

REFERENCE TITLE: electrical grid resilience; standards; commission

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1462

Introduced by
Senator Rogers

AN ACT

AMENDING TITLE 26, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE
2; RELATING TO ELECTRICAL GRID.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 26, chapter 2, Arizona Revised Statutes, is
3 amended by adding article 2, to read:

4 ARTICLE 2. ELECTRICAL GRID RESILIENCE

5 26-331. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "EMP COMMISSION REPORTS" MEANS ALL REPORTS RELEASED BY THE
8 COMMISSION TO ASSESS THE THREAT TO THE UNITED STATES FROM ELECTROMAGNETIC
9 PULSE ATTACK, INCLUDING THE JULY 2017 REPORT ENTITLED "RECOMMENDED E3 HEMP
10 HEAVE ELECTRIC FIELD WAVEFORM FOR THE CRITICAL INFRASTRUCTURES".

11 2. "SECURITY COMMISSION" MEANS THE ARIZONA GRID SECURITY
12 COMMISSION.

13 26-332. Arizona grid security commission; membership;
14 meetings

15 A. THE ARIZONA GRID SECURITY COMMISSION IS ESTABLISHED AND SHALL
16 REPORT TO THE DIRECTOR. THE SECURITY COMMISSION IS COMPOSED OF THE
17 FOLLOWING MEMBERS WHO SERVE FOUR-YEAR TERMS:

18 1. TWO REPRESENTATIVES OF THE DIVISION WHO ARE APPOINTED BY THE
19 DIRECTOR.

20 2. A REPRESENTATIVE OF THE ARMY NATIONAL GUARD OF THIS STATE WHO IS
21 APPOINTED BY THE ADJUTANT GENERAL.

22 3. A REPRESENTATIVE OF AN INVESTOR-OWNED UTILITY COMPANY IN THIS
23 STATE WHO IS APPOINTED BY THE GOVERNOR.

24 4. A REPRESENTATIVE OF A MUNICIPAL POWER USER ASSOCIATION IN THIS
25 STATE WHO IS APPOINTED BY THE GOVERNOR.

26 5. A REPRESENTATIVE OF A COOPERATIVE POWER GENERATION COMPANY IN
27 THIS STATE WHO IS APPOINTED BY THE GOVERNOR.

28 6. A REPRESENTATIVE OF A COOPERATIVE TRANSMISSION AND DISTRIBUTION
29 UTILITY IN THIS STATE WHO IS APPOINTED BY THE GOVERNOR.

30 7. FOUR MEMBERS OF THE PUBLIC WHO HAVE EXPERTISE IN CRITICAL
31 INFRASTRUCTURE PROTECTION AND WHO ARE APPOINTED BY THE GOVERNOR.

32 B. THE DIRECTOR MAY INVITE MEMBERS OR FORMER MEMBERS OF THE UNITED
33 STATES AIR FORCE'S ELECTROMAGNETIC DEFENSE TASK FORCE TO ATTEND MEETINGS
34 OF THE SECURITY COMMISSION.

35 C. THE DIRECTOR SHALL DESIGNATE A MEMBER OF THE SECURITY COMMISSION
36 TO SERVE AS PRESIDING OFFICER.

37 D. THE SECURITY COMMISSION SHALL CONVENE AT THE CALL OF THE
38 PRESIDING OFFICER.

39 E. A VACANCY ON THE SECURITY COMMISSION SHALL BE FILLED BY
40 APPOINTMENT FOR THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL
41 APPOINTMENT.

42 F. MEMBERS OF THE SECURITY COMMISSION SHALL PRIMARILY BE RESIDENTS
43 OF THIS STATE, EXCEPT THAT THE PRESIDING OFFICER OR THE DIRECTOR MAY
44 INVITE ADDITIONAL SUBJECT MATTER EXPERTS FROM OUTSIDE THIS STATE AS

NEEDED, INCLUDING THOSE RECOGNIZED AS EXPERTS IN THE FIELDS OF ELECTROMAGNETIC PULSE ATTACK MITIGATION AND TERRESTRIAL AND SOLAR WEATHER.

26-333. Commission information; confidentiality

A. INFORMATION THAT IS USED IN DETERMINING THE VULNERABILITIES OF THE ELECTRICAL GRID OR THAT IS RELATED TO MEASURES TO BE TAKEN TO PROTECT THE GRID MAY BE CONFIDENTIAL AND IS NOT SUBJECT TO TITLE 39.

B. WITH REGARD TO CONFIDENTIAL INFORMATION AS DESCRIBED BY SUBSECTION A OF THIS SECTION, A REASONABLE BALANCE OF PUBLIC TRANSPARENCY SHALL BE MAINTAINED. THIS SECTION DOES NOT ABROGATE ANY RIGHTS OR REMEDIES UNDER TITLE 39.

C. THE SECURITY COMMISSION SHALL SOLICIT INFORMATION FROM:

1. DEFENSE CONTRACTORS WITH EXPERIENCE PROTECTING DEFENSE SYSTEMS FROM ELECTROMAGNETIC PULSE ATTACK.

2. ELECTRIC UTILITIES THAT HAVE DEVELOPED ELECTROMAGNETIC PULSE ATTACK PROTECTIONS FOR THEIR GRID ASSETS.

3. THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY, WHICH HAS PUBLISHED ELECTROMAGNETIC PULSE PROTECTION AND RESILIENCE GUIDELINES FOR CRITICAL INFRASTRUCTURE AND EQUIPMENT THAT CAN BE USED TO MITIGATE THE EFFECTS OF AN ELECTROMAGNETIC PULSE ATTACK.

4. THE CONGRESSIONAL ELECTROMAGNETIC PULSE ATTACK COMMISSION, WHICH ASSESSES THE THREAT TO THE UNITED STATES FROM A NUCLEAR ELECTROMAGNETIC PULSE ATTACK AND MITIGATES LESSER THREATS.

26-334. Contractors; support; selection requirements

A. WITH THE ASSISTANCE OF THE SECURITY COMMISSION, THE DIVISION SHALL SELECT CONTRACTORS WITH PROVEN EXPERTISE TO IDENTIFY CRITICAL SYSTEMS AND COMPONENTS OF THE ELECTRICAL GRID THAT ARE VULNERABLE TO ELECTROMAGNETIC THREATS. THE CONTRACTORS MUST HAVE THE DEMONSTRATED EXPERTISE TO IDENTIFY THE CRITICAL COMPONENTS, INCLUDING INDUSTRIAL CONTROL SYSTEMS, WITHIN SIX MONTHS AFTER THE DATE THE CONTRACTORS ARE SELECTED.

B. NOT LATER THAN JANUARY 1, 2024, AN ENTITY THAT OWNS OR OPERATES A COMPONENT IDENTIFIED BY THE CONTRACTOR UNDER SUBSECTION A OF THIS SECTION AS CRITICAL SHALL UPGRADE THE COMPONENT AS NECESSARY FOR THE COMPONENT TO MEET THE APPLICABLE STANDARD PROPOSED IN THE EMP COMMISSION REPORTS.

C. THE DIVISION SHALL SELECT CONTRACTORS WITH DEMONSTRATED EXPERTISE TO VERIFY WHETHER AFFECTED ENTITIES HAVE IDENTIFIED POTENTIAL AFFECTED SYSTEMS AND COMPONENTS AND WHETHER THESE ENTITIES HAVE UPGRADED SYSTEMS AND COMPONENTS AS REQUIRED BY SUBSECTION B OF THIS SECTION.

26-335. Plan for electromagnetic hazards resilience standards; requirements; updates

A. NOT LATER THAN JANUARY 1, 2023, THE SECURITY COMMISSION SHALL PREPARE AND DELIVER TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND SUBMIT A COPY TO THE

1 SECRETARY OF STATE, A PLAN FOR PROTECTING THE ELECTRICAL GRID FROM A
2 CATASTROPHIC LOSS OF POWER IN THIS STATE.

3 B. THE PLAN REQUIRED BY SUBSECTION A OF THIS SECTION MUST INCLUDE
4 ALL OF THE FOLLOWING:

5 1. PROVISIONS FOR INSTALLING, REPLACING OR UPGRADING, NOT LATER
6 THAN JANUARY 1, 2027, EXTRA HIGH-VOLTAGE POWER TRANSFORMERS AND
7 SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEMS TO WITHSTAND
8 ELECTROMAGNETIC PULSES.

9 2. A TIMELINE AS ADOPTED BY THE SECURITY COMMISSION FOR UPGRADING
10 REMAINING INFRASTRUCTURE TO MEET RECOMMENDATIONS OF THE EMP COMMISSION
11 REPORTS.

12 3. ANY ADDITIONAL PROVISIONS THE SECURITY COMMISSION CONSIDERS TO
13 BE NECESSARY.

14 C. THE SECURITY COMMISSION MAY CONSULT WITH A PRIVATE SECTOR
15 ADVISORY COUNCIL IN DEVELOPING THE PLAN.

16 D. THE DIVISION SHALL INCORPORATE THE PLAN INTO A STATE EMERGENCY
17 MANAGEMENT PLAN AND UPDATE THE STATE EMERGENCY MANAGEMENT PLAN AS
18 NECESSARY TO INCORPORATE REQUIRED RESILIENCE IMPROVEMENTS.

19 26-336. Alternative timeline

20 A PANEL COMPOSED OF MEMBERS OF THE SECURITY COMMISSION MAY APPROVE A
21 RESILIENCE STANDARD OR IMPLEMENTATION TIMELINE FOR AN ELECTRIC UTILITY OR
22 OTHER ENTITY THAT DIFFERS FROM A RESILIENCE STANDARD OR IMPLEMENTATION
23 TIMELINE PREPARED UNDER SECTION 26-335.

24 26-337. Cost recovery; electric utility rates

25 NOTWITHSTANDING ANY OTHER LAW, IN ESTABLISHING THE RATES OF AN
26 ELECTRIC UTILITY, THE CORPORATION COMMISSION SHALL CONSIDER THE COSTS
27 INCURRED TO INSTALL, REPLACE OR UPGRADE FACILITIES OR EQUIPMENT TO MEET A
28 RESILIENCE STANDARD ESTABLISHED PURSUANT TO THIS ARTICLE. THE CORPORATION
29 COMMISSION SHALL PRESUME THAT COSTS INCURRED TO MEET A RESILIENCE STANDARD
30 UNDER THIS ARTICLE ARE REASONABLE AND NECESSARY EXPENSES.

31 26-338. Annual report; electromagnetic threats to electrical
32 grid; mitigation efforts

33 NOT LATER THAN JANUARY 1 OF EACH YEAR, THE SECURITY COMMISSION SHALL
34 PREPARE AND DELIVER AN UNCLASSIFIED REPORT TO THE GOVERNOR, THE SPEAKER OF
35 THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE
36 CORPORATION COMMISSION, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE
37 SECRETARY OF STATE, ASSESSING NATURAL AND MAN-MADE ELECTROMAGNETIC THREATS
38 TO THE ELECTRICAL GRID AND EFFORTS TO MITIGATE THESE THREATS. THE REPORT
39 SHALL BE PREPARED FOR PUBLIC DISTRIBUTION. THE SECURITY COMMISSION SHALL
40 HOLD CONFIDENTIAL OR CLASSIFIED BRIEFINGS WITH OFFICIALS AS NECESSARY.

41 Sec. 2. Initial terms of members of the Arizona grid security
42 commission

43 A. Notwithstanding section 26-332, Arizona Revised Statutes, as
44 added by this act, the initial terms of members of the Arizona grid
45 security commission are:

- 1 1. One term ending January 1, 2023.
- 2 2. Two terms ending January 1, 2024.
- 3 3. Four terms ending January 1, 2025.
- 4 4. Four terms ending January 1, 2026.

5 B. The director of the division of emergency management within the
6 department of emergency and military affairs, the adjutant general and the
7 governor shall make all subsequent appointments as prescribed by statute.

8 Sec. 3. Arizona grid security commission; progress report

9 On or before January 1, 2024, the Arizona grid security commission
10 established by section 26-332, Arizona Revised Statutes, as added by this
11 act, shall prepare and deliver a report to the governor, the president of
12 the senate and the speaker of the house of representatives on the progress
13 of implementing electromagnetic hazards resilience standards and the
14 timeline prescribed by sections 26-335 and 28-336, Arizona Revised
15 Statutes, as added by this act, and shall provide a copy of this report to
16 the secretary of state.