

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
4		
5	Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce
6		
7	George Campbell	Appointed Member
8		
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) went to the 30-day
8 public comment period on May 20, 2004 and the comment period has
9 now been closed. Barring any third party concerns, the final APP is
10 expected to be issued by ADEQ at the end of July or early August 2004.
11 ADEQ requested additional information in support of the SRP re-use
12 permit. SRP's response was returned to ADEQ on May 24, 2004. The
13 re-use permit review is proceeding accordingly and permit issuance is
14 anticipated by the end of August 2004. The final Arizona Pollution
15 Discharge Elimination System (AZPDES) permit was issued by ADEQ
16 on June 8, 2004. The effective date of the permit is July 1, 2004.***

- 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 ~ Construction continues on schedule for Units 5A and 5B. New
24 equipment and systems are being powered up for testing. The cooling
25 tower for Units 5A and 5B is complete. The water treatment building
and associated equipment are complete. Installation of electrical
systems, control systems, and piping continues.***

- 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 April 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 April 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 April 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 *Phase I work on the north and west berms and on the south side is
16 complete. Following the completion of the power plant construction,
17 the Phase II landscaping work will be completed.*

18 *In the "Trails Area" to the east of the power plant, work is nearly
19 complete, including grading, installing decorative masonry walls, the
20 electrical system for lighting, the equestrian node, the horse trail, the
21 irrigation facilities and the planting of trees and shrubs. Work on the
22 fencing and the shared use path is continuing.*

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

24 *Under this program, SRP agreed to make a one-time payment to
25 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 will make 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.*

Individual County Landscaping Program ~

SRP has completed this program.

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

Status ~ No update or change from April 2004 quarterly report.

1 9. Applicant shall, where reasonable to do so, plant on site trees by the fall of
2 2001. Because planting of trees must await the improvement of Warner
3 Road and the design and construction of berms, this condition will largely
4 apply to trees on the East side of the site, and some of the trees on the
5 North side. All landscaping will be installed prior to the installation of major
6 plant equipment such as, but not limited to, exhaust stacks, combustion
7 turbines, and heat recovery steam generators, except where delays are
8 reasonably necessary to facilitate construction activities.

9 ***Status ~ As noted in condition 7, Phase I work on the north and west
10 berms and on the south side of the plant is complete. Following the
11 completion of the power plant construction, the Phase II landscaping
12 work will be completed.***

13 ***In the "Trails Area" to the east of the power plant, work is nearly
14 complete, including grading, installing decorative masonry walls, the
15 electrical system for lighting, the equestrian node, the horse trail, the
16 irrigation facilities and the planting of trees and shrubs. Work on the
17 fencing and the shared use path is continuing.***

18 10. Applicant shall operate the Project so that during normal operations the
19 Project shall not exceed the most restrictive of applicable (i) HUD residential
20 noise guidelines, (ii) EPA residential noise guidelines, or (iii) applicable City
21 of Tempe standards. Additionally, construction and operation of the facility
22 shall comply with OSHA worker safety noise standards. Applicant agrees
23 that it will use its best efforts to avoid during nighttime hours construction
24 activities that generate significant noise. Additionally, Applicant agrees to
25 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.

Status ~ No update or change from April 2004 quarterly report.

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.

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

1 \$400,000 to this effort.

2 ***Status ~ After reviewing proposals submitted for the second phase of***
3 ***the Transportation Study, the Town of Gilbert and SRP have selected***
4 ***the final scope of work prepared by Parsons Brinkerhoff. Final***
5 ***signatures for scope approval are underway. Phase 2 is expected to***
6 ***kick-off in September 2004.***

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

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

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

19 ***Status ~ Through June 2004, SRP had delivered a total of 39,686 acre***
20 ***feet of CAP water to the Granite Reef Underground Storage Project***
21 ***(GRUSP) for future use at SEP via recovery from any SRP owned wells***
22 ***(Association or District) and delivered to SEP from the Eastern Canal***
23 ***(or onsite District wells). Accordingly, SRP has met its target to store***
24 ***30,000 acre-feet of CAP water by May 2005. At this time it is projected***
25 ***that SRP will continue to store CAP water in GRUSP through 2011.***

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 ~ No update or change from April 2004 quarterly report.

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

1 plant expansion.

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

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

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

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

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

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

25 **Status ~ At the December 9, 2002 CWG meeting, the CWG agreed that
the 10-member Citizens Committee should be comprised of the
following representatives:**

- ***One representative selected by the Arizona Department of Health Services,***
- ***One representative selected by the Maricopa County Air Quality Division,***
- ***One representative selected by the Town Manager of Gilbert to represent the Town of Gilbert staff,***
- ***One Town of Gilbert resident who is a licensed professional engineer, selected by Salt River Project,***
- ***One representative selected by each of the following HOA Boards: Cottonwood Crossing, Finley Farms South, Rancho Cimarron, Silverstone Ranch, and Western Skies, and***
- ***One representative of the unincorporated area south of the Santan Generating Station, to be determined by Salt River Project.***

1 **The CWG further agreed that SRP would contact the various groups to**
2 **request that they name their representative by approximately**
3 **September 1, 2004.**

4 **In accordance with the CWG directives, SRP is forming a new**
5 **committee that will be in place prior to the time the new Santan units**
6 **are operational in 2005. SRP sent a letter on May 11, 2004 to the**
7 **organizations identified by the CWG, requesting that they select their**
8 **representatives to the Santan Neighborhood Committee (SNC) by July**
9 **1, 2004. A copy of the letters sent to each organization is included**
10 **under Appendix A. The town of Gilbert and the professional engineer**
11 **were contacted electronically and telephonically. As of July 1, 2004, 6**
12 **members have been identified.**

13 **The first introductory meeting for the 10-member committee is**
14 **tentatively scheduled for September 8, 2004. At this meeting, the roles**
15 **and responsibilities of the group will be explained and information will**
16 **be provided regarding the status of the Santan Expansion Project and**
17 **when monitoring data will be available to the SNC members.**

18 **It is anticipated that the SNC will eventually elect officers and adopt a**
19 **charter before the units become operational. A second meeting is**
20 **tentatively scheduled for December 2004. At the December meeting,**
21 **members will receive training on how to interpret air, noise and water**
22 **quality data provided to them.**

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

Status ~ No update or change from April 2004 quarterly report.

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

Status ~ SRP was approached by a party wanting to incorporate the
 natural gas pipeline which supplies natural gas for the SEP into a
 proposed pipeline project. SRP considered the possible benefits to the
 state and has decided that the concept has merit. However, rather than
 negotiating with only one party, SRP has elected to send out a Request
 for Expression of Interest (Requests for Interest) to all parties that might
 be interested in purchasing the lateral. SRP notified the impacted city
 governments and sent notification letters to landowners in the right of
 way corridor. A copy of the letter is included under Appendix B. The
 Requests for Interest should go out by the end of July, with responses
 from interested parties due by the end of August.

22. Other than the Santan/RS 18 lines currently under construction, Applicant
 shall not construct additional Extra High Voltage transmission lines (115kV

1 and above) into or out of the Santan site, including the substation on the site.

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

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

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

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

10 **Status ~ A representative of the Arizona Dept of Health Services has
11 agreed to serve on the Santan Neighborhood Committee. Please refer
to the response for Condition 19 for additional information.**

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

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

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

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

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

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

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

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

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

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

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

16 **Trail Extension** ~ In the "Trails Area" to the east of the power plant,
17 work is nearly complete, including grading, installing decorative
18 masonry walls, the electrical system for lighting, the equestrian node,
19 the horse trail, the irrigation facilities and the planting of trees and
20 shrubs. Work on the fencing and the shared use path is continuing.

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

22 **Training Tower Removal** ~ This training tower was removed in the fall of
23 2000.

24 **Revegetation Along New RS 18 Line** ~ SRP has restored any vegetation
25 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.

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

Status ~ As discussed in SRP's response to Conditions 7, 9 and 28,
SRP has significantly completed the comprehensive landscaping plan
that was developed by SRP's landscape architect and approved by the

1 **CWG. Landscaping work is complete on the north and west berms and**
2 **on the south side of the plant. Once the power plant construction is**
3 **finished, the remaining landscaping work on the northeast area and the**
4 **southeast corner of the project site will be completed.**

5 **Work is nearly complete in the "Trails Area" to the east of the power**
6 **plant. This includes grading, installing decorative masonry walls, the**
7 **electrical system for lighting, the equestrian node, the horse trail, the**
8 **irrigation facilities and the planting of trees and shrubs. Work on the**
9 **fencing and the shared use path is continuing.**

10 **SRP's commitment for offsite landscaping has been met.**

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

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

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

18 31. Applicant will construct the heat recovery steam generators ("HRSG")
19 approximately 15 feet below grade and will construct the HRSGs so that the
20 overall height of the HRSG module from the natural grade is no more than
21 80 feet.

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

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

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

30 Applicant shall not transfer this Certificate to any other entity for a period of
31 20 years from the date of approval by the Corporation Commission, other
32 than as part of a financing transaction where operational responsibilities will
33 remain with Applicant, and where Applicant will continue to operate the plant
34 in accordance with this Certificate.

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

36 34. Applicant shall post on its website, when its air quality permit application is
37 submitted to the Maricopa County Environmental Services Department.
38 Also, Applicant shall post on its website any official notice that may be
39 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

By Paul A. Bullis
Its Chairman

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7 Sections 40-360-03 and 40-360.06, for a)
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10 Generating Station, located at the intersection) Decision No. _____
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.)
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 ~ No update or change from April 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.

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

3
4 Chairman _____

Commissioner _____

Commissioner _____

5 In Witness hereof, I, Brian C. McNeil,
6 Executive Secretary of the Arizona
7 Corporation Commission, set my hand
8 and cause the official seal of this
9 Commission to be affixed this ____ day
10 of _____, 2001.

11 By: _____
12 Brian C. McNeil
13 Executive Secretary

14 Dissent: _____
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