

1 BEFORE THE ARIZONA POWER PLANT LS-373
2 AND TRANSMISSION LINE SITING COMMITTEE
3 IN THE MATTER OF THE APPLICATION OF) DOCKET NO.
4 ARIZONA PUBLIC SERVICE COMPANY, IN) L-00000D-24-0156-
5 CONFORMANCE WITH THE REQUIREMENTS) 00234
6 OF ARIZONA REVISED STATUTES SECTION)
7 40-360, ET SEQ, FOR A CERTIFICATE)
8 OF ENVIRONMENTAL COMPATIBILITY)
9 AUTHORIZING THE REDHAWK POWER PLANT)
10 EXPANSION PROJECT, WHICH INCLUDES)
11 THE CONSTRUCTION OF NATURAL GAS)
12 TURBINES, A 500KV SWITCHYARD AND)
13 RELATED FACILITIES, ALL LOCATED TWO)
14 MILES SOUTHEAST OF THE INTERSECTION)
15 OF ELLIOT ROAD AND WINTERSBURG ROAD) EVIDENTIARY
16 IN MARICOPA COUNTY, ARIZONA.) HEARING
17)
18)
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25)

12 At: Goodyear, Arizona
13 Date: August 22, 2024
14 Filed: August 27, 2024

16 REPORTER'S TRANSCRIPT OF PROCEEDINGS
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1 BE IT REMEMBERED that the above-entitled
2 and numbered matter came on regularly to be heard before
3 the Arizona Power Plant and Transmission Line Siting
4 Committee at Hampton Inn & Suites, 2000 North Litchfield
5 Road, Goodyear, Arizona, commencing at 9:00 a.m. on
6 August 22, 2024.

7

8

9 BEFORE: ADAM STAFFORD, Chairman

10 LEONARD C. DRAGO, Department of Environmental
Quality
11 ROMAN FONTES, Counties
DAVID FRENCH, Arizona Department of Water Resources
12 JON H. GOLD, General Public
NICOLE HILL, Governor's Office of Energy Policy
13 R. DAVID KRYDER, Agriculture Interests
GABRIELA SAUCEDO MERCER, Arizona Corporation
14 Commission

15

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1 APPEARANCES (Continued):

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7 (Videoconference appearance.)
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1 CHMN STAFFORD: Let's go on the record.

2 We're off to a late start, but we are back.

3 All right. Can we get the Chairman's 2
4 and -- 1 and 2 up on the screens? 1 on the left and then
5 2 on the right, which are the draft CEC.

6 Mr. Derstine and Ms. Benally, have you had
7 a chance to review Chairman's 1 and 2?

8 MS. BENALLY: Good morning, Mr. Chairman,
9 Committee Members. Yes, APS has reviewed the exhibits.

10 CHMN STAFFORD: All right. And then
11 Chairman's 3 is the language that APS came up with.
12 Chairman's 2 is the language I came up with. We were
13 both working independently and came to similar results,
14 but not identical. We all saw them this morning. And
15 then Chairman's 4 is going to be the map attachments that
16 will determine which ones we're going to use as the
17 attachment for the CEC.

18 All right. Members, let's -- can you
19 review the introduction section of Chairman's 2 or 1,
20 they're the same, but Chairman's 2 is the word version
21 we'll be working off of --

22 And that's on the right screen?

23 AV TECHNICIAN: Yes.

24 MS. BENALLY: Mr. Chairman?

25 CHMN STAFFORD: Yes.

1 MS. BENALLY: Just to clarify for the
2 record, APS did review Chairman's APS Exhibit 2 and we're
3 fine with the redlines that you've proposed.

4 CHMN STAFFORD: Yeah, I made some
5 additional changes, but I just wanted to redline the ones
6 that, I guess, more of the project description. I think
7 it's more stylistic stuff in the introduction anyway.

8 Member Hill -- well, have you had a chance
9 to review the -- have all the members had a chance to
10 review the introduction?

11 MEMBER DRAGO: Mr. Chairman?

12 CHMN STAFFORD: Yes, Member Drago.

13 MEMBER DRAGO: The iPad on my desk here,
14 what -- which one is this, exhibit what?

15 CHMN STAFFORD: Let's see here. 2. You're
16 on the right one.

17 MEMBER DRAGO: Okay. Thank you.

18 MEMBER GOLD: Which one's on the left,
19 which one's on the right?

20 CHMN STAFFORD: Chairman's 1 is on the left
21 and Chairman's 2 is on the right. The 2 is the PDF -- 1
22 is the PDF and 2 is the Word version. And so the change
23 will be made on the right to number 2.

24 MEMBER GOLD: Mr. Chairman, I move
25 introduction be accepted.

1 MEMBER HILL: Second.

2 CHMN STAFFORD: Further discussion?

3 (No response.)

4 CHMN STAFFORD: All in favor say "aye."

5 (A chorus of "ayes.")

6 CHMN STAFFORD: Opposed?

7 (No response.)

8 CHMN STAFFORD: Hearing none, the

9 introduction is adopted.

10 The project description.

11 MEMBER HILL: I move approval of the

12 project description.

13 MEMBER GOLD: Second.

14 CHMN STAFFORD: Further discussion?

15 MEMBER FONTES: Mr. Chairman, are we

16 looking at the project description or are we looking

17 at --

18 CHMN STAFFORD: The project description,

19 yes.

20 MEMBER FONTES: I need a second here,

21 Mr. Chairman.

22 CHMN STAFFORD: Okay. And APS, you

23 had -- you were -- this -- the version that I came up

24 with for this was acceptable, you -- it's a little

25 different than yours, but I think we got to the same

1 point.

2 MS. BENALLY: It's acceptable to APS.

3 CHMN STAFFORD: And we'll get to -- when we
4 get to Exhibit A, we'll figure out which -- we'll vote on
5 the maps at the end, but I don't -- it's going to show --
6 I think the description that we have here is -- should
7 cover what the maps will show. At least we don't have
8 multiple routes and corridor widths to deal with at this
9 time.

10 MEMBER FONTES: Mr. Chairman, I do have an
11 item for discussion.

12 CHMN STAFFORD: Yes.

13 MEMBER FONTES: When we look at the
14 heading, where it's listed on page 1 on the docket, the
15 word "Expansion" is used there. In the project
16 description we do not have that. I'd like to ask for
17 discussion or your thoughts with respect to do we need to
18 be consistent between the two of those?

19 CHMN STAFFORD: Well, typically, regardless
20 of what it's called, in the caption, we'll refer to it as
21 simply "the project" throughout the Certificate. When
22 you look at the last paragraph of the introduction,
23 specifically looking at lines 23 and 24, we refer to the
24 certificate for construction -- Certificate for
25 Construction of the Redhawk Power Plant Expansion

1 Project, and then hence, "the project" throughout after
2 that.

3 MEMBER FONTES: The genesis of my question
4 is based upon the difference in utilization, operational
5 utilization. Because the original plant is described in
6 the 10-K of APS as a load-following plant, and this one
7 is noted as a peaking plant. Do we need to be consistent
8 in our use of the distinction on the expansion here and
9 the project description? Because when I read this, I'm
10 confused.

11 Is this is a separate plant or -- as we had
12 in the discussion in the past few days? How do we
13 delineate?

14 CHMN STAFFORD: Well, if you look at the
15 next page, we spell out the Redhawk Power Plant, which is
16 the existing plant, it was approved in Line Siting Case
17 95 and in Decision 62324. This is an additional -- it's
18 a subset. It's on the same site, so all -- if you look
19 at the -- and that's in the next section where it says,
20 "The Conditions imposed in No. 95," which includes this,
21 you know, the site for CEC 95, this -- the site of the
22 project is a subset of that site.

23 And so condition CEC 95 -- CEC 95, the
24 Conditions of that apply to the entire Redhawk site. The
25 Conditions that we'll impose in this Certificate is for

1 the subset of that, which is the project site.

2 Does that make sense?

3 MEMBER FONTES: It does. But, again, I
4 just want to make sure we don't commingle the
5 utilization. In other cases we have, just for the
6 benefit of counsel here, we've had projects that could be
7 perceived or were perceived as an extension of an
8 existing power plant. And while I understand that we're
9 co-siting these, I want to make sure that we capture in
10 the description that this is indeed a separate
11 operational asset going in here, Mr. Chairman.

12 CHMN STAFFORD: Well, I think that's
13 captured by the fact that it's getting a second CEC,
14 which is kind of a subset of the existing CEC.

15 MEMBER FONTES: I -- that -- that's fair.
16 I do see that now. But thanks for entertaining my
17 observations here. I think with that, I'm satisfied.

18 MS. BENALLY: Mr. Chairman?

19 CHMN STAFFORD: Yes, Ms. Benally.

20 MS. BENALLY: You referenced this earlier,
21 but I'm looking at the reference to Exhibit A on line 10,
22 page 3 --

23 CHMN STAFFORD: Yes.

24 MS. BENALLY: -- and that's referencing
25 Exhibit A, and Chair's exhibits are Exhibit A CEC-95.

1 CHMN STAFFORD: Yeah, we're not -- I don't
2 think -- we don't need -- I don't think we need to attach
3 the actual decision. I think as part of this do we want
4 to have an -- add a footnote after the -- if you look at
5 the sentence that says, "The Redhawk Power Plant," that
6 ends in, "CEC No. 95," we could add a footnote and a
7 hyperlink to that decision. That might be a good motion.

8 Member Hill?

9 MEMBER HILL: Mr. Chair, I like to keep
10 everything together, and if the decision is not a long
11 document, Decision No. 95, I think it would be helpful to
12 anyone picking up this document to have Decision No. 95
13 attached to it as an exhibit. That's my opinion.

14 CHMN STAFFORD: Members?

15 MEMBER DRAGO: I agree.

16 CHMN STAFFORD: All right. Would you want
17 to -- so I guess we can have a motion either to attach
18 the prior CEC to this CEC or to add a hyperlink, and I
19 think, Member Hill, you -- did you want to --

20 MEMBER HILL: So I think what we have on
21 the floor right now is my motion to move the
22 project -- to approve the project language. We have a
23 second for that.

24 CHMN STAFFORD: Right. And so now
25 before -- now we can have a motion to amend.

1 MEMBER HILL: So I'll make the motion to
2 amend the project description to include Case Number 95,
3 Decision No. 62324 as an exhibit.

4 CHMN STAFFORD: All right. So we
5 could -- at the end of the sentence CEC No. 5 [sic], just
6 say, "A copy of CEC No. 95 is attached as Exhibit A," and
7 then change "Exhibit A" to "Exhibit B"?

8 MEMBER HILL: That's my motion.

9 CHMN STAFFORD: Excellent.

10 MEMBER DRAGO: I second.

11 MEMBER KRYDER: I second that.

12 CHMN STAFFORD: Further discussion?

13 Let's wait until we see it on the screen.

14 So we add a copy of CEC No. 5 as -- attached as Exhibit

15 A, after the sentence ending "CEC No. 95," and then

16 Exhibit A in line 10 is changed to Exhibit B.

17 It's been moved and seconded.

18 Further discussion?

19 (No response.)

20 CHMN STAFFORD: All in favor say "aye."

21 (A chorus of "ayes.")

22 CHMN STAFFORD: Opposed?

23 (No response.)

24 CHMN STAFFORD: Hearing none, the amendment
25 is passed.

1 MEMBER KRYDER: Mr. Chairman?

2 CHMN STAFFORD: Yes, Member Kryder.

3 MEMBER KRYDER: I move approval of the
4 project description, as amended.

5 MEMBER HILL: Second.

6 CHMN STAFFORD: Further discussion?

7 (No response.)

8 CHMN STAFFORD: All in favor say "aye."

9 (A chorus of "ayes.")

10 CHMN STAFFORD: Opposed?

11 (No response.)

12 CHMN STAFFORD: Hearing none, the project
13 description is adopted.

14 Now in the Conditions, usually just there's
15 a simple sentence at the beginning that we usually kind
16 of just gloss over, but in this -- in this case, we --
17 it's additional language added to show that the
18 Conditions from CEC 95 apply to the entire Redhawk site,
19 whereas the new Conditions we're adding apply only to the
20 site of the project, which is fully contained within the
21 prior CEC site.

22 MEMBER HILL: Mr. Chair, I move approval of
23 paragraph number 1 of the Condition section.

24 MEMBER MERCER: Second.

25 MEMBER KRYDER: Mr. Chairman?

1 CHMN STAFFORD: Yes, Member Kryder.

2 MEMBER KRYDER: Because it's not marked
3 "Number 1," should it be called "Preface" or something to
4 make sure it's not confused with Condition No. 1?

5 CHMN STAFFORD: I think she said "paragraph
6 number 1," not Condition No. 1.

7 MEMBER KRYDER: Okay. Thank you.

8 CHMN STAFFORD: I think --

9 MEMBER KRYDER: That will work.
10 Okay. All right. Further discussion?

11 (No response.)

12 CHMN STAFFORD: All in favor say "aye."

13 (A chorus of "ayes.")

14 CHMN STAFFORD: Opposed?

15 (No response.)

16 CHMN STAFFORD: Hearing none, paragraph 1
17 under Conditions is approved, as amended -- is approved.
18 We didn't amend it, that's right.

19 Okay. Now on to Condition No. 1.

20 MEMBER KRYDER: Mr. Chairman.

21 CHMN STAFFORD: Member Kryder?

22 MEMBER KRYDER: I move approval of
23 Condition No. 1, as printed.

24 MEMBER GOLD: Second.

25 CHMN STAFFORD: Further discussion?

1 (No response.)

2 CHMN STAFFORD: All in favor say "aye."

3 (A chorus of "ayes.")

4 CHMN STAFFORD: Opposed?

5 (No response.)

6 CHMN STAFFORD: Hearing none, Condition

7 No. 1 is adopted.

8 Number 2.

9 We have it as "three-mile radius of the
10 project." I think that was -- we varied from one, three,
11 to five, depending on the context. It's typically a
12 smaller radius for urban projects and a larger radius for
13 more rural. I think we did --

14 MEMBER KRYDER: Mr. Chairman?

15 CHMN STAFFORD: Yes, Member Kryder.

16 MEMBER KRYDER: I move approval of
17 Condition No. 2, as printed and shown.

18 MEMBER MERCER: Second.

19 CHMN STAFFORD: Further discussion?

20 (No response.)

21 MEMBER HILL: Yeah.

22 Mr. Derstine, I just want to make sure,
23 your client did do the three-mile radius, but they did
24 bump out one corner of that to get some of those
25 residential units. Just for the record, I want to make

1 sure that those folks would also be included in any
2 notices.

3 MR. DERSTINE: No problem including that.
4 I don't know how we want to capture that.

5 MEMBER HILL: I think you just being on the
6 record is good enough for me.

7 MR. DERSTINE: We will do it.

8 MEMBER HILL: Thank you.

9 CHMN STAFFORD: And I also note that I took
10 out -- they had -- they left -- the applicant had left in
11 "of the center line." I took that out. So I would take
12 that as three miles from the project border and not from
13 the center of the project, so I think that would capture
14 the entire neighborhood we're talking about.

15 MEMBER KRYDER: Mr. Chairman?

16 CHMN STAFFORD: Member Kryder.

17 MEMBER KRYDER: In that case, perhaps, in
18 line 2, the word "radius" needs to be reconsidered. What
19 do you think? If you're looking at the border --

20 CHMN STAFFORD: Right. So it would be a
21 three-mile radius from the border, as opposed from the
22 center point.

23 MEMBER KRYDER: In that case, perhaps the
24 language could change to, in line 2 following the word
25 "mile," so it would read within a -- within -- delete the

1 word "a," "within three miles of any border of the
2 project," or something along those lines. Would that
3 work?

4 CHMN STAFFORD: Or just "three miles of the
5 project."

6 Mr. Derstine, thoughts?

7 MR. DERSTINE: I was just discussing that
8 issue with Mr. Turner. I think when he developed his
9 three-mile radius, he indicated he was working from the
10 center point between the new generation units within the
11 new project site. That was his center that he used for
12 then developing that three-mile radius that we used for
13 notification and study area. If that's acceptable,
14 we'll -- we'll default to that and that's how we'll
15 measure it.

16 CHMN STAFFORD: All right. And that would
17 include the -- the neighborhood that Member Hill was
18 concerned about addressing?

19 MR. DERSTINE: Yes. Yes. And Mr. Turner
20 clarified that those -- that little bump-out to capture
21 those additional homes are on our mailing list and we
22 will use that for notification in the future.

23 CHMN STAFFORD: All right. So you want to
24 amend it back to say "residents within a three-mile
25 radius of the center" line -- "of the center point," I

1 guess, "of the project" would be more applicable.

2 MR. DERSTINE: That's acceptable.

3 MEMBER KRYDER: Yes, sir.

4 CHMN STAFFORD: All right. Wait, Member
5 Kryder, did you make a motion or were you just making a
6 suggestion prior to making a motion?

7 MEMBER KRYDER: I was making a suggestion
8 only.

9 CHMN STAFFORD: Okay.

10 MEMBER KRYDER: I think the recommendation
11 here that Matt just made works fine.

12 MR. DERSTINE: So maybe you change, "of the
13 center line," to "of the center of the project."

14 CHMN STAFFORD: "Three-mile radius of the
15 center."

16 MR. DERSTINE: Or "from the center."

17 CHMN STAFFORD: "From the center of the
18 project."

19 MEMBER HILL: So moved.

20 MEMBER KRYDER: Mr. Chairman?

21 CHMN STAFFORD: Member Kryder.

22 MEMBER KRYDER: I now move approval --

23 CHMN STAFFORD: We haven't voted on the
24 amendment yet.

25 MEMBER KRYDER: Oh, that's what I thought

1 we --

2 MEMBER HILL: We need a second.

3 CHMN STAFFORD: We need a second for the
4 amendment.

5 MEMBER KRYDER: Second the amendment.

6 CHMN STAFFORD: The amendment is to change
7 line 2, I guess it's line 2 now, to read, "within a
8 three-mile radius from the center of the project, all"
9 and then the rest would carry on.

10 That is your amendment, Member Hill?

11 MEMBER HILL: Yes.

12 CHMN STAFFORD: And it was seconded by?

13 MEMBER HILL: Member Kryder.

14 CHMN STAFFORD: Kryder.

15 Further discussion?

16 (No response.)

17 CHMN STAFFORD: All in favor say "aye."

18 (A chorus of "ayes.")

19 CHMN STAFFORD: Opposed?

20 (No response.)

21 CHMN STAFFORD: Hearing none, the amendment
22 is passed.

23 Can I get a motion to adopt the Condition
24 No. 2, as amended?

25 MEMBER FONTES: So moved.

1 MEMBER FRENCH: Second.

2 CHMN STAFFORD: Further discussion?

3 (No response.)

4 CHMN STAFFORD: All in favor say "aye."

5 (A chorus of "ayes.")

6 CHMN STAFFORD: Opposed?

7 (No response.)

8 CHMN STAFFORD: Hearing none, Condition 2,
9 as amended, is adopted.

10 Condition 3.

11 MEMBER KRYDER: Mr. Chairman?

12 CHMN STAFFORD: Member Kryder.

13 MEMBER KRYDER: Do we need to amend as it's
14 shown here with the Pinal and Maricopa and City of
15 Coolidge, et cetera, before we -- I guess we need
16 to -- Mr. Chairman, I move approval of Condition 3.

17 MEMBER HILL: Second.

18 CHMN STAFFORD: Yes. And what
19 we're -- Condition 3, as it exists, is -- does say --
20 "Pinal" is stricken and "City of Coolidge" are stricken,
21 those are -- they're just there so you can see what was
22 changed from the prior one. It's -- we're adopting it as
23 if those changes were already accepted, they're just
24 visible.

25 MEMBER KRYDER: Thank you.

1 MEMBER DRAGO: Mr. Chairman?

2 CHMN STAFFORD: Yes, Member Drago.

3 MEMBER DRAGO: Have we voted on Number 3
4 yet?

5 CHMN STAFFORD: No, it's been moved and
6 seconded, right?

7 MEMBER MERCER: Yes.

8 CHMN STAFFORD: Okay. Now we're in
9 discussions, so we can discuss amending it if we need to.

10 MEMBER DRAGO: Yeah. I have a comment on
11 (c). Since it's a power plant, we should probably say
12 "air."

13 CHMN STAFFORD: Oh, so you're talking about
14 adding from -- so it's -- on (c) you have "All
15 applicable" --

16 MEMBER DRAGO: Air quality.

17 CHMN STAFFORD: "Water."

18 MEMBER HILL: And air quality.

19 CHMN STAFFORD: Or "air water use."

20 MEMBER DRAGO: Uh-huh.

21 CHMN STAFFORD: Would you like to make a
22 motion?

23 MEMBER DRAGO: Yeah, I'd like to make a
24 motion to modify (c) -- 3(c) to say something like, "All
25 applicable air permitting," comma, and then "water use."

1 MR. DERSTINE: Mr. Chairman, no objection
2 to Member Drago's suggested change. I think we would
3 then have to add Maricopa County Air Quality to that list
4 of agencies in C, then.

5 MEMBER DRAGO: Good catch.

6 CHMN STAFFORD: But I think we have -- is
7 this Maricopa County and their agencies and subdivisions,
8 would that cover it or do you think it should be called
9 out specifically?

10 MR. DERSTINE: However you would like to
11 frame it. I think the Air Quality Division is who is
12 responsible for the air permit application, as was
13 testified to. If you want to do "Maricopa County" in
14 general, you know, whichever you prefer.

15 CHMN STAFFORD: So we could add after -- so
16 we change it from -- so it would say, I guess this is
17 continuing amendment from you, Member Drago --

18 MEMBER DRAGO: Yes.

19 CHMN STAFFORD: -- to say, "All applicable
20 air permitting, water use, discharge and/or disposal
21 requirements of the Arizona Department of Water
22 Resources," strike and, "the Arizona Department of
23 Environmental Quality, and the Maricopa County Air
24 Quality Control District."

25 Is that the proper name?

1 MEMBER DRAGO: It's actually -- you want me
2 to go?

3 CHMN STAFFORD: Yeah.

4 MEMBER DRAGO: It's the Maricopa County Air
5 Quality Department.

6 CHMN STAFFORD: Okay.

7 MEMBER DRAGO: Good catch, Mr. Derstine.

8 MEMBER HILL: I'll second that amendment.

9 CHMN STAFFORD: Further discussion?
10 (No response.)

11 CHMN STAFFORD: So subsection (c) of
12 Condition 3 would read, "All applicable air permitting,
13 water use, discharge and/or disposal requirements of the
14 Arizona Department of Water Resources, the Maricopa
15 County Air Quality Department, and the Arizona Department
16 of Environmental Quality."

17 It has been moved and seconded.

18 Further discussion?

19 MEMBER FRENCH: Mr. Chairman?

20 CHMN STAFFORD: Yes, Member French.

21 MEMBER FRENCH: Member Drago, are we
22 100 percent on that name for the Air Quality Department
23 for Maricopa County? I remember it as Maricopa County
24 Air Quality Division.

25 MEMBER DRAGO: No, it's "Department."

1 MEMBER FRENCH: Okay. Thank you.

2 CHMN STAFFORD: Further discussion?

3 (No response.)

4 CHMN STAFFORD: All in favor say "aye."

5 (A chorus of "ayes.")

6 CHMN STAFFORD: Opposed?

7 (No response.)

8 CHMN STAFFORD: Hearing none, the amendment
9 carries.

10 Can I get a motion to adopt Condition 3 as
11 amended?

12 MEMBER GOLD: I so move, Mr. Chairman.

13 MEMBER MERCER: Second.

14 CHMN STAFFORD: Further discussion?

15 MEMBER HILL: Yes. I have an additional
16 amendment for consideration. First, I want to say that I
17 feel like this paragraph could get out of control, but I
18 realize it's standard language. My proposed amendment is
19 related to lighting standards in the County. We have
20 section -- or paragraph (d) of this section that says,
21 "All applicable noise control standards, which I don't
22 know exactly apply here, but we have "applicable."

23 My discussion is because we had a good
24 conversation about lighting on the record, that it be
25 "all applicable noise and lighting control standards."

1 So I move that amendment to the document.

2 CHMN STAFFORD: Subsection (d).

3 MEMBER GOLD: I second it.

4 CHMN STAFFORD: It's been moved and
5 seconded.

6 Further discussion?

7 (No response.)

8 CHMN STAFFORD: All in favor say "aye."

9 (A chorus of "ayes.")

10 CHMN STAFFORD: Opposed?

11 (No response.)

12 CHMN STAFFORD: Hearing none, the amendment
13 to subsection (d) is adopted.

14 Can I get a motion to adopt Condition 3, as
15 amended?

16 MEMBER HILL: So moved.

17 MEMBER GOLD: Second.

18 CHMN STAFFORD: Further discussion?

19 (No response.)

20 CHMN STAFFORD: All in favor say "aye."

21 (A chorus of "ayes.")

22 CHMN STAFFORD: Opposed?

23 (No response.)

24 CHMN STAFFORD: Hearing none, Condition 3,
25 as amended, is adopted.

1 Number 4.

2 MEMBER FRENCH: Move Condition 4.

3 MEMBER FONTES: Second.

4 CHMN STAFFORD: Further discussion?

5 (No response.)

6 CHMN STAFFORD: All in favor say "aye."

7 (A chorus of "ayes.")

8 CHMN STAFFORD: Opposed?

9 (No response.)

10 CHMN STAFFORD: Hearing none, Condition 4

11 is adopted.

12 Condition 5.

13 MEMBER HILL: Move Condition 5.

14 MEMBER GOLD: Second.

15 CHMN STAFFORD: Further discussion.

16 (No response.)

17 CHMN STAFFORD: All in favor say "aye."

18 (A chorus of "ayes.")

19 CHMN STAFFORD: Opposed?

20 (No response.)

21 CHMN STAFFORD: Hearing none, condition 5

22 is adopted.

23 Number 6.

24 MEMBER MERCER: Mr. Chairman, I move

25 Condition 6.

1 MEMBER GOLD: Second.

2 CHMN STAFFORD: Further discussion?

3 (No response.)

4 CHMN STAFFORD: All in favor say "aye."

5 (A chorus of "ayes.")

6 CHMN STAFFORD: Opposed?

7 (No response.)

8 CHMN STAFFORD: Hearing none, Condition 6

9 is adopted.

10 Number 7.

11 MEMBER HILL: Move Condition 7.

12 MEMBER MERCER: Second.

13 CHMN STAFFORD: Further discussion?

14 (No response.)

15 MEMBER FONTES: Mr. Chairman?

16 CHMN STAFFORD: Yes, Member Fontes.

17 MEMBER FONTES: You had noted that you

18 wanted to see the evidence of the letter of support or

19 feedback from SHPO filed with the Commission when it's

20 secured; is this where you want to enter it?

21 CHMN STAFFORD: This is -- they did --

22 MEMBER FONTES: It says, "shall consult,"

23 but you noted you wanted to make sure we had that letter

24 prior to construction, so just recalling for you that you

25 made a point during the proceedings --

1 CHMN STAFFORD: Right. But that was when
2 their initial exhibit proposed -- CEC did not include
3 these Conditions 7 and 8, which is the language that was
4 recommended by SHPO. I think it was first adopted in the
5 TEP case, and we've been using it since then. And that
6 was what the language that SHPO specifically asked for
7 and it does say, if you look at the second sentence of
8 Condition 7, it says, "Construction for the project shall
9 not occur without SHPO concurrence."

10 So I think if that's the Condition, we
11 don't need to see the SHPO letter, because they're not
12 going to build until SHPO concurs.

13 MEMBER FONTES: That works, Mr. Chairman.
14 Just pointed it out to you just to help recall.

15 CHMN STAFFORD: Thank you. Yeah, I mean,
16 because that was the difference because the initial CEC
17 proposed didn't have this language in it, and then when
18 they updated it, it did.

19 MEMBER FONTES: No further input,
20 Mr. Chairman.

21 CHMN STAFFORD: Thank you.

22 Number 7 has been moved and seconded.

23 Further discussion?

24 (No response.)

25 CHMN STAFFORD: All in favor say "aye."

1 (A chorus of "ayes.")

2 CHMN STAFFORD: Opposed?

3 (No response.)

4 CHMN STAFFORD: Hearing none, Condition 7
5 is adopted.

6 Condition 8.

7 MEMBER GOLD: I move Condition 8,
8 Mr. Chairman.

9 MEMBER MERCER: Second.

10 CHMN STAFFORD: Further discussion?

11 MEMBER FONTES: Mr. Chairman?

12 CHMN STAFFORD: Yes, Member Fontes.

13 MEMBER FONTES: Do we need to be more
14 precise, that not only -- by the -- since this is an EPC
15 and APS isn't going to order it, should we say "by the
16 applicant or its contractors," here or is this
17 sufficient?

18 CHMN STAFFORD: I think that the
19 representative in charge would encompass that.

20 Mr. Derstine?

21 MEMBER FONTES: Own transfer, Mr. Derstine,
22 that's where I'm coming from.

23 MR. DERSTINE: Yeah, I -- I have to look
24 for it here, but I think you have a general provision in
25 the CEC that says the terms of the CEC are binding on the

1 applicant and all of its agents, contractors, and
2 assigns. If I can find that language, I think that --

3 MS. BENALLY: Condition 23, Mr. Derstine.

4 MEMBER FONTES: This is a power plant.

5 We're used to doing transmission lines, so that's the --
6 the -- the double-check here, if you will.

7 MR. DERSTINE: Yeah, I -- it's a good
8 question. And I think the same language, even though
9 this is a plant, not a transmission line, if we were to
10 transfer the CEC or, as you point out, given the
11 testimony, we're using an EPC contractor that the terms
12 and the Conditions of the CEC will be binding on APS to
13 enforce against our EPC contractor, directly or
14 indirectly is how I would read the language.

15 MEMBER FONTES: And the corporate insurance
16 policy will cover the complete risk?

17 MR. DERSTINE: That would be for the risk
18 department to make sure all those things are tied up, but
19 yeah, good point, but I think that's right.

20 MEMBER FONTES: Thank you.

21 CHMN STAFFORD: Further discussion?

22 (No response.)

23 CHMN STAFFORD: Condition 8 has been moved
24 and seconded.

25 All in favor say "aye."

1 (A chorus of "ayes.")

2 CHMN STAFFORD: Opposed?

3 (No response.)

4 CHMN STAFFORD: Hearing none, Condition 8

5 is adopted.

6 Number 9.

7 MEMBER MERCER: Mr. Chairman, I move

8 Condition 9.

9 MEMBER GOLD: Second.

10 CHMN STAFFORD: Further discussion?

11 (No response.)

12 CHMN STAFFORD: All in favor say "aye."

13 (A chorus of "ayes.")

14 CHMN STAFFORD: Opposed?

15 (No response.)

16 CHMN STAFFORD: Hearing none, Condition 9

17 is adopted.

18 Number 10.

19 MEMBER HILL: Mr. Chair, for the sake of

20 discussion, I'll move approval of Condition No. 10 as

21 written.

22 MEMBER FONTES: Second.

23 CHMN STAFFORD: Further discussion?

24 MEMBER HILL: Does this apply in this

25 particular project? I guess I'm just looking for

1 feedback from my colleagues or others, because I always
2 think of this as the power line discussion rather than
3 the plant discussion. And assuming the applicant doesn't
4 mind this being in there, I just wanted to make sure that
5 we were being thoughtful about the nature of the project.

6 MEMBER FONTES: I'd have to ask Mr. Van
7 Allen in terms of monitoring controls data, are you using
8 any kind of WiFi, you know, local area networks, because
9 I could see that definition of radio including that.
10 Don't know your design or preliminary design, but I would
11 think perhaps you do have some sort of those elements for
12 collecting data and monitoring systems.

13 Thank you for moving.

14 MR. VAN ALLEN: Give me just a moment to
15 please read Condition 10.

16 MEMBER FONTES: You can also include CCTV
17 there for security purposes.

18 MEMBER HILL: Mr. Chair, I think my point
19 was just that we ask folks to do a lot of reporting and
20 when we could reduce reporting, that would be nice, so --

21 CHMN STAFFORD: Well, I think as long as
22 they don't receive a complaint, there's not much for the
23 applicant to do.

24 MS. BENALLY: Mr. Chairman, the project
25 managers reviewed that Condition and they're fine with

1 accepting that Condition.

2 MR. DERSTINE: I do agree with and
3 appreciate Member Hill's sentiment that this language in
4 10 is typically directed to radio interference or issues
5 that might arise from new transmission lines, those kinds
6 of considerations and concerns are really not -- probably
7 not as applicable here where we have, as Mr. -- Member
8 Fontes pointed out there may be various WiFi and
9 communication signals that are utilized at the plant
10 site, but you're on an existing plant site, and so 10
11 coming into play probably not as relevant to this type of
12 a project.

13 And I certainly appreciate the careful
14 review and not just rubber-stamping Condition after
15 Condition, whether it's a plant or a transmission line.
16 But we're not concerned about it at this point, and I
17 don't think we'll have any issues with interference.

18 CHMN STAFFORD: Further discussion?

19 (No response.)

20 CHMN STAFFORD: All in favor say "aye."

21 (A chorus of "ayes.")

22 CHMN STAFFORD: Opposed?

23 (No response.)

24 CHMN STAFFORD: Hearing none, Condition 10
25 is adopted.

1 Number 11.

2 MEMBER MERCER: Mr. Chairman, I move
3 Condition 11.

4 MEMBER GOLD: Second.

5 CHMN STAFFORD: Further discussion?

6 (No response.)

7 CHMN STAFFORD: All in favor say "aye."

8 (A chorus of "ayes.")

9 CHMN STAFFORD: Opposed?

10 (No response.)

11 CHMN STAFFORD: Hearing none, Condition 11
12 is adopted.

13 Number 12.

14 MEMBER GOLD: I move Condition 12,
15 Mr. Chairman.

16 MEMBER MERCER: Second.

17 CHMN STAFFORD: Further discussion?

18 (No response.)

19 CHMN STAFFORD: All in favor say "aye."

20 (A chorus of "ayes.")

21 CHMN STAFFORD: Opposed?

22 (No response.)

23 CHMN STAFFORD: Hearing none, Condition 12
24 is adopted.

25 Number 13.

1 MEMBER KRYDER: Mr. Chairman?

2 CHMN STAFFORD: Member Kryder.

3 MEMBER KRYDER: I move approval of
4 Condition 13, as printed and shown.

5 MEMBER GOLD: Second.

6 MEMBER KRYDER: Mr. Chairman?

7 CHMN STAFFORD: Yes, Member Kryder.

8 MEMBER KRYDER: Are we, back in line 6
9 there looking at this thing about how far from the center
10 point and so on, or shall we -- is this acceptable to
11 you, Matt?

12 MR. DERSTINE: That's a good question. I
13 think probably adopting the same changes that we did in
14 the prior paragraph where we said "the center of the
15 project" or "center from the project" is the appropriate
16 change.

17 MEMBER KRYDER: I would agree.

18 MR. DERSTINE: Thank you.

19 CHMN STAFFORD: So it would be a three-mile
20 radius, like the previous paragraph or -- I think, what
21 was it, No. 3 --

22 MS. BENALLY: Three miles.

23 CHMN STAFFORD: No, it was No. 2. "An
24 extension term is a three-mile radius from the center of
25 the project," should that be the same distance for

1 No. 13?

2 MEMBER KRYDER: Mr. Chairman?

3 CHMN STAFFORD: Member Kryder.

4 MEMBER KRYDER: I move approval of the
5 language you just spoke as an amendment.

6 MEMBER GOLD: And I second that.

7 CHMN STAFFORD: So looking at Condition 13,
8 line -- well, it's line 5 on the PDF, so I'm looking at
9 line -- let's see, so let's go through how it would go
10 because the lines don't -- the lines don't match up from
11 1 to 2 anymore.

12 MEMBER HILL: Would that be a scrivener's
13 error that you could fix?

14 CHMN STAFFORD: The lines part would, but I
15 think what we want the sentence to read after -- in
16 Condition 13 after "Maricopa County," it would read, "and
17 known builders and developers who are building upon or
18 developing land within three miles from the center of the
19 project." So that would mirror what we -- what we did in
20 paragraph -- it's Condition 2, I believe.

21 MEMBER KRYDER: Yes.

22 CHMN STAFFORD: Any -- any difference
23 between the two I think a correction would be a
24 scrivener's error.

25 MEMBER KRYDER: I accept that.

1 MEMBER HILL: Do we need a second for that
2 motion?

3 MEMBER GOLD: It's already been seconded.

4 MEMBER HILL: Okay.

5 CHMN STAFFORD: All right. All right. The
6 language appears correct on the screen. The amendment's
7 been moved and seconded.

8 Further discussion?

9 (No response.)

10 CHMN STAFFORD: All in favor say "aye."

11 (A chorus of "ayes.")

12 CHMN STAFFORD: Opposed?

13 (No response.)

14 CHMN STAFFORD: Hearing none, the amendment
15 carries.

16 MEMBER MERCER: Mr. Chairman, I move
17 Condition 13, as amended.

18 MEMBER GOLD: Second.

19 CHMN STAFFORD: Further discussion?

20 MEMBER HILL: Yes.

21 CHMN STAFFORD: Yes, Member Hill?

22 MEMBER HILL: I want to get out of here as
23 much as anybody else, that's my preface to this comment.
24 My recollection is, Mr. Derstine, that you
25 actually requested this information from Maricopa County,

1 and they did not get back to you, so it was really kind
2 of hard for you to do this. We've put this in the CEC as
3 a requirement. If you don't get a response from Maricopa
4 County when you request these things, how do you comply
5 with this requirement?

6 MR. DERSTINE: I think we just continue to
7 send them notices. And I think they just decide they'll
8 do with them what they will. They may respond. They
9 probably will not, would be my assumption --

10 MEMBER HILL: Okay. I just --

11 MR. DERSTINE: I think it's up to us
12 to provide the notice and then --

13 MEMBER HILL: So you're doing the best you
14 can?

15 MR. DERSTINE: That's right.

16 MEMBER HILL: Just to have that on the
17 record, you're doing the best you can?

18 MR. DERSTINE: Yes.

19 MEMBER HILL: Thank you.

20 MR. DERSTINE: Thank you.

21 CHMN STAFFORD: Yeah, it says, "known
22 builders and developers," if the County won't tell you,
23 they're not known, then, right?

24 MR. DERSTINE: Right.

25 MEMBER HILL: Thank you for indulging me.

1 CHMN STAFFORD: Condition 13, as amended,
2 has been moved and seconded.

3 Further discussion?

4 (No response.)

5 CHMN STAFFORD: All in favor say "aye."

6 (A chorus of "ayes.")

7 CHMN STAFFORD: Opposed?

8 (No response.)

9 CHMN STAFFORD: Hearing none, Condition 13,
10 as amended, is adopted.

11 MEMBER GOLD: I move Condition 14.

12 MEMBER MERCER: Second.

13 MEMBER HILL: Second.

14 CHMN STAFFORD: Further discussion?

15 MEMBER FONTES: Do we need it,

16 Mr. Chairman?

17 CHMN STAFFORD: We had the same discussion
18 last week. There will probably be a couple of structures
19 erected, it's a kind of standard. I think they use this
20 anyway.

21 MEMBER FONTES: Boilerplate language.

22 CHMN STAFFORD: Pardon?

23 MEMBER FONTES: I would refer to this as
24 boilerplate language --

25 CHMN STAFFORD: Yes.

1 MEMBER FONTES: -- in our CEC.

2 MEMBER KRYDER: Mr. Chairman?

3 CHMN STAFFORD: Yes, Member Kryder.

4 MEMBER KRYDER: If the applicant is not
5 opposed to this, let's just approve it and move on.

6 CHMN STAFFORD: Mr. Derstine?

7 MR. DERSTINE: No opposition. But again,
8 appreciate the Committee taking a careful look, and you
9 know, we're looking, in many instances, at Conditions
10 that are included, because they were included in prior
11 transmission cases. They may or may not be applicable
12 here, but as -- as Ms. Benally has pointed out, the
13 project team's looked at it, we'll build it using
14 non-specular finish, and so no concern.

15 CHMN STAFFORD: Thank you.

16 Further discussion?

17 (No response.)

18 CHMN STAFFORD: All in favor say "aye."

19 (A chorus of "ayes.")

20 CHMN STAFFORD: Opposed?

21 (No response.)

22 CHMN STAFFORD: Hearing none, Condition 14
23 is adopted.

24 Number 15.

25 MEMBER MERCER: Mr. Chairman, I move

1 Condition 15.

2 MEMBER GOLD: Second.

3 CHMN STAFFORD: Further discussion?

4 (No response.)

5 CHMN STAFFORD: All in favor say "aye."

6 (A chorus of "ayes.")

7 CHMN STAFFORD: Opposed?

8 (No response.)

9 CHMN STAFFORD: Hearing none, Condition 15
10 is adopted.

11 Number 16.

12 MEMBER HILL: Move approval Condition 16.

13 MEMBER MERCER: Second.

14 CHMN STAFFORD: Further discussion?

15 (No response.)

16 CHMN STAFFORD: All in favor say "aye."

17 (A chorus of "ayes.")

18 CHMN STAFFORD: Opposed?

19 (No response.)

20 CHMN STAFFORD: Hearing none, Condition 16
21 is adopted.

22 Number 17.

23 Ms. Benally?

24 MS. BENALLY: No opposition to the
25 addition, Mr. Chair.

1 CHMN STAFFORD: It was inadvertently
2 stricken from the -- your -- your proposed CEC?

3 MS. BENALLY: That is correct it was
4 erroneously omitted when we filed our form of CEC.

5 CHMN STAFFORD: Okay. Thank you.

6 MEMBER HILL: Move approval Condition 17.

7 MEMBER MERCER: Second.

8 CHMN STAFFORD: Further discussion?

9 (No response.)

10 CHMN STAFFORD: All in favor say "aye."

11 (A chorus of "ayes.")

12 CHMN STAFFORD: Opposed?

13 (No response.)

14 CHMN STAFFORD: Hearing none, Condition 17
15 is adopted.

16 Number 18.

17 MEMBER HILL: Move approval Condition 18.

18 MEMBER MERCER: Second.

19 CHMN STAFFORD: Further discussion?

20 (No response.)

21 CHMN STAFFORD: All in favor say "aye."

22 (A chorus of "ayes.")

23 CHMN STAFFORD: Opposed?

24 (No response.)

25 CHMN STAFFORD: Hearing none, Condition 18

1 is adopted.

2 Number 19.

3 MEMBER MERCER: Mr. Chairman, I move
4 Condition 19.

5 MEMBER GOLD: Second.

6 CHMN STAFFORD: Further discussion?

7 (No response.)

8 CHMN STAFFORD: Confirm with the applicant
9 that the December 1st, 2025, date is the appropriate
10 compliance filing date?

11 MS. BENALLY: That is correct, Mr. Chair.

12 CHMN STAFFORD: I think -- I think APS sets
13 its -- that for most of its compliance filings, if
14 possible, correct?

15 MS. BENALLY: That is correct.

16 CHMN STAFFORD: All right. And then the
17 applicant had proposed adding that language that's
18 stricken at the end of the paragraph and provided a
19 mailing address or email address. No parties made a
20 limited appearance, so I just struck it. Because we made
21 that -- that was one of the changes to the introduction,
22 because it covers it.

23 MEMBER HILL: Will that mean I get less
24 mail?

25 CHMN STAFFORD: Huh?

1 MEMBER HILL: Nothing. Disregard.
2 CHMN STAFFORD: Yes, less mail.
3 All right. 19's been moved and seconded.
4 Further discussion?
5 (No response.)
6 CHMN STAFFORD: All in favor say "aye."
7 (A chorus of "ayes.")
8 CHMN STAFFORD: Opposed?
9 (No response.)
10 CHMN STAFFORD: Hearing none, Condition 19
11 is adopted.
12 Number 20.
13 MEMBER HILL: Move approval Condition 20.
14 MEMBER GOLD: Second.
15 CHMN STAFFORD: Further discussion?
16 (No response.)
17 CHMN STAFFORD: All in favor say "aye."
18 (A chorus of "ayes.")
19 CHMN STAFFORD: Opposed?
20 (No response.)
21 CHMN STAFFORD: Hearing none, Condition 20
22 is adopted.
23 Number 21.
24 MEMBER GOLD: I move Condition 21,
25 Mr. Chairman.

1 MEMBER MERCER: Second.
2 CHMN STAFFORD: Further discussion?
3 (No response.)
4 CHMN STAFFORD: All in favor say "aye."
5 (A chorus of "ayes.")
6 CHMN STAFFORD: Opposed?
7 (No response.)
8 CHMN STAFFORD: Hearing none, Condition 21
9 is adopted.
10 Number 22.
11 MEMBER MERCER: Mr. Chairman, I move
12 Condition 22.
13 MEMBER GOLD: Second.
14 CHMN STAFFORD: Further discussion?
15 (No response.)
16 CHMN STAFFORD: All in favor say "aye."
17 (A chorus of "ayes.")
18 CHMN STAFFORD: Opposed?
19 (No response.)
20 CHMN STAFFORD: Hearing none, Condition 22
21 is adopted.
22 Number 23.
23 MEMBER HILL: Move approval Condition 23.
24 MEMBER MERCER: Second.
25 CHMN STAFFORD: Further discussion?

1 (No response.)

2 MEMBER HILL: Member Fontes, does this --

3 MEMBER FONTES: I just want to know who
4 came up with this language? Is this the language,
5 Mr. Derstine, that was proposed with Western Resource?

6 CHMN STAFFORD: No, that's the subsequent
7 ones. The origin of this Condition was -- let's see, I
8 have it -- I researched this a while back, I think in
9 response to a question from Member Kryder, but it was
10 added by the Commission to a CEC, and it has been added
11 to every CEC since then.

12 MEMBER FONTES: I'm fine with the language
13 but I think 120 days is kind of a short timeline given
14 calendars and stuff. I would think a more realistic is
15 six months, but that's just me for administrative
16 purposes, Mr. Chairman.

17 CHMN STAFFORD: Oh, there's no reference to
18 120 days in paragraph 23, you're looking at the --

19 MEMBER FONTES: I'm sorry, I've got the
20 wrong paragraph, yeah.

21 CHMN STAFFORD: The next 23 should actually
22 be 24.

23 MEMBER FONTES: I've got the wrong one, but
24 no issues here.

25 CHMN STAFFORD: Okay. 23 has been moved

1 and seconded.

2 Further discussion?

3 (No response.)

4 CHMN STAFFORD: All in favor say "aye."

5 (A chorus of "ayes.")

6 CHMN STAFFORD: Opposed?

7 (No response.)

8 CHMN STAFFORD: Hearing none, Condition 23

9 is adopted.

10 Number 24, it appears as 23 on Chairman's
11 2. 20 -- the number -- the second 23 should be 24, and
12 the 24 should be 25. It didn't renumber the -- the
13 Condition numbers there.

14 MEMBER HILL: Mr. Chair, move approval
15 of --

16 CHMN STAFFORD: The second 23?

17 MEMBER HILL: -- the second 23/24,
18 paragraph 24 -- or Condition 24, as proposed by the
19 applicant and the intervenor.

20 MR. DERSTINE: Yeah, and to Member Fontes's
21 question about the 120-day time frame, WRA proposed that.
22 We had our team look at it. We didn't receive any
23 pushback or concerns over the time frame, so it's
24 acceptable to APS.

25 MEMBER HILL: Can we get a second?

1 MEMBER MERCER: Second.

2 CHMN STAFFORD: Further discussion?

3 Do we need to --

4 MEMBER DRAGO: I do.

5 CHMN STAFFORD: Oh, yes, Member Drago?

6 MEMBER DRAGO: I might be a little behind
7 reading this, but it says in (a) of this section, "To
8 prepare a report," and do we know where it goes? Who
9 receives the report?

10 CHMN STAFFORD: They will file it in the
11 docket in this proceeding and serve a copy on all the
12 parties, which would be the applicant and WRA. That's in
13 (c) and (d) of the Condition.

14 MEMBER DRAGO: (D), serve a copy of the
15 report on the parties?

16 CHMN STAFFORD: Right. So that means -- so
17 subsection (c) says, "File a report in this proceeding,"
18 that means they have to file it in this docket, and then
19 (d) requires them to make sure that WRA gets a copy,
20 because they're the only other party. So, yeah.

21 MEMBER DRAGO: All right. Thank you.

22 MEMBER FONTES: Item for clarification,
23 Mr. Chairman. Is this any percentage of hydrogen that
24 they need to file this report or the 35 percent
25 referenced in the forthcoming.

1 CHMN STAFFORD: I read it as any amount.
2 If they're going to -- so this -- I think the way -- and
3 I'll let the applicant correct me if I'm wrong, but my
4 understanding is that Condition 24 requires them to do
5 this report before they start blending any amount. And
6 then if they're going to go beyond the 35 percent, which
7 I understand would take -- because the turbines are
8 capable of using up to 35 percent as they are
9 constructed, as soon as they're installed. But to go
10 beyond that, they would need some overhaul and
11 replacement of different components. And that's when 25
12 would be triggered.

13 Mr. Derstine, Ms. Benally; is that correct?
14 Is that what the agreement was between you and the
15 intervenor?

16 MR. DERSTINE: I think that is a fair
17 reading of the -- of the language. I think the only
18 qualifier to that that's included there, it says, "for
19 normal operations." So to the extent that there might be
20 a, you know, a limited use for testing or some other
21 purpose, I think that to carve out for this, but
22 certainly, as I read it, any amount for normal operations
23 would trigger the obligation to file this report.

24 CHMN STAFFORD: Okay. But a test run when
25 you -- to pilot one of the units and pump, like, 10

1 percent through it for 10 minutes to see what would
2 happen wouldn't -- wouldn't count?

3 MR. DERSTINE: I don't know what a test
4 would look like or how that would work, but I think the
5 qualifier here is "for normal operations" that they have
6 done whatever due diligence and testing that might be
7 required to ensure that -- that we were ready to engage
8 in normal operations using a blend of any amount of
9 hydrogen fuel in these units that would trigger the
10 obligation to file this report.

11 CHMN STAFFORD: Right. And that's the
12 language that you and WRA agreed to, so --

13 MR. DERSTINE: WRA proposed and APS agreed
14 to it, correct.

15 CHMN STAFFORD: Member Drago?

16 MEMBER DRAGO: Yeah, I read it exactly like
17 Mr. Derstine said, that this would not include their
18 ability to do pilot feasibility studies. It's only at
19 the point when it would become normal operation, so I
20 agree.

21 MEMBER FONTES: Mr. Chairman?

22 CHMN STAFFORD: Yes, Member Fontes.

23 MEMBER FONTES: I just want to make sure I
24 got this right. And we have to read 24 and 25 kind of
25 together, in my limited mind here. So if it's a pilot

1 project, don't need to file the report. And so long as a
2 pilot project is less than 35 percent fuel blended, don't
3 need to file a report.

4 Is that the way this reads, Mr. Chairman?

5 CHMN STAFFORD: Well, I guess that depends
6 on is the pilot project part of normal operations or not?
7 I think -- I think it would not be. I think it would
8 be --

9 MEMBER FONTES: How do we define "normal
10 operations" versus a pilot project. Because I've seen
11 some pilot projects. And, Mr. Derstine, I don't mean to
12 be difficult here, but battery energy storage projects
13 have become pilot projects, and then they become
14 permanent on SRP and APS. I think that's pretty common
15 here in Arizona. So I'm just looking for a delineation
16 on how we sort of put bookends on this for the public.

17 MR. DERSTINE: I would have to look to some
18 of the operations folks or Mr. Eugenis if we have any
19 better understanding or clarity over what -- what's the
20 demarcation in terms of normal operations, as opposed to
21 a pilot project or a testing of a blend of hydrogen fuel
22 just in terms of, you know, whether or not, what sort of
23 operational parameters or whether it's feasible or not
24 feasible.

25 MEMBER FONTES: And the background there is

1 we don't know what it's going to take. We want to give
2 the public reasonable assurance that you're not going to
3 have a pilot project go on forever. We want to also
4 consider that we've had energy storage projects that went
5 from pilot to normal. So how do we capture 24 and 25 so
6 that we give you the flexibility to do the pilot project,
7 get it right, and then come back to the CEC?

8 So that's what we're looking at the balance
9 here. So as you read that, take a minute if you need to,
10 I think that's what we're trying to capture just to help
11 clarify my perspective.

12 CHMN STAFFORD: Well, I think that the way
13 it is is that you're talking about a pilot project that
14 uses a blend greater than 35 percent?

15 MEMBER FONTES: Well, in the first
16 instance, I don't think they -- anybody in the world is
17 in a position to disclose what a pilot project would
18 consist of because the technology's emerging, it's so
19 new. The one pilot project that I know in New York on
20 the NYPA system, New York Power Authority, there was a
21 pilot project with 35 percent fuel blend, and they did
22 have to have some modifications on skids and stuff.

23 So, again, don't want to limit APS's
24 ability to do a pilot project, but I want to make sure we
25 reflect that while we're here, so that we know when they

1 have to come back and file things with us.

2 CHMN STAFFORD: Well, I think that the
3 Condition says that if they can do a pilot project with
4 less than 35 percent, and they wouldn't have to do the
5 report or get a CEC change. If they're going to go
6 beyond -- because the units are capable of up to
7 35 percent, as currently configured, but if they were
8 going to try an experiment where they were going to run
9 any of the units at greater than 35 percent, that would
10 require an overhaul to the unit itself, they're
11 not -- you couldn't -- they're not capable of functioning
12 on that high of a level of hydrogen as they currently
13 exist. And if they're going to do that, they've got to
14 come in and modify the CEC to allow for that unit to be
15 reconfigured to run on a greater than 35 percent
16 hydrogen. And if they run that for three months and it
17 doesn't pan out, and they want -- you know, they still
18 have to get a CEC modification for that to happen if they
19 wanted to use it here at this site with these units.
20 That's my understanding of how this will work out.

21 MEMBER FONTES: They did -- on the project
22 that I'm aware of, they did actually have to have
23 modifications to the system to run the generators. What
24 I might offer here is that we look at, Mr. Turner [sic],
25 a potential pilot project plan that would be filed that

1 would have a defined period for pre-feasibility, or
2 whatever, as an add-on to 24 here, just so we put a cap
3 on it.

4 MEMBER GOLD: Mr. Chairman?

5 CHMN STAFFORD: Yes, Member Gold.

6 MEMBER GOLD: I don't see the word "pilot"
7 anywhere in 24 or 25.

8 CHMN STAFFORD: It's not.

9 MEMBER GOLD: So why are we discussing
10 this?

11 CHMN STAFFORD: Oh, because Member Fontes
12 has seen other -- has seen pilot projects in other
13 jurisdictions and he had a concern about how that would
14 play out with these Conditions.

15 MEMBER FONTES: Member Gold, and I'm trying
16 to demark between "normal" and "pilot" as well, so I
17 introduced the term "pilot" here to cover, as Member
18 Drago identified that pre-feasibility, before they
19 actually have a final design, and then construct a
20 permanent facility that goes to normal operations. So,
21 excuse me, but I'm using the term "pilot project" as the
22 electric utility industry uses it.

23 MEMBER GOLD: Okay. I understand that,
24 Member Fontes. And I appreciate that. Then we would
25 also have to add in the word "normal" operating

1 procedures if you're going to deal with pilot project
2 procedures.

3 MEMBER FONTES: Normal operations is
4 already there in the second sentence of 24.

5 MEMBER GOLD: It's normal operations, not a
6 normal operation procedures.

7 MEMBER FONTES: I did not use the term
8 "procedures." I just used the term "pilot project in
9 normal operations," for clarity.

10 CHMN STAFFORD: Well, if it's a pilot
11 project, it's not normal operations, right? It's a test
12 run of some sort. I'm looking at the applicant and I'm
13 seeing them nod their heads.

14 MR. DERSTINE: Yeah, and I -- if it's not
15 normal operations, it's something else. I guess the
16 question is what's the duration of time that the test or
17 the pilot program would be operated before we fall into
18 the -- the normal operations window. This may be
19 something that maybe I need to caucus with Ms. Doerfler
20 about if we're -- and then our team just to see if
21 there's some clarifying language we want to add here.

22 CHMN STAFFORD: Right. Because I --
23 because these were negotiated --

24 MR. DERSTINE: That's right.

25 CHMN STAFFORD: -- terms, and so I'm

1 hesitant to start messing with the language that was
2 agreed to by the parties of the case, absent some clear
3 showing that it's contrary to public interest. So I
4 think, the way I see this, and I'll give you my two cents
5 on it, Member Fontes, and then we'll see if the applicant
6 concurs, and then you can weigh in with your thoughts,
7 but the purpose of these two Conditions is that if APS
8 wants to start experimenting with hydrogen-blended fuel,
9 they can do so, up to 35 percent. That's what the units
10 are currently capable of.

11 If they're going to start using
12 hydrogen-blended fuel in any amount, as -- on a regular
13 basis as part of their normal operations, they need to do
14 the report required in 24. If they want to proceed to a
15 mixture greater than 35 percent, which would require
16 substantial modifications to the generating units, then
17 they need, on any scale, pilot, normal operations, any
18 scale, they would be required to amend the certificate.

19 That's my understanding, and that seems to
20 be the bargain for exchange that the parties came to. If
21 they wanted to do a pilot project of some greater blend
22 than 35 percent, they would have to get an amended
23 certificate to do so at this plant. If they elected to
24 do it someplace else with a different LM6000, that would
25 be a different story, but I don't know, I mean, my

1 thoughts and this is just if I was going -- if I was in
2 the applicant's shoes, I would want to have some separate
3 single unit to start messing with this before I took one
4 out that I was relying on for meeting my load.

5 I think I would have an experimental LM6000
6 that was by itself that I could essentially give it a
7 test run before I moved it up to scale and was going to
8 use eight of them to do it. That's just -- that's just
9 my thoughts. And, Mr. Derstine, that's -- I would like
10 to hear yours, and then Member Fontes.

11 MEMBER GOLD: Mr. Chairman, I think that --
12 oh, I'm sorry.

13 CHMN STAFFORD: Mr. Derstine?

14 MR. DERSTINE: Mr. Chairman, Members of the
15 Committee, I agree with your interpretation and your
16 reading of the language that we agreed to with WRA in
17 what is now 24 and 25. I realize that there are some
18 left unknowns about how that will be applied, but that's
19 the language that we agreed to. And through some -- some
20 negotiation back and forth with WRA, and what you
21 indicated I think is the intent, as I understand it, and
22 how APS would follow those conditions.

23 CHMN STAFFORD: Okay. Thank you.

24 Member Fontes?

25 MEMBER FONTES: So long as those, I guess,

1 put a bookend in light of pilot projects have become
2 normal operations in the battery energy storage, I think
3 I'm satisfied, Mr. Chairman.

4 CHMN STAFFORD: Thank you.

5 Member Gold?

6 MEMBER GOLD: I agree with what you and
7 Mr. Derstine said, and I have no objection to what
8 Mr. Fontes is saying.

9 CHMN STAFFORD: Member Drago?

10 MEMBER DRAGO: Just based on my experience
11 of piloting and then transitioning to high-volume
12 manufacturing, sustaining operations, what have you, I
13 don't see any harm for the applicant to go back to the
14 intervenor and add to this paragraph "any piloting for
15 proof of concept." And then that should be allowed,
16 under 35 percent. I just don't see the harm in doing
17 that. And I think it would address the -- it would
18 protect the applicant that they have that flexibility to
19 run pilots for proof of concept.

20 CHMN STAFFORD: Well --

21 MEMBER DRAGO: And then it's clearer that
22 if they want to sustain the operation greater than
23 35 percent, then they would come back for a CEC.

24 MEMBER FONTES: Mr. Chairman, I support
25 that. My concern is, how do we give the applicant the

1 ability to do the pilot project, but then also, as I
2 noted, assuage the public that if it's going to be
3 permanent, we -- we still have a review, due to the
4 unknown nature of this fuel and the technology and the
5 modifications, and potential impact on --

6 THE REPORTER: I --

7 CHMN STAFFORD: You need to speak -- did
8 you catch that, Robin?

9 THE REPORTER: The end -- I need the end.

10 MEMBER FONTES: And the potential impact to
11 the stakeholders and the environment.

12 CHMN STAFFORD: All right. So, Member
13 Drago and Member Fontes, you're -- you're looking to
14 allow them to do a pilot project greater than 35 percent?

15 MEMBER DRAGO: Mr. Chairman, no, enable the
16 pilot for proof of concept up to --

17 MEMBER FONTES: I'm with Member Drago on
18 that point, yeah.

19 MEMBER DRAGO: -- up to 35 percent.

20 CHMN STAFFORD: Oh, okay. I think that's
21 what it does do, because they can do -- oh, I can't -- my
22 screen went blank here. All right. Yeah. So in 24 they
23 could use -- they could do a pilot project with less than
24 35 percent. They could experiment with that all they
25 want. It's only -- the reporting requirement is only

1 required when they move from the pilot project stage into
2 normal operations, which would be they're using that, you
3 know, they're not just doing test runs and they're going
4 to -- their plan is to run these units on a hydrogen
5 mixture, and that's what they're -- and they're doing it
6 consistently.

7 And I think it would be, you know, between
8 the parties about what their understanding is between,
9 you know, what's normal operations and what's a pilot
10 project. And then if that was -- if there's a dispute,
11 then they could go to the Commission to try to resolve it
12 to, I guess, to ask -- they could file a complaint to get
13 the Commission to enforce the provision if they felt that
14 the applicant was not complying with it. That's -- I
15 think that's the remedy, but I think 24 would allow pilot
16 projects of 35 -- of less than 35 percent.

17 What's the numbering here.

18 MEMBER GOLD: Mr. Chairman?

19 CHMN STAFFORD: Yeah, 35 percent or less,
20 because 24 is hydrogen blend greater than 35 percent.

21 Yes, Member Gold.

22 MEMBER GOLD: I agree with you, but I got
23 to add in one more thing, right now for this project for
24 this area, there is a -- no availability of hydrogen for
25 you. So everybody else is going to be doing this a long

1 time before we're going to be doing it. And I agree with
2 what you're saying, the language seems to be covered
3 already.

4 MEMBER DRAGO: Mr. Chairman?

5 CHMN STAFFORD: Yes, Member Drago.

6 MEMBER DRAGO: Not to belabor the point,
7 but I just think if you look at 24, where it starts out,
8 "at least 120 days," moving on in that sentence, it says,
9 "for normal operations," and can we do a parentheses and
10 say, "not including any piloting proof of concept,"
11 something on that order?

12 MEMBER GOLD: Yes.

13 MEMBER DRAGO: I mean, at least it's there,
14 right? And it would protect the applicant that had
15 anyone found out that they were running at 30 percent in
16 a pilot, that someone could not come back to them and
17 say, "Why didn't you submit a CEC?" And I get the
18 fact -- normal operation is very clear to me, but just by
19 putting the "pilot" part of that in there, I think just
20 adds additional protection to the applicant.

21 CHMN STAFFORD: Well, they don't need to
22 amend the CEC as long as the blend is 35 percent or less.
23 And that's all they could do with the current units or
24 the proposed units, they -- they'd have to substantially
25 modify them to do a mixture greater than -- so they

1 could -- so under 24 they could do -- they could do a
2 pilot project with the existing units in any combination
3 up to -- up to -- up through 35 percent. It's only when
4 they get to 35.001 percent, I guess, would be --
5 technically, you know, it could get even smaller than
6 that, but any amount greater than 35 percent would
7 require modifications to the equipment, and then at that
8 point before they could make those modifications to the
9 equipment, they would have to get the CEC amended, but
10 as -- but they could do -- they could do pilot projects
11 with any amount of hydrogen less than 35 percent, but if
12 they're going to -- and so, if they're going to start
13 using it regularly, and that's how they're operating
14 them, it becomes the normal -- for it to become normal
15 operations, they would have to have a steady supply of
16 hydrogen to the site, which would entail the addition of
17 significant infrastructure.

18 I mean, the only way they could -- other
19 way they could do it is if all the gas in the pipe that
20 they're getting was mixed with hydrogen before it got to
21 them. And so that's how they're normally running the
22 plants. So if that were to become the case, they'd have
23 to do the report, but then that would be all over the
24 place, everyone would be talking about that. If all the
25 natural gas that you're receiving from the San Juan and

1 Permian Basin comes pre-mixed with hydrogen, that's -- I
2 mean, absent that, it would take significant investment
3 on APS's part to do a pilot -- even a pilot project.

4 I mean, they talked about trucking it in,
5 but they said I don't think we have a truck big enough --
6 this is my recollection of the testimony -- there's not a
7 truck big enough to bring in a sufficient quantity for
8 them to operate these plants for normal operations of
9 these units with any mixture of hydrogen.

10 MEMBER HILL: Mr. Chair?

11 CHMN STAFFORD: Yes, Member Hill.

12 MEMBER HILL: Is Ms. Doerfler with us
13 today?

14 MR. DERSTINE: I think she's online. That
15 was going to be my suggestion to see that -- I mean, I
16 don't -- I think APS does not oppose, and I appreciate
17 Member Drago's suggestion, and certainly don't have a
18 concern with it, but I think we need to hear from
19 Ms. Doerfler on -- on WRA's view of that additional
20 language.

21 CHMN STAFFORD: Yes, Ms. Doerfler.

22 MS. DOERFLER: Oh, sorry, I didn't mean to
23 interrupt anyone when I last popped in.

24 Yeah, so it's sounding to me like there are
25 two main concerns, the first of which is ensuring that

1 APS has the flexibility to operate a pilot program
2 without having to do extensive, you know, meet extensive
3 requirements. And the second being that the pilot
4 program is not defined and therefore, could last an
5 extensive period of time, if that's feasible, which we
6 know at the moment it is not.

7 I -- I don't have an issue with changing --
8 I can't think of the number, either 24 or 23 at this
9 point, to include that it does not include pilot
10 projects. I'm not entirely certain that addresses all of
11 those concerns. I think that what seems to me to be a
12 solution is maybe a definition of a pilot project, and
13 what that would entail, and how that is allowed, but that
14 is beyond the scope of what WRA and APS agreed to, and
15 therefore, I think the Committee would be the main
16 writers of that, if that was the case.

17 But we do not oppose adding the language
18 that it does not include a pilot project to whichever
19 paragraph we are discussing currently or whichever
20 Condition number.

21 CHMN STAFFORD: It's 24. We had two 23s,
22 the second 23 should have been 24. That's a scrivener's
23 error. And then the last -- and the actual 24 that
24 appears on Chairman's 1 and 2 should be 25. I think we
25 can correct that without moving and seconding it, that

1 was just a typo that was addressed.

2 So, Ms. Doerfler, I guess my question to
3 you is that when you and APS agreed to the language in
4 Conditions 24 and 25, what were your thoughts on a pilot
5 program below 35 -- 35 percent or below? I assume that's
6 why you picked the term -- the words "normal operations."
7 What is -- what -- I guess, what is your understanding of
8 what normal operations means, because it's obviously not
9 the same as a pilot program, but what -- at what point
10 does a pilot program become normal operations, I guess?

11 MS. DOERFLER: So WRA's original language
12 did not include the "normal operations" part of it, if
13 I'm remembering correctly. I believe that was a change
14 that APS made that WRA accepted in the process of
15 negotiations. I think I would have to defer to APS, as
16 far as what we believe normal operations are -- is/are.

17 As far as pilot programs, I am sensitive to
18 Member Drago's concerns about allowing the flexibility of
19 having those pilot programs, whether Redhawk is the place
20 where those pilot programs occur, it's kind of hard to
21 say when -- when there's so much unknown about how the
22 possible rollout of hydrogen-blended fuel will work.

23 CHMN STAFFORD: Mr. Derstine?

24 MR. DERSTINE: Ms. Doerfler is correct, in
25 terms of the evolution of the language that's in 24.

1 We -- this was a revision that APS proposed, and we
2 included the normal operations terminology. And that's,
3 frankly, as far as we got. I think the -- the difficulty
4 is that we're talking about trying to define a term when
5 no one knows what a pilot project might look like and
6 what a, you know, future hydrogen use might look like.

7 And so we're left with, you know, using
8 some language here that the parties, in good faith, will
9 look to honor and respect without having complete answers
10 and a view of the future where hydrogen might be used or
11 utilized in a pilot test, and how long that pilot test
12 might operate.

13 So I think defining these terms is very
14 difficult. We agreed to this language to address WRA's
15 concerns about having some guardrails and language around
16 the future use of hydrogen. Again, not knowing what we
17 don't know about future hydrogen use and trying to at
18 least include something that addresses those concerns.

19 MEMBER KRYDER: Mr. Chairman?

20 CHMN STAFFORD: Yes, Member Kryder.

21 MEMBER KRYDER: Following on Mr. Derstine's
22 comments and also the other made by Ms. Dorfson [sic], it
23 seems to me that we have parties here working in good
24 faith, and I certainly acknowledge, Member Drago, your
25 concerns and those spoken by other Members of this

1 Committee. My comment would be let's leave it, it was
2 negotiated this way between the several partners here who
3 are trying to come together and looking, as Mr. Derstine
4 said, at something we not only don't know several things
5 that he spoke about, but we also don't know changes in
6 technology that might be just over the next hill.

7 I think we all want to provide as much
8 flexibility as possible. We know there's no truck big
9 enough, et cetera, et cetera, everybody's heard all the
10 words, let's just approve it as-is, and move on.

11 CHMN STAFFORD: Member Drago, do you have
12 a --

13 MEMBER DRAGO: No -- no further comment.

14 CHMN STAFFORD: You think -- you think that
15 will -- are you comfortable with the provisions as they
16 are or do you think they need to --

17 MEMBER DRAGO: Yeah, if the applicant is.
18 I was just trying to strengthen the language for
19 protection of the applicant. But if the applicant and
20 Mr. Derstine are fine, WRC [sic], I'm good.

21 MEMBER FONTES: Mr. Chairman?

22 CHMN STAFFORD: Yes, Member Fontes.

23 MEMBER FONTES: I would actually like to
24 hear from Mr. Eugenis and Mr. Van Allen with respect to
25 this. They've been invaluable in these whole

1 proceedings, and they're where the rubber meets the road
2 or where the boots are on the ground, literally. So
3 their perspectives, I think, are a valued input here.

4 MR. EUGENIS: Committee Member Fontes and
5 Chairman, I agree with exactly where we are in this
6 discussion right now. We're -- we're acknowledging the
7 fact that there could be a multitude of different
8 possibilities, in terms of hydrogen use at the site in
9 the future. Could be through blending in the natural gas
10 pipeline that's there today. Could be through
11 potentially an electrolysis kind of equipment that's
12 installed there in the future.

13 We are negotiating these things in good
14 faith and I think it provides us the necessary
15 flexibility and protection as a company, so I'm
16 supportive of where we are with the language right now.

17 MR. VAN ALLEN: Chairman, Committee, I'd
18 like to add that, you know, APS is a public service
19 corporation. Safety is our number one value. We anchor
20 in safety. We've got equipment that uses hydrogen today
21 as a cooling medium. We've used it. We've handled for
22 over 50 years in that -- in that use, so we're very
23 familiar with it. We have policies, procedures, and we
24 can -- we can handle it safely, so I want to be very
25 clear and transparent that we're well-trained,

1 so -- offer that up.

2 CHMN STAFFORD: Thank you.

3 Member Drago?

4 MEMBER DRAGO: I agree with Member Fontes
5 to allow the applicant to speak, and as I mentioned, if
6 they're fine with it, and Mr. Derstine, I'm fine with it,
7 so --

8 MR. DERSTINE: Well, I just want to add,
9 Member Drago, I appreciate your suggestion of that
10 language it sounded like WRA is okay with including the
11 parenthetical that you suggested, "not including pilot
12 projects." Again, we're left with an undefined term and
13 not knowing exactly what a pilot project may or may not
14 be, but that language is certainly acceptable if it's
15 acceptable to WRA.

16 CHMN STAFFORD: Ms. Doerfler?

17 MS. DOERFLER: We have no issues with the
18 inclusion of that small parenthetical.

19 MEMBER GOLD: Mr. Chairman?

20 CHMN STAFFORD: Yes, Member Gold.

21 MEMBER GOLD: In that case, I move we
22 accept 24, as amended --

23 CHMN STAFFORD: We haven't made --

24 MEMBER GOLD: Or accept the amendment to 24
25 that Member Drago made.

1 Do I have a second?

2 MEMBER HILL: Second.

3 CHMN STAFFORD: All right. So the
4 amendment would be -- so section -- so Condition 24 would
5 read, "at least 20 [sic] days before operating the
6 project with hydrogen-blended fuel for normal operations
7 (not including any pilot projects) of the project. The
8 applicant must first," and then it continues on.

9 Is that -- is that the amendment you're
10 proposing, Member Drago?

11 MEMBER DRAGO: Yes. Thank you.

12 CHMN STAFFORD: And the applicant is fine
13 with that language?

14 MR. DERSTINE: Yes.

15 CHMN STAFFORD: And, Ms. Doerfler, WRA is
16 comfortable with that addition?

17 MS. DOERFLER: Yes.

18 CHMN STAFFORD: Okay. I can't -- I'm
19 losing the --

20 MEMBER FONTES: Second to Mr. Drago's move.

21 CHMN STAFFORD: Okay. Yeah. So it looks
22 like we moved around. So let's -- so Condition 24 would
23 read, "At least 120 days before operating the project
24 with hydrogen-blended fuel for normal operations of the
25 project (not including any pilot projects), the applicant

1 must first" colon.

2 All right. So that's the amendment before
3 the Committee?

4 MEMBER GOLD: Yes.

5 CHMN STAFFORD: It's been moved and
6 seconded.

7 Further discussion?

8 (No response.)

9 CHMN STAFFORD: All in favor say "aye."
10 (A chorus of "ayes.")

11 CHMN STAFFORD: Opposed?

12 (No response.)

13 MEMBER KRYDER: Opposed. Aye -- or nay.

14 CHMN STAFFORD: By a vote of -- the ayes
15 have it. I think it's 7 to 1 in favor of the amendment.
16 The amendment carries.

17 Can I get a motion to adopt Condition 24,
18 as amended?

19 MEMBER GOLD: I so move.

20 MEMBER HILL: Second.

21 CHMN STAFFORD: Further discussion?

22 (No response.)

23 CHMN STAFFORD: All in favor say "aye."

24 (A chorus of "ayes.")

25 CHMN STAFFORD: Opposed?

1 (No response.)

2 CHMN STAFFORD: Hearing none, Condition 24,
3 as amended, is adopted.

4 Number 25.

5 MEMBER GOLD: I move 25.

6 MEMBER MERCER: Second.

7 CHMN STAFFORD: Further discussion?

8 (No response.)

9 CHMN STAFFORD: All in favor say "aye."
10 (A chorus of "ayes.")

11 CHMN STAFFORD: Opposed?

12 (No response.)

13 CHMN STAFFORD: Hearing none, Condition 25
14 is adopted.

15 All right. We've been going for probably
16 about, oh, I think more than 90 minutes. Let's take a
17 very short recess, I'm saying 10 to 15 minutes, and this
18 time I really mean it. So let's -- let's be back at
19 11:05. And then we'll continue on with the Findings of
20 Fact and Conclusions of Law.

21 We stand in recess.

22 (Recessed from 10:51 a.m. until 11:05 a.m.)

23 CHMN STAFFORD: Let's go back on the
24 record. We had completed the Conditions 1 through 25.
25 And now we are moving on to the Findings of Fact and

1 Conclusion of Law.

2 MEMBER KRYDER: Mr. Chairman?

3 CHMN STAFFORD: Member Kryder.

4 MEMBER KRYDER: I move approval of findings
5 of fact and conditions [sic] of Law No. 1.

6 MEMBER MERCER: Second.

7 CHMN STAFFORD: Further discussion?

8 (No response.)

9 CHMN STAFFORD: All in favor say "aye."

10 (A chorus of "ayes.")

11 CHMN STAFFORD: Opposed?

12 (No response.)

13 CHMN STAFFORD: Hearing none, Findings of
14 Fact and Conclusion of Law No. 1 is adopted.

15 Number 2.

16 MEMBER KRYDER: Mr. Chairman?

17 CHMN STAFFORD: Member Kryder.

18 MEMBER KRYDER: I move approval of finding
19 of facts and conditions of law no. 2 as shown and
20 printed.

21 MEMBER MERCER: Second.

22 CHMN STAFFORD: Further discussion?

23 MEMBER HILL: Mr. Chair?

24 CHMN STAFFORD: Yes, Member Hill.

25 MEMBER HILL: I don't believe that this

1 project preserves a safe and reliable electric
2 transmission system, because there really isn't
3 transmission here. I do think, absolutely, it's needed
4 for adequate economical and reliable supply of electric
5 power, which is in number 1, but I don't see the
6 relevance of this project to preserving a safe and
7 reliable electric transmission system.

8 If someone wants to change it to reflect
9 that this won't hurt the system by adding it, I think
10 that's fine. And I think we've done that in other
11 settings, but I just don't think this is an accurate
12 statement and not relevant to this particular project.

13 MEMBER KRYDER: Mr. Chairman?

14 CHMN STAFFORD: Yes, Member Kryder.

15 MEMBER KRYDER: In response to that, Member
16 Hill, what is the purpose of having these quick-starting
17 generators?

18 MEMBER HILL: Absolutely. I think that's
19 number one, it -- it resolves the need for adequate
20 economical and reliable supply of electric power. That's
21 what these quick-start things do, is address number one,
22 but because there isn't a transmission component to this,
23 and there isn't, you know, this project doesn't add
24 reliability to the transmission system, I just don't
25 think that this one applies in this particular project.

1 MEMBER FONTES: Mr. Chairman?

2 CHMN STAFFORD: Yes, Member Fontes.

3 MEMBER FONTES: I think it's important to
4 note that the stated purpose of this power plant is a
5 peaker power plant. Peaker power plant allows grid
6 operators at all times, particularly at high electricity
7 demand, to perform what is known as demand response in
8 support of the transmission system and the grid. That's
9 referred to by the North America Electric Reliability
10 Corporation, and also the Federal Energy Regulatory
11 Commission, the NERC and the FERC.

12 So I'm going to disagree with Member Hill
13 on this instance, and state that it does, and that's the
14 stated purpose that APS put in -- in their -- their need.

15 CHMN STAFFORD: Right. I mean, I think was
16 it last year we started adding the "When constructed in
17 compliance with the Conditions proposed in the
18 Certificate," and that was -- and that was -- and that
19 applied to new -- typically it was in the context of the
20 majority of our cases, which were gen-tie lines for new
21 solar projects.

22 And the issue was the System Impact Studies
23 were not complete. And so we were, like, does it
24 preserve a safe and reliable electric transmission
25 system? And I know transmission is not a part of this

1 project, that was one of the perks of it is that it's at
2 an existing site with existing transmission. They will
3 need to build a new switchyard, but I think the purpose
4 of Finding of Fact and Conclusion No. 2, is that the
5 interconnection of this project to the grid will be done
6 in such a way, in compliance with the Condition, and
7 refer back to Condition 16, those requirements by -- I
8 think Member Fontes mentioned -- WECC and NERC and FERC.
9 It's by adhering to those requirements that the project,
10 whether it's a generation project, will not have a
11 negative impact on the transmission system, whether
12 that's APS's portion of it, the State's portion of the
13 regional grid. And it's because, depending on the
14 circumstances certain projects could -- that's where they
15 have to do the interconnection, the System Impact Study,
16 to see what the impact to the grid is of adding the
17 generation.

18 And so the Conditions that require them to
19 comply with what the federal requirements that they have
20 to comply with anyway, when they do that, it preserves
21 the safe and reliable transmission system. It doesn't
22 negatively impact it. I think that's the purpose of
23 number 2. 1 is addressing the generation, it's -- and I
24 think 1 is also applicable to transmission lines because
25 without the transmission system, you're not going to have

1 reliable, adequate, and economical power.

2 MEMBER FONTES: Mr. Chairman, if I can go
3 back to the second, I did state the regulatory
4 authorities for the transmission reference that you
5 pointed out here, but let's go back to the stated purpose
6 of APS. And I did appreciate Mr. Eugenis taking us
7 through the IRP and how he gets to an all-source
8 procurement, in that they carefully selected this type of
9 technology in this project, as he stated, to support
10 their grid operations.

11 So, in fact, my understanding is it does
12 support safe and reliable electric transmission, not only
13 of APS's system, but the balancing authority and arguably
14 the whole Desert Southwest.

15 MEMBER KRYDER: Mr. Chairman?

16 CHMN STAFFORD: Yes, Mr. Kryder.

17 MEMBER KRYDER: Not to merely state to be
18 heard, but the operative word here, I believe, is
19 "preserving."

20 MEMBER HILL: I agree with that. I agree
21 that the System Impact Study, which we might want to
22 reference, does ensure that it won't be detrimental to
23 the grid. I don't remember the Staff saying that it
24 would -- I want to look back at the Staff letter.

25 CHMN STAFFORD: I think they're always --

1 their opinion is either they can't give an opinion
2 because there wasn't a System Impact Study or that what
3 they reviewed they say it would not have a negative
4 impact on the grid.

5 MEMBER HILL: So the Arizona Corporation
6 Commission Staff believe the project expansion -- or "the
7 expansion project could improve the reliability, safety
8 of the grid, and the delivery of power in Arizona." I
9 love that language. I think it accurately reflects what
10 we know. I think, assuming that it aids the State and is
11 preserving something is a little step -- a step a little
12 bit further. So that's the only reason that I bring this
13 up is I think the Staff conclusions from the Corporation
14 Commission accurately reflect what we know about this
15 project.

16 CHMN STAFFORD: And the Staff letter was
17 admitted as APS-33.

18 MEMBER HILL: That's correct. It's an
19 exhibit to the -- to the hearing.

20 CHMN STAFFORD: Mr. Derstine? Ms. Benally?

21 MR. DERSTINE: I might look to either
22 Mr. Eugenis or Mr. Van Allen for some input here, but I
23 understand -- this is not a transmission project, and so
24 that piece of it, I think, Member Hill, I understand your
25 pause over the language in 2, which seems to be more

1 directed to the kind of finding that we would look for in
2 a CEC for a new transmission project. I do think,
3 however, and I'm, you know, certainly not an expert in
4 power generation or in system balancing, but my
5 understanding is, I think as pointed out by Member
6 Fontes, that these units do aid in balancing their
7 ability to ramp up quickly and to ramp down quickly. Do
8 aid in balancing energy on the system that might
9 otherwise create issues, in terms of the reliability of
10 the transmission system and the ability that might cause
11 outages or different issues on the transmission system.

12 So I think there is a balancing component
13 to it. But I'd ask Mr. Eugenis or Mr. Van Allen, if they
14 can -- can speak to that issue, because again, I think
15 they have more -- certainly have more background and
16 knowledge than I do on that subject.

17 MR. EUGENIS: Yeah, Mr. Derstine, I
18 absolutely agree with you in terms of there is value to
19 these units in responding to system events.
20 Mr. Spitzkoff, in his testimony, talked a little bit
21 about those in terms of faults and the dynamic response
22 of units such as these being helpful in maintaining
23 stability for the transmission system. I think that
24 that's an acceptable interpretation of this language
25 here.

1 Alternatively, you could also think about
2 it kind of more in terms of Condition -- or in item
3 number 1 here in terms of maintaining a reliable electric
4 service or electric power. I think both of these
5 statements are applicable to the project.

6 MR. DERSTINE: That's enough, yeah.
7 Anything else that you think needed to be added, Mr. Van
8 Allen, or did that cover it?

9 MR. VAN ALLEN: Mr. Derstine, I'd add that
10 Mr. Spitzkoff's testimony did cover -- cover some of
11 these items in detail, just with timing and where we're
12 at in the process. We don't have the final impact study,
13 right, in hand at this time. But the FERC process, the
14 interconnection process, you know, you will not be able
15 to connect these units and create a negative impact.

16 Certain improvements may be necessary. And
17 we're committed to doing those improvements, so that
18 we -- we protect the system and it's done responsibly.

19 MR. DERSTINE: Yeah, I don't think there's
20 any doubt that through the FERC interconnection process,
21 as Mr. Spitzkoff has testified, that that process, first
22 and foremost, will ensure that there are no reliability
23 impacts to the interconnection, and to the extent that
24 there's some system upgrades that are required for the
25 addition of these units, that will take place necessarily

1 to -- before the interconnection can occur.

2 I think the separate concern and the
3 question here is, is it fair to make a finding as set
4 forth in 2 that, in addition to this project meeting the
5 need for adequate economical and reliable supply of
6 electric power, it also helps aid the State in preserving
7 a safe and reliable electric transmission system. I
8 think Member Hill is questioning whether this project
9 goes to that and whether that's a fair finding, based on
10 this project.

11 And I think what I heard from Mr. Eugenis
12 is there is a -- and to Member Fontes -- there is a
13 balancing component that these units are -- can be used
14 to balance and stabilize the transmission system, and
15 therefore, 2 does remain an appropriate and adequate
16 finding. So I think we would support 2.

17 CHMN STAFFORD: All right. So Finding of
18 Fact and Conclusion of Law No. 2 has been moved and
19 seconded.

20 Further discussion? Was -- you were going
21 to propose an amendment or --

22 MEMBER HILL: I think I'm going to be
23 outvoted, but I -- I just want the record to reflect that
24 I think we should rely on the Corporation Commission's
25 Staff evaluations for some of these discussions, and

1 sometimes we don't have all the information. And a
2 Finding of Fact, in my mind, should -- should not --
3 there shouldn't be questions left in our mind as to
4 whether or not a project fulfills that need.

5 Thank you, Mr. Chair.

6 CHMN STAFFORD: All in favor say "aye."

7 (A chorus of "ayes.")

8 CHMN STAFFORD: Opposed?

9 MEMBER HILL: Nay.

10 CHMN STAFFORD: Finding of Fact and
11 Conclusion of Law No. 2 is adopted. It sounded like a
12 chorus of 7 ayes and 1 nay.

13 Number 3.

14 MEMBER KRYDER: Mr. Chairman?

15 CHMN STAFFORD: Member Kryder.

16 MEMBER KRYDER: I propose approval of
17 findings of fact and condition of law no. 3, as shown and
18 printed.

19 MEMBER MERCER: Second.

20 CHMN STAFFORD: Further discussion?

21 (No response.)

22 CHMN STAFFORD: All in favor say "aye."

23 (A chorus of "ayes.")

24 CHMN STAFFORD: Opposed?

25 (No response.)

1 CHMN STAFFORD: Hearing none, Finding of
2 Fact and Conclusion of Law No. 3 is adopted.

3 Number 4.

4 MEMBER MERCER: Mr. Chairman, I move
5 Finding of Fact and Conclusion of Law No. 4.

6 MEMBER GOLD: Second.

7 CHMN STAFFORD: Further discussion?

8 (No response.)

9 CHMN STAFFORD: All in favor say "aye."

10 (A chorus of "ayes.")

11 CHMN STAFFORD: Opposed?

12 (No response.)

13 CHMN STAFFORD: Hearing none, Finding of
14 Fact and Conclusion of Law No. 4 is adopted.

15 Number 5.

16 MEMBER FRENCH: Move Finding 5.

17 MEMBER FONTES: Second.

18 CHMN STAFFORD: Further discussion?

19 (No response.)

20 CHMN STAFFORD: All in favor say "aye."

21 (A chorus of "ayes.")

22 CHMN STAFFORD: Opposed?

23 (No response.)

24 CHMN STAFFORD: Hearing none, Finding of
25 Fact and Conclusion of Law No. 5 is adopted.

1 Number 6.

2 MEMBER GOLD: I move Condition 6 [sic],
3 Mr. Chairman.

4 MEMBER MERCER: Finding of Fact.

5 MEMBER GOLD: Finding of Fact No. 6,
6 Mr. Chairman.

7 CHMN STAFFORD: Further discussion.

8 MEMBER MERCER: Second.

9 CHMN STAFFORD: Oh, second, okay.
10 Further discussion?

11 (No response.)

12 CHMN STAFFORD: All in favor say "aye."

13 (A chorus of "ayes.")

14 CHMN STAFFORD: Opposed?

15 (No response.)

16 CHMN STAFFORD: Hearing none, Finding of
17 Fact and Conclusion of Law No. 6 is adopted.

18 Typically, we've added a Number 7 that
19 states that the project substation is non-jurisdictional.
20 I mean, whether we say it or not, it is. So it depends
21 on the applicant whether they feel they need to have that
22 in there or not. I'm guessing that APS doesn't need to
23 be told that the substations are non-jurisdictional in
24 the Certificate.

25 MR. DERSTINE: I agree. I don't think

1 there's any need for the possible use of a Number 7 for
2 this case.

3 CHMN STAFFORD: Okay. Thank you.

4 MR. DERSTINE: Yeah.

5 CHMN STAFFORD: And just leave that, leave
6 the date blank. Tod will fill that in when we get it
7 filed, which will be maybe later -- I don't know if it
8 will be later today, it may be -- it will be some other
9 day by the time it gets reviewed and printed and 25 paper
10 copies and all that.

11 All right. So moving on to Exhibits A and
12 B. We had decided to add the CEC No. 95 as Exhibit A.
13 If you can go back to that earlier section in the project
14 description. So if we could pull up Chairman's 4 and
15 Chairman's 2 on the screens.

16 Okay. So Decision No. 62324 would be
17 Exhibit A. Can I get a motion?

18 MEMBER HILL: Move approval of Exhibit A,
19 as proposed.

20 MEMBER GOLD: Second.

21 CHMN STAFFORD: Further discussion?

22 (No response.)

23 CHMN STAFFORD: All in favor say "aye."

24 (A chorus of "ayes.")

25 CHMN STAFFORD: Opposed?

1 (No response.)

2 CHMN STAFFORD: Hearing none, Exhibit A is
3 adopted, that is the Commission Decision.

4 Now, moving on to Exhibit B, which will be
5 the map or maps of the facility.

6 MEMBER HILL: Move approval of Exhibit B,
7 as proposed.

8 MEMBER GOLD: Second.

9 CHMN STAFFORD: All right. Now further
10 discussion. We have -- APS attached several maps, and I
11 think they initially denominated them as B-1, B-2, B-3.
12 I think we can just have one Exhibit B that has multiple
13 pages that show the maps.

14 The first page would be what APS has marked
15 as Exhibit B-1, that shows the location of the current
16 property and the project site. And then the next map
17 is -- this is the legal description, correct?

18 MR. DERSTINE: That's correct.

19 CHMN STAFFORD: Okay. So one of my
20 thoughts was that typically when we have, like, the
21 project map, there's -- it has -- the bigger picture is
22 shown in a smaller picture to the right that says, this
23 is where in the state it's located. Again, that's
24 general and pictorial, but this is an actually legal
25 description, which I think negates the need to have that

1 additional smaller picture-in-picture showing where in
2 the state it's located, because this is exactly where it
3 is.

4 MR. DERSTINE: Exactly.

5 CHMN STAFFORD: Okay. And then scroll down
6 to the next page, which is the layout of the proposed
7 facilities in relation to the existing plant. Okay. All
8 right. So I think those three pages would be -- make up
9 Exhibit B. We don't need the different cover pages
10 between those, but those three themselves show exactly
11 what -- where it is in relation to the state, the project
12 website, and the layout of the new plant in relation to
13 the existing plant.

14 MR. DERSTINE: Agreed.

15 MEMBER FRENCH: Mr. Chairman?

16 CHMN STAFFORD: Yes, Member French.

17 MEMBER FRENCH: For consistency, we've
18 discussed and included information in regards to the site
19 from Decision 95 in the original Redhawk facility.
20 Should we have some type of depiction that shows the
21 original site and its boundaries?

22 CHMN STAFFORD: Go back to the first slide
23 of Exhibit B, that. The blue outline is the existing
24 Redhawk site. The yellow outline is the project site,
25 which is a subset of the existing site.

1 MEMBER FRENCH: So just for my own
2 clarification, the Redhawk Power Plant property boundary
3 is the same as the project site for the Redhawk original
4 site from 95?

5 CHMN STAFFORD: Sort of. The blue line is
6 the Redhawk -- the original Redhawk site. The Redhawk
7 Power Plant site. And then -- which includes the project
8 site which is in yellow, which is completely enclosed,
9 it's completely -- it's a -- it's a subset of it,
10 it's -- the project site is entirely contained within the
11 Redhawk Plant site, but the Redhawk Plant site is more
12 than just the project site.

13 MEMBER FRENCH: Understood. Just wanted to
14 ensure that the original project site was the same as the
15 property boundary that's indicated here on B-1.

16 CHMN STAFFORD: Yes, I believe that is the
17 case, Mr. Derstine.

18 MR. DERSTINE: The devil is in the details.
19 What's shown in blue is the actual fenced perimeter of
20 the Redhawk Power Plant site. What was described and
21 what APS actually owns is a larger apron surrounding that
22 extends beyond the blue perimeter, but the blue perimeter
23 identified on Exhibit B-1 that's shown here on the
24 screens in the hearing room is the, as I mentioned, the
25 fenced boundary of the actual power plant.

1 So if you were to physically go out there
2 that, what's described in blue is what is the fenced
3 area. As I mentioned, APS owns a larger area and that
4 was authorized originally under 95, but what now is,
5 yeah, the existing plant site is what's shown on B-1, so
6 I know that's --

7 MEMBER FONTES: Mr. Chairman?

8 CHMN STAFFORD: Yes, Member Fontes.

9 MEMBER FONTES: Details do matter
10 sometimes. Inputs and outputs is how I think about this,
11 for future sake. Where's the gas interconnection and
12 the -- and maybe -- and I need -- need some help here
13 from some APS people, but the transformer that's going to
14 shift off the project site onto the 500kV, is that on the
15 property or off the property? Again, I'm thinking in
16 terms of inputs and outputs here so we capture that on
17 the map since we refer to those throughout the documents
18 on both CECs.

19 CHMN STAFFORD: If you scroll down to the
20 next, I think it's the third page of what we're
21 nominating as Exhibit B -- there you go.

22 MEMBER FONTES: I was referring to the
23 original CEC, Mr. Chairman, so we capture those, to
24 Mr. Derstine's observation that details matter.

25 CHMN STAFFORD: Well, there was a lot less

1 detail in the original CEC. In CEC 95 there is no
2 picture like this showing a layout. It's a black polygon
3 shape.

4 Is it attached to the Exhibit A?

5 MS. BENALLY: Mr. Chairman, the map was not
6 included as a part of CEC 95.

7 CHMN STAFFORD: See, they don't even have a
8 map attached to their CEC 95. There's a map and it's --
9 and it's -- I think it's attached to the application,
10 it's somewhere in the docket there, there is a map,
11 there's multiple maps. But the one -- but they did not
12 attach a project map to the CEC. So that's, you know,
13 that was --

14 MEMBER FONTES: I guess, transposing
15 Mr. Derstine's comments to the nature of this proceeding,
16 I would just ask the applicant to review the map to make
17 sure we have the gas interconnection, and then the export
18 clearly delineated. There is one other item, but I'm
19 going to hold that, too, on this map that I want to
20 cover, but just to not leave this point.

21 MR. DERSTINE: Well, I guess, for
22 clarification, Mr. Van Allen, is it the case that the
23 natural gas delivery and inlets for the Redhawk Power
24 Plant are within, if we can scroll down to the -- within
25 the blue boundary shown on our -- or maybe you can use

1 the map that's currently on the screen, I assume they're
2 inclusive of or within that project area, correct?

3 MR. VAN ALLEN: So the gas yard is directly
4 south of the existing unit or the proposed units. It's
5 on the existing power plant property, and gas will be
6 brought direct to the project boundary and
7 interconnected.

8 MR. DERSTINE: And the existing transformer
9 for the gen-tie line that connects the existing combined
10 cycle units to Hassayampa, that's also located in the --
11 within or next to the existing Redhawk switchyard shown
12 in the upper section of that diagram?

13 MR. VAN ALLEN: So Redhawk Unit 1 and
14 Redhawk Unit 2 have step-up transformers that step up
15 directly from the generators themselves.

16 CHMN STAFFORD: Do you have a laser pointer
17 you could use to point at the map, that would be
18 excellent.

19 MR. TURNER: I set one before you, but it's
20 not one that shows them online.

21 CHMN STAFFORD: Thank you.

22 MR. VAN ALLEN: On the left, okay, I'll do
23 my best to make this work. So --

24 MR. TURNER: Press it again.

25 MR. VAN ALLEN: I'm pressing, but it's --

1 MR. TURNER: Release and press it.

2 MR. VAN ALLEN: I am, and it's still
3 not --

4 CHMN STAFFORD: There we go. I'm seeing it
5 on the screen now.

6 MR. VAN ALLEN: Directly west of each --
7 each unit there are step-up transformers that step up to
8 the 500kV voltage and those gen-tie lines go directly
9 into the switchyard bays and interconnect to the
10 switchyard. So the transformers for the existing units
11 are within the existing property, and then you have, as
12 Mr. Spitzkoff testified, the two -- I'm going to call
13 them gen-tie lines that feed over to the Hassayampa
14 Switchyard, that are not depicted in this -- in this
15 image, so I can't really show it to you.

16 But -- so the existing units have their
17 step-up transformers directly on the west side of the
18 generating assets facilities, and then there's a fence
19 line and you get into the switchyard, the Redhawk
20 Switchyard that's existing today.

21 MEMBER FONTES: Mr. Chairman?

22 CHMN STAFFORD: Yes, Member Fontes.

23 MEMBER FONTES: I think we don't need to
24 include that, because the nature of this proceeding is
25 the new one, so -- but on the gas to the south, I would

1 recommend if the applicant's open to it to include where
2 that's coming in, just so we have a point of reference to
3 go with the whole CEC. And that we know where that gas
4 inlet is coming, so if you could add that to that, is it
5 the southwest corner or southeast corner of the map?

6 MR. VAN ALLEN: So the gas yard is right --
7 right at the project boundary.

8 MEMBER FONTES: Yeah, so put a point of
9 reference there, and then just show where that's going to
10 go in. Again, thinking inputs and outputs because this
11 is a gas plant. Mr. Derstine, Ms. Benally, I don't know
12 how you feel about it, but I think that sort of captures
13 what we have need here and reduces risk for you.

14 MR. DERSTINE: I'm sure we can make a minor
15 change to this existing diagram and provide that detail.

16 MEMBER FONTES: The other thing that we
17 have done on both gas plants and transmission plants is
18 if you are, I think you own all of the breakers and buses
19 in the connections of the transmission lines, if you
20 don't own it, can you put who does?

21 MR. VAN ALLEN: Member Fontes --

22 MEMBER FONTES: -- as -- as the physical
23 structure, because I know you share rights to some stuff.

24 MR. VAN ALLEN: Member Fontes, specific for
25 the Redhawk -- the existing Redhawk Power Plant, APS owns

1 both the generating assets and the existing switchyard.

2 MEMBER FONTES: Perfect. And then the
3 transmission that is going to be exported on, you're the
4 primary owner.

5 MR. VAN ALLEN: We are the -- Member
6 Fontes, that is correct, APS is the primary owner for the
7 existing gen-tie to the Hassayampa switchyard.

8 MEMBER FONTES: Last point, since I'm here,
9 Mr. Chairman. "Point of change of ownership," Member
10 French and I looked at that, and he asked me what it
11 meant, and I couldn't answer his question. You've got a
12 star in the legend, can you explain that?

13 MR. VAN ALLEN: Member Fontes, I'll do my
14 best to explain. The point of change of ownership is a
15 formal -- in this particular case, APS is the -- you
16 know, installing the generating assets. We also own, in
17 this instance, the switchyard addition assets. That's
18 not always the case.

19 So the point of change of ownership is a
20 very important line of, I'll call it, demarcation or it's
21 kind of a jurisdictional change, as well, to my
22 understanding.

23 CHMN STAFFORD: Where is it on this map?

24 MEMBER HILL: The purple line.

25 CHMN STAFFORD: I can't blow it up on the

1 screen.

2 MR. VAN ALLEN: I'll do my best. There's a
3 star.

4 MEMBER FONTES: Right there.

5 CHMN STAFFORD: I can't see that from here.

6 MR. VAN ALLEN: So the gen-tie line is the
7 purple line that actually goes to the point of
8 interconnect into the switchyard. And there's a point
9 where, on the high side of the 500 GSU, you'll have a
10 switch. And then there's an actual pole that stands as
11 kind of your -- it's your point of change of ownership.

12 MEMBER FONTES: My explanation to him was
13 that that's the difference between the transmission
14 operations side of APS and the generation, but I'll let
15 you clarify that. And then when you do make the final
16 notes on here, can you provide some sort of footnote on
17 here, just because I could see the public being confused.

18 CHMN STAFFORD: Yeah, because my
19 understanding is that APS owns everything on this slide,
20 correct?

21 MR. VAN ALLEN: Chairman Stafford, you are
22 correct in this instance. I think we specifically
23 identify that because there are instances at maybe other
24 facilities where APS may not be and -- may not be the
25 owner of certain switchyard --

1 CHMN STAFFORD: Right. My thought is that,
2 okay, the star, the change of ownership, but doesn't APS
3 own -- it will own everything for that, it will own the
4 area in blue, the 500 -- the new 500kV switchyard that's
5 in the blue checks, it will own that, won't it?

6 MR. VAN ALLEN: Chairman Stafford, APS will
7 own that in this instance, but I believe we always, you
8 know, reference that point because there is,
9 jurisdictionally, I believe there's -- it's significant,
10 and I believe that's why Mr. Spitzkoff has that clearly
11 identified in this diagram.

12 CHMN STAFFORD: So that's the demarcation
13 between the transmission asset and the generation asset?

14 MR. VAN ALLEN: Chairman Stafford, I want
15 to probably get confirmation from Mr. Spitzkoff before I
16 answer that with certainty.

17 MR. DERSTINE: I think Ms. Benally can
18 answer it.

19 CHMN STAFFORD: Thank you.

20 MS. BENALLY: Mr. Chairman, based on my
21 discussions with Mr. Spitzkoff, that's what that star
22 indicates is what you just stated, identification of
23 generation assets versus transmission assets.

24 CHMN STAFFORD: Okay. So I think the
25 change of ownership is what's throwing me off, is that

1 adding some confusion because, like, in this situation
2 there's not a change of ownership of, like, who owns,
3 it's the same entity, APS will own everything that's
4 inside that yellow checked box, I guess --

5 MEMBER FONTES: Mr. Chairman, if I may?

6 CHMN STAFFORD: -- maybe it should be --
7 maybe it should be just rephrased as point of demarcation
8 between generation asset and transmission asset, because
9 it's all still owned by APS. I think it's kind of like a
10 mis- -- in other situations it would be because you'd
11 have the generation connecting to someone else's, you
12 know, if you were tying into SRP's switchyard or
13 substation or something, that would be -- it would be a
14 change of ownership, but it's not really ownership
15 change, it's still APS, but just accounted for in
16 different -- different -- different regulations applied
17 on each side of that demarcation point, that star.

18 MS. BENALLY: That is correct,
19 Mr. Chairman. And in Mr. Spitzkoff's testimony, he had
20 explained the nondiscriminatory approach that APS has to
21 take relative to the Federal Energy Regulatory
22 Commission's interconnection rules. And that's really
23 what the company was attempting to denote in this
24 instance with what that star -- with the star.

25 CHMN STAFFORD: Okay. Member Fontes?

1 MEMBER FONTES: Yes, Mr. Chairman. I just
2 want to give color for my fellow Committee members
3 because substations and switchyards can be owned by
4 multiple parties. In the case of an interconnection here
5 at that point what I'm going to call demarcation now,
6 this project is building the purple line inside the
7 yellow box in the switchyard. But they are not going to
8 own and operate it. They have to provide in advance the
9 capital to the APS on the transmission side, who will
10 then own and operate that. So the change of ownership is
11 also based upon who serves title, who has insurance, who
12 has operational control, et cetera.

13 So it's particular to transmission, and
14 that's why, for my fellow members, I'm always asking,
15 okay, who owns the physical structure and who owns the
16 capacity, because they can be very challenging when we
17 have multiple tenants, I will call them, especially in
18 this part of the country, and arguably this part of the
19 world. It's very complex near Palo Verde. So thank you,
20 and I hope that's informative for the fellow members.

21 CHMN STAFFORD: So do we need to amend this
22 slide?

23 MR. DERSTINE: We can -- let us go back
24 and we're going to indicate the, you know, the inlet for
25 the -- for the gas connection on this map, and then maybe

1 we'll make a change as to whether we call it ownership or
2 whether it's a jurisdictional demarcation or separation.

3 MEMBER FONTES: Looking to inform the
4 general public if they looked at this.

5 MR. DERSTINE: Right. Yeah, because to the
6 point of Members of the Committee, it's all owned by APS,
7 but different functions, and I think, as Ms. Benally
8 pointed out and Mr. Spitzkoff wanted to make clear, that
9 the, you know, the FERC rules, the interconnection rules,
10 and the open access tariffs that apply to interconnection
11 of the -- on the transmission side, have to be separated
12 functionally from the generation side of the business.

13 CHMN STAFFORD: It's like similar to where
14 you have, in a law firm, where you have a --
15 someone's -- some group is firewalled off from the rest
16 of the firm, they don't suddenly become a new firm,
17 they're just insulated from others so there's not a
18 conflict; is that an apt analogy?

19 MR. DERSTINE: I think it's a reasonable
20 analogy. Yes, that's right, yeah.

21 MEMBER FONTES: Mr. Chairman, I can tell
22 you that they have to take ethics and training on that at
23 APS, because I know at the Western Area Power
24 Administration, I did. So power marketing on the
25 generation does not get in the same room with

1 transmission planning. There are several demarcations,
2 and that's a great analogy.

3 CHMN STAFFORD: Okay. So I'm -- I guess we
4 should have a motion to amend, this would be, what, page
5 3 of Exhibit B?

6 MS. BENALLY: That's correct.

7 CHMN STAFFORD: All right. So the two
8 changes we want to make is to, one, show the gas inlet on
9 the map, and then, two, would be to change the
10 description for the star, which is currently shown as
11 point of change of ownership to some kind of notation
12 about the demarcation between the generation asset and
13 the transmission asset.

14 MR. DERSTINE: We will do that. We'll make
15 those changes.

16 CHMN STAFFORD: Can I get a motion?

17 MEMBER FRENCH: So moved.

18 MEMBER FONTES: Second.

19 CHMN STAFFORD: Further discussion?

20 (No response.)

21 CHMN STAFFORD: All in favor say "aye."

22 (A chorus of "ayes.")

23 CHMN STAFFORD: Opposed?

24 (No response.)

25 CHMN STAFFORD: Hearing none, the amendment

1 carries.

2 Can I get a motion to adopt Exhibit B, as
3 amended?

4 MEMBER FRENCH: So moved.

5 MEMBER GOLD: Second.

6 CHMN STAFFORD: Further discussion?

7 (No response.)

8 CHMN STAFFORD: All in favor say "aye."

9 (A chorus of "ayes.")

10 CHMN STAFFORD: All right. So,
11 technically, how this will work out, is when you send
12 this to Tod, send the updated third page of Exhibit B and
13 that -- I'll review it, and it should -- and Tod will let
14 you know if it's -- if everything is acceptable. And
15 then I'm assuming that it'll be -- it will be, and then
16 we'll be able to just go ahead and move forward with
17 that.

18 So now can I get a motion to adopt the
19 Certificate as amended?

20 MEMBER DRAGO: So moved.

21 MEMBER FONTES: Second.

22 CHMN STAFFORD: Further discussion?

23 (No response.)

24 CHMN STAFFORD: Member Kryder?

25 MEMBER KRYDER: Yes.

1 CHMN STAFFORD: Member Mercer?

2 MEMBER MERCER: Yes.

3 CHMN STAFFORD: Member Gold?

4 MEMBER GOLD: Yes.

5 CHMN STAFFORD: Member Drago?

6 MEMBER DRAGO: Yes.

7 CHMN STAFFORD: Member Hill?

8 MEMBER HILL: Yes.

9 CHMN STAFFORD: Member French?

10 MEMBER FRENCH: Aye.

11 CHMN STAFFORD: Member Fontes.

12 MEMBER FONTES: I'd like to thank the

13 applicant for the collaborative effort here, very well

14 appreciated. Aye.

15 CHMN STAFFORD: And I vote aye. By a vote

16 of 8 ayes and 0 nays, the Certificate is granted.

17 I'd like to thank the members and the

18 applicant for their patience. It seems these hearings

19 just don't get any shorter. Well, I guess they are

20 shorter because it was -- we had two cases over the last

21 two weeks, as opposed to one case over two weeks, but

22 still. We have more coming up, I don't think we have

23 anything on the calendar for September, but we have a

24 number of them in October, November, and December of this

25 year, and then January we'll be -- I think we have three

1 in January. There's no backlog. We just keep moving
2 through.

3 We have a lot of those -- a lot of those
4 cases will be back to the more familiar cases for the
5 Committee where they're gen-tie lines without a -- with a
6 non-jurisdictional plant, so -- or non-jurisdictional
7 generator, so we would -- those ones should -- will be
8 more familiar and less controversial, I will say.

9 Member Kryder?

10 MEMBER KRYDER: Scrivener's errors.

11 CHMN STAFFORD: Oh, yes. Excellent. Thank
12 you for reminding me.

13 Can I get a motion to -- for -- to allow
14 the Chairman to correct scrivener's errors, such as
15 plurals, singulars, punctuation, that --

16 MEMBER GOLD: I so move.

17 CHMN STAFFORD: -- awkward words, that sort
18 of thing?

19 MEMBER KRYDER: Second.

20 CHMN STAFFORD: Further discussion?

21 (No response.)

22 CHMN STAFFORD: All in favor say "aye."

23 (A chorus of "ayes.")

24 CHMN STAFFORD: Opposed?

25 (No response.)

1 CHMN STAFFORD: Hearing none, the motion
2 carries.

3 Thank you, everyone.

4 Any final comments from the Commission --
5 from the Committee Members or the applicant?

6 MEMBER HILL: Mr. Chair?

7 CHMN STAFFORD: Member Hill.

8 MEMBER HILL: I just want to acknowledge
9 the good work that WRA and APS did together. I think
10 we're all trying to figure out this hydrogen
11 conversation. And I think it could be an important
12 solution and tool for meeting climate goals, but I -- I
13 appreciate that we need to be careful about it, and so
14 I'm very excited and pleased with the language that you
15 worked on together. So thank you to APS and WRA.

16 MR. DERSTINE: Thank you.

17 CHMN STAFFORD: Thank you.

18 With that we are adjourned.

19 (The hearing concluded at 11:47 a.m.)
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25

1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

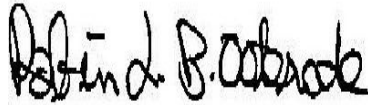
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4 BE IT KNOWN that the foregoing proceedings were
5 taken before me; that the foregoing pages are a full,
6 true, and accurate record of the proceedings all done to
7 the best of my skill and ability; that the proceedings
8 were taken down by me in shorthand and thereafter reduced
9 to print under my direction.

10 I CERTIFY that I am in no way related to any of
11 the parties hereto nor am I in any way interested in the
12 outcome hereof.

13 I CERTIFY that I have complied with the ethical
14 obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206
15 (J)(1)(g)(1) and (2). Dated at Phoenix, Arizona, this
16 26th day of August, 2024.

17



18 _____
19 ROBIN L. B. OSTERODE, RPR
20 CA CSR No. 7750
21 AZ CR No. 50695

22

23 * * * * *

24 I CERTIFY that Glennie Reporting Services, LLC,
25 has complied with the ethical obligations set forth in
ACJA 7-206(J)(1)(g)(1) through (6).

26



27 _____
28 GLENNIE REPORTING SERVICES, LLC
29 Registered Reporting Firm
30 Arizona RRF No. R1035

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