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BEFORE THE ARIZONA CORPORATION COMMISSION

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11 IN THE MATTER OF THE APPLICATION
12 OF MESQUITE POWER LLC, OR THEIR
13 ASSIGNEES(S), IN CONFORMANCE WITH
14 THE REQUIREMENTS OF ARIZONA
15 REVISED STATUTES 40-360 ET SEQ., FOR
16 A CERTIFICATE OF ENVIRONMENTAL
17 COMPATIBILITY AUTHORIZING
18 CONSTRUCTION OF A NATURAL GAS-
19 FIRED, COMBINED CYCLE GENERATING
20 FACILITY ("MESQUITE PROJECT")
21 LOCATED SOUTH OF ELLIOT ROAD,
APPROXIMATELY ONE MILE EAST OF
WINTERSBURG ROAD AND
APPROXIMATELY 37 MILES WEST OF
THE PHOENIX METROPOLITAN AREA,
NEAR ARLINGTON IN MARICOPA
COUNTY, ARIZONA

DOCKET NO. L-00000S-00-0101

(Case No. 101)

**MESQUITE POWER LLC'S
APPLICATION FOR APPROVAL
OF ASSIGNMENT OF ITS
CERTIFICATE OF
ENVIRONMENTAL
COMPATIBILITY UNDER
A.R.S. §40-360.08**

22 This application by Mesquite Power LLC ("Mesquite Power") is for formal approval
23 to assign the Certificate of Environmental Compatibility for its Mesquite Generating Station
24 (the "Mesquite Generating Station CEC") to Mesquite Power Operations, LLC, an Arizona
25 limited liability company ("Mesquite Operations"), its wholly-owned subsidiary. This
26 application is submitted pursuant to A.R.S. § 40-360.08. It seeks approval for a transfer of
27 the Mesquite Generating Station CEC in this docket, which was approved in Decision No.
28 63232 (December 5, 2000), as amended by Decision No. 71476 (January 26, 2010).

1 Mesquite Power owns and operates a 1,250 megawatt natural gas-fired combined
2 cycle generating facility near Arlington, Maricopa County, Arizona. This facility, the
3 Mesquite Generating Station, is located approximately one mile east of Wintersburg Road,
4 just south of the Palo Verde Nuclear Generating Station, and is approximately 37 miles west
5 of the Phoenix metropolitan area. Following an October 10, 2000 decision of the Arizona
6 Power Plant and Transmission Line Siting Committee approving a CEC for the Mesquite
7 Generating Station, the Commission made additional findings of fact and issued the
8 Mesquite Generating Station CEC in Decision No. 63232 on December 5, 2000. The CEC
9 specifically provides that it is granted to “Mesquite and its assignee(s),” (Decision No.
10 63232 at p. 2, l. 27).

11 In 2008, Sempra Generation, parent of Mesquite Power, began undertaking the
12 development of an approximately 500 megawatt photovoltaic solar energy project (the
13 “Mesquite Solar Project”) on a portion of the Water Property (the “Mesquite Solar Project
14 Property”). The Mesquite Solar Project was the subject of a line siting hearing before the
15 Arizona Power Plant and Transmission Line Siting Committee on August 13, 2009 pursuant
16 to which a Certificate of Environmental Compatibility was issued for the generation tie-line
17 connecting the Mesquite Solar Project to a switchyard located at the Mesquite Generating
18 Station (the “Mesquite Solar CEC”). See Docket No. L-00000KK-09-0299-00147, Case
19 No. 147. The generation tie-line that was the subject of the Mesquite Solar CEC has now
20 been completed.

21 The Commission amended the Mesquite Generating Station CEC on January 26,
22 2010 in Decision No. 71476 to coordinate the requirements of the Mesquite Generation
23 Station CEC in light of the Mesquite Solar Project and the siting of the generation tie-line
24 authorized pursuant to the Mesquite Solar CEC.

25 Mesquite Power is investigating the sale of all or a portion of the assets comprising
26 the Mesquite Generating Station. To help effectuate any potential sale, Mesquite Power
27 desires to assign the Mesquite Generation Station CEC to Mesquite Operations, a wholly-
28 owned subsidiary of Mesquite Power. Mesquite Power will contract with Mesquite

1 Operations for Mesquite Operations to perform all operational activities at the Mesquite
2 Generation Station, and Mesquite Operations will agree to comply with the terms,
3 limitations and conditions of the Mesquite Generating Station CEC.

4 A.R.S. §40-360.08 provides as follows:

5
6 40-360.08. Transfer of certificate; compliance by committee; commission and
7 review panel; authorization to construct.

8 A. Subject to such limitations and conditions as may otherwise be prescribed
9 by law, a certificate may be transferred to any electric company or electric
10 utility agreeing to comply with the terms, limitations and conditions contained
11 therein.

12 B. If the committee or the commission fails to act on an application within the
13 applicable time period prescribed in this article, the applicant may, in its
14 discretion and in the interest of providing adequate, reliable and economical
15 electric service to its customers, immediately proceed with the construction of
16 the planned facilities at the proposed site or, if application has been made for
17 alternative sites, at the proposed site which in the opinion of the applicant best
18 satisfies the factors expressed in section 40-360.06.

19 A.R.S. §40-360.08(A) specifically authorizes the transfer of a certificate of
20 environmental compatibility to any electric utility that will agree to the terms, limitation and
21 conditions of the certificate being transferred. Here, Mesquite Operations will be the
22 operator of the Mesquite Generating Station and will agree to the terms, limitation and
23 conditions of the Mesquite Generating Station CEC. As mentioned above, the CEC itself
24 contemplates that its terms apply to any assignee.

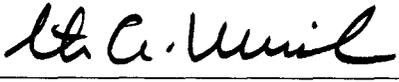
25 **CONCLUSION**

26 Mesquite Power respectfully requests the approval of this application to transfer the
27 Mesquite Generating Station CEC granted in Decision No. 63232 (December 5, 2000) to
28 Mesquite Operations. Mesquite Power believes this change can be adequately considered at
a Commission Open Meeting and does not justify a full evidentiary hearing, and therefore
requests placement of this request on the Open Meeting Agenda at the Commission's
earliest convenience. If the Commission desires that an evidentiary hearing be held,

1 Mesquite Power stands ready to cooperate fully to provide whatever additional information
2 is necessary.

3
4 RESPECTFULLY SUBMITTED this 11th day of September, 2012.

5 BRYAN CAVE LLP

6
7 By 

8 Steven A. Hirsch, #006360
9 Andrew D. Gleason, #024394
10 Two N. Central Avenue, Suite 2200
11 Phoenix, AZ 85004-4406
12 Attorneys for Mesquite Power LLC

13 **ORIGINAL and 25 COPIES** of the
14 foregoing hand-delivered for filing this
15 11th day of September, 2012 to:

16 Docket Control
17 Arizona Corporation Commission
18 1200 W. Washington Street
19 Phoenix, Arizona 85007

20 **COPY** of the foregoing hand-delivered
21 this 11th day of September, 2012 to:

22 Janice Alward, Chief Counsel
23 Arizona Corporation Commission
24 1200 W. Washington Street
25 Phoenix, Arizona 85007

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