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January 29, 2010

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JAN 29 2010

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Re: Docket No. E-00000D-09-0020

Docket Control:

Enclosed please find an original and thirteen copies of the Harcuvar Transmission Project ("HTP") Participants' 2009-2018 Ten-Year Plan, submitted pursuant to Arizona Revised Statutes, Section 40-360.02 by the Central Arizona Water Conservation District ("CAWCD") as Project Manager of the HTP. Please direct any questions regarding this filing to me at 623-869-2362.

Enclosed is an additional copy of the filing that CAWCD requests you date-stamp and return in the self-addressed, stamped envelope for our files.

Sincerely,

Gary L. Ijams
Manager, Power Program

cc: Steve Olea, ACC
Janet Alward, ACC
Lyn Farmer, ACC
Larry Dozier, CAWCD
John McNeill, Esq., CAWCD

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Docket No. E-00000D-09-0020

Harcuvar Transmission Project Participants

**2010 – 2019
Ten-Year Plan**

Prepared for the Arizona Corporation Commission

**Submitted by:
The Central Arizona Water Conservation District**

**As Project Manager of:
The Harcuvar Transmission Project**

January 29, 2010

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Harcuvar Transmission Project Participants
2010-2019
Ten-Year Plan

General Information

Pursuant to A.R.S. § 40-360.02, the Central Arizona Water Conservation District (CAWCD) submits this Ten-Year Plan on behalf of the Harcuvar Transmission Project (HTP or Project) Participants, in order to update the information in the filing made by CAWCD in this docket on January 28, 2009. The HTP Participants consist of ten different entities representing renewable and thermal energy developers, merchant transmission providers, and load serving entities in Arizona. The HTP is a proposed 230kV transmission loop located in La Paz County, Arizona.

The Project consists of two principal components. The first component is an approximate 90-mile 230kV loop connecting the existing Harcuvar, Bouse Hills and Little Harquahala substations. The second consists of joint ownership, along with Southern California Edison (SCE), in the Arizona segment of the proposed Devers – Palo Verde No. 2 (DPV2) transmission project.

Because SCE has determined to defer further pursuit of the DPV2 project at this time, the HTP has been deferred indefinitely.

Project History

The Central Arizona Project (CAP), which is operated and maintained by the CAWCD, has three pumping plants located in Mohave and La Paz counties which have an aggregate peak load of 358MW. In an effort to enhance its system reliability the CAWCD has been seeking additional interconnections between the CAP and regional transmission systems. These efforts have been pursued through the Southwest Area Transmission (SWAT) and Southwest Transmission Expansion Planning (STEP) forums

beginning in 2003. In June, 2007, the Arizona Corporation Commission denied SCE's petition for a Certificate of Environmental Compatibility. During a SWAT meeting in October of 2007, SCE announced the desire to work with Arizona entities in an effort to enhance the proposed DPV2 project's value to Arizona. CAWCD was the sole entity at this SWAT meeting to stand up and accept SCE's offer.

In the spirit of conducting regional transmission planning in an open stakeholder process, CAWCD and SCE agreed to pursue their joint effort through the SWAT Colorado River Transmission (CRT) planning committee. The HTP was formally announced to the CRT on October 12, 2007. Subsequent CRT workgroup meetings were held on November 29, 2007, and January 11, 2008, for the purpose of creating a stakeholder group interested in pursuing the HTP. As a result of these meetings numerous entities agreed to participate in the technical studies to evaluate the benefits and implications of the HTP.

Due to the positive results of the technical studies it was decided to formally pursue the HTP. On October 16, 2008 CAWCD issued an Open Season announcement for the HTP requesting all interested parties to attend a meeting on November 7, 2008, at CAWCD offices in Phoenix. This announcement was distributed to all WestConnect, SWAT and CRT participants. The November 7th meeting was attended by 29 individuals representing 18 different organizations. The Arizona utilities represented included Arizona Public Service, Mohave Electric Cooperative, Salt River Project and Tucson Electric Power. By the close of the Open Season period, on November 21, 2008, ten different entities had submitted statements of interest to pursue the development phase of the HTP.

The prospective HTP participants began the process of developing a Memorandum of Agreement under which funding for the development phase of the HTP was to be provided.

CAWCD, on behalf of the HTP Participants, also began negotiating a Memorandum of Understanding with SCE delineating the terms under which the HTP and SCE would share ownership in a segment of the DPV2 between the proposed Salome Substation and the Palo Verde hub.

On January 28, 2009, CAWCD filed a 10 Year Plan (2009-2018) with the ACC on behalf of the HTP Participants.

On May 15, 2009, after updating its economic analysis, SCE notified the ACC by letter that the "analysis does not support refiling with the ACC, at this time, for authorization of the Arizona portion of [DPV2]."

Project Update

Because the joint ownership in a segment of SCE's proposed DPV2 500kV line is critical to the success of the HTP, the HTP must await either the return of SCE's Devers-Palo Verde 2 or some other project offering equivalent value and functionality.

Because of the uncertainty whether the HTP may proceed, CAWCD is also pursuing other potential means to enhance the transmission capacity available to serve its major pumping loads in Mohave and La Paz counties. CAWCD is uncertain whether such opportunities will require the construction of transmission facilities requiring a certificate of environmental compatibility.

Project Summary

<u>Project Name</u>	Harcuvar Transmission Project
<u>Size</u>	
a) Voltage	230 and 500kV AC
b) Capacity	Proposed design capacity of 2,000MW
c) Point of Origin	Western's Harcuvar 230kV Substation
d) Intermediate Point	Proposed Salome 230/500kV Substation
e) Point of Termination	Palo Verde Hub
f) Length	142.8 miles (87.8 miles of 230kV and 55 miles of jointly owned 500kV)

Routing The HTP will consist of a 230kV loop connecting the existing Harcuvar, Bouse Hills and Little Harquahala substations. This 230kV loop will be connected to the Devers – Palo Verde 500kV system at a proposed Salome 230/500kV Substation. The proposed site for the Salome substation is approximately four miles due south of the Little Harquahala Substation.

Purpose The HTP will serve as a collector system for renewable generation seeking to site in the La Paz County area in Arizona. Between the interest of the present HTP Participants, and projects included in the California ISO queue, the total renewable generation interest in the vicinity of the HTP loop is approximately 4,000MW. In addition to acting as a collector system for renewable generation, the HTP will also serve to enhance the reliability of the Central Arizona Project's pumping facilities in La Paz County.

<u>Date</u>	
a) Estimated Construction Start	TBA
b) Estimated In-Service	TBA