

REFERENCE TITLE: **environment; greenhouse gases**

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House of Representatives
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HB 2542

Introduced by
Representatives Sinema, Ableser, Campbell CH, Farley, Lujan, Pancrazi:
Bradley, Cajero Bedford, Campbell CL, Chabin, Gallardo, Lopez, Meza,
Miranda B, Rios P, Thrasher, Ulmer

AN ACT

**AMENDING TITLE 49, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9;
RELATING TO GREENHOUSE GAS EMISSIONS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 49, chapter 3, Arizona Revised Statutes, is amended
3 by adding article 9, to read:

4 ARTICLE 9. GREENHOUSE GAS EMISSIONS

5 49-611. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "ALTERNATIVE COMPLIANCE MECHANISM" MEANS A MEASURE THAT ACHIEVES
8 THE EQUIVALENT REDUCTION OF GREENHOUSE GAS EMISSIONS IN THE SAME TIME PERIOD
9 AS A DIRECT EMISSIONS REDUCTION, AND INCLUDES FLEXIBLE COMPLIANCE SCHEDULES,
10 ALTERNATIVE CONTROL TECHNOLOGY, PROCESS CHANGES AND PRODUCT SUBSTITUTION AS
11 DETERMINED BY THE DEPARTMENT BY RULE.

12 2. "DIRECT EMISSIONS REDUCTION" MEANS AN ACTION TAKEN BY A GREENHOUSE
13 GAS EMISSIONS SOURCE AT THAT SOURCE.

14 3. "GREENHOUSE GAS" INCLUDES CARBON DIOXIDE, METHANE, NITROUS OXIDE,
15 HYDROFLUOROCARBONS, PERFLUOROCARBONS AND SULFUR HEXAFLUORIDE.

16 49-612. Reporting and monitoring; rules

17 ON OR BEFORE JANUARY 1, 2010, THE DEPARTMENT SHALL ADOPT RULES THAT
18 REQUIRE THE REPORTING AND VERIFICATION OF GREENHOUSE GAS EMISSIONS IN THIS
19 STATE. THE RULES SHALL PROVIDE FOR ALL OF THE FOLLOWING:

20 1. THE MONITORING AND ANNUAL REPORTING OF GREENHOUSE GAS EMISSIONS
21 FROM GREENHOUSE GAS SOURCES IN THIS STATE. THE RULES MAY PROVIDE FOR
22 GRADUATED COMPLIANCE BY INDUSTRY OR SECTOR BUT SHALL APPLY TO INDUSTRIES,
23 SECTORS OR SOURCES THAT CONTRIBUTE THE MOST TO EMISSIONS IN THIS STATE.

24 2. THE MEASUREMENT OF GREENHOUSE GAS EMISSIONS FROM ALL ELECTRICITY
25 CONSUMED IN THIS STATE, INCLUDING LOSSES FROM TRANSMISSION AND DISTRIBUTION
26 LINES.

27 3. A REQUIREMENT THAT GREENHOUSE GAS EMISSIONS SOURCES MAINTAIN
28 ACCURATE RECORDS OF EMISSIONS GENERATED.

29 49-613. Statewide emissions limit; early reduction measures;
30 rules

31 A. ON OR BEFORE JANUARY 1, 2010, THE DEPARTMENT BY RULE SHALL SET A
32 STATEWIDE GREENHOUSE GAS EMISSIONS LIMIT. THE LIMIT SHALL BE DETERMINED BY
33 CALCULATING THE AMOUNT OF GREENHOUSE GASES THAT WERE EMITTED IN 1990 AND
34 SETTING THE STATEWIDE LIMIT AT AN EQUIVALENT LEVEL. THE STATEWIDE GREENHOUSE
35 GAS EMISSIONS LIMIT SHALL BE ACHIEVED BY 2021 AND SHALL REMAIN IN EFFECT
36 UNLESS AND UNTIL AMENDED BY LAW.

37 B. ON OR BEFORE SEPTEMBER 1, 2009, THE DEPARTMENT SHALL PUBLISH AND
38 MAKE AVAILABLE TO THE PUBLIC A LIST OF SPECIFIC EARLY REDUCTION MEASURES THAT
39 CAN BE IMPLEMENTED BEFORE THE MEASURES ADOPTED PURSUANT TO SECTION 49-615.

40 C. ON OR BEFORE JANUARY 1, 2012, THE DEPARTMENT SHALL ADOPT RULES TO
41 IMPLEMENT THE MEASURES IDENTIFIED PURSUANT TO SUBSECTION B OF THIS SECTION.
42 THESE RULES SHALL BE DESIGNED TO ACHIEVE THE MAXIMUM TECHNOLOGICALLY FEASIBLE
43 AND COST-EFFECTIVE REDUCTIONS IN GREENHOUSE GAS EMISSIONS FROM SOURCES OR
44 CATEGORIES OF SOURCES.

1 7. MINIMIZING ADMINISTRATIVE BURDENS.
2 8. THE MINIMIZATION OF EMISSIONS REDUCTIONS IN THIS STATE THAT
3 CORRESPONDINGLY CAUSES AN INCREASE OF EMISSIONS IN ANOTHER STATE.
4 9. THE SIGNIFICANCE OF THE CONTRIBUTION OF EACH SOURCE OR CATEGORY OF
5 SOURCES TO THE STATEWIDE GREENHOUSE GAS EMISSIONS TOTAL.
6 B. THE DEPARTMENT MAY ESTABLISH A SYSTEM OF MARKET-BASED DECLINING
7 ANNUAL AGGREGATE EMISSIONS LIMITS FOR SOURCES OR CATEGORIES OF SOURCES.
8 C. THE RULES ADOPTED PURSUANT TO THIS SECTION SHALL:
9 1. RESULT IN REAL, PERMANENT, QUANTIFIABLE AND VERIFIABLE REDUCTIONS
10 THAT ARE ENFORCEABLE BY THE DEPARTMENT.
11 2. BE BASED ON THE BEST AVAILABLE ECONOMIC AND SCIENTIFIC INFORMATION
12 AND ITS ASSESSMENT OF EXISTING AND PROJECTED TECHNOLOGICAL CAPABILITIES.
13 D. THE DEPARTMENT SHALL CONSULT WITH OTHER AGENCIES OF STATE
14 GOVERNMENT, INCLUDING THE ARIZONA CORPORATION COMMISSION, AND LOCAL, NATIONAL
15 AND INTERNATIONAL PROGRAMS FOR EMISSIONS REDUCTIONS.
16 49-616. Market-based compliance measures
17 THE DEPARTMENT MAY INCLUDE MARKET-BASED COMPLIANCE MEASURES IN RULES
18 ADOPTED PURSUANT TO SECTION 49-615. ANY MARKET-BASED COMPLIANCE MEASURES
19 SHALL DO ALL OF THE FOLLOWING:
20 1. CONSIDER THE POTENTIAL FOR DIRECT, INDIRECT AND CUMULATIVE
21 EMISSIONS IMPACT, INCLUDING LOCALIZED IMPACTS IN COMMUNITIES THAT ARE ALREADY
22 ADVERSELY AFFECTED BY AIR POLLUTION.
23 2. BE DESIGNED TO PREVENT ANY INCREASE IN THE EMISSIONS OF TOXIC AIR
24 POLLUTANTS.
25 3. MAXIMIZE ADDITIONAL ENVIRONMENTAL AND ECONOMIC BENEFITS FOR THIS
26 STATE.
27 49-617. Enforcement; remedies
28 THE DEPARTMENT SHALL MONITOR COMPLIANCE WITH THIS ARTICLE AND MAY
29 ENFORCE ANY RULE ADOPTED PURSUANT TO THIS ARTICLE. THE DEPARTMENT MAY USE
30 ANY REMEDY AUTHORIZED BY THIS CHAPTER TO ENFORCE THIS ARTICLE, INCLUDING
31 INJUNCTIONS, ORDERS OF ABATEMENT AND CIVIL PENALTIES.