



Santan Facts

- ◆ SRP's expansion of the Santan Generation Station will bring 825 megawatts of new electricity to the Southeast Valley, where energy demand is increasing with the phenomenal growth. The existing power facility is located near the southeast corner of Val Vista and Warner roads in Gilbert.
- ◆ By locating new generation resources close to the areas of demand, SRP can continue to provide the low-cost, reliable electricity its customers expect and deserve.
- ◆ The Santan Expansion Project includes state-of-the-art combined-cycle, natural gas generators, with three stacks, up to 150 feet tall, located on 20 acres of the existing 120-acre site. An additional 20 acres will be devoted to providing a recreational trail and berms on the perimeter of the site for landscaping purposes.
- ◆ When completed, it will be available to operate 24 hours a day, seven days a week. Construction will create up to 650 jobs and is expected to be completed by 2005.
- ◆ All of the power from the expansion will be available to serve the growing demand in the thriving Southeast Valley.

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Editor's note: This is the eleventh issue of *Energy News*. Visit www.santanfacts.org or call us at (602) 236-2679 for previous *Energy News* issues or for more information about the project.

Santan Expansion Project: A Progress Report

SRP's Santan Expansion Project was approved by the Arizona Corporation Commission (ACC) in April 2001. In issuing the necessary Certificate of Environmental Compatibility (CEC), the ACC set forth a number of conditions to be met in the development of the project.

This edition of *Energy News* is to provide Gilbert residents and other interested parties with a progress report on SRP's efforts in meeting some of the conditions in the CEC. SRP is committed to abiding by all of the conditions

set forth by the ACC and will continue working toward that end.

"We believe the Santan Expansion Project remains the best alternative to meet the power needs of a rapidly growing customer population in the Southeast Valley," said SRP's Mark Bonsall, associate general manager, Commercial and Customer Services. "The decision made by the ACC commissioners was the right one for Arizona. We appreciate their efforts to balance the interests of the local community with SRP's obligation to provide reliable, low-cost electricity to our customers."

CEC Conditions Update

In the final Certificate of Environmental Compatibility (CEC) for the Santan Expansion Project (SEP) there are 41 conditions. The following is a progress report of SRP's efforts to date in meeting some of those conditions:

Condition #7: Community Working Group

A group of Gilbert residents, which began meeting in June 2001, is reviewing site plans for the SEP and developing recommendations that make a positive impact on the Gilbert community and nearby homes. Known as the Landscaping and Mitigation Community Working Group, this group of residents has met nearly 20 times in open, public meetings. These meetings

are advertised in the *Gilbert Independent*, *The Arizona Republic* and *East Valley Tribune Newspapers*, as well as announced on Gilbert's municipal television station, Cox Cable Channel 7.

The group's accomplishments to date include the selection of an independent facilitator to conduct the meetings, and reaching consensus on 36 items regarding the design of on-site landscaping/mitigation activities.

Conditions Update

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Items that have been agreed upon include identification of:

- ◆ Trees, groundcover, shrubs and decomposed granite for use in the Warner Road median
- ◆ Fencing, trees, groundcover, shrubs and decomposed granite for the berm along Warner Road and the western boundary of the plant site
- ◆ Type and look of terrace walls to be located along the Warner Road berm and the western boundary of the plant site.

When the CWG completes the on-site design plans, they will be forwarded to the Town of Gilbert for approval, after which SRP's landscape architect, Ten Eyck, will prepare the necessary construction documents. (*See page 4 for April 30 preliminary landscape plan open house article.*)

Approved meeting minutes from the CWG's meetings can be viewed at the SEP Web site, www.santanfacts.org.

Condition #13: Gas Meter Barrier

The CEC mandates that the gas metering facilities along Warner Road either be moved into the interior of the facility, or a solid wall be constructed between the facilities and the street. The wall was to be of such strength and size as to deflect vehicular traffic, including a fully loaded concrete truck that might veer from Warner Road into the facilities.

By October 2001, SRP had a temporary wall in place that meets all of the safety criteria. In addition, we are in the process of relocating the gas metering facilities to the interior of the plant site, which will be completed by the end of May.

Condition #17: Emission Offsets

In order to build a new generating facility in the metropolitan area, SRP is required by the U.S. Environmental Protection Agency (EPA) and Maricopa County to obtain offsets to the emissions created by the new plant. In this condition, the ACC directs SRP to "use its best efforts to obtain these offsets as close as practicable to the plant site."

To that end, SRP examined the feasibility of reducing emissions of the existing Santan Generating Station facilities. This study concluded that SRP could implement new controls and achieve reduced emissions of carbon monoxide (CO) and nitrogen oxides (NOx).

SRP received a Significant Air Quality Permit Revision from the Maricopa County Environmental Services Department (MCESD) that specifies the types of controls to be installed and the amount of onsite emission reductions. Installation of that equipment has been initiated (*See Condition #32*).

In addition, SRP retained a consultant to help identify potential sources of offsets in Gilbert and the East Valley for the emissions of fine particulate matter (PM10) and volatile organic compounds (VOCs). It was determined that the necessary PM 10 offsets could be achieved by paving roads in the East Valley to reduce dust. SRP has signed an agreement with the Maricopa County Department of Transportation to pave up to 18 miles of roadway in the East Valley, starting with streets closest to the Santan site.

The consultant determined that there were no significant industrial sources of VOCs in Gilbert or the East Valley, and that converting fleet vehicles to alternative fuels was not practicable. An industrial source in Phoenix was identified and the company agreed to shut down one of its older facilities. The MCESD and the EPA certified the amount of VOC emission reduction credits from the shutdown and they were transferred to SRP for use as offsets.

Condition #28: Intergovernmental Agreement

As a result of negotiations, SRP signed an Intergovernmental Agreement (IGA) with the Town of Gilbert to formalize a number of agreements between the two entities.

The status of four of SRP's obligations to the Town are:

- ◆ Rerouting of Canal at Ray Road – SRP has acquired one acre of land necessary to make the canal modification. The engineering studies will be completed this summer, with the construction occurring in the fall. This will allow SRP to complete the work during its annual dry-up of the canal.
- ◆ Removal of Training Tower – On the Santan property, SRP maintained an electrical transmission tower. Per the Town's request, SRP has removed that tower.
- ◆ Revegetation Along Existing Power Line (aka RS 18) – SRP has restored any vegetation damaged or destroyed during construction along the power line that runs north from the Santan site through the Finley Farms neighborhood.

- ◆ Dust Control Along Canals – SRP is in compliance with all applicable standards concerning dust arising from the canal banks.

Condition #32: Dry Low NOx Equipment

The CEC stipulates that SRP must install dry low NOx equipment on the existing generating units prior to construction of the new units.

Dry low NOx (nitrogen oxides) equipment allows for older units to operate more efficiently. The maximum use of the natural gas fuel results in less NOx being produced during combustion. The equipment achieves the greater efficiency through constant monitoring and adjusting of the air/fuel mixture.

SRP installed \$30 million of dry low NOx technology on the existing four units at the Santan

Generating Station, which achieved an 80 percent reduction of nitrogen oxides emissions. The installation was completed in June 2001.

Condition #40: In-state Subcontractors

This condition states that SRP “shall strive to incorporate local and in-state contractors in the construction of the three new generation units for the expansion project.”

Although construction of the expansion has not officially begun, much work was necessary to begin complying with the conditions set forth in the CEC. SRP has made every effort to incorporate local contractors for this work, and will continue to do so as the project progresses. Here is a list of local contractors which have completed or are working on projects related to the SEP:

- ◆ Hunter Contracting Co. of Gilbert
- ◆ AAA Landscaping of Phoenix
- ◆ American Fence Inc. of Phoenix
- ◆ HDR Engineering Inc. of Phoenix
- ◆ Rupp Aerial Mapping Inc. of Phoenix
- ◆ Ten Eyck Landscape Architects of Phoenix.

In all, 41 conditions were stipulated in the CEC for SRP’s expansion of the Santan site. These conditions, all of which SRP will abide by, are expected to make the Santan facility among the cleanest natural gas generating stations in the United States. The environmental requirements go beyond what is required by the EPA. And there are provisions to keep it that way through the 30-year expected life of the plant.

Gilbert Home Values Increase 13.3%

In February, Maricopa County Assessor Kevin Ross released new property values for homes throughout the county. As reported in the *East Valley Tribune*, home valuations in Gilbert have increased by 13.3 percent from July 1999 to June 2001.

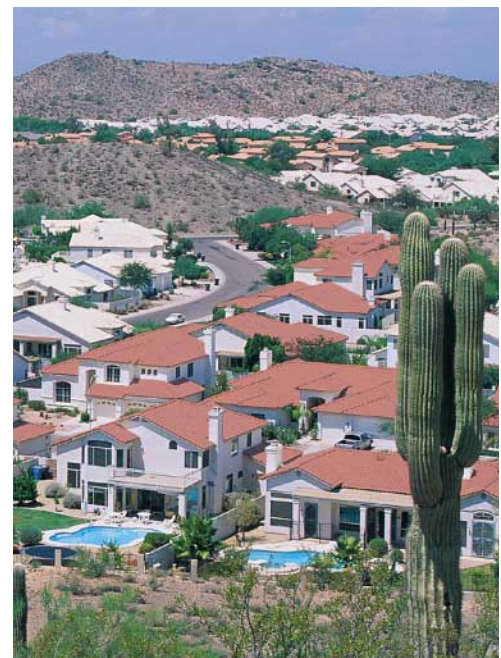
“The assessor’s office bases property valuations on the sales of homes in an area and their potential to sell,” according to the *East Valley Tribune*. “While the assessor’s valuations do not directly correspond to a home’s value, the figures provide a guideline to which areas of the real estate market are hot and which are not.”

A listing of the property valuations by city and ZIP Code is

available on the Maricopa County Assessor’s Web site, www.maricopa.gov/assessor.

“SRP has maintained that the Santan Expansion Project will have little, to no impact on property values in the Gilbert community,” said Mark Bonsall, associate general manager, Commercial and Customer Services.

“We believe that our extensive landscape and mitigation measures, as developed in conjunction with the Community Working Group, will ensure that the Santan Expansion Project corresponds with the surrounding neighborhoods,” Bonsall said.





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Preliminary Landscaping Plans Debut At April Open House

Gilbert residents have the opportunity to view the preliminary plans developed by the Santan Expansion Project Landscaping and Mitigation Community Working Group (CWG) during an **April 30 open house**.

Although the plans are not completed, the open house serves as a status report from the CWG to the community. The plans will be available for review from **5 to 8 p.m.** in the **Multi-Purpose Room of Greenfield Elementary School, 2550 E. Elliot Road in Gilbert** (north of Elliot and east of Greenfield roads).

In addition to the CWG's landscaping plans, SRP will have informational displays about the Santan Expansion Project (SEP), and the efforts being made to ensure it is compatible with the community.

Residents with specific questions about the open house or seeking general information about the SEP should contact SRP's **Janeen Rohovit** at **(602) 236-2679**, or e-mail **jcrohovi@srpnet.com**.

Open House

Date
Tuesday, April 30, 2002

Time
5 p.m. to 8 p.m.

Location
Greenfield Elementary School
Multi-Purpose Room
2550 E. Elliot Road, Gilbert
(north of Elliot and east of
Greenfield roads)

Please contact **Janeen Rohovit** at **jcrohovi@srpnet.com** or call **(602) 236-2679** for more information about the upcoming Open House.