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Arizona Corporation Commission  
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AZ CORP COMMISSION  
DOCKET CONTROL

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Arizona Corporation Commission  
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SUBJECT: Comments on Revised Draft Proposed Resource Planning Rules for the Proposed Rulemaking on Resource Planning Rules (Docket No. RE-00000A-09-0249)

Western Resource Advocates (WRA) hereby provides comments on **Commissioner Newman's** proposals on resource planning noted in his letter dated September 2, 2009. WRA believes that Commissioner Newman's proposals are helpful. However, we believe that some clarifications or modifications are desirable as described below.

1. **Time horizon.** Commissioner Newman proposes a 10 year planning horizon because a 10 year time horizon would better allow consideration of rapid technological change and rapid evolution of environmental regulations than would a 15 year time horizon. WRA believes that the 15 year time horizon is more appropriate as it will encompass consideration of projects with long lead times such as nuclear power plants. The two year planning cycle incorporated in the draft rule will allow utilities and the Commission to consider the effects of rapidly changing technology and environmental regulation on resource choices.
2. **Monetization of environmental impacts.** It will be difficult to meaningfully monetize some environmental impacts such as the effects of mercury on fish and wildlife. While it may be possible to develop a range of monetary values for some aspects of environmental impacts of power generation and transmission, the Commission should also take into account evidence of environmental impacts that cannot be reasonably or readily monetized.
3. **Rising temperatures.** We support Commissioner Newman's recognition of the need to consider the effects of both the urban heat island effect and climate change on the demand for electricity. We suggest that these effects be analyzed using not only the latest government research, as proposed by Commissioner Newman, but also using other scientifically credible research.