

Arizona Corporation Commission  
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**MAYES PROPOSED AMENDMENT 1**

AZ CORP COMMISSION  
DOCKET CONTROL

**ORIGINAL**

TIME/DATE PREPARED: December 1, 2008

COMPANY: Fifth Biennial Transmission Assessment      AGENDA ITEM NO. U-1

DOCKET NO. E-00000D-07-0376

OPEN MEETING DATE: Dec. 3, 2008

Page 7, Line 6, INSERT:

The Commission appreciates the hard work performed by the utilities, the Arizona Renewable Transmission Task Force, and the SWAT Renewable Transmission Task Force in identifying the location and amount of transmission needed to support the growth of renewable resources in Arizona. Now that the aggregated state-wide needs have been identified, the Commission believes that the next logical step is to develop procedures to assist in commencing construction of the most urgently needed transmission lines.

The Commission realizes that this next step includes the classic "chicken or egg" dilemma, in that renewable developers may not put forth projects unless transmission is available and utilities may be reluctant to build transmission without commitments from renewable resource developers to build generation facilities. We need a new process to solve this dilemma.

The Commission will require utilities and other stakeholders to hold a workshop to develop ways in which new transmission projects can be identified, approved for construction, and financed in a manner that will support the growth of renewables in Arizona. The workshop shall be held no later than April 30, 2009.

Possible approaches to be considered could include a multi-phase approach that starts with an "open season" solicitation of confidential letters of intent to bid on renewable Requests for Proposals. These letters would identify the exact location of the proposed project, the technology proposed and the project output. Then, based on the results of the "open season," the utility or multiple utilities would identify sub-regions or areas where a critical mass of proposed projects is likely to be built. Based on this information, a utility or utilities could commence a formal Request for Proposals for a specific sub-region and select one or more renewable projects needing transmission in that sub-region.

Each utility would, as a result of this process, identify the top three potential renewable transmission projects in its service territory. Each utility, either alone or in cooperation with other interested utilities, would develop plans to identify future renewable transmission projects

and develop plans and propose funding mechanisms to construct the top three renewable transmission projects. Those projects could include joint projects in other service territories.

Page 8, Line 2.5, INSERT:

IT IS FURTHER ORDERED that Commission-regulated electric utilities shall, by April 30, 2009, conduct a joint workshop or series of planning meetings to develop ways in which new transmission projects can be identified, approved for construction, and financed in a manner that will support the growth of renewables in Arizona.

IT IS FURTHER ORDERED that the Commission-regulated electric utilities shall take the results of the Arizona Renewable Transmission Task Force and the SWAT Renewable Transmission Task Force Plans developed for the Fifth Biennial Transmission Assessment and identify the top three potential renewable transmission projects in their respective service territories.

IT IS FURTHER ORDERED that each Commission-regulated utility, either alone or in cooperation with other interested utilities, shall develop plans to identify future renewable transmission projects and develop plans and propose funding mechanisms to construct the top three renewable transmission projects. These plans and mechanisms shall be filed with the Commission no later than October 31, 2009 and shall be discussed in the Sixth Biennial Transmission Assessment.

Make all conforming changes.