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BEFORE THE
ARIZONA CORPORATION COMMISSION

DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

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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

**PETER ELSE'S APPLICATION FOR
REHEARING OF DECISION NO. 75464**

Arizona Corporation Commission

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Pursuant to A.R.S. § 40-253, intervening party Peter T. Else applies for rehearing of Decision No. 75464 (the Decision) on the following grounds and incorporates by reference his Request for Review of December 8, 2015 and associated presentation materials. The following arguments correspond to the four findings and conclusions listed in the Decision. Evidence in the record contradicts these four findings. Rather than granting special consideration to an affected region of extraordinary biological wealth and considering the broad public interest as required by statutes, the Decision instead facilitates a misrepresentation of the Project's purpose

1 and favors the financial interests of the Project's majority owner and the Salt River Project,
2 contrary to requirements in the statutes cited in the following arguments:

- 3 1) **There is no credible evidence that the Project would aid the state in meeting the**
4 **need for an economical supply of electric power.**

5 The Commission in reviewing a Siting Committee decision must comply with the
6 provisions of A.R.S. § 40-360.06 and, in compliance with A.R.S. § 40-360.07, "shall balance,
7 in the broad public interest, the need for an adequate, economical and reliable supply of electric
8 power with the desire to minimize the effect thereof on the environment and ecology of this
9 state." Related to the first finding of this Decision (page 2, lines 3-4), there is no credible
10 evidence in the record that the Project would aid the state in meeting the need for an *economical*
11 supply of electric power. However, there is credible evidence this Project would **not** provide
12 economical electric power and would reduce competition in the electric power market, the
13 antithesis of the free market objective cited by several of the Commissioners during their review.

14 Vetted economic analysis is essential to verifying the purported economic benefits of any
15 merchant transmission line proposal. Without this analysis, the Applicant's statements of need
16 and benefits are nothing more than unsupported claims which can potentially be used to obscure
17 underlying purposes that conflict with the Applicant's statements of need and benefits and
18 conflict with fostering a competitive electric power market. **Transparency of purpose is lost**
19 **when benefit claims are not supported by sound analysis.**

20 The record for this Case (Case 171) includes evidence that both the High Plains Express
21 and the Frontier Line transmission proposals achieved this standard of transparency by openly
22 conducting benefit/cost analyses that compared the delivered cost of various energy mixes on
23 proposed transmission lines with the existing cost of electricity in the destination region¹. Both
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1 studies utilized a broadly-vetted economic analysis algorithm, and both studies concluded that
2 transporting primarily renewable energy long distances over Extra High Voltage (EHV) lines
3 would not be economically competitive in the absence of a tax on carbon emissions².

4 The Applicant provided no analytical evidence that the Project would provide
5 economical electric power from the source regions to the termination point of the Project.

6 However, the record shows that the High Plains Express study included the SunZia Project in its
7 2008 analysis³ and indicated that transporting primarily renewable energy would not result in
8 market-competitive delivered cost. The record shows that the Frontier Line study had similar
9 conclusions, indicating that high capacity wind energy transported over long distances would not
10 compete economically with lower capacity wind energy generated closer to the demand region⁴.

11 Further, one of the partners in SunZia LLC, the Salt River Project (SRP), also concluded
12 that renewable energy was best supplied from sources located close to the demand⁵. SRP, the
13 main utility involved in the Project, indicated that its primary interest was only in using a portion
14 of the Project to transport its own fossil-fueled electrical resources from eastern Arizona⁵. With
15 this emerging as a major purpose of the Project and with a third-party economic study indicating
16 that transporting primarily renewable energy long distances is not economically feasible², it is
17 evident that the purpose of the Project has been misrepresented for the past seven years. What
18 has taken place over the past seven years is part of the record, in the form of the federal
19 Environmental Impact Statement (an appendix to the Application⁶) that was referenced
20 repeatedly in sworn testimony.

21 One result of this misrepresentation is inadequate consideration of alternatives that would
22 better achieve the state policy of promoting a competitive electrical market while minimizing
23 impacts. A.R.S. § 40-360.06-A-1 requires that the Commission consider the plans of other
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1 private entities in the vicinity of a proposed project. The record shows that the competing
2 Southline Transmission project will have many more access points (11) for uploading energy
3 resources in southern Arizona, but with far less impacts to a region of extraordinary biological
4 wealth⁷. SunZia, on the other hand, provides only one access point in southern Arizona for
5 uploading energy resources⁸, provides a market advantage to a major utility (SRP) located at the
6 terminus of the Project, and causes significant but unnecessary impacts to the lower San Pedro
7 watershed.

8 A.R.S. § 40-360.06-A-8 specifically references cost of electrical power to customers.
9 A.R.S. § 40-360.07 provides an opportunity for any party to the Commission's decision to
10 request reconsideration if the Commission acted either unreasonably or illegally in making this
11 determination. No reasonable person would conclude from the evidence in the record that
12 SunZia project would deliver an economical supply of renewable energy, the main form of
13 energy that the Applicant claimed in over six hours of testimony and in associated exhibits
14 would be transported by the proposed lines⁹. A letter of *intent* from SunEdison to the Applicant
15 does not constitute proof of economic energy delivery, and similarly, the *intentions* of the
16 Applicant regarding renewable energy development do not provide an analytical basis for
17 concluding that transferring primarily renewable energy long distances over EHV lines would be
18 economically feasible. The only economic feasibility study related to SunZia contradicts² the
19 renewable energy development scenario that was presented by the Applicant in sworn testimony,
20 in exhibits, and in attachments to the application. It was unreasonable to ignore the third-party
21 economic feasibility study in the record and simply take the Applicant's and SunEdison's
22 speculative statements about delivered cost as proof of economical renewable energy delivery to
23 customers.

1 By unreasonably accepting the Applicant's unsupported claim that the Project would
2 deliver economical renewable energy, the Commission's Decision has the effect of either
3 approving the uneconomical delivery of renewable energy to the termination point in Pinal
4 County or facilitating a probable misrepresentation of the Project's purpose, depending upon
5 how much of the Project is actually constructed and put into service. Neither of these prospects
6 is consistent with the Commission's mandate to identify the actual need for the Project and
7 verify that this need will be met in a manner that is *economical* to the customers.

8 **2) There is no credible evidence supporting the purported scope and purpose of the**
9 **Project, and thus the need for the project was not defined sufficiently to fulfill**
10 **the Commission's mandate to balance need with the effects of the Project on the**
11 **environment and ecology of the state.**

12 Regarding the second finding in the Decision (page 2, lines 5-6), it is impossible to
13 balance *need for the Project with its effect on the environment and ecology of the state* if the
14 stated scope and purpose of the Project is contradicted by the evidence in the record. Need
15 cannot be defined sufficiently to perform these balancing duties if the scope and purpose of the
16 Project have been misrepresented. It is unreasonable and possibly illegal for the Commission to
17 facilitate such a misrepresentation.

18 It is clear from Exhibit ACC-5 that SRP has expressed no interest in purchasing
19 renewable energy from this Project⁵, and that the only economic feasibility study in the record
20 indicates that transporting primarily renewable energy over long distances on EHV lines would
21 not result in a market competitive delivery of energy in the absence of a tax on electrical
22 generation carbon emissions or some other significant subsidy to large scale renewable energy
23 transfer². However, this economic feasibility study was based upon the assumption that all EHV
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1 lines associated with the SunZia/High Plains projects would be constructed with the relatively
2 less expensive above-ground method¹⁰. Now that the Department of Defense has required
3 SunZia to construct three line segments near White Sands Missile Range underground, with three
4 sets of transition stations and five miles of dual 500kV underground transmission lines¹¹, the
5 likely projected cost of the 230-mile proposed line segment between Lincoln County, New
6 Mexico and the SunZia midpoint substation has nearly doubled¹², significantly reducing the
7 economic feasibility of that line segment since the study's publishing in 2008.

8 Also, as presented in the record, the price of natural gas to electrical generation plants has
9 decreased significantly since that study was conducted¹³, further reducing the market-
10 competitiveness of less reliable renewable resources transported over long distances¹⁴.

11 Therefore, the study's 2008 conclusions about the lack of market-competitive renewable energy
12 delivery have become significantly less favorable than the original negative assessment of
13 economic feasibility. It is also in the record that both North American underground transmission
14 feasibility studies cited in the SunZia Working Group study resulted in abandoning the plan to
15 bury EHV lines due to the cost-prohibitive nature of the proposals¹⁵. No reasonable person
16 would conclude from the evidence in the record that constructing this 230-mile line segment
17 between Lincoln County, New Mexico and the SunZia Midpoint substation is likely to occur in
18 the reasonably foreseeable future.

19 The Decision, in supporting a description of project scope that has been articulated on the
20 cover page of every filing in the docket, has reinforced the misrepresentation of the Project's
21 purpose. In explaining his vote to approve the CEC, Commissioner Burns specifically cited the
22 water-saving aspects of a transmission project that would primarily facilitate the development of
23 renewable energy, but the evidence in the record directly contradicts that renewable energy
24

1 transmission would be the primary use of the proposed lines. In fact, the SRP response in
2 Exhibit ACC- 5 indicates that the Project would more likely be used to mainly transport fossil-
3 fueled energy from eastern Arizona to the SRP service area located at the terminus of the Project.
4 SRP's purpose would not require the unfeasible 230-mile line segment in New Mexico.

5 By turning a blind eye to the evidence in the record, the Decision in effect supports a
6 misrepresentation of the Project purpose. A.R.S. § 44-1522-A states that it is unlawful to use
7 misrepresentation in the sale or advertisement of any merchandise, and A.R.S. § 44-1521-5
8 broadly defines *merchandise* as including everything from objects to intangibles. These laws
9 were intended to protect customers from misleading statements and create a fair playing field for
10 competition in the open market, and this intent has been violated with this Decision.

11 Regarding the other side of the Commission's balancing task, the Commission is required
12 under A.R.S. § 40-360.06-B to give special consideration to the protection of areas unique
13 because of biological wealth, which was clearly established in the record as applying to the lower
14 San Pedro watershed¹⁶. With the need for the Project being grossly misrepresented, but with
15 impacts to such a region being clearly supported, the Commission's balancing duty has not been
16 fulfilled in a reasonable manner. The misrepresentation of the Project's need and the probable
17 benefits to a major Arizona utility (SRP) constitute the making of an insider deal, not a
18 legitimate fulfillment of the balancing requirement in A.R.S. § 40-360.07-B. This insider deal is
19 not in *the broad public* interest for the following reasons:

- 20 a) As explained above, it does not consider the evidence in the record, and instead
21 facilitates a misrepresentation of the project, contrary to Arizona laws enacted to
22 prevent misrepresentation and to provide a fair and honest playing field for
23 competition in the open market.
24

1 b) It does not foster a competitive market for the sale of electrical generation service,
2 which is specified as a state policy in A.R.S. § 40-202-B. Promotion of a competitive
3 electricity market was also cited as an objective by several of the Commissioners
4 during their Review on February 3, 2016. This Decision would tilt market advantage
5 to SRP by essentially providing them with a single-substation tie-line for transmitting
6 their fossil-fueled resources from eastern Arizona, a purpose that directly contradicts
7 the main purpose stated in the Application and constitutes a return to the monopolistic
8 model of energy delivery. By giving this special consideration to a major Arizona
9 utility that already dominates the electrical supply market in much of its service area,
10 the Decision favors market dominance by a single utility over the supplier diversity
11 that the competing Southline project would provide with its 11 substations in
12 Arizona.

13 c) This insider deal would fragment the ecological integrity of the same watershed that
14 is being used by SRP to mitigate their prior impacts in other watersheds¹⁷, a gross
15 violation of the standard hierarchy of mitigation measures used in achieving
16 environmental compatibility¹⁸. At the top of this hierarchy is *avoiding impacts*, not
17 mitigating impacts in a biologically rich region that is already depended upon to
18 mitigate impacts that have taken place in the growth regions of Arizona. The second
19 finding of the Decision references the latter approach, an unreasonable conclusion
20 given the misrepresented statement of need and the environmental impacts clearly
21 established in the record. This Decision embodies the antithesis of environmental
22 compatibility, a wholly unnecessary situation because of the availability of other grid
23 upgrade options, such as the Southline transmission proposal.

1
2 3) **The conditions placed on the CEC do nothing to resolve matters concerning the**
3 **undefined need for the Project.**

4 While the evidence in the record indicates that the purpose, need, and benefits of the
5 Project have been misrepresented, there are no conditions in the Decision that **“resolve matters**
6 **concerning the need for the Project”**, contrary to finding 3 of the Decision (page 2, line 8).
7 This finding has similar wording to the 5th finding in the CEC drafted by the Committee, but that
8 does not mean it is supported in the record. In fact, the Applicant rejected any condition that
9 would have confirmed the stated need and benefits described in the Application. The Line Siting
10 Committee did not include any condition that effectively resolved matters concerning the need
11 for the Project, and the record shows that they deferred to the Commission on this issue¹⁹. The
12 Commission subsequently failed to require any additional conditions in its Decision. This is the
13 most compelling evidence of all that the Project purpose has been misrepresented, and that the
14 ACC Decision has facilitated this misrepresentation.

15 Various options were presented during the ACC Review on February 2 and 3 of 2016, but
16 the Commissioners backed away from any of these conditions each time the Applicant’s
17 attorneys objected, without any significant discussion of legal opinions *supporting* conditions
18 that would require a clear confirmation of the scope of the project and associated need. It was
19 unreasonable of the Commission to fail to exercise due diligence with regard to verifying Project
20 scope and need, especially in the face of impacts that require special consideration under A.R.S.
21 § 40-360.06-B. There is a precedent for imposing a need-verification condition in ACC Decision
22 No. 55477.

1
2 **4) In light of the undefined need for the Project, evidence that the Project would**
3 **reduce electrical market competition, and evidence that the Project would**
4 **permanently damage a region of extraordinary biological wealth, it is not in the**
5 **broad public interest to grant this Certificate of Environmental Compatibility.**

6 The fourth finding in the Decision (page 2, lines 11-12) states that "...the balancing in the
7 broad public interest results in favor of granting the CEC." This is not a reasonable conclusion,
8 based upon the evidence in the record and the statutes that have been cited above. If this Project
9 moves forward, the actual scope and use of the transmission project and its effects upon market
10 competitiveness and a region of extraordinary biological wealth will become obvious.

11 In supporting their votes, Commissioners Burns and Stump stated that this merchant
12 proposal would provide a needed grid upgrade without burdening the ratepayers with the cost of
13 construction. However, need was not clearly established in the Decision, and, ultimately, the
14 ratepayers do pay for the construction, even for a merchant line. These lines will not be donated
15 to the ratepayers by investors, and those investors fully expect to recover their investment.
16 These are not "free" lines.

17 An ACC staff member, Mr. Gray, stated in testimony that "SunZia's method of financing
18 mitigates the risk of constructing a line that is not needed"²⁰, but the scope of the project itself
19 was not confirmed in any effective way. It is unreasonable for the Commissioners to use this
20 simplistic approach to risk assessment as an excuse for not verifying the scope and purpose of
21 the project, particularly when so much more than construction investment dollars are at risk. The
22 Commission failed to impose any condition(s) that would confirm the stated scope and purpose
23 of this project, thus facilitating a probable misrepresentation of the Project's purpose, as
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1 indicated in the evidence. Misrepresentation should not be facilitated by a public body charged
2 with representing the *broad public interest*.

3 None of the three Commissioners voting to approve this CEC cited in their remarks the
4 competing Southline Transmission project as a more appropriate grid upgrade that would provide
5 more access points for competing electrical suppliers while avoiding major environmental
6 impacts to a region of extraordinary biological wealth. The effect of their votes would instead
7 grant regional market advantage to a major utility that uses this now-unique San Pedro watershed
8 to mitigate SRP's prior impacts in other watersheds. Introducing unnecessary impacts to the
9 watershed that supports Arizona's last remaining major desert river ecosystem, the go-to site for
10 mitigating habitat impacts in the growth regions, is the ultimate violation of standard ecological
11 principles used to ensure environmental compatibility. It is unreasonable for the Commission to
12 abdicate its responsibilities to confirm scope and need, balance actual need with impacts,
13 consider the plans of other private entities in the vicinity of the Project, and promote a
14 competitive electrical market rather than reinforcing market advantage for a major utility.

15 In explaining his vote, Commissioner Burns accepted the premise that the Project would
16 primarily transport renewable energy, and thus would result in a significant reduction in water
17 usage from electrical generation and would address the requirements of the Clean Power Plan.
18 However, the renewable energy premise of the Project was contradicted by evidence in the
19 record, as cited in the preceding arguments.

20 Commissioner Tobin's formal explanation of his vote relied heavily upon the Findings
21 and Conclusions of the Committee, a half-page concluding section of the CEC that was
22 discussed for less than 10 minutes by the Committee at the end of the Hearings²¹. There was a
23 lot more in the record than those final 19 lines of the CEC. Part of that 13-day record indicates
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1 that the Committee deferred to the Commission on imposing a condition that would effectively
2 confirm the scope, purpose, and need of the Project¹⁹.

3 In justifying his vote, Commissioner Stump stated that not making sacrifices for the
4 construction of transmission infrastructure would leave renewable energy transfer in the position
5 of simply being "wishful thinking". However, there is no evidence in the record that completing
6 this Project as a whole is anything more than *wishful thinking*, and no evidence that this Project
7 would facilitate any more renewable energy development than the competing Southline proposal,
8 which accomplishes a major grid upgrade *without* making major sacrifices in the lower San
9 Pedro watershed. Because the Commission took no action requiring the Project to be completed
10 as a whole, even as a *single* 500kV line extending from Lincoln County in New Mexico to Pinal
11 Central Substation in Arizona, there is no assurance that the Project would offer any more
12 transfer capacity or access for renewable energy than the Southline proposal.

13 The Decision reflects that at least three of the Commissioners did not exercise due
14 diligence to closely examine the record, take effective measures to confirm statements of scope,
15 need, and economic benefits, and then carefully balance the most likely use and need of the
16 project with the impacts to a region of extraordinary biological wealth, while considering other
17 pending alternatives to meet the need for an adequate, economical, and reliable supply of electric
18 power. These three Commissioners seemed to be more influenced by the momentum of the
19 permit process, the over-simplified notion that merchant lines are risk-free, and unsupported
20 renewable energy claims than with the evidence in the record and the mandates in the statutes.

21 Commissioner Forese's justification of vote concluded with the statement that the Project
22 is "terribly misleading", a conclusion that is at the heart of my arguments.

1 Chairman Little's dissent, which was attached to the Decision, recognizes that the record
2 did not establish a need for this Project, benefit claims are highly speculative, alternatives were
3 not provided to avoid impacts in the lower San Pedro watershed, the BLM did not appear to be
4 prepared to defend its route decisions before the Committee, and at least one vote appeared to be
5 wholly made on a premise not supported in the record.

6 Chairman Little also discussed the job benefit claims made by the Applicant. The glossy
7 jobs brochure handed out by the Applicant during the Review on February 3rd was not the
8 original study commissioned by the Applicant, but was a promotional piece produced by SunZia.
9 The actual study is in Appendix G1 of the Environmental Impact Statement, which is part of the
10 record²². This jobs study was conducted in 2011, and is based upon the assumption that 81% to
11 94% of the proposed lines capacity would be used by renewable energy suppliers (pages 7-8 of
12 the study), an assertion that is contradicted by evidence in the record. If this input assumption is
13 invalid, then the study is invalid. There is no evidence that this Project would provide any more
14 jobs related to renewable energy than the competing Southline project, which actually provides
15 eleven times as many substations for uploading electrical energy in Arizona. The Decision in
16 effect is picking winners and losers by granting a significant market advantage to SRP.

17 Commissioner Tobin made comments about SunZia's purported economic and jobs
18 benefits, published on February 9, 2016 by Carol Broeder of the Willcox Range News, implying
19 that Supervisors from affected counties had provided testimony related to economic benefits.
20 There was no sworn testimony in the record from a county supervisor regarding this issue, only
21 comments, but there was testimony in the record that economic benefits had been exaggerated
22 and that the stated purpose of the Project was contradicted by submitted evidence. In the same
23 news article, Commissioner Tobin cited the Natural Resource Conservation Districts' (NRCDS)

1 support of SunZia's economic and jobs benefits as contributing to his vote a week earlier, but the
2 two affected NRCDs did not provide sworn testimony of any kind during the Hearings and were
3 promised over \$650,000 in payments from SunZia as a major component of a deal in which the
4 NRCDs agreed not to oppose the Project at the Hearings. Also, there is no evidence in the record
5 that significant economic development would take place in the lower San Pedro watershed as a
6 result of the SunZia lines passing through that portion of the NRCDs' service area. However,
7 there was evidence in the record that the Project would harm ecotourism development due to
8 visual and habitat impacts, especially near Cascabel area²³ and Oracle State Park²⁴. SunZia
9 would result in much greater long-term loss in ecotourism value than could ever be mitigated by
10 the money that the NRCDs accepted, contrary to Commissioner Tobin's assertions about
11 economic benefits to the region where these NRCDs are active.

12 Over a year after SunZia commissioned the jobs study, the BLM's draft EIS presented
13 exactly the same renewable energy development forecast as the basis for its cumulative impacts
14 analyses and consideration of alternatives to the proposed Project²⁵. This underlying assumption
15 (of 81% to 94% renewable energy development) to analyses in the SunZia-commissioned jobs
16 study and in the federal EIS was not supported by any known feasibility study related to the
17 long-distance mass-transfer of renewable energy over EHV lines. This is the early genesis of
18 unsupported renewable energy claims that were repeated in testimony at the Line Siting hearings,
19 and it indicates how negligent the BLM was in confirming the premise for this Project.

20 By virtue of its Decision, the Commission has also been negligent. This negligence is not
21 in the *broad public interest*, but instead has the effect of granting special consideration to the
22 financial interests of the Applicant and a major Arizona utility rather than to a watershed that
23 clearly requires special consideration under A.R.S. § 40-360.06-B. Beyond that, this negligence
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1 enables the misrepresentation of the Project's purpose. The Commission is required to make its
2 decision based upon the evidence in the record, not upon the unsupported claims, financial stake,
3 or political influence of the proponents.

4 This misrepresentation will become obvious if the Project continues to move forward.
5 Based upon the evidence, it is probable that this Project will not be completed as a whole and
6 will come nowhere close to achieving the renewable energy claims repeatedly made during the
7 past seven years, including during the Line Siting Hearings. This Decision will likely be seen in
8 the future as an example of state-assisted misrepresentation, where the unsupported claims made
9 by an Applicant were given a free pass, simply because of the Commission's negligence in
10 evaluating Arizona's first merchant line proposal and requiring a clear confirmation of scope and
11 need. Paraphrasing Chairman Little's statement at the end of the Review, this Project is
12 precedent-setting and fraught with danger because of what is at stake.

13 Given what is at stake in the evaluation of environmental compatibility and the lack of
14 support in the record for the votes made by three of the Commissioners, I request a rehearing of
15 this Decision.

16 Respectfully submitted on March 11, 2016,

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19 Peter T. Else
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1 SELECTED REFERENCES IN THE ABOVE ARGUMENTS TO THE RECORD

2 These references were noted by superscripted numbers in the preceding text. Related evidence
3 includes, but is not limited to, these selected references to the record:

- 4 1. Exhibit PTE-26 is the slide presentation of intervenor, Peter T. Else. Slides 15
5 through 22 and associated testimony establish that both studies used the FEAST
6 economic analysis tool, and include information on how the computer algorithm
7 was developed and its analytical underpinnings.
- 8 2. Exhibit PTE-26, slides 23 & 27 and associated testimony indicate that the
9 economics of the studied EHV projects is sensitive to "Greenhouse Gas Adder",
10 such as a tax on carbon emissions. Slide 36 indicates costs would be greater than
11 financial benefits when transporting primarily renewable energy over long-
12 distance EHV lines in the absence of a tax on carbon emissions.
- 13 3. Exhibit PTE-26, slide 11 and associated testimony establish that SunZia was part
14 of the 2008 High Plains Express economic feasibility study.
- 15 4. Exhibit PTE-26, slide 24 and associated testimony indicate that long distance
16 transfer of high capacity wind energy from Wyoming to California would not be
17 economically competitive with lower capacity wind energy generated in
18 California.
- 19 5. Exhibit ACC-5, SRP's response to data request by ACC staff.
- 20 6. Exhibit B1 of SunZia's Application to the ACC for a CEC.
- 21 7. Exhibit SUN-16, slide 3 establishes that Southline is planned to have 11
22 substations in Arizona, in addition to the terminal substation, and that Southline is
23 not planned to be routed parallel to the lower San Pedro River, as is the case with
24 SunZia.
8. Exhibit PTE-13, a map from the SunZia federal Record of Decision, establishes
that SunZia is planned to have 1 substation in Arizona, in addition to the terminal
substation.
9. 6 hours of direct and response testimony is a conservative estimate of the time
spent by witnesses Wray and Sankaran in describing the renewable resources that
would purportedly be transferred from Lincoln County, NM to the Pinal Central
Substation. Sankaran's direct and response testimony took four hours to present
on 10/22/15 and is transcribed on LSC pages 504-577. Wray's testimony about
the centrality of NM wind resources to the purpose of the project is presented in
his direct, response, and rebuttal testimony. Member Hamway best summarized
the centrality of wind energy to the stated purpose in two of her statements on
LSC transcript page 2658, "Then I would argue that I think the whole premise for
this three-week hearing was based on renewables" (lines 13-15), and "I think the
business case of why it is needed has kind of gone up in smoke in my mind"
(lines 23-24).
10. Exhibit PTE-1, page 27, and associated testimony established that the 2008 High
Plains Express study assumed all line construction of twin 500 kV lines would be
above ground, at an estimated cost of \$1.5M/mile.
11. SunZia federal Record of Decision (in Application) requires this line burial
configuration in New Mexico, as described.

12. Exhibit PTE-26, slides 44-46 and associated testimony estimate line burial costs in NM to be between \$182M and \$500M.
13. Exhibit PTE-26, slide 39, U.S. Energy Information Administration, regarding delivered fuel price for natural gas for generating electric power.
14. Exhibit PTE-26, slide 23 and associated testimony, indicating economics of long distance EHV power transfer on the Frontier clean lines are "...very sensitive to natural gas prices. Higher natural gas prices favor the development of the Frontier Line".
15. Exhibit PTE-15, Technical Working Group Report for the SunZia Transmission Line Project, and in associated testimony on LSC transcript page 2508, lines 2-13.
16. Extensive testimony by witnesses McVie, Supplee, and Wilbor on the extraordinary biological value of the lower San Pedro watershed. Best summarized by Chairman Chenal at the end of the Hearings on LSC page 2705, lines 10-12, "...and so the path of least resistance is the pristine valley, the San Pedro River Valley, that's protected, given special consideration by statute, it just angers me."
17. Testimony and maps by intervenor McVie showing mitigation and conservation designations in the lower San Pedro watershed.
18. Handout: *Supplemental response provided by Environmental Planning Group to request by Chairman Chenal regarding mitigation planning*, page 1, "Mitigation Hierarchy", and associated testimony by witness Kahrs.
19. LSC transcript page 2650, lines 10-12; page 2651, lines 1-8; page 2655, lines 12-18; and page 2657, line 22 through page 2658, line 4.
20. Exhibit ACC-2 and associated testimony by witness Gray.
21. LSC transcript page 2693, line 14 through page 2698, line 20, where the Committee spent more time voting than discussing the facts and conclusions.
22. Appendix G1 of the final EIS (in the Application).
23. Testimony by witnesses Wilbor, Supplee, and McVie regarding biological impacts and visual impact testimony by witness Schwartz.
24. Visual impact testimony presented by witness Schwartz showing proximity of Oracle State Park to the lines.
25. Exhibit PTE-3 and associated testimony. Note that energy development forecast in the final EIS is identical to that in the 2013 draft EIS.

ORIGINAL and 13 COPIES of the foregoing hand-
delivered on this 11th day of March 2016 to:

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