

1 **BEFORE THE ARIZONA POWER PLANT**
2 **AND TRANSMISSION LINE SITING COMMITTEE**

3 IN THE MATTER OF THE APPLICATION
4 OF ARIZONA PUBLIC SERVICE
5 COMPANY, IN CONFORMANCE WITH
6 THE REQUIREMENTS OF ARIZONA
7 REVISED STATUTES § 40-360, ET SEQ.,
8 FOR A CERTIFICATE OF
9 ENVIRONMENTAL COMPATIBILITY
10 AUTHORIZING THE REDHAWK POWER
11 PLANT EXPANSION PROJECT, WHICH
12 INCLUDES THE CONSTRUCTION OF
13 NATURAL GAS TURBINES, A 500kV
SWITCHYARD AND RELATED
FACILITIES, ALL LOCATED TWO MILES
SOUTHEAST OF THE INTERSECTION OF
ELLIOT ROAD AND WINTERSBURG
ROAD IN MARICOPA COUNTY,
ARIZONA.

Docket No.: L—00000D-24-0156-00234

Case No. 234

**NOTICE OF FILING CERTIFICATE
OF ENVIRONMENTAL
COMPATIBILITY**

14 Adam Stafford, designee of the Attorney General of Arizona, Kristin Mayes, as
15 Chairman and Presiding Officer of the Arizona Power Plant and Transmission Line Siting
16 Committee, gives notice of a separately filed Certificate of Environmental Compatibility
17 with Docket Control of the Arizona Corporation Commission.
18

19 DATED this 29th day of August, 2024.

20
21 
22

23 Adam Stafford, Chairman
24 Arizona Power Plant and Transmission
25 Line Siting Committee
26 Assistant Attorney General
27 Adam.Stafford@azag.gov
28

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2024 AUG 29 A 9:05

CERTIFICATE OF MAILING

Pursuant to A.A.C. R14-3-204, the **ORIGINAL** of the foregoing and 25 copies were filed this 29th day of August, 2024, with:

Utilities Division-Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington St.
Phoenix, AZ 85007

COPY of the foregoing mailed
this 29th day of August, 2024, to:

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Linda J. Benally
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///

///

1 J. Matthew Derstine
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9 Western Resource Advocates
10 1429 North 1st Street, Suite 100
11 Phoenix, Arizona 85004
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13 Attorney for Western Resource Advocates

14 By:  _____

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19 ARIZONA.

DOCKET NO. L-00000D-24-0156-
00234

Case No. 234

**CERTIFICATE OF
ENVIRONMENTAL
COMPATIBILITY**

RECEIVED
AZ POWER COMMISSION
DOCKET CONTROL
2024 AUG 29 A 9:06
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13 **A. INTRODUCTION**

14 Pursuant to notice given as provided by law, the Arizona Power Plant and
15 Transmission Line Siting Committee (“Committee”) held public hearings on August 19 -
16 22, 2024, in Goodyear, Arizona, in conformance with the requirements of Arizona
17 Revised Statutes (“A.R.S.”) § 40-360, *et seq.*, for the purpose of receiving evidence and
18 deliberating on the Application of Arizona Public Service Company (“APS” or
19 “Applicant”) for a Certificate of Environmental Compatibility (“Certificate”) in the
20 above-captioned case.

21 The following members and designees of members of the Committee were
22 present at one or more of the hearing days for the evidentiary presentations, public
23 comment, and/or for the deliberations:

24 Adam Stafford

Chairman, Designee for Arizona Attorney
General Kris Mayes

26 Leonard Drago

Designee for Director, Arizona Department of
Environmental Quality

1 David French Designee for Director, Arizona Department of
2 Water Resources

3 Nicole Hill Designee for Director, Governor's Energy
4 Office

5 Gabby Saucedo Mercer Designee of the Chairman, Arizona
6 Corporation Commission ("Commission")

7 Jon Gold Appointed Member, representing the General
8 Public

9 Margaret "Toby" Little Appointed Member, representing the General
10 Public

11 David Kryder Appointed Member, representing Agricultural
12 Interests

13 Roman Fontes Appointed Member, representing Counties

14 Applicant was represented by Linda J. Benally of Pinnacle West Capital
15 Corporation and J. Matthew Derstine of Snell & Wilmer, LLP. The following parties
16 were granted intervention pursuant to A.R.S. § 40-360.05: Western Resource Advocates,
17 represented by Emily Doerfler. No person made a limited appearance pursuant to A.R.S.
18 § 40-360.05(B).

19 At the conclusion of the hearing, the Committee, after considering the (i)
20 Application, (ii) appearances of the Applicant and intervenor, (iii) evidence, testimony,
21 and exhibits presented by the Applicant, and (iv) comments of the public, and being
22 advised of the legal requirements of A.R.S. §§ 40-360 through 40-360.13, upon motion
23 duly made and seconded, voted 8 to 0 to grant the Applicant, its successors and assigns,
24 this Certificate for construction of the Redhawk Power Plant Expansion Project
25 ("Project") as described below.

26 **B. PROJECT DESCRIPTION**

27 The Project is an approximately 397 megawatt ("MW") natural gas-fired electric
28 generation facility consisting of eight (8) General Electric LM6000 simple-cycle

1 combustion turbines, each with a nameplate capacity of 49.6 MW, along with supporting
2 infrastructure.

3 The Project will be constructed within the existing Redhawk Power Plant site
4 located at 11600 South 363rd Avenue in Maricopa County, approximately five miles
5 northwest of Arlington, Arizona. The Redhawk Power Plant received a Certificate from
6 the Committee with respect to the site in Line Siting Case No. 95, approved by the
7 Commission in Decision No. 62324 ("CEC No. 95"). A copy of CEC No. 95 is attached
8 hereto as **Exhibit A**. The Project will be located entirely on land owned by APS within
9 the existing plant site, and for this reason APS does not require a right-of-way to access
10 the site. Maps showing the general location of the Project within the existing Redhawk
11 Power Plant site and a depiction of the proposed Project facilities are shown in **Exhibit**
12 **B**.

13 CONDITIONS

14 The Conditions imposed in CEC No. 95 remain in full force and effect for the
15 entire Redhawk Power Plant site. This Certificate is granted upon the following
16 Conditions, applicable to the site of the Project:

17 1. This authorization to construct the Project shall expire ten (10) years from
18 the date this Certificate is approved by the Commission, with or without modification.
19 Construction of the Project shall be complete, such that the Project is in service within
20 this ten-year timeframe. However, prior to the expiration of the time period, the
21 Applicant may request that the Commission extend the time limitation.

22 2. In the event the Project requires an extension of the term(s) of this
23 Certificate prior to completion of construction, the Applicant shall file such time
24 extension request at least one hundred and eighty (180) days prior to the expiration of
25 the Certificate. The Applicant shall use reasonable means to promptly notify Maricopa
26 County and all landowners and residents within a three (3) mile radius from the center of
27 the Project, all persons who made public comment at this proceeding who provided a
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1 mailing or email address, and all parties to this proceeding. The notification provided
2 will include the request and the date, time, and place of the hearing or open meetings
3 during which the Commission will consider the request for the extension. Notification
4 shall be no more than three (3) business days after the Applicant is made aware of the
5 hearing date or the open meeting date.

6 3. During the development, construction, operation, maintenance, and
7 reclamation of the Project, the Applicant shall comply with all existing applicable air
8 and water pollution control standards and regulations, and with all existing applicable
9 statutes, ordinances, master plans, and regulations of any governmental entity having
10 jurisdiction including, but not limited to, the United States of America, the State of
11 Arizona, Maricopa County, and their agencies and subdivisions including, but not
12 limited to, the following:

- 13 a. All applicable land use regulations;
14
15 b. All applicable zoning stipulations and conditions including, but not limited
16 to, landscaping and dust control requirements;
17
18 c. All applicable air permitting, water use, discharge and/or disposal
19 requirements of the Arizona Department of Water Resources, the
20 Maricopa County Air Quality Department, and the Arizona Department of
21 Environmental Quality;
22
23 d. All applicable noise and lighting control standards; and
24
25 e. All applicable regulations governing storage and handling of hazardous
26 chemicals and petroleum products.

27 4. The Applicant shall obtain all approvals and permits necessary to
28 construct, operate, and maintain the Project required by any governmental entity having
jurisdiction including, but not limited to, the United States of America, the State of
Arizona, Maricopa County, and their agencies and subdivisions.

5. The Applicant shall comply with the Arizona Game and Fish Department
("AGFD") guidelines for handling protected animal species, should any be encountered

1 during construction and operation of the Project, and shall consult with AGFD or U.S.
2 Fish and Wildlife Service, as appropriate, on other issues concerning wildlife.

3 6. The Applicant shall design the Project's interconnection facilities to
4 incorporate reasonable measures to minimize electrocution of and impacts to avian
5 species in accordance with the Applicant's avian protection program. Such measures
6 will be accomplished through incorporation of Avian Power Line Interaction Committee
7 guidelines set forth in the current versions of *Suggested Practices for Avian Protection*
8 *on Power Lines* and *Reducing Avian Collisions with Power Lines* manuals.

9 7. The Applicant shall consult the State Historic Preservation Office
10 ("SHPO") pursuant to A.R.S. §§ 41-861 through 41-864, the State Historic Preservation
11 Act. Construction for the Project shall not occur without SHPO concurrence. Any
12 project involving federal land is a federal undertaking and requires SHPO concurrence
13 on the adequacy of the survey and area of potential effects. The Applicant shall
14 coordinate with SHPO regarding the status of Section 106 consultation.

15 8. If any archaeological, paleontological, or historical site or a significant
16 cultural object is discovered on private, state, county, or municipal land during the
17 construction or operation of the Project, the Applicant or its representative in charge
18 shall promptly report the discovery to the Director of the Arizona State Museum
19 ("ASM"), and in consultation with the Director, shall immediately take all reasonable
20 steps to secure and maintain the preservation of the discovery as required by A.R.S. §
21 41-844 or A.R.S. § 41-865, as appropriate.

22 9. The Applicant shall comply with the notice and salvage requirements of
23 the Arizona Native Plant Law (A.R.S. § 3-901 *et seq.*) and shall, to the extent feasible,
24 minimize the destruction of native plants during the construction and operation of the
25 Project.

26 10. The Applicant shall make every reasonable effort to promptly investigate,
27 identify, and correct, on a case-specific basis, all complaints of interference with radio or
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1 television signals from operation of the Project addressed in this Certificate and where
2 such interference is caused by the Project, take reasonable measures to mitigate such
3 interference. The Applicant shall maintain written records for a period of five (5) years
4 of all complaints of radio or television interference attributable to operations, together
5 with the corrective action taken in response to each complaint. All complaints shall be
6 recorded to include notation on the corrective action taken. Complaints not leading to
7 specific action or for which there was no resolution shall be noted and explained. Upon
8 request, the written records shall be provided to the Staff of the Commission. The
9 Applicant shall respond to complaints and implement appropriate mitigation measures.
10 In addition, the Project shall be evaluated on a regular basis so that damaged insulators
11 or other line materials that could cause interference are repaired or replaced in a timely
12 manner.

13 11. If human remains and/or funerary objects are encountered during the
14 course of any ground-disturbing activities related to the construction or maintenance of
15 the Project, the Applicant shall cease work on the affected area of the Project and notify
16 the Director of the ASM as required by A.R.S. § 41-865 for private land, or as required
17 by A.R.S. § 41-844 for state, county, or municipal lands.

18 12. Within one hundred twenty (120) days of the Commission's decision
19 approving this Certificate, the Applicant shall post signs in or near public rights-of-way,
20 to the extent authorized by law, reasonably adjacent to the Project giving notice of the
21 Project. Such signage shall be no smaller than a roadway sign. The sign shall advise:

- 22 a. The future site of the Project;
- 23 b. A phone number and website for public information regarding the Project;
- 24 and
- 25 c. Refer the public to the Docket;

26 Such signs shall be inspected at least once annually and, if necessary, be repaired or
27 replaced, and removed at the completion of construction.

1 The Applicant shall make every reasonable effort to communicate the decision
2 either approving or disapproving the Certificate in digital media.

3 13. At least ninety (90) days before construction commences on the Project,
4 the Applicant shall provide Maricopa County and known builders and developers who
5 are building upon or developing land within three (3) miles from the center of the
6 Project with a written description, including the approximate height and width
7 measurements of all structure types of the Project. The written description shall identify
8 the location of the Project and contain a pictorial depiction of the facilities being
9 constructed. The Applicant shall also encourage the developers and builders to include
10 this information in their disclosure statements. Upon approval of this Certificate by the
11 Commission, the Applicant may commence construction of the Project.

12 14. The Applicant shall use non-specular conductor and non-reflective
13 surfaces for the transmission line structures on the Project.

14 15. The Applicant shall be responsible for arranging that all field personnel
15 involved in the Project receive training as to proper ingress, egress, and on-site working
16 protocols for environmentally sensitive areas and activities. Contractors employing such
17 field personnel shall maintain records documenting that the personnel have received
18 such training.

19 16. The Applicant shall follow the most current Western Electricity
20 Coordinating Council ("WECC") and North American Electric Reliability Corporation
21 ("NERC") planning standards, as approved by the Federal Energy Regulatory
22 Commission ("FERC"), National Electrical Safety Code ("NESC") standards, and
23 Federal Aviation Administration ("FAA") regulations.

24 17. The Applicant shall participate in good faith in state and regional
25 transmission study forums to coordinate transmission expansion plans related to the
26 Project and to resolve transmission constraints in a timely manner.

27 18. When Project facilities are located parallel to and within one hundred
28

1 (100) feet of any existing natural gas or hazardous pipeline, the Applicant shall:

- 2 a. Ensure grounding and cathodic protection studies are performed to show
3 that the Project's location parallel to and within one hundred (100) feet of
4 such pipeline results in no material adverse impacts to the pipeline or to
5 public safety when both the pipeline and the Project are in operation. The
6 Applicant shall take appropriate steps to ensure that any material adverse
7 impacts are mitigated. The Applicant shall provide to Staff of the
8 Commission, and file with Docket Control, a copy of the studies
9 performed and additional mitigation, if any, that was implemented as part
10 of its annual compliance-certification letter; and
11 b. Ensure that studies are performed simulating an outage of the Project that
12 may be caused by the collocation of the Project parallel to and within one
13 hundred (100) feet of the existing natural gas or hazardous liquid pipeline.
14 The studies should either: (i) show that such simulated outage does not
15 result in customer outages; or (ii) include operating plans to minimize any
16 resulting customer outages. The Applicant shall provide a copy of the
17 study results to Staff of the Commission and file them with Docket Control
18 as part of the Applicant's annual compliance certification letter.

19 19. The Applicant shall submit a compliance certification letter annually,
20 identifying progress made with respect to each condition contained in this Certificate,
21 including which conditions have been met. The letter shall be submitted to the
22 Commission's Docket Control commencing on December 1, 2025. Attached to each
23 certification letter shall be documentation explaining how compliance with each
24 condition was achieved. Copies of each letter, along with the corresponding
25 documentation, shall be submitted to the Arizona Attorney General's Office. With
26 respect to the Project, the requirement for the compliance letter shall expire on the date
27 the Project is placed into operation. Notification of such filing with Docket Control shall
28

1 be made to Maricopa County, all parties to this Docket, and all parties who made a
2 limited appearance in this docket.

3 20. The Applicant shall provide a copy of this Certificate to Maricopa County.

4 21. Any transfer or assignment of this Certificate shall require the assignee or
5 successor to assume, in writing, all responsibilities of the Applicant listed in this
6 Certificate and its conditions as required by A.R.S. § 40-360.08(A) and Rule R14-3-
7 213(F) of the Arizona Administrative Code.

8 22. In the event the Applicant, its assignee, or successor seeks to modify the
9 Certificate's terms at the Commission, it shall provide copies of such request to
10 Maricopa County, all parties to this Docket, and all parties who made a limited
11 appearance.

12 23. The Certificate Conditions shall be binding on Applicant, its successors,
13 assignee(s) and transferees, and any affiliates, agents, or lessees of the Applicant who
14 have a contractual relationship with the Applicant concerning the construction,
15 operation, maintenance, or reclamation of the Project. The Applicant shall provide in
16 any agreement(s) or lease(s) pertaining to the Project that the contracting parties and/or
17 lessee(s) shall be responsible for compliance with the Conditions set forth herein, and
18 the Applicant's responsibilities with respect to compliance with such Conditions shall
19 not cease or be abated by reason of the fact that the Applicant is not in control of or
20 responsible for the operation and maintenance of the Project facilities.

21 24. At least 120 days before operating the Project with hydrogen blended fuel
22 for normal operations of the Project (not including any pilot projects), the Applicant
23 must first:

24 (a) Prepare a report assessing whether use of hydrogen at the Project is
25 economical, feasible, and safe;

26 (b) Include in the report an assessment and quantification of any
27 changes in air emissions or any other change the Project's impact to the
28

1 environment of the area that will occur as a result of the use of hydrogen fuel;

2 (c) File the report in this proceeding; and

3 (d) Serve a copy of the report on the parties.

4 25. Before utilizing a hydrogen blend of greater than 35% or making any
5 substantial modifications to the Project's generating units for the purpose of enabling use
6 of hydrogen fuel, the Applicant must first obtain an amended Certificate for the
7 proposed project to convert its facility into a hydrogen compatible plant.

8 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

9 This Certificate incorporates the following Findings of Fact and Conclusions of
10 Law:

11 1. The Project aids the State and the Southwest Region of the United States
12 in meeting the need for an adequate, economical, and reliable supply of electric power.

13 2. When constructed in compliance with the conditions imposed in this
14 Certificate, the Project aids the State, preserving a safe and reliable electric transmission
15 system.

16 3. During the course of the hearing, the Committee considered evidence on
17 the environmental compatibility of the Project as required by A.R.S. § 40-360 *et seq.*

18 4. The Project and the conditions placed on the Project in this Certificate
19 effectively minimize the impact of the Project on the environment and ecology of the
20 State.

21 5. The Conditions placed on the Project in this Certificate resolve matters
22 concerning balancing the need for the Project with its impact on the environment and
23 ecology of the State arising during the course of the proceedings and, as such, serve as
24 findings and conclusions on such matters.

25 6. The Project is in the public interest because the Project's contribution to
26 meeting the need for an adequate, economical, and reliable supply of electric power
27
28

1 outweighs the minimized impact of the Project on the environment and ecology of the
2 State.

3
4 DATED this 29th day of August, 2024.

5 THE ARIZONA POWER PLANT AND
6 TRANSMISSION LINE SITING COMMITTEE

7
8 

9 By: _____
10 Adam Stafford, Chairman

11 **CERTIFICATE OF MAILING**

12 Pursuant to A.A.C. R14-3-204, the **ORIGINAL** of the foregoing and 25 copies were
13 filed this 29 day of August, 2024, with:

14 Utilities Division-Docket Control
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington St.
17 Phoenix, AZ 85007

18 COPY of the foregoing mailed
19 this 29 day of August, 2024, to:

20 Tom Van Flein, General Counsel
21 ARIZONA CORPORATION COMMISSION
22 1200 W. Washington Street
23 Phoenix, Arizona 85007
24 legaldiv@azcc.gov

25 Britton Baxter and Ranelle Paladino, Directors
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22 emily.doerfler@westernresources.org
23 Attorney for Western Resource Advocates

24 By:  _____
25
26
27
28

Exhibit A



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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

FEB 23 2000

CARL J. KUNASEK

Chairman

JIM IRVIN

Commissioner

WILLIAM A. MUNDELL

Commissioner

DOCKETED BY

sd

IN THE MATTER OF THE APPLICATION
 OF PINNACLE WEST ENERGY
 CORPORATION OR THEIR
 ASSIGNEE(S), IN CONFORMANCE WITH
 THE REQUIREMENTS OF ARIZONA
 REVISED STATUTES 40-360.03 AND 40-
 360-06, FOR A CERTIFICATE OF
 ENVIRONMENTAL COMPATIBILITY
 AUTHORIZING THE CONSTRUCTION OF
 NATURAL GAS-FIRED, COMBINED
 CYCLE GENERATING FACILITIES AND
 ASSOCIATED INTRA-PLANT
 TRANSMISSION LINES, SWITCHYARD,
 AND RELATED FACILITIES IN
 MARICOPA COUNTY, ARIZONA
 LOCATED TWO MILES SOUTHEAST OF
 THE INTERSECTION OF ELLIOT ROAD
 AND WINTERSBURG ROAD IN
 SECTIONS 14, 22, AND 23, TOWNSHIP 1
 SOUTH, RANGE 6 WEST, GILA AND SALT
 RIVER BASE AND MERIDIAN.

CASE NO. 95

Docket No. L-00000J-99-0095

DECISION NO. 62324

ORDER

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee, (the "Committee") held a public hearing at the Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona, on December 9, 1999, in conformance with the requirements of Arizona Revised Statutes § 40-360 *et seq.*, for the purpose of receiving evidence and deliberating on the Application of Pinnacle West Energy Corporation ("PWE") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case.

...

...

Decision No.: 62324

1 The following members and designees of members of the Committee were present fo.
2 deliberations and vote on the Application at the December 9, 1999 hearing:

3 Charles S. Pierson	Chairman, Designee for Arizona Attorney General Janet Napolitano
4 Steve Olea	Arizona Corporation Commission
5 Charles "Matt" Matthewson	Arizona Department of Environmental Quality
6 Mark McWhirter	Department of Commerce
7 Wayne Smith	Appointed Member
8 Robert C. Berger	Appointed Member
9 Arlo B. Lee	Appointed Member
10 Jeff Maguire	Appointed Member

11
12 The Applicant was represented by Steven M. Wheeler and Jeffrey B. Guldner of Snell &
13 Wilmer L.L.P., Attorneys for PWE. Staff of the Arizona Corporation Commission ("Staff")
14 noticed their intervention as a party, and were represented by Teena I. Wolfe. Staff presented
15 evidence regarding the necessity of evaluating transmission system adequacy and reliability in
16 consideration of plant-siting Certificate requests generally, and in particular, transmission system
17 adequacy and reliability issues related to the PWE application. There were no other
18 interventions or limited appearances.

19 At the conclusion of the hearing, the Committee, having received the Application, the
20 appearance of PWE, the evidence, testimony and exhibits presented by PWE, and having
21 received the appearance of intervenor Staff and the evidence and exhibit presented by Staff, and
22 being advised of the legal requirements of Arizona Revised Statutes §§ 40-360 to 40-360.13,
23 upon motion duly made and seconded, voted 6-0 (with two abstentions) to grant PWE a
24 Certificate of Environmental Compatibility (Case No. 95), and on January 12, 2000, issued the
25 Certificate as follows:

26 "Pinnacle West Energy Corporation and its assignee(s), hereby are granted a Certificate
27 of Environmental Compatibility authorizing construction of four 530 megawatt (nominal) natural
28

1 gas-fired, combined cycle generating units, together with related infrastructure and
2 appurtenances including intra-plant transmission and a switchyard, which generating units shall
3 be located in Maricopa County, Arizona, approximately two miles southeast of the intersection
4 of Elliot Road and Wintersburg Road, in Sections 14, 22, and 23, Township 1 South, Range 6
5 West, Gila and Salt River Base and Meridian."

6 The Certificate was granted upon the following conditions:

- 7 1. The Applicant and its assignees will comply with all existing applicable air and
8 water pollution control standards and regulations, and with all existing applicable
9 ordinances, master plans and regulations of the State of Arizona, the County of
10 Maricopa, the United States, and any other governmental entities having
11 jurisdiction.
- 12 2. This authorization to construct the Project will expire ten (10) years from the date
13 the Certificate is approved by the Arizona Corporation Commission unless
14 construction is completed to the point that the plant is capable of operating at its
15 rated capacity by that time; provided, however, that prior to such expiration the
16 Project owner may request that the Arizona Corporation Commission extend this
17 time limitation."

18 On January 27, 2000, pursuant to A.R.S. § 40-360.07.A and A.A.C. R14-2-214.B, Staff
19 filed its Notice of Request for Review and Request for Procedural Order ("Request for Review").
20 In the Request for Review, Staff requested that the Commission review the Committee's
21 Decision and make a determination, based upon the entire record of the proceeding, of whether
22 the Certificate granted by the Committee should be modified or denied pursuant to A.R.S. § 40-
23 360.07.B. The Request for Review included Staff's recommendation that after Commission
24 review of the record, the Commission should either (1) modify the Certificate as reflected in
25 Staff's testimony at the proceeding before the Committee, or (2) deny the application without
26 prejudice for applicant's refileing in order to have Staff's concerns fully addressed by the
27 Committee.

28 Pursuant to the Commission's Procedural Order of February 2, 2000, PWE filed its
Response to Staff's Notice of Request for Review on February 4, 2000 ("Response"). In its
Response, PWE alleged that Staff's Request for Review seeks relief that is beyond the

Exhibit A

Commission's authority to grant. PWE requested that this matter be recommended for immediate Commission consideration, and that any further briefing be ordered on an accelerated schedule.

Pursuant to the Commission's Procedural Order of February 2, 2000, a procedural conference was convened on February 7, 2000. Following that procedural conference, PWE and Staff entered into an agreement to jointly file a proposed form of order for the Commission to consider in its decision to approve, modify, or deny the Certificate. In that proposed form of order, PWE and Staff proposed that the Certificate be granted based upon the following conditions in place of those included in the Certificate as granted by the Committee:

1. The Applicant and its assignees will comply with all existing applicable air and water pollution control standards and regulations, and with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States, and any other governmental entities having jurisdiction.
2. This authorization to construct the Project will expire seven (7) years from the date the Certificate is approved by the Arizona Corporation Commission unless construction is completed to the point that the plant is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the Project owner may request that the Arizona Corporation Commission extend this time limitation.
3. To ensure reliability, the Certificate of Environmental Compatibility will be conditioned upon the following:
 - a. PWE providing evidence to the Commission that two or more transmission lines will emanate from the power plant switchyard and interconnect with the existing transmission system. This plant interconnection must satisfy the single contingency outage criteria (N-1) without reliance on remedial action such as generator unit tripping or load shedding. If achieving this objective involves the construction of any new transmission line or lines, approval of a Certificate of Environmental Compatibility application (if otherwise required by law) will be required for the construction of any such new transmission line or lines.
 - b. PWE providing to the Commission, not more than 12 months prior to the commercial operation of each unit of the plant, a technical study regarding the sufficiency of transmission capacity to accommodate that unit of the plant and that shows that such additional unit will not compromise the reliable operation of the state's interconnected transmission system. PWE has satisfied this condition for Unit 1 of the plant.
 - c. PWE submitting to the Commission an interconnection agreement with the transmission provider with whom they are interconnecting.
 - d. PWE becoming a member of WSCC, or its successor, and filing a copy of its WSCC Reliability Criteria Agreement or Reliability Management System (RMS) Generator Agreement with the Commission.

Exhibit A


1 e. PWE using its best efforts to become a member of the Southwest Reserve Sharing Group,
2 or its successor, thereby making its units available for reserve sharing purposes, subject
3 to reasonable pricing.

4 4. Condition 3 above shall automatically terminate if it or substantially similar condition is not
5 included in future generating facility Certificates of Environmental Compatibility as
6 approved by the Commission or upon any subsequent amendment or invalidation by the
7 Commission or a reviewing court.

8 IT IS THEREFORE ORDERED that the Certificate of Environmental Compatibility
9 granted to Pinnacle West Energy Corporation by the Arizona Power Plant and Line Siting
10 Committee on January 12, 2000 is hereby approved as modified hereinabove.

11 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

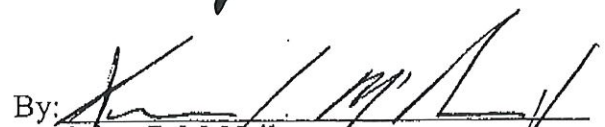
12 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

13 
14 Chairman

15 
16 Commissioner

17 
18 Commissioner

19 In Witness Hereof, I, Brian C. McNeil,
20 Executive Secretary of the Arizona
21 Corporation Commission, set my hand and
22 cause the official seal of this Commission to
23 be affixed, this 23rd day of
24 February, 2000.

25 By: 
26 Brian C. McNeil
27 Executive Secretary

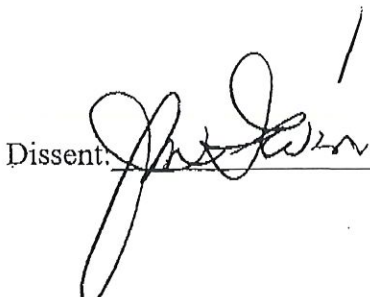
28 Dissent: 

Exhibit B

