



0000110162

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

COMMISSIONERS

Kristin K. Mayes, Chairman
Gary Pierce
Sandra D. Kennedy
Paul Newman
Bob Stump

Arizona Corporation Commission

DOCKETED

APR 14 2010

DOCKETED BY

nr

IN THE MATTER OF THE APPLICATION OF
HUALAPAI VALLEY SOLAR LLC, IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES §§ 40-360.03 AND 40-360.06, FOR
A CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE HVS PROJECT, A
340 MW PARABOLIC TROUGH
CONCENTRATING SOLAR THERMAL
GENERATING FACILITY AND AN
ASSOCIATED GEN-TIE LINE
INTERCONNECTION THE GENERATING
FACILITY TO THE EXISTING MEAD-
PHOENIX 500kV TRANSMISSION LINE, THE
MEAD-LIBERTY 345kV TRANSMISSION LINE
OR THE MOENKOPI-EL DORADO 500kV
TRANSMISSION LINE.

CASE NO. 151

Docket No. L-00000NN-09-0541-00151

DECISION NO. 71648

Open Meeting
March 31, 2010
Phoenix, Arizona

BY THE COMMISSION:

Pursuant to A.R.S. § 40-360, *et seq*, after due consideration of all relevant matters, the Arizona Corporation Commission ("Commission") finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Siting Committee") is hereby conditionally approved as modified by this Order.

The Commission, in reaching its decision, has balanced all relevant matters in the broad public interest, including 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, and finds that the CEC for the above-captioned application for siting approval is conditionally in the public interest, subject to certain provisions and conditions as set forth in this Order.

1 The Commission modifies the CEC issued by the Siting Committee by deleting Condition
2 Nos. 22, 23, and 24 and inserting new Condition Nos. 22, 23, and 24 as follows:

3 22. The Applicant also shall file quarterly reports with Docket Control of the
4 Commission listing: (1) the number of legal residents at the time of hiring from
5 Mohave County hired for construction jobs on this Project; and (2) the number of
6 legal residents at the time of hiring from Arizona outside Mohave County hired for
7 construction jobs on this Project. Reports shall commence December 1, 2010, and
8 continue until commencement of commercial operation of the Project.

9 23. The Applicant also shall file quarterly reports with Docket Control of the
10 Commission listing businesses in Mohave County and the remainder of Arizona with
11 whom the Applicant has substantial contracts to provide goods and services during
12 construction of the Project and the effluent pipeline. The reports shall include the
13 total dollar amount going to Mohave County and total dollar amount going to
14 Arizona outside of Mohave County. Reports shall commence December 1, 2010, and
15 continue until commencement of commercial operation of the Project.

16 24. The Applicant also shall file annual reports with Docket Control of the Commission,
17 and with the Arizona Department of Water Resources stating the total amount of
18 water used in the operation of the Project, including the amount of groundwater.
19 Annual reports of water usage shall begin with commencement of commercial
20 operation of the Project and continue for the life of the Project.

21
22 The Commission further modifies the CEC to add the following new condition:

23 29. Before commencing construction of Project facilities located within 100 feet of
24 any existing natural gas or hazardous liquid pipeline, the Applicant, or its
25 assignee(s), shall:

- 26 a. Perform the appropriate grounding and cathodic protection studies to
27 show that the Project's location within 100 feet of such pipeline results
28 in no material adverse impacts to the pipeline or to public safety when

1 both the pipeline and the Project are in operation. If material adverse
2 impacts are noted in the studies, Applicant, or its assignee(s), shall take
3 appropriate steps to ensure that such materials adverse impacts are
4 mitigated. Applicant, or its assignee(s), shall file in Commission Docket
5 Control reports of the studies performed; and

- 6
- 7 b. Perform a technical study simulating an outage of the Project that may be
8 caused by the collocation of the Project within 100 feet of the existing
9 natural gas or hazardous liquid pipeline. This study should either: (i) show
10 that such outage does not result in customer outages; or (ii) include
11 operating plans to minimize any resulting customer outages. Applicant, or
12 its assignee(s), shall file a copy of this study in Commission Docket
13 Control.

14 The Commission further modifies the CEC to include the following provisions and
15 conditions:

- 16 1) The CEC is conditionally approved, subject to the express condition that the
17 Commission's approval herein is immediately stayed by the terms of this Order.
- 18 2) The Commission shall expeditiously conduct a proceeding pursuant to A.R.S. §
19 40-252 in order to reopen the matter and entertain requests for intervention,
20 including requests from the prospective intervenors and requests from any other
21 parties who may desire to intervene.
- 22 3) The Applicant and all interested parties are hereby put on notice that the
23 Commission will conduct proceedings pursuant to A.R.S. § 40-252 in this matter.
- 24 4) The Commission's Hearing Division is directed to expeditiously schedule a
25 procedural conference to, among other things, establish a procedural schedule for
26 the subsequent A.R.S. § 40-252 proceeding and establish procedures for noticing
27 this matter to the public.
- 28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

The Commission further finds and concludes that in balancing the broad public interest in

this matter:

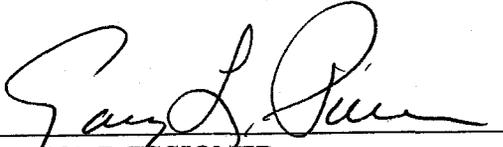
1. The Applicant has put forth evidence in an effort to demonstrate that the Project is in the public interest because it will aid the state in meeting the need for an adequate, economical and reliable supply of electric power.
2. Two individuals who requested intervention were improperly denied intervention. This left only one official party to the case: the Applicant.
3. These individuals who were denied intervention sought to present their cases as parties and sought to present information on the central issue in the application: the Project's water usage.
4. Their presentations would have been helpful to the Commission in balancing the need for the Project with its effect on the environment and ecology of the state.
5. In light of these issues, the balancing in the broad public interest results in favor of conditional approval of the CEC, subject to an immediate stay of the decision and further proceedings pursuant to A.R.S. § 40-252, as set forth above.
6. The conditions set forth herein resolve matters concerning the Commission's ability to balance the need for the Project and its impact on the environment and ecology of the state, and as such, serve as the findings of the matters raised.

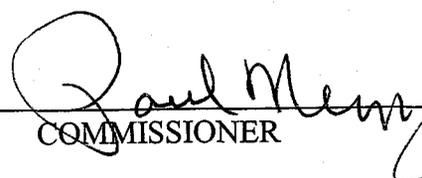
....
....
....
....
....
....
....
....
....
....
....
....

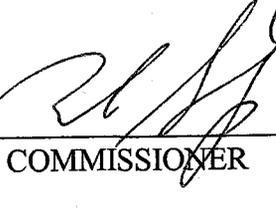
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

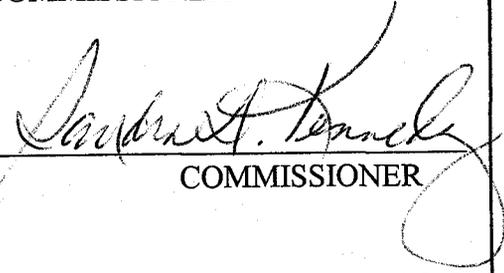
**THE CEC ISSUED BY THE SITING COMMITTEE IS
INCORPORATED HEREIN AND IS CONDITIONALLY APPROVED AS MODIFIED
BY ORDER OF THE
ARIZONA CORPORATION COMMISSION**


CHAIRMAN

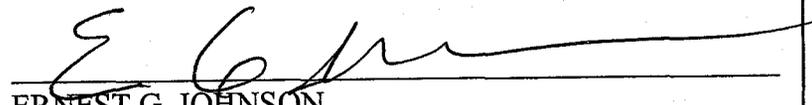

COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capital, in the City of
Phoenix, this 14th day of April 2010.


ERNEST G. JOHNSON
Executive Director

DISSENT: _____

DISSENT: _____

**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

IN THE MATTER OF THE APPLICATION OF
HUALAPAI VALLEY SOLAR LLC, IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES §§ 40-360.03 AND 40-360.06, FOR
A CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE HVS PROJECT, A
340 MW PARABOLIC TROUGH
CONCENTRATING SOLAR THERMAL
GENERATING FACILITY AND AN
ASSOCIATED GEN-TIE LINE
INTERCONNECTING THE GENERATING
FACILITY TO THE EXISTING MEAD-
PHOENIX 500kV TRANSMISSION LINE,
THE MEAD-LIBERTY 345kV
TRANSMISSION LINE OR THE MOENKOPI-
EL DORADO 500kV TRANSMISSION LINE.

Docket No.: L-00000NN-09-0541-00151

Case No. 151

**CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY**

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee") held a public hearing on January 12 and January 13, 2010, in Kingman, Arizona, in conformance with the requirements of Arizona Revised Statutes ("A.R.S.") §§40-360, *et seq.*, for the purpose of receiving evidence and deliberating on the Application of Hualapai Valley Solar LLC ("Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case (the "Project"). Further public meetings were held on post-hearing motions by the Applicant on January 27, 2010, in Goodyear, Arizona, and on February 11, 2010, at the State Capitol in Phoenix, Arizona.

The following members and designees of members of the Committee were present at one or more of the hearing days for the evidentiary presentations and for the deliberations:

John Foreman

Chairman, Designee for Arizona Attorney General,
Terry Goddard

1	Paul Rasmussen	Designee for Director, Arizona Department of Environmental Quality
2		
3	David Eberhart	Designee for Chairman, Arizona Corporation Commission
4	Jessica Youle	Designee for Director, Energy Office, Arizona Department of Commerce
5		
6	Gregg Houtz	Designee for Director, Arizona Department of Water Resources
7	Jeff McGuire	Appointed Member
8	William Mundell	Appointed Member
9	Patricia Noland	Appointed Member
10	Michael Palmer	Appointed Member
11	Michael Whalen	Appointed Member
12	Barry Wong	Appointed Member

13 The Applicant was represented by Thomas H. Campbell and Albert H. Acken, of the law
14 firm of Lewis and Roca LLP.

15 At the conclusion of the hearings, the Committee, having received the Application, the
16 appearances of the parties, the evidence, testimony and exhibits presented at the hearings, and
17 being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly
18 made and seconded, voted 10 to 0 to grant the Applicant this Certificate of Environmental
19 Compatibility (Case No. 151) for the Project as set forth in the Application. At its meeting on
20 January 27, 2010, the Committee, upon motion duly made and seconded, voted 10 to 0 to deny the
21 Applicant's motion for the Committee to reconsider its decision not to allow the intervention as
22 parties of two witnesses who testified at the January 12, and 13, 2010, hearing. At its meeting on
23 February 11, 2010, the Committee, upon motion duly made and seconded, voted 9 to 0 to grant
24 the Applicant's motion to ratify, and pursuant to A.R.S. § 38-431.05(B) ratified its decision
25 granting this CEC.

26

1 The Project consists of an up to 340 MW concentrated solar power (“CSP”) or 500 MW
2 photovoltaic (“PV”) generating facility, with biofuel, light fuel oil or natural gas co-firing, and a
3 345kV or 500kV transmission line (the “Gen-Tie”). The Project is located in Mohave County,
4 approximately 27 miles north of Kingman, Arizona, and 80 miles southeast of Las Vegas,
5 Nevada. The generating facility is located entirely on private land in Sections 19, 20, 21, 28, 29,
6 30, and the north half of Section 31 all within Township 26 North, Range 16 West, Gila and Salt
7 River Baseline and Meridian.

8 The Gen-Tie will interconnect the CSP generating facility (and/or a PV generating facility
9 built on the site approved for the CSP generating facility) to the regional transmission grid using
10 one of two approved alignments:

11 Interconnection #1 Gen-Tie alignment, located entirely in Township 26 North, Range 16
12 West, runs from the generating facility’s power block to the property boundary; then north for
13 1.25 miles within a 1,320-foot wide corridor from the property boundary along the east boundary
14 of Section 17 and Section 08; then north for 1.25 miles within a 1,320-foot wide corridor along
15 the west boundary of Section 16 and Section 09 until it reaches the north boundary of Section 09;
16 then east for about 0.75 miles within a 1,320-foot wide corridor along the north boundary of
17 Section 09 until it reaches the termination in the northeast corner of Section 09. Interconnection
18 #1 is approximately 2.75 miles in length from the generating facility property boundary.

19 Interconnection #2 Gen-Tie alignment runs from the generating facility’s power block to
20 the property boundary; then north for 1.25 miles within a 1,320-foot wide corridor from the
21 property boundary along the east boundary of Section 17 and Section 08 ; then north for 1.25
22 miles within a 1,320-foot wide corridor along the west boundary of Section 16 and Section 09
23 until it reaches the north boundary of Section 09; then north for one mile within a 1,320-foot wide
24 corridor through Section 04 until it reaches the west boundary of the existing Mead-Liberty
25 345kV transmission line corridor, which it will parallel on a generally northwest heading; from
26 there it will run within a 2,640-foot wide corridor measured from the centerline of the Mead-

1 Liberty 345kV transmission line west of and parallel to the existing transmission line for
 2 approximately 3.5 miles, going through the northeast corner of Section 05 in Township 26 North,
 3 Range 16 West; through Sections 32, 31, and 30 in Township 27 North, Range 16 West ; through
 4 Sections 25 and 24 in Township 27 North, Range 17 West; and terminate in Section 23 in
 5 Township 27 North, Range 17 West. Interconnection #2 is approximately 6.5 miles in length
 6 from the property boundary.

7 The transmission structure heights will not exceed 199 feet and will occupy a right-of-way
 8 width up to a maximum of 200 feet.

9 A general location map of the Project is set forth in **Exhibit A**.

10 CONDITIONS

11 This Certificate is granted upon the following conditions:

- 12 1. The conditions shall apply to the Applicant, its successor(s), and assignee(s).
- 13 2. The Applicant shall obtain all approvals and permits required by the United States,
 14 the State of Arizona, the County of Mohave, and any other governmental entities having
 15 jurisdiction necessary to construct the Project.
- 16 3. The Applicant shall comply with all existing applicable statutes, ordinances, master
 17 plans and regulations of the State of Arizona, the County of Mohave, the United States, and any
 18 other governmental entities having jurisdiction, including but not limited to the following:
 - 19 a) all applicable land use regulations;
 - 20 (b) all applicable zoning stipulations and conditions, including but not limited to
 21 landscaping and dust control requirements;
 - 22 (c) all applicable water use, discharge and/or disposal requirements of the Arizona
 23 Department of Water Resources and the Arizona Department of Environmental
 Quality;
 - 24 (d) all applicable noise control standards;
 - 25 (e) all applicable regulations and permits governing storage and handling of chemicals
 26 and petroleum products;

1 (f) all other applicable federal and state regulations and standards.

2 4. The Applicant shall make all reasonable efforts to minimize the use of groundwater
3 during construction and operation of the Project, and use effluent for cooling and all other non-
4 potable water uses to the extent it is made available by the City of Kingman from its Hilltop
5 Waste Water Treatment Plant ("WWTP") and can be transported by the Applicant and at the
6 Applicant's expense to the Project site. The Applicant may utilize groundwater for potable uses
7 and as a back-up to effluent when effluent is not available from the City of Kingman or when
8 transmission of the effluent is interrupted from the Hilltop WWTP to the Project. Total water use
9 per year shall not exceed 3,000 AF from all sources and shall not exceed 2,400 AF of groundwater
10 for cooling purposes. The Applicant, within two years from the Arizona Corporation Commission
11 ("Commission") approval of the Certificate, shall contract with the City of Kingman for sale,
12 transmission and use of effluent generated by the Hilltop WWTP. If contracting is unsuccessful
13 in this time frame, the Applicant may apply to the Commission for an extension of time to
14 negotiate the contract.

15 5. If any archaeological, paleontological or historical site or object that is at least fifty
16 years old is discovered on state, county or municipal land during the construction or operation of
17 the solar generating facility and transmission line, the Applicant or its representative in charge
18 shall promptly report the discovery to the Director of the Arizona State Museum, and in
19 consultation with the Director, shall immediately take all reasonable steps to secure and maintain
20 the preservation of the discovery as required by A.R.S. § 41-844.

21 6. If human remains and/or funerary objects are encountered on private land during
22 the course of any ground-disturbing activities relating to the construction or operation of the solar
23 generating facility and transmission line, the Applicant shall cease work on the affected area of
24 the Project and notify the Director of the Arizona State Museum as required by A.R.S. § 41-865.

25 7. The Applicant shall comply with the notice and salvage requirements of the
26 Arizona Native Plant Law (A.R.S. §§ 3-901, *et seq.*) and shall, to the extent feasible, minimize the

1 destruction of native plants during the construction and operation of the solar generating facility
2 and transmission line.

3 8. This authorization to construct this Project (which may be constructed in two
4 phases) shall expire unless the solar generating facility and transmission line are capable of
5 operation within seven years from the date the Certificate is approved by the Commission.
6 However, prior to expiration, the Applicant may request that the Commission extend this time
7 limitation.

8 9. In the event that the Project requires an extension of the term of this Certificate
9 prior to completion of construction, Applicant shall use reasonable means to notify all landowners
10 and residents within one mile of the Project corridor as depicted on Exhibit A, all persons who
11 made public comment at this proceeding, and all parties to this proceeding of the request and the
12 date, time and place of the hearing in which the Commission will consider the request for
13 extension.

14 10. The Applicant shall make every reasonable effort to identify and correct, on a case-
15 specific basis, all complaints of interference with radio or television signals from operation of the
16 transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain
17 written records for a period of five years of all complaints of radio or television interference
18 attributable to operation, together with the corrective action taken in response to each complaint.
19 All complaints shall be recorded to include notations on the corrective action taken. Complaints
20 not leading to a specific action or for which there was no resolution shall be noted and explained.
21 Upon request, the written records shall be provided to the Staff of the Commission.

22 11. Within 120 days of the Commission decision granting this Certificate, Applicant
23 will post a sign at the plant site. The sign shall be no smaller than a normal roadway sign and
24 shall advise:

- 25 (a) That the site has been approved for the construction of Project facilities;
26 (b) The expected date of completion of the Project facilities;

- 1 (c) A phone number for public information regarding the Project;
2 (d) The name of the Project;
3 (e) The name of the Applicant; and
4 (f) The website of the Project.

5 12. Applicant shall design the transmission line to incorporate reasonable measures to
6 minimize impacts to raptors.

7 13. Applicant shall use non-specular conductor and non-reflective surfaces for
8 transmission line structures.

9 14. Before construction on this Project may commence, the Applicant shall file a
10 construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where
11 practicable, the Plan shall specify the Applicant's plans for construction access and methods to
12 minimize impacts to wildlife and to minimize vegetation disturbance outside of the Project right-
13 of-way particularly in drainage channels and along stream banks. Applicant shall re-vegetate,
14 unless waived by the landowner, native areas of construction disturbance to its preconstruction
15 state outside of the power-line right of way after construction has been completed. The Plan shall
16 specify the Applicant's plans for coordination with the Arizona Game and Fish Department and
17 the State Historic Preservation Office. The Applicant shall use existing roads for construction and
18 access where practicable and the Plan shall specify the manner in which the applicant makes use
19 of existing roads.

20 15. Applicant shall follow any published guidelines adopted by the Arizona Game and
21 Fish Department of the United States Fish and Wildlife Service for handling contacts during the
22 construction and operation of the Project with any species designated as endangered. Applicant
23 also shall follow any published and adopted guidelines for handling contacts with any species of
24 greatest conservation need as designated by the Arizona Game and Fish Department. If no
25 published and adopted guidelines exist, the Applicant shall use reasonable care to avoid any harm
26 to individuals of the designated species. If the avoidance of harm to individuals is not possible,
the Applicant shall contact the Arizona Game and Fish Department and the United States Fish and

1 Wildlife Service to obtain any appropriate permits and guidance for removing from the area of the
2 Project the individual members of the species contacted.

3 16. All lighting shall be shielded, cantered or cut to ensure that light reaches only areas
4 needing illumination.

5 17. With respect to the Project, Applicant shall participate in good faith in state and
6 regional transmission study forums to coordinate transmission expansion plans related to the
7 Project and to resolve transmission constraints in a timely manner.

8 18. The Applicant shall provide copies of this Certificate to the Mohave County
9 Planning Department, the City of Kingman, the Arizona State Land Department, the State Historic
10 Preservation Office, and the Arizona Game and Fish Department.

11 19. Prior to the date construction commences on this Project, the Applicant shall
12 provide known homebuilders and developers within one mile of the center line of the Certificated
13 route and solar facility, the identity, location, and a pictorial depiction of the type of power line
14 and solar facility being constructed, accompanied by a written description, and encourage the
15 developers and homebuilders to include this information in the developers' and homebuilders'
16 homeowners' disclosure statements.

17 20. Applicant will follow the most current Western Electricity Coordinating
18 Council/North American Electric Reliability Corporation planning standards as approved by the
19 Federal Energy Regulatory Commission, and National Electrical Safety Code construction
20 standards.

21 21. The Applicant shall submit a self-certification letter annually, identifying progress
22 made with respect to each condition contained in the Certificate, including which conditions have
23 been met. The letter shall be submitted to the Docket Control of the Commission by December 1,
24 2010, and annually thereafter. Attached to each certification letter shall be documentation
25 explaining how compliance with each condition was achieved. Copies of each letter along with
26 the corresponding documentation shall be submitted to the Arizona Attorney General and

1 Department of Commerce Energy Office. The requirement for the self-certification shall expire
2 on the date the Project is placed into operation.

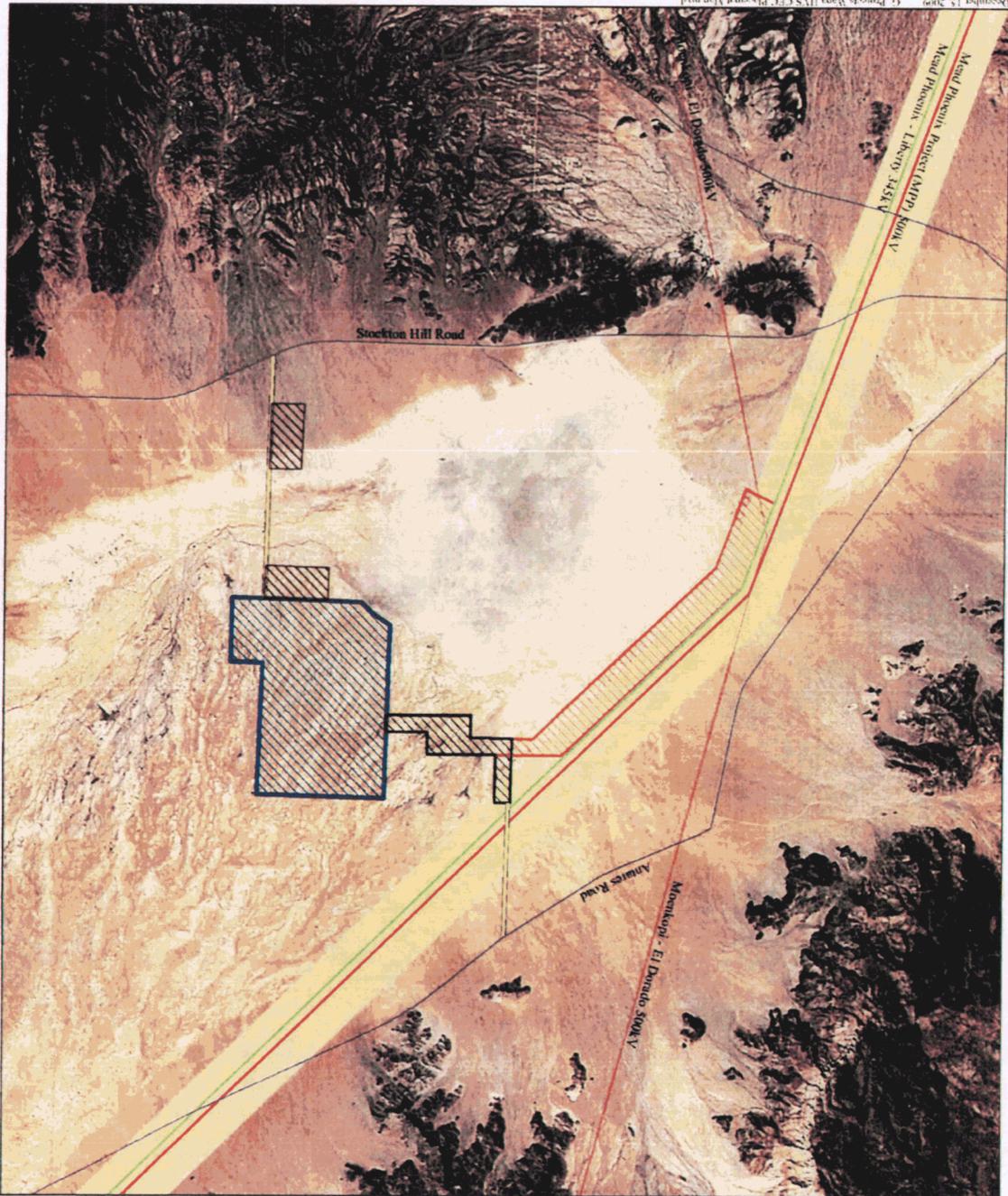
3 22. The Applicant also shall file quarterly reports with Docket Control and the
4 Compliance Officer of the Commission listing: (1) the number of legal residents at the time of
5 hiring from Mohave County hired for construction jobs on this Project; and (2) the number of
6 legal residents at the time of hiring from Arizona outside Mohave County hired for construction
7 jobs on this Project. Reports shall commence December 1, 2010, and continue until
8 commencement of commercial operation of the Project.

9 23. The Applicant also shall file quarterly reports with Docket Control and the
10 Compliance Officer of the Commission listing businesses in Mohave County and the remainder of
11 Arizona with whom the Applicant has substantial contracts to provide goods and services during
12 construction of the Project and the effluent pipeline. The reports shall include the total dollar
13 amount going to Mohave County and total dollar amount going to Arizona outside of Mohave
14 County. Reports shall commence December 1, 2010, and continue until commencement of
15 commercial operation of the Project.

16 24. The Applicant also shall file annual reports with Docket Control and the
17 Compliance Officer of the Commission, and with the Arizona Department of Water Resources
18 stating the total amount of water used in the operation of the Project, including the amount of
19 groundwater. Annual reports of water usage shall begin with commencement of commercial
20 operation of the Project and continue for the life of the Project.

21 25. Within sixty (60) days of the Commission decision granting this Certificate, the
22 Applicant shall make good faith efforts to commence discussions with private landowners, on
23 whose property the Project corridor is located, to identify the specific location for the Project
24 right-of-way and placement of poles.
25
26

EXHIBIT A



December 15, 2009
 Project Maps IIS CEC Placemat Map.mxd

Legend

- Solar Facility
- Laydown Areas
- 1-Mile Buffer
- Interconnection #1 Gen-Tie
- Interconnection #2 Gen-Tie
- BLM Designated Utility Corridor
- Access Road

0 10,000 Feet
 1:100,000
 N

Placemat Map
 Hualapai Valley Solar Project

Project Location