

REFERENCE TITLE: **utilities; high load factor customers**

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

HB 2756

Introduced by
Representatives Griffin: Blackman

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 30, Arizona Revised Statutes, is amended by adding
3 chapter 2, to read:

4 CHAPTER 2

5 PUBLIC POWER ENTITIES

6 ARTICLE 1. GENERAL PROVISIONS

7 30-301. Public power entities; new extra high load factor
8 customers; quarterly reports; load growth
9 projections

10 A. A PUBLIC POWER ENTITY THAT SERVES MORE THAN ONE MILLION
11 CONNECTIONS IN THIS STATE SHALL FILE WITH THE GOVERNING BODY OF THE PUBLIC
12 POWER ENTITY QUARTERLY REPORTS REGARDING NEW EXTRA HIGH LOAD FACTOR
13 CUSTOMERS THAT INCLUDE BOTH OF THE FOLLOWING:

- 14 1. THE NUMBER OF REQUESTS FOR INTERCONNECTION.
- 15 2. THE NUMBER OF COMPLETED INTERCONNECTIONS.

16 B. BEGINNING TWO YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,
17 THE GOVERNING BODY OF THE PUBLIC POWER ENTITY MAY SUSPEND THE QUARTERLY
18 REPORT REQUIREMENT BY A MAJORITY VOTE OF THE GOVERNING BODY IF THE NUMBERS
19 REPORTED BY THE PUBLIC POWER ENTITY PURSUANT TO SUBSECTION A OF THIS
20 SECTION ARE ZERO FOR AT LEAST TWO CONSECUTIVE QUARTERS. THE GOVERNING
21 BODY MAY VOTE TO REINSTATE THE QUARTERLY REPORT REQUIREMENT AT ANY TIME.

22 C. A PUBLIC POWER ENTITY THAT CONDUCTS INTEGRATED SYSTEM PLANNING
23 SHALL INCLUDE EXTRA HIGH LOAD FACTOR CUSTOMERS IN THE PUBLIC POWER
24 ENTITY'S LOAD GROWTH PROJECTIONS FOR THE INTEGRATED SYSTEM PLAN.

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

27 40-207. Electric service corporations; new extra high load
28 factor customers; quarterly reports; load growth
29 projections; rules; exemption

30 A. AN ELECTRIC PUBLIC SERVICE CORPORATION OPERATING IN THIS STATE
31 SHALL FILE WITH THE CORPORATION COMMISSION QUARTERLY REPORTS REGARDING NEW
32 EXTRA HIGH LOAD FACTOR CUSTOMERS THAT INCLUDE BOTH OF THE FOLLOWING:

- 33 1. THE NUMBER OF REQUESTS FOR INTERCONNECTION.
- 34 2. THE NUMBER OF COMPLETED INTERCONNECTIONS.

35 B. BEGINNING TWO YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,
36 THE CORPORATION COMMISSION MAY SUSPEND THE QUARTERLY REPORT REQUIREMENT BY
37 A MAJORITY VOTE IF THE NUMBERS REPORTED BY THE ELECTRIC PUBLIC SERVICE
38 CORPORATION PURSUANT TO SUBSECTION A OF THIS SECTION ARE ZERO FOR AT LEAST
39 TWO CONSECUTIVE QUARTERS. THE CORPORATION COMMISSION MAY VOTE TO
40 REINSTATE THE QUARTERLY REPORT REQUIREMENT AT ANY TIME.

41 C. AN ELECTRIC PUBLIC SERVICE CORPORATION THAT CONDUCTS INTEGRATED
42 RESOURCE PLANNING SHALL INCLUDE EXTRA HIGH LOAD FACTOR CUSTOMERS IN THE
43 ELECTRIC PUBLIC SERVICE CORPORATION'S LOAD GROWTH PROJECTIONS FOR THE
44 INTEGRATED RESOURCE PLAN.

1 D. THE CORPORATION COMMISSION SHALL ADOPT RULES PURSUANT TO ARTICLE
2 XV, SECTION 3, CONSTITUTION OF ARIZONA, THAT DO ALL OF THE FOLLOWING:

3 1. GOVERN THE BUSINESS TRANSACTION WITH EXTRA HIGH LOAD FACTOR
4 CUSTOMERS.

5 2. ESTABLISH THE MINIMUM BILLING REQUIREMENTS.

6 3. PRESCRIBE THE FORM OF CONTRACTS THAT MAY BE USED WITH EXTRA HIGH
7 LOAD FACTOR CUSTOMERS, INCLUDING:

8 (a) THE LENGTH OF THE CONTRACT.

9 (b) THE PAYMENT TERMS FOR BOTH OF THE FOLLOWING:

10 (i) GRID UPGRADES.

11 (ii) INVESTMENTS TO ACCOMMODATE THE EXTRA HIGH LOAD FACTOR CUSTOMER
12 EVEN IF THE EXTRA HIGH LOAD FACTOR CUSTOMER NO LONGER DOES BUSINESS IN OR
13 LEAVES THIS STATE.

14 4. ESTABLISH A PROCESS FOR THE CORPORATION COMMISSION TO REVIEW AND
15 APPROVE ALL EXTRA HIGH LOAD FACTOR CUSTOMER CONTRACTS AT LEAST THIRTY DAYS
16 BEFORE THE EXECUTION OF THE CONTRACT TO ENSURE THE CONTRACT IS BOTH:

17 (a) CONSISTENT WITH THE RULES ADOPTED BY THE CORPORATION
18 COMMISSION.

19 (b) IN THE BEST INTEREST OF OTHER RATEPAYERS AND CUSTOMER CLASSES
20 THAT DO NOT INCLUDE THE EXTRA HIGH LOAD FACTOR CUSTOMER, INCLUDING
21 RESIDENTIAL AND SMALL BUSINESS CUSTOMERS.

22 E. THIS SECTION DOES NOT APPLY TO MEMBER-OWNED ELECTRIC
23 COOPERATIVES.

24 Sec. 3. Corporation commission; workshop

25 Within ninety days after the effective date of this act, the
26 corporation commission shall conduct at least one workshop to determine
27 whether:

28 1. The utility revenues and costs from extra high load factor
29 customers are resulting in increased or decreased residential bills.

30 2. Any rules or policies should be adopted to establish a new
31 customer class for extra high load factor customers or a specific rate
32 design or cost allocation for extra high load factor customers.

33 Sec. 4. Cost-of-service studies; exemption

34 Within one hundred eighty days after the effective date of this act:

35 1. An electric public service corporation operating in this state
36 shall file with the corporation commission a cost-of-service study that
37 shows the cost allocation of serving new extra high load factor customers.
38 This paragraph does not apply to member-owned electric cooperatives.

39 2. A public power entity that services more than one million
40 connections in this state shall file with the governing body of the public
41 power entity a cost-of-service study that shows the cost allocation of
42 serving new extra high load factor customers.

- 1 Sec. 5. Legislative findings
- 2 The legislature finds that this act:
- 3 1. Is necessary pursuant to article XV, section 3, Constitution of
- 4 Arizona, "for the convenience, comfort, and safety, and the preservation
- 5 of the health, of patrons of such corporations".
- 6 2. Does not attempt to set or establish any specific rates or
- 7 charges to be made or collected by public service corporations or require
- 8 the corporation commission to set or adopt any specific rates or charges
- 9 to be made or collected by a public service corporation.