

REFERENCE TITLE: public service corporations; siting committee

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2598

Introduced by
Representative Blackman

AN ACT

AMENDING SECTIONS 40-360.01, 40-360.03, 40-360.04, 40-360.09 AND
40-360.10, ARIZONA REVISED STATUTES; RELATING TO THE POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 40-360.01, Arizona Revised Statutes, is amended to read:

40-360.01. Organization and membership of the committee

A. The commission shall establish a power plant and transmission line siting committee ~~of Arizona~~.

B. The committee shall consist of the following members:

1. ~~State~~ **THE** attorney general or the attorney general's designee, **WHO SHALL SERVE AS CHAIRPERSON**.

2. **THE** director of environmental quality or the director's designee.

3. **THE** director of water resources or the director's designee.

4. **THE** director of the governor's energy office or the director's designee.

5. **THE** chairman of the ~~Arizona~~ corporation commission or the chairman's designee.

6. Six members **WHO ARE** appointed by the commission to serve for a term of two years of which three members shall represent the public, one member shall represent incorporated cities and towns, one member shall represent counties and one member shall be actively engaged in agriculture.

~~C. The attorney general or the attorney general's designee shall be chairman of the committee.~~

~~D.~~ **C.** The commission shall establish ~~such~~ procedures ~~as~~ **THAT** provide for expeditious review of the proposed siting plans and necessary consultation with the person proposing the facilities, for noticing and conducting the hearing provided by section 40-360.04, and for a timely decision regarding the issuance of a certificate of environmental compatibility of the proposed site.

~~E.~~ **D.** Committee members **WHO ARE** appointed by the commission are eligible to receive compensation of ~~two hundred dollars~~ **\$400** for each meeting attended, prorated for partial days for each meeting attended, payable from the ~~filing fee required~~ **UTILITY SITING FUND ESTABLISHED** by section 40-360.09. Committee members **WHO ARE** employed by government entities are not eligible to receive compensation for their services. All committee members shall be reimbursed from the ~~filing fee required~~ **UTILITY SITING FUND ESTABLISHED** by section 40-360.09 for their actual and necessary expenses incurred in connection with their participation in committee meetings **AND HEARINGS**.

~~F.~~ **E.** The committee may ~~utilize~~ **USE** the staff resources of its constituent agencies as well as necessary consultants. All studies required by the committee shall be conducted as specified by the committee and under its general direction.

1 Sec. 2. Section 40-360.03, Arizona Revised Statutes, is amended to
2 read:

3 40-360.03. Application for certificate of environmental
4 compatibility before construction of facilities;
5 electronic format; rules; exception

6 A. Except as provided in subsection B of this section, every
7 utility that plans to construct a plant or transmission line, or both, in
8 this state shall first file with the commission an application for a
9 certificate of environmental compatibility. The application shall be in a
10 form prescribed by the commission and shall be accompanied by information
11 with respect to the proposed type of facilities and description of the
12 site, including the areas of jurisdiction affected and the estimated cost
13 of the proposed facilities and site. The application shall also be
14 accompanied by a receipt that evidences payment of the appropriate ~~fee~~
15 ~~required~~ APPLICATION DEPOSIT PRESCRIBED by section 40-360.09. The
16 commission shall promptly refer the application and accompanying
17 information to the chairman of the committee for the committee's review
18 and decision. The application and accompanying information may be
19 submitted to the commission in an electronic format. The commission may
20 adopt rules to accept electronic filings under this section and to ensure
21 that proper notice is provided electronically to interested parties.

22 B. A utility may replace a conductor or wire on a transmission line
23 or may replace an existing transmission line structure or structures with
24 a new transmission line structure or structures without seeking a new
25 certificate of environmental compatibility and without holding a hearing
26 under this article if the replacement is on a transmission line that
27 previously received a certificate of environmental compatibility or that
28 was in use or authorized before August 13, 1971. All replacement
29 conductors or structures shall comply with the terms and conditions of the
30 applicable existing certificate of environmental compatibility.

31 Sec. 3. Section 40-360.04, Arizona Revised Statutes, is amended to
32 read:

33 40-360.04. Hearings; procedures

34 A. The chairman of the committee shall, ~~within ten days after~~
35 ~~receiving an application, provide public~~ ENSURE THAT BOTH:

36 1. Notice as to the time and place of a hearing on ~~the~~ AN
37 application ~~and provide~~ FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY
38 IS PROVIDED TO THE PUBLIC IN THE VICINITY OF EACH PROPOSED FACILITY SITE
39 WITHIN TEN DAYS AFTER THE APPLICATION IS FILED WITH THE COMMISSION.

40 2. Notice ~~by certified mail~~ to the affected areas of jurisdiction
41 IS PROVIDED BY CERTIFIED MAIL at least twenty days ~~prior to~~ BEFORE a
42 scheduled hearing.

43 B. AFTER PROVIDING THE NOTICE PRESCRIBED IN SUBSECTION A OF THIS
44 SECTION, if the committee ~~subsequently~~ proposes to condition the
45 certificate on the use of a site other than the site or alternative sites

generally described in the notice and considered at the hearing, ~~THE COMMITTEE SHALL HOLD~~ a further hearing ~~shall be held~~ thereon after ~~ADDITIONAL~~ public notice ~~IS PROVIDED AS PRESCRIBED IN SUBSECTION A OF THIS SECTION.~~

~~C.~~ The hearing ~~or hearings~~ ON AN APPLICATION shall be held not less than thirty days ~~not~~ OR more than sixty days after the date notice is first given ~~PURSUANT TO SUBSECTION A OF THIS SECTION~~ and shall be held in the general area within which the proposed plant or transmission line is to be located or at the state capitol at Phoenix as determined by the ~~chairman~~ CHAIRPERSON, at ~~his~~ THE CHAIRPERSON'S discretion. ~~IF A FURTHER HEARING IS REQUIRED UNDER SUBSECTION B OF THIS SECTION, THAT HEARING SHALL BE HELD NOT LESS THAN THIRTY DAYS BEFORE OR MORE THAN SIXTY DAYS AFTER THE DATE THAT THE ADDITIONAL NOTICE WAS PROVIDED.~~

~~B.~~ D. The committee may conduct the hearing or may appoint an attorney as a hearing officer. To be eligible for appointment the attorney must reside in a county other than the county in which the proposed site is located and have been admitted to practice in this state for not less than five years.

~~C.~~ E. The committee or hearing officer shall receive under oath and before a court reporter the material, nonrepetitive evidence and comments of the parties to the proceedings and any rebuttal evidence of the applicant, and the committee or hearing officer may require the consolidation of the representation of nongovernmental parties having similar interests.

~~D.~~ F. The committee shall review and consider the transcript of the public hearing or hearings and shall by a decision of a majority of the members issue or deny a certificate of environmental compatibility within one hundred eighty days after the application has been filed with or referred to the committee OR, IF A FURTHER HEARING IS REQUIRED UNDER SUBSECTION B OF THIS SECTION, WITHIN SIXTY DAYS AFTER THE CONCLUSION OF THE FURTHER HEARING.

~~E.~~ G. Should the estimated cost of the facilities or site be increased as a result of the action of the committee, ~~such~~ THE increase, as determined by an independent engineering firm selected jointly by the committee and applicant, shall be reflected in the certificate issued by the committee. The engineering firm shall include a registered professional engineer WHO IS experienced in utility construction.

Sec. 4. Section 40-360.09, Arizona Revised Statutes, is amended to read:

40-360.09. Application deposit; utility siting fund

~~A. The fee to be paid~~ A PERSON WHO FILES AN APPLICATION FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY SHALL BY THE SAME DATE PAY TO THE COMMISSION, for each application, ~~is as follows and shall be paid to the committee for deposit, pursuant to sections 35-146 and 35-147, in a~~

~~special fund to be known as the utility siting fund~~ THE FOLLOWING APPLICATION DEPOSIT:

1. For a new proposed plant site and associated transmission line site, ~~ten thousand dollars~~ \$79,000.

2. For expansion of an existing plant site and a new proposed transmission line site, ~~seven thousand five hundred dollars~~ \$59,000.

3. For expansion of an existing plant site only, ~~five thousand dollars~~ \$39,000.

4. For a new proposed transmission line site one hundred miles or more in length, ~~five thousand dollars~~ \$39,000.

5. For a new proposed transmission line site over fifty but less than one hundred miles in length, ~~two thousand five hundred dollars~~ \$20,000.

6. For a new proposed transmission line site fifty miles or less in length, ~~one thousand dollars~~ \$7,900.

7. For a new proposed transmission line site paralleling an existing transmission line site, regardless of length, ~~one thousand dollars~~ \$7,900.

B. THE UTILITY SITING FUND IS ESTABLISHED. THE COMMISSION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. THE COMMISSION SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, THE MONIES PAID UNDER SUBSECTION A OF THIS SECTION IN THE FUND, WHICH SHALL BE PARTITIONED SO THAT THE DEPOSITS AND EXPENSES FOR EACH CASE ARE ACCOUNTED FOR SEPARATELY.

Sec. 5. Section 40-360.10, Arizona Revised Statutes, is amended to read:

40-360.10. Expenditure of fund monies; additional monies; responsibilities

A. The commission, ~~upon~~ ON receipt of a detailed accounting ~~of the committee's expenses~~, shall ~~approve and~~ pay the following EXPENSES THAT ARE INCURRED BY THE COMMITTEE FOR A CERTIFICATION PROCEEDING, BY THE COMMITTEE MEMBERS FOR THEIR PARTICIPATION IN A CERTIFICATION PROCEEDING AND BY ANY APPOINTED HEARING OFFICER WHO PRESIDES OVER A HEARING:

1. ~~The cost of reporting and transcribing any application hearing; the compensation of~~ FOR THE COSTS TO COMPENSATE EACH COMMITTEE MEMBER WHO IS NOT EMPLOYED BY A GOVERNMENT ENTITY AS DESCRIBED IN SECTION 40-360.01, SUBSECTION D FOR EACH DAY OR PARTIAL DAY OF ATTENDANCE AT A COMMITTEE MEETING OR HEARING.

2. FOR THE COSTS TO COMPENSATE EACH COMMITTEE MEMBER FOR THE ACTUAL AND NECESSARY EXPENSES THAT ARE INCURRED BY THE COMMITTEE MEMBER TO ATTEND A COMMITTEE MEETING OR HEARING.

3. FOR THE COSTS TO COMPENSATE the hearing officer at the rate of ~~two hundred dollars~~ \$400 for each day OF HEARING and ~~his reimbursable~~ FOR THE ACTUAL AND NECESSARY expenses THAT ARE INCURRED BY THE HEARING OFFICER TO ATTEND THE HEARING.

1 ~~2. Actual and necessary expenses incurred by the committee members~~
2 ~~in connection with their participation in committee meetings.~~

3 ~~3.~~ 4. The cost of studies and the fees of consultants ~~utilized~~
4 USED by the committee. ~~Costs and fees exceeding the amount of the~~
5 ~~applicant's fee may with the applicant's consent be incurred by the~~
6 ~~committee and charged to the applicant.~~

7 ~~4.~~ 5. A refund to the person who paid the ~~filing fee~~ APPLICATION
8 DEPOSIT of any unused portion ~~thereof~~ OF THE DEPOSIT.

9 B. IN ADDITION TO PAYING THE APPLICATION DEPOSIT THAT IS PRESCRIBED
10 IN SECTION 40-360.09 AND ANY ADDITIONAL MONIES THAT MAY BE REQUIRED BY THE
11 COMMISSION PURSUANT TO SUBSECTION C OF THIS SECTION, A PERSON WHO APPLIES
12 FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY SHALL:

13 1. IF ORDERED TO DO SO BY THE CHAIRPERSON, ARRANGE AND PAY FOR THE
14 NOTICE THAT IS REQUIRED TO INFORM THE PUBLIC AND THE AFFECTED AREAS OF
15 JURISDICTION PURSUANT TO SECTION 40-360.04.

16 2. ARRANGE AND PAY FOR THE USE OF A HEARING LOCATION THAT IS
17 EQUIPPED WITH AUDIOVISUAL EQUIPMENT CAPABLE OF STREAMING AND RECORDING,
18 INCLUDING ANY SPECIFIC REQUIREMENTS THAT ARE PRESCRIBED BY THE
19 CHAIRPERSON.

20 3. ARRANGE AND PAY FOR A COURT REPORTER TO TRANSCRIBE THE HEARING
21 AND PRODUCE A VERBATIM HEARING TRANSCRIPT. THE COURT REPORTING AGENCY
22 SHALL:

23 (a) FILE AN ELECTRONIC COPY OF THE TRANSCRIPT WITH THE COMMISSION.

24 (b) PROVIDE AN ELECTRONIC COPY AND HARD COPY OF THE TRANSCRIPT TO
25 THE CHAIRPERSON.

26 (c) PROVIDE AN ELECTRONIC COPY OF THE TRANSCRIPT TO EACH COMMITTEE
27 MEMBER.

28 (d) PROVIDE AN ELECTRONIC COPY OF THE TRANSCRIPT TO THE APPLICANT.

29 (e) DELIVER A HARD COPY OF THE TRANSCRIPT TO EACH PUBLIC LIBRARY AS
30 SPECIFIED BY THE CHAIRPERSON.

31 (f) PROVIDE AN ELECTRONIC READ-ONLY COPY OF THE TRANSCRIPT TO THE
32 APPLICANT, WHICH THE APPLICANT SHALL POST ON THE APPLICANT'S PROJECT
33 WEBSITE UNTIL THIRTY DAYS AFTER THE COMMISSION ISSUES A DECISION
34 CONCERNING THE APPLICATION.

35 4. WITHIN TWO BUSINESS DAYS AFTER THE CONCLUSION OF A COMMITTEE
36 HEARING ON THE APPLICANT'S CERTIFICATION PROCEEDING, PROVIDE
37 ELECTRONICALLY TO THE COMMISSION, IN A FORMAT THAT MEETS ANY SPECIFIC
38 REQUIREMENTS PRESCRIBED BY THE COMMISSION, A RECORDING OF THE HEARING FOR
39 THE COMMISSION TO POST ON THE COMMISSION'S WEBSITE FOR PUBLIC INSPECTION
40 PURSUANT TO SECTION 38-431.01, SUBSECTION E.

41 C. IF THE BALANCE IN THE UTILITY SITING FUND ESTABLISHED BY SECTION
42 40-360.09 FOR AN APPLICANT'S CERTIFICATION PROCEEDING IS DEPLETED TO LESS
43 THAN \$1,000, THE COMMISSION MAY REQUIRE THE APPLICANT TO PAY ADDITIONAL
44 MONIES TO THE COMMISSION. THE APPLICANT SHALL PROMPTLY PAY THE COMMISSION
45 THE ADDITIONAL MONIES IN THE AMOUNT REQUIRED BY THE COMMISSION.

1 D. IF A CERTIFICATION PROCEEDING IS REOPENED PURSUANT TO SECTION
2 40-252 AND THE COMMISSION ORDERS THAT ANOTHER HEARING BE HELD BEFORE THE
3 COMMITTEE, THE COMMISSION MAY ORDER THE APPLICANT TO PAY A HEARING DEPOSIT
4 OF \$5,000 FOR DEPOSIT PURSUANT TO SECTION 40-360.09 AND TO AGAIN COMPLY
5 WITH SUBSECTIONS B AND C OF THIS SECTION.

6 E. THE COMMISSION SHALL USE TWO PERCENT OF EACH APPLICATION DEPOSIT
7 FOR ADMINISTRATIVE COST RECOVERY.

8 Sec. 6. Requirements for enactment; two-thirds vote

9 Pursuant to article IX, section 22, Constitution of Arizona, this
10 act is effective only on the affirmative vote of at least two-thirds of
11 the members of each house of the legislature and is effective immediately
12 on the signature of the governor or, if the governor vetoes this act, on
13 the subsequent affirmative vote of at least three-fourths of the members
14 of each house of the legislature.