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**ARIZONA CORPORATION COMMISSION**

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November 12, 2009 2009 NOV 13 P 1:59 Arizona Corporation Commission

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**DOCKETED**

NOV 13 2009

TO: Interested Persons

FROM: Paul Newman, Commissioner

DOCKETED BY

RE: **Proposed Rulemaking Regarding Resource Planning, Docket ~~RE-00000A-09~~**  
~~0379~~ - Including 'Externalities' Such As Water Use, Consumption, Withdrawal and Contamination; Health Effects from Burning Coal; Costs of Coal Ash Monitoring, Disposal and Storage; and Fossil Fuel Supply Studies and Emissions from Production and Transportation of Fuels in Integrated Resource Planning Rules.

This is to let interested persons know that I've introduced amendments to the currently proposed Integrated Resource Plan (IRP) rules that include so-called 'externalities,' or costs that are borne by society at large and currently not counted in the cost of electricity. These costs include:

- Water use, consumption, withdrawal and contamination
- Health effects from burning coal
- Costs of coal ash disposal, monitoring and storage
- Future supplies of coal, natural gas and uranium fuels every three years
- Emissions from production and transportation

My office is also considering "life-cycle analysis" for power generation. Life-cycle analysis requires that all aspects of power generation be considered – from digging coal out of the ground to building wind turbines or making solar photo voltaic panels. There are many experts in this area, and the National Renewable Energy Lab has done dozens of research papers looking at the life-cycle costs of coal, natural gas, solar, wind and biomass.

My office is requesting Chairman Mayes and the other Commissioners to open workshop dockets on:

- Health costs and environmental effects from mining, transporting and burning coal and natural gas;
- Energy and water use; and
- Life-cycle considerations for various forms of power generation.

If you have any questions, please don't hesitate to call Nancy LaPlaca at my office at 602-542-3682 or email [nlaplaca@azcc.gov](mailto:nlaplaca@azcc.gov); or Jennifer Ybarra [jybarra@azcc.gov](mailto:jybarra@azcc.gov).