

ORIGINAL

OPEN MEETING AGENDA ITEM



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COUNTY ADMINISTRATOR'S OFFICE

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C.H. HUCKELBERRY
County Administrator

Arizona Corporation Commission
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February 1, 2016

Interim Chairman Doug Little and Members
Arizona Corporation Commission
Commissioners Wing, Second Floor
1200 W. Washington
Phoenix, Arizona 85007

Re: **February 2, 2016 Open Meeting; Pima County Comments Re: SunZia Transmission, LLC, Application for Certificate of Environmental Compatibility Docket No. L-00000YY-15-0318-00171**

Dear Chairman Little and Members:

The Certificate of Environmental Compatibility forwarded to you from the Line Siting Committee contains conditions that are intended to respond to our concerns about adverse impacts to our conservation investments in the San Pedro River Valley which are well documented as a matter of record in this case. We respectfully acknowledge the effort, but we continue to have concerns regarding the effectiveness of Condition #37.

We request that Condition #37 be modified such that:

- The Applicant will also restore the loss of any mitigation credit that has already been allocated from our mitigation bank;
- The Applicant will restore mitigation credit provided by all Pima County land holdings, not just those held under lease from ASLD;
- The Applicant has more flexibility in achieving compliance; and
- It clarifies that replacement or compensatory mitigation is to restore Section 10 permit mitigation credit rather than providing a simple acre-for-acre substitution of land.

Interim Chairman Doug Little and Members

Re: **SunZia Application for CEC Docket No. L-00000YY-15-0318-0C171**

February 1, 2016

Page 2

To the first point – Both the SunZia Project and our Multi-Species Conservation Plan (MSCP) have lifespans of at least 20 years. But as we are within weeks of the US Fish and Wildlife Service issuing its Record of Decision for our MSCP and Incidental Take Permit #TE84356A-0, it is extremely likely we will begin allocating mitigation credits prior to construction of the SunZia Project. Condition #37 does not appear to address those circumstances where Pima County loses mitigation credit that has already been allocated to offset incidental take. We, therefore, respectfully request that Condition #37 be modified to include this scenario.

To the second point – As previously noted, both the SunZia Project and MSCP have lifespans of 20 years or more and that MSCP implementation will likely begin prior to SunZia construction. Condition #37 only accounts for County property interests as they currently exist. However, we anticipate capitalizing on any future opportunities to secure fee title to lands in the San Pedro River Valley, including the possibility of obtaining fee title to ASLD lands we currently lease. Therefore, we respectfully request that Condition #37 be modified to allow for potential ownership changes of mitigation land.

To the third point – In our experience, providing flexibility in how a compliance requirement can be achieved is more successful in achieving the desired outcome. We, therefore, respectfully request that Condition #37 be modified to enable a third option that provides for a mix of replacement and compensatory mitigation.

Lastly – A qualifying mitigation credit under the MSCP involves more than just an acreage accounting. Credits must also meet qualitative criteria such as certain quality thresholds for species-specific habitat and vegetation characteristics. A simple acre for acre substitution will not provide adequate credit replacement or substitution. We, therefore, respectfully request clarification to reflect the necessity of replacing and compensating for the credit itself and not merely land acreage.

In conclusion, without abrogating the purpose or contextual relevance of the original condition and to address our concerns, Pima County asks the Commission to modify Condition #37 to read:

At any time, where because of the SunZia Project, Pima County loses allocated mitigation credit or the ability to claim credit pursuant to the Multi Species Conservation Plan approved by U.S. Fish and Wildlife Service Incidental Take Permit #TE84356A-0, the Applicant will restore such losses to Pima County by securing lands to replace the value of the credit, providing compensatory mitigation to allow replacement of the value of the credit, or restore such losses to Pima County by providing a combination of secured lands and compensatory mitigation to offset the value of the credit.

Interim Chairman Doug Little and Members

Re: SunZia Application for CEC Docket No. L-0000YY-15-0318-00171

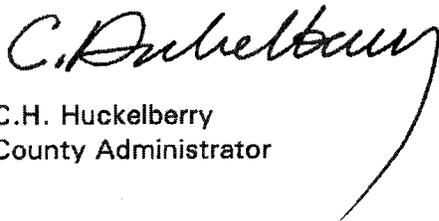
February 1, 2016

Page 3

Redline Version of Existing Condition #37:

~~In the event~~ At any time where, because of the SunZia Project, Pima County loses allocated mitigation credit or the ability to claim credit pursuant to their proposed Multi Species Conservation Plan approved by the U.S. Fish and Wildlife Service Incidental Take Permit # TE84356A-0, available online at http://www.fws.gov/southwest/es/arizona/Documents/HCPs/SonoranDesert/PimaMSGP_Public_Draft.pdf (last visited November 20, 2015), with respect to lands Pima County holds in fee or currently existing lands it leases from the ASLD because of the SunZia Project, the Applicant will either work with Pima County to secure replacement lands or provide compensatory mitigation to offset such loss, restore such losses to Pima County by securing suitable lands to replace the value of the credit, providing compensatory mitigation to allow replacement of the value of the credit, or restore such losses to Pima County by providing a combination of secured lands and compensatory mitigation to offset the value of the credit.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mjk