

1 **BEFORE THE ARIZONA POWER PLANT**  
2 **AND TRANSMISSION LINE SITING COMMITTEE**

3 In the matter of the Application of Salt )  
4 River Project Agricultural Improvement and )  
5 Power District in conformance with the )  
6 requirements of Arizona Revised Statutes )  
7 Sections 40-360-03 and 40-360.06, for a )  
8 Certificate of Environmental Compatibility )  
9 authorizing the Expansion of its Santan )  
10 Generating Station, located at the intersection )  
11 of Warner Road and Val Vista Drive, )  
12 in Gilbert, Arizona, by adding 825 megawatts )  
13 of new capacity in the form of three combined )  
14 cycle natural gas units, and associated )  
15 intraplant transmission lines. )

Case No. 105

Docket No. L-00000B-00-0105

Decision No. \_\_\_\_\_

11 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

12 Pursuant to notice given as provided by law, the Arizona Power Plant and  
13 Transmission Line Siting Committee (the "Committee") held public hearings at the  
14 Dobson Ranch Inn, 1644 South Dobson Road, Mesa, Arizona, on September 14, 2000,  
15 and various days following, in conformance with the requirements of Arizona Revised  
16 Statutes section 40-360 *et seq.*, for the purpose of receiving evidence and deliberating  
17 on the Application of Salt River Project Agricultural Improvement and Power District  
18 ("Applicant") for a Certificate of Environmental Compatibility in the above-captioned  
19 case (the "Application").

20 The following members or designees of members of the Committee were present  
21 for the hearing on the Application:

22 Paul A. Bullis Chairman, Designee for Arizona Attorney General Janet  
23 Napolitano

24 Steve Olea Designee of Chairman of the Arizona Corporation  
25 Commission

1	Richard Tobin	Designee for the Arizona Department of Environmental Quality
2		
3	Dennis Sundie	Designee for the Director of the Department of Water Resources
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5	Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce
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7	George Campbell	Appointed Member
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9	Jeff Mcguire	Appointed Member
10		
11	A. Wayne Smith	Appointed Member
12		
13	Sandie Smith	Appointed Member
14		
15	Mike Whalen	Appointed Member

11 The Applicant was represented by Kenneth C. Sundlof, Jr., Jennings, Strouss &  
12 Salmon PLC. There were seventeen intervenors: Arizona Utilities Investor Association,  
13 by Ray Heyman; Arizona Corporation Commission Staff, by Janice Alward; Arizona  
14 Center for Law in the Public Interest, by Timothy Hogan, Mark Kwiat, Elisa Warner,  
15 David Lundgreen, Cathy LaTona, Sarretta Parrault, Mark Sequeira, Cathy Lopez,  
16 Michael Apergis, Marshal Green, Charlie Henson, Jennifer Duffany, Christopher  
17 Labban, Bruce Jones and Dale Borger. There were a number of limited appearances.

18 The Arizona Corporation Commission has considered the grant by the Power  
19 Plant and Line Siting Committee of a Certificate of Environmental Compatibility to SRP  
20 and finds that the provisions of A.R.S. §40-360.06 have complied with, and, in addition,  
21 that documentary evidence was presented regarding the need for the Santan Expansion  
22 Project. Credible testimony was presented concerning the local generation deficiency in  
23 Arizona and the need to locate additional generation within the East Valley in order to  
24 minimize transmission constraints and ensure reliability of the transmission grid. The  
25 evidence included a study that assessed the needs of the East Valley. The analysis

1 found that the East Valley peak load currently exceeds the East Valley import capability  
2 and within the next 5 years the East Valley load will exceed the load serving capability.

3 Additional testimony was presented regarding SRP's projected annual 3.7% load  
4 growth in its service territory. By 2008, SRP will need approximately 2700 MW to meet  
5 its load. This local generation plant will have power available during peak periods for  
6 use by SRP customers.

7 At the conclusion of the hearing and deliberations, the Committee, having  
8 received and considered the Application, the appearance of Applicant and all  
9 intervenors, the evidence, testimony and exhibits presented by Applicant and all  
10 intervenors, the comments made by persons making limited appearances and the  
11 comments of the public, and being advised of the legal requirements of Arizona Revised  
12 Statutes Sections 40-360 to 40-360.13, upon motion duly made and seconded, voted to  
13 grant Applicant the following Certificate of Environmental Compatibility (Case No. L-  
14 00000B-00-0105):

15 Applicant and its assignees are granted a Certificate of Environmental  
16 Compatibility authorizing the construction of an 825 megawatt generating facility  
17 consisting of three combined cycle units with a total net output of 825 megawatts  
18 together with related infrastructure and appurtenances, in the Town of Gilbert, on  
19 Applicant's existing Santan Generating Station site, and related switchyard and  
20 transmission connections, as more specifically described in the Application (collectively,  
21 the "Project"). Applicant is granted flexibility to construct the units in phases, with  
22 different steam turbine configurations, and with different transmission connection  
23 configurations, so long as the construction meets the general parameters set forth in the  
24 application.  
25

1 This certificate is granted upon the following conditions:

- 2 1. Applicant shall comply with all existing applicable air and water pollution  
3 control standards and regulations, and with all existing applicable  
4 ordinances, master plans and regulations of the State of Arizona, the  
5 Town of Gilbert, the County of Maricopa, the United States, and any other  
6 governmental entities having jurisdiction.

7 ***Status ~ The final Aquifer Protection Permit (APP) was issued with an  
8 effective date of August 11, 2004. The Reuse Permit has been drafted  
9 and issued for public notice and comment. SRP has met with ADEQ  
10 program managers to discuss the compliance obligations contained in  
11 the permit. The main concern is the validation of the nitrate loading  
12 model using real water quality data. SRP has been vigorously pursuing  
13 limited access to the RWCD canal to obtain the real time nitrate data.  
14 To date, access has been denied by RWCD. If SRP cannot reach  
15 agreement with RWCD on access, then SRP will propose an alternative  
16 sampling scheme to validate the nitrate model that ideally, will be  
17 accepted by ADEQ.***

- 18 2. This authorization to construct the Project will expire five (5) years from  
19 the date the Certificate is approved by the Arizona Corporation  
20 Commission unless construction of the Project is completed to the point  
21 that the project is capable of operating at its rated capacity; provided,  
22 however, that Applicant shall have the right to apply to the Arizona  
23 Corporation Commission for an extension of this time limitation.

24 ***Status ~ Unit 5 is 90% complete. Equipment and systems continue to  
25 be powered up and tested in preparation for start-up. Unit 5 is  
scheduled for commercial operation by April 30, 2005. Unit 6 is 35%  
complete and is scheduled for commercial operation by April 30, 2006.***

- 26 3. Applicant's project has two (2) approved transmission lines emanating  
27 from its power plant's transmission switchyard and interconnecting with  
28 the existing transmission system. This plant interconnection must satisfy  
29 the single contingency criteria (N-1) without reliance on remedial action  
30 such as a generator unit tripping or load shedding.

31 ***Status ~ SRP has completed the activity required by this condition.***

- 32 4. Applicant shall use reasonable efforts to remain a member of WSCC, or  
33 its successor, and shall file a copy of its WSCC Reliability Criteria  
34 Agreement or Reliability Management System (RMS) Generator  
35 Agreement with the Commission.

***Status ~ No update or change from July 2004 quarterly report.***

- 1 5. Applicant shall use reasonable efforts to remain a member of the  
2 Southwest Reserve Sharing Group, or its successor.

3 **Status ~ No update or change from July 2004 quarterly report.**

- 4 6. Applicant shall meet all applicable requirements for groundwater set forth  
5 in the Third Management Plan for the Phoenix Active Management Area.

6 **Status ~ No update or change from July 2004 quarterly report.**

- 7 7. With respect to landscaping and screening measures, including the  
8 improvements listed in the IGA, Applicant agrees to develop and  
9 implement a public process consistent with the process chart (Exhibit 89)  
10 presented during the hearings, modifying the dates in the IGA with the  
11 Town of Gilbert, if necessary, to correspond with the schedule in Exhibit  
12 89.

13 The new Community Working Group (CWG) will consist of 12 members,  
14 selected as follows: one member selected by the Town of Gilbert, four  
15 members selected by neighborhood homeowner associations, four  
16 representatives selected by intervenors, and three members selected by  
17 SRP (not part of the aforementioned groups) who were part of the original  
18 community working group. Applicant and landscaping consultants shall  
19 act as advisors to the CWG. CWG meetings shall be noticed to and be  
20 open to the general public. The initial meeting shall take place on an  
21 evening or weekend in the Town of Gilbert.

22 The objective of the CWG shall be to refine the landscaping and mitigation  
23 concept plans submitted during these hearings (Exhibit 88). The CWG shall  
24 work to achieve appropriate visual mitigation of plant facilities and to  
25 facilitate the design and installation of the concept plan components so as to  
maximize the positive impact on the community and to increase, wherever  
possible, the values of the homes in the neighboring areas. The refinement  
of the mitigation plans shall be reasonably consistent with the planning  
criteria of the Town of Gilbert, the desires of neighboring homeowner  
associations, and the reasonable needs of Applicant.

Applicant shall retain an independent facilitator, acceptable to the CWG, to  
conduct the CWG meetings. It shall be the role of the facilitator to assist in  
initial education and in conducting an orderly and productive process. The  
facilitator may, if necessary, employ dispute resolution mechanisms.

The CWG shall also assist in establishing reasonable maintenance  
schedules for landscaping of Applicant's plant site in public-view areas.

Applicant will develop with the Town of Gilbert a continuous fund, to be  
administered by the Town of Gilbert, to provide for the construction and

1 maintenance of off-site landscaping in the areas depicted in the off-site  
2 landscaping concepts as developed by the CWG in an amount sufficient to  
3 fund the concepts in Exhibit 88 or concepts developed by the CWG,  
4 whichever is greater.

5 **Status ~**

6 **Onsite Landscaping Program ~**

7 *Ten Eyck, SRP's landscape architect, developed a two-phase plan for*  
8 *the landscaping at the site. The CWG reviewed and approved the plan.*  
9 *Phase I of the landscape mitigation plan includes the majority of the*  
10 *landscape work. The only work not included in Phase I involves two*  
11 *areas of the site that need to be left available for construction access or*  
12 *installation of underground utilities associated with the power plant*  
13 *construction. These Phase II areas include the northeast area and the*  
14 *southeast corner of the project site.*

15 *As reported in the July quarterly report, Phase I work on the north and*  
16 *west berms and on the south side is complete, with only work in the*  
17 *"Trails Area" to be completed. Following the completion of Unit 6*  
18 *construction, the Phase II landscaping work will be completed.*

19 *In the "Trails Area" to the east of the power plant, work is nearing*  
20 *completion, with final concrete pours of the shared use path and*  
21 *minimal landscaping touches to be completed this month. Fencing is*  
22 *complete, with the exception of the fencing around Well D, which will be*  
23 *completed by mid-December. The trails area includes a horse trail,*  
24 *unpaved equestrian resting areas complete with benches for the*  
25 *horse's rider, and a shared use path, surrounded by decorative*  
*masonry walls, path lighting, and new plantings of trees and shrubs.*

**Home Owners' Association (HOA) Offsite Landscaping Program ~**

*Under this program, SRP agreed to make a one-time payment to*  
*nineteen (19) area HOAs to fund improvements to help mitigate views of*  
*the power plant. Eighteen (18) of the nineteen (19) HOAs submitted*  
*landscaping plans, for a total disbursement of \$1,329,067. This portion*  
*of the program is complete.*

*Under the program, SRP committed to making future annual payments*  
*of \$49,884 to the HOAs for offsite landscaping maintenance for a period*  
*of twenty (20) years, beginning in September, 2004. This totals 5% of*  
*that portion of the one time allocation dedicated to vegetative*  
*landscaping. In August, SRP submitted a check for \$49,884 to the Town*  
*of Gilbert for disbursement to the 18 HOAs. The Town of Gilbert mailed*  
*out individual checks to the 18 HOAs on September 10, 2004 for the*  
*annual maintenance allocation. Copies of the letters mailed to each of*  
*the HOAs by the Town of Gilbert are included in Appendix A. This*  
*satisfies SRP's first year commitment to the annual landscape*  
*maintenance program.*

**Individual County Landscaping Program ~**

1                    ***SRP has completed this program.***

- 2            8.        The visual mitigation efforts shall be in general compliance with the plans  
3            and concepts presented in these proceedings and constitute a commitment  
4            level by Applicant. Applicant will not reduce the overall level of mitigation as  
5            set forth in its Application and this proceeding, except as may be reasonably  
6            changed during the CWG process. The Town of Gilbert shall approve the  
7            plans agreed to by the CWG.

8                    ***Status ~ No update or change from July 2004 quarterly report.***

- 9            9.        Applicant shall, where reasonable to do so, plant on site trees by the fall of  
10           2001. Because planting of trees must await the improvement of Warner  
11           Road and the design and construction of berms, this condition will largely  
12           apply to trees on the East side of the site, and some of the trees on the  
13           North side. All landscaping will be installed prior to the installation of major  
14           plant equipment such as, but not limited to, exhaust stacks, combustion  
15           turbines, and heat recovery steam generators, except where delays are  
16           reasonably necessary to facilitate construction activities.

17                   ***Status ~ As noted in condition 7, Phase I work on the north and west  
18           berms and on the south side of the plant is complete. Following the  
19           completion of Unit 6 construction, the Phase II landscaping work will be  
20           completed.***

21                   ***In the "Trails Area" to the east of the power plant, work is nearing  
22           completion, with final concrete pours of the shared use path and  
23           minimal landscaping touches to be completed this month.***

- 24           10.       Applicant shall operate the Project so that during normal operations the  
25           Project shall not exceed the most restrictive of applicable (i) HUD residential  
26           noise guidelines, (ii) EPA residential noise guidelines, or (iii) applicable City  
27           of Tempe standards. Additionally, construction and operation of the facility  
28           shall comply with OSHA worker safety noise standards. Applicant agrees  
29           that it will use its best efforts to avoid during nighttime hours construction  
30           activities that generate significant noise. Additionally, Applicant agrees to  
31           comply with the standards set forth in the Gilbert Construction Noise  
32           Ordinance, Ordinance No. 1245, during construction of the project. In no  
33           case shall the operational noise level be more than 3 db above background  
34           noise as of the noise study prepared for this application. The Applicant shall  
35           also, to the extent reasonably practicable, refrain from venting between the  
36           hours of 10:00 p.m. and 7:00 a.m.

37                   ***Status ~ SRP remains in compliance with all applicable noise guidelines  
38           and standards. Throughout construction of the project, residents living  
39           within a .5 mile radius of the plant have been updated as to various  
40           upcoming construction activities. This month, a newsletter was mailed  
41           to all SRP customers located within a .5 mile radius of the plant and to***

1 **other interested parties on SRP's Santan email list. The current**  
2 **newsletter provides an update on major start-up activities that will**  
3 **occur for Units 5A and 5B, beginning in October and notes possible**  
4 **noise and emissions related to such activities. A copy of the newsletter**  
5 **is included as Appendix B.**

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11. Applicant will work with the Gilbert Unified School District to assist it in converting as many as possible of its school bus fleet to green diesel or other alternative fuel, as may be feasible and determined by Gilbert Unified School District, and will contribute a minimum of \$330,000 to this effort.

**Status ~ SRP has completed the activity required by this condition.**

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12. Applicant shall actively work with all interested Valley cities, including at a minimum, Tempe, Mesa, Chandler, Queen Creek and Gilbert, to fund a Major Investment Study through the Regional Public Transit Authority to develop concepts and plans for commuter rail systems to serve the growing population of the East Valley. Applicant will contribute a maximum of \$400,000 to this effort.

**Status ~ The Town of Gilbert and SRP have approved Phase 2 scope of work for the Gilbert Bicycle - Pedestrian Plan. This phase is part of the overall Gilbert Transportation Study that was adopted by the Town Council in 2003. The Gilbert Transportation Study was developed to integrate with the Maricopa Association of Government's (MAG) Transit Study. Work is currently underway on Phase 2 of the Gilbert study. Goals, objectives, performance measures and implementation tools have been identified for this phase. Highlighted below are the identified goals for the plan:**

**Goal 1: Create a plan that emphasizes linking destinations over coverage**

**Goal 2: Create a plan that encourages walking or the use of non-motorized transportation**

**Goal 3: Create a plan that emphasizes safety for pedestrians and bicyclists**

**Goal 4: Create a plan that contributes aesthetically to the Gilbert transportation system**

**Goal 5: Create a plan that respects the Town's resources**

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13. Within six months of approval of this Order by the Arizona Corporation Commission, Applicant shall either relocate the gas metering facilities to the interior of the plant site or construct a solid wall between the gas metering facilities at the plant site and Warner Road. The wall shall be of such strength and size as to deflect vehicular traffic (including a fully loaded concrete truck) that may veer from Warner Road to the gas-metering site.

**Status ~ SRP has completed the activity required by this condition.**



1 14. Applicant will use only SRP surface water, CAP water or effluent water for  
2 cooling and power plant purposes. The water use for the plant will be  
3 consistent with the water plan submitted in this proceeding and acceptable  
4 to the Department of Water Resources. Applicant will work with the Town of  
5 Gilbert to attempt to use available effluent water, where reasonably feasible.

6 **Status ~ Through September 2004, SRP had delivered a total of 41,417**  
7 **acre feet of CAP water to the Granite Reef Underground Storage Project**  
8 **(GRUSP) for future use at SEP via recovery from any SRP owned wells**  
9 **(Association or District) and delivered to SEP from the Eastern Canal**  
10 **(or onsite District wells). Accordingly, SRP has met its target to store**  
11 **30,000 acre-feet of CAP water by May 2005. At this time it is projected**  
12 **that SRP will continue to store CAP water in GRUSP through 2011 for**  
13 **recovery and use at Santan.**

14 15. Applicant agrees to comply with all applicable federal, state and local  
15 regulations relative to storage and transportation of chemicals used at the  
16 plant.

17 **Status ~ No update or change from July 2004 quarterly report.**

18 16. Applicant agrees to maintain on file with the Town of Gilbert safety and  
19 emergency plans relative to emergency conditions that may arise at the  
20 plant site. On at least an annual basis Applicant shall review and update, if  
21 necessary, the emergency plans. Copies of these plans will be made  
22 available to the public and on Applicant's web site. Additionally Applicant  
23 will cooperate with the Town of Gilbert to develop an emergency notification  
24 plan and to provide information to community residents relative to potential  
25 emergency situations arising from the plant or related facilities. Applicant  
agrees to work with the Gilbert police and fire departments to jointly develop  
on site and off-site evacuation plans, as may be reasonably appropriate.  
This cooperative work and plan shall be completed prior to operation of the  
plant expansion.

**Status ~ No update or change from July 2004 quarterly report.**

17. In obtaining air offsets required by EPA and Maricopa County, Applicant will  
use its best efforts to obtain these offsets as close as practicable to the plant  
site.

**Status ~ No update or change from July 2004 quarterly report.**

18. In order to reduce the possibility of generation shortages and the attendant  
price volatility that California is now experiencing, SRP will operate the  
facilities consistent with its obligation to serve its retail load and to maintain a  
reliable transmission system within Arizona.

**Status ~ No update or change from July 2004 quarterly report.**

1 19. Beginning upon operation of the new units, Applicant will establish a citizens'  
2 committee, elected by the CWG, to monitor air and noise compliance and  
3 water quality reporting. Applicant will establish on-site air and noise  
4 monitoring facilities to facilitate the process. Additionally Applicant shall  
5 work with Maricopa County and the Arizona Department of Environmental  
6 Quality to enhance monitoring in the vicinity of the plant site in a manner  
7 acceptable to Maricopa County and the Arizona Department of  
8 Environmental Quality. Results of air monitoring will be made reasonably  
9 available to the public and to the citizens' committee. Applicant shall provide  
10 on and off-site noise monitoring services (at least on a quarterly basis),  
11 testing those locations suggested by the citizens' committee. The off-site air  
12 monitoring plan shall be funded by the Applicant and be implemented before  
13 operation of the plant expansion.

14 ***Status ~ SRP has coordinated the development of the Santan  
15 Neighborhood Committee (SNC). The purpose of this committee will be  
16 to review the air, noise and water quality information from the  
17 environmental data that is reported to regulatory agencies or provided  
18 by SRP.***

19 ***The first meeting of the SNC was held on September 8, 2004 at the Town  
20 of Gilbert municipal offices. Minutes of the meeting are included in  
21 Appendix C. The ten member SNC is comprised of representatives of  
22 the local homeowner associations and county island as well as a  
23 representative from the Maricopa County Air Quality Division, Arizona  
24 Department of Health Services, the Town of Gilbert, and a registered  
25 engineer who is not affiliated with SRP. It is anticipated that the SNC  
will meet three more times for training on how to interpret the  
environmental data before Santan 5 becomes operational in  
approximately May 2005. The next committee meeting is tentatively  
scheduled for January 19, 2005 with a plant tour to also be scheduled  
for January.***

26 20. Applicant will explore, and deploy where reasonably practicable, the use of  
27 available technologies to reduce the size of the steam plumes from the unit  
28 cooling towers. This will be a continuing obligation throughout the life of the  
29 plant.

30 ***Status ~ No update or change from July 2004 quarterly report.***

31 21. SRP will, where practicable, work with El Paso Natural Gas Company to use  
32 the railroad easements for the installation of the new El Paso gas line.

33 ***Status ~ SRP's current plans are to sell the SEP lateral to a third party.  
34 SRP sent out a Request for Expression of Interest (Requests for  
35 Interest) in late July 2004 to various parties that might be interested in  
purchasing the lateral. Eight parties expressed interest in the purchase.  
A pre-bid meeting was held October 7 and final bids were due on***

1                   **October 20. SRP expects to make a final selection for the sale of the**  
2                   **lateral in November 2004.**

- 3                   22. Other than the Santan/RS 18 lines currently under construction, Applicant  
4                   shall not construct additional Extra High Voltage transmission lines (115kV  
5                   and above) into or out of the Santan site, including the substation on the site.

6                   **Status ~ No update or change from July 2004 quarterly report.**

- 7                   23. Applicant will replace all Town of Gilbert existing street sweepers with  
8                   certified PM10 efficient equipment. A PM10 efficient street sweeper is a  
9                   street sweeper that has been certified by the South Coast Air Quality  
10                  Management District (California) to comply with the District's performance  
11                  standards under its Rule 1186 (which is the standard referenced by the  
12                  Maricopa Association of Governments).

13                  **Status ~ SRP has completed the activity required by this condition.**

- 14                  24. Applicant shall work in a cooperative effort with the Office of Environmental  
15                  Health of the Arizona Department of Health Services to enhance its  
16                  environmental efforts.

17                  **Status ~ No update or change from July 2004 quarterly report.**

- 18                  25. Applicant shall operate, improve and maintain the plant consistent with  
19                  applicable environmental regulations and requirements of the Environmental  
20                  Protection Agency, the Arizona Department of Environmental Quality,  
21                  Maricopa County and the Town of Gilbert.

22                  **Status ~ No update or change from July 2004 quarterly report.**

- 23                  26. Applicant shall actively work in good faith with Maricopa County in its efforts  
24                  to establish appropriate standards relative to the use of distillate fuels in  
25                  Valley generating facilities.

26                  **Status ~ SRP has completed the activity required by this condition.**

- 27                  27. Applicant shall install continuous emission monitoring equipment on the new  
28                  units and will make available on its website emissions data from both the  
29                  existing and new units according to EPA standards. Applicant shall provide  
30                  information to the public on its website in order to assist the public in  
31                  interpreting the data, and provide viable information in a reasonable time  
32                  frame.

33                  **Status ~ No update or change from July 2004 quarterly report.**

- 34                  28. Applicant will comply with the provisions of the Intergovernmental  
35                  Agreement dated April 25, 2000 between Applicant and the Town of Gilbert,

1 as modified pursuant to this Certificate.

2 **Status ~ There are eight SRP obligations noted on the IGA. The status**  
3 **of each obligation is as follows:**

4 **Improvements to Warner Road and Val Vista Road ~ These**  
5 **improvements are complete.**

6 **Screening of the Plant ~ Ten Eyck, SRP's landscape architect,**  
7 **developed a two-phase plan for the landscaping at the site. The CWG**  
8 **reviewed and approved the plan. Phase I of the landscape mitigation**  
9 **plan includes the majority of the landscape work. The only work not**  
10 **included in Phase I involves two areas of the site that need to be left**  
11 **available for construction access or installation of underground utilities**  
12 **associated with the power plant construction. These Phase II areas**  
13 **include the northeast area and the southeast corner of the project site.**

14 **Phase I work on the north and west berms and on the south side of the**  
15 **plant is complete. Following the completion of Unit 6 construction, the**  
16 **Phase II landscaping work will be completed.**

17 **Trail Extension ~ In the "Trails Area" to the east of the power plant,**  
18 **work is nearing completion, with final concrete pours of the shared use**  
19 **path and minimal landscaping touches to be completed this month.**  
20 **Fencing is complete, with the exception of the fencing around Well D,**  
21 **which will be completed by mid-December. The trails area includes a**  
22 **horse trail, unpaved equestrian resting areas complete with benches for**  
23 **the horse's rider, and a shared use path, surrounded by decorative**  
24 **masonry walls, path lighting, and new plantings of trees and shrubs.**

25 **Rerouting of Canal at Ray Road ~ This canal modification is complete.**

**Training Tower Removal ~ This training tower was removed in the fall of**  
2000.

**Revegetation Along New RS 18 Line ~ SRP has restored any vegetation**  
damaged or destroyed along the RS 18 line as a result of the  
construction of the line.

**Dust Control Along Canals ~ SRP is in compliance with applicable PM-**  
10 standards along SRP canal banks.

**Offsite Tree Planting ~ The offsite landscaping programs are complete.**  
See Condition 7 status for more details.

29. During the proceeding neighbors to the plant site raise significant concern about the impact of the plant expansion on residential property values. In performing each of the conditions in this order Applicant, in conjunction where applicable, with the Town of Gilbert and the plant site neighbors, shall consider and attempt to maximize the positive effect of its activities on the

1 values of the homes in the surrounding neighborhoods.

2 **Status ~ Please see responses to Conditions 7, 9 and 28 which address**  
3 **SRP's comprehensive landscaping plan that was developed by SRP's**  
4 **landscape architect and approved by the CWG.**

5 **All landscaping plans have been designed to provide attractive features**  
6 **and to maximize the positive effect on the surrounding neighborhoods.**

- 7 30. Applicant shall construct the auxiliary boiler stack at such height as may be  
8 determined by air modeling requirements. Applicant shall situate the  
9 auxiliary boiler stack so that it is not visible from off the plant site.

10 **Status ~ This condition is no longer applicable as SRP has decided not**  
11 **to use an auxiliary boiler so no auxiliary boiler stack will be necessary.**

- 12 31. Applicant will construct the heat recovery steam generators ("HRSG")  
13 approximately 15 feet below grade and will construct the HRSGs so that the  
14 overall height of the HRSG module from the natural grade is no more than  
15 80 feet.

16 **Status ~ SRP has completed the activity required by this condition.**

- 17 32. Applicant will complete the installation of the dry low NOX burners on the  
18 existing units prior to the construction of the new units.

19 **Status ~ SRP has completed the activity required by this condition.**

- 20 33. Applicant shall not transfer this Certificate to any other entity for a period of  
21 20 years from the date of approval by the Corporation Commission, other  
22 than as part of a financing transaction where operational responsibilities will  
23 remain with Applicant, and where Applicant will continue to operate the plant  
24 in accordance with this Certificate.

25 **Status ~ No update or change from July 2004 quarterly report.**

30. Applicant shall post on its website, when its air quality permit application is  
submitted to the Maricopa County Environmental Services Department.  
Also, Applicant shall post on its website any official notice that may be  
required to be posted in newspapers for its air quality permit application.

**Status ~ SRP has completed the activity required by this condition.**

GRANTED this \_\_\_ day of February, 2001

ARIZONA POWER PLANT AND TRANSMISSION  
LINE SITING COMMITTEE

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By Paul A. Bullis  
Its Chairman

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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3 In the matter of the Application of Salt )  
4 River Project Agricultural Improvement and )  
5 Power District in conformance with the )  
6 requirements of Arizona Revised Statutes )  
7 Sections 40-360-03 and 40-360.06, for a )  
8 Certificate of Environmental Compatibility )  
9 authorizing the Expansion of its Santan )  
10 Generating Station, located at the intersection )  
11 of Warner Road and Val Vista Drive, )  
12 in Gilbert, Arizona, by adding 825 megawatts )  
13 of new capacity in the form of three combined )  
14 cycle natural gas units, and associated )  
15 intraplant transmission lines. )

Case No. 105

Docket No. L-00000B-00-0105

Decision No. \_\_\_\_\_

11 The Arizona Corporation Commission (Commission) has conducted its review, as  
12 prescribed by A.R.S. §40-360.07. Pursuant to A.R.S. §40-360.07(B), the Commission,  
13 in compliance with A.R.S. §40-360.06, and in balancing the broad public interest, the  
14 need for an adequate, economical and reliable supply of electric power with the desire  
15 to minimize the effect thereof on the environment and ecology of the state;

16 The Commission finds and concludes that the Certificate of Environmental  
17 Compatibility should be granted upon the additional and modified conditions stated  
18 herein.

- 19 35. The Santan Expansion Project shall be required to meet the Lowest  
20 Achievable Emission rate (LAER) for Carbon Monoxide (CO), Nitrogen  
21 Oxides (Nox), Volatile Organic Carbons (VOCs), and particulate Matter  
22 less than ten micron in aerodynamic diameter (PM10). The Santan  
23 Expansion Project shall be required to submit an air quality permit  
24 application requesting this LAER to the Maricopa County Environmental  
25 Services Department.

**Status ~ No update or change from July 2004 quarterly report.**

36. Due to the plant’s location in a non-attainment area, the Applicant shall not  
use diesel fuel in the operation of any combustion turbine or heat recovery  
steam generator located at the plant.

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**Status ~ No update or change from July 2004 quarterly report.**

- 37. In obtaining emissions reductions related to Carbon Monoxide (CO) emissions, Applicant shall, where technologically feasible, obtain those emission reductions onsite to the Santan Expansion Project.

**Status ~ SRP has completed the activity required by this condition.**

- 38. Beginning upon commercial operation of the new units, Applicant shall conduct a review of the Santan Generating facility operations and equipment every five years and shall, within 120 days of completing such review, file with the Commission and all parties in this docket, a report listing all improvements which would reduce plant emissions and the costs associated with each potential improvement. Commission Staff shall review the report and issue its findings on the report, which will include an economic feasibility study, to the Commission within 60 days of receipt. Applicant shall install said improvements within 24 months of filing the review with the Commission, absent an order from the Commission directing otherwise.

**Status ~ No update or change from July 2004 quarterly report.**

- 39. Applicant shall provide \$20,000 to the Pipeline Safety Revolving Fund on an annual basis, thus improving the overall safety of pipelines throughout the State of Arizona.

**Status ~ No update or change from July 2004 quarterly report.**

- 40. Where feasible, Applicant shall strive to incorporate local and in-state contractors in the construction of the three new generation units for the expansion project.

**Status ~ No update or change from July 2004 quarterly report.**

- 41. Applicant shall construct a 10-foot high block wall surrounding the perimeter of the Santan plant, and appropriately landscape the area consistent with the surrounding neighborhood, unless otherwise agreed to by the Salt River Project and the Citizens Working Group.

**Status ~ SRP has completed the activity required by this condition.**



**APPROVED AS AMENDED BY ORDER OF THE ARIZONA CORPORATION  
COMMISSION**

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Chairman

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Commissioner

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Commissioner

In Witness hereof, I, Brian C. McNeil,  
Executive Secretary of the Arizona  
Corporation Commission, set my hand  
and cause the official seal of this  
Commission to be affixed this \_\_\_\_ day  
of \_\_\_\_\_, 2001.

By: \_\_\_\_\_  
Brian C. McNeil  
Executive Secretary

Dissent: \_\_\_\_\_