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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS
Mike Gleason, Chairman
William A. Mundell
Jeff Hatch-Miller
Kristin K. Mayes
Gary Pierce

Arizona Corporation Commission

DOCKETED

DEC 11 2008

DOCKETED BY ne

IN THE MATTER OF THE APPLICATION
OF COOLIDGE POWER CORPORATION IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES §§ 40-360.03 AND 40-360.06, *et*
seq. FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATABILITY
AUTHORIZING CONSTRUCTION OF A
NOMINAL 575 MW NATURAL GAS-FIRED,
SIMPLE CYCLE GENERATING FACILITY
LOCATED WITHIN THE CITY OF
COOLIDGE IN PINAL COUNTY, ARIZONA.

DOCKET NO. L-00000HH-08-0422-00141

CASE NO. 141

DECISION NO. 70636

The Arizona Corporation Commission ("Commission") has conducted its review, pursuant to A.R.S. § 40-360.07. The Commission finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Committee") is hereby granted by this Order.

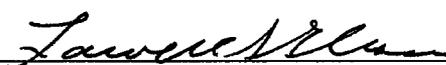
The Commission further finds and concludes that: (1) the Project is in the public interest because it aids the state in meeting the need for an adequate, economical and reliable supply of electric power; (2) in balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee effectively minimize its impact on the environment and ecology of the state; (3) the conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised; and (4) in light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

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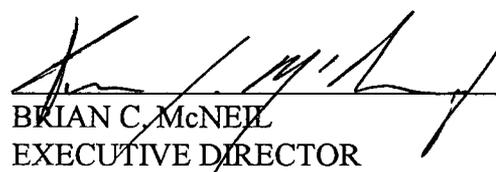
THE CEC ISSUED BY THE SITING COMMITTEE IS
INCORPORATED HEREIN AND IS APPROVED BY ORDER OF THE
ARIZONA CORPORATION COMMISSION

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CHAIRMAN COMMISSIONER

  
COMMISSIONER COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capital, in the City of Phoenix, this 11th day of December, 2008.


BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

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

3 IN THE MATTER OF THE APPLICATION OF
4 COOLIDGE POWER CORPORATION, IN
5 CONFORMANCE WITH THE
6 REQUIREMENTS OF ARIZONA REVISED
7 STATUTES 40-360.03 AND 40-360.06, FOR A
8 CERTIFICATE OF ENVIRONMENTAL
9 COMPATIBILITY AUTHORIZING
10 CONSTRUCTION OF A NOMINAL 575 MW
11 NATURAL GAS-FIRED, SIMPLE CYCLE
12 GENERATING FACILITY LOCATED WITHIN
13 THE CITY OF COOLIDGE IN PINAL
14 COUNTY, ARIZONA

Case No.

L-00000HH-08-0422-00141

Decision No. 70636

10 **DECISION**
11 **of the**
12 **ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE**
13 **and**
14 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

15 Pursuant to notice given as provided by law, the Arizona Power Plant and
16 Transmission Line Siting Committee (“Committee”) held public hearings at the Coolidge
17 Youth Center, September 30 and October 1, 2008, in conformance with the requirements
18 of Arizona Revised Statutes Section 40-360, *et seq.*, for the purpose of receiving public
19 comment and evidence and deliberating on the Application of Coolidge Power
20 Corporation (“Applicant”) for a Certificate of Environmental Compatibility in the above-
21 captioned case.

22 The following members or designees of members of the Committee were present
23 for some or all of the hearings on the Application:

24 John Foreman Chairman, Designee for the Arizona Attorney General.

25 Paul W. Rasmussen Designee for the Director of the Arizona Department of
26 Environmental Quality

27 David Eberhart Designee for the Chairman of the Arizona Corporation
28 Commission

1 (“CGS”) would contribute towards satisfaction of such need without causing material
2 adverse impact to the environment, as mitigated by compliance with the conditions
3 attached to the issuance of the Certificate.

4 **Conclusions of Law:**

5 The Committee concludes that under the facts of this case, as reflected by the
6 record, the Committee has jurisdiction to consider the Application and to grant the
7 Certificate, and Applicant is legally entitled to receive the following Certificate upon the
8 conditions set forth therein.

9 **Certificate of Environmental Compatibility:**

10 Coolidge Power Corporation, and its assignee(s), are hereby granted this Certificate
11 of Environmental Compatibility authorizing construction of a nominal 575 MW natural
12 gas-fired, simple-cycle generating facility and associated generation intertie (“gen-tie”)
13 transmission line (collectively the “Project”) interconnecting the generating facility to a
14 new switchyard to be separately constructed, owned and operated by Salt River Project
15 (“SRP”). As depicted on the attached Exhibit A, the Project will be constructed on an
16 approximately 100 acre parcel of industrially-zoned land in the City of Coolidge, located
17 within the East ½ and the East ½ of the West ½ of Section 10, Township 6 South, Range 8
18 East of the Gila and Salt River Base and Meridian, Pinal, County, Arizona (the “Project
19 Site”). The Project will include up to twelve (12) General Electric LM6000 PC SPRINT
20 NxGen individual simple-cycle natural gas combustion turbine generator units, each
21 producing up to approximately 48 MWs under optimal conditions, for an aggregate
22 generating output range from approximately 25 MW to approximately 575 MW. The
23 Project will interconnect at the 230kV voltage level with the certificated Pinal West to
24 Southeast Valley/Browning 500/230kV transmission line to be constructed by SRP
25 between the Pinal Central (formerly Pinal South) substation and the Dinosaur (formerly
26 RS-19) substation (the “PC-DIN Circuit”), via a new Randolph switchyard to be
27 constructed, owned and operated by SRP at the Project Site. The PC-DIN Circuit will run
28 adjacent to, and the new switchyard will be constructed on, the western portion of the

1 Project Site. The switchyard will lie within a single span of conductors from the Pinal
2 Central-Dinosaur 230kV line. The Project gen-tie transmission line will not exceed
3 approximately 3000 feet in total length, and will be constructed using tubular steel
4 monopole tower structures of the type generally depicted on the attached Exhibit B,
5 approximately 100-145 feet in height, in total numbers and spacing to be determined in
6 accordance with applicable interconnection standards and applicable safety and reliability
7 standards.

8 This Certificate is granted upon the following conditions:

- 9 1. This authorization to construct the Project will expire five (5) years from the date
10 this Certificate is approved by the Commission unless the Project is capable of
11 operation within the five-year time frame. If the Project is not capable of
12 operation within the five-year time frame, the Applicant, or its assignee(s), may
13 apply to the Commission for an extension of time.
- 14 2. The Project shall comply with all existing applicable air and water pollution
15 control standards and regulations, and with all existing applicable ordinances,
16 master plans and regulations of the State of Arizona, Pinal County, the United
17 States, and any other governmental entities having jurisdiction, including but not
18 limited to the following:
 - 19 a. All applicable land use regulations;
 - 20 b. All applicable zoning stipulations and conditions, including but not
21 limited to landscaping and dust control requirements;
 - 22 c. All applicable air quality control standards and regulations, and permit
23 conditions of the Pinal County Air Quality Control District, the Arizona
24 Department of Environmental Quality and/or Federal agencies having
25 jurisdiction; and the Applicant, or its assignee(s), shall install and operate
26 selective catalytic reduction and oxidation catalyst emission control
27 technologies, as required by the air permit;

- 1 d. All applicable water use, discharge and/or disposal requirements of the
2 Arizona Department of Water Resources and the Arizona Department of
3 Environmental Quality;
- 4 e. All applicable noise control standards;
- 5 f. All applicable regulations and permits governing storage and handling of
6 chemicals and petroleum products; and
- 7 g. All other applicable federal and state regulations and standards.
- 8 3. Applicant, or its assignee(s), will provide to the Commission copies of the
9 Project's executed interconnection agreement with SRP, and the technical
10 operating studies which will be performed by SRP prior to actual physical
11 interconnection of the Project to the SRP transmission system.
- 12 4. At least 30 days prior to commercial operation of the Project, Applicant, or its
13 assignee(s), will file with Commission Docket Control a letter from SRP
14 confirming the completion of all required transmission system upgrades, and the
15 compliance by Applicant, or its assignee(s), with all requirements of SRP to
16 interconnect the Project with the SRP switchyard and transmission system.
17 Applicant, or its assignee(s), will comply with all applicable WECC/NERC
18 standards, without the implementation of an automated Remedial Action Scheme
19 ("RAS") to mitigate any N-1 contingencies, except as a temporary measure until
20 May 30, 2011. The Project may rely upon a temporary RAS to mitigate impacts
21 of an outage on the Dinosaur to Browning 230kV transmission line and, should
22 one occur, will ramp down generation to below 360MW immediately and to
23 below 280MW within thirty (30) minutes. The Project may rely upon a
24 temporary RAS to mitigate impacts of an outage on the Randolph to Dinosaur
25 230kV transmission line and, should one occur, will shut down generation. The
26 temporary RAS will not be employed to mitigate any N-1 contingency after May
27 30, 2011; provided, however, that if it reasonably appears that the Project
28 commercial operation date will be delayed beyond May 30, 2011, the Applicant,

1 or its assignee(s), may apply to the Commission for an extension of time.

- 2 5. Applicant, or its assignee(s), shall document and make reasonable efforts to
3 respond to each complaint made to Applicant, or its assignee(s), of alleged
4 interference with radio or television signals from the operation of the Project.
5 Applicant, or its assignee(s), shall maintain written records for a period of five
6 years of all such complaints including the date of the alleged interference, the
7 name and identifying information of the complaining party, the response made,
8 and the results of the corrective action taken or an explanation of why no action
9 was taken, as applicable.
- 10 6. The Project will be designed and constructed to incorporate reasonable measures
11 to minimize impact upon raptors.
- 12 7. Non-specular conductor and dulled surfaces shall be used for the gen-tie
13 transmission line structures.
- 14 8. Applicant, or its assignee(s), or its affiliate company, or its customer, will
15 become a member of the WECC (or its successor), and will file with the
16 Commission a copy of its executed WECC Membership Agreement.
- 17 9. Before commencing construction of Project facilities located parallel to and
18 within 100 feet of any existing natural gas or hazardous liquid pipeline, the
19 Applicant, or its assignee(s), shall:
- 20 a. Perform the appropriate grounding and cathodic protection studies to
21 show that the Project's location parallel to and within 100 feet of such
22 pipeline results in no material adverse impacts to the pipeline or to public
23 safety when both the pipeline and the Project are in operation. If material
24 adverse impacts are noted in the studies, Applicant, or its assignee(s),
25 shall take appropriate steps to ensure that such material adverse impacts
26 are mitigated. Applicant, or its assignee(s), shall file in Commission
27 Docket Control reports of the studies performed; and
28

- 1 b. Perform a technical study simulating an outage of the Project that may be
2 caused by the collocation of the Project parallel to and within 100 feet of
3 the existing natural gas or hazardous liquid pipeline. This study should
4 either: (i) show that such outage does not result in customer outages; or
5 (ii) include operating plans to minimize any resulting customer outages.
6 Applicant, or its assignee(s), shall file a copy of this study in Commission
7 Docket Control.
- 8 10. Applicant, or its assignee(s), and/or its affiliate company and/or its customer, will
9 participate in good faith in Arizona and regional workshops and other
10 assessments of the natural gas infrastructure and market.
- 11 11. Applicant, or its assignee(s), and/or its affiliate company and/or its customer, will
12 take commercially reasonable steps to ensure a reliable supply and delivery of
13 natural gas for the Project.
- 14 12. Within 30 days of the Commission decision authorizing construction of the
15 Project, Applicant, or its assignee(s), will erect and maintain at the site a sign of
16 not less than 4 feet by 8 feet dimensions, advising:
- 17 a. That the site has been approved for the construction of a 575 megawatt
18 generating facility and associated gen-tie transmission line
19 interconnecting the generating facility to a new switchyard;
- 20 b. The expected date of completion of the Project;
- 21 c. The phone number and address of a Project representative; and
- 22 d. A website where the public may access public information about the
23 Project.
- 24 13. To the extent applicable, Applicant, or its assignee(s), will comply with the notice
25 and salvage requirements of the Arizona Native Plant Law (A.R.S. §§ 3-901 *et*
26 *seq.*) and will, to the extent feasible, minimize the destruction of native plants
27 during the construction and operation of the Project.
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- 1 14. During the construction and maintenance of the Project, to the extent practicable,
2 the Applicant, or its assignee(s), will use existing roads for construction and
3 access, and to the extent applicable taking into account that the Project Site lies
4 within a designated industrial use area, minimize impacts to wildlife and
5 vegetation outside of the Project Site.
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- 7 15. If any archaeological, paleontological, or historical site or object that is at least
8 fifty years old is discovered on state, county, or municipal land during the
9 construction or operation of the Project, Applicant, or its assignee(s), will
10 promptly report the discovery to the Director of the Arizona State Museum and,
11 in consultation with the Director, take all reasonable steps to secure and maintain
12 the preservation of the discovery in accordance with A.R.S. § 41-844.
- 13 16. If human remains or funerary objects are encountered during the course of any
14 ground disturbing activities related to the development of the Project, Applicant,
15 or its assignee(s), will cease all ground disturbing activities in the immediate area
16 of the discovery and notify the Director of the Arizona State Museum in
17 accordance with A.R.S. § 41-865.
- 18 17. Within 120 days after the approval of this Certificate by the Commission,
19 Applicant, or its assignee(s), will provide the following information to all persons
20 who have filed with the City of Coolidge or Pinal County any official master plan
21 and/or subdivision plat for residential home development on property within one
22 mile from the center of the Project Site: (i) a copy of this Certificate; (ii) a map
23 showing the location of the Project; (iii) a pictorial representation of the Project;
24 and (iv) a request that developers and homebuilders include this information in
25 their disclosure statements to prospective buyers.
- 26 18. Applicant, or its assignee(s), will provide copies of this Certificate to the City of
27 Coolidge, Pinal County, the Arizona State Land Department, and the State
28 Historic Preservation Office.

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19. On or before March 1 of each year, beginning in 2010, Applicant, or its assignee(s), will submit a self-certification letter identifying progress made with respect to each condition of this Certificate, including which conditions have been met. Each letter, together with reasonably detailed supporting documentation, will be filed with Commission Docket Control, with copies to the Arizona Attorney General and the Department of Commerce Energy Office. This requirement will expire on the date the Project is placed into commercial operation or this Certificate expires.

GRANTED this ~~30~~ day of October, 2008.

ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

By John Foreman
John Foreman, Chairman