

REFERENCE TITLE: grid security; cybersecurity; reviews; commission

State of Arizona  
Senate  
Fifty-seventh Legislature  
First Regular Session  
2025

## **SB 1501**

Introduced by  
Senator Farnsworth

AN ACT

AMENDING TITLE 40, CHAPTER 2, ARTICLE 6.2, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 40-360.14; RELATING TO THE POWER PLANT AND TRANSMISSION  
LINE SITING COMMITTEE.

(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 2, article 6.2, Arizona Revised  
3 Statutes, is amended by adding section 40-360.14, to read:

4 40-360.14. Grid security review; plan; cybersecurity

5 NOTWITHSTANDING SECTION 40-360.02, THE COMMISSION SHALL CONDUCT AN  
6 ANNUAL GRID SECURITY REVIEW OF A PLANT. IN CONDUCTING THE REVIEW, THE  
7 COMMISSION SHALL:

8 1. RESEARCH AND EVALUATE THE GENERATION AND GRID MANAGEMENT  
9 TECHNOLOGIES THAT WILL ACCOMMODATE A TWO-WAY FLOW OF ELECTRICITY AND THAT  
10 PROTECT AGAINST A PHYSICAL ATTACK AND A CYBERATTACK.

11 2. ASSESS EMERGING TECHNOLOGIES, INCLUDING DISTRIBUTED ENERGY  
12 RESOURCES, MICROGRIDS AND NEW TECHNOLOGY BATTERY STORAGE.

13 3. EVALUATE NEW INFORMATION TECHNOLOGY SYSTEMS AND HOW PROTECTIONS  
14 ARE IMPLEMENT, AS REQUIRED.

15 4. REQUIRE INVESTOR-OWNED UTILITIES TO RECTIFY DEFICIENCIES THAT  
16 WERE IDENTIFIED IN THE GRID SECURITY REVIEW AND DEVELOP SECURITY PLANS  
17 THAT EVALUATE AND CONSIDER THE TIME AND COSTS THAT ARE ASSOCIATED WITH  
18 IMPLEMENTING CHANGES. THE SECURITY PLANS SHALL INCLUDE POTENTIAL FUNDING  
19 SOURCES FROM PRIVATE CAPITAL INVESTMENT FOR ENERGY DEVELOPMENT. THIS  
20 PARAGRAPH DOES NOT APPLY TO ELECTRIC COOPERATIVES AND PUBLIC POWER  
21 ENTITIES.

22 5. EVERY TWO YEARS, REVIEW THE CYBERSECURITY AND GRID PROTECTION  
23 PROTOCOLS.

24 Sec. 2. Legislative findings and intent

25 It is the policy of this state to:

26 1. Diversify access to energy generation assets that reduce costs  
27 and ensure additional grid reliability.

28 2. Allow retail electric customers to obtain direct access to  
29 energy suppliers.

30 3. Authorize energy suppliers to sell energy directly to customers  
31 with a choice of energy plans, including options for lower costs, fixed  
32 rates, time of use pricing and rate plans.

33 4. Ensure that regulations for energy generation are limited and  
34 that competition provides a safe and affordable service to customers and  
35 is available at current levels of reliability for residents and businesses  
36 that are served by investor-owned utilities in this state.

37 5. Ensure that investor-owned utilities continue to maintain and  
38 expand transmission and distribution facilities and allow access to  
39 electricity generated by third-party suppliers for retail electric  
40 customers.

41 6. Direct the commission to gather information regarding various  
42 retail electric choice models in this state where both full and limited  
43 retail electric choice has been authorized through state legislation.