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Applicant

BEFORE THE ARIZONA POWER PLANT AND

TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF)
MESQUITE POWER LLC, OR THEIR)
ASSIGNEE(S), IN CONFORMANCE WITH THE)
REQUIREMENTS OF ARIZONA REVISED)
STATUTES 40-360.01 ET SEQ., FOR A)
CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING)
CONSTRUCTION OF NATURAL GAS-FIRED,)
COMBINED CYCLE GENERATING FACILITY)
("PROJECT") LOCATED SOUTH OF ELLIOT)
ROAD, APPROXIMATELY ONE MILE EAST OF)
WINTERSBURG ROAD AND APPROXIMATELY)
37 MILES WEST OF THE PHOENIX)
METROPOLITAN AREA, NEAR ARLINGTON IN)
MARICOPA COUNTY, ARIZONA)
_____)

CASE NO. 101
DOCKET NO. I-00000s-00-0101

DECISION NO. _____

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee") held public hearings at the Best Western Executive Park Hotel, 1100 North Central Avenue, Phoenix, Arizona, on Wednesday, September 6, 2000, in conformance with the requirements of Arizona Revised Statutes section 40-360, *et seq.*, for the purpose of receiving evidence and deliberating on the Application of Mesquite Power, L.L.C. ("Mesquite" or "Applicant") for a Certificate of Environmental compatibility ("Certificate") in the above-captioned case.

The following members or designees of members of the Committee were present for the hearing on the Application:

Paul A. Bullis	Chairman, Designee for Arizona Attorney General Janet Napolitano
Steve Olea	Designee for the Chairman of The Arizona Corporation Commission
Richard Tobin	Deputy Director, Arizona Department of Environmental Quality
Dennis Sundie	Designee for the Director of the Arizona Department of Water Resources
Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce.
Robert Berger	Appointed Member
Sandie Smith	Appointed Member
Wayne Smith	Appointed Member

The Applicant was represented by Lawrence V. Robertson, Jr., of Munger Chadwick, P.L.C. Staff of the Arizona Corporation Commission ("Staff") noticed their intervention as a party, and were represented by Janice M. Alward. Arizona Center for Law in the Public Interest ("the Center") noticed its intervention, but did not participate in the hearing. There were no other interventions or limited appearances.

At the conclusion of the hearing and deliberations, the Committee, (i) having received and considered the Application, the appearances of Applicant and the Staff, the evidence, testimony and exhibits presented by Applicant and the Staff, respectively, and (ii) being advised of the legal requirements of Arizona Revised Statutes Sections 40-360 to 40-360.13, upon motion duly made and seconded, voted to grant Applicant the following Certificate of Environmental Compatibility (Case No. 101):

Mesquite and its assignee(s), are hereby granted a Certificate of Environmental Compatibility authorizing construction of a 1000 megawatt (nominal) natural gas-fired, combined cycle generating facility, together with related onsite supporting infrastructure, which shall be located in Maricopa County, Arizona, South of Elliott Road, approximately one (1) mile east of Wintersburg Road, and approximately 37 miles west of the Phoenix metropolitan area.

This Certificate is granted upon the following conditions:

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 five (5) years from the date this Certificate of Environmental Compatibility is approved by the Arizona Corporation Commission ("Commission") unless construction of the Project is completed to the point that the Project is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration Applicant (or its transferee, assignee or successor) shall have the right to apply to the Commission for an extension of this time limitation.
3. Applicant shall meet all applicable requirements for groundwater use set forth in the Third Management Plan for the Phoenix Active Management Area existing as of the date Applicant first begins withdrawing groundwater in connection with the Project.
4. Applicant will provide to the Commission, not more than 12 months prior to the commercial operation of the plant, a technical study regarding the sufficiency of transmission capacity from the plant to the wholesale electric market. Applicant has satisfied this condition for its 1,000 megawatt (nominal) generating facility through its evidentiary presentation, provided that it meets the construction and operating deadlines set forth in its Application.
5. The plant interconnection must satisfy the Western Systems Coordinating Council's ("WSCC") single contingency outage criteria (N-1) without reliance on remedial action such as generator unit tripping or load shedding.
6. Applicant will submit to the Commission an interconnection agreement with the transmission provider with whom it will be interconnecting.
7. Applicant or one of its affiliates will become a member of WSCC, or its successor, and file a copy of its WSCC Reliability Criteria Agreement or Reliability Management System

(RMS) Generator Agreement with the Commission.

8. Applicant will use commercially reasonable efforts to become a member of the Southwest Reserve Sharing Group, or its successor, thereby making its units available for reserve sharing purposes, subject to competitive pricing.
9. Applicant will use low profile structures, moderate stacks, neutral colors, compatible landscaping, and low intensity directed lighting for the plant.
10. Applicant will operate the Project so that during normal operations the Project will not exceed (i) HUD residential noise guidelines or (ii) OSHA worker safety noise standards.
11. Applicant will implement a Land Management Plan for the plant site and the 2,990 acre water property that includes:
 - (i) Installation of a professionally designed landscape plan for the entrance to the facility and along Elliott Road.
 - (ii) A comprehensive re-vegetation program that will restore a large portion of the water property with plant communities similar to the adjacent desert lands.
 - (iii) An annual report (for six years) to the Commission setting forth the status of the Land Management Plan.

GRANTED this _____ day of September, 2000.

ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

By _____
Paul A. Bullis
Chairman

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

Chairman

Commissioner

Commissioner

In Witness Hereof, I, Brian C. McNeil, Executive
Secretary of the Arizona Corporation
Commission, set my hand and cause the official

seal of this commission to be affixed, this _____
day of October, 2000.

By: _____
Brian C. McNeil
Executive Secretary

Dissent: _____