

REFERENCE TITLE: electric service providers; energy reliability

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2331

Introduced by
Representatives Marshall: Heap

AN ACT

AMENDING TITLE 30, CHAPTER 6, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 2; AMENDING TITLE 40, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 40-207; RELATING TO ENERGY RELIABILITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Heading change

3 A. The chapter heading of title 30, chapter 6, Arizona Revised
4 Statutes, is changed from "ELECTRIC ENERGY RELIABILITY" to "ENERGY
5 RELIABILITY".

6 B. The article heading of title 30, chapter 6, article 1, Arizona
7 Revised Statutes, is changed from "GENERAL PROVISIONS" to "ELECTRIC
8 ENERGY".

9 Sec. 2. Title 30, chapter 6, Arizona Revised Statutes, is amended
10 by adding article 2, to read:

11 ARTICLE 2. CLEAN ENERGY

12 30-821. Public power entities; governing bodies; clean
13 energy; definitions

14 A. A PUBLIC POWER ENTITY SHALL:

15 1. USE A FUEL SOURCE THAT IS PRIMARILY PRODUCED DOMESTICALLY.

16 2. MINIMIZE RELIANCE ON FOREIGN NATIONS FOR CRITICAL MATERIALS OR
17 MANUFACTURING WHEN DELIVERING ENERGY TO CUSTOMERS.

18 B. IF ADOPTING A RULE OR REGULATION RELATING TO THE GOVERNING BODY
19 OF A PUBLIC POWER ENTITY'S INTERNAL RESOURCE PLANNING AND PROCUREMENT
20 DECISIONS, THE GOVERNING BODY SHALL CONSIDER WHETHER AN ENERGY RESOURCE IS
21 AFFORDABLE RESOURCE ENERGY AND A RELIABLE ENERGY SOURCE AND WHETHER THE
22 ENERGY THAT IS GENERATED IS CLEAN ENERGY.

23 C. FOR THE PURPOSES OF THIS SECTION:

24 1. "AFFORDABLE RESOURCE ENERGY":

25 (a) MEANS AN ENERGY RESOURCE THAT:

26 (i) HAS A STABLE AND PREDICTABLE COST.

27 (ii) PROVIDES A COST-EFFECTIVE MEANS OF HEATING, COOLING AND
28 GENERATING ELECTRICITY.

29 (iii) DELIVERS SUBSTANTIAL SAVINGS TO HOMES AND BUSINESSES COMPARED
30 TO OTHER RESOURCES BASED ON THE AVERAGE COST PER UNIT OF ENERGY OUTPUT FOR
31 THE PAST FIVE YEARS.

32 (iv) IS READILY AVAILABLE AT ALL TIMES.

33 (b) INCLUDES ENERGY THAT IS GENERATED BY HYDROCARBONS AS A
34 RESOURCE.

35 2. "CLEAN ENERGY":

36 (a) MEANS ENERGY THAT IS GENERATED BY USING A RELIABLE ENERGY
37 SOURCE IN WHICH THE EMISSIONS ARE EQUIVALENT TO THE STANDARDS SET BY THE
38 NORTH AMERICAN ENERGY STANDARDS BOARD FOR PIPELINE QUALITY AND NATURAL
39 GAS.

40 (b) INCLUDES A RELIABLE ENERGY SOURCE THAT:

41 (i) RELEASES REDUCED AIR POLLUTANTS.

42 (ii) IS GENERATED BY NUCLEAR REACTORS.

43 (iii) IS GENERATED BY USING NATURAL GAS AS A RESOURCE.

1 3. "RELIABLE ENERGY SOURCE":

2 (a) MEANS AN ENERGY RESOURCE THAT MEETS ALL OF THE FOLLOWING
3 CRITERIA:

4 (i) IS READILY AVAILABLE TO MEET ENERGY DEMANDS AT ALL TIMES WITH
5 MINIMAL INTERRUPTIONS DURING HIGH USAGE PERIODS.

6 (ii) WHEN USED FOR POWER GENERATION, HAS A MINIMUM CAPACITY FACTOR
7 OF FIFTY PERCENT, HAS ELECTRICITY OUTPUT THAT IS DISPATCHABLE AT ALL TIMES
8 AND HAS THE CAPABILITY TO RAMP ELECTRICITY GENERATION UP OR DOWN WITHIN
9 ONE HOUR TO STABILIZE THE ELECTRICAL GRID.

10 (iii) HAS THE ABILITY TO COMPLEMENT AND PROVIDE BACKUP ENERGY
11 DURING PERIODS OF LOW AVAILABILITY.

12 (b) INCLUDES ENERGY THAT IS GENERATED BY HYDROCARBONS AS A
13 RESOURCE.

14 Sec. 3. Title 40, chapter 2, article 1, Arizona Revised Statutes,
15 is amended by adding section 40-207, to read:

16 40-207. Public service corporations; clean energy;
17 definitions

18 A. A PUBLIC SERVICE CORPORATION SHALL:

19 1. USE A FUEL SOURCE THAT IS PRIMARILY PRODUCED DOMESTICALLY.

20 2. MINIMIZE RELIANCE ON FOREIGN NATIONS FOR CRITICAL MATERIALS OR
21 MANUFACTURING WHEN DELIVERING ENERGY TO CUSTOMERS.

22 B. IF ADOPTING A RULE OR REGULATION RELATING TO THE PUBLIC SERVICE
23 CORPORATION'S INTERNAL RESOURCE PLANNING AND PROCUREMENT DECISIONS, THE
24 PUBLIC SERVICE CORPORATION SHALL CONSIDER WHETHER AN ENERGY RESOURCE IS
25 AFFORDABLE RESOURCE ENERGY AND A RELIABLE ENERGY SOURCE AND WHETHER THE
26 ENERGY THAT IS GENERATED IS CLEAN ENERGY.

27 C. FOR THE PURPOSES OF THIS SECTION:

28 1. "AFFORDABLE RESOURCE ENERGY":

29 (a) MEANS AN ENERGY RESOURCE THAT:

30 (i) HAS A STABLE AND PREDICTABLE COST.

31 (ii) PROVIDES A COST-EFFECTIVE MEANS OF HEATING, COOLING AND
32 GENERATING ELECTRICITY.

33 (iii) DELIVERS SUBSTANTIAL SAVINGS TO HOMES AND BUSINESSES COMPARED
34 TO OTHER RESOURCES BASED ON THE AVERAGE COST PER UNIT OF ENERGY OUTPUT FOR
35 THE PAST FIVE YEARS.

36 (iv) IS READILY AVAILABLE AT ALL TIMES.

37 (b) INCLUDES ENERGY THAT IS GENERATED BY HYDROCARBONS AS A
38 RESOURCE.

39 2. "CLEAN ENERGY":

40 (a) MEANS ENERGY THAT IS GENERATED BY USING A RELIABLE ENERGY
41 SOURCE IN WHICH THE EMISSIONS ARE EQUIVALENT TO THE STANDARDS SET BY THE
42 NORTH AMERICAN ENERGY STANDARDS BOARD FOR PIPELINE QUALITY AND NATURAL
43 GAS.

1 (b) INCLUDES A RELIABLE ENERGY SOURCE THAT:

2 (i) RELEASES REDUCED AIR POLLUTANTS.

3 (ii) IS GENERATED BY NUCLEAR REACTORS.

4 (iii) IS GENERATED BY USING NATURAL GAS AS A RESOURCE.

5 3. "RELIABLE ENERGY SOURCE":

6 (a) MEANS AN ENERGY RESOURCE THAT MEETS ALL OF THE FOLLOWING
7 CRITERIA:

8 (i) IS READILY AVAILABLE TO MEET ENERGY DEMANDS AT ALL TIMES WITH
9 MINIMAL INTERRUPTIONS DURING HIGH USAGE PERIODS.

10 (ii) WHEN USED FOR POWER GENERATION, HAS A MINIMUM CAPACITY FACTOR
11 OF FIFTY PERCENT, HAS ELECTRICITY OUTPUT THAT IS DISPATCHABLE AT ALL TIMES
12 AND HAS THE CAPABILITY TO RAMP ELECTRICITY GENERATION UP OR DOWN WITHIN
13 ONE HOUR TO STABILIZE THE ELECTRICAL GRID.

14 (iii) HAS THE ABILITY TO COMPLEMENT AND PROVIDE BACKUP ENERGY
15 DURING PERIODS OF LOW AVAILABILITY.

16 (b) INCLUDES ENERGY THAT IS GENERATED BY HYDROCARBONS AS A
17 RESOURCE.

18 Sec. 4. Legislative intent and findings

19 A. The legislature intends that this act:

20 1. Protect the health and safety of the public.

21 2. Preserve the health, convenience, comfort and safety of patrons
22 of public service corporations in this state pursuant to article XV,
23 section 3, Constitution of Arizona.

24 B. The legislature finds that:

25 1. Reliance on domestic fuel sources is necessary to protect the
26 health, safety and welfare of the public.

27 2. Reducing reliance on foreign nations for critical materials or
28 manufacturing is necessary to protect the health, safety and welfare of
29 the public.