

House Engrossed

~~technical correction; power authority; monies~~
(now: power authority; projects; energy storage)

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

CHAPTER 173
HOUSE BILL 2218

AN ACT

AMENDING SECTIONS 30-101, 30-108, 30-121 AND 30-123, ARIZONA REVISED
STATUTES; RELATING TO THE ARIZONA POWER AUTHORITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 30-101, Arizona Revised Statutes, is amended to
3 read:

4 30-101. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Authority" means the Arizona power authority.

7 2. "Commission" means Arizona power authority commission.

8 3. "Commodity" or "commodities" means electric power or energy.

9 4. "District" or "power or water agency" means power organizations
10 comprehended in this title or water organizations comprehended in title
11 45, or both.

12 5. "Operating units" means districts, state agencies, federal
13 Indian agencies, cities and towns.

14 6. "Person" means and includes natural persons engaged in the
15 distribution of electric power, mutual and cooperative concerns or
16 organizations by whatever name called, corporations, firms, business
17 trusts and partnerships.

18 7. "Power" means electric power or electric energy, or both.

19 8. "Project" or "work" or "works" means each and every facility
20 necessary or convenient for producing, STORING, generating, firming or
21 transmitting power, and all ~~rights of way~~ RIGHTS-OF-WAY, lands or
22 interests in land, the use or occupancy of which are necessary or
23 appropriate in the maintenance and operation of all such facilities.

24 9. "Qualified distributors" means persons and operating units.

25 10. "Qualified purchasers" means persons and operating units
26 privileged under this chapter to purchase power developed on the main
27 stream of the Colorado river.

28 11. "Retail" means sales to others than persons or operating units.

29 12. "State" means ~~the~~ THIS state ~~of Arizona~~.

30 13. "Transmission lines or systems" means each and every facility
31 necessary or convenient for receiving electric energy from production or
32 transmission systems and transmitting it to wholesale customers.

33 14. "Wholesale" means sales to qualified distributors of power.

34 15. "Zone" means an area within a fixed radius or distance from
35 Hoover dam or other point of receipt or production.

36 Sec. 2. Section 30-108, Arizona Revised Statutes, is amended to
37 read:

38 30-108. Powers and duties of commission; annual report

39 A. The members of the commission shall devote to their duties as
40 members such time and attention as is necessary to effectuate the purposes
41 of this chapter and to carry out their duties and exercise their powers.
42 The commission shall designate a person or persons who shall execute all
43 documents and instruments on behalf of the authority.

44 B. The commission shall acquire suitable offices, furnishings and
45 articles of equipment and necessary supplies.

1 C. Subject to title 41, chapter 4, article 4, the commission may
2 employ a person in the capacity of director, manager or chief engineer.
3 ~~who~~ THE CHIEF ENGINEER shall be a duly licensed engineer, but ~~who~~ need not
4 be a resident or licensed in this state. The person shall be actively
5 engaged in the practice of the person's profession and trained and
6 experienced in the performance of the person's duties. The person shall
7 not hold any other public office or have any interest in a business that
8 may be adversely affected by the operation of the authority in the
9 exercise of the authority's powers and discharge of the authority's
10 duties.

11 D. The commission shall make and submit to the governor, the
12 president of the senate, the speaker of the house of representatives, the
13 chairman of the senate natural resources, energy and water committee and
14 the chairman of the house of representatives energy, environment and
15 natural resources committee, or their successor committees, on or before
16 January 1 each year a report containing a full and complete account of the
17 commission's transactions and proceedings for the preceding fiscal year,
18 together with other facts, suggestions and recommendations deemed of
19 public value.

20 Sec. 3. Section 30-121, Arizona Revised Statutes, is amended to
21 read:

22 30-121. Acquisition and encouragement of development of
23 electric power

24 A. The authority shall bargain for, take and receive, in its own
25 name on behalf of ~~the~~ THIS state, electric power developed from the waters
26 of the main stream of the Colorado river by the state or the United States
27 or any agencies thereof which by provisions of state or United States law,
28 agreement or regulation may be made available, allotted or allocated to
29 ~~the~~ THIS state in its sovereign capacity.

30 B. The authority shall encourage activities deemed by it to be
31 feasible for the production OR STORAGE of electric power or energy from
32 solar energy, nuclear energy or geothermal energy, and may bargain for,
33 take and receive such energy or the electrical power generated therefrom
34 in its own name on behalf of ~~the~~ THIS state.

35 C. For the purpose of making such power available to marketing
36 areas of ~~the~~ THIS state, the authority may acquire or construct and
37 operate electric transmission systems, standby or auxiliary plants and
38 facilities and generate, STORE, produce, sell at wholesale, transmit and
39 deliver such electric power to qualified purchasers, and if conducive to
40 efficiency and convenience, may enter into agreements for interconnection
41 or pooling with projects, plants, systems or facilities of other
42 distributors of electric power. The authority shall not by definitive
43 contract or agreement obligate or bind itself to take or purchase power
44 from any source until it has previously or simultaneously procured
45 purchasers therefor.

1 D. All rights of persons and operating units under contracts
2 existing on March 27, 1944, or any renewals thereof or supplements
3 thereto, with the United States or any agency thereof, to power generated,
4 or ~~which~~ THAT may be developed or generated, at Parker dam or at any other
5 point below Hoover Dam on the main stream of the Colorado river are
6 preserved, and such rights shall not be impaired or modified by any
7 provisions or powers granted by this chapter.

8 E. In addition to the power provided for under subsections A, B, C
9 and D of this section, the authority may purchase, transmit or deliver for
10 ~~the~~ THIS state, or any person or operating unit, power generated or
11 produced from projects or works owned or operated by the United States or
12 any agency thereof, or any state, person or operating unit, and for the
13 purpose of delivering such power to available marketing areas the
14 authority shall have the powers provided for by subsections A, B, C and D
15 of this section. ~~No~~ A person or operating unit in ~~the~~ THIS state shall
16 NOT become a purchaser of electrical power under this subsection unless a
17 power purchase certificate is obtained as provided in article 3 of this
18 chapter.

19 Sec. 4. Section 30-123, Arizona Revised Statutes, is amended to
20 read:

21 30-123. Development programs for utilization of power; use of
22 state property; right of eminent domain

23 A. The authority shall formulate plans and development programs for
24 the practical, equitable and economical utilization of electric power placed
25 under its supervision and control. The authority ~~shall~~, subject to the
26 provisions of this chapter, SHALL proceed to accomplish progressively and
27 place the plans and programs in operation and effect. For such purpose
28 the authority may exercise all or any of the powers and privileges granted
29 by this chapter, singly or conjointly, severally independent or jointly
30 with the United States or any department thereof, or with any person or
31 operating unit, and may make application for, obtain, hold and use permits
32 and licenses from the United States or any of its agencies for power
33 sites, rights-of-way, rights and uses and other privileges. For such
34 purpose the authority may make application, appropriations and filings
35 under and in accordance with this chapter and ~~chapter 1 of~~ title 45,
36 CHAPTER 1 for power in the same manner as any other qualified person or
37 operating unit, but without payment of fees or charges for filing any
38 maps, plans or other data in connection therewith.

39 B. The authority may use real property owned by ~~the~~ THIS state, not
40 dedicated to public use, ~~which~~ THAT may be necessary as sites for any
41 project, or facility or rights-of-way of the authority. When any lands or
42 rights-of-way of ~~the~~ THIS state dedicated to public use are necessary for
43 the construction, operation or maintenance of the projects or transmission
44 systems, such lands or rights-of-way may be used therefor but in
45 accordance with the terms and conditions of an agreement to be first

1 entered into between the authority and the political subdivision or agency
2 having jurisdiction over or control and management of the land or
3 rights-of-way.

4 C. The authority may acquire by lease, purchase or any other means,
5 real property owned by the state or federal government and may dispose of
6 such property by sale, lease or other means to persons engaged in projects
7 deemed by the authority to be feasible for the production **OR STORAGE** of
8 electric power or energy from solar, nuclear or geothermal energy,
9 including projects for research and development in such fields.

10 D. The authority may exercise the privilege and right of eminent
11 domain and may condemn private property for public use in the same manner
12 and to the same extent as persons or operating units. Any property
13 condemned, taken or appropriated under the provisions of this chapter is
14 declared to be taken, condemned or appropriated for a public use.

15 E. ~~No~~ **A** project, transmission system, work or facility shall **NOT** be
16 constructed or otherwise acquired, unless and until after due
17 consideration and investigation, it is determined by the authority to be
18 feasible and economically sound, and that the project or facility will be
19 self-financing and will be liquidated within a reasonable period of useful
20 life as determined by the authority and until definite contracts or
21 agreements are executed as provided by section 30-121.

APPROVED BY THE GOVERNOR JUNE 19, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 19, 2023.