

House Engrossed

certificate; environmental compatibility; factors

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

# HOUSE BILL 2340

AN ACT

AMENDING SECTION 40-360.06, ARIZONA REVISED STATUTES; 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. Section 40-360.06, Arizona Revised Statutes, is amended  
3 to read:

4 40-360.06. Factors to be considered in issuing a certificate  
5 of environmental compatibility

6 A. The committee may approve or deny an application and may impose  
7 reasonable conditions on the issuance of a certificate of environmental  
8 compatibility. ~~and~~ In so doing, THE COMMITTEE shall consider the  
9 following factors as a basis for its action with respect to the  
10 suitability of either plant or transmission line siting plans:

11 1. Existing plans of this state, A local government and private  
12 entities for other developments at or in the vicinity of the proposed  
13 site.

14 2. Fish, wildlife and plant life and associated forms of life on  
15 which they are dependent.

16 3. Noise emission levels and interference with communication  
17 signals.

18 4. The proposed availability of the site to the public for  
19 recreational purposes, consistent with safety considerations and  
20 regulations.

21 5. Existing scenic areas, historic sites and structures or  
22 archaeological sites at or in the vicinity of the proposed site.

23 6. The total environment of the area.

24 7. The technical practicability of achieving a proposed objective  
25 and the previous experience with equipment and methods available for  
26 achieving a proposed objective.

27 8. The estimated cost of the facilities and site as proposed by the  
28 applicant and the estimated cost of the facilities and site as recommended  
29 by the committee, recognizing that any significant increase in costs  
30 represents a potential increase in the cost of electric energy to the  
31 customers or the applicant.

32 9. Any additional factors that require consideration under  
33 applicable federal and state laws pertaining to any such site.

34 B. THE COMMITTEE MAY ALSO EVALUATE AN APPLICATION FOR A PROPOSED  
35 TRANSMISSION LINE BY CONSIDERING ALL THE FACTORS LISTED IN SUBSECTION A OF  
36 THIS SECTION IF THE FACTORS PERTAIN TO AN ELECTRIC GENERATING UNIT THAT IS  
37 RELATED TO OR WILL BE INTERCONNECTED WITH THE PROPOSED TRANSMISSION LINE.

38 ~~B.~~ C. The committee shall give special consideration to the  
39 protection of areas THAT ARE unique because of biological wealth or  
40 because they are habitats for rare and endangered species.

41 ~~C.~~ D. Notwithstanding any other provision of this article, the  
42 committee shall require in all certificates for facilities that the  
43 applicant comply with all applicable nuclear radiation standards and air  
44 and water pollution control standards and regulations, but shall not  
45 require either of the following:

1           1. Compliance with performance standards other than those  
2 established by the agency having primary jurisdiction over a particular  
3 pollution source.

4           2. That a contractor, subcontractor, material supplier or other  
5 person **THAT IS** engaged in the construction, maintenance, repair or  
6 improvement of any project subject to approval of the commission  
7 negotiate, execute or otherwise become a party to any project labor  
8 agreement, neutrality agreement as defined in section 34-321,  
9 apprenticeship program participation or contribution agreement or other  
10 agreement with employees, employees' representatives or any labor  
11 organization as a condition of or a factor in the commission's approval of  
12 the project. This paragraph does not:

13           (a) Prohibit private parties from entering into individual  
14 collective bargaining relationships.

15           (b) Regulate or interfere with activity **THAT IS** protected by law,  
16 including the national labor relations act.

17           ~~E.~~ **E.** Any certificate **THAT IS** granted by the committee shall be  
18 conditioned on compliance by the applicant with all applicable ordinances,  
19 master plans and regulations of ~~the~~ **THIS** state, a county or an  
20 incorporated city or town, except that the committee may grant a  
21 certificate notwithstanding any such ordinance, master plan or regulation,  
22 exclusive of franchises, if the committee finds as a fact that compliance  
23 with such ordinance, master plan or regulation is unreasonably restrictive  
24 and compliance therewith is not feasible in view of technology available.  
25 ~~When~~ **IF** it becomes apparent to the chairman of the committee or to the  
26 hearing officer that an issue exists with respect to whether such an  
27 ordinance, master plan or regulation is unreasonably restrictive and  
28 compliance therewith is not feasible in view of technology available, the  
29 chairman or hearing officer shall promptly serve notice of such fact by  
30 certified mail on the chief executive officer of the area of jurisdiction  
31 affected and, notwithstanding any provision of this article to the  
32 contrary, shall make such area of jurisdiction a party to the proceedings  
33 on its request and shall give it an opportunity to respond on such issue.