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ARIZONA CORPORATION COMMISSION
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8 **BEFORE THE ARIZONA POWER PLANT**
9 **AND TRANSMISSION LINE SITING COMMITTEE OF THE**
10 **ARIZONA CORPORATION COMMISSION**

11 In the matter of the Application of)
12 MESQUITE POWER LLC, or their assignee(s),)
13 in conformance with the requirements of Arizona)
14 Revised Statutes § 40-360.01 *et seq.*, for a)
15 Certificate of Environmental Compatibility)
16 authorizing the construction of a natural gas-fired, -)
17 combined cycle generating facility located south)
18 of Elliot Road, approximately 37 miles west of the)
19 Phoenix metropolitan area, near Arlington in)
20 Maricopa County, Arizona)

Case No. 101
Docket No. L-00000S-00-0101

**NOTICE OF REQUEST
FOR REVIEW OF SITING
COMMITTEE'S DECISION**

21 Pursuant to A.R.S. § 40-360.07, the Arizona Center for Law in the Public Interest
22 (“Center”) hereby requests review by the Arizona Corporation Commission of the Power Plant
23 and Transmission Line Siting Committee’s (“Committee”) decision issuing a certificate of
24 environmental compatibility to the Applicant in the above-captioned matter.

GROUNDS FOR REVIEW

25 The law requires the Arizona Corporation Commission to “. . . balance in the broad public
interest, the need for an adequate, economical and reliable supply of electric power with the
desire to minimize the effect thereof on the environment and ecology of this state.” A.R.S. §
40-360.07(B). The certificate issued in this case fails to balance the need for the Mesquite plant

1 with its environmental impacts. Indeed, the need for this plant is not even quantified in the
2 certificate.

3 Even if the certificate had quantified the need for the Mesquite plant, there is no
4 guarantee that the plant will supply power to meet the needs of Phoenix or Arizona generally.
5 There is nothing in the certificate that requires the power produced by the plant to be used to
6 meet the needs of Phoenix or Arizona. If power is also needed in California or Nevada, and they
7 are willing to pay more, the Applicant will sell it to them without regard to the needs of Phoenix
8 or Arizona.
9

10 The statutes governing the Commission's review of the Committee's decision require
11 more than mere compliance with applicable environmental standards. The statute requires that
12 the environmental impacts be balanced against the need for an adequate, economical and reliable
13 supply of power. Like all the other merchant plants, some portion of the power produced by the
14 plant will be exported to California. The same is true of all the other merchant plants for which
15 applications have been or will be filed. The West Valley will become home to many such power
16 plants. The question arises as to why should Arizona water and air quality be sacrificed for
17 California's electric needs? That question was never addressed in these proceedings. If the
18 Commission fails to review these applications critically in the broader context of regional power
19 needs, Arizona will soon become the electric farm for the Southwest. But no analysis has been
20 made of how much of the power generated in Arizona is going to stay here for the benefit of
21 Arizona residents. What is needed is a comprehensive analysis of electric power needs in the
22 Southwest that is coordinated on a regional basis so that the burdens of these power plants can be
23 equitably shared throughout the region. As it stands, no one knows whether Arizona is bearing a
24
25

1 disproportionate burden in terms of its water and air quality when it comes to producing power
2 for the region.

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

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

16 In effect, the power plant and transmission line siting process has become a race. The
17 applications are considered in the sequence in which they were filed. The Committee apparently
18 does not believe that its job is to determine whether or not the power plant is actually needed or
19 whether it is economical. Therefore, as long as the environmental impacts are minimized, the
20 Committee will continue to approve as many power plant applications as are filed.
21

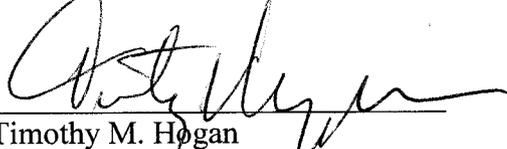
22 It is clear that a more rational process is needed and it is up to the Commission to
23 establish it. There are many questions that should be answered before any further power plant
24 applications are approved. They include: 1) How much power is actually needed in Arizona?
25 2) Where is the power needed in Arizona? 3) When is the power needed? 4) Can the power be

1 obtained elsewhere more economically? 5) Do the transmission facilities exist that are
2 necessary to get the power to where it is needed? 6) How much of the generating capacity
3 proposed for installation in Arizona will be sold elsewhere? 7) Are there other alternatives
4 besides the construction of power plants which have adverse environmental impacts to generate
5 the power that is needed? 8) If the market will not evaluate other alternatives to the production
6 of power, should the Commission consider whether demand side management programs need to
7 be established to minimize the need for power plants? 9) If transmission facilities are needed,
8 how much will they cost and who is going to pay for them?
9

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

20 RESPECTFULLY SUBMITTED this 30th day of October, 2000.

21 ARIZONA CENTER FOR LAW IN
22 THE PUBLIC INTEREST

23 By 
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1 ORIGINAL and 25 COPIES of
2 the foregoing filed this 30th day
of October, 2000, with:

3 Docketing Supervisor
4 Docket Control
5 Arizona Corporation Commission
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8 COPIES of the foregoing
9 mailed this 30th day of
10 October, 2000 to:

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