

**ORIGINAL**

**SOUTHWESTERN**  
Power Group II, LLC  
An Energy Company - Alliance Builder



0000121029

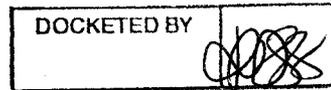
Docket No. L-00000BB-01-0118-00000

Arizona Corporation Commission  
**DOCKETED**

December 28, 2010

DEC 28 2010

Mr. Steven M. Olea  
Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007



RECEIVED  
2010 DEC 28 P 12:14  
ACC CORP COM REG  
DOCKET CONTROL

Subject: Bowie Power Station, L.L.C.  
2010 Letter of Self-Certification  
(Decision Nos. 64625, 64626, 69339, 70588 and 71951)

Dear Mr. Olea:

Pursuant to Condition No. 24 of Decision No. 64625 and Condition No. 11 of Decision No. 64626, Bowie Power Station, L.L.C. ("Bowie") submits herewith this Letter of Self-Certification ("Letter") for the year 2010.

**BACKGROUND**

On March 7, 2002, the Arizona Corporation Commission ("ACC") granted Bowie two Certificates of Environmental Compatibility in Decision Nos. 64625 (power plant) and 64626 (transmission project), collectively, the "CECs".

The ACC granted Bowie an extension on the terms of the CECs on February 20, 2007 in Decision No. 69339. This decision extended the terms of the CECs through December 31, 2010.

On November 1, 2010, the ACC granted Bowie a second extension on the terms of the CECs in Decision No. 71951. This decision extended the terms of the CECs through December 31, 2020.

In addition, Bowie received approval from the Commission for an amendment to Decision No. 64626 that adjusted the alignment of Bowie's interconnecting double-circuit 345 kV transmission line. The nature of this amendment is set forth in Decision No. 70588, dated November 6, 2008.

This Letter is silent on compliance with Conditions that have been performed, completed and documented in past Letters filed with the Commission. Conditions contained in the CECs relevant to the plant and transmission line's construction and operations are similarly not addressed herein.

#### **2010 ACTIVITY ON PRE-CONSTRUCTION CONDITIONS:**

##### **Condition No. 1B of Decision No. 64625 and 64626 provides that:**

[Bowie will comply with] *"all applicable air quality control standards, approvals, permit conditions and requirements of the Arizona Department of Environmental Quality ("ADEQ") and/or other State of Arizona or Federal Agencies having jurisdiction..."* (Page 3).

Bowie obtained Air Quality Permit No. 349818 on March 13, 2006 from the Arizona Department of Environmental Quality ("ADEQ"). Due to the suspension of on-site construction, ADEQ terminated the Air Quality Permit on December 9, 2009. On October 27, 2010, ADEQ received Air Quality Permit Application No. 51133 from Bowie. Bowie received a letter from ADEQ stating that on December 13, 2010 the department deemed Application No. 51133 as being administratively complete. The letter from ADEQ, dated December 21, 2010 is enclosed as "Attachment A". ADEQ will continue its review of the application and provide a determination for a new Air Quality Permit during 2011.

##### **Condition No. 3 of Decision No. 64626 provides that:**

*"Within 45 days of securing complete easements or rights-of-way, for the entire alignment of the transmission lines hereby authorized, Applicant shall erect and thereafter maintain signs providing public notice that such easements and rights-of-way are the site of future transmission lines. Such signs shall be (i) no smaller than a standard highway information sign, and (ii) prominently placed at reasonable locations in close proximity to the proposed centerline of the transmission alignments which are accessible to the public..."* (Page 4).

On January 16, 2010, Bowie placed signs at five sites that are within the area of the centerline of the 345 kV transmission line. "Attachment B" includes a Memorandum on the placement of the transmission line signs. Pursuant to Decision No. 71951, Bowie will modify these signs to indicate "Expected Completion: 2020". Such modification should be completed on or before March 1, 2011.

**Condition No. 9 of Decision No. 64626 provides that the:**

*"Applicant shall continue to participate in good faith in State and regional transmission study forums, including the Central Arizona Transmission Study, to identify and encourage expedient implementation of transmission enhancements to reliably deliver power from the Project to the WSCC transmission grid." (Page 7).*

**And, Condition No. 10 of Decision No. 64625 provides that the:**

*"Applicant shall continue to participate in good faith in state and regional transmission study forums to identify and encourage expedient implementation of transmission enhancements, including transmission cost participation as appropriate, to reliably deliver power from the Project throughout the WSCC grid in a reliable manner." (Page 7).*

**And, Condition No. 18A of Decision No. 69339 provides that the:**

*"Applicant shall participate in Arizona subregional transmission planning forums such as SWAT (Southwest Area Transmission) and SATS (Southeast Area Transmission Study) on a regular basis and participate in each Biennial Transmission Assessment performed by the Commission." (Page 5).*

Bowie continues its active involvement in regional transmission planning organizations, including WestConnect and SWAT, including its several active SWAT subcommittees, particularly Central Arizona Transmission Study and Southeast Area Transmission Study. Additionally, through its owner, SouthWestern Power Group, Bowie remains an Affiliate Member in good standing in the Western Electricity Coordinating Council.

The ACC conducted a Biennial Transmission Assessment workshop during June 3-4, 2010. Bowie participated in this workshop and a presentation on the project was provided to the group. A copy of this presentation is found in "Attachment C".

**Condition No. 18B of Decision No. 69339 provides that:**

*“Applicant shall document in its annual self-certification letter all steps taken in the previous year to seek a contract for capacity and energy production out of its plant. This should include participation in any and all generation adequacy or planning workshops or assessments sponsored by the Commission.” (Page 5).*

Bowie continues to discuss the need for additional base load generation for Arizona’s energy needs with the state’s load-serving entities. However, due to the general downturn in the economy, the regional effects of the economic recession and the absence of any specific requests for proposal from these load-serving entities during 2010, Bowie did not have an opportunity to formally submit any proposals.

## **SUMMARY**

Our regional economic recession continues to be persistent, affecting residential and commercial load growth. This has delayed the forecasted commercial operation date for Bowie’s first project phase, nominally 500 megawatts of combined-cycle combustion turbine operations. Bowie will continue to monitor this economic environment and remains in regular contact with Arizona’s load-serving entities regarding their future energy and capacity needs to serve customers.

We concur with the Commission’s staff in their statement in Decision No. 71951 that *“...even though Bowie began “very preliminary construction activity in August 2008, the Company is not able to continue this construction, under the present economic circumstances.”” (Page 2).*

This Letter serves to certify that Bowie remains in full compliance with all applicable Conditions imposed by the Commission regarding the CECs contained in Decision Nos. 64625, 64626, and 69339.

Please direct any questions that may arise from this report to the undersigned at (602) 808-2004.

Sincerely,



Tom C. Wray  
Manager, Transmission and Generation Projects

Attachments (3)

Cc: File

Docket Control (25 copies)

David Getts, SouthWestern Power Group

Janice Alward, Esq., Legal Division, Arizona Corporation Commission

Lawrence V. Robertson, Jr., Esq., Bowie Power Station, L.L.C.

# **Attachment A**

**Condition No. 1B of Decision No. 64625  
and 64626**

**ADEQ Letter Stating the Bowie Air Quality  
Permit Application No. 51133 is  
Administratively Complete**

**(December 21, 2010)**



Janice K. Brewer  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin  
Acting Director

## Notice of Administrative Completeness

### CERTIFIED MAIL RETURN RECEIPT REQUESTED

December 21, 2010

Tom C. Wray, General Manager  
Bowie Power Station, LLC  
3610 N. 44<sup>th</sup> Street, Suite 250  
Phoenix, Arizona 85018

Subject: Air Quality Permit Application No. 51133  
Bowie Power Station – Place I.D. 15943

Dear Mr. Wray:

The Arizona Department of Environmental Quality received the above-referenced application on October 27, 2010. ADEQ's review of this application is subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525.

**Under A.R.S. § 41-1074, ADEQ has determined your application is administratively complete.** This determination made on December 13, 2010, ends the Administrative Completeness Review time frame and begins the Substantive Review time frame for your application. Any substantive deficiencies in your application will be noted in a separate written request for additional information.

Please contact me at (602) 771-2283 if you have questions regarding this Notice or the status of your application.

Sincerely,

Wayne D. Bixler, EES  
Air Quality Permit Section

cc: Gary Crane, Bowie Power Station, LLC, (via e-mail)  
Shirley Rivera, USEPA Region 9 (via e-mail)  
James Laughlin, RTP Environmental Associates, Inc. (via e-mail)

Northern Regional Office  
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001  
(928) 779-0313

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ 85701  
(520) 628-6733

# **Attachment B**

**Condition No. 3 of Decision No. 64626**

**Memorandum Regarding Signs for the Bowie  
Power Station 345 kV Transmission Line**

**(January 20, 2010)**

## MEMORANDUM



**To:** Tom Wray

Cindy Bailey

**From:** Martin Bailey

**Date:** January 20, 2010

**RE:** Bowie Power Station

Transmission Line Signage

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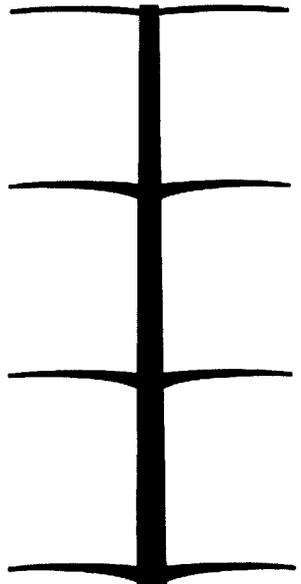
This memorandum shall confirm that the Transmission Line Project Right of Way has been located and posted with signs. Attached for your records are pictures, and location maps, which confirm sign placement and content. This assignment was completed on January 16, 2010. The coordinates have been provided by in the field GPS receiver. The level of accuracy should be considered approximate.

Transmission Line Sign

**APPROVED**

**Bowie Power Station 345kV**

**Transmission Line Project Right of Way**



**Expected Completion:**

**2010**

**For Information:**

**(602) 808-2004**

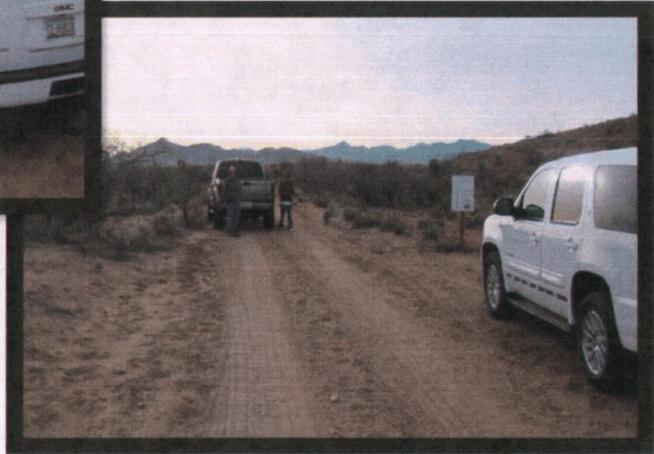
**[www.bowiepower.com](http://www.bowiepower.com)**

**BOWIE**  
POWER STATION

## SITE # ONE



32° 28' N.  
109° 40' W.  
Section 23  
T 11 S - R26E



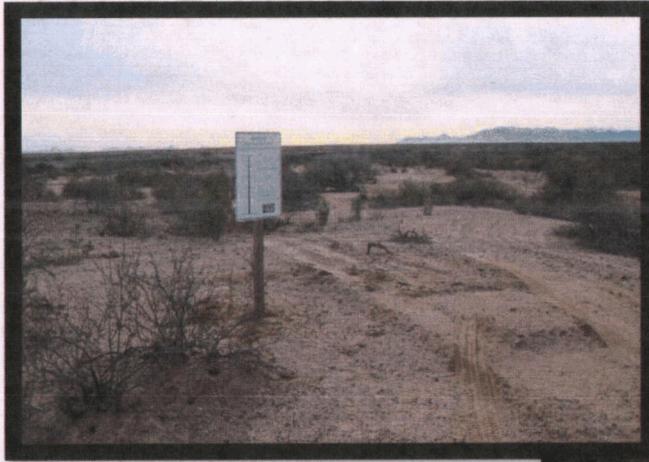
## SITE # TWO



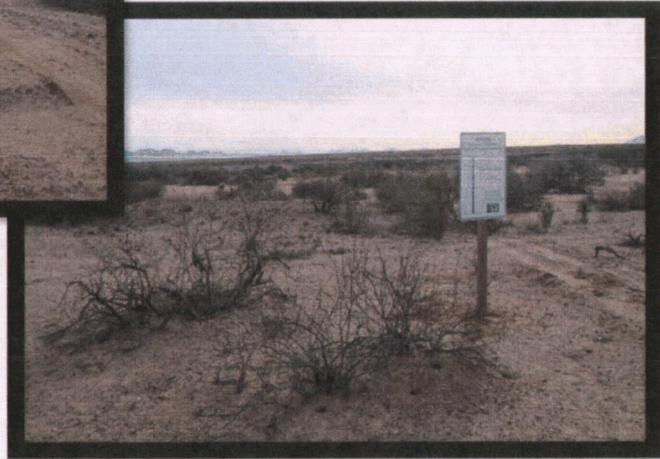
32° 26' N.  
109° 35' W.  
Section 27  
T 11 S - R27E



## SITE # THREE



32° 25' N.  
109° 32' W.  
Section 31  
T 11 S - R28E



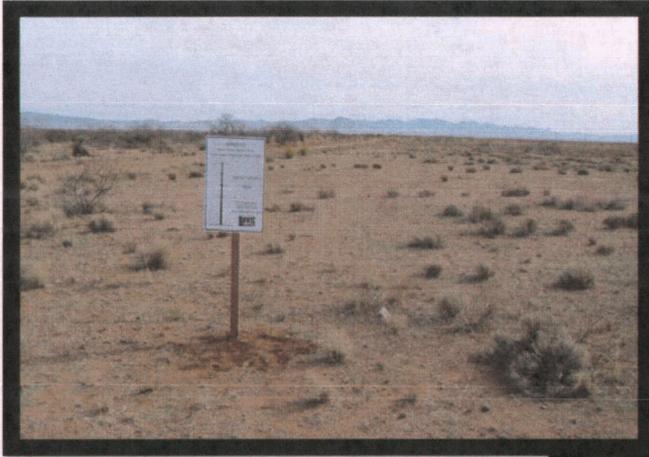
## SITE # FOUR



32° 26' N.  
109° 31' W.  
Section 6  
T 12 S - R28E

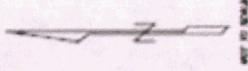


# SITE # FIVE



32° 24' N.  
109° 30' W.  
Section 17  
T 12 S - R28E





# EXHIBIT

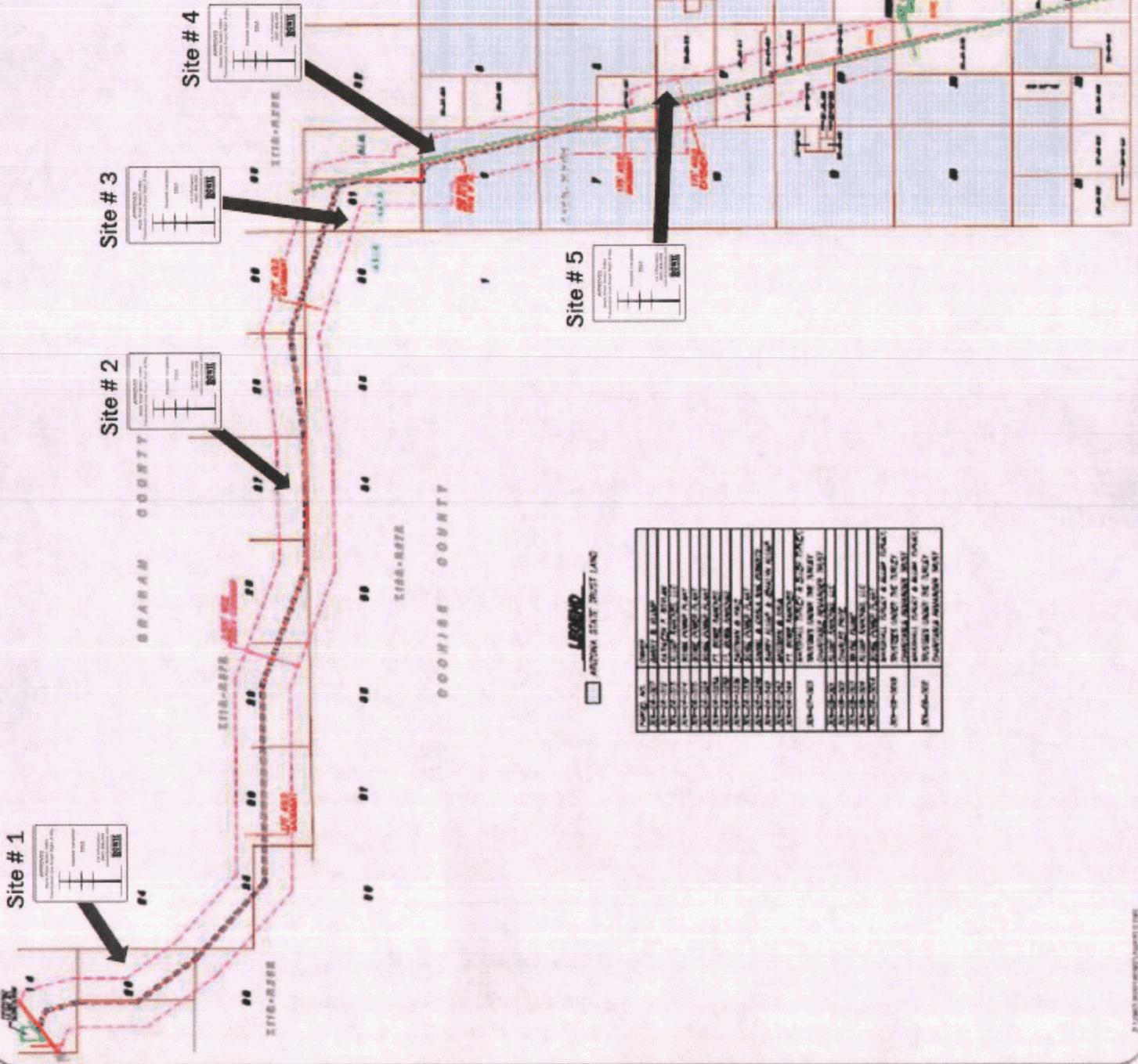
OF PROPOSED TRANSMISSION LINE IN  
COCHISE AND GRAHAM COUNTIES,  
ARIZONA, IN TOWNSHIPS 11 AND 12 SOUTH,  
RANGE 28 EAST AND TOWNSHIP 11 SOUTH,  
RANGES 26, 27 & 28 EAST

**PREFERRED  
TRANSMISSION  
ALIGNMENT**



**James R. ...  
Professional Engineer  
License No. ...  
State of Arizona**

DATE: 10/10/08  
SCALE: AS SHOWN



Site # 3

Site # 4

Site # 2

Site # 5

Site # 1

PARCEL NO.	OWNER
81-14-21	ARIZONA STATE TRUST LAND
81-14-22	ARIZONA STATE TRUST LAND
81-14-23	ARIZONA STATE TRUST LAND
81-14-24	ARIZONA STATE TRUST LAND
81-14-25	ARIZONA STATE TRUST LAND
81-14-26	ARIZONA STATE TRUST LAND
81-14-27	ARIZONA STATE TRUST LAND
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81-14-30	ARIZONA STATE TRUST LAND
81-14-31	ARIZONA STATE TRUST LAND
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81-14-97	ARIZONA STATE TRUST LAND
81-14-98	ARIZONA STATE TRUST LAND
81-14-99	ARIZONA STATE TRUST LAND
81-14-100	ARIZONA STATE TRUST LAND

**LEGEND**  
 ARIZONA STATE TRUST LAND

# **Attachment C**

**Condition No. 9 of Decision No. 64626;  
Condition No. 10 of Decision No. 64625;  
And, Condition No. 18A of  
Decision No. 69339**

**Bowie Power Station Presentation Provided at the  
Arizona Corporation Commission's  
Biennial Transmission Assessment Workshop**

**(June 3-4, 2010)**

**Arizona Corporation Commission  
Biennial Transmission Assessment  
Workshop**

**June 3 & 4, 2010**

**Phoenix, AZ**

**ROWIE**  
POWER STATION

# Transmission Planning Forums

- Bowie Power Station through its owner Southwestern Power Group (SWPG) participates in:
  - Regional transmission planning forums
  - Southwest Area Transmission Group and its subcommittees (including SATS)
  - On going activities of WestConnect
- SWPG is a Class 3 member in good standing in the Western Electricity Coordinating Council

# Permit Status

- Bowie Power Station (1000MW) was duly issued Certificates of Environmental Compatibility pursuant to ACC Orders 64625, 64626, 69339
  - Orders 64625 and 64626 issued March 7, 2002
  - Order 69339 issued February 20, 2007
- Bowie Power Station's 345 kV interconnection with Tucson Electric Power requires a land lease with ASLD for ROW
- ASLD ROW lease in process
- Other necessary permits completed

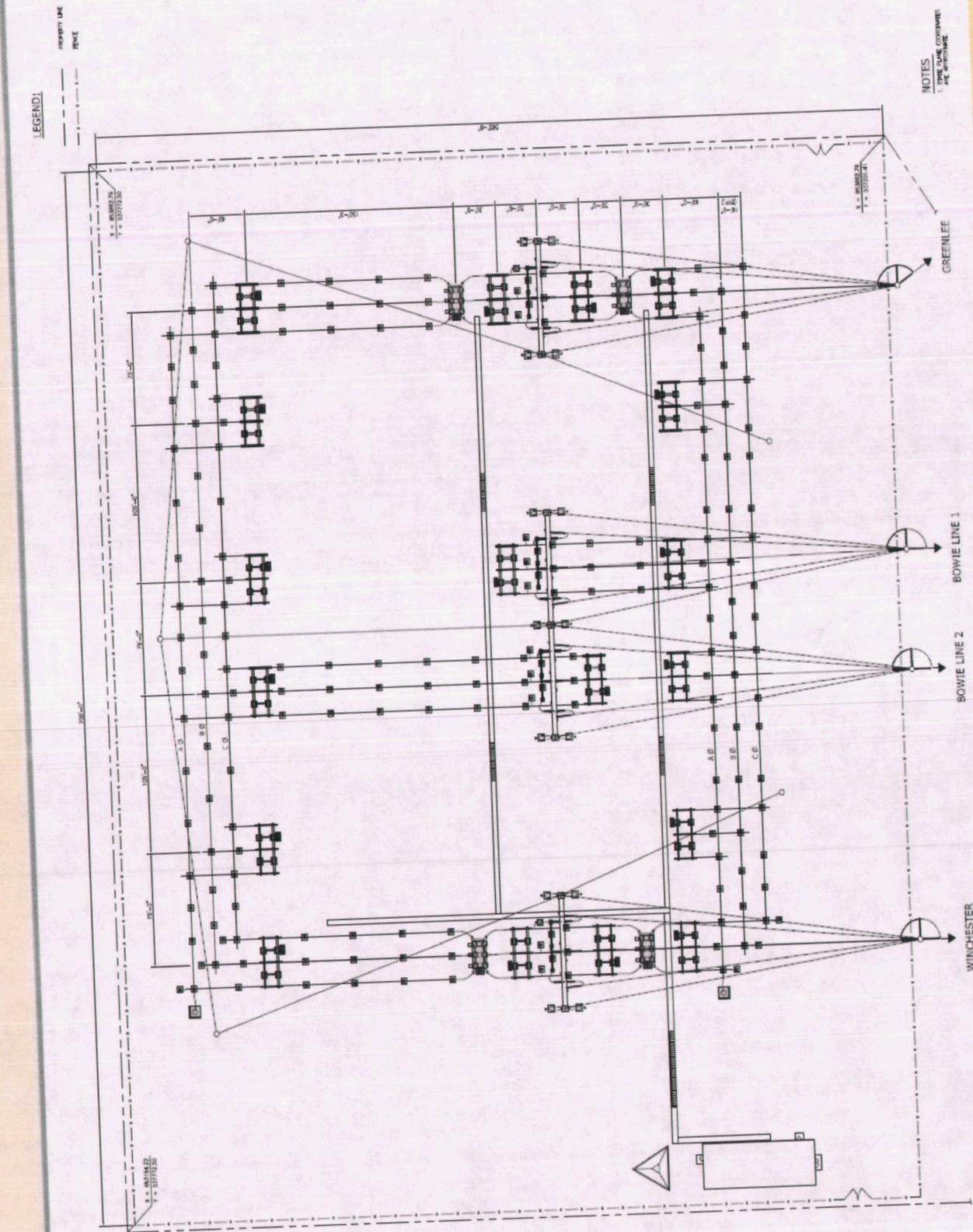
# Technical Studies

- Interconnect Request with TEP completed
- Initial System Impact Study (SIS) completed
- Final SIS to be completed and report to be issued by TEP second quarter 2008
- Initiated Facility Study (FS) March 2008
- Final FS third quarter 2010
- Execute Interconnection Agreement (IA) fourth quarter 2010
- File IA with ACC first quarter 2011
- Execute Transmission Services Agreement with TEP to be determined

# BOWIE

POWER STATION

# Preliminary Switching Diagram



LEGEND:

PROPERTY LINE  
FENCE

REVISIONS  
DATE: 10/10/00  
BY: J. H. HARRIS, INC.  
10/17/00

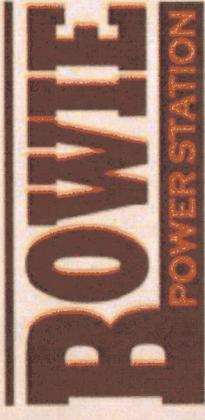
AUTOCADD

Tucson Electric Power Company  
TUCSON, ARIZONA  
RITUAL GARY ARRANGEMENT  
WILLOW SWITCHYARD

NOTES  
1. SEE DRAWING FOR  
DIMENSIONS

TRSO  
SHEET NO. 5  
SHEET TOTAL 10

# Websites



For more information on Bowie Power Station:

[www.bowiepower.com](http://www.bowiepower.com)

[www.southwesternpower.com](http://www.southwesternpower.com)