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BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

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IN THE MATTER OF THE APPLICATION ) OF SUNZIA TRANSMISSION LLC, IN ) CONFORMANCE WITH THE ) REQUIREMENTS OF ARIZONA REVISED ) STATUTES 40-360, ET SEQ., FOR A ) CERTIFICATE OF ENVIRONMENTAL ) COMPATIBILITY AUTHORIZING THE ) SUNZIA SOUTHWEST TRANSMISSION ) PROJECT, WHICH INCLUDES THE ) CONSTRUCTION OF TWO NEW 500 KV ) TRANSMISSION LINES AND ) ASSOCIATED FACILITIES ORIGINATING ) AT A NEW SUBSTATION (SUNZIA EAST) ) IN LINCOLN COUNTY, NEW MEXICO, ) AND TERMINATING AT THE PINAL ) CENTRAL SUBSTATION IN PINAL ) COUNTY, ARIZONA. THE ARIZONA ) PORTION OF THE PROJECT IS LOCATED ) WITHIN GRAHAM, GREENLEE, ) COCHISE, PINAL, AND PIMA COUNTIES. )

DOCKET NO. L-00000YY-15-0318-00171

Case No. 171

NOTICE OF FILING PROPOSED FINDINGS OF FACTS, CONCLUSIONS OF LAW, AND DENIAL OF CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Arizona Corporation Commission

DOCKETED

NOV 16 2015

DOCKETED BY [Signature]

Parties Peter T. Else, Christina McVie, and Norm "Mick" Meader are filing the above referenced Notice in compliance with Paragraphs 26 and 28 of Chairman Thomas Chenal's Procedural Order of September 11, 2015. The proposed findings, conclusions, and denial text is attached as Exhibit A.

Respectfully submitted on November 16, 2015,

[Signature of Peter T. Else]

Peter T. Else

[Signature of Christina McVie]

Christina McVie

[Signature of Norm "Mick" Meader]

Norm "Mick" Meader

1 ORIGINAL and 25 COPIES of the foregoing hand-  
delivered on this 16th day of November 2015 to:

2 Arizona Corporation Commission  
3 Docket Control  
1200 W. Washington Street  
4 Phoenix, AZ 85007-2996

5 PRINTED COPIES of this notice were hand-delivered  
to the Chairman, Committee Members, all parties, and  
6 the Court Reporter on November 16, 2015.

7 An EMAILED COPY of this Notice in word processor  
form was sent on November 16, 2015 to the following:

- 8 Janice Alward [jalward@azcc.gov](mailto:jalward@azcc.gov)  
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15  
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18 **Exhibit A Follows**  
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1 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

2 This Decision incorporates the following Findings of Fact and Conclusions of Law:

- 3 1. The Project may aid the state and the southwest region in meeting the need for an  
4 adequate and reliable supply of electric power.
- 5 2. The Project may aid the state in preserving a reliable electric transmission system by  
6 providing an additional path for energy flow within the state between the Willow  
7 Substation and the Pinal Central Substation.
- 8 3. The Project may assist the state in meeting the goal of increasing the use of renewable  
9 energy in the state.
- 10 4. The Applicant did not provide vetted third-party analysis demonstrating that the project  
11 would deliver wind energy to Arizona more economically than it and other forms of  
12 renewable energy can be obtained from other sources, especially from within the State of  
13 Arizona.
- 14 5. The cost of renewable wind energy imported into Arizona from New Mexico is likely to  
15 have a significantly higher delivery cost component than that of electricity resources from  
16 within the State, due to the length of the line, the three line burial requirements near  
17 White Sands Missile Range, and the relatively low line utilization factor associated with  
18 the energy mix proposed for the Project's line.
- 19 6. The high energy delivery cost associated with the wind segment of this Project (SunZia  
20 East Substation to SunZia Midpoint Substation) will negatively affect market  
21 competitiveness with other energy resources available in Arizona and California, and will  
22 reduce or preclude the economic feasibility of constructing this particular route segment.  
23 The Applicant has stated during the Hearings that this route segment would be the last of  
24 three constructed in a series of construction phases.
7. Current renewable energy plans by Arizona utilities show that potential Arizona demand  
for New Mexico renewable energy is much too small by itself to support the financing  
and building of the Project. Only California power purchases can do so, as only that state  
potentially has sufficient demand for renewable energy to support construction. The  
amount of power available to Arizona utilities through SunZia will thus be limited and  
uncertain.
8. With regard to potential energy markets for the Project in California, transmission  
capacity on the central Arizona transmission system beyond the Pinal Central Substation  
and future plans by the Salt River Project to build large-scale natural gas generation in  
the vicinity of this Substation limit market access for SunZia power such that only one of  
two Project lines could be supported at this time.
9. Transmission facilities must be added beyond Pinal Central to provide the market access  
needed to build a second line. Those facilities are currently not planned, and it is  
uncertain who would bear the cost.

- 1 10. If a DC option were chosen for the second line, twice the transmission capacity must be  
2 added beyond Pinal Central as compared to an AC line to accommodate the power the  
3 line would deliver. The size of this transmission requirement makes the DC option  
4 infeasible at this time and much less probable in the future.
- 5 11. The large cross-state power transfers to California required on central and western  
6 Arizona's transmission system to support and finance SunZia would substantially reduce  
7 the transmission capacity on the system for Arizona's use, most importantly for  
8 renewable energy development. This would diminish the potential economic benefit of  
9 selling Arizona's own renewable resources to California, an established Arizona  
10 objective. [CEC Siting Case No. 167; Commission Decision No. 72031 Docket No.  
11 E00000D-09-0020]
- 12 12. The Project passes through 30 miles of previously undisturbed land in the lower San  
13 Pedro watershed, which is a unique area of extraordinary biological wealth that must be  
14 given special consideration under ARS 40-360.06 – B.
- 15 13. The Application for the Project did not request consideration of less ecologically harmful  
16 Tucson route alternatives, some of which were analyzed in the SunZia Final  
17 Environmental Impact Statement.
- 18 14. The Applicant has not established a substantial basis for the exclusion of a Tucson route  
19 from the Committee's consideration, and did not provide analyses of possible Tucson  
20 routes that are independent of the Applicant's closely-associated environmental firm  
21 (Environmental Planning Group).
- 22 15. The Committee should have the opportunity to more fully analyze potential Tucson  
23 routes that would avoid ecological damage to the San Pedro Valley altogether.
- 24 16. The Project is located in the vicinity of the proposed Southline Transmission project. [in  
reference to ARS 40-360.06-A-1] The Notice of Availability of the Final Environmental  
Impact Statement (FEIS) for the Southline project was published in the Federal Register  
on November 6, 2015, and this FEIS was formally released by the Bureau of Land  
Management on November 10, 2015.
17. The Project would produce additive impacts to the Southline Transmission project along  
environmentally sensitive portions of the Project route in southern Arizona, particularly  
in the vicinity of the Willcox Playa and the Pinaleno and Peloncillo Mountains.
18. The Southline project would provide many more access points for uploading and  
downloading energy resources in Arizona, while avoiding impacts in undisturbed  
portions of the lower San Pedro watershed by upgrading existing transmission lines and  
following an existing infrastructure corridor through the Tucson area.
19. The proposed Southline route demonstrates that it is possible to route through Tucson  
without destroying an excessive number of homes and businesses.

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20. The SunZia Project is not in the public interest, because it would introduce new impacts along a 30-mile route segment in a unique area of biological wealth and would produce additive impacts to the Southline project without clearly establishing that significant benefits would accrue to the State of Arizona.

21. The reliability factor referenced in Finding No. 2 is not sufficient on its own to justify the ecological impacts to the lower San Pedro watershed, a unique area of biological wealth. Additional paths for electrical flow can be planned and constructed in areas that have already been disturbed by growth and development, and should not degrade biologically-rich conservation zones that are already being used to mitigate the impacts of growth and development.

22. Since the remaining benefits to the State of Arizona, as described in the Application and in the Applicant's testimony, are either speculative or duplicate the described benefits of the planned Southline transmission proposal, evidence of benefit from the SunZia Project proposal is insufficient to justify the significant ecological harm and possible exploitation of Arizona's cross-State electrical infrastructure by out-of-State interests.

**A Certificate of Environmental Compatibility is thus hereby denied by the Arizona Power Plant and Transmission Line Siting Committee on this \_\_\_ day of November, 2015.**