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ARIZONA CORPORATION COMMISSION

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NOTICE

AZ CORP COMMISSION
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TO: POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE
MEMBERS AND INTERESTED PARTIES

SUBJECT: GILA BEND POWER PARTNERS L.L.C., OR THEIR ASSIGNEE(S)
DOCKET NO. L-00000V-00-0106

DATE: FEBRUARY 7, 2001

Enclosed for your review is a copy of the proposed Certificate of Environmental Compatibility in Case No. 106, which has been executed by Paul Bullis, Chairman-Designee for the Power Plant Transmission Line Siting Committee.

It is anticipated this will be scheduled for Open Meeting on March 27, 2001, and March 28, 2001, for consideration and approval by the Arizona Corporation Commission.

If you need any further assistance in the above referenced matter please feel free to contact me at (602) 542-0741, or (800) 222-7000.

Sincerely,

J. Beth Cockrill
Administrative Assistant I
Utilities Division

/jbc

Enclosure

cc: Laurie Woodall, Attorney General's Office
Shelly M. Hood, Executive Secretary's Office
Docket Control Center

Arizona Corporation Commission
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**BEFORE THE ARIZONA POWER PLANT
AND TRANSMISSION LINE COMMITTEE**

IN THE MATTER OF THE APPLICATION OF)
GILA BEND POWER PARTNERS, L.L.C., OR)
THEIR ASSIGNEE(S), IN CONFORMANCE WITH)
REQUIREMENTS OF ARIZONA REVISED)
STATUTES SECTIONS 40-360-01 *ET SEQ.*, FOR A)
CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING THE)
CONSTRUCTION OF A NATURAL GAS-FIRED,)
COMBINED CYCLE GENERATING PLANT,)
SWITCHYARD, AND RELATED FACILITIES IN)
THE TOWN OF GILA BEND, MARICOPA)
COUNTY, ARIZONA LOCATED IN THE SOUTH)
WEST QUARTER OF SECTION 19, TOWNSHIP 5)
SOUTH RANGE 5 WEST, GILA AND SALT RIVER)
BASE AND MERIDIAN.)

CASE NO. 106
DOCKET NO. L-00000V-00-0106

**DECISION OF THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING
COMMITTEE AND CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee ("Committee") held public hearings in Phoenix and Mesa, Arizona, on Wednesday, November 15, 2000, on Friday, December 15, 2000, and on Friday, February 2, 2001, in conformance with the requirements of Arizona Revised Statutes Section 40-360, *et seq.*, for the purpose of receiving public comment and evidence, and deliberating on the Application of Gila Bend Power Partners, L.L.C. ("Gila Bend" or "Applicant"), or their assignees, for a Certificate of Environmental Compatibility ("Certificate") authorizing construction of a natural gas-fired, combined cycle generating plant, switchyard, and related facilities in the Town of Gila Bend, Maricopa County, Arizona, as described in the application. The following members and designees of members of the Committee were present for one or more of the hearing days:

- | | |
|----------------|--|
| Paul A. Bullis | Chairman, Designee for Arizona Attorney General,
Janet Napolitano |
| Steve Olea | Arizona Corporation Commission |
| Dennis Sundie | Department of Water Resources |

1	Richard Tobin	Department of Environmental Quality
2	Mark McWhirter	Department of Commerce
3	George Campbell	Appointed Member
4	Jeff McGuire	Appointed Member
5	A. Wayne Smith	Appointed Member
6	Sandie Smith	Appointed Member

7 The Applicant was represented by its counsel, Karen L. Peters and Justin D. Steltenpohl of
8 Squire, Sanders & Dempsey L.L.P. Staff of the Arizona Corporation Commission was represented
9 by its counsel, Janice Alward. At the conclusion of the hearing, after consideration of the
10 Application, the evidence and exhibits presented, the legal requirements of A.R.S. § 40-360 to 40-
11 360.13, and in accordance with A.A.C. R14-3-213, upon motion duly made and seconded, the
12 Committee voted to grant Gila Bend the following Certificate of Environmental Compatibility (Case
13 No. 106).

14 Gila Bend Power Partners, L.L.C., is hereby granted a Certificate of Environmental
15 Compatibility for the construction of the following facilities as requested in its Application:

16 Gila Bend Power Partners, L.L.C. is authorized to construct a natural gas-fired, combined
17 cycle generating plant consisting of three combustion gas turbines and one steam turbine
18 producing a nominal 845 MW, switchyard, and related facilities in the Town of Gila Bend,
19 Maricopa County, Arizona, as described in the Application. This Certificate is granted upon
20 the following conditions:

- 21 1. The Applicant and its assignees will comply with all existing applicable air
22 and water pollution control standards and regulations, and with all existing
23 applicable ordinances, master plans and regulations of the State of Arizona,
24 the County of Maricopa, the United States, and any other governmental
25 entities having jurisdiction.
- 26 2. This authorization to construct the project will expire five years from the date
27 the Certificate is approved by the Arizona Corporation Commission
28 ("Commission") unless construction is completed to the point that the plant
is capable of operating at its rated capacity by that time; provided, however,
that prior to such expiration the facility owner may request that the
Commission extend this time limitation.
3. Applicant shall provide to the Commission, not more than twelve (12)

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months prior to the commercial operation of the plant, a technical study regarding the sufficiency of transmission capacity to the plant.

4. Applicant shall submit to the Commission an interconnection agreement with the transmission provider with whom it is interconnecting.
5. Applicant or one of its affiliates will become a member of the Western States Coordinating Council ("WSCC"), or its successor, and file a copy of its WSCC Reliability Criteria Agreement or Reliability Management System (RMS) Generator Agreement with the Commission.
6. Applicant will use commercially reasonable efforts to become a member of the Southwest Reserve Sharing Group, or its successor, thereby making its units available for reserve sharing purposes, subject to competitive pricing.
7. Applicant or its assignee(s) will respond to inquiries for future transmission interconnections with its facilities in the same nondiscriminatory manner and using the same process as that required of transmission owners and service providers.
8. Applicant shall operate its project so as to meet a 2.5 ppm NOx emissions level, within the parameters established in the Title V and PSD air quality permit issued by Maricopa County for the plant.
9. Applicant shall operate its project so that during normal operations the project shall not exceed (i) HUD or EPA residential noise guidelines or (ii) OSHA worker safety noise standards.
10. Applicant's switchyard shall be a conventional open-air, breaker and one-half bus design consisting of high-voltage power circuit breakers, disconnect switches, grounding switches, potential transformers, surge arresters, substation steel structures, and protective relaying equipment.
11. Applicant will comply with all current and future requirements and recommendations by the Town of Gila Bend regarding landscaping and site conditions.
12. Applicant will use low profile structures, moderate stacks, neutral colors, compatible landscaping, and low intensity directed lighting for plant.
13. Applicant will develop and maintain the plant site consistent with the applicant's land management plan, hearing Exhibit A-8. In addition, the applicant shall provide natural screening along the entire southern and western boundaries of the plant site.
14. Applicant will, where feasible, develop an ongoing relationship with an appropriate educational institution in the State of Arizona to develop research projects to evaluate the ability of newly established vegetation to resist competition by salt cedar.
15. Applicant shall not begin construction of the project until a Certificate of Environmental Compatibility has been issued and approved by the Commission for a new transmission line to interconnect the project with the WSCC transmission grid.

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- 16. Applicant's project shall be designed and constructed to accommodate two transmission lines emanating from its power plant's transmission switchyard and interconnecting with the existing transmission system. This plant interconnection must satisfy the single contingency outage criterion (N-1) without reliance on remedial action such as generator unit tripping or load shedding.
- 17. Applicant shall participate in good faith in state and regional transmission study forums, such as the Central Arizona Transmission Study, to terminate a second transmission line out of the Gila Bend power plant that serves the transmission system grid needs to deliver power throughout the Western System Coordinating Council grid in a reliable manner. Applicant shall take all commercially reasonable efforts to ensure that such transmission line shall be timely constructed in accordance with the needs of the integrated transmission grid.
- 18. Arizona electric consumers will have a continuing need for access to low-cost power, and applicant has agreed to have wholesale power available during peak periods, during the first two years following commercial operations, for sale to Arizona customers in open market, arms-length transactions.

GRANTED this 1th day of February, 2001.

ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

By Paul A. Bullis
Paul A. Bullis, Chairman

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APPROVED BY ORDER OF THE ARIZONA CORPORATION COMMISSION

Chairman

Commissioner

Commissioner

IN WITNESS WHEREOF, I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, set my hand and cause the official seal of the Commission to be affixed this ____ day of _____, 2001.

By _____
Brian C. McNeil
Executive Secretary

Dissent: _____