

COVER SHEET



0000000683

ARIZONA CORPORATION COMMISS.
DOCKET CONTROL CENTER
AZ CORP COMMISSION

CASE/COMPANY NAME:

DOCKET NO.

Panda Gila River

JUN 21 11 24 AM '00
2-000000Q -00-0099

D/B/A or RESPONDENT:

DOCUMENT CONTROL

NATURE OF ACTION OR DESCRIPTION OF DOCUMENT

Please mark the item that describes the nature of the case/filing:

01 UTILITIES - NEW APPLICATIONS

- | | | | |
|--------------------------|----------------------------------|--------------------------|---|
| <input type="checkbox"/> | NEW CC&N | <input type="checkbox"/> | MAIN EXTENSION |
| <input type="checkbox"/> | RATES | <input type="checkbox"/> | CONTRACT/AGREEMENTS |
| <input type="checkbox"/> | INTERIM RATES | <input type="checkbox"/> | COMPLAINT (Formal) |
| <input type="checkbox"/> | CANCELLATION OF CC&N | <input type="checkbox"/> | RULE VARIANCE/WAIVER REQUEST |
| <input type="checkbox"/> | DELETION OF CC&N (TERRITORY) | <input type="checkbox"/> | SITING COMMITTEE CASE |
| <input type="checkbox"/> | EXTENSION OF CC&N (TERRITORY) | <input type="checkbox"/> | SMALL WATER COMPANY -SURCHARGE (Senate Bill 1252) |
| <input type="checkbox"/> | TARIFF - NEW (NEXT OPEN MEETING) | <input type="checkbox"/> | SALE OF ASSETS & TRANSFER OF OWNERSHIP |
| <input type="checkbox"/> | REQUEST FOR ARBITRATION | <input type="checkbox"/> | SALE OF ASSETS & CANCELLATION OF CC&N |
| <input type="checkbox"/> | (Telecommunication Act) | <input type="checkbox"/> | FUEL ADJUSTER/PGA |
| <input type="checkbox"/> | FULLY OR PARTIALLY ARBITRATED | <input type="checkbox"/> | MERGER |
| <input type="checkbox"/> | INTERCONNECTION AGREEMENT | <input type="checkbox"/> | FINANCING |
| <input type="checkbox"/> | (Telecom. Act.) | <input type="checkbox"/> | MISCELLANEOUS |
| <input type="checkbox"/> | VOLUNTARY INTERCONNECTION | <input type="checkbox"/> | Specify |
| <input type="checkbox"/> | AGREEMENT (Telecom. Act) | | |

02 UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

- | | | | |
|--------------------------|-------------|--------------------------|--------------|
| <input type="checkbox"/> | APPLICATION | <input type="checkbox"/> | TARIFF |
| <input type="checkbox"/> | COMPANY | <input type="checkbox"/> | PROMOTIONAL |
| <input type="checkbox"/> | DOCKET NO. | <input type="checkbox"/> | DECISION NO. |
| | | <input type="checkbox"/> | DOCKET NO. |
| | | <input type="checkbox"/> | COMPLIANCE |
| | | <input type="checkbox"/> | DECISION NO. |
| | | <input type="checkbox"/> | DOCKET NO. |

SECURITIES or MISCELLANEOUS FILINGS

- | | | | |
|--------------------------|---------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | 04 AFFIDAVIT | <input type="checkbox"/> | 29 STIPULATION |
| <input type="checkbox"/> | 12 EXCEPTIONS | <input type="checkbox"/> | 38 NOTICE OF INTENT |
| <input type="checkbox"/> | 18 REQUEST FOR INTERVENTION | | (Only notification of future action/no action necessary) |
| <input type="checkbox"/> | 48 REQUEST FOR HEARING | <input type="checkbox"/> | 43 PETITION |
| <input type="checkbox"/> | 24 OPPOSITION | <input type="checkbox"/> | 46 NOTICE OF LIMITED APPEARANCE |
| <input type="checkbox"/> | 50 COMPLIANCE ITEM FOR APPROVAL | <input checked="" type="checkbox"/> | 39 OTHER |
| <input type="checkbox"/> | 32 TESTIMONY | | Specify <u>Notice of Request</u> |
| <input type="checkbox"/> | 47 COMMENTS | | <u>for Review</u> |

6/21/00
Date

Avic. Center for Law Firm HOGAN
Print Name of Applicant/Company/Contact person/Respondent/Atty.
602-258-8850
Phone

PLEASE SEE NOTICE ON REVERSE SIDE

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5 PHOENIX, ARIZONA 85004
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7
8 **BEFORE THE ARIZONA POWER PLANT**
9 **AND TRANSMISSION LINE SITING COMMITTEE OF THE**
10 **ARIZONA CORPORATION COMMISSION**
11

12 In the matter of the Application of) Docket No.: L-00000Q-00-0099
13 PANDA GILA RIVER L.P. in conformance)
14 with the requirements of Arizona Revised)
15 Statutes § 40-360.01 *et seq.*, for a Certificate)
16 of Environmental Compatibility authorizing the)
17 construction of a natural gas-fired, combined-)
18 cycle generating plant, switchyard and related)
19 facilities in the town of Gila Bend in Maricopa)
20 County, Arizona)
21)

22 **NOTICE OF REQUEST FOR**
23 **REVIEW OF SITING**
24 **COMMITTEE'S DECISION**
25

26 Pursuant to A.R.S. § 40-360.07, the Arizona Center for Law in the Public Interest
27 ("Center") hereby requests review by the Arizona Corporation Commission of the Power Plant
28 and Transmission Line Siting Committee's ("Committee") decision issuing a certificate of
29 environmental compatibility to the Applicant in the above-captioned matter.

30 **GROUND'S FOR REVIEW**

31 The law requires the Arizona Corporation Commission to "... balance in the broad
32 public interest, the need for an adequate, economical and reliable supply of electric power with
33 the desire to minimize the effect thereof on the environment and ecology of this state." A.R.S.
34 § 40-360.07(B). While there was an abundance of evidence submitted to the Committee
35 regarding the environmental impacts of the Panda Gila plant, the record in this case does not

1 support the need for this power plant. In the absence of such evidence, the Commission must
2 deny the certificate.

3 The hearing in this matter was conducted on June 7, 2000. One of the Applicant's
4 witnesses discussed generation and transmission issues in the Phoenix and Tucson load pockets.
5 The witness testified that, in 1999, load exceeded generation in the Phoenix area by 4400
6 megawatts and by about 1000 megawatts in the Tucson area. Obviously, those load pockets
7 have operated at a deficiency for some time now. The fact that there is a deficiency does not, by
8 itself, mean that there is a need for new power plants.

9
10 Even if the Applicant had demonstrated that the power plant is needed, there is no
11 guarantee that the plant will supply power to meet the needs of Phoenix or Arizona generally.
12 There is nothing in the certificate that requires the power produced by the plant to be used to
13 meet the needs of Phoenix or Arizona. If power is also needed in California or Nevada, and they
14 are willing to pay more, the Applicant will sell it to them without regard to the needs of Phoenix
15 or Arizona.

16 The statutes governing the Commission's review of the Committee's decision require
17 more than mere compliance with applicable environmental standards. The statute requires that
18 the environmental impacts be balanced against the need for an adequate, economical and reliable
19 supply of power. Like all the other merchant plants, some portion of the power produced by the
20 plant will be exported to California. The same is true of all the other merchant plants for which
21 applications have been or will be filed. The West Valley will become home to many such power
22 plants. The question arises as to why should Arizona water and air quality be sacrificed for
23 California's electric needs? That question was never addressed in these proceedings. If the
24 Commission fails to review these applications critically in the broader context of regional power
25

1 needs, Arizona will soon become the electric farm for the Southwest. But no analysis has been
2 made of how much of the power generated in Arizona is going to stay here for the benefit of
3 Arizona residents. What is needed is a comprehensive analysis of electric power needs in the
4 Southwest that is coordinated on a regional basis so that the burdens of these power plants can be
5 equitably shared throughout the region. As it stands, no one knows whether Arizona is bearing a
6 disproportionate burden in terms of its water and air quality when it comes to producing power
7 for the region.

8
9 Moreover, there has been no analysis done of the most economical way to produce power
10 for the region and particularly for Arizona citizens. It may well be that there is no economical
11 reason why the power plants need to be built in Arizona at all. But certainly, before that decision
12 can be made, the Commission should have a clear understanding of the cost impacts on Arizona
13 citizens associated with the location of the power plants. If all of the power produced in Arizona
14 is exported to California, then there can be no economical reason for approving the location of
15 the plants in this state.

16 Under the competitive regime established by the Commission, the fact is that the power
17 produced in Arizona will be sold wherever it fetches the highest price. Whether that's
18 California, Arizona, Nevada or elsewhere in the region, nobody knows. It is conceivable that all
19 the power produced by this plant as well as the others will be exported to other areas. There is
20 nothing in the Committee's certificate that would prohibit such a result.

21
22 In effect, the power plant and transmission line siting process has become a race. The
23 applications are considered in the sequence in which they were filed. The Committee apparently
24 does not believe that its job is to determine whether or not the power plant is actually needed or
25

1 whether it is economical. Therefore, as long as the environmental impacts are minimized, the
2 Committee will continue to approve as many power plant applications as are filed.

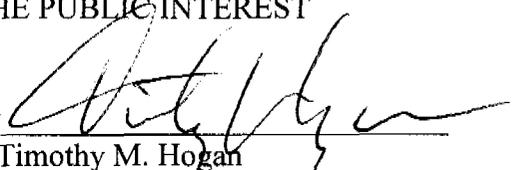
3 It is clear that a more rational process is needed and it is up to the Commission to
4 establish it. There are many questions that should be answered before any further power plant
5 applications are approved. They include: 1) How much power is actually needed in Arizona?
6 2) Where is the power needed in Arizona? 3) When is the power needed? 4) Can the power be
7 obtained elsewhere more economically? 5) Do the transmission facilities exist that are
8 necessary to get the power to where it is needed? 6) How much of the generating capacity
9 proposed for installation in Arizona will be sold elsewhere? 7) Are there other alternatives
10 besides the construction of power plants which have adverse environmental impacts to generate
11 the power that is needed? 8) If the market will not evaluate other alternatives to the production
12 of power, should the Commission consider whether demand side management programs need to
13 be established to minimize the need for power plants? 9) If transmission facilities are needed,
14 how much will they cost and who is going to pay for them?
15

16 Instead of evaluating each one of these power plants in a vacuum as if no other
17 applications had preceded it or will follow it, the Commission needs to answer these questions
18 before it can appropriately determine whether any specific power plant should be approved.
19 Without a plan against which to evaluate the many applications the Commission will receive, the
20 process and decision-making is nothing more than a guessing game. The Commission is
21 uniquely situated to bring some sanity to the process by establishing a proceeding to evaluate the
22 broader questions that arise as a result of the many power plant applications. In the meantime,
23 the Commission should deny the applications until they can be properly evaluated against the
24 need for the power that is proposed and whether it is the most economical response to that need.
25

1 Finally, the Amended Certificate should be revised to correct the clear error appearing in
2 page 2 indicating that the Center was not a party to this proceeding. The Center became a party
3 when it filed its notice of intent pursuant to A.R.S. § 40-360.05(A)(3). There is no requirement
4 for a party to appear at the hearing in order to maintain its status as a party. Once the notice is
5 filed, the Committee lacks the authority to alter a party's status and deprive it of rights conferred
6 by A.R.S. § 40-360.07.

7 RESPECTFULLY SUBMITTED this 21st day of June, 2000.

8
9 ARIZONA CENTER FOR LAW IN
10 THE PUBLIC INTEREST

11 By 

12 Timothy M. Hogan
13 202 E. McDowell Rd., Suite 153
14 Phoenix, Arizona 85004

15 ORIGINAL and 20 COPIES of
16 the foregoing filed this 21st day
17 of June, 2000, with:

18 Docketing Supervisor
19 Docket Control
20 Arizona Corporation Commission
21 1200 W. Washington
22 Phoenix, AZ 85007

23 COPIES of the foregoing
24 mailed this 21st day of
25 June, 2000 to:

Charles S. Pierson, Chairman
Office of the Attorney General
1275 W. Washington Street
Phoenix, Arizona 85007-2997

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3 Legal Division
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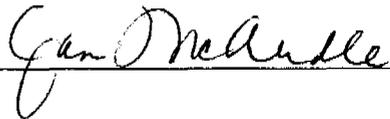
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