

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

Report of Regular Meeting
Monday, February 22, 2016
House Hearing Room 1 -- 2:00 p.m.

Convened 2:34 p.m.

Recessed

Reconvened

Adjourned 2:58 p.m.

Members Present

Mrs. Barton
Mrs. Carter
Mr. Clark
Mr. Finchem
Mr. Kopec
Mr. Leach
Mr. Saldate
Mr. Bowers, Vice-Chairman
Mr. Pratt, Chairman

Members Absent

Agenda

Original Agenda -- Attachment 1

Request to Speak

Report -- Attachment 2

Presentations

| <u>Name</u> | <u>Organization</u> | <u>Attachments (Handouts)</u> |
|--------------------|----------------------------|--------------------------------------|
|--------------------|----------------------------|--------------------------------------|

Committee Action

| <u>Bill</u> | <u>Action</u> | <u>Vote</u> | <u>Attachments (Summaries, Amendments, Attendance)</u> |
|--------------------|----------------------|--------------------|---|
| SB1060 | HELD | | |
| SB1059 | DPA | 9-0-0-0 | 3, 4, 5 |
| SB1190 | DP | 9-0-0-0 | 6, 7 |
| SCM1007 | DP | 6-3-0-0 | 8, 9 |
| | Committee Attendance | | 10 |



Angela Diaz, Chairman Assistant
February 23, 2016

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

REVISED #2- 02/19/16

REVISED #2- 02/19/16

REVISED #2- 02/19/16

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

Convened: 2:34pm

Adjourned: 9:58pm

REGULAR MEETING AGENDA

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

DATE Monday, February 22, 2016

ROOM HHR 1

TIME 2:00 P.M. or Upon
Adjournment of Floor

Members:

Mrs. Barton
Mrs. Carter
Mr. Clark

Mr. Finchem
Mr. Kopec
Mr. Leach

Mr. Saldate
Mr. Bowers, Vice-Chairman
Mr. Pratt, Chairman

Bills Short Title Strike Everything Title

SB1059 DPA oil and gas commission; continuation
(Yee)

9-0-0-0 EENR, RULES

① SB1060 Held Arizona power authority; continuation
(Yee)

EENR, RULES

SB1190 DP conservation districts; education centers
(Griffin, McGuire)

9-0-0-0 EENR, RULES

SCM1007 DP ozone concentration standard; urging EPA
(Griffin)

6-3-0-0 EENR, RULES

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

AD
2/17/16
2/18/16
2/19/16

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

Information Registered on the Request to Speak System

*House Energy, Environment and Natural Resources
(2/22/2016)*

SB1059, oil and gas commission; continuation

Testified in support:

Frank Thorwald, representing self; Nyal Niemuth, representing self

All Comments:

Frank Thorwald, Self: I am the Chairman of the Oil and Gas Commission; Nyal Niemuth, Self: OGCC Program Administrator

SB1060, Arizona power authority; continuation

Support:

Wendy Briggs, ED7 And MWD; Robert Shuler, WELLTON-MOHAWK IRRIGATION & DRAINAGE DISTRICT; Jeff Gray, PHOENIX, CITY OF

SB1190, conservation districts; education centers

Testified in support:

William Dunn, representing self

Support:

Kelly Norton, AZ MINING ASSN

Oppose:

Peter Bengtson, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self

All Comments:

Peter Bengtson, Self: This bill goes in the wrong direction. The AZ Legislature should be encouraging congress to enact a more protective standard for ozone. The best science and health professionals want a higher ozone standard.

SCM1007, ozone concentration standard; urging EPA

Support:

Amanda Gray, Arizona Petroleum Marketers Association; Corey Spofford, representing self; Kelly Norton, AZ MINING ASSN

Oppose:

Kenneth Bierman, representing self; Patricia Cady, representing self; Gary Beverly, representing self; DONALD BEGALKE, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Sandy Bahr, Sierra Club - Grand Canyon Chapter; Taiji Carmichael, representing self

All Comments:

Gary Beverly, Self: The EPA uses the best science to set these standards. The AZ Legislature has NO business interfering.; DONALD BEGALKE, Self: SCM1007 is a sad request to the federal government because it lacks integrity. Ozone is a big problem in our State, it should be eliminated by our state agency. SCM1007 will only tell the Feds how inept our State fights ozone. Vote "NO!" on SCM1007; Corey Spofford, Self: I work at a power company in Arizona, although the Company has already moved to lower emissions before this rule took effect it is still impacting AZ as whole much greater than many many states. Please implement a longer phase in processes.; Alisa McMahon, Self: As a doctor, I oppose.; Taiji Carmichael, Self: This is utterly ridiculous.



HOUSE OF REPRESENTATIVES

SB 1059

oil and gas commission; continuation
Prime Sponsor: Senator Yee, LD 20

X Committee on Energy, Environment and Natural Resources
Caucus and COW
House Engrossed

OVERVIEW

SB 1059 continues the Oil and Gas Conservation Commission until July 1, 2024.

PROVISIONS

1. Continues, retroactive to July 1, 2016, the Oil and Gas Conservation Commission (Commission) until July 1, 2024.
2. Contains a purpose statement.

CURRENT LAW

The Commission is scheduled to sunset on July 1, 2016 (A.R.S. § 41-3016.14).

ADDITIONAL INFORMATION

The Commission enforces and administers state laws relating to the conservation of oil, gas and geothermal resources and provides protection of owners of land where such resources are present. Additionally, the Commission issues permits for oil, gas and geothermal wells and monitors and inspects for compliance with rules, collects and compiles data for public use and completes studies to encourage exploration and development of oil, gas and geothermal resources.

The Senate Commerce and Workforce Development and House Energy, Environment and Natural Resources Committee of Reference met on August 25, 2015 and recommended that the Commission be continued for eight years.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1059

(Reference to Senate engrossed bill)

- 1 Page 1, lines 5 and 6, strike "41-3024.16" insert "41-3022.24"
- 2 Line 7, strike "2024" insert "2022"
- 3 Line 8, strike "2024" insert "2022"
- 4 Line 9, strike "2025" insert "2023"
- 5 Amend title to conform

FRANKLIN M. PRATT

1059PRATT
02/19/2016
10:44 AM
H: TS/ajh

Attachment 4

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials TS

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES BILL NO. SB 1059

DATE February 22, 2016 MOTION: DPA

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---------------------------|------|-----|-----|---------|--------|
| Mrs. Barton | | ✓ | | | |
| Mrs. Carter | | ✓ | | | |
| Mr. Clark | | ✓ | | | |
| Mr. Finchem | | ✓ | | | ✗ |
| Mr. Kopec | | ✓ | | | |
| Mr. Leach | | ✓ | | | |
| Mr. Saldate | | ✓ | | | |
| Mr. Bowers, Vice-Chairman | | ✓ | | | |
| Mr. Pratt, Chairman | | ✓ | | | |
| | | 9 | 0 | 0 | 0 |

APPROVED:


 FRANKLIN M. PRATT, Chairman
 RUSSELL BOWERS, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT 5



HOUSE OF REPRESENTATIVES

SB 1190

conservation districts; education centers

Prime Sponsor: Senator Griffin, LD 14

X Committee on Energy, Environment and Natural Resources

Caucus and COW

House Engrossed

OVERVIEW

SB 1190 provides methods for natural resource conservation district (NRCD) education centers to utilize to increase knowledge of natural resources.

PROVISIONS

1. Allows NRCD education centers to provide education and training opportunities, both inside and outside of the district, to increase knowledge of natural resources by:
 - a. Offering technical guidance and training to agricultural producers;
 - b. Publishing scholarly materials; and
 - c. Conducting or sponsoring scientific studies.
2. Makes a technical change.

CURRENT LAW

A.R.S. § 37-1054 allows NRCDs to organize and establish education centers; however, current law does not specify how education centers may provide education and training opportunities.

ADDITIONAL INFORMATION

The NRCD program was created under A.R.S. Title 37, Chapter 6 to restore, conserve, and protect the state's natural resources to promote the health, safety and welfare of the public. There are currently 32 NRCDs and 24 education centers in Arizona that are managed and funded by the State Land Department.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES BILL NO. SB 1190

DATE February 22, 2016 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---------------------------|------|-----|-----|---------|--------|
| Mrs. Barton | | ✓ | | | |
| Mrs. Carter | | ✓ | | | |
| Mr. Clark | | ✓ | | | |
| Mr. Finchem | | ✓ | | | |
| Mr. Kopec | | ✓ | | | |
| Mr. Leach | | ✓ | | | |
| Mr. Saldate | | ✓ | | | |
| Mr. Bowers, Vice-Chairman | | ✓ | | | |
| Mr. Pratt, Chairman | | ✓ | | | |
| | | 9 | 0 | 0 | 0 |

APPROVED:


 FRANKLIN M. PRATT, Chairman
 RUSSELL BOWERS, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SCM 1007

ozone concentration standard; urging EPA
Prime Sponsor: Senator Griffin, LD 14

X Committee on Energy, Environment and Natural Resources
Caucus and COW
House Engrossed

OVERVIEW

SCM 1007 urges the Environmental Protection Agency to reinstate the 75 parts per billion (ppb) ozone standard.

PROVISIONS

1. Urges the EPA to reinstate the 75 ppb ozone standard.
2. Requests the Secretary of State to transmit copies of the memorial to the EPA administrator, the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives and members of Congress from Arizona.

ADDITIONAL INFORMATION

The EPA changed the primary and secondary National Ambient Air Quality Standard for ground-level ozone on October 1, 2015 from 75 ppb to 70 ppb. As stated in the preamble of the rule, the purpose of the updated standard is to improve public health as well as the health of trees, plants and ecosystems. States are required to submit nonattainment or attainment designation recommendations to the EPA by October 1, 2016.

Areas designated by the EPA as nonattainment are required by the Clean Air Act to develop and submit to the EPA for approval a state implementation plan that includes details on how the state will achieve attainment. Nonattainment areas will have until 2020 to late 2037 to meet the revised standard depending on the nonattainment classification.

The Phoenix Metropolitan area was designated as nonattainment for the 2008 ozone standard revision of 75 ppb and is currently classified as a moderate nonattainment area. The EPA reclassified the area from marginal to moderate nonattainment due to the area not meeting the July 20, 2015 attainment date (80 FR 51992).

According to Arizona Department of Environmental Quality, nine of the 10 counties that monitor ozone levels will likely exceed the new ozone standard, including Cochise, Coconino, Gila, La Paz, Maricopa, Pima, Pinal, Yavapai and Yuma Counties.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session**

ROLL CALL VOTE

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES BILL NO. SCM 1007

DATE February 22, 2016 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---------------------------|------|-----|-----|---------|--------|
| Mrs. Barton | | ✓ | | | |
| Mrs. Carter | | ✓ | | | |
| Mr. Clark | | | ✓ | | |
| Mr. Finchem | | ✓ | | | |
| Mr. Kopec | | | ✓ | | |
| Mr. Leach | | ✓ | | | |
| Mr. Saldate | | | ✓ | | |
| Mr. Bowers, Vice-Chairman | | ✓ | | | |
| Mr. Pratt, Chairman | | ✓ | | | |
| | | 6 | 3 | 0 | 0 |

APPROVED:



 FRANKLIN M. PRATT, Chairman
 RUSSELL BOWERS, Vice-Chairman



 COMMITTEE SECRETARY

ATTACHMENT 9

ARIZONA STATE LEGISLATURE
 Fifty-second Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

CHAIRMAN: Franklin M. Pratt VICE-CHAIRMAN: Russell Bowers

| DATE | 2/22/16 | /16 | /16 | /16 | /16 |
|---------------------------|---------|-----|-----|-----|-----|
| CONVENED | 2:34 pm | m | m | m | m |
| RECESSED | | | | | |
| RECONVENED | | | | | |
| ADJOURNED | 2:58 pm | | | | |
| MEMBERS | | | | | |
| Mrs. Barton | ✓ | | | | |
| Mrs. Carter | ✓ | | | | |
| Mr. Clark | ✓ | | | | |
| Mr. Finchem | ✓ | | | | |
| Mr. Kopec | ✓ | | | | |
| Mr. Leach | ✓ | | | | |
| Mr. Saldate | ✓ | | | | |
| Mr. Bowers, Vice-Chairman | ✓ | | | | |
| Mr. Pratt, Chairman | ✓ | | | | |

√ Present --- Absent exc Excused