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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner

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Commissioner

5 BOB STUMP

Commissioner

2010 JUL -8 P 12: 56

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

JUL - 8 2010

DOCKETED BY *MW*

8 IN THE MATTER OF THE APPLICATION )  
9 OF HUALAPAI VALLEY SOLAR LLC, IN )  
10 CONFORMANCE WITH THE )  
11 REQUIREMENTS OF ARIZONA REVISED )  
12 STATUTES §§ 40-360.03 AND 40-360.06, )  
13 FOR A CERTIFICATE OF )  
14 ENVIRONMENTAL COMPATIBILITY )  
15 AUTHORIZING CONSTRUCTION OF )  
16 THE HVS PROJECT, A 340 MW )  
17 PARABOLIC TROUGH CONCENTRATING )  
18 SOLAR THERMAL GENERATING )  
19 FACILITY AND AN ASSOCIATED )  
20 GEN-TIE LINE INTERCONNECTING )  
21 THE GENERATING FACILITY TO THE )  
22 EXISTING MEAD-PHOENIX 500kV )  
23 TRANSMISSION LINE, THE MEAD- )  
24 LIBERTY 345kV TRANSMISSION LINE )  
25 OR THE MOENKOPI-EL DORADO )  
26 500kV TRANSMISSION LINE.

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

Case No. 151

**APPLICATION TO  
LIFT STAY**

Hualapai Valley Solar LLC ("HVS") respectfully requests that the Arizona Corporation Commission ("Commission") lift the stay imposed upon the Certificate of Environmental Compatibility ("CEC") issued by the Commission in Decision No. 71648 on April 14, 2010. In Decision No. 71648, the Commission conditionally approved the CEC "subject to the express condition that the Commission's approval herein is immediately stayed by terms of this Order." The purpose of the stay was to allow the Commission, pursuant to A.R.S. §40-252, to reopen the matter and entertain requests for

1 intervention, including requests from the prospective intervenors who had been denied  
2 intervention by the Arizona Power Plant and Transmission Line Siting Committee  
3 (“Committee”). The Commission instructed the Hearing Division to expeditiously  
4 schedule a procedural conference to establish a procedure for the §40-252 proceeding.  
5 Pursuant to the Commission’s order, a procedural conference was held on May 6, 2010,  
6 and evidentiary hearings were held on June 15 and 16, 2010 in Kingman, Arizona. Notice  
7 of the hearing was provided pursuant to the Commission’s May 11, 2010 procedural order  
8 and published in the *Kingman Daily Miner*. In addition to HVS, four parties intervened in  
9 the proceeding: Mohave County, the Commission Staff, Ms. Bensusan and Ms. Bayer.  
10 Transcripts of the June 15 and 16 evidentiary hearings were filed with the Commission  
11 Docket Control on June 22, 2010.

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15         During the hearing, HVS presented the five witnesses who had testified during the  
16 hearings before the Committee on January 12 and 13, 2010, so that those witnesses could  
17 be cross-examined by the parties in the §40-252 proceeding. HVS also called the City of  
18 Kingman’s Mayor John Salem so that he could be cross-examined. Mayor Salem had  
19 testified before the Committee in January, but had not been subject to cross-examination at  
20 that time. Similarly, Mohave County had testified at the Committee proceedings in  
21 January but had not been subject to cross-examination. In the §40-252 proceedings,  
22 Mohave County presented a witness to provide additional testimony and to be subject to  
23 cross-examination. Ms. Bensusan and Ms. Bayer had testified before the Committee in  
24 January as Committee witnesses, but also testified a second time during the §40-252  
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1 hearings in June. Commission Staff, which had not participated in the Committee  
2 hearings in January, presented a witness in the §40-252 proceeding to discuss the various  
3 types of cooling for CSP plants: namely, wet cooling, dry cooling and hybrid cooling.  
4

5 The major subjects covered during the §40-252 proceeding included:

6 1. The City of Kingman updated the record on the status of the effluent  
7 agreement with HVS. Mayor Salem explained that a formal policy had been adopted by  
8 the City in March setting a price and other procedures for selling effluent and that the City  
9 expected a draft contract with HVS to be completed in July. That contract is subject to  
10 review and approval by the Municipal Utilities Commission and the City Council. He also  
11 reiterated the City's support for the Project and his belief that the Project will benefit the  
12 public. He acknowledged that under an effluent agreement HVS will pay for wastewater  
13 treatment plant costs that would otherwise be paid by Kingman ratepayers/taxpayers.  
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15 2. Mohave County explained the process it followed in granting the  
16 amendment to the County's comprehensive plan to allow for the development and  
17 construction of the HVS Project and confirmed that information regarding water usage  
18 was presented to the County as part of that process.  
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20 3. Ms. Bensusan and Ms. Bayer reiterated and updated their previous testimony  
21 on a number of issues, primarily focusing on water usage by the plant.  
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23 4. The Commission Staff provided a review and summary of the literature  
24 comparing wet cooling, dry cooling and hybrid cooling including the Department of  
25 Energy's analysis of the increased cost and lower efficiency of dry cooling.  
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1 The following findings of the HVS hydrology expert, Mr. Victor, discussed in  
2 detail during the January hearings, were also pertinent to the §40-252 proceeding:

- 3 1. Only a minute fraction of groundwater stored in the Hualapai Valley Aquifer  
4 is currently used;
- 5 2. The projected impact to existing wells by the proposed HVS pumping would  
6 meet criteria imposed by the State in AMAs, even though the Project site is  
7 not located in an AMA;
- 8 3. After 30 years, the projected impact of HVS' pumping is not substantial.  
9 There will be much less than one foot of water level change in the Kingman,  
10 Dolan Springs and Valle Vista areas(less if effluent is used);
- 11 4. The amount of available water set aside by ADWR for the HVS site when it  
12 was planned for residential development is about twice as much as HVS  
13 would use annually for the solar generating facility if no effluent is used; and  
14 5. There is sufficient water available in the aquifer to meet the water needs for  
15 the life of the Project without significantly impacting other existing  
16 groundwater users.

17 Similar to other recent ACC approved projects, this Project has adequate  
18 groundwater to cool the plant without significant impact on the wells in the area or the  
19 aquifer. This Project will replace a much higher residential water use that had been the  
20 subject of a 100 year water supply adequacy analysis approved by ADWR. Despite the  
21 adequacy of groundwater, HVS, in response to concerns raised by some of the citizens in  
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1 the area, diligently pursued an arrangement with the City of Kingman to purchase effluent  
2 from a newly-expanded wastewater treatment facility. The June proceeding confirmed  
3 those continued good faith efforts and the progress made. The purchase of effluent is  
4 ultimately dependent on factors beyond HVS' control such as Kingman's ability to  
5 produce sufficient effluent and the ability to acquire the right-of-way necessary to build a  
6 pipeline to transmit the effluent from the Kingman wastewater treatment facility to the  
7 Project site. To address water issues, the Commission adopted two conditions in its  
8 Decision No. 71648: conditions 4 and 24.  
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11 During the §40-252 proceeding, HVS also reported on the progress of discussions  
12 with the Arizona Building Trades Council and the Hualapai Tribe.

13 Finally, HVS reiterated its belief that this Project will not be built if required to use  
14 dry or hybrid cooling because the additional capital costs and higher costs to produce  
15 electricity due to inefficiencies and parasite loads would make the Project uncompetitive.  
16 A dry cooled plant in the desert is most inefficient and costly during the warm summer  
17 months when the power is most in demand. HVS also explained that it is in PPA  
18 negotiations based on the cost, energy and availability provided by a wet-cooled plant.  
19 Those issues were analyzed in great detail in the Department of Energy Report introduced  
20 as exhibit HVS-21 in the January hearing and also used by the Staff in its testimony in the  
21 June §40-252 proceeding.  
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25 HVS believes that the record in this case, as supplemented in the June §40-252  
26 proceeding, supports the need for this Project and the benefits for the State of Arizona.

1 The record also supports the conclusion that the Project is environmentally compatible as  
2 conditioned by the Commission in Decision No. 71648. HVS respectfully requests that  
3 the Commission set this matter on the Open Meeting as soon as possible so that the  
4 Commission may lift the stay and allow HVS to proceed with the development of the  
5 Project.  
6

7  
8 RESPECTFULLY submitted this 8th day of July, 2010.  
9

10 LEWIS AND ROCA LLP

11 

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17 **ORIGINAL** and twenty (20) copies of the  
18 foregoing filed this 8th day of July, 2010, with:

19 The Arizona Corporation Commission  
20 Utilities Division – Docket Control  
21 1200 W. Washington Street  
22 Phoenix, Arizona 85007

23 **COPY** of the foregoing hand delivered  
24 this 8th day of July, 2010, to:

25 Chairman Kristin K. Mayes  
26 Arizona Corporation Commission  
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Commissioner Gary Pierce  
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16  
17 **COPY** of the foregoing served electronically  
this 8th day of July, 2010 to:

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