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BEFORE THE ARIZONA CORPORATION

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GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

Arizona Corporation Commission

DOCKETED

FEB 15 2011

DOCKETED BY nr

IN THE MATTER OF THE APPLICATION OF
GILA BEND POWER PARTNERS, L.L.C., OR
THEIR ASSIGNEE(S), IN CONFORMANCE WITH
REQUIREMENTS OF ARIZONA REVISED
STATUTES SECTIONS 40-360-01 et seq., FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
COMBINED CYCLE GENERATING PLANT,
SWITCHYARD, AND RELATED FACILITIES IN
THE TOWN OF GILA BEND, MARICOPA
COUNTY, ARIZONA, LOCATED IN THE
SOUTHWEST QUARTER OF SECTION 19,
TOWNSHIP 5 SOUTH RANGE 5 WEST, GILA AND
SALT RIVER BASE AND MERIDIAN

DOCKET NO. L-00000V-00-0106-00000

CASE NO. 106

DECISION NO. 72189

IN THE MATTER OF IN THE MATTER OF THE
APPLICATION OF GILA BEND POWER PARTNERS
AND ITS ASSIGNS 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 ONE 500kV TRANSMISSION LINE AND THE
WATERMELON SWITCHYARD IN MARICOPA
COUNTY, ARIZONA ORIGINATING AT THE
PROPOSED GILA BEND POWER PARTNERS POWER
PROJECT LOCATED NORTHWEST OF THE CENTER
OF THE TOWN OF GILA BEND, ARIZONA
(SECTION 19, TOWNSHIP 5 SOUTH, RANGE 5
WEST, G&SRB&M) AND TERMINATING AT THE
PROPOSED WATERMELON SWITCHYARD
SECTION 22, TOWNSHIP 5 SOUTH, RANGE 4 WEST,
A DISTANCE OF APPROXIMATELY 9 MILES

DOCKET NO. L-00000V-01-0109-00000

CASE NO. 109

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF GILA BEND
POWER PARTNERS, L.L.C., OR THEIR ASSIGNEE(S), IN
CONFORMANCE WITH REQUIREMENTS OF ARIZONA
REVISED STATUTES SECTIONS 40-360-01 et seq., FOR A
CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY
AUTHORIZING THE COMBINED CYCLE GENERATING
PLANT, SWITCHYARD, AND RELATED FACILITIES IN THE
TOWN OF GILA BEND, MARICOPA COUNTY, ARIZONA,
LOCATED IN THE SOUTHWEST QUARTER OF SECTION 19,
TOWNSHIP 5 SOUTH RANGE 5 WEST, GILA AND SALT
RIVER BASE AND MERIDIAN

) DOCKET NO. L-00000V-00-0106-00000
)
) CASE NO. 106
)
) ORDER MODIFYING
) DECISION NOS. 63552 AND 69177
)
) DECISION NO. 72189
)
) ORDER

IN THE MATTER OF IN THE MATTER OF THE
APPLICATION OF GILA BEND POWER PARTNERS AND ITS
ASSIGNS 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 ONE
500KV TRANSMISSION LINE AND THE WATERMELON
SWITCHYARD IN MARICOPA COUNTY, ARIZONA
ORIGINATING AT THE PROPOSED GILA BEND POWER
PARTNERS POWER PROJECT LOCATED NORTHWEST OF
THE CENTER OF THE TOWN OF GILA BEND, ARIZONA
(SECTION 19, TOWNSHIP 5 SOUTH, RANGE 5 WEST,
G&SRB&M) AND TERMINATING AT THE PROPOSED
WATERMELON SWITCHYARD SECTION 22, TOWNSHIP 5
SOUTH, RANGE 4 WEST, A DISTANCE OF
APPROXIMATELY 9 MILES

) DOCKET NO. L-00000V-01-0109-00000
)
) CASE NO. 109

Open Meeting
February 1 and 2, 2011
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 7, 2011, Gila Bend Power Partners, L.L.C. ("GBPP") submitted an application for extension of three Certificates of Environmental Compatibility ("CEC"), a Request for Expedited Treatment, and to the extent necessary, interim extensions. Specifically, GBPP requested that the three CEC's be extended to February 7, 2018.

2. In Case No. 106 (Docket No. L-00000V-00-0106), the Arizona Corporation Commission ("Commission") granted a CEC for the construction by GBPP of a natural gas-fired,

1 combined cycle generating plant, switchyard, and related facilities (“Project”) in the Town of Gila
2 Bend in Maricopa County in Decision No. 63552 (April 12, 2001). The Commission later
3 extended the GBPP authorization to construct the Gila Bend Power Plant in Decision No. 69177
4 (December 5, 2006). The authorization to construct the power plant will expire on February 7,
5 2011, unless the Commission extends the time limitation as permitted by Decision No. 69177.

6 3. In Case No. 109 (Docket No. L-00000V-01-0109), the Commission authorized the
7 construction of a 500 kV Watermelon Switchyard, a 500 kV transmission line from the Gila Bend
8 Power Plant to the Watermelon Switchyard, and a 500 kV interconnection at the Watermelon
9 Switchyard. In Decision No. 63762 (June 12, 2001), the Commission granted GBPP a CEC for
10 these facilities. The Commission granted an extension of GBPP’s authorization to construct the
11 facilities in Decision No. 69177. That extended authorization will expire on April 11, 2011, unless
12 the Commission extends the time limit as permitted by Decision No. 69177.

13 4. In Case No. 119 (Docket No. L-00000V-02-0119), GBPP applied for authorization
14 to construct a 500 kV transmission line from the Hassayampa Switchyard to the Jojoba Switchyard
15 and associated switchyard components, to complete the interconnection of GBPP’s Gila Bend
16 Power Plant to the Palo Verde Hub. In Decision No. 65866 (April 25, 2003), the Commission
17 approved a CEC for the transmission line. An extension of the CEC was approved by the
18 Commission in Decision No. 70323 (April 29, 2008). The authorization for GBPP to construct the
19 facilities will expire on April 11, 2011, unless the Commission extends the time limitation as
20 permitted by Decision No. 70323.

21 5. In the instant Application, GBPP refers to the Commission Decisions in Cases 106,
22 109, and 119, collectively as “GBPP CECs”. GBPP contends that the application should be
23 approved because the need for the new generation has been delayed by the recession. GBPP
24 further argues that the application should be approved because GBPP is still firmly committed to
25 the Project. Finally, GBPP argues that the Project will provide benefits to the regional
26 transmission system and to renewable generators in the state. GBPP contends that the
27 Commission’s finding of need for the Gila Bend Power Plant in Decision No. 69177 is still valid.

28 ...

1 6. GBPP points out that it has already invested more than \$19 million in the Project
2 and continues to invest. GBPP recently paid over \$50,000 in rent for a BLM right of way for
3 2011.

4 7. GBPP argues that the increased transmission capacity resulting from the Project
5 will be a benefit to other generation providers. GBPP specifically mentions the benefit to
6 renewable generators located in and around Gila Bend.

7 8. Staff has reviewed the application of GBPP and the previously approved CECs and
8 CEC extensions.

9 9. Staff agrees with GBPP that although, in the short run, the need for the GBPP has
10 been delayed by the recession, that need will be confirmed as new growth appears with the end of
11 the recession.

12 10. Staff believes that GBPP, through its expenditures and continuing efforts, has
13 demonstrated that it is committed to completion of all aspects of the Project.

14 11. Finally, Staff concurs with GBPP that the project will provide benefits to the
15 regional transmission system in general and to renewable generators in particular. Most of the
16 renewable projects proposed for the Gila Bend area are solar projects. The Gila Bend/Palo Verde
17 area was identified as a Solar Resource Area in the Commission's Sixth Biennial Transmission
18 Assessment 2010-2019. Most solar projects only produce electricity during daylight hours.
19 However, a few projects have included thermal storage that will extend their electricity production
20 into the evening hours. The Gila Bend power plant will complement the proposed solar plants and
21 will provide a back-up source of power from the Gila Bend area during hours of darkness.

22 12. Staff recommends approval of the GBPP request for an extension of the GBPP
23 CECs authorization to construct the Project until February 7, 2018.

24 13. However, Staff notes that GBPP waited until January 7, 2011, to file an extension
25 request for the Case No. 106 CEC (which expires on February 7, 2011), and asked for expedited
26 treatment. Staff is concerned that GBPP waited to request an extension until so close to the
27 expiration of the CECs. The late timing of the application places an unnecessary burden on Staff
28 to be responsive to the needs of GBPP while providing a thorough analysis of the application.

1 Although Staff has taken steps to accommodate GBPP's request, it does so at the expense of other
2 applicants who have responsibly prepared and timely submitted their applications. Staff
3 recommends that the Commission place a requirement on the extension that requires GBPP, if in
4 2018 it desires another extension, to file such an extension at least 120 days prior to the deadline
5 determined in this proceeding.

6 14. In addition, Staff recommends that the following language modifying Condition
7 No. 2 of the CEC for Case 106 be included in the Order approving extension of the deadline date:

8 "This authorization to site and construct the Gila Bend Power Plant shall
9 expire on February 7, 2018. However, before such expiration, Applicant or
10 any assignee of Applicant may request that the Commission further extend
11 this time limitation, provided that the Gila Bend Power Plant has been
12 substantially constructed as of the time of such extension request. The
13 Commission will determine what "substantial construction" is, at the time of
14 Applicant's filing for time extension. In determining whether the facilities
15 have been substantially constructed, the Commission shall include
16 consideration of the status of the Gila Bend Power Plant financing and
17 physical site construction."

18 CONCLUSIONS OF LAW

19 1. The Commission has jurisdiction over Gila Bend Power Partners, LLC and the
20 subject matter contained herein pursuant to Article XV of the Arizona Constitution and A.R.S. §§
21 40-252 and 40-360, *et seq.*

22 2. Notice of the proceeding has been given in the manner prescribed by law.

23 3. The Commission, having reviewed and considered Gila Bend Power Partners
24 LLC's application to extend time, concludes that it is in the public interest to adopt Staff's
25 proposed revision to Condition No. 2 of the Certificate of Environmental Compatibility as set forth
26 in Finding of Fact No. 14 and to modify Decision No. 63552, as modified by Decision No. 69177,
27 accordingly.

28 ORDER

IT IS THEREFORE ORDERED that Decision No. 63552, as modified by Decision No.
69177, is hereby modified to revise Condition No. 2 of the Certificate of Environmental
Compatibility to state the following:

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“This authorization to site and construct the Gila Bend Power Plant shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the Gila Bend Power Plant has been substantially constructed as of the time of such extension request. The Commission will determine what “substantial construction” is, at the time of Applicant’s filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of the Gila Bend Power Plant financing and physical site construction.”

IT IS FURTHER ORDERED that any future requests to extend the Certificate of Environmental Compatibility shall be made at least 120 days prior to the expiration of the Certificate of Environmental Compatibility.

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IT IS FURTHER ORDERED that all other provisions of Decision No. 63552, as modified by Decision No. 69177, remain in full force and effect.

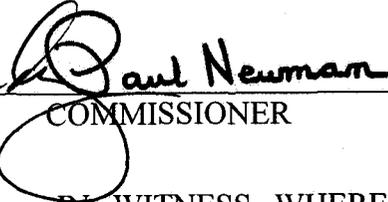
IT IS FURTHER ORDERED that this Decision become effective immediately.

BY THE 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 Capitol, in the City of Phoenix, this 11th day of February, 2011.



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:RTW:lhm\CH

1 SERVICE LIST FOR: Gila Bend Power Partners, LLC
2 DOCKET NO. L-00000V-00-0106-00000

3 Mr. John Foreman
4 Chairman
5 Arizona Power Plant and Transmission
6 Line Sitting Committee
7 Office of Attorney General
8 1275 West Washington Street
9 Phoenix, Arizona 85007

10 Mr. Thomas H. Campbell
11 Mr. Albert H. Acken
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