

House Engrossed

electric utility customers; carbon reduction

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

HOUSE BILL 2738

AN ACT

AMENDING TITLE 40, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 40-104; RELATING TO THE CORPORATION COMMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 40, chapter 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 40-104, to read:

4 40-104. Public service corporation; carbon emissions goals;
5 alternative electric service provider; rules;
6 definitions

7 A. IF AN ELECTRIC PUBLIC SERVICE CORPORATION OR THE PUBLIC SERVICE
8 CORPORATION'S HOLDING COMPANY OR PARENT COMPANY DOES ANY OF THE FOLLOWING,
9 THE COMMISSION SHALL ALLOW A RETAIL ELECTRIC CUSTOMER TO OPT OUT AND TO
10 RECEIVE ELECTRIC SERVICE FROM OTHER PROVIDERS IN THE SAME SERVICE
11 TERRITORY:

12 1. COMMITS TO SHAREHOLDERS IN FILINGS TO THE UNITED STATES
13 SECURITIES AND EXCHANGE COMMISSION OR IN AN INTEGRATED RESOURCE PLAN
14 APPROVED OR ACKNOWLEDGED BY THE COMMISSION TO GO NET ZERO.

15 2. COMPENSATES EXECUTIVES OR EMPLOYEES BASED ON ANY CLEAN ENERGY
16 COMMITMENT.

17 B. THE COMMISSION SHALL ADOPT RULES THAT:

18 1. ALLOW A RETAIL ELECTRIC CUSTOMER TO PETITION TO OPT OUT AS
19 PRESCRIBED IN SUBSECTION A OF THIS SECTION AND THAT SET FORTH PROCEDURES
20 FOR USE BY THE COMMISSION IN EVALUATING PETITIONS TO OPT OUT.

21 2. ESTABLISH GUIDELINES FOR THE PROVISION OF ALTERNATIVE, SAFE,
22 AFFORDABLE AND RELIABLE RETAIL ELECTRIC SERVICE BY OTHER RETAIL ELECTRIC
23 SERVICE PROVIDERS OR PUBLIC POWER ENTITIES TO RETAIL ELECTRIC CUSTOMERS
24 THAT ARE LOCATED WITHIN THE ORIGINAL PUBLIC SERVICE CORPORATION'S SERVICE
25 TERRITORY AND THAT HAVE OPTED OUT PURSUANT TO THIS SECTION.

26 C. FOR THE PURPOSES OF THIS SECTION:

27 1. "COMMISSION" HAS THE SAME MEANING PRESCRIBED IN SECTION 40-201.

28 2. "ELECTRIC SERVICE" HAS THE SAME MEANING PRESCRIBED IN SECTION
29 40-201.

30 3. "NET ZERO" MEANS COMMITTING TO NET ZERO CARBON EMISSIONS BY
31 PROVING ONE HUNDRED PERCENT CLEAN AND CARBON FREE ELECTRICITY.

32 4. "RETAIL ELECTRIC CUSTOMER" HAS THE SAME MEANING PRESCRIBED IN
33 SECTION 40-201.

34 5. "SERVICE TERRITORY" HAS THE SAME MEANING PRESCRIBED IN SECTION
35 40-201.