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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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IN THE MATTER OF THE APPLICATION OF  
SALT RIVER PROJECT, OR THEIR ASSIGNEE(S),  
IN CONFORMANCE WITH THE ARIZONA REVISED  
STATUTES 40.360.06 FOR A CERTIFICATE OF  
ENVIRONMENTAL COMPATIBILITY AUTHORIZING  
THE CONSTRUCTION OF NATURAL GAS-FIRED,  
COMBINED CYCLE GENERATING FACILITIES  
AND ASSOCIATED INTRAPLANT TRANSMISSION  
LINES, SWITCHYARD IN GILBERT, ARIZONA LOCATED  
NEAR AND WEST OF THE INTERSECTION OF VAL  
VISTA DRIVE AND WARNER ROAD.

DOCKET NUMBER  
L-000007-000000 COMMISSION  
DOCUMENT CONTROL

**INTERVENOR'S BRIEF**

Pursuant to the March 16, 2001 Procedural Order of the Arizona Corporation Commission, intervenors Cathy Lopez, Mark Sequeria, Mark Kwiat, Cathy Latona, Saretta Parrault, Michael Apergis, Marshall Green, Christopher Labbon and Dale Borger hereby submit their brief in support of the denial for a certificate of environmental compatibility.

**INTRODUCTION**

While the intervenors will make every attempt to assist the Commission in writing this brief to contain citations to the record, we are severely handicapped. In fact we were just recently afforded the opportunity to review all the transcripts at the Gilbert Library. We had previously made every attempt to obtain copies of all of the transcripts and were only successful in obtaining nine of the twenty-one until a few days ago. We would hope that the Commission would realize our unfortunate position and allow us a little more leeway in the arguments set forth in this brief and the oral arguments scheduled for April 18, 2001.

It is also our position that because of the economic hardship regarding our inability to purchase transcripts, as well as, the lack of finances to fund legal counsel, we feel somewhat overwhelmed and outgunned in the Commissions' request for briefs. Based upon our economic inabilities we would hope that the Commissioners would thoroughly review all the transcripts and evidence submitted in these proceedings. While we understand this request may be burdensome, we would point out that there are simply limited resources available to the intervenors in the requests made by the Commission.

## **REQUEST FOR REVIEW**

The intervenors' incorporate herein the arguments set forth in the Request For Reviews filed by the intervenors on February 26, 2001, February 27, 2001 and February 28, 2001. While we may not argue every issue brought before the Arizona Power Plant and Line Siting Committee in this brief we would incorporate the entire record for consideration by the Arizona Corporation Commission as if the record and evidence was fully set forth in this brief.

## **THE RECORD**

### **SEPTEMBER 14, 2000 – HEARING TRANSCRIPT**

Page 195 - Member Sundie – explains that poll taken by the Summit Group is basically a “push poll”. We agree.

Page 202 - Mr. Areghini explains that the poll taken by Summit Group is basically a “push poll”. We agree.

Mention was made that the Town of Gilbert supports this siting location.

### **September 29, 2000-Hearing Transcript**

Page 116 - Sundlof explains that the reason for downsizing Tempe was due to the opposition. He explains that Gilbert wanted this power plant.

- This statement is utterly false.
- Skewed political push poll taken by the Summit Group.

Page 195 - Sundie explains that poll taken by the Summit Group was just a push poll.

Page 202 - Areghini explains that the obvious alternative to Santan is to interconnect with respect to all of the Merchant plants and bring power to the Valley.

Page 205 - Areghini states that whether Santan is sited or not, SRP plans to build a facility in the future farther out East.

Page 235 - Indeed SRP is in the process of looking at additional plants besides Santan in the East Valley.

Page 257- Areghini states more than 1,800 people support the plant. C.O.S.T group submits as evidence over 2,200 signatures in opposition to plant.

## **October 11, 2000 - Hearing Transcript**

Page 10 - Sundlof attempts to withdraw all testimony and exhibits in reference to the Poll and so called overwhelming support by Gilbert residents. SRP realizes that the push poll BOMBED!

## **October 25, 2000 - Hearing Transcript**

Page 307 - Statement made by Mr. Crusa, there are more than 16,000 households in a 2.5 - mile radius.

Page 436 - Ms. Tripp states that R.W. Beck did not consider any alternatives sites to Santan, not even Kyrene.

Page 438 - 1,200 MW are to be made available in the Four Corners area. J. Tripp states that with new lines you could move this power into the valley.

Page 441 - Tripp states in order to properly serve load into the East Valley you will need at least (1) new 230KV line into new Browning 500KV substation.

Page 454 - Tripp states (1) Megawatt is enough power for 700 residential homes.

Page 483 - Tripp did no Siting studies. R.W. Beck was asked to do a siting study to establish the best location for a new plant.

Page 484 - Tripp states R.W. Beck did not do any studies in reference to upgrading or the re-conductoring of existing lines to gain more power.

Page 485 - Sundie questions whether Santan is just a Band-Aid.

Pages 487-489 - Sundie's comments on the lack of forward thinking on the part of SRP.

Page 490 - Tripp states that the Coolidge alternative was never studied.

Page 496 - Bonsall states that there were no specific studies done in regards to Santan.

Page 506 - Bonsall states that this project has been anticipated for a number of years.

Page 515 - Whether Santan goes in or not, transmission lines will be sited.

## **November 1, 2000 - Hearing Transcript**

Page 580 - Underhill states that with the help of the CATS (Central Arizona Transmission Study) SRP plans to build the transmission system to bring in power from merchant plants into the system.

Page 590 - Bonsall states that 100% of power will be consumed by proximity, whatever power is freed up in the grid will be sold on the wholesale market.

Page 615 - Underhill states sometime in the future SRP will pipe in a 500KV system and build a 230 & 500kv switching station in the South.

Page 655 - Libicki states that the local monitoring for NOx is in Phoenix.

Page 663 - Heyman states that Santan Expansion will clean up Gilbert Air. Libicki response, this is only true for the NOx.

➤ What about the other pollutants that increase three fold?

Page 707 - Libicki could not comment on health effects of any of the pollutants when released into the atmosphere.

Page 708 - Libicki states that many of the pollutants are known to cause ecological harm when above the thresholds.

Page 711 - SRP claims a NET AIR QUALITY BENEFIT to the air in Gilbert. S. Libicki states that she is not aware of this claim.

Page 715 - Air quality emissions that surround Gilbert may increase depending where offsets are used.

Page 742 - Alward to Libicki: "Isn't it true that the only reason that SRP has to obtain air quality permits is because Santan has potential to emit pollutants in quantities that exceed regulatory thresholds?"

Page 743 - Alward makes statement to Libicki, "Would you agree there would be no emissions if transmission lines or towers were to replace Santan Expansion Project?"

Page 765 - SRP has not filed for air permit and has not disclosed where the offsets will be attained. Question asked by Member Tobin.

## **NOVEMBER 8, 2000 – HEARING TRANSCRIPT**

Page 794 - Lines 15-16 - Mr. Sundlof confirms no VOCS offsets.

Page 915 - Lines 20-22 & Page 916: Lines 1-8 & 20-25, & Page 917, Lines 1-5:

Shows East Valley Demand SRP/APS at 2,700MW with generating capability between 6,000-6,500MW. SRP peak was 5,003 MW. Shows 1,000 MW in reserve, per Mr. Dietrich.

Page 926, Lines 11-25 & Page 927, Lines 1-6 & 15-17: No study done of alternative sites.

Page 929, Lines 12-20: Kyrene was best option but downsized.

Page 930, Lines 22-25: Cost is an important issue for the choice to expand at Santan, per Mr. Bonsall.

Page 941, Lines 2-25 & Page 942, Lines 1-23: Mr. Dietrich claims SRP could have bought back electricity transferred from Palo Verde. Could have produced 400-500MW. Again, cost was the important issue in deciding to apply to site at Santan.

## **November 20, 2000 - Hearing Transcript**

Pages 996-999 - Beginning with 77-1, questions at the outset are going to discuss the need for Santan in general. How and why Kyrene went from 825 to 250 MW's. Look at Kyrene agreement.

Page 999 - Testimony that Santan existing is 525MW and what it will be if expanded.

Page 1163 - R. Dietrich states no health studies done.

Page 1002 - Bonsall says there are alternatives to Santan but mentions that SRP feels that they are not as good as Santan.

Page 1003 - Bonsall states that an alternative or alternatives to Santan are available if Santan is denied.

Page 1004 - Bonsall states that next alternative to Santan is SRP developing a site outside the Valley that would tend to be somewhat more preferable.

Page 1004 - Bonsall states that third option to Santan is to purchase power from some other source as a backfill to Santan Expansion.

Page 1005 - East Valley annual growth by MW is 220MW.

Page 1007 - Bonsall states if Kyrene was put in at 825MW, then there would have been more time to explore alternatives in lieu of Santan.

Page 1011 - Bonsall states that local generation is not the only solution to reliability issues.

Page 1013 - Underhill states that eventually SRP will be running more lines into Browning and building something farther out to serve the East Valley.

Page 1018 - Coolidge mentioned by J. Alward as an alternative to alleviate the East Valley need.

Page 1022 - M. Bonsall reads from SRP 1998 generation and transmission plan filed with ACC. It states - NO NEW GENERATION OR TRANSMISSION IS NEEDED FOR THE NEXT TEN YEARS.

Page 1038-1039 - J. Underhill mentions the future 500KV line from the South that would be a receiving station from Palo Verde as an alternate to Santan.

Page 1044 - Olea states that new merchant plants will sell power to the highest bidder or the first one to the door.

➤ ACC in October of 2000 passed a mandate that forces a small portion of power from merchant plants to be sold to the Phoenix Valley at Peak demand.

Page 1047 - Sundie asks if SRP knows what the ultimate effect in terms of health standards are to be if all emission units rise except for NOX. SRP states they have not done any studies in regards to health effects.

Page 1049 - Sundie states that health effects are important to this plant since it is going to be in an urban area.

Page 1058 - The Siting Statute states "The legislature further finds that it is essential, in the public interest, to minimize the adverse effects upon the environment and upon the quality of life of the people of the state which such new facilities might cause."

Page 1059 - Bonsall mixes words in regards to the definition of adverse effects.

➤ No mention of quality of life.

Page 1060 - Chairman Bullis states that the adverse effects are real. Bonsall states that this is the best proposal.

Page 1066-1067 - Sundie questions the "need" depicted by SRP through their peak demand average.

➤ Charts are unclear and not making any sense.

Page 1078 - If grid goes down, this plant has no starting ability.

Page 1079 - Transmission grid, D. Borger states that there are a multitude of 230KV lines to feed power to East Valley from possible new merchant plants.

Page 1154 - Why was the emissions information in the SRP newsletter quite different

## **NOVEMBER 21, 2000 – HEARING TRANSCRIPT**

### **Public Informed?**

Page 1236 - Mr. Apergis asking Mr. Dietrich about the sign in front of the existing SRP facility about telling the residents that this is a generating facility, power plant.

Page 1237 - Would it not have been fair to the residents and the persons that drove by to also put up a sign in 1999 to the effect that SRP planned to expand this facility and increase its size some four times the current size, and mentioned the possibility of some type of dispersion stacks so that people are moving into the area had at least a chance to make an informed decision if they wished to live by this facility or not?

Page 1237 - Mr. Dietrich, "I suspect that putting a sign on the property was one that could have been done, yes. We did not do that."

### **Blackout Lies**

Pg. 1238 - Mr. Apergis, "Has SRP ever been able—has SRP ever, because of obviously demand, not been able to supply their customers power, I guess a blackout, you would call it, that you know of?"

Page 1238 - Mr. Dietrich, "... we had to purposefully interrupt our retail customers, and the was in August 10<sup>th</sup>, 1996 system-wide disturbance in the west, and that disturbance in the west was really initiated on the transmission system. The disturbance caused generators to trip off, and consequently, we didn't have enough generation to meet our load for several hours that afternoon."

Mr. Apergis, "So in other words, a portion of the grid got shut down and you, at that point in time, you could not, I don't know, bring together whatever generating capabilities you needed to get power to the grid; is that correct?"

Mr. Dietrich, "That is correct. The problem initiated outside of our system."

Page 1239 - Mr. Dietrich, "Well, we have not had a situation where lack of generation or units or forced outage caused us to have to interrupt retail customers."

Alternate location?

Pg. 1241 - Mr. Apergis, "Through your scheduled meetings in regard to the Santan expansion project did any person on your staff possibly mention holding onto the proposed \$100 million that was to go to the Town of Gilbert and possibly spend it towards moving the facility to a more remote location, where it would not be located in such a highly populated area? Did that ever come up?"

Mr. Dietrich, "I don't ever recall that discussion, no."

Page 1242 - Whatever, that money is supposed to be paid over a period of 20 years. If you were to take that money and at least put it in another location towards your \$400 million or \$425 million, I'm just wondering if that conversation came up at all, not actually siting the plant there but somewhere else."

Mr. Dietrich: "That conversation never did come up."

Noise Issue – Only addresses expansion, not existing plant nor other.

Pg 1246 - Mr. Apergis, "So the chart, then, obviously you showed the different decibels at different levels and what makes the different sounds, so the 48 DBS where you predicted the plant would come in at, that was, that's where you would like to be, then; is that correct?"

Page 1246: Mr. Dietrich, "Our target is that for the proposed –the proposed units would generate noise at that level at the property boundaries. So it's not addressing the existing units, it's not addressing other noise sources in the area. We can't control those obviously.

Pg 1247: Mr. Apergis, "So how are you doing that, adding in the existing three new generators if they're all going to be working at one time? And I'm assuming they're all going to be working at some point in time, all at the same time; correct?"

Mr. Dietrich, "The number that I mentioned references the sound from the proposed units. If we're successful at permitting this plant and it's built, an observer at one of those sites on some days is going to hear noise from the existing units, if they're running on that day, from the proposed units, if they're running on that day, from traffic along the streets, and anything else that might be going on out there. **But the bar chart that we showed and the design goals that I talked about are referencing only the proposed units.**"

### **To Use Other Proposed New Generating, New Transmission Lines needed**

Page 1259 - Mrs. Parrault, "Do you know if any (new generating facilities) of them would be able to service Gilbert in the east valley, those that have already received permits?"

Mr. Dietrich, "Aside from the two projects which Salt River Project has proposed at our Kyrene and our Santan facility, and the APS project that Mr. Apergis and I were discussing just a little while ago, all the other projects are outside the Phoenix load center. And for Salt River Project to purchase energy from any of them to meet load, we will need new transmission capability to bring that energy into Phoenix in order to serve our customers. So only the three I mentioned are inside the Phoenix metro area, and the two in Salt River—the two that Salt River is proposing would not require additional transmission resources in order to make their output available to serve SRP customers."

**Other sites (Kind of contradicts when Mr. Apergis asked if they had considered all the funds they are giving to the city for street widening, street sweepers, etc. had they considered using these funds to build at the alternative sites? see Pg.1241 and 1242)**

Pages 1260 – 1261 - Mrs. Parrault "During the tour, did you tell the group that SRP had other location options where an additional power plant could be built thus eliminating the need for this expansion in a highly residential area?"

Page 1261 - Mr. Dietrich "I think I mentioned that SRP had looked at a number of different sites, and that we had come to the conclusion that Santan was the—that Kyrene and Santan were the best sites of the ones that we chose. Excuse me, of the ones that we investigated."

### **November 22, 2000 - Hearing Transcript**

Page 1632 - SRP does not have the right to use Finley Farms easements for a recreational trail.

Pages 1671-1672 - R. Palmer questioned by J. Alward, EPG did no air quality impact analysis on alternative sites. EPG does not know if SRP did any air quality analysis in reference to alternative sites.

### **NOVEMBER 27, 2000 – HEARING TRANSCRIPT**

Examination of EPG's, Randall Palmer regarding aesthetic concealment of stacks. Of pending concern to intervenors:

Page 1719 – Randall Palmer admits that he excluded from the presentation slides of his rendition of what would be visible from immediate area properties north of Warner Road.

Page 1725 – Member Sundie admits this is the first plant in Arizona to be in the middle of an urban area.

Pages 1730 – 1731 – Member Sundie expresses concern that the trees that will have to be used to conceal parts of the plant will not be AMA accepted, i.e. of high water use.

Testimony of Mr. Meek, President of AUIA:

Page 1763 – Mr. Meek admits that he supports the siting even though he has no particular knowledge of what the health effects will be to people near the plant.

Pages 1806 & 1807 – Member Sundie expresses concern that SRP has not really readied themselves significantly enough for this application and feels uneasy about voting when there are so many unknown facts.

Page 1810 – Mr. Sundlof admits that there is not confirmed water agreement with the Town of Gilbert. Mr. Sundie then expresses his feeling that this should be a pre-requisite of applying for a siting.

Pages 1812 – 1815 – More concern is expressed about Town of Gilbert's lack of involvement in this hearing process.

Page 1908 – SRP witness admits they didn't know if after the plant is added and the freeway expansion is complete, if we would be exceeding EPA air stands and how fast it would be that the air quality standards would be exceeded.

Pages 1917 – 1919: Dr. Whipple, SRP witness and toxicologist, admits that he did not do his own studies on air emission, rather he relied and reiterated data supplied to him by SRP and Dr. Libicki, another SRP witness.

Pages 1920 – 1925: Dr. Whipple talks about some of the negative aspect of various emissions exposures and again admits that he did not perform a complete environmental health impact study of the area as he had just heard about the plant when he was called by SRP a few days prior to this appearance. He therefore regrets that he can offer no assurances against adverse health effects from emissions exposure.

Page 1931 – Dr. Whipple admits that the extreme summer temperatures of Arizona already put a stress on people that would make them more vulnerable to the effects of pollutants than in other parts of the country.

### **November 29, 2001 – Hearing Transcript**

Page 2183 – Concerns regarding exemption on the NOX emissions. SRP has engaged the county in not enforcing the striker NOX standards.

Page 2185 – SRP's lack of environmental concerns for the neighbors in the fact that the current plant is one of the largest NOX producing facilities in the valley.

➤ SRP's agreement with AWA to electrify some of their tugs at the airports to get offsets at Kyrene or Santan.

Page 2186 – Scott Bohning who is an environmental engineer with the EPA stated that there should be radical reduction if they wish to do offsets so far away or they should not do it. It does not provide local benefit if the offsets are so far away.

Page 2191 – The carbon monoxide will not decrease when these cleaners are installed. The new plant will simply add more pollutants on top of the old ones.

Page 2193 – From 1993 to 1997, the emissions kind of hovered around 10 percent. Between 1997 and 1998 there was a doubling of emissions or a 12 percent increase. The event happened that year when California began deregulation on March 31, 1998.

➤ It is interesting to note that New West Energy Corporation, a wholly owned subsidiary, was established May 1, 1997.

Page 2194 – New West began contracts signed with Mobile Oil and a cooperative that included 12 AG groups, among others. According to New West Energy, they provide 780 megawatts of power to more than 2,400 residential customers and business customers of nearly 9,000 locations from San Diego to San Francisco and are among the top four energy providers in California.

Page 2200 – Air inversions are a winter phenomenon and in there air quality report they state that the plant will mostly be used in the summer. .... The plant will be used 60 to 70 percent capacity. ... The energy during the winter month could be sold on the wholesale market.

Page 2201 – Inversion problems.

Page 2202 - Ground level pollution.

Page 2203 - The less wind speed, the more effect it will have around the plant per the Dames and Moore air modeling throughout the days with zero wind speed.

Page 2204 – Dames and Moore indicates that the particulate matter will hit the ground within a 5-kilometer radius, which is about three and a third miles. There are 11 elementary schools, 2 junior high schools, one high school, and 4 charter schools within this three-mile radius.

Page 2205 – Carbon Monoxide season goes from October through February.

Page 2207 – Cleaner Technology – Sconox.

Page 2208 - Threshold for hazardous air pollutants to be modeled is 25%. Their total is 24.10%. This does not include the existing plant.

Pages 2212 – 2213 - Health effects of pollutants. Many VOCs are toxic and cause serious health problems such as cancer and other effects.

Page 2217 – There are more recent studies showing the adverse health effects of PM10s, which is well below the current standards.

Page 2299 – Costs for alternative locations of plant.

Page 2300 – Costs per average SRP customer to build a plant at another location.

Page 2329 – Property Values affected by many things and negative visuals being a major factor.

Page 2330 – Request for Post – Construction Market Impact analysis.

Page 2335 – Studies by Price Waterhouse ends on August 31, 2000 and Kelly Report ended on July 15, 2000 . SRP did not present visuals of stacks until late August, 2000.

Page 2337 – Inconsistency in the report .

### **December 5, 2000 – Hearing Transcript**

Pages 2790 – 2791 – Suzanne Goodwin, Gilbert Town Attorney's letter is read that Mayor Dunham is supportive of Satan and that the Mayor would not be present at the meeting.

Pages 2794 – 2795 – Briefly states that the negative feelings of the Town of Gilbert is evident.

Page 2796 – Sundie mentions how political leaders are not present and refuse to be present is puzzling.

Pages 2820 – 2821 – Dr. Laban denotes increase I pulmonary disease in elderly and children if San Tan is constructed.

Page 2832 – Dr. Laban describes that the air quality studies and it's effects are not accurate for the Phoenix metro area.

Page 2837 – Dr. Laban clarifies his expertise and qualifications with regards to air quality related adverse health risks.

Page 2845 – Dr. Laban questions Libicki’s facts and air monitoring stations data. These air monitors are not present in the east or west side of the Town.

Page 2861 – Sundie states that at Kyrene, SRP did negotiate. Why is their not willingness to negotiate at SanTan.

Pages 2861 – 2862 – Mr. Borger states that Mr. Heyman testifies that SanTan is necessary as a base plant. Borger states that they have not heard any information for a Professional Engineer reporting calculations on base plant loads. Questions that Mr. Heyman is representing bondholders and that it is the cheapest way for bondholders to make the most on their investment in SanTan.

Page 2866 – Ms. Parrault mentions how the Mayor was expected to be at the meeting and how obvious her presence and the lack of council members is.

### **December 7, 2000 - Hearing Transcript**

Pages 3077-3088 – Residents fear inability to re-qualify for mortgages before they if they were forced to move because of the approved expansion.

Page 3079 – Town of Gilbert restricts building heights to two or three stories.

Page 3080 – Many Finley Farm residents will see stacks and HRSG’s.

Page 3083 – CEC application admits high visibility from two story homes and US 60.

Page 3113 – Plant will have negative impact.

Pages 3116 – 3119 - SRP fails to prove they can acquire offsets locally, fails to provide an independent health study

Pages 3120 – 3121 – Noise pollution concerns.

Page 3130 – SRP fails to provide documentary evidence regarding similar plants in Arizona or the United States.

Page 3137 – SRP fails to prove that this plant expansion is nothing less than a band-aid plant.

Page 3139 – SRP admits consistent increase in power sales to other states.

Page 3246 – SRP is not willing to negotiate.

- We find this both unreasonable and irresponsible given their deal with Kyrene. SRP is basically saying that Gilbert must bear the burden of impact but Tempe does not.

Page 3150 – Town of Gilbert admits they have not independently verified any of SRP's data.

Pages 3178 – 3183 – SRP contributions will have no direct monetary impact on Gilbert schools as claimed by SRP.

➤ We find these claims used as a tool to manipulate the residents of Gilbert for the sole purpose of misleading the residents on the true impact upon this community.

## **DECEMBER 8, 2000 HEARING TRANSCRIPT**

Pages 3264-3281 - What about the alternatives? Mr. Bonsall briefly mentioned that alternatives were looked at. A list of arguments that opposes the power plant are: Gilbert in the 70's. A list of Plants already proposed - Alternative #1 – Sundance and Alternative #2 – SRP can explore building a 500 - 1000 MW facility in Coolidge.

Page 3290 - Water quality expert speaking. A question posed was, would you not also require water monitoring of the de-mineralized water tailings and the condensate steam tailings in a 24-hours a day arrangement? A concern was raised about the arsenic quality of our water.

Page 3300 - Would have to agree with that. There are 14 plants trying to get in here to build themselves up and sell power. Obviously Arizona doesn't need all that power, 12,000 MW's.

Page 3306 - I've got to get back to you on that, but I think that is the stacks and that is not the HRSG's but I just want to clarify that on the record. The stacks and HRGS shown to the public aren't true representations of what they will actually look like.

## **December 11, 2000 - Hearing Transcripts**

Page 3488, Lines 17-25 & Page 3489, Lines 1-5: Mark Sequeira talks at length about Kyrene and Santan.

Page 3505 - A. Emerson, on behalf of Staff, states that SRP has not explained or explored the alternatives adequately.

Page 3505 - A. Emerson states that SRP did not explain or explore the relationship between transmission and generation very well.

Page 3506 - The Coolidge Sundance Energy Project, when it ties into the system grid, will help with peaking power demands.

Page 3510 - Lines 13-25 & Page 3511, Line 1: Mr. Bullis questions Asher Emerson on C.A.T.S. Study. A. Emerson states that studies of alternatives which would analyze generation, transmission, and effective local generation is not complete. These studies not shown by SRP.

Page 3514, Lines 17-25 & Page 3515, Lines 1-3: Mr. McWhirter questions Ms. Tripp's study as being localized and proves study has inaccuracies.

Page 3518 - K. Sundlof makes statements that 750 MW is good for 120,000 homes.

Sundlof statement incorrect, according to SRP expert 750MW are good for at least 525,000 homes.

Page 3554, Lines 23-25 & Page 3555, Lines 1-25 & Page 3556, Lines 1-25 & Page 3557, Lines 1-9: Mark McWhirter questions Mr. Duckworth on all alternate sites and also questions why Moody RS17 was not a site considered as an alternate.

## **December 12, 2000 Hearing Transcript**

Page 3597 – SRP claimed that plant would be a peaking plant only.

Page 3598 – Consistent new haze in Gilbert's skies coincides with operation of plant 24 hours a day – 7 days a week.

- Childrens breathing treatments increasing.
- New plant should not be operated in winter during high asthma season.

Page 3601 – New gas line increases risk of explosions and argument that infrastructure is not in place

Page 3604 – Citizens still not adequately informed as of September 23, 2000.

Pages 3605-3606 – Challenges regarding EMF exposure health risks.

Page 3609 – If SRP is so health conscience and environmentally friendly, NOX scrubbers would have been installed years ago into the existing plant.

Page 3308 – Gilbert is ill-prepared to handle toxic emergencies.

Page 3610 – Proposed expansion is a band-aid that will expire by the year 2008.

Page 3613 - Phoenix Children's Hospital is overflowing with children who can't breath.

Page 3634 – Realtor portrays negative impact of disclosure.

Page 3639-3640 – Citizens concerns that pollutants are dangerous for newborns with under-developed lungs.

Page 3642 – How will consumers save with rising gas prices – volatile market?

Page 3643 – Gilbert failed to zone properly and did not provide a buffer.

Page 3645 – Gilbert has the highest population of children per household in the state of Arizona.

Page 3646 – SRP should set up an escrow account to provide for property value damages.

Page 3653 – APS says there is no power shortage in the valley.

Page 3662 – Town will commit to enforce buffer zone.

➤ We find this comment misleading in the fact there exists no current buffer zone between the plant and the residential communities given the facts SRP sold their 18+ acres in 1996.

Page 3695 – SRP admits they have other location options.

Page 3702 - The Line Siting Requests no health impacts study to the detriment of the citizens.

Page 3703 - If it's okay for merchant plants to build outside the constrained area, then why is not okay for SRP to build outside the constrained area (i.e. import power)?

Page 3704 – SRP is negligent in their lack of planning for growth needs even though their own records reflect the need. SRP expects this community to bear the burden of that era.

Page 3477 – lack of buffer zone between power plant and residential community.

Pages 3488 3489 – Town of Gilbert failed to protect their citizens but the Town of Tempe insisted upon the protection o their citizens.

Page 3491 – Gilbert Independent states 90% of the residents oppose the plant expansion.

Page 3500 – SRP states that this power plant would not satisfy their needs.

Page 3504 – Staff at the Corporation Commission question if alternatives are being adequately explored.

Page 3505 – Asher Emerson testifies that alternatives have not been adequately explored or explained.

➤ Asher Emerson testifies that the relationship between generation and transmission not thoroughly explored.

Pages 3507 – 3508 - Asher Emerson testifies to the lack of studies being performed or unavailable in new technologies in regards to VAR support.

Page 3510 – Asher Emerson testifies again to the need of additional studies or more extensive studies to alternatives, generation and transmission.

Pages 3541 – 3543 - Mark Bonsall testifies to other alternatives that were researched.

➤ We question that lack of disclosure regarding the research performed on these alternatives and the lack of supporting documentation.

Pages 3546 – 3547 - Mark Bonsall testifies as to the viability of Agua Fria or Santan as both local options.

Pages 3551 – 3552 - Mark Bonsall testifies that Coolidge project was not considered as an alternate.

Pages 3553 – 3554 – Charlie Duckworth testifies regarding Toltec/Eloy as being a possible alternative.

## **January 26, 2001 Hearing Transcript**

Page 3758 – Member Whalen states he is concerned regarding the “quality of water” being released from this plant.

Page 3766 – 3767 - The Department of Water position on the water resources available to this plant.

Pages 3767 – 3767 - Testimony of costs associated with conditions in order for this plant to attempt to fit into this community.

Pages 3768 – 3769 - Member Sundie requests full discussions on application of statutes.

- It is interesting to note that the Committee concerned itself with SRP's conditions associated with this plant versus repeated request for full discussions on how this plant expansions meets the requirements under the statutes. We are very concerned with the Committee's failure to apply the statutes in this case.

Page 3773 – Sundance plant in Coolidge will help get power into the constrained area.

Page 3775 – The Central Arizona Transmission Study is not complete.

Page 3778 – 2–5% of power loss due to power being imported from the outer bounds of the electrical grid.

Page 3779 – The only advantage of placing this plant at the Santan site is that the applicant would gain the benefit of a few percentages in power losses.

Pages 3780 - 3784 - Testimony regarding very few problems associated with plants being hundred and hundreds of miles away from the service.

Pages 3785 – 3786 – Testimony regarding hundreds of miles of transmission lines coming in from the western side of Phoenix.

- It is interesting to note that the argument of requiring hundreds of miles of new transmission lines is somewhat misleading in the fact of current plans to bring in additional transmission lines. Certainly this should be reflected in SRP's 10-year transmission plans.

Page 3792 – Applicant shall comply with all existing applicable ordinances, master plans and regulations of the State of Arizona, the Town of Gilbert.

- Clearly the plant site or its claimed use may be grand fathered in, however, the plant expansion would be subject to the Town of Gilbert's zoning codes and ordinances.

Page 3798 – Applicant concedes it does not have any legal right to use its utility easement for open space as suggested in their CEC application.

Page 3800 – Contribution of \$400,000 to a commuter rail system is made by Member Smith and should be discussed as an appropriate condition tied to this plant.

Page 3804 – There will be costs to people around the plant that cannot be quantified in this document.

Pages 3808 --3809 - The IGA between SRP and the Town of Gilbert expires December 31, 2000 and has not been extended.

➤ Certainly one party cannot agree without the other party to extend an agreement.

Pages 3811 – 3812 – SRP contributes 1.1 million to the widening of Warner Road before it receives approval.

Page 3813 – SRP concedes that they do not have agreements in place with the Town of Gilbert regarding water use.

## **FEBRUARY 2, 2001 – HEARING TRANSCRIPT**

Page 3987, Lines 16-25 & Page 3988, Lines 1-25, & Page 3989, Lines 1-8:

Mr. Kwiat requests that complete plan of Safety and Evacuation be presented prior to approval - per Condition #13.

Page 3992, Lines 5-9: Mr. Sundlof declares that plan has already been done with the Town of Gilbert.

Page 3992, Lines 15-25 & Page 3993, Lines 1-2: Mr. Kwiat addresses Gilbert's evacuation capacity. No response was given then nor has there been one given as of the last day of the Line Siting Committee Hearing.

Page 4037, Lines 1-25 & Page 4038, Lines 1-25, & Page 4039, Lines 4-25, & Page 4040, Lines 1-7 & Page 4042, Lines 8-25 & Page 4043, Lines 1-25 & Page 4044, Line 1-7: Mr. Tobin claims that we would need to be studies like guinea pigs for 20-30 years to clearly prove any negative medical effects from the expanded plant.

Page 4044, Lines 8-25, & Page 4045, Lines 1-25, & Page 4046, Lines 1-19: Mr. Kwiat again asks for an environmental impact study on ammonium salts that will be dispersed.

Page 4075, Lines 6-25 & Page 4076, Lines 1-25, & Page 4077, Lines 1-25 & Page 4078, Lines 1-22 & Page 4079, Lines 1-19: There is no evidence provided that Maricopa County can restrict oil from being burned in the air permit.

Page 4109, Lines 11-21: Mr. Tobin states that there are still too many unknowns with regards to siting for this expansion. We feel it is ironic that given this statement, the line siting committee still voted for the certificate of environmental compatibility. We trust that the Arizona Corporation Commission will not likewise vote if they feel there is any pending crucial information.

## **FEBRUARY 12, 2001 HEARING TRANSCRIPT**

Page 4104 - Mr. Mark Kwiat states that according to a study by the Arizona Republic, the first two years the 85296 zip code of Gilbert increased along with the East Valley and the rest of Gilbert. But in the third year, after they announced the plant the zip code did not increase (Actually went down 1.3% according to [www.azcentral.com/hothomes.html](http://www.azcentral.com/hothomes.html)). There was a decrease but yet an area code right next to it further away had a 12% increase in their home values (representative of trends across the East Valley except for 85296). This is relevant (and we supplied copies of these pages to the ACC Docket Control) because 85296 did not have a market correction over the year before, which only had average appreciation, and 85210 in Mesa which is downtown and where both homeless shelters and a majority of sex offenders in the state of Arizona, actually went up 1.7% instead of down. Also, the 202 freeway expansion did not influence this number because it is not reflected by other zip codes or cities that the 202 passes through.

Page 4127 - Mr. Sequeira again brings up that we haven't yet addressed whether the plant is or is not environmentally compatible even though we have spent more than a full day discussing gifts that SRP would give the Town and region. Mr Bullis responded that "We're not going to get into that today." This is relevant because in the last days of the hearing the intervenors repeatedly asked about whether there was going to be discussion regarding violation of town standards, zoning, building codes that apply to expansions of existing facilities. Gilbert Mayor Cynthia Dunham also asked the Line Siting Committee to rule on this matter of compatibility since SRP stated that the town did not have jurisdiction over SRP. This was not done according to the record and should be cause for denial or at the very least cause the application to be sent back to the Line Siting Committee until such time as the record is complete and the impacts resolved.

Dale Lieb of the Air Quality Dept. for Maricopa Country speaks. Of relevance to our concerns are the following statements:

"... they (SRP) will have to install the lowest achievable emission rate technology on facility".... "The control devices and processes that they use will have to be the best available, irregardless of what the costs are". "Offsets will have to be achieved".

Page 4156, "We haven't received an application for the Santan facility yet, ...only reviewed some of their offset packages."

Page 4159, Member Campbell asks Mr. Lieb, "...even with offsetting from what is existing now and what they're going into, they would still be allowed an increase in pollution, is that correct? Mr. Lieb responds, "Yes.."

Page 4161, Member Campbell asks Mr. Lieb about the existing plant, and Mr. Lieb confirms that in some regards it is considered a dirty plant.”

Page 4170, Member Sundie asks Mr. Lieb if the plant could increase the concentrations of ozone in the east valley. Mr. Lieb admits that he cannot answer that question.

Pages 4184 & 4185; Intervenor Apergis asks Mr. Lieb if the new plant would be able to burn Diesel Fuel Oil under Title 5 permit. Mr. Lieb confirms that they can if there is an emergency curtailment of natural gas.

Mark Sequeira speaks. Of relevance to our concerns are the following statements:

Page 4190, Concern is that we will be spending all day or the good portion of the day once again going over SRP’s revised conditions and therefore limiting time to discuss whether or not the plant does actually fit or is compatible with the neighborhood.

The point here is that repeatedly we asked or brought up the issue that the committee had not discussed whether the plant fit into a residential neighborhood or was compatible with the Town governing documents and statutes and these issues were not addresses by the committee prior to the recommendation to approve the application. We spent an inordinate amount of time discussing conditions rather than whether the plant was environmentally compatible.

Mr. Bullis and Mr. Sundie speak. Of relevance to our concerns are the following statements:

Pages 4224-4226 - Mr. Bullis expresses concerns regarding inverse condemnation and SRP’s failure to address property values in their list of conditions even if there were parameters set up to protect SRP from people who may try to block the plant by adding and adding conditions. SRP hasn’t stepped up to address this issue. It is missing in the list of 28 conditions.

Page 4226 - Mr. Sundie states that he thinks this is one of the prime issues in this siting.

Pages 4239 & 4240 - Mr. A. Wayne Smith states that condition number one states that they have to comply with the Town of Gilbert’s master plans. And that if it is approved, it would be a master plan, a site plan approval by the town. And that the town would have to approve all plans.

Page 4253 - There was a lot of discussion from the line siting committee regarding mitigation being in compliance with exhibit 88 and the conditions supplied by SRP, rather than with either the Town of Gilbert or the physical and social environment.

Page 4255 - Mr. Bullis states that the Town of Gilbert shall approve the plans agreed to by the CWG. Then asks Mr. Whalen, "You indicated that you believed this is something that would require the town approval in any event." Mr. Whalen replied, "I believe so. Yes."

The point here is that the Town has jurisdiction over the mitigation but not over the power plant?

Mr. Campbell speaks. Of relevance to our concerns are the following statements:

Page 4284 - "What I understand is that it's for Arizona's purpose only?" Mr. Sundlof replies, "Absolutely, Mr. Campbell."

Page 4285 - Mr. Sequeira asks for a condition regarding using this plant only for new growth and not to relieve St. John or other plants to sell power to New West Energy or California and that the plant would only be used in excess of current power usage today.

Page 4286 - Mr. Campbell agrees, "I think that's appropriate because this offsetting another plant kind of gets around the point of, what we're talking about. And I'd like an explanation of that." Mr. Sundloff states, "Mr. Campbell, that would be a 'don't build the plant' condition."

Page 4286 - Mr. Sundloff states "It would not be possible, Mr. Campbell, to operate the plant under those restrictions, simply could not finance the plant, couldn't build it."

Page 4288 - Mr. Campbell: "But it would be maybe possible to build a plant here that's oversized, perhaps, that you don't really need."

Page 4288 - Mr. Sundloff states that "If we were not able to build that, then the alternatives would not be acceptable to this committee and there would be significant new transmission and delays and risks."

Page 4289, Mr. Asher Emerson of the ACC states that during the peaks right now SRP has all their power plants on and is still buying power during the summer peak. Okay? What they do in the off peak, and especially in the fall and spring, when they have excess, if you want to call it that for that time frame, excess generation, and that's what they are selling. And they will sell St. John or even Palo Verde the power."

This goes to the issue of a plant running 24/7 in a residential area to supply new and needed power to the Valley approx. 11 days a year and in the fall and spring to sell power to New West Energy. It is common practice for all power utilities to buy power on contract at different times of the year. This is not unusual.

Mrs. LaTona and Lopez speak. Of relevance to our concerns are the following statements:

Page 4325-4327, 4329 - It was brought up that there was a condition drafted to help mitigate the effects of inverse condemnation on real property. This was to address need versus impact. It was not fully addressed.

Page 4338, Mr. Sundie asks Mr. Sundloff if they have an alternative as far as property values are concerned. Mr. Sundloff replies, "The short answer is No." Asserts that SRP believes that there is and will not be any appreciable property loss.

Page 4342, Mrs. Lopez states, "We were advised that should SRP not be held responsible in some fashion or another that we could come back with civil lawsuits against SRP, but SRP could come back as a defendant and say, well, wait a minute, we were approved this, so why don't you look to the Corporation Commission for your defendants to add into a lawsuit. We were trying to avoid that."

"This isn't the first time that SRP or this committee has dealt with issues regarding people's properties....And that's why we went to an attorney to get that structure to help this committee."

Page 4344 - Mr. Sundie responds to SRP, "I'm a little distressed that SRP is (n't?) willing to even compromise here. I know you've thought about it. And this is, you know, just really I guess this is another 'no deal' with you guys. And I just find that personally a little distressing because I think you know that this is really the crux of the argument against this power plant. And I think it's perfectly understandable to you. It would be much easier for us if you could structure a compromise on this issue, but I guess we're not going to get it."

Page 4346 - Mr. Kwiat brings out the point that rather than the added cost of SanTan being paid by the 15,000 homes surrounding it, going to an alternative site would average out to only a few dollars a year spread among SRP's customer base without the effect of inverse condemnation.

Page 4356 - Mrs. LaTona brings up the issue that SRP was asked to go back to the drawing board and work out a condition that would address property values and that all they actually did was create a synopsis of already discussed conditions and testimony.

Page 4357 - Mr. Sequeira brings up that SRP never went to the homeowners and communities impacted to ask for any mitigation or conditions. They worked with the Town of Gilbert and a substandard CWG and none of the improvements on suggested Condition 29 would assure property values for a local resident.

The \$400,000 offered for a rail study is a case in point. SRP went back to Gilbert to work out a condition to help answer Mr. Campbell's concerns over pollution from the 202-freeway expansion. This condition does little for area homeowners since there is no direct net effect of the study. Rail might still be turned down by Maricopa voters and then the local residents would still not have their concerns addressed.

Page 4398 - Mr. McWhirter states regarding his "NO vote, "I've heard testimony for many, many days, and it goes back to my original problem with this. I'm sure everybody will agree on we have two options, we either have a power plant or we have transmission. As an engineer I looked at this purely technical....So I looked at it and broke it down in my head to the best I could the pros and cons of each one. I came up with the problems I have with this power plant and what I have problems with are the transmission lines and my consensus at the end I have to vote no."

Page 4400 - Mr. Campbell states regarding his vote, "My feeling is that if I were SRP, I think this would have been dead on arrival, because when you first consider, SRP first considered this, it had to be considered a disruption of a community as opposed to spending, as I told you today, \$100 million to put it someplace else. So it became an economic or a social cost and you chose the social cost. And I think I'm disappointed with that....And I think I'm going to vote 'No'."

Page 4400 - Mr. A Wayne Smith states, "I think as a planner, my real dissatisfaction comes from the Town of Gilbert not supporting good planning principles. I find it really difficult to understand why what was done was done."

Page 4402 - Mr. Campbell states, "Under the circumstances, Mr. Chairman, if we don't vote, then SRP is going to be able to go ahead anyway as I understand it. And under those conditions I think voting in favor of it at least we get these conditions applied. So in that case I will vote yes."

This is relevant because members of the Line Siting Commission understood that they could not get 6 'nay' votes and so this caused them to vote yes simply to guarantee that conditions were applied. Mr. Smith later called the intervenors to say he only voted yes because he knew it would pass and then without conditions. Mr. Sundie abstained even though earlier in the hearing he declared that he was going to vote to deny because the record was incomplete and had too many unanswered questions as well as witness and requests that SRP still had not supplied.