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Tucson Electric Power
88 East Broadway Boulevard
Tucson, AZ 85701

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2016 JAN 27 P 4: 23

January 27, 2016

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Informational Filing and Update
Southwest Area Transmission Coal Reduction Assessment Task Force ("CRATF")
Eighth Biennial Transmission Assessment ("BTA") – Docket E-00000D-13-0002

To Whom it May Concern:

In the Eighth BTA, Decision No. 74785 dated October 24, 2014 ("Decision"), the Arizona Corporation Commission ("Commission") directed Tucson Electric Power Company ("TEP") to file the CRATF study report ("Study Report") on behalf of the Arizona Utilities¹ within thirty days of completion. The Study Report is intended to determine whether the known and projected retirement of coal generation and the anticipated increase in solar photovoltaic and wind generation in the next five years may cause system stability issues.² TEP hereby submits this informational filing on behalf of the Arizona Utilities to provide the Commission with the status of the Study Report.

A number of developments have occurred since the order was issued in 2014; most importantly, the U.S. Environmental Protection Agency has issued the Clean Power Plan ("CPP") Final Rule.³ The CPP adds a new timeline for compliance that will need to be incorporated into the Study Report. Additionally, the Arizona Utilities intend to coordinate with WestConnect, and others, to share information and access to the WestConnect power flow model(s) and databases in order to conduct a more credible reliability assessment of the CPP impact. This close coordination offers the best opportunity for the Arizona Utilities to assess the reliability and stability of system operations in compliance with the CPP.

The Arizona Utilities will continue to develop the Study Report, and look forward in the Ninth BTA to discussing efforts to assess the impact of pending coal plant retirements on the reliability of the Arizona transmission system.

Sincerely,
Tucson Electric Power Company
On behalf of The Arizona Utilities

Ron Belval, Manager of Transmission Planning

CC: Thomas M. Broderick, Director of Utilities
Toby Little, Utilities Division

Arizona Corporation Commission

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¹ The Arizona Utilities include: TEP, UNS Electric, Inc., Salt River Project, Arizona Public Service Company and Southwest Transmission Cooperative.

² Decision at page 4, line 28.

³ Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units (CPP), 80 Fed. Reg. 64662 (Oct. 23, 2015).