

REFERENCE TITLE: large load customers; energy costs

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1380

Introduced by
Senators Sundareshan: Alston, Bravo, Diaz, Epstein, Fernandez, Gonzales,
Hatathlie, Kuby, Miranda, Ortiz, Sears

AN ACT

AMENDING TITLE 30, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 2; AMENDING
TITLE 40, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING
SECTION 40-107; 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. Large load customers; energy costs; definitions

8 A. A PUBLIC POWER ENTITY SHALL REQUIRE A LARGE LOAD CUSTOMER TO PAY
9 FOR THE ENERGY COSTS, INCLUDING INCREASED FUEL REQUIREMENTS, GENERATION
10 COSTS AND TRANSMISSION COSTS, THAT ARE INCURRED BY THE LARGE LOAD CUSTOMER
11 AND THAT WOULD NOT HAVE BEEN INCURRED BUT FOR THE ELECTRIC DEMAND OF THE
12 LARGE LOAD CUSTOMER. THE ENERGY COSTS THAT ARE INCURRED BY A LARGE LOAD
13 CUSTOMER MAY NOT BE PASSED ON TO OTHER PUBLIC POWER ENTITY CUSTOMERS.

14 B. FOR THE PURPOSES OF THIS SECTION:

15 1. "LARGE LOAD CUSTOMER":

16 (a) MEANS A CUSTOMER THAT USES AT LEAST FIFTY MEGAWATTS AT A SINGLE
17 SITE DURING PEAK DEMAND.

18 (b) INCLUDES ANY OF THE FOLLOWING:

19 (i) INDUSTRIAL FACILITIES.

20 (ii) DATA CENTERS. FOR THE PURPOSES OF THIS ITEM, "DATA CENTERS"
21 MEANS A FACILITY, A CAMPUS OF FACILITIES OR AN ARRAY OF INTERCONNECTED
22 FACILITIES IN THIS STATE THAT IS USED BY AN ENTITY OR OTHER BUSINESS
23 ENTERPRISE TO OPERATE, MANAGE OR MAINTAIN A COMPUTER, GROUP OF COMPUTERS
24 OR OTHER ORGANIZED ASSEMBLY OF HARDWARE AND SOFTWARE FOR THE PRIMARY
25 PURPOSE OF PROCESSING, STORING, RETRIEVING OR TRANSMITTING DATA.

26 (iii) CRYPTOCURRENCY MINING CENTERS.

27 (iv) MANUFACTURING AND INDUSTRIAL PLANTS.

28 (v) HYDROGEN PRODUCTION FACILITIES.

29 (vi) LARGE BUILDINGS.

30 (vii) ANY OTHER LARGE LOAD CUSTOMER.

31 2. "PUBLIC POWER ENTITY" HAS THE SAME MEANING PRESCRIBED IN SECTION
32 30-901.

33 Sec. 2. Title 40, chapter 1, article 1, Arizona Revised Statutes,
34 is amended by adding section 40-107, to read:

35 40-107. Large load customers; energy costs; definition

36 A. THE CORPORATION COMMISSION SHALL REQUIRE A LARGE LOAD CUSTOMER
37 TO PAY FOR THE ENERGY COSTS, INCLUDING INCREASED FUEL REQUIREMENTS,
38 GENERATION COSTS, DISTRIBUTION SYSTEM COSTS AND TRANSMISSION COSTS, THAT
39 ARE INCURRED BY THE LARGE LOAD CUSTOMER AND THAT WOULD NOT HAVE BEEN
40 INCURRED BUT FOR THE ELECTRIC DEMAND OF THE LARGE LOAD CUSTOMER. THE
41 ENERGY COSTS THAT ARE INCURRED BY A LARGE LOAD CUSTOMER MAY NOT BE PASSED
42 ON TO OTHER PUBLIC SERVICE CORPORATION CUSTOMERS.

- 1 B. FOR THE PURPOSES OF THIS SECTION, "LARGE LOAD CUSTOMER":
2 1. MEANS A CUSTOMER THAT USES AT LEAST FIFTY MEGAWATTS AT A SINGLE
3 SITE DURING PEAK DEMAND.
4 2. INCLUDES ANY OF THE FOLLOWING:
5 (a) INDUSTRIAL FACILITIES.
6 (b) DATA CENTERS. FOR THE PURPOSES OF THIS SUBDIVISION, "DATA
7 CENTERS" MEANS A FACILITY, A CAMPUS OF FACILITIES OR AN ARRAY OF
8 INTERCONNECTED FACILITIES IN THIS STATE THAT IS USED BY AN ENTITY OR OTHER
9 BUSINESS ENTERPRISE TO OPERATE, MANAGE OR MAINTAIN A COMPUTER, GROUP OF
10 COMPUTERS OR OTHER ORGANIZED ASSEMBLY OF HARDWARE AND SOFTWARE FOR THE
11 PRIMARY PURPOSE OF PROCESSING, STORING, RETRIEVING OR TRANSMITTING DATA.
12 (c) CRYPTOCURRENCY MINING CENTERS.
13 (d) MANUFACTURING AND INDUSTRIAL PLANTS.
14 (e) HYDROGEN PRODUCTION FACILITIES.
15 (f) LARGE BUILDINGS.
16 (g) ANY OTHER LARGE LOAD CUSTOMER.