

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
6		
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.  
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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 ~ An amended Aquifer Protection Permit (APP) was issued with  
8 an effective date of April 6, 2005.**

9 ***SRP and RWCD are still in the process of finalizing the Water Discharge  
10 Operating Agreement. The Operating Agreement is necessary so that  
11 SRP access to the RWCD outfall can be utilized for sampling and  
12 monitoring as stipulated in the APP permit. The RWCD outfall is where  
13 the water discharges from the SRP pipeline into the RWCD canal. In the  
14 interim, until the Water Discharge Operating Agreement is finalized,  
15 SRP has been given access to conduct its compliance monitoring and  
16 sampling as required under the APP.***

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

23 **Status ~ Unit 5 (the 2-on-1 units) began commercial operation on April  
24 1, 2005. Unit 6 remains on schedule for commercial operation by April  
25 30, 2006.**

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

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

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

**Status ~ SRP is currently a member of the WECC, the successor to the  
WSCC, and plans to continue its membership with the WECC.**

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

3                     ***Status ~ SRP is currently a member of the Southwest Reserve Sharing  
4                     Group and plans to continue its membership.***

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

7                     ***Status ~ SRP is in compliance with all requirements for groundwater, as  
8                     set forth in the Third Management Plan for the Phoenix Active  
9                     Management Area.***

- 10          7.     With respect to landscaping and screening measures, including the  
11           improvements listed in the IGA, Applicant agrees to develop and  
12           implement a public process consistent with the process chart (Exhibit 89)  
13           presented during the hearings, modifying the dates in the IGA with the  
14           Town of Gilbert, if necessary, to correspond with the schedule in Exhibit  
15           89.

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

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

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

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

1 Applicant will develop with the Town of Gilbert a continuous fund, to be  
2 administered by the Town of Gilbert, to provide for the construction and  
3 maintenance of off-site landscaping in the areas depicted in the off-site  
4 landscaping concepts as developed by the CWG in an amount sufficient to  
5 fund the concepts in Exhibit 88 or concepts developed by the CWG,  
6 whichever is greater.

7 **Status ~**

8 **Onsite Landscaping Program ~**

9 ***SRP has completed nearly all of the landscaping at the site. The only  
10 work not completed involves the northeast area and the southeast  
11 corner of the project site that must be left available for construction  
12 access or installation of underground utilities associated with the plant  
13 construction. Landscaping work in the northeast and southeast areas  
14 will be completed following the completion of Unit 6 construction.***

15 ***In the "Trails Area" to the east of the power plant, work is now  
16 complete. The "Trails Area" includes a horse trail, unpaved equestrian  
17 resting areas complete with benches for the horse's rider, and a shared  
18 use path, surrounded by decorative masonry walls, path lighting, and  
19 new plantings of trees and shrubs. SRP is in the process of obtaining  
20 homeowners' signatures regarding the block wall erected to the east of  
21 the "Trails Area" in order for the "Trails Area" to be transferred to the  
22 Town of Gilbert.***

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

24 ***SRP has completed the initial funding for this program, providing a one-  
25 time payment to eighteen HOAs in the area for use in providing  
26 additional landscaping to help mitigate views of the power plant. SRP  
27 will make annual payments to the HOAs for twenty years for off-site  
28 landscaping maintenance. SRP provided the first maintenance payment  
29 for each HOA in August 2004.***

30 **Individual County Landscaping Program ~**

31 ***SRP has completed this program.***

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

38 **Status ~** ***SRP has satisfied the visual mitigation requirements as  
39 initially set forth in the Application and the proceeding and further  
40 refined and expanded during the CWG process. SRP's mitigation  
41 efforts also include the items specified in the SRP/Town of Gilbert  
42 Intergovernmental Agreement.***

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

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***Status ~ As noted in condition 7, nearly all of the landscaping work at the site has been completed. Following the completion of Unit 6 construction, SRP will complete the landscaping work in the northeast area and the southeast corner of the project site.***

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

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***Status ~ SRP remains in compliance with all applicable noise guidelines and standards. Throughout construction of the project, SRP has taken noise readings at various locations along the plant boundary three times per week to ensure compliance with noise guidelines and standards. Additional noise testing is conducted during nighttime construction activities, such as concrete pours. This process will continue until the commercial operation of Unit 6.***

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***Unit 5 began commercial operation on April 1, 2005 and plant personnel are conducting additional off-site noise testing at the three sites designated by the Santan Neighborhood Committee (SNC) on the north, east and south sides of the plant boundaries. The SNC committee is responsible for establishing the locations, timing and frequency of the off-site noise tests. For more information on the SNC, please refer to condition 19.***

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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

1 School District, and will contribute a minimum of \$330,000 to this effort.

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

- 3 12. Applicant shall actively work with all interested Valley cities, including at a  
4 minimum, Tempe, Mesa, Chandler, Queen Creek and Gilbert, to fund a  
5 Major Investment Study through the Regional Public Transit Authority to  
6 develop concepts and plans for commuter rail systems to serve the growing  
7 population of the East Valley. Applicant will contribute a maximum of  
8 \$400,000 to this effort.

9 **Status ~ Phase 2 of the Gilbert Transportation Study (the Gilbert Bicycle  
10 & Pedestrian Plan) is 98% complete. The Gilbert Transportation Study  
11 was developed to integrate with the Maricopa Association of  
12 Government's (MAG) Transit Study. Final comments from the Technical  
13 Advisory Committee (TAC) on the report have been incorporated in the  
14 Plan. The final Plan and Development Guidelines documents have been  
15 submitted to the Town of Gilbert. Town staff is working to schedule a  
16 final presentation to the Town Council.**

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

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

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

**Status ~ SRP's ability to store CAP water during the first half of 2005  
was curtailed due to releases to the Salt River below Granite Reef Dam.  
The delivery channel for the Granite Reef Underground Storage Project  
(GRUSP) crosses the Salt River and was washed out by the high flows.  
The delivery channel was repaired and deliveries commenced to  
GRUSP on May 24, 2005. SRP has since increased its monthly  
deliveries to GRUSP to make up for the outage period.**

**To date, SRP has delivered a total of 53,857 acre feet of CAP water to  
GRUSP for future use at the Santan Expansion Project (SEP) via  
recovery from any SRP owned wells (Association or District) and  
delivered to SEP from the Eastern Canal (or onsite District wells). Even  
with the GRUSP outage, SRP continues to be ahead of its storage  
schedule and projects that SRP will continue to store CAP water in**



1                    **GRUSP through 2011 for recovery and use at Santan. In addition, since**  
2                    **Unit 5 began commercial operation, SRP has used Salt/Verde spillwater**  
3                    **and 333 acre feet of CAP water via delivery through the Eastern Canal to**  
4                    **meet ongoing plant operation water needs.**

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

**Status ~ SRP is in compliance with all applicable federal, state and local regulations relative to storage and transportation of chemicals used at the plant.**

16. Applicant agrees to maintain on file with the Town of Gilbert safety and emergency plans relative to emergency conditions that may arise at the plant site. On at least an annual basis Applicant shall review and update, if necessary, the emergency plans. Copies of these plans will be made available to the public and on Applicant's web site. Additionally Applicant will cooperate with the Town of Gilbert to develop an emergency notification plan and to provide information to community residents relative to potential 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 ~ SRP does and will continue to comply with all safety standards including secondary containment for bulk materials (chemicals) and development of evacuation procedures for plant personnel. A detailed copy of the response plan is available at the Town of Gilbert Fire Department as well as with the State Emergency Response Commission (SERC) and the Maricopa County Local Emergency Planning Committee (LEPC).**

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 ~ SRP acquired emission reduction credits from the Phoenician and Oak Canyon Manufacturing sufficient to satisfy the 72 ton VOC offset requirement contained in the Santan air quality permit. In addition, SRP, in cooperation with the Maricopa County Department of Transportation, has obtained sufficient PM10 offsets for Unit 5 by paving roads in the east valley, starting with roads closest to the plant site. The Maricopa County Department of Transportation will complete all paving necessary to meet SRP's air offset requirements for Unit 6 prior to the unit becoming operational.**

18. In order to reduce the possibility of generation shortages and the attendant

1 price volatility that California is now experiencing, SRP will operate the  
2 facilities consistent with its obligation to serve its retail load and to maintain a  
reliable transmission system within Arizona.

3 ***Status ~ SRP's first priority in operating its generating stations,  
4 transmission system and distribution system is to safely supply a  
5 reliable, low cost source of power to its retail customers. The Santan  
6 Expansion Project will be operated in the same manner as current  
resources and is a significant element in SRP's plans to avoid the kind  
of price volatility that accompanied the California crisis.***

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

20 ***Status ~ The Santan Neighborhood Committee (SNC) held additional  
21 meetings on May 25 and July 20, 2005.***

22 ***At the May meeting, the SNC representative for the Maricopa County Air  
23 Quality Department gave a presentation on the compliance reviews and  
24 reports/certifications that SRP is mandated to fulfill in order to operate  
25 the Santan Generating Station. Santan personnel provided information  
regarding the Title V semi-annual compliance certification, emissions  
summary for April, water discharge monitoring reports and off-site  
noise readings taken during the past three months. The SNC requested  
that off-site noise readings be extended to two times per month from  
the original weekly readings that have occurred since April at the three  
sites designated by the SNC (north, east and south sides of the plant  
boundaries). The SNC committee is responsible for establishing the  
locations, timing and frequency of the noise tests.***

***On July 20, 2005 the SNC met once again. SRP provided a presentation  
on the ambient air quality station that has been located within 2.5 miles  
of the Santan Expansion Project in order to collect air quality and  
meteorological data in the vicinity of the plant. This ambient air quality  
station has been in operation since May 2003. Santan personnel  
provided additional monthly data on emissions, water discharge and  
off-site noise readings taken since the May, 2005 meeting.***

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

5                        ***Status ~ SRP explored the option of reduced plume cooling towers via  
6                        the specification and bidding process for this equipment but found the  
7                        limited availability, prohibitive cost and additional height requirements  
8                        of the plume abatement technology to supersede the potential benefits  
9                        at this time. SRP will continue to monitor cooling tower technology.***

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

12                        ***Status ~ SRP continues to review proposals to sell the SEP lateral to a  
13                        third party. Information provided to SRP, in June 2005, regarding the El  
14                        Paso Natural Gas Company rate case that is pending before the Federal  
15                        Energy Regulatory Commission, will have an impact on the pipeline  
16                        sale.***

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

20                        ***Status ~ SRP has no plans to construct additional Extra High Voltage  
21                        transmission lines (no new circuits 115kv and above) into or out of the  
22                        Santan site or substation on the site. However, some of the existing  
23                        circuits may be bundled in the future as required.***

24           23.   Applicant will replace all Town of Gilbert existing street sweepers with  
25           certified PM10 efficient equipment. A PM10 efficient street sweeper is a  
26           street sweeper that has been certified by the South Coast Air Quality  
27           Management District (California) to comply with the District's performance  
28           standards under its Rule 1186 (which is the standard referenced by the  
29           Maricopa Association of Governments).

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

31           24.   Applicant shall work in a cooperative effort with the Office of Environmental  
32           Health of the Arizona Department of Health Services to enhance its  
33           environmental efforts.

34                        ***Status ~ A representative of the Arizona Department of Health Services  
35                        serves on the Santan Neighborhood Committee. The representative's  
36                        role is to provide technical assistance and expertise to the citizens  
37                        committee mentioned in condition 19. Such assistance will cover air,  
38                        noise, and water quality issues.***

39           25.   Applicant shall operate, improve and maintain the plant consistent with

1 applicable environmental regulations and requirements of the Environmental  
2 Protection Agency, the Arizona Department of Environmental Quality,  
Maricopa County and the Town of Gilbert.

3 ***Status ~ SRP has an environmental management system (EMS)***  
4 ***designed to assure compliance with applicable laws and regulations.***  
5 ***The Santan Generating Station is integrated in the SRP EMS.***  
6 ***Procedures and Environmental Information Management Systems***  
7 ***(EIMS) have been modified to incorporate the new requirements***  
8 ***associated with the Santan Expansion Project. Plant personnel***  
9 ***responsible for meeting environmental compliance have received***  
10 ***training on the new requirements and a formal audit will be conducted***  
11 ***within one year of plant startup.***

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

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

- 16 27. Applicant shall install continuous emission monitoring equipment on the new  
17 units and will make available on its website emissions data from both the  
18 existing and new units according to EPA standards. Applicant shall provide  
19 information to the public on its website in order to assist the public in  
20 interpreting the data, and provide viable information in a reasonable time  
21 frame.

22 ***Status ~ SRP has installed continuous emission monitoring equipment***  
23 ***on the new units. SRP is currently developing the presentation***  
24 ***materials and graphics for the emissions data that will be posted on the***  
25 ***Santan Website. SRP plans to begin posting the emissions data for the***  
***existing and new units on the website beginning in September, 2005.***

- 26 28. Applicant will comply with the provisions of the Intergovernmental  
27 Agreement dated April 25, 2000 between Applicant and the Town of Gilbert,  
28 as modified pursuant to this Certificate.

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

31 ***Improvements to Warner Road and Val Vista Road ~ These***  
32 ***improvements are complete.***

33 ***Screening of the Plant ~ All of the screening, with the exception of the***  
34 ***northeast area and the southeast corner of the project site, is complete.***  
35 ***The two areas of the site remaining to be landscaped must be left***  
***available for construction access and installation of underground***  
***utilities associated with the power plant construction. Screening in***  
***these areas will be completed upon completion of Unit 6 construction.***

1 **Trail Extension** ~ In the "Trails Area" to the east of the power plant,  
2 work is complete. The "Trails Area" includes a horse trail, unpaved  
3 equestrian resting areas complete with benches for the horse's rider,  
4 and a shared use path, surrounded by decorative masonry walls, path  
5 lighting, and new plantings of trees and shrubs.

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

7 **Training Tower Removal** ~ This training tower was removed in the fall of  
8 2000.

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

12 **Dust Control Along Canals** ~ SRP is in compliance with applicable PM-  
13 10 standards along SRP canal banks.

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

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

22 **Status** ~ SRP has invested \$20 million in community and site  
23 improvements, including extensive landscaping to ensure compatibility  
24 with the community. Conditions 7, 9 and 28 address SRP's  
25 comprehensive landscaping plan that was developed by SRP's  
landscape architect and approved by the CWG. Almost all of the  
landscaping at the project site has been completed and funding for off-  
site landscaping has been completed as well. The landscaping  
provides attractive features and was designed to maximize the positive  
effect on the surrounding neighborhoods.

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

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

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

1 80 feet.

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

3 32. Applicant will complete the installation of the dry low NOX burners on the  
4 existing units prior to the construction of the new units.

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

6 33. Applicant shall not transfer this Certificate to any other entity for a period of  
7 20 years from the date of approval by the Corporation Commission, other  
8 than as part of a financing transaction where operational responsibilities will  
9 remain with Applicant, and where Applicant will continue to operate the plant  
10 in accordance with this Certificate.

11 **Status ~ SRP has no plans to transfer this Certificate to another entity.**

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

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

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

18 ARIZONA POWER PLANT AND TRANSMISSION  
19 LINE SITING COMMITTEE

20 \_\_\_\_\_  
21 By Paul A. Bullis  
22 Its Chairman  
23  
24  
25

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2  
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 ) Case No. 105  
8 Certificate of Environmental Compatibility )  
9 authorizing the Expansion of its Santan ) Docket No. L-00000B-00-0105  
10 Generating Station, located at the intersection )  
11 of Warner Road and Val Vista Drive, ) Decision No. \_\_\_\_\_  
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. )  
16 \_\_\_\_\_ )

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

22 The Commission finds and concludes that the Certificate of Environmental  
23 Compatibility should be granted upon the additional and modified conditions stated  
24 herein.

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

***Status ~ On February 10, 2003 the Maricopa County Environmental Services Department issued an air quality permit for the Santan Expansion Project. The air permit mandates the following Lowest Achievable Emission Rates (LAER):***

- **CO – 2 ppm w/o duct firing; 2 ppm w/ duct firing**
- **NOx – 2 ppm w/o duct firing; 2 ppm w/ duct firing**
- **VOC – 1 ppm w/o duct firing; 2 ppm w/ duct firing**
- **PM10 - .01 lb/mmBtu**

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.

***Status ~ Since the issuance of the ACC order for the SEP Certificate of Environmental Compatibility, SRP has not burned diesel fuel in the existing Santan generating units. The new generating units associated with the SEP will not have diesel fuel-burning capability.***

***On March 3, 2004, the Maricopa County Environmental Services Department issued a revision to SRP's air quality permit to allow for the use of ultra low sulfur fuel as an emergency fuel in the existing units. The conditions in the air quality permit are identical to the requirements for emergency fuels contained in Maricopa County's new air quality rule for existing power plants (Rule 322), with the exception of the requirement that SRP use ultra low sulfur fuel rather than low sulfur fuel. In addition, the revised air permit includes a separate condition stating that SRP cannot use the fuel unless previously authorized by the ACC. SRP will continue to fully comply with Condition 36 of the CEC that prohibits the use of diesel fuel in any Santan unit unless amended by the ACC on an emergency basis at some future time.***

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 ~ SRP will comply with the requirement for a review of technology that will reduce plant emissions every 5 years after commercial operation of the new units and will report such findings to the Commission and all parties in this docket.***



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

4 ***Status ~ In March 2005, a check for \$20,000 was sent to the Arizona  
5 Corporation Commission, for deposit in the Pipeline Safety Revolving  
6 Fund. This check satisfies compliance with this condition for the year  
7 ending April 30, 2005. Subsequent checks will be distributed in the  
8 March/April timeframe each year.***

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

12 ***Status ~ Every effort has been made to incorporate local contractors for  
13 this project. Over one hundred-eleven local or in-state contractors have  
14 been engaged on jobs completed or in progress.***

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

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

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

22 \_\_\_\_\_  
23 Chairman

24 \_\_\_\_\_  
25 Commissioner

\_\_\_\_\_ 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: \_\_\_\_\_