

House Engrossed

line siting; factors; offtakers

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

HOUSE BILL 2341

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 shall consider the following factors as a
9 basis for its action with respect to the suitability of either plant or
10 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. THE SPECULATIVENESS OF THE PROPOSED TRANSMISSION LINE OR PLANT
33 AS IDENTIFIED BY THE EXISTENCE OF KNOWN OFFTAKERS. FOR THE PURPOSES OF
34 THIS PARAGRAPH:

35 (a) "KNOWN OFFTAKERS" MEANS:

36 (i) FOR A PROPOSED TRANSMISSION LINE, SPECIFIC, IDENTIFIED BUYERS
37 THAT HAVE ENTERED INTO LEGALLY BINDING, LONG-TERM CONTRACTS TO PURCHASE A
38 PORTION OF THE FUTURE OUTPUT OF ANY ELECTRIC GENERATING UNIT THAT IS
39 RELATED TO OR WILL BE INTERCONNECTED WITH THE PROPOSED TRANSMISSION LINE.

40 (ii) FOR A PROPOSED PLANT, SPECIFIC, IDENTIFIED BUYERS THAT HAVE
41 ENTERED INTO LEGALLY BINDING, LONG-TERM CONTRACTS TO PURCHASE A PORTION OF
42 THE PLANT'S FUTURE OUTPUT.

43 (b) "SPECULATIVENESS" MEANS THE LEVEL OF RISK OR UNCERTAINTY THAT
44 IS ASSOCIATED WITH THE PROPOSED TRANSMISSION LINE'S OR PLANT'S FINANCIAL
45 SUCCESS.

1 (c) IF THE APPLICANT FOR THE PROPOSED TRANSMISSION LINE OR PLANT IS
2 A PUBLIC SERVICE CORPORATION OR PUBLIC POWER ENTITY DOING BUSINESS IN THIS
3 STATE, THE PUBLIC SERVICE CORPORATION'S OR PUBLIC POWER ENTITY'S CUSTOMERS
4 SHALL SERVE AS THE EXISTENCE OF KNOWN OFFTAKERS, THE IDENTIFICATION OF
5 SPECIFIC BUYERS AND LEGALLY BINDING LONG-TERM CONTRACTS ARE NOT REQUIRED
6 AND THE PROPOSED TRANSMISSION LINE OR PLANT MAY NOT BE DEEMED SPECULATIVE.

7 ~~9.~~ 10. Any additional factors that require consideration under
8 applicable federal and state laws pertaining to any such site.

9 B. The committee shall give special consideration to the protection
10 of areas THAT ARE unique because of biological wealth or because they are
11 habitats for rare and endangered species.

12 C. Notwithstanding any other provision of this article, the
13 committee shall require in all certificates for facilities that the
14 applicant comply with all applicable nuclear radiation standards and air
15 and water pollution control standards and regulations, but shall not
16 require either of the following:

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

20 2. That a contractor, subcontractor, material supplier or other
21 person THAT IS engaged in the construction, maintenance, repair or
22 improvement of any project subject to approval of the commission
23 negotiate, execute or otherwise become a party to any project labor
24 agreement, neutrality agreement as defined in section 34-321,
25 apprenticeship program participation or contribution agreement or other
26 agreement with employees, employees' representatives or any labor
27 organization as a condition of or a factor in the commission's approval of
28 the project. This paragraph does not:

29 (a) Prohibit private parties from entering into individual
30 collective bargaining relationships.

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

33 D. Any certificate THAT IS granted by the committee shall be
34 conditioned on compliance by the applicant with all applicable ordinances,
35 master plans and regulations of ~~the~~ THIS state, a county or an
36 incorporated city or town, except that the committee may grant a
37 certificate notwithstanding any such ordinance, master plan or regulation,
38 exclusive of franchises, if the committee finds as a fact that compliance
39 with such AN ordinance, master plan or regulation is unreasonably
40 restrictive and compliance therewith is not feasible in view of technology
41 available. ~~When~~ IF it becomes apparent to the chairman of the committee
42 or to the hearing officer that an issue exists with respect to whether
43 such an ordinance, master plan or regulation is unreasonably restrictive
44 and compliance therewith is not feasible in view of technology available,
45 the chairman or hearing officer shall promptly serve notice of such fact

1 by certified mail on the chief executive officer of the area of
2 jurisdiction affected and, notwithstanding any provision of this article
3 to the contrary, shall make such area of jurisdiction a party to the
4 proceedings on its request and shall give it an opportunity to respond on
5 such issue.