" means the geographic area in which a public  
45 power entity or public service corporation owns, operates, controls or

1 maintains electric distribution facilities or natural gas distribution  
2 facilities and that additional area in which the public power entity or  
3 public service corporation has agreed to extend electric distribution  
4 facilities or natural gas distribution facilities, whether established by a  
5 certificate of convenience and necessity, by official action by a public  
6 power entity or by contract or agreement.

7 23. "Sewer corporation" includes every person owning, controlling,  
8 operating or managing any sewage system for profit.

9 24. "Sewerage system" includes all property used in connection with the  
10 collection, treatment, purification and disposal transmission, storage or  
11 treatment of sewage.

12 25. "Street railroad" includes every railway operated along any street  
13 or public way for public transportation of persons or property, but does not  
14 include a commercial or interurban railway.

15 26. "Telecommunications corporation" means a public service corporation  
16 other than municipal engaged in transmitting messages or furnishing public  
17 telegraph or telephone service or operating as a telecommunications common  
18 carrier.

19 27. "Telegraph line" includes all property used in connection with  
20 communication by telegraph for compensation with or without the use of  
21 transmission wires.

22 28. "Telephone line" includes all property used in connection with  
23 communication by telephone, for compensation, with or without the use of  
24 transmission wires.

25 29. "Transportation of persons" includes every service in connection  
26 with the carriage and delivery of a person and the person's baggage.

27 30. "Transportation of property" includes every service in connection  
28 with the transportation and handling of property.

29 31. "Water system" includes all property used in connection with the  
30 diversion, development, storage, distribution and sale of water for  
31 beneficial uses for compensation.

32 B. IN THIS CHAPTER, AND RULES AND ORDERS ADOPTED AND ISSUED PURSUANT  
33 TO THIS CHAPTER, "RENEWABLE ENERGY" INCLUDES THE USE OF HYDROELECTRIC, PUMPED  
34 STORAGE, FLYWHEEL STORAGE, HYDROGEN, GEOTHERMAL, BIOMASS AND BIOMASS BASELOAD  
35 POWER AND NUCLEAR ENERGY SOURCES THAT ARE FUELED BY URANIUM FUEL RODS THAT  
36 INCLUDE EIGHTY PER CENT OR MORE OF RECYCLED NUCLEAR FUEL AND NATURAL THORIUM  
37 REACTOR RESOURCES UNDER DEVELOPMENT IN THE PRODUCTION OF ELECTRICITY.