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Arizona Corporation Commission

DOCKETED

BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

JUL 9 2001

DOCKETED BY [signature]

IN THE MATTER OF THE APPLICATION OF SUNDANCE ENERGY IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES 40-360.01 AND 40-360.06 FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING CONSTRUCTION OF A NOMINAL 600 MW NATURAL GAS-FIRED, SIMPLE CYCLE, PEAKING POWER GENERATING FACILITY IN PINAL COUNTY, ARIZONA SOUTHWEST OF COOLIDGE, ARIZONA. ) CASE NO. 107 ) DOCKET NO. L-00000W-00-0107 ) DECISION NO. 63883

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 at the Coolidge High School, Coolidge, Arizona on December 4, 2000, and January 24, 2001, and in Phoenix, Arizona on March 5, 2001, and April 5, 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 PPL Sundance Energy, LLC, ("Sundance Energy" or "Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case.

Paul A. Bullis Chairman, Designee for the Arizona Attorney General, for the December 4, 2000 hearing; succeeded by

Laurie A. Woodall Chairman, Designee for the Arizona Attorney General, for the January 24, 2001 hearing and subsequent proceedings.

- Steve Olea Arizona Corporation Commission
Mark McWhirter Arizona Department of Commerce
George Campbell Appointed Member
Jeff Maguire Appointed Member
Wayne Smith Appointed Member

1 Sandie Smith Appointed Member

2 Hon. Mike Whalen Appointed Member

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4 Jay Moyes of Moyes Storey Ltd. represented the Applicant. Staff of the Arizona Corporation  
5 Commission ("Staff") noticed their intervention as a party, and were represented by Teena Wolfe.  
6 Plumbers and Pipefitters Union Local #741 and Don't Waste Arizona, Inc. were granted intervenor  
7 status and presented testimony and exhibits during the January 24, 2001 hearing, and were jointly  
8 represented by M. David Karnas of Siegel, Bellovin & Karnas; however, at the March 5, 2001  
9 hearing, later confirmed by written motion, said entities formally withdrew as intervenor parties and,  
10 by subsequent order of the Chairman, they were ordered withdrawn and their testimony and exhibits  
11 of January 24 rendered the status of public comment. There were no other interventions or limited  
12 appearances.

13 At the conclusion of the hearing and deliberations, the Committee, (i) having received and  
14 considered the Application, the appearances of Applicant and each of the intervenors; the evidence,  
15 testimony and exhibits (including Applicant's March 29, 2001 Supplement to the Application)  
16 presented by Applicant and the intervenors, respectively; and the public comments; (ii) being advised  
17 of the legal requirements of Arizona Revised Statutes Sections 40-360 to 40-360.13; (iii) upon  
18 consideration of the factors identified in Arizona Revised Statutes Section 40-360.06; and (iv) in  
19 accordance with A.A.C. R14-3-213, upon motion duly made and seconded, voted to make the  
20 following findings and to grant Applicant the following Certificate of Environmental Compatibility:

21 The Committee finds that the record contains substantial clear and convincing evidence  
22 regarding the need for an adequate, economical and reliable supply of electric power within the State  
23 of Arizona, and how Applicant's proposed Sundance Energy Project would contribute towards  
24 satisfaction of such need without causing material adverse impact to the environment.

25 PPL Sundance Energy, LLC, and its assignee(s), are hereby granted this Certificate of  
26 Environmental Compatibility authorizing construction of a natural gas-fired nominal 540 MW  
27 generating facility, consisting of twelve LM6000 units, together with related infrastructure, which  
28 shall be located in Pinal County, approximately one quarter mile north of Randolph Road and one

1 quarter mile west of Tweedy Road, approximately 5 miles southwest of Coolidge, Arizona.

2 This Certificate is granted upon the following conditions:

3  
4 1. The Applicant will comply with all existing applicable air and water pollution control  
5 standards and regulations, and with all existing applicable ordinances, master plans  
6 and regulations of the State of Arizona, Pinal County, the United States, and any  
7 other governmental entities having jurisdiction, including but not limited to the  
8 following:

- 9
- 10 a. all zoning stipulations and conditions, including not limited to landscaping  
and dust control requirements and/or approvals;
  - 11 b. all applicable air quality control standards, approvals, permit conditions and  
12 requirements of the Pinal County Air Quality Control District and/or other  
13 State or Federal agencies having jurisdiction, and the applicant shall install  
14 and operate selective catalytic reduction at the level determined by the Pinal  
County Air Quality Control District;
  - 15 c. all applicable water use and/or disposal requirements of the Arizona  
16 Department of Water Resources, Pinal Active Management Area  
17 Management Plan(s) and the Arizona Department of Environmental Quality  
regulations;
  - 18 d. all applicable noise control standards, and during normal operations the  
19 Project shall not exceed applicable (i) HUD or EPA residential noise  
guidelines or (ii) OSHA worker safety noise standards;
  - 20 e. all applicable regulations and permits governing storage and handling of  
21 chemicals.

22 2. This authorization to construct the Sundance Energy Project facility will expire, as  
23 to Phase I (up to ten LM 6000 units for a nominal capacity of 450 MW) upon three  
24 (3) years, and, as to the final Phase (additional LM 6000 units to bring the total  
25 facility capacity to a nominal 540 MW) upon five (5) years, from the date this  
26 Certificate is approved by the Arizona Corporation Commission ("Commission")  
27 unless construction is completed to the point that the facility is capable of operating  
28 at its rated capacity, as to each Phase, by the respective expiration dates; provided,

1                    however, that prior to such expiration Applicant or its assignee may request the  
2                    Arizona Corporation Commission extend this time limitation.

3                    3.    Applicant's Project will have three (3) transmission lines emanating from its power  
4                    plant's transmission switchyard and interconnecting with the existing transmission  
5                    system. This plant interconnection must satisfy the single contingency outage criteria  
6                    (N - 1) without reliance on remedial action such as generator unit tripping or load  
7                    shedding. Staff has concluded based upon studies completed and reviewed that for  
8                    the first Phase of up to ten LM 6000 units and 450 MW, if three lines are built and  
9                    conditions 4, 5 and 6 below are met, this condition 3 is satisfied.

10                  4.    The necessary modifications to clearances of the undercrossing lines shall be  
11                  completed so that the existing Coolidge to Rogers 230 kV transmission line has a  
12                  normal rating of at least 352 MW accompanied by a 30 minute emergency rating of  
13                  110% of normal rating, prior to commercial operation of ten LM6000 units with a  
14                  total rating of 450 MW.

15                  5.    Applicant shall participate in good faith in the Central Arizona Transmission Study,  
16                  to identify and encourage expedient implementation of transmission enhancements  
17                  necessary to:

18                  a.    resolve any exposure to the Coolidge to Rogers transmission line loading in  
19                  excess of normal ratings due to single contingency line outages; and

20                  b.    accommodate expansion of the Sundance Energy Project facility beyond the  
21                  Phase I limit of ten LM6000 units and 450 MW.

22  
23                  6.    Applicant shall not commence expansion of the Sundance Energy Project facility  
24                  beyond ten LM6000 units until technical studies required in condition 5.b above have  
25                  been provided to the Commission and operation of such additional units shall not  
26                  commence until the prerequisite transmission enhancements are in place.

27                  7.    Applicant will submit to the Commission an interconnection agreement with the  
28                  transmission provider with whom it is interconnecting.

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- 8. Applicant or its affiliate company will become a member of the Western States Coordinating Council ("WSCC") (or its successor) and file an executed copy of its WSCC Reliability Management System ("RMS") Generator Agreement with the Commission.
- 9. Applicant will use reasonable efforts to become a member of the Southwest Reserve Sharing Group (or its successor) if commercially reasonable, thereby making Applicant's units available for reserve sharing purposes, subject to competitive pricing.

GRANTED this 11<sup>th</sup> day of April, 2001.

ARIZONA POWER PLANT AND  
TRANSMISSION LINE SITING COMMITTEE

By Laurie A. Woodall  
Laurie A. Woodall, Chairman

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**BEFORE THE  
ARIZONA CORPORATION COMMISSION**

Having considered the factors identified in A.R.S. Section 40-360.06, and balanced, in the broad public interest, the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state, the Commission finds, concludes and orders that the Certificate of Environmental Compatibility be affirmed and approved with the additional conditions set forth below.

IT IS THEREFORE ORDERED that the Certificate of Environmental Compatibility granted to PPL Sundance Energy LLC by the Arizona Power Plant and Transmission Line Siting Committee on April 11, 2001 is hereby affirmed and approved with the additional conditions 10 through 16 set forth below.

10. Condition 1(b) above is amended by inserting, after the words "selective catalytic reduction" the words "and catalytic oxidation technology". Condition 1(b) above is further amended by inserting, after the words "Pinal County Air Quality Control District" the words "and approved by EPA Region IX". In addition, a new subsection (c) is added to Condition 1 above as follows:

c. If during the first 20 years of commercial operation of this Project (i) an air quality permit is issued in EPA Region IX requiring a simple cycle combustion turbine generator located in an area having the same designation at that time (attainment or nonattainment) as the Project site to control NOx emissions to a level between 5.0 ppm and 2.5 ppm, and (ii) the Commission or the Applicant has determined that use of the technology required to comply with such lower standard would be economically feasible for this Project, then within 24 months of such determination Applicant shall install and operate control technology to control NOx emissions at this Project to such lower standard.

and the existing subsections c, d, and e are renumbered to be subsections d, e, and f, respectively.

11. Applicant shall make commercially reasonable efforts to execute wholesale power sales to credit worthy Arizona load-serving entities serving Arizona load and to marketers providing service to those Arizona load serving entities.

12. The project shall not set any combustion turbine on its foundation until the Federal Record of Decision has been published by Western Area Power Administration approving construction of the transmission facilities interconnecting the Project to the grid.

13. The Applicant shall file deed restrictions limiting the use of its property to non-residential uses.

Applicant shall erect and maintain a sign of not less than 4 feet by 8 feet dimensions, advising:



1 Pursuant to A.A.C. R14-3-204,  
2 the ORIGINAL and 25 copies  
3 filed this \_\_\_\_ day of June, 2001, with:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 COPY of the foregoing mailed  
9 this \_\_\_\_ day of June, 2001, to:

10 Jay I. Moyes, Esq.  
11 MOYES STOREY  
12 3003 North Central, Suite 1250  
13 Phoenix, Arizona 85012  
14 Attorney for Application

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Angela L. Bennett