Page 1, strike lines 1 through 24

Strike everything after the resolving clause and insert:

"1.  Title

This constitutional amendment shall be known as the "Clean and Affordable Energy for a Healthy Arizona Amendment."

2.  Article XV, Constitution of Arizona, is proposed to be amended by adding section 20 as follows if approved by the voters and on proclamation of the Governor:

20.  Renewable energy requirement

SECTION 20.  A.  POWER OF THE CORPORATION COMMISSION TO PROMOTE RENEWABLE ENERGY

1.  THE CORPORATION COMMISSION SHALL EVALUATE THE AFFORDABILITY OF RETAIL ELECTRICITY, THE WELL-BEING OF THIS STATE AND THE RELIABILITY AND RESILIENCY OF THE ELECTRICAL GRID IN CONNECTION WITH THE RENEWABLE ENERGY REQUIREMENTS IN THIS SECTION WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.  BASED ON THIS EVALUATION, THE CORPORATION COMMISSION SHALL DECIDE WHETHER TO IMPLEMENT THE RENEWABLE ENERGY REQUIREMENTS IN THIS SECTION.

CONSIDER ONE OR MORE ALTERNATIVES TO THIS SECTION THAT ALLEVIATE THESE ADVERSE EFFECTS:

(a) THE AFFORDABILITY OR COST OF MONTHLY ELECTRICITY BILLS PAID BY THE RETAIL ELECTRICITY CUSTOMERS OF AFFECTED UTILITIES.

(b) THE RELIABILITY OF THE ELECTRICAL GRID AND THE DELIVERY OF ELECTRIC SERVICES TO RETAIL ELECTRIC CUSTOMERS.

(c) THE WELL-BEING OF THIS STATE.

B. DEFINITIONS

1. "AFFECTED UTILITY" MEANS A PUBLIC SERVICE CORPORATION SERVING RETAIL ELECTRIC LOAD IN ARIZONA.

2. "ANNUAL RENEWABLE ENERGY REQUIREMENT" MEANS THE PORTION OF AN AFFECTED UTILITY'S ANNUAL RETAIL ELECTRICITY SALES THAT MUST COME FROM ELIGIBLE RENEWABLE ENERGY RESOURCES.

3. "CONVENTIONAL ENERGY RESOURCE" MEANS AN ENERGY RESOURCE THAT IS NONRENEWABLE IN NATURE, SUCH AS NATURAL GAS, COAL, OIL, AND URANIUM, OR ELECTRICITY THAT IS PRODUCED WITH ENERGY RESOURCES THAT ARE NOT RENEWABLE ENERGY RESOURCES.

4. "RENEWABLE ENERGY RESOURCE" MEANS AN ENERGY RESOURCE THAT IS REPLACED RAPIDLY BY A NATURAL, ONGOING PROCESS AND THAT IS NOT MUNICIPAL SOLID WASTE COMBUSTION, TREES LARGER THAN 12 INCHES IN DIAMETER, NUCLEAR OR FOSSIL FUEL.

5. "DISTRIBUTED GENERATION" MEANS ELECTRIC GENERATION SITED AT CUSTOMER PREMISES, PROVIDING ELECTRIC ENERGY TO THE CUSTOMER LOAD ON THAT SITE OR PROVIDING WHOLESALE CAPACITY AND ENERGY DIRECTLY TO THE LOCAL UTILITY DISTRIBUTION COMPANY FOR USE BY MULTIPLE CUSTOMERS IN CONTIGUOUS DISTRIBUTION SUBSTATION SERVICE AREAS. THE GENERATOR SIZE AND TRANSMISSION NEEDS SHALL BE SUCH THAT THE PLANT OR ASSOCIATED TRANSMISSION LINES DO NOT REQUIRE A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY FROM THE CORPORATION COMMISSION.
6. "DISTRIBUTED RENEWABLE ENERGY RESOURCE" MEANS AN ENERGY RESOURCE FROM DISTRIBUTED GENERATION TECHNOLOGIES INCLUDING BIOGAS ELECTRICITY GENERATORS, BIOMASS ELECTRICITY GENERATORS, GEOTHERMAL GENERATORS, FUEL CELLS THAT USE ONLY RENEWABLE FUELS, NEW HYDROPOWER GENERATORS OF 10 MW OR LESS, SOLAR ELECTRICITY RESOURCES, BIOMASS THERMAL SYSTEMS, BIOGAS THERMAL SYSTEMS, COMMERCIAL SOLAR POOL HEATERS, GEOTHERMAL SPACE HEATING AND PROCESS HEATING SYSTEMS, RENEWABLE COMBINED HEAT AND POWER SYSTEMS, SOLAR DAYLIGHTING, SOLAR HVAC SYSTEMS, SOLAR INDUSTRIAL PROCESS HEATING AND COOLING, SOLAR SPACE COOLING, SOLAR SPACE HEATING, SOLAR WATER HEATING, AND WIND GENERATORS OF 1 MW OR LESS AND THAT IS NOT MUNICIPAL SOLID WASTE COMBUSTION, TREES LARGER THAN 12 INCHES IN DIAMETER,NUCLEAR OR FOSSIL FUEL.

7. "DISTRIBUTED RENEWABLE ENERGY REQUIREMENT" MEANS A PORTION OF THE TOTAL ELECTRICITY SALES FOR WHICH AN AFFECTED UTILITY MUST OBTAIN DISTRIBUTED RENEWABLE ENERGY CREDITS DERIVED FROM RESOURCES THAT QUALIFY AS DISTRIBUTED RENEWABLE ENERGY RESOURCES.

8. "RENEWABLE ENERGY CREDIT" MEANS THE UNIT CREATED TO TRACK KWH DERIVED FROM AN ELIGIBLE RENEWABLE ENERGY RESOURCE OR KWH EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.

9. "DISTRIBUTED RENEWABLE ENERGY CREDIT" MEANS THE UNIT CREATED TO TRACK KWH DERIVED FROM A DISTRIBUTED RENEWABLE ENERGY RESOURCES OR KWH EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.

10. "UTILITY DISTRIBUTION COMPANY" MEANS A PUBLIC SERVICE CORPORATION THAT OPERATES, CONSTRUCTS, OR MAINTAINS A DISTRIBUTION SYSTEM FOR THE DELIVERY OF POWER TO RETAIL CUSTOMERS IN ARIZONA.
C. ELIGIBLE RENEWABLE ENERGY RESOURCES

1. "ELIGIBLE RENEWABLE ENERGY RESOURCES" SHALL INCLUDE ELECTRICITY FROM A RENEWABLE ENERGY RESOURCE DELIVERED TO ARIZONA CUSTOMERS THAT IS GENERATED FROM BIOGAS ELECTRICITY GENERATORS, BIOMASS ELECTRICITY GENERATORS, DISTRIBUTED RENEWABLE ENERGY RESOURCES, ELIGIBLE HYDROPOWER FACILITIES, FUEL CELLS THAT USE ONLY RENEWABLE FUELS, GEOTHERMAL GENERATORS, HYBRID WIND AND SOLAR ELECTRIC GENERATORS, LANDFILL GAS GENERATORS, NEW HYDROPOWER GENERATORS OF 10 MW OR LESS, SOLAR ELECTRICITY RESOURCES, AND WIND GENERATORS.

2. "ELIGIBLE HYDROPOWER FACILITIES" ARE HYDROPOWER GENERATORS THAT WERE IN EXISTENCE PRIOR TO 1997 AND THAT INCREASE CAPACITY DUE TO IMPROVED TECHNOLOGICAL OR OPERATIONAL EFFICIENCIES OR OPERATIONAL IMPROVEMENTS, IN WHICH CASE THE KWH THAT ARE ELIGIBLE TO MEET THE ANNUAL RENEWABLE ENERGY REQUIREMENTS SHALL BE LIMITED TO THE NEW, INCREMENTAL KWH OUTPUT RESULTING FROM THE CAPACITY INCREASE THAT IS DELIVERED TO ARIZONA CUSTOMERS.

3. "NEW HYDROPOWER GENERATOR OF 10 MW OR LESS" IS A GENERATOR, INSTALLED AFTER JANUARY 1, 2006, THAT PRODUCES 10 MW OR LESS AND THAT IS EITHER:

   (a) A LOW-HEAD, MICRO HYDRO RUN-OF-THE RIVER SYSTEM THAT DOES NOT REQUIRE ANY NEW DAMMING OF THE FLOW OF THE STREAM; OR

   (b) AN EXISTING DAM THAT ADDS POWER GENERATION EQUIPMENT WITHOUT REQUIRING A NEW DAM, DIVERSION STRUCTURES, OR A CHANGE IN WATER FLOW THAT WILL ADVERSELY IMPACT FISH, WILDLIFE, OR WATER QUALITY; OR

   (c) GENERATION USING CANALS OR OTHER IRRIGATION SYSTEMS.

4. EXCEPT AS PROVIDED IN SUBSECTION C(2), ELIGIBLE RENEWABLE ENERGY RESOURCES SHALL NOT INCLUDE FACILITIES INSTALLED BEFORE JANUARY 1, 1997.
D. RENEWABLE ENERGY CREDITS

1. ONE RENEWABLE ENERGY CREDIT SHALL BE CREATED FOR EACH KWH DERIVED FROM AN ELIGIBLE RENEWABLE ENERGY RESOURCE, INCLUDING DISTRIBUTED RENEWABLE ENERGY RESOURCES. INITIAL OWNERSHIP OF THE RENEWABLE ENERGY CREDIT SHALL BE ASSIGNED TO THE OWNER OF THE ELIGIBLE RENEWABLE ENERGY RESOURCE.

2. ONE DISTRIBUTED RENEWABLE ENERGY CREDIT SHALL ALSO BE CREATED FOR EACH KWH DERIVED FROM A DISTRIBUTED RENEWABLE ENERGY RESOURCE AND EACH 3,415 BRITISH THERMAL UNITS OF HEAT PRODUCED BY A SOLAR WATER HEATING SYSTEM, SOLAR INDUSTRIAL PROCESS, HEATING AND COOLING SYSTEM, SOLAR SPACE COOLING SYSTEM, BIOMASS THERMAL SYSTEM, BIOGAS THERMAL SYSTEM, OR SOLAR SPACE HEATING SYSTEM. INITIAL OWNERSHIP OF THE DISTRIBUTED RENEWABLE ENERGY CREDIT SHALL BE ASSIGNED TO THE OWNER OF THE DISTRIBUTED RENEWABLE ENERGY RESOURCE.

3. AN OWNER OF A RENEWABLE ENERGY CREDIT OR DISTRIBUTED RENEWABLE ENERGY CREDIT MAY TRANSFER SUCH CREDITS TO ANOTHER PARTY. EXCEPT IN THE CASE OF DISTRIBUTED RENEWABLE ENERGY RESOURCES, AFFECTED UTILITIES MUST DEMONSTRATE THE DELIVERY OF ENERGY FROM ELIGIBLE RENEWABLE ENERGY RESOURCES TO THEIR RETAIL CONSUMERS SUCH AS BY PROVIDING PROOF THAT THE NECESSARY TRANSMISSION RIGHTS WERE RESERVED AND UTILIZED TO DELIVER ENERGY FROM ELIGIBLE RENEWABLE ENERGY RESOURCES TO THE AFFECTED UTILITY'S SYSTEM, IF TRANSMISSION IS REQUIRED, OR THAT THE APPROPRIATE CONTROL AREA OPERATORS SCHEDULED THE ENERGY FROM ELIGIBLE RENEWABLE ENERGY RESOURCES FOR DELIVERY TO THE AFFECTED UTILITY'S SYSTEM.

E. ANNUAL RENEWABLE ENERGY REQUIREMENT

1. IF REQUIRED BY THE CORPORATION COMMISSION, EACH AFFECTED UTILITY MUST SATISFY AN ANNUAL RENEWABLE ENERGY REQUIREMENT BY OBTAINING RENEWABLE ENERGY CREDITS FROM ELIGIBLE RENEWABLE ENERGY RESOURCES.
2. AN AFFECTED UTILITY'S ANNUAL RENEWABLE ENERGY REQUIREMENT SHALL BE CALCULATED EACH CALENDAR YEAR BY APPLYING THE FOLLOWING APPLICABLE ANNUAL PERCENTAGE TO THE RETAIL KWH SOLD BY THE AFFECTED UTILITY DURING THAT CALENDAR YEAR:

(a) IN 2020 NOT LESS THAN 12%
(b) IN 2021 NOT LESS THAN 14%
(c) IN 2022 NOT LESS THAN 16%
(d) IN 2023 NOT LESS THAN 20%
(e) IN 2024 NOT LESS THAN 24%
(f) IN 2025 NOT LESS THAN 28%
(g) IN 2026 NOT LESS THAN 32%
(h) IN 2027 NOT LESS THAN 36%
(i) IN 2028 NOT LESS THAN 40%
(j) IN 2029 NOT LESS THAN 45%
(k) 2030 AND EACH YEAR THEREAFTER NOT LESS THAN 50%

3. AN AFFECTED UTILITY MAY USE RENEWABLE ENERGY CREDITS ACQUIRED IN ANY YEAR TO MEET ITS ANNUAL RENEWABLE ENERGY REQUIREMENT. ONCE A RENEWABLE ENERGY CREDIT IS USED BY ANY AFFECTED UTILITY TO SATISFY THE REQUIREMENT IN THIS SECTION, THE CREDIT IS RETIRED AND CANNOT BE SUBSEQUENTLY USED TO SATISFY THESE REQUIREMENTS OR ANY OTHER REGULATORY REQUIREMENT. AN AFFECTED UTILITY THAT TRADES OR SELLS ENVIRONMENTAL POLLUTION REDUCTION CREDITS OR ANY OTHER ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH KWH PRODUCED BY AN ELIGIBLE RENEWABLE ENERGY RESOURCE MAY NOT APPLY RENEWABLE ENERGY CREDITS DERIVED FROM THAT SAME KWH TO SATISFY THE REQUIREMENTS IN THIS SECTION.

F. ANNUAL DISTRIBUTED RENEWABLE ENERGY REQUIREMENT

1. IF REQUIRED BY THE CORPORATION COMMISSION, EACH AFFECTED UTILITY MUST SATISFY AN ANNUAL DISTRIBUTED RENEWABLE ENERGY REQUIREMENT BY OBTAINING DISTRIBUTED RENEWABLE ENERGY CREDITS FROM DISTRIBUTED RENEWABLE ENERGY RESOURCES.
2. AN AFFECTED UTILITY’S DISTRIBUTED RENEWABLE ENERGY
REQUIREMENT SHALL BE CALCULATED EACH CALENDAR YEAR BY APPLYING
THE FOLLOWING APPLICABLE ANNUAL PERCENTAGE TO THE RETAIL KWH
SOLD BY THE AFFECTED UTILITY DURING THAT CALENDAR YEAR:

(a) 2020 NOT LESS THAN 3%
(b) 2021 NOT LESS THAN 3.5%
(c) 2022 NOT LESS THAN 4%
(d) 2023 NOT LESS THAN 4.5%
(e) 2024 NOT LESS THAN 5%
(f) 2025 NOT LESS THAN 5.5%
(g) 2026 NOT LESS THAN 6%
(h) 2027 NOT LESS THAN 7%
(i) 2028 NOT LESS THAN 8%
(j) 2029 NOT LESS THAN 9%
(k) 2030 AND EACH YEAR THEREAFTER NOT LESS THAN 10%

3. AN AFFECTED UTILITY MAY USE DISTRIBUTED RENEWABLE
ENERGY CREDITS ACQUIRED IN ANY YEAR TO MEET ITS ANNUAL
DISTRIBUTED RENEWABLE ENERGY REQUIREMENT. ONCE A DISTRIBUTED
RENEWABLE ENERGY CREDIT IS USED BY ANY AFFECTED UTILITY TO
SATISFY THE REQUIREMENT IN THIS SECTION, THE CREDIT IS RETIRED
AND CANNOT BE SUBSEQUENTLY USED TO SATISFY THESE REQUIREMENTS
OR ANY OTHER REGULATORY REQUIREMENT. AN AFFECTED UTILITY THAT
TRADES OR SELLS ENVIRONMENTAL POLLUTION REDUCTION CREDITS OR
ANY OTHER ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH KWH PRODUCED
BY A DISTRIBUTED RENEWABLE ENERGY RESOURCE MAY NOT APPLY
DISTRIBUTED RENEWABLE ENERGY CREDITS DERIVED FROM THAT SAME KWH
TO SATISFY THE REQUIREMENTS IN THIS SECTION.

3. **Severability**

If a provision of this measure or its application to any person or
circumstance is held invalid, the invalidity does not affect other
provisions or applications of the measure that can be given effect without
the invalid provision or application, and to this end the provisions of
this measure are severable.

4. Implementation

A. The corporation commission shall make such changes in and
additions to regulations that the commission deems necessary to implement
the provisions of this measure.

B. The rights established by this section shall be construed
broadly.

5. The Secretary of State shall submit this proposition to the
voters at the next general election as provided by article XXI,
Constitution of Arizona."

Amend title to conform

JOHN KAVANAGH