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SALT RIVER PROJECT

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KELLY J. BARR, ESQ.

Manager, Regulatory Affairs & Contracts

AZ CORP COMMISSION
DOCUMENT CONTROL

October 29, 2004

Arizona Corporation Commission

DOCKETED

OCT 29 2004

DOCKETED BY	
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Chairman Marc Spitzer
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Mike Gleason
Commissioner Kristin K. Mayes
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Docket No. L-00000B-00-0105, Decision No. 63611

Dear Commissioners:

Enclosed please find SRP's twelfth quarterly report on the status of the Santan project. This report provides up-to-date information and documentation on the status of SRP's efforts to comply with each condition contained in the Certificate of Environmental Compatibility (CEC).

As always, please feel free to contact me if you have any additional questions or concerns.

Sincerely,

Kelly J. Barr

Enc.

- cc: Lyn Farmer, Chief Administrative Law Judge (via Docket Control distribution)
Ernest Johnson, Utilities Director (via Docket Control distribution)
Brian Bozzo, Compliance and Enforcement Mgr. (via Docket Control distribution)
Chris Kempley, Legal Director (via Docket Control distribution)
Brian McNeil, Executive Secretary
Docket Control – original plus 25 copies

Richard H. Silverman, General Manager
Richard M. Hayslip, Manager, Environmental, Land, Risk Management & Telecom

QUARTERLY UPDATE

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

3 In the matter of the Application of Salt)
4 River Project Agricultural Improvement and)
5 Power District in conformance with the)
6 requirements of Arizona Revised Statutes)
7 Sections 40-360-03 and 40-360.06, for a)
8 Certificate of Environmental Compatibility)
9 authorizing the Expansion of its Santan)
10 Generating Station, located at the intersection)
11 of Warner Road and Val Vista Drive,)
12 in Gilbert, Arizona, by adding 825 megawatts)
13 of new capacity in the form of three combined)
14 cycle natural gas units, and associated)
15 intraplant transmission lines.)

Case No. 105

Docket No. L-00000B-00-0105

Decision No. _____

16 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

17 Pursuant to notice given as provided by law, the Arizona Power Plant and
18 Transmission Line Siting Committee (the "Committee") held public hearings at the
19 Dobson Ranch Inn, 1644 South Dobson Road, Mesa, Arizona, on September 14, 2000,
20 and various days following, in conformance with the requirements of Arizona Revised
21 Statutes section 40-360 *et seq.*, for the purpose of receiving evidence and deliberating
22 on the Application of Salt River Project Agricultural Improvement and Power District
23 ("Applicant") for a Certificate of Environmental Compatibility in the above-captioned
24 case (the "Application").

25 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 of Chairman of the Arizona Corporation Commission

1	Richard Tobin	Designee for the Arizona Department of Environmental Quality
2		
3	Dennis Sundie	Designee for the Director of the Department of Water Resources
4		
5	Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce
6		
7	George Campbell	Appointed Member
8	Jeff Mcguire	Appointed Member
9	A. Wayne Smith	Appointed Member
10	Sandie Smith	Appointed Member
11	Mike Whalen	Appointed Member

11 The Applicant was represented by Kenneth C. Sundlof, Jr., Jennings, Strouss &
12 Salmon PLC. There were seventeen intervenors: Arizona Utilities Investor Association,
13 by Ray Heyman; Arizona Corporation Commission Staff, by Janice Alward; Arizona
14 Center for Law in the Public Interest, by Timothy Hogan, Mark Kwiat, Elisa Warner,
15 David Lundgreen, Cathy LaTona, Sarretta Parrault, Mark Sequeira, Cathy Lopez,
16 Michael Apergis, Marshal Green, Charlie Henson, Jennifer Duffany, Christopher
17 Labban, Bruce Jones and Dale Borger. There were a number of limited appearances.

18 The Arizona Corporation Commission has considered the grant by the Power
19 Plant and Line Siting Committee of a Certificate of Environmental Compatibility to SRP
20 and finds that the provisions of A.R.S. §40-360.06 have complied with, and, in addition,
21 that documentary evidence was presented regarding the need for the Santan Expansion
22 Project. Credible testimony was presented concerning the local generation deficiency in
23 Arizona and the need to locate additional generation within the East Valley in order to
24 minimize transmission constraints and ensure reliability of the transmission grid. The
25 evidence included a study that assessed the needs of the East Valley. The analysis

1 found that the East Valley peak load currently exceeds the East Valley import capability
2 and within the next 5 years the East Valley load will exceed the load serving capability.

3 Additional testimony was presented regarding SRP's projected annual 3.7% load
4 growth in its service territory. By 2008, SRP will need approximately 2700 MW to meet
5 its load. This local generation plant will have power available during peak periods for
6 use by SRP customers.

7 At the conclusion of the hearing and deliberations, the Committee, having
8 received and considered the Application, the appearance of Applicant and all
9 intervenors, the evidence, testimony and exhibits presented by Applicant and all
10 intervenors, the comments made by persons making limited appearances and the
11 comments of the public, and being advised of the legal requirements of Arizona Revised
12 Statutes Sections 40-360 to 40-360.13, upon motion duly made and seconded, voted to
13 grant Applicant the following Certificate of Environmental Compatibility (Case No. L-
14 00000B-00-0105):

15 Applicant and its assignees are granted a Certificate of Environmental
16 Compatibility authorizing the construction of an 825 megawatt generating facility
17 consisting of three combined cycle units with a total net output of 825 megawatts
18 together with related infrastructure and appurtenances, in the Town of Gilbert, on
19 Applicant's existing Santan Generating Station site, and related switchyard and
20 transmission connections, as more specifically described in the Application (collectively,
21 the "Project"). Applicant is granted flexibility to construct the units in phases, with
22 different steam turbine configurations, and with different transmission connection
23 configurations, so long as the construction meets the general parameters set forth in the
24 application.
25

1 This certificate is granted upon the following conditions:

- 2 1. Applicant shall comply with all existing applicable air and water pollution
3 control standards and regulations, and with all existing applicable
4 ordinances, master plans and regulations of the State of Arizona, the
5 Town of Gilbert, the County of Maricopa, the United States, and any other
6 governmental entities having jurisdiction.

7 ***Status ~ The final Aquifer Protection Permit (APP) was issued with an
8 effective date of August 11, 2004. The Reuse Permit has been drafted
9 and issued for public notice and comment. SRP has met with ADEQ
10 program managers to discuss the compliance obligations contained in
11 the permit. The main concern is the validation of the nitrate loading
12 model using real water quality data. SRP has been vigorously pursuing
13 limited access to the RWCD canal to obtain the real time nitrate data.
14 To date, access has been denied by RWCD. If SRP cannot reach
15 agreement with RWCD on access, then SRP will propose an alternative
16 sampling scheme to validate the nitrate model that ideally, will be
17 accepted by ADEQ.***

- 18 2. This authorization to construct the Project will expire five (5) years from
19 the date the Certificate is approved by the Arizona Corporation
20 Commission unless construction of the Project is completed to the point
21 that the project is capable of operating at its rated capacity; provided,
22 however, that Applicant shall have the right to apply to the Arizona
23 Corporation Commission for an extension of this time limitation.

24 ***Status ~ Unit 5 is 90% complete. Equipment and systems continue to
25 be powered up and tested in preparation for start-up. Unit 5 is
26 scheduled for commercial operation by April 30, 2005. Unit 6 is 35%
27 complete and is scheduled for commercial operation by April 30, 2006.***

- 28 3. Applicant's project has two (2) approved transmission lines emanating
29 from its power plant's transmission switchyard and interconnecting with
30 the existing transmission system. This plant interconnection must satisfy
31 the single contingency criteria (N-1) without reliance on remedial action
32 such as a generator unit tripping or load shedding.

33 ***Status ~ SRP has completed the activity required by this condition.***

- 34 4. Applicant shall use reasonable efforts to remain a member of WSCC, or
35 its successor, and shall file a copy of its WSCC Reliability Criteria
36 Agreement or Reliability Management System (RMS) Generator
37 Agreement with the Commission.

38 ***Status ~ No update or change from July 2004 quarterly report.***

- 1 5. Applicant shall use reasonable efforts to remain a member of the
2 Southwest Reserve Sharing Group, or its successor.

3 **Status ~ No update or change from July 2004 quarterly report.**

- 4 6. Applicant shall meet all applicable requirements for groundwater set forth
5 in the Third Management Plan for the Phoenix Active Management Area.

6 **Status ~ No update or change from July 2004 quarterly report.**

- 7 7. With respect to landscaping and screening measures, including the
8 improvements listed in the IGA, Applicant agrees to develop and
9 implement a public process consistent with the process chart (Exhibit 89)
10 presented during the hearings, modifying the dates in the IGA with the
11 Town of Gilbert, if necessary, to correspond with the schedule in Exhibit
12 89.

13 The new Community Working Group (CWG) will consist of 12 members,
14 selected as follows: one member selected by the Town of Gilbert, four
15 members selected by neighborhood homeowner associations, four
16 representatives selected by intervenors, and three members selected by
17 SRP (not part of the aforementioned groups) who were part of the original
18 community working group. Applicant and landscaping consultants shall
19 act as advisors to the CWG. CWG meetings shall be noticed to and be
20 open to the general public. The initial meeting shall take place on an
21 evening or weekend in the Town of Gilbert.

22 The objective of the CWG shall be to refine the landscaping and mitigation
23 concept plans submitted during these hearings (Exhibit 88). The CWG shall
24 work to achieve appropriate visual mitigation of plant facilities and to
25 facilitate the design and installation of the concept plan components so as to
maximize the positive impact on the community and to increase, wherever
possible, the values of the homes in the neighboring areas. The refinement
of the mitigation plans shall be reasonably consistent with the planning
criteria of the Town of Gilbert, the desires of neighboring homeowner
associations, and the reasonable needs of Applicant.

Applicant shall retain an independent facilitator, acceptable to the CWG, to
conduct the CWG meetings. It shall be the role of the facilitator to assist in
initial education and in conducting an orderly and productive process. The
facilitator may, if necessary, employ dispute resolution mechanisms.

The CWG shall also assist in establishing reasonable maintenance
schedules for landscaping of Applicant's plant site in public-view areas.

Applicant will develop with the Town of Gilbert a continuous fund, to be
administered by the Town of Gilbert, to provide for the construction and

1 maintenance of off-site landscaping in the areas depicted in the off-site
2 landscaping concepts as developed by the CWG in an amount sufficient to
3 fund the concepts in Exhibit 88 or concepts developed by the CWG,
4 whichever is greater.

5 **Status ~**

6 **Onsite Landscaping Program ~**

7 ***Ten Eyck, SRP's landscape architect, developed a two-phase plan for
8 the landscaping at the site. The CWG reviewed and approved the plan.
9 Phase I of the landscape mitigation plan includes the majority of the
10 landscape work. The only work not included in Phase I involves two
11 areas of the site that need to be left available for construction access or
12 installation of underground utilities associated with the power plant
13 construction. These Phase II areas include the northeast area and the
14 southeast corner of the project site.***

15 ***As reported in the July quarterly report, Phase I work on the north and
16 west berms and on the south side is complete, with only work in the
17 "Trails Area" to be completed. Following the completion of Unit 6
18 construction, the Phase II landscaping work will be completed.***

19 ***In the "Trails Area" to the east of the power plant, work is nearing
20 completion, with final concrete pours of the shared use path and
21 minimal landscaping touches to be completed this month. Fencing is
22 complete, with the exception of the fencing around Well D, which will be
23 completed by mid-December. The trails area includes a horse trail,
24 unpaved equestrian resting areas complete with benches for the
25 horse's rider, and a shared use path, surrounded by decorative
masonry walls, path lighting, and new plantings of trees and shrubs.***

Home Owners' Association (HOA) Offsite Landscaping Program ~

***Under this program, SRP agreed to make a one-time payment to
nineteen (19) area HOAs to fund improvements to help mitigate views of
the power plant. Eighteen (18) of the nineteen (19) HOAs submitted
landscaping plans, for a total disbursement of \$1,329,067. This portion
of the program is complete.***

***Under the program, SRP committed to making future annual payments
of \$49,884 to the HOAs for offsite landscaping maintenance for a period
of twenty (20) years, beginning in September, 2004. This totals 5% of
that portion of the one time allocation dedicated to vegetative
landscaping. In August, SRP submitted a check for \$49,884 to the Town
of Gilbert for disbursement to the 18 HOAs. The Town of Gilbert mailed
out individual checks to the 18 HOAs on September 10, 2004 for the
annual maintenance allocation. Copies of the letters mailed to each of
the HOAs by the Town of Gilbert are included in Appendix A. This
satisfies SRP's first year commitment to the annual landscape
maintenance program.***

Individual County Landscaping Program ~

1 ***SRP has completed this program.***

- 2 8. The visual mitigation efforts shall be in general compliance with the plans
3 and concepts presented in these proceedings and constitute a commitment
4 level by Applicant. Applicant will not reduce the overall level of mitigation as
5 set forth in its Application and this proceeding, except as may be reasonably
6 changed during the CWG process. The Town of Gilbert shall approve the
7 plans agreed to by the CWG.

8 ***Status ~ No update or change from July 2004 quarterly report.***

- 9 9. Applicant shall, where reasonable to do so, plant on site trees by the fall of
10 2001. Because planting of trees must await the improvement of Warner
11 Road and the design and construction of berms, this condition will largely
12 apply to trees on the East side of the site, and some of the trees on the
13 North side. All landscaping will be installed prior to the installation of major
14 plant equipment such as, but not limited to, exhaust stacks, combustion
15 turbines, and heat recovery steam generators, except where delays are
16 reasonably necessary to facilitate construction activities.

17 ***Status ~ As noted in condition 7, Phase I work on the north and west
18 berms and on the south side of the plant is complete. Following the
19 completion of Unit 6 construction, the Phase II landscaping work will be
20 completed.***

21 ***In the "Trails Area" to the east of the power plant, work is nearing
22 completion, with final concrete pours of the shared use path and
23 minimal landscaping touches to be completed this month.***

- 24 10. Applicant shall operate the Project so that during normal operations the
25 Project shall not exceed the most restrictive of applicable (i) HUD residential
noise guidelines, (ii) EPA residential noise guidelines, or (iii) applicable City
of Tempe standards. Additionally, construction and operation of the facility
shall comply with OSHA worker safety noise standards. Applicant agrees
that it will use its best efforts to avoid during nighttime hours construction
activities that generate significant noise. Additionally, Applicant agrees to
comply with the standards set forth in the Gilbert Construction Noise
Ordinance, Ordinance No. 1245, during construction of the project. In no
case shall the operational noise level be more than 3 db above background
noise as of the noise study prepared for this application. The Applicant shall
also, to the extent reasonably practicable, refrain from venting between the
hours of 10:00 p.m. and 7:00 a.m.

***Status ~ SRP remains in compliance with all applicable noise guidelines
and standards. Throughout construction of the project, residents living
within a .5 mile radius of the plant have been updated as to various
upcoming construction activities. This month, a newsletter was mailed
to all SRP customers located within a .5 mile radius of the plant and to***

1 *other interested parties on SRP's Santan email list. The current*
2 *newsletter provides an update on major start-up activities that will*
3 *occur for Units 5A and 5B, beginning in October and notes possible*
4 *noise and emissions related to such activities. A copy of the newsletter*
5 *is included as Appendix B.*

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11. Applicant will work with the Gilbert Unified School District to assist it in converting as many as possible of its school bus fleet to green diesel or other alternative fuel, as may be feasible and determined by Gilbert Unified School District, and will contribute a minimum of \$330,000 to this effort.

Status ~ SRP has completed the activity required by this condition.

12. Applicant shall actively work with all interested Valley cities, including at a minimum, Tempe, Mesa, Chandler, Queen Creek and Gilbert, to fund a Major Investment Study through the Regional Public Transit Authority to develop concepts and plans for commuter rail systems to serve the growing population of the East Valley. Applicant will contribute a maximum of \$400,000 to this effort.

Status ~ The Town of Gilbert and SRP have approved Phase 2 scope of work for the Gilbert Bicycle - Pedestrian Plan. This phase is part of the overall Gilbert Transportation Study that was adopted by the Town Council in 2003. The Gilbert Transportation Study was developed to integrate with the Maricopa Association of Government's (MAG) Transit Study. Work is currently underway on Phase 2 of the Gilbert study. Goals, objectives, performance measures and implementation tools have been identified for this phase. Highlighted below are the identified goals for the plan:

- Goal 1: Create a plan that emphasizes linking destinations over coverage**
Goal 2: Create a plan that encourages walking or the use of non-motorized transportation
Goal 3: Create a plan that emphasizes safety for pedestrians and bicyclists
Goal 4: Create a plan that contributes aesthetically to the Gilbert transportation system
Goal 5: Create a plan that respects the Town's resources

13. Within six months of approval of this Order by the Arizona Corporation Commission, Applicant shall either relocate the gas metering facilities to the interior of the plant site or construct a solid wall between the gas metering facilities at the plant site and Warner Road. The wall shall be of such strength and size as to deflect vehicular traffic (including a fully loaded concrete truck) that may veer from Warner Road to the gas-metering site.

Status ~ SRP has completed the activity required by this condition.

- 1 14. Applicant will use only SRP surface water, CAP water or effluent water for
2 cooling and power plant purposes. The water use for the plant will be
3 consistent with the water plan submitted in this proceeding and acceptable
4 to the Department of Water Resources. Applicant will work with the Town of
5 Gilbert to attempt to use available effluent water, where reasonably feasible.

6 **Status ~ Through September 2004, SRP had delivered a total of 41,417**
7 **acre feet of CAP water to the Granite Reef Underground Storage Project**
8 **(GRUSP) for future use at SEP via recovery from any SRP owned wells**
9 **(Association or District) and delivered to SEP from the Eastern Canal**
10 **(or onsite District wells). Accordingly, SRP has met its target to store**
11 **30,000 acre-feet of CAP water by May 2005. At this time it is projected**
12 **that SRP will continue to store CAP water in GRUSP through 2011 for**
13 **recovery and use at Santan.**

- 14 15. Applicant agrees to comply with all applicable federal, state and local
15 regulations relative to storage and transportation of chemicals used at the
16 plant.

17 **Status ~ No update or change from July 2004 quarterly report.**

- 18 16. Applicant agrees to maintain on file with the Town of Gilbert safety and
19 emergency plans relative to emergency conditions that may arise at the
20 plant site. On at least an annual basis Applicant shall review and update, if
21 necessary, the emergency plans. Copies of these plans will be made
22 available to the public and on Applicant's web site. Additionally Applicant
23 will cooperate with the Town of Gilbert to develop an emergency notification
24 plan and to provide information to community residents relative to potential
25 emergency situations arising from the plant or related facilities. Applicant
agrees to work with the Gilbert police and fire departments to jointly develop
on site and off-site evacuation plans, as may be reasonably appropriate.
This cooperative work and plan shall be completed prior to operation of the
plant expansion.

Status ~ No update or change from July 2004 quarterly report.

17. In obtaining air offsets required by EPA and Maricopa County, Applicant will
use its best efforts to obtain these offsets as close as practicable to the plant
site.

Status ~ No update or change from July 2004 quarterly report.

18. In order to reduce the possibility of generation shortages and the attendant
price volatility that California is now experiencing, SRP will operate the
facilities consistent with its obligation to serve its retail load and to maintain a
reliable transmission system within Arizona.

Status ~ No update or change from July 2004 quarterly report.

- 1 19. Beginning upon operation of the new units, Applicant will establish a citizens'
2 committee, elected by the CWG, to monitor air and noise compliance and
3 water quality reporting. Applicant will establish on-site air and noise
4 monitoring facilities to facilitate the process. Additionally Applicant shall
5 work with Maricopa County and the Arizona Department of Environmental
6 Quality to enhance monitoring in the vicinity of the plant site in a manner
7 acceptable to Maricopa County and the Arizona Department of
8 Environmental Quality. Results of air monitoring will be made reasonably
9 available to the public and to the citizens' committee. Applicant shall provide
10 on and off-site noise monitoring services (at least on a quarterly basis),
11 testing those locations suggested by the citizens' committee. The off-site air
12 monitoring plan shall be funded by the Applicant and be implemented before
13 operation of the plant expansion.

14 ***Status ~ SRP has coordinated the development of the Santan
15 Neighborhood Committee (SNC). The purpose of this committee will be
16 to review the air, noise and water quality information from the
17 environmental data that is reported to regulatory agencies or provided
18 by SRP.***

19 ***The first meeting of the SNC was held on September 8, 2004 at the Town
20 of Gilbert municipal offices. Minutes of the meeting are included in
21 Appendix C. The ten member SNC is comprised of representatives of
22 the local homeowner associations and county island as well as a
23 representative from the Maricopa County Air Quality Division, Arizona
24 Department of Health Services, the Town of Gilbert, and a registered
25 engineer who is not affiliated with SRP. It is anticipated that the SNC
will meet three more times for training on how to interpret the
environmental data before Santan 5 becomes operational in
approximately May 2005. The next committee meeting is tentatively
scheduled for January 19, 2005 with a plant tour to also be scheduled
for January.***

- 26 20. Applicant will explore, and deploy where reasonably practicable, the use of
27 available technologies to reduce the size of the steam plumes from the unit
28 cooling towers. This will be a continuing obligation throughout the life of the
29 plant.

30 ***Status ~ No update or change from July 2004 quarterly report.***

- 31 21. SRP will, where practicable, work with El Paso Natural Gas Company to use
32 the railroad easements for the installation of the new El Paso gas line.

33 ***Status ~ SRP's current plans are to sell the SEP lateral to a third party.
34 SRP sent out a Request for Expression of Interest (Requests for
35 Interest) in late July 2004 to various parties that might be interested in
purchasing the lateral. Eight parties expressed interest in the purchase.
A pre-bid meeting was held October 7 and final bids were due on***

1 ***October 20. SRP expects to make a final selection for the sale of the***
2 ***lateral in November 2004.***

- 3 22. Other than the Santan/RS 18 lines currently under construction, Applicant
4 shall not construct additional Extra High Voltage transmission lines (115kV
5 and above) into or out of the Santan site, including the substation on the site.

6 ***Status ~ No update or change from July 2004 quarterly report.***

- 7 23. Applicant will replace all Town of Gilbert existing street sweepers with
8 certified PM10 efficient equipment. A PM10 efficient street sweeper is a
9 street sweeper that has been certified by the South Coast Air Quality
10 Management District (California) to comply with the District's performance
11 standards under its Rule 1186 (which is the standard referenced by the
12 Maricopa Association of Governments).

13 ***Status ~ SRP has completed the activity required by this condition.***

- 14 24. Applicant shall work in a cooperative effort with the Office of Environmental
15 Health of the Arizona Department of Health Services to enhance its
16 environmental efforts.

17 ***Status ~ No update or change from July 2004 quarterly report.***

- 18 25. Applicant shall operate, improve and maintain the plant consistent with
19 applicable environmental regulations and requirements of the Environmental
20 Protection Agency, the Arizona Department of Environmental Quality,
21 Maricopa County and the Town of Gilbert.

22 ***Status ~ No update or change from July 2004 quarterly report.***

- 23 26. Applicant shall actively work in good faith with Maricopa County in its efforts
24 to establish appropriate standards relative to the use of distillate fuels in
25 Valley generating facilities.

26 ***Status ~ SRP has completed the activity required by this condition.***

- 27 27. Applicant shall install continuous emission monitoring equipment on the new
28 units and will make available on its website emissions data from both the
29 existing and new units according to EPA standards. Applicant shall provide
30 information to the public on its website in order to assist the public in
31 interpreting the data, and provide viable information in a reasonable time
32 frame.

33 ***Status ~ No update or change from July 2004 quarterly report.***

- 34 28. Applicant will comply with the provisions of the Intergovernmental
35 Agreement dated April 25, 2000 between Applicant and the Town of Gilbert,

1 as modified pursuant to this Certificate.

2 **Status** ~ There are eight SRP obligations noted on the IGA. The status
3 of each obligation is as follows:

4 **Improvements to Warner Road and Val Vista Road** ~ These
5 improvements are complete.

6 **Screening of the Plant** ~ Ten Eyck, SRP's landscape architect,
7 developed a two-phase plan for the landscaping at the site. The CWG
8 reviewed and approved the plan. Phase I of the landscape mitigation
9 plan includes the majority of the landscape work. The only work not
10 included in Phase I involves two areas of the site that need to be left
11 available for construction access or installation of underground utilities
12 associated with the power plant construction. These Phase II areas
13 include the northeast area and the southeast corner of the project site.

14 **Phase I work on the north and west berms and on the south side of the
15 plant is complete. Following the completion of Unit 6 construction, the
16 Phase II landscaping work will be completed.**

17 **Trail Extension** ~ In the "Trails Area" to the east of the power plant,
18 work is nearing completion, with final concrete pours of the shared use
19 path and minimal landscaping touches to be completed this month.
20 Fencing is complete, with the exception of the fencing around Well D,
21 which will be completed by mid-December. The trails area includes a
22 horse trail, unpaved equestrian resting areas complete with benches for
23 the horse's rider, and a shared use path, surrounded by decorative
24 masonry walls, path lighting, and new plantings of trees and shrubs.

25 **Rerouting of Canal at Ray Road** ~ This canal modification is complete.

Training Tower Removal ~ This training tower was removed in the fall of
2000.

Revegetation Along New RS 18 Line ~ SRP has restored any vegetation
damaged or destroyed along the RS 18 line as a result of the
construction of the line.

Dust Control Along Canals ~ SRP is in compliance with applicable PM-
10 standards along SRP canal banks.

Offsite Tree Planting ~ The offsite landscaping programs are complete.
See Condition 7 status for more details.

29. During the proceeding neighbors to the plant site raise significant concern
about the impact of the plant expansion on residential property values. In
performing each of the conditions in this order Applicant, in conjunction
where applicable, with the Town of Gilbert and the plant site neighbors, shall
consider and attempt to maximize the positive effect of its activities on the

1 values of the homes in the surrounding neighborhoods.

2 **Status ~ Please see responses to Conditions 7, 9 and 28 which address**
3 **SRP's comprehensive landscaping plan that was developed by SRP's**
4 **landscape architect and approved by the CWG.**

5 ***All landscaping plans have been designed to provide attractive features***
6 ***and to maximize the positive effect on the surrounding neighborhoods.***

- 7 30. Applicant shall construct the auxiliary boiler stack at such height as may be
8 determined by air modeling requirements. Applicant shall situate the
9 auxiliary boiler stack so that it is not visible from off the plant site.

10 **Status ~ This condition is no longer applicable as SRP has decided not**
11 **to use an auxiliary boiler so no auxiliary boiler stack will be necessary.**

- 12 31. Applicant will construct the heat recovery steam generators ("HRSG")
13 approximately 15 feet below grade and will construct the HRSGs so that the
14 overall height of the HRSG module from the natural grade is no more than
15 80 feet.

16 **Status ~ SRP has completed the activity required by this condition.**

- 17 32. Applicant will complete the installation of the dry low NOX burners on the
18 existing units prior to the construction of the new units.

19 **Status ~ SRP has completed the activity required by this condition.**

- 20 33. Applicant shall not transfer this Certificate to any other entity for a period of
21 20 years from the date of approval by the Corporation Commission, other
22 than as part of a financing transaction where operational responsibilities will
23 remain with Applicant, and where Applicant will continue to operate the plant
24 in accordance with this Certificate.

25 **Status ~ No update or change from July 2004 quarterly report.**

- 30 Applicant shall post on its website, when its air quality permit application is
31 submitted to the Maricopa County Environmental Services Department.
32 Also, Applicant shall post on its website any official notice that may be
33 required to be posted in newspapers for its air quality permit application.

34 **Status ~ SRP has completed the activity required by this condition.**

GRANTED this ____ day of February, 2001

ARIZONA POWER PLANT AND TRANSMISSION
LINE SITING COMMITTEE

By Paul A. Bullis
Its Chairman

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2
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9 authorizing the Expansion of its Santan)
10 Generating Station, located at the intersection)
11 of Warner Road and Val Vista Drive,)
12 in Gilbert, Arizona, by adding 825 megawatts)
13 of new capacity in the form of three combined)
14 cycle natural gas units, and associated)
15 intraplant transmission lines.)

Case No. 105

Docket No. L-00000B-00-0105

Decision No. _____

16 The Arizona Corporation Commission (Commission) has conducted its review, as
17 prescribed by A.R.S. §40-360.07. Pursuant to A.R.S. §40-360.07(B), the Commission,
18 in compliance with A.R.S. §40-360.06, and in balancing the broad public interest, the
19 need for an adequate, economical and reliable supply of electric power with the desire
20 to minimize the effect thereof on the environment and ecology of the state;

21 The Commission finds and concludes that the Certificate of Environmental
22 Compatibility should be granted upon the additional and modified conditions stated
23 herein.

24 35. The Santan Expansion Project shall be required to meet the Lowest
25 Achievable Emission rate (LAER) for Carbon Monoxide (CO), Nitrogen
Oxides (Nox), Volatile Organic Carbons (VOCs), and particulate Matter
less than ten micron in aerodynamic diameter (PM10). The Santan
Expansion Project shall be required to submit an air quality permit
application requesting this LAER to the Maricopa County Environmental
Services Department.

Status ~ No update or change from July 2004 quarterly report.

36. Due to the plant's location in a non-attainment area, the Applicant shall not
use diesel fuel in the operation of any combustion turbine or heat recovery
steam generator located at the plant.

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Status ~ No update or change from July 2004 quarterly report.

37. In obtaining emissions reductions related to Carbon Monoxide (CO) emissions, Applicant shall, where technologically feasible, obtain those emission reductions onsite to the Santan Expansion Project.

Status ~ SRP has completed the activity required by this condition.

38. Beginning upon commercial operation of the new units, Applicant shall conduct a review of the Santan Generating facility operations and equipment every five years and shall, within 120 days of completing such review, file with the Commission and all parties in this docket, a report listing all improvements which would reduce plant emissions and the costs associated with each potential improvement. Commission Staff shall review the report and issue its findings on the report, which will include an economic feasibility study, to the Commission within 60 days of receipt. Applicant shall install said improvements within 24 months of filing the review with the Commission, absent an order from the Commission directing otherwise.

Status ~ No update or change from July 2004 quarterly report.

39. Applicant shall provide \$20,000 to the Pipeline Safety Revolving Fund on an annual basis, thus improving the overall safety of pipelines throughout the State of Arizona.

Status ~ No update or change from July 2004 quarterly report.

40. Where feasible, Applicant shall strive to incorporate local and in-state contractors in the construction of the three new generation units for the expansion project.

Status ~ No update or change from July 2004 quarterly report.

41. Applicant shall construct a 10-foot high block wall surrounding the perimeter of the Santan plant, and appropriately landscape the area consistent with the surrounding neighborhood, unless otherwise agreed to by the Salt River Project and the Citizens Working Group.

Status ~ SRP has completed the activity required by this condition.

1 **APPROVED AS AMENDED BY ORDER OF THE ARIZONA CORPORATION**
2 **COMMISSION**

3
4 Chairman _____

Commissioner _____

Commissioner _____

5 In Witness hereof, I, Brian C. McNeil,
6 Executive Secretary of the Arizona
7 Corporation Commission, set my hand
8 and cause the official seal of this
9 Commission to be affixed this ____ day
10 of _____, 2001.

11 By: _____
12 Brian C. McNeil
13 Executive Secretary

14 Dissent: _____
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APPENDIX

A



September 10, 2004

Neely Commons HOA
1952 E Santan Drive
Gilbert, AZ 85296

Dear Association:

Attached, please find check #2244492 in the amount of \$1,836.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Mirador Estates HOA
c/o 4645 E Cotton Gin Loop
Phoenix, AZ 85040

Dear Association:

Attached, please find check #2244491 in the amount of \$600.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

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George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Greenfield Lakes HOA
1843 E Southern Avenue
Tempe, AZ 85282

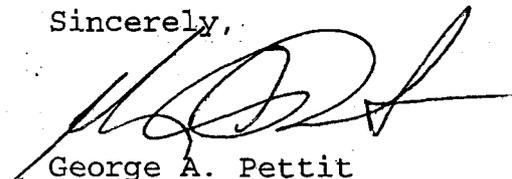
Dear Association:

Attached, please find check #2244486 in the amount of \$7,907.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Lindsay Ranch HOA
1038 Windsor Drive
Gilbert, AZ 85296

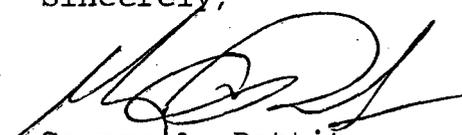
Dear Association:

Attached, please find check #2244488 in the amount of \$1,250.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Gilbert Ranch HOA
PO Box 11330
Tempe, AZ 85284-0023

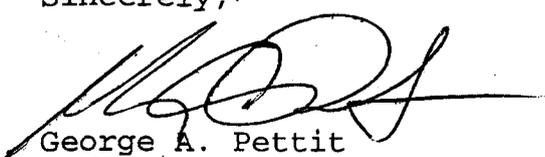
Dear Association:

Attached, please find check #2244485 in the amount of \$400.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Finley Farms South HOA
PO Box 2050
Chandler, AZ 85244

Dear Association:

Attached, please find check #2244483 in the amount of \$8,046.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", is written over the typed name.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Finley Farms North HOA
c/o 4645 E Cotton Gin Loop
Phoenix, AZ 85040

Dear Association:

Attached, please find check #2244482 in the amount of \$2,029.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

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George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Cottonwood Crossing HOA
2182 E Ranch Court
Gilbert, AZ 85296

Dear Association:

Attached, please find check #2244481 in the amount of \$7,438.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

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George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Ashland Ranch HOA
1425 N Model Drive
Gilbert, AZ 85233

Dear Association:

Attached, please find check #2244480 in the amount of \$830.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

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George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Western Skies Unit 4 HOA
c/o PO Box 27476
Tempe, AZ 85285

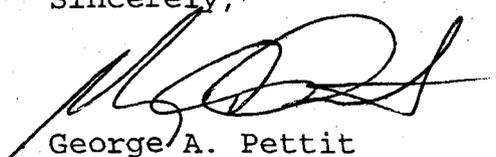
Dear Association:

Attached, please find check #224504 in the amount of \$1,694.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Western Skies Estates HOA
1089 S Western Skies Drive
Gilbert AZ 85296

Dear Association:

Attached, please find check #224503 in the amount of \$10,780.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Val Vista Place HOA
c/o Brown Management
625 N Gilbert Road, Suite 101
Gilbert, AZ 85234

Dear Association:

Attached, please find check #224502 in the amount of \$558.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Rancho Corona HOA
1834 E Baseline Road, Suite 102
Tempe, AZ 85283

Dear Association:

Attached, please find check #224497 in the amount of \$306.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Springtree at S Gilbert HOA
2400 E AZ Biltmore Circle, Suite 1300
Phoenix, AZ 85106

Dear Association:

Attached, please find check #224500 in the amount of \$94.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

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George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Sonoran Vista HOA
2400 E AZ Bilmore Circle, Suite 1300
Phoenix, AZ 85106

Dear Association:

Attached, please find check #224499 in the amount of \$822.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Gateway Ranch HOA
2400 E Arizona Biltmore Circle, Suite 1300
Phoenix, AZ 85016

Dear Association:

Attached, please find check #2244484 in the amount of \$100.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Rancho Cimarron HOA
51 W Elliot Road, Suite 111
Tempe, AZ 85284

Dear Association:

Attached, please find check #224496 in the amount of \$3,813.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025



September 10, 2004

Silverstone Ranch HOA
1414 E Appaloosa Court
Gilbert, AZ 85296

Dear Association:

Attached, please find check #224498 in the amount of \$1,381.00.

This represents the annual maintenance assistance payment from Salt River Project for the Santan Mitigation improvements installed as part of the Santan Power Plant expansion.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025,
MS STS300, Phoenix, 85072-2025

APPENDIX

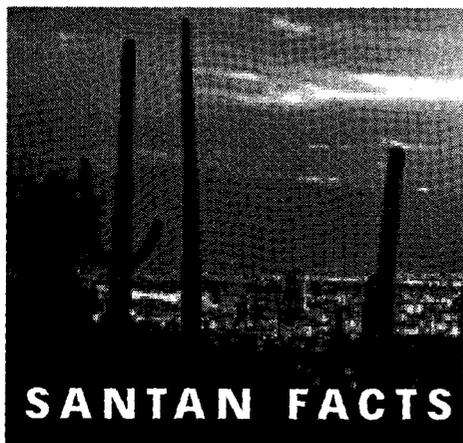
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Energy News



October 2004 No. 13

Useful information for the Gilbert community



SANTAN FACTS

- ◆ SRP's expansion of the Santan Generating Station brings 825 megawatts of new electricity to the Southeast Valley, where energy demand continues to increase in conjunction with the rapid residential and business growth. The power facility is located near the southeast corner of Val Vista and Warner roads.
- ◆ By locating new generation sources close to the areas of demand, SRP can continue to provide the low-cost, reliable electricity its customers expect and deserve. Local generation was critical to keeping the lights on during this past summer's power transmission challenge.
- ◆ The new units feature state-of-the-art combined cycle technology and use only natural gas. Once in commercial operation, the units will be available to operate 24 hours a day, seven days a week.
- ◆ \$20 million in community and site improvements have been made, including extensive landscaping to ensure compatibility with the community.

Editor's note: This is the thirteenth issue of Energy News. Visit www.santanfacts.org or call us at (602) 236-2679 for previous Energy News issues or for more information about the project.

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04-2364-01 10/04

PRINTED ON RECYCLED PAPER.

NEW UNITS BEGIN START UP PROCESS

SANTAN EXPANSION NEARS COMMERCIAL OPERATION

SRP will reach a significant milestone in late October in its expansion of the Santan Generating Station with the beginning of major start-up activities in two of the new generating units.

A number of key activities will be happening in the months of "start-up" prior to commercial operation in summer 2005.

Start-up refers to the process of testing the various components of the units and ensuring the different equipment parts operate in coordination.

The first units to begin operation will be the 2-on-1 units, which feature two combustion turbines, two heat recovery steam generators and one steam turbine. This combined cycle technology allows for SRP to achieve the maximum amount of energy production from the amount of fuel consumed.

During start-up, members of the community may hear intermittent noise at higher sound levels and see some steam releases. These events will not occur at these higher levels once the units begin normal operation.

In late October, SRP will begin the "first fire" process in the combustion turbines. During this time, there will be occasions when these units are ignited and emissions may be visible from the 150-foot stacks. The number and duration of these events cannot be predetermined, but SRP will work to keep them to the absolute minimum.

The schedule for these activities, which may occur 24 hours a day on occasion, calls for completion by the end of November. After which the units will undergo a period of reassembly, lasting approximately one month. Following that, the units will begin a "first-run" process, in which the operators will be working to ensure the various components are operating as intended.

Individuals with questions regarding the Santan Expansion Project and its start-up activities should contact SRP's Public Involvement Department at (602) 236-2679, or log on to the Santan Expansion Project Web site www.santanfacts.org to see a schedule of the start-up activities.

SANTAN EXPANSION PROJECT MILESTONES

- ◆ New unit construction began in spring 2003
- ◆ Phase 1 of the on-site landscaping program finished February 2004
- ◆ 37-mile natural gas line to serve new units completed April 2004
- ◆ Start-up of the 2-on-1 units to begin late October 2004
- ◆ 2-on-1 units to begin commercial operation by summer 2005
- ◆ Start-up on 1-on-1 units to begin in fall 2005
- ◆ 1-on-1 units to begin commercial operation by summer 2006



P.O. Box 52025
Phoenix, AZ 85072-2025

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To stay up-to-date on SEP activities or sign up for e-mail updates, visit www.santanfacts.org and click of "Stay Informed."
If you have questions, contact SRP at webmaster@santanfacts.org.

COMMUNITY COMPATIBILITY DRIVES AESTHETIC EFFORTS

SRP is committed to ensuring that the Santan Generating Station is compatible with the surrounding community.

During the expansion project, tremendous effort has been made to address feedback received from Gilbert-area residents. A key element in these efforts has been an extensive on-site landscaping project with more than 1,200 trees, which sits on 20 acres of the 120-acre plant site. The landscaping includes a 25-foot-high berm on the north and west boundaries, which features mature trees, decorative gabion walls and low-water use ground-cover plants.

Along the east side of the site, SRP has provided an equestrian/bike trail, which links neighborhoods north of the facility to the recreational opportunities of the Town of Gilbert's Crossroads Park and SRP's canal system. A 10-foot high screening wall and footbridge over the Eastern Canal were constructed in conjunction with this project.

Landscaping efforts along the plant's southern boundary will be completed once plant construction is complete.

SRP also will paint the facility tan this winter.



APPENDIX C

SANTAN NEIGHBORHOOD COMMITTEE
September 8, 2004

MINUTES:

Attendees: (SNC) Wes Kelley
 Tom Kelly
 Nan Dawson
 Gordon Grandy
 Will Humble
 Nick O'Coyné
 Marc Skocypec
 Rhonda Bushong (for Daniel Smith)
 Melissa Meunch (for Donnelly Nariss)

 (SRP) Barry Drost
 Len Amols
 Craig Severson
 Susan Fennelly
 Janeen Rohovit
 Kevin Wantajja
 Lori Trout
 Don Hughes
 Joy Cox

- 1) The Santan Neighborhood Committee meeting was held at the Town of Gilbert Conference Room #300 on September 8, 2004. The meeting began promptly at 6pm.
- 2) Barry Drost (Manager, Santan Generating Plant) conducted the meeting. After introductions were made, Mr. Drost explained SRP's role in providing technical support in interpreting environmental data once the Santan Expansion Project begins commercial operation tentatively scheduled for May 2005.
- 3) Mr. Drost also explained that the Santan Neighborhood Committee (SNC) has been established in order to meet our ACC Certificate of Environmental Compatibility requirement (Condition #19). This committee will review the air, noise, and water quality information from the environmental data that is reported to regulatory agencies or provided by SRP.
- 4) Dinner was catered by Joe Real's BBQ
- 5) An overview was given by Mr. Drost concerning SRP's role and responsibility :
 - Coordinate the development of the Santan Neighborhood Committee
 - Provide a meeting place for the SNC
 - Provide information and training for interpreting environmental data
 - Provide on and off-site noise monitoring at least on a quarterly basis (testing in those locations suggested by the SNC)
 - Act in a timely manner to correct non-compliance issues according to our permits and regulations

- 6) SNC's responsibility will be to review the environmental data made available to them by SRP.
- 7) Janeen Rohovit (Community Relations) discussed the history of the Santan Expansion Project.
 - The need for local generation continuing
 - Required Permits
 - Facts regarding the Santan Expansion Project
 - Landscaping Options
 - Timeline of construction activity
 - Santan Natural Gas Pipeline
- 8) Len Amols (Santan/Kyrene Plant Engineer) discussed status of construction.
 - Conditions to expect at Start-up (noise, visual emissions, odor)
 - These conditions are temporary and are not typical of the daily operation of the plant.
 - Cooling tower vapor plume will be noticeable during normal operation, especially on cooler, winter days.
- 9) Kevin Wantajja (Manager, Environmental Services) discussed:
 - Air Quality Permits
 - Water Quality Permits
 - Noise Permits – there are no noise permits
 - SRP is required to meet all federal, state, and city guidelines in order to operate the Santan Generating Plant.
- 10) Lori Trout (Environmental Scientist for Santan/Kyrene Generating Stations) discussed environmental data samples i.e. air, water, and noise.
 - Data will be placed on the <http://www.santanfacts.org> website when it becomes available, along with other information such as SNC membership, meeting dates, data interpretation guidelines and By-Laws when they have been adopted by the SNC.
- 11) A draft of By-Laws was presented to the SNC members as a starting point to help them organize the committee. The SNC has the option if they want to adopt these by-laws or develop their own.
- 12) Future meetings and a plant tour were discussed. A meeting date of January 19th was tentatively decided upon as well as a Saturday morning tour of the plant when safe to do so.
- 13) Meeting was adjourned approximately 8:10pm.

DISCUSSION ITEMS:

- M. Skocypec would like to see an example of 'bad data'.
- A request was made to see data from Kyrene
- G. Grandy inquired about ACC notification if the SNC was disbanded.
- R. Bushong discussed the bright lights from the temporary construction parking lot and the noise.