

# ARIZONA STATE SENATE

## RESEARCH STAFF



**SAWYER BESSLER**  
LEGISLATIVE RESEARCH ANALYST  
NATURAL RESOURCES COMMITTEE  
Telephone: (602) 926-3171

TO: MEMBERS OF THE SENATE  
NATURAL RESOURCES COMMITTEE

DATE: March 23, 2026

SUBJECT: Strike everything amendment to H.B. 2400, relating to emergency fuel waiver; petition; requirement

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### Purpose

An emergency measure that requires the Director of the Arizona Department of Environmental Quality (ADEQ) to collaborate with the Associate Director of the Weights and Measures Services Division of the Arizona Department of Agriculture (Associate Director) to submit a fuel formulation waiver request for Area A and Area C for a 20-day waiver period to the U.S. Environmental Protection Agency (EPA).

### Background

Fuel sold in Arizona must meet minimum standards prescribed by statute and by Arizona Department of Agriculture Weights and Measures Division (Division) rule. All gasoline produced and shipped to or within Arizona and all gasoline sold or offered for sale for use in motor vehicles in a county with a population of 1,200,000 or more persons and any portion of a county contained in Area A (Area A) or the portion of Pinal County that is west of range 11 east, excluding the portion within Area A (Area C), must comply with one of two outlined fuel reformulation options, subject to a waiver by the U.S. Environmental Protection Agency (U.S. EPA) to comply with the federal Clean Air Act. All gasoline in Area A or Area C must also meet the statutory maximum vapor pressure requirements, which vary based on the time of year (A.R.S. §§ [3-3401](#); [3-3433](#); and [3-3493](#)).

Any registered supplier or oxygenate blender may petition the Associate Director of the Division for a waiver for all registered suppliers or oxygenate blenders from compliance with statutorily prescribed standards for the sale of gasoline during from November 1 through March 31 of each year in Area A if the petitioner can demonstrate that ethanol supply shortages are imminent or the statutorily prescribed standards for fuel reformulation in Area C from May 31 through September 30 of each year if the petitioner demonstrates that a shortage in the supply of gasoline meeting the prescribed standards for fuel reformulation in Area C is imminent.

The petition for Area A must: 1) identify specific supply conditions that will result in the shortage of ethanol; 2) identify which oxygenate or oxygenates and the concentration that will be blended into gasoline for sale or use in Area A; 3) demonstrate that the alternative oxygenate blend comes closest to meeting a three and one-half percent by weight oxygen content at reasonable cost, unless the registered supplier or oxygenate blender is petitioning to use a gasoline-ethanol blend containing less than 10 percent by volume of ethanol; and 4) specify a time period for compliance with the statutorily prescribed standards for the sale of gasoline not to exceed 60 days. The petition for Area C must: 1) identify specific supply conditions that will result in a shortage of gasoline meeting the statutorily prescribed fuel reformulation standards; 2) identify the formulation of gasoline that will be sold in Area C in lieu of gasoline meeting the statutorily prescribed fuel reformulation standards; and 3) specify a time period for compliance with the statutorily prescribed fuel reformulation standards not to exceed 60 days (A.R.S. §§ [3-3493](#) and [3-3494](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires the Director of ADEQ, within 30 days of the effective date, to collaborate in good faith with the Associate Director to submit a fuel formulation waiver request for Area A and Area C to the EPA consistent with the waiver process for regulation of fuels provided in the federal Clean Air Act.
2. Requires the prescribed fuel formulation waiver request to include:
  - a) the available information required by the criteria in the federal Clean Air Act and a request for a 20-day waiver period; and
  - b) all available information in an effort to demonstrate to the EPA that extreme and unusual fuel supply circumstances exist that prevent the distribution of an adequate supply of fuel consumers, that extreme and unusual fuel supply circumstances are the result of an event that could not reasonably have been foreseen or prevented and that it is in the public interest to grant the fuel formulation waiver.
3. Requires the Director of ADEQ to submit a copy of the outlined 20-day waiver request to the President of the Senate, the Speaker of the House of Representatives, the Governor and the Secretary of State.
4. Requires the circumstances and events that justify the requested fuel formulation waiver to be limited to the adoption and implementation of energy and environmental policies in the State of California and the closure of refineries in California and from including any other circumstance or condition.
5. Stipulates that, if the EPA grants the fuel formulation waiver request or otherwise issues a decision in 2026 to waive the applicable federal standards established under the federal Clean Air Act, the following apply:
  - a) the Associate Director must waive the applicable statutorily prescribed state requirements relating to standards for oxygenated fuel, sale of gasoline in Area A and Area B and fuel reformulation in Area A and Area C that result from the fuel formulation waiver;
  - b) the fuel formulation waiver must be equally applicable to all regulated persons that the standards apply to and may not be selectively applied to any single regulation person; and
  - c) before the expiration of the federal waiver or any fuel formulation waiver extension, if the conditions identified in the fuel formulation waiver or otherwise justifying the fuel formulation waiver continue, the Director of ADEQ must collaborate with the Associate Director to submit an additional fuel formulation waiver request to the EPA to extend the waiver for an additional 20 days.
6. Defines *Area A*, *Area C* and *Clean Air Act*.
7. Becomes effective on signature of the Governor, if the emergency clause is enacted.