

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

3
4 IN THE MATTER OF THE) DOCKET NO. TBA
5 APPLICATION OF SALT RIVER)
6 PROJECT FOR THE RED HAWK) LS CASE NO. TBA
7 PROJECT.)
8 _____) PREFILING CONFERENCE

9 At: Phoenix, Arizona
10 Date: September 13, 2019

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Power Plant and Transmission Line Siting
4 Committee at the OFFICES OF THE ATTORNEY GENERAL, 15
5 South 15th Avenue, Phoenix, Arizona, commencing at
6 1:05 p.m. on the 13th day of September, 2019.

7

8 BEFORE: THOMAS K. CHENAL, Chairman

9

10 APPEARANCES:

11 For the Applicant Salt River Project:

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INTERESTED PARTIES:

26 Mr. Josh Robertson
27 Manager of Regulatory Policy
28 Salt River Project

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1 INTERESTED PARTIES: (Cont.)

2 Ms. Kim Humphrey
3 Manager of Strategic System Projects
4 Project Manager for Project Red Hawk CEC Application
5 Salt River Project

6 Ms. Michele Maser
7 Legal Department
8 Salt River Project

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1 CHMN. CHENAL: Let's go on the record. This is
2 the time set for the SRP project -- Red Hawk Project.

3 Mr. Sundlof, would you please enter an
4 appearance.

5 MR. SUNDLOF: I'm Kenneth Sundlof, attorney for
6 the Salt River Project.

7 MS. RAMALEY: Karilee Ramaley, attorney,
8 in-house counsel for Salt River Project.

9 MR. ROBERTSON: Josh Robertson, manager of
10 regulatory policy for Salt River Project.

11 MS. HUMPHREY: Kim Humphrey, manager of
12 strategic system projects for Salt River Project and also
13 the project manager for the CEC application for Project
14 Red Hawk.

15 MS. MASER: Michele Maser of SRP Legal
16 Department.

17 CHMN. CHENAL: Okay. Very good.

18 All right. Let's start first with this: What
19 is the level of controversy regarding this project?

20 MR. SUNDLOF: It's as close to zero as I've
21 ever seen.

22 CHMN. CHENAL: Okay.

23 MR. SUNDLOF: We have had nobody objecting. We
24 have reached out to the adjoining landowners and the
25 houses to the north. We've had some inquiries. We've

1 had some hits on the website. I've not heard any
2 opposition. Zero. We don't have any attorneys. We
3 don't have any potential intervenors. The City of Mesa,
4 of course, is extremely supportive, so maybe it's easy.

5 CHMN. CHENAL: So certainly no possible
6 intervenors to the --

7 MR. SUNDLOF: Well, you never know --

8 CHMN. CHENAL: -- knowledge of the applicant.

9 MR. SUNDLOF: -- but --

10 CHMN. CHENAL: To the knowledge of the
11 applicant.

12 MR. SUNDLOF: To the knowledge of us.

13 CHMN. CHENAL: So I normally would ask if
14 you've noticed interested parties, if they could appear
15 today, but there's no real interested parties.

16 MR. SUNDLOF: There's no interested parties.

17 CHMN. CHENAL: Okay. Very good.

18 So let's talk about the project again, get it
19 on the record --

20 MR. SUNDLOF: Okay.

21 CHMN. CHENAL: -- and then any maps or -- we
22 can mark as exhibits.

23 So, Mr. Sundlof.

24 MR. SUNDLOF: Thank you.

25 We call this Project Red Hawk, and that's a

1 little confusing because there is a power plant named
2 Redhawk. But we went around and around on names, and the
3 customer finally wanted to use the name Project Red Hawk,
4 which I think is fine and easy to remember.

5 This is a -- I call it a distribution project
6 because it's not part of the transmission system. It is
7 a project to serve a single customer, and the single
8 customer will be an affiliate of Google. We don't know
9 who yet. We're just preparing for it.

10 This will be a very large data center that's
11 been zoned as the Red Hawk Development District by City
12 of Mesa. And it is permitted or zoned for some very
13 high, large data center structures. The overall load we
14 don't know yet, and I'll get into it in a minute; but it
15 will be significant, and that's why we're doing this.

16 The technology that Google and others use moves
17 quickly and changes quickly, and the needs change
18 quickly. And so we've done a lot of talking with the
19 customer. And what we understand is that they don't know
20 yet exactly what they want to build; but they know
21 they're going to want to use a lot of power, and they
22 want this infrastructure.

23 So we're talking about a project that is
24 entirely on 187 acres that's now owned by the customer.
25 And it is -- and there will be a couple pole relocations

1 to loop into the new switchyard. But other than that,
2 it's all -- and that's SRP right-of-way. But other than
3 that, it's 100 percent on customer property.

4 And I will start with a map that I think is
5 Exhibit 1.

6 (Exhibit 1 was marked.)

7 MR. SUNDLOF: We sort of zoom in here, and this
8 gives you an approximate location of the site. And this
9 is Exhibit 1.

10 And you can see in the center is the project
11 site, and that's in kind of green. And then you can see
12 to the north of it is the Browning-Santan corridor. And
13 that is a fairly major transmission corridor. It has
14 500, 230, and 69 circuits in it. It's been there for a
15 long time, and that is where it's going to interconnect.

16 This is what they call the inner loop. You can
17 see the 202 that comes around in the middle. This is the
18 inner part of the 202 Loop. The last project we did east
19 of Mesa Gateway Airport was the outer loop. But it's
20 still within -- they call it the Elliot Road Technology
21 Corridor. It's close to the Elliot Road Technology
22 Corridor.

23 It's part of Mesa's overall plan to develop the
24 east part of the city into a high tech hub, and this is a
25 major component and a big success for Mesa to be able to

1 have this project located in Mesa. Very positive. Very
2 cool. It will bring -- it will bring jobs, but it will
3 also be a catalyst for other developments.

4 So it's a wonderful thing for Mesa, and Salt
5 River Project wants to be able to serve it correctly and
6 wants to be able to serve it according to the needs of
7 the customer.

8 (Exhibit 2 was marked.)

9 MR. SUNDLOF: As you go to the second map,
10 which is Exhibit 2, it just zooms in. And you can see
11 better where it's located in the inner loop of the 202,
12 and you can see some of the surrounding uses, which
13 are -- other than north is basically either farmland or
14 slated to be commercial uses at this point.

15 (Exhibit 3 was marked.)

16 MR. SUNDLOF: Going to the third map,
17 Exhibit 3, it zooms in a little bit closer. And I want
18 to talk about this a little bit.

19 The project site, of course, is in yellow. You
20 will see the transmission corridor that's the existing
21 transmission corridor to the north.

22 And then north of that are some homes that are
23 Desert Place -- it says Desert Place Morrison Ranch. I
24 think there are several homeowners associations in there.
25 Those homes are separate from the 187 acres, of course,

1 by the fairly major transmission corridor.

2 To the left is flood control and the RWCD
3 Canal.

4 On the right are parcels that are slated for
5 development. There's also a church and a soccer complex.
6 Same with the southeast.

7 And then to the south is land that's slated for
8 industrial development.

9 CHMN. CHENAL: Which line is that?

10 MR. SUNDLOF: Just to the south.

11 CHMN. CHENAL: Marked B&K Land & Investment?

12 MR. SUNDLOF: Correct.

13 So you can see that it's a pretty good site
14 that is not going to infringe on too many existing uses.

15 I'm going to focus on Exhibit 3 for a second,
16 and I'm going to describe the project a little bit more.

17 Like I said, this is a distribution project.
18 And I say it's a distribution project because it
19 dead-ends into the site. We are -- we are breaking a 230
20 circuit, we're bringing it into a switchyard, and then
21 that switchyard serves this site and nothing else.

22 You can see the different little dots. There's
23 an existing 230 circuit, and that's the
24 Browning-to-Santan circuit, I believe. And the plan is
25 to break that circuit and to bring it in from each side

1 to a new switchyard. And that's what's outlined in green
2 there. It's the approximate location of the switchyard.
3 That provides potential feeds from two directions, so
4 that gives you your N-1 criteria for reliability.

5 Then from that, this is where we get -- this is
6 where we don't know, although we're trying to plan for
7 it. After that, there are going to be a number of
8 transformers that will be located as needed in different
9 locations of the project site adjacent to buildings. And
10 those will be connected to the switchyard by 230
11 circuits. So that's very different. We don't have any
12 customers that are served at the 230 level. This will be
13 the first one. As you know, 12 kV is normal, 69, a few
14 115s, and no 230s. so we're serving this customer at the
15 230 level.

16 We know this is -- the customer says, We don't
17 know what we're going to build. We know that this is an
18 environmental siting process, and we need to tell you
19 what we're going to build. So what we have got to is
20 that we will have up to -- other than -- I'm not talking
21 about the switchyard stuff. I'm talking about poles that
22 are within the site. We'll have up to 22 poles. They
23 will be carrying up to ten circuits, and the circuits
24 will be attached to some number of transformers
25 throughout the site.

1 What's interesting about this case is we're not
2 asking for -- and these distribution structures, they're
3 like transmission structures. They're 230 kV
4 double-circuit transmission structures 130 feet high or
5 thereabouts. So what you're going to have --

6 CHMN. CHENAL: On 187 acres.

7 MR. SUNDLOF: On 187 acres. Up to 22 -- yeah.
8 Up to 22 --

9 CHMN. CHENAL: Unique; right?

10 MR. SUNDLOF: Unique. And probably located at
11 the perimeters, although we don't know yet.

12 So that's what we're asking for.

13 CHMN. CHENAL: So let me, if I may, just
14 interrupt just for a second.

15 MR. SUNDLOF: Yeah.

16 CHMN. CHENAL: So the 230 kV lines will emanate
17 from the switchyard?

18 MR. SUNDLOF: Yes. There will be a
19 switchyard --

20 CHMN. CHENAL: To various transformers located
21 throughout the project site?

22 MR. SUNDLOF: Yes. Yes.

23 CHMN. CHENAL: And then the transformers will
24 then -- the 230 power will be brought down. But the
25 transformers will be located next to buildings --

1 MR. SUNDLOF: Yes.

2 CHMN. CHENAL: -- which will encompass, I
3 suppose, the data center servers or whatever.

4 MR. SUNDLOF: Several data center buildings.

5 CHMN. CHENAL: And then those buildings will be
6 adjacent to each of those transformers we just mentioned?

7 MR. SUNDLOF: Yes.

8 And we've done a lot of asking about why they
9 want to do it this way, and there are several answers.
10 One is it's just more efficient to not have long
11 low-voltage lines. It's more efficient to bring it in at
12 230. It gives them the opportunity to have tremendous
13 amounts of voltage. And there are several issues
14 regarding data center equipment that I don't quite
15 understand and nobody's telling us, but there was a
16 reason that they want it this way.

17 We don't know what the step-down voltages will
18 be. They've talked about 24.9, they've talked about
19 13.something, and that could change over time. So we
20 don't know what kind of voltages they'll want to take
21 them at. I've done a little bit of reading about data
22 center equipment. And they're more stable at higher
23 voltages, but they're hotter at higher voltages and use
24 more power. So there's sort of a trade-off between those
25 sorts of things. But this is -- we're responding to the

1 customer's request here.

2 CHMN. CHENAL: Okay.

3 MR. SUNDLOF: I look at it -- and maybe this is
4 my thought. I look at it as an expanded substation.
5 Normally, you have the lines coming in and then you have
6 the transformers and then you have lower voltage lines
7 coming out. So what we're doing is we're spreading out
8 the typical substation and integrating it with the
9 buildings, which is what the customer wants, and I
10 understand how it's a more reliable system for the huge
11 investment that they're going to make.

12 So what we're asking for is we're asking for
13 the ability to break the line, and that will be a few
14 replacement structures, the ability to build a new
15 switchyard, poles rising out of the switchyards, and then
16 up to 22 -- we don't know whether they're going to be
17 double-circuit -- poles carrying up to ten circuits. It
18 may not be that much. We are asking for authority to put
19 these anywhere within the customer's property. That's
20 what they have asked us for because they don't know yet.
21 And so we'll put them in as needed over time.

22 We're asking for a 20-year term, and that's a
23 lot. But given the fact that it's all on the customer's
24 property anyway, perhaps it's not a lot.

25 CHMN. CHENAL: So you're basically saying the

1 corridor is the project site?

2 MR. SUNDLOF: Yes. It's a lot like when we --
3 for example, our last case -- we've had a number of them
4 like this. We say, Okay. We've got this big area.
5 We're going to locate the substation somewhere within
6 this big area.

7 Well, this is the same thing. We have this
8 area, and we're going to locate these facilities
9 somewhere within this area. Same idea. No corridors,
10 no -- you know, nothing. And that gives the customer the
11 ultimate flexibility it needs and that it has been very
12 insistent that it needs.

13 CHMN. CHENAL: Okay. I understand. Well,
14 superficially understand.

15 MR. SUNDLOF: It is what it is.

16 CHMN. CHENAL: I'm not going to go out and
17 design the thing.

18 MR. SUNDLOF: Well, we're not designing it
19 either.

20 CHMN. CHENAL: Right.

21 So what does -- let me ask. Gilbert Unified
22 School District. What facilities are there?

23 MR. SUNDLOF: It's a maintenance facility.
24 It's not a school. I don't know much more about that.

25 MS. HUMPHREY: It is the maintenance facility.

1 As you look at the top of that yellow line there and go
2 north, that's where the school facilities are. And so
3 you can see in the upper right-hand corner of that
4 triangular section of land, that's the bulk of the school
5 with the track being south of it.

6 CHMN. CHENAL: Right. The Highland Junior High
7 School.

8 MS. HUMPHREY: Yes.

9 MR. SUNDLOF: The Canyon Valley High School
10 too.

11 All right. So that's what that is.

12 The homes -- and I frankly expected more
13 interest in the homes, and we've had very little.

14 CHMN. CHENAL: Well, I guess that's a good
15 thing.

16 MS. SUNDLOF: That's a good thing. And they
17 bought these houses being next to a whole series of power
18 lines anyway, and I'm not sure this would make a big
19 difference.

20 CHMN. CHENAL: I mean, the HOA is obviously
21 aware of the project based on your outreach?

22 MR. SUNDLOF: Oh, yes, as are all the
23 homeowners within that -- and I'll show you on Exhibit 3,
24 that circle is a half-mile circle. And we've notified
25 every property owner within that half-mile circle, so

1 that's every home.

2 So that's the project serving a single
3 customer, and we're responding to the customer's requests
4 on how they would like this to be permitted. That's why
5 we're doing it this way.

6 CHMN. CHENAL: Okay. Now, let's -- let's
7 proceed, then, to the Notice -- let's talk about the
8 Notice of Hearing --

9 MR. SUNDLOF: Okay.

10 CHMN. CHENAL: -- and posting and publishing.
11 And as part of that, let's talk about the hearing
12 location and the dates and things like that.

13 MR. SUNDLOF: Okay.

14 CHMN. CHENAL: Where do you propose the hearing
15 to take place?

16 MR. SUNDLOF: Well, we've looked at a lot of
17 facilities. We wanted to do it at the Mesa Convention
18 Center like we did at the last one. It's not available.

19 We ended up at the Superstition Springs Golf
20 Course that we should mark as the next exhibit.

21 CHMN. CHENAL: Okay.

22 (Exhibit 4 was marked.)

23 MR. SUNDLOF: Exhibit 4 is a map showing where
24 the hearing location is, pretty close to the project
25 site. What I like about it is it's pretty easily

1 accessible off Power Road and the 60. I've looked at it,
2 and it certainly seems like an adequate facility for this
3 case. We've had bigger rooms, but it's not a small room.
4 So that's what our proposal is. We've tied it up so that
5 we make sure we can have it.

6 CHMN. CHENAL: Okay.

7 MR. SUNDLOF: The Notice of Hearing -- maybe we
8 could mark that as the next exhibit.

9 CHMN. CHENAL: 5.

10 (Exhibit 5 was marked.)

11 MR. SUNDLOF: And this Exhibit 5 is our draft
12 Notice of Hearing that we're providing to you. It pretty
13 much follows the format that we've used in many other
14 cases. We talk about the hearing dates, which are the
15 ones you've given us. That it will begin on November 5th
16 at 10:00 a.m. and will continue as necessary beginning
17 9 a.m. on each day.

18 We have scheduled a public comment session for
19 6:00 on the first day. And we say there could be a route
20 tour depending -- I know you're going to wait till you
21 poll the committee. There could be a route tour if you
22 want one.

23 CHMN. CHENAL: Let's take away any suspense
24 there. If only one person wants one, there will be one,
25 and I want it.

1 MR. SUNDLOF: So that's on here. And other
2 than that, I think it's fairly self-explanatory.

3 We identified that we're going to deposit a
4 copy of the application in the Mesa Public Library. And,
5 of course, I don't think too many people go to the
6 library anymore to see it because it's on SRP's website.
7 And it also is at Docket Control at the Corporation
8 Commission, although I'm not sure how many people would
9 go there either.

10 And that's -- the notice here is pretty much
11 pro forma other than those details.

12 CHMN. CHENAL: Let's talk for a second about
13 the time the public comment session will begin. We
14 talked about that when we met previously, did we not, and
15 decided on 6 versus 5:30 p.m.?

16 MR. SUNDLOF: We can do whichever you would
17 prefer. If we have no opposition, this isn't going to
18 take very long. I mean, the complexity of this is a lot
19 less than any other case.

20 CHMN. CHENAL: Let's make it 5:30 because I'm
21 just afraid that we'll be concluding around 5, and we'll
22 be waiting for an hour for 6. And if there's no real
23 opposition and there's not a great deal of interest,
24 maybe no one will show up. Let's make it 5:30. We're
25 doing that more and more.

1 MR. SUNDLOF: We have the hotel issue, and SRP
2 is prepared to reserve a block of rooms. We have given
3 you some hotel choices. That's something Marie asked.
4 So you let us know which one you'd like.

5 CHMN. CHENAL: Unfortunately -- well,
6 unfortunately, she's on vacation in Hawaii. No one's
7 going to feel sorry for her. So when she's -- we'll get
8 back on the hotel. What is SRP prepared to do with
9 respect to hotels?

10 MR. SUNDLOF: Pay for a block of rooms.

11 CHMN. CHENAL: And people that wish to stay can
12 make reservations, and it will be paid for by SRP?

13 MR. SUNDLOF: That's what we're going to do.

14 CHMN. CHENAL: That's so much easier on the
15 committee. We'll get back to you.

16 MR. SUNDLOF: If you want to also get back to
17 us on how many rooms you think you'll be reserving, let
18 us know, and fairly soon.

19 MS. RAMALEY: And the hotels were pretty well
20 booked, so ...

21 CHMN. CHENAL: I have a line siting hearing
22 next week in Flagstaff; and the week after, there's
23 another one here. So nothing slips through the cracks,
24 would someone be willing to email me this afternoon the
25 hotels?

1 MR. SUNDLOF: If you would do that, Michele.

2 MS. MASER: Sure.

3 CHMN. CHENAL: If you wouldn't mind. I know we
4 don't normally do it like that, but it has nothing to do
5 with the merits of the hearing.

6 MR. SUNDLOF: Why don't we just mark this as an
7 exhibit. There they are.

8 CHMN. CHENAL: Let's do that.

9 MR. SUNDLOF: I didn't see one was different
10 than the other, but you may have a different choice.

11 CHMN. CHENAL: Let's mark this as an exhibit,
12 and will someone be willing to provide me with a copy of
13 it? Exhibit 6 is the list of hotels. I'll look at it
14 and get back with you.

15 (Exhibit 6 was marked.)

16 MR. SUNDLOF: That's the Notice of Hearing
17 route tour we'll arrange for.

18 CHMN. CHENAL: It won't be a complicated route.

19 MR. SUNDLOF: Unless somebody wants to hike
20 through the property.

21 CHMN. CHENAL: It won't be -- it won't take
22 long, and I know it's -- it probably is very simple just
23 to drive down there, drive around the perimeter of it,
24 and maybe have a little conversation. But I think it's
25 still good to drive around and see how it's going to

1 impact the neighboring communities. I think that's more
2 the purpose in this case. And it won't be hard to do
3 that. I think that can be done in pretty short order.

4 I might be surprised and nobody will want to do
5 it. If there's no one else that wants to do it, I won't
6 insist on it. But I suspect people will be interested in
7 it for the reason I just mentioned. But I don't think
8 that will be difficult. We could do that the morning of
9 the 6th.

10 MR. SUNDLOF: All right.

11 Now, do you want to talk about signs and
12 signage?

13 CHMN. CHENAL: Yes.

14 (Exhibit 7 was marked.)

15 MR. SUNDLOF: We'll mark as Exhibit 7 a map
16 that we've provided --

17 CHMN. CHENAL: Mr. Sundlof, just a minute.
18 Let's talk about the Notice of Hearing in reference to
19 the tour. I want to see where that's addressed.

20 MS. MASER: At the top of page 2.

21 CHMN. CHENAL: My copy is upside-down.

22 MR. SUNDLOF: Yeah, it is upside-down. Saving
23 paper.

24 CHMN. CHENAL: All right. Thank you very much.

25 MR. SUNDLOF: Exhibit 7, then, can be the map

1 of the sign locations. And, obviously, there's not a lot
2 of optionality here, so we have identified five places
3 for signs where people could see it. And that's on
4 Exhibit 7.

5 (Exhibit 8 was marked.)

6 MR. SUNDLOF: And Exhibit 8 is the sign
7 language itself. What size is it going to be?

8 MS. MASER: 4-by-6.

9 MR. ROBERTSON: Feet.

10 MR. SUNDLOF: We'll have to change that to
11 5:30.

12 CHMN. CHENAL: Okay. That all looks
13 satisfactory to me.

14 MR. SUNDLOF: What else is on your list?

15 CHMN. CHENAL: Exhibit 6, the sign itself.

16 MR. SUNDLOF: 8.

17 CHMN. CHENAL: And then Exhibit 7, the sign
18 locations look appropriate.

19 And what's the size of the sign?

20 MR. SUNDLOF: 4-by-6.

21 MS. RAMALEY: We've got to change 5:30, but
22 this should be "Club." It's a golf club, not a golf
23 course.

24 MR. SUNDLOF: Superstition Springs Golf Club.

25 CHMN. CHENAL: All right.

1 All right. What publication are you going to
2 put it?

3 MR. SUNDLOF: We are going to publish it in two
4 places. One is The Arizona Republic, and I think the
5 other is the East Valley Tribune. We weren't sure about
6 that, but I think we're sure about it now.

7 MS. MASER: Yes.

8 MR. SUNDLOF: And the other option was the
9 Phoenix Business Journal, but I think we're going to do
10 The Arizona Republic and the East Valley Tribune.

11 CHMN. CHENAL: We'll want to get those out to
12 comply with the requirements.

13 MR. SUNDLOF: The ten days. We will reserve
14 space.

15 CHMN. CHENAL: And we'll turn around the Notice
16 of Hearing on the day -- I mean, the day you file it or
17 certainly by the day after, we'll have the Notice of
18 Hearing back to you.

19 MR. SUNDLOF: Thank you.

20 I don't know if I said this. We are projecting
21 a filing date of the 23rd of September.

22 CHMN. CHENAL: September 23rd.

23 MR. SUNDLOF: And I don't see any reason we
24 won't make that.

25 CHMN. CHENAL: It's more important to lay down

1 the hearing date rather than the filing date as long as
2 it's within the 60-day notice.

3 MR. SUNDLOF: I think we're safe.

4 CHMN. CHENAL: Yeah, we're safe. And if you
5 have to delay it, that's fine, but you don't have as much
6 margin there.

7 MR. SUNDLOF: We already delayed it once. We
8 were going to do September 15, and we held off on our
9 public process a bit for the customer. So we're fine.

10 CHMN. CHENAL: Those dates will work.

11 Part of the procedural order will relate to
12 providing notice to the affected jurisdictions, as in
13 other cases. What are the affected jurisdictions?

14 MR. SUNDLOF: Mesa and Maricopa County.
15 Maricopa County and Mesa. Because there's some County
16 land. So Maricopa County and Mesa.

17 CHMN. CHENAL: Okay. All right. So we've
18 talked about the location for the hearing. And how long
19 do you believe the hearing will take?

20 MR. SUNDLOF: We have five witnesses.

21 We hope to get somebody from Mesa to describe
22 their excitement about the project.

23 We will have the project manager, Kim.

24 We will have a transmission guy talk about why
25 we're doing this the way we are.

1 We will have Kenda Pollio talking about
2 environmental impacts. And the main one, of course, is
3 visual. And we're going to have some good simulations.
4 In fact, I asked them to do WorldWise.

5 CHMN. CHENAL: Okay.

6 MR. SUNDLOF: And then the last one will be our
7 public involvement, what kind of outreach we've done.

8 So that's three or four hours. I know you'll
9 laugh.

10 CHMN. CHENAL: So how much time do I have to
11 add to that, since no case has ever come close to being
12 accurate in their predictions?

13 MR. SUNDLOF: You can at least double it.

14 CHMN. CHENAL: I know the bills are always
15 projected and are accurate.

16 MR. SUNDLOF: It depends on you guys. If you
17 don't want to ask any questions, we'll just zip through
18 it.

19 CHMN. CHENAL: Seriously, this is kind of a new
20 need, if you will.

21 MR. SUNDLOF: It is.

22 CHMN. CHENAL: And we will have -- I mean, I
23 feel like I'm repeating myself because I said this
24 morning to the applicant, You might reserve a little more
25 time to lay out an explanation of this new need and why

1 it requires the power, why these data centers require the
2 power.

3 MR. SUNDLOF: And why we need to bring a
4 distribution project to you.

5 CHMN. CHENAL: Yes.

6 MR. SUNDLOF: And that's because of the voltage
7 limits.

8 CHMN. CHENAL: Yes. And I expect the committee
9 will be interested in that, and I think it's a great
10 opportunity for SRP to provide a little education to the
11 committee because this won't be your only project. This
12 is just the first for SRP.

13 MR. SUNDLOF: There will be more.

14 CHMN. CHENAL: I'm sure there will be.

15 So I think spending a little time to educate
16 the committee will pay some dividends down the road. So
17 I would encourage you not to rush through that part just
18 to check the box but to slow it down and lay it out.

19 I know some of it is confidential, and some of
20 it you don't know yet because you don't know the location
21 of where the facilities are going to be located. But the
22 general concept of a data center and why that requires so
23 much power I think will be instructive.

24 MR. SUNDLOF: There are both of those issues.
25 There are confidential issues. There are competitors.

1 And, also, they don't know exactly what they're going to
2 do.

3 CHMN. CHENAL: Understood. And that's
4 reasonable.

5 So if we start at 10 a.m. on -- is it the 5th?
6 We'll accomplish a fair amount that day as opposed to
7 starting at 1. I think that was part of our discussion.

8 We'll have the public comment session in the
9 evening. Tuesday morning, the next day, I suggest we
10 have our tour. Again, I don't think that will take long.

11 So what do you -- what do you expect we'll have
12 left to do Wednesday?

13 MR. SUNDLOF: Go through the CEC if we don't
14 see any significant opposition materialize. And it could
15 really change if we had intervenors. This is not
16 something that people are opposed to. That's why we're
17 not seeing the normal stuff.

18 But if we don't have any significant
19 opposition, I would hope that we can get to going through
20 the CEC in the second day.

21 CHMN. CHENAL: I mean, the math works, but I
22 don't have much confidence that's going to happen.

23 Here's the other thing. And I emphasize this
24 in every case. If we're into the afternoon on Tuesday,
25 even if we could hurry up and get the CEC done, I'm going

1 to put it off till -- if Wednesday, we're -- you know,
2 it's 2, 3 in the afternoon, and we could start the
3 deliberative process, I think I'm going to put it off
4 till the next day.

5 MR. SUNDLOF: Well, it makes sense to do it
6 after the route tour.

7 CHMN. CHENAL: Tuesday, we're going to start
8 the hearing. Wednesday, we'll have the route tour. If
9 it's around 2:00 and we think we could do the CEC
10 deliberative process, I'm going to kick it to the next
11 day. I don't want the committee when they're tired to
12 rush through this process. This is why you're here.
13 Frankly, I've seen a few cases that we do better as a
14 group when we're fresh, and we get it done, say, in a
15 morning session.

16 So if it's noon and we're done, we're not going
17 to -- but if it's into the afternoon, I just want to
18 alert you right now, and it's for your own good, that we
19 slow the bus down and we take it the next morning.

20 And knowing that in advance, don't try to push
21 it along hoping we're going to get to a point Wednesday
22 afternoon when we can -- Oh, we might be able to get it
23 done Wednesday afternoon. I want to avoid that
24 situation. Clearly, if there's plenty of time, yeah.
25 But I think I've made my point.

1 In the last three or four cases, we've done it
2 fresh the next morning, and it's smooth, the record is
3 clear, we come up with a nice product, and I can turn it
4 around very quickly.

5 MR. SUNDLOF: Understood.

6 CHMN. CHENAL: Okay.

7 So let's talk about a date for a prehearing
8 conference. Did we talk about one when we met before?

9 MR. SUNDLOF: No, we did not.

10 CHMN. CHENAL: I have in my calendar: Hold
11 line siting Red Hawk Project prehearing conference for
12 1:00 p.m. on Wednesday, September 30th. Let's make it
13 1:30.

14 MR. SUNDLOF: September 30th. Okay.

15 MR. ROBERTSON: Did you say Wednesday, the
16 30th?

17 CHMN. CHENAL: Yes.

18 MS. RAMALEY: Did you mean October 30th?

19 CHMN. CHENAL: October 30th. I'm sorry. Did I
20 say September?

21 MR. ROBERTSON: Yes.

22 CHMN. CHENAL: I'm sorry. I mean to say
23 Wednesday, October 30th, at 1:30 p.m. And thank you for
24 that correction.

25 Does that work for everyone?

1 MR. SUNDLOF: Yes.

2 CHMN. CHENAL: All right. I assume there's
3 no -- I'll wait till you're finished.

4 MR. SUNDLOF: I'm done.

5 CHMN. CHENAL: I was asked about the status of
6 any disputes or litigation regarding the project.
7 There's none?

8 MR. SUNDLOF: None that we know of.

9 CHMN. CHENAL: The application, you'll file a
10 paper copy. And I wish sometime soon we can get the
11 rules changed where we don't have to do that anymore, but
12 that's the way they are. Obviously, we'd like an
13 electronic copy of it along with the paper copy.

14 The procedural order, it will be a standard
15 procedural order with just the dates. The location has
16 changed. I don't see anything that we'll add to it
17 that's different than previous procedural orders.

18 The draft CEC, you'll provide that the day
19 prior to the prehearing conference. I've asked all
20 applicants, and the procedural order now provides, that
21 if you use a condition -- when you refer to a condition
22 from a previous case, use track changes, please, to
23 reflect both the additions and the deletions from that
24 previous CEC condition and note the case it's from.

25 We've had -- it hasn't been SRP, but we've had

1 some times in the past, we show modifications to the --
2 the CEC provision is provided with a reference to that
3 previous case, but it's different than the one that was
4 in that case. And usually, it's to the advantage of the
5 applicant with the information that was not included. So
6 we started to go back, and I started to have Marie do
7 track change versions. It's just easier if it comes in
8 from the applicant that way.

9 We talked about public comment the first
10 evening of the hearing. If public officials want to
11 speak at public comment, we can take them out of order to
12 accommodate their schedules.

13 Permit status. Maybe you can refresh my
14 recollection, Mr. Sundlof. Other than the CEC, what
15 other permits are required for this project or zoning
16 changes, general plan changes? Anything?

17 MR. SUNDLOF: No. The zoning change had been
18 the Red Hawk Economic Development Area, which zones this
19 particular 187 acres, and we don't need any other
20 permitting. You're the permitting.

21 CHMN. CHENAL: Okay. Very good.

22 Will you have iPads available for committee
23 members?

24 MR. SUNDLOF: We will.

25 CHMN. CHENAL: I almost saw one of these.

1 MR. SUNDLOF: Oh, no, we will.

2 CHMN. CHENAL: We had one last time, and I know
3 the committee is very appreciative of it. In fact, I
4 know there's one committee member that relies on the
5 paper, but everyone else relies on the iPad. Very good.

6 We'll take breaks every 90 minutes at the
7 hearing, as is traditional.

8 All right. I think this is an exciting
9 project, and I know the committee is going to be
10 interested in it. Data centers, why they require so much
11 power, I think is going to be --

12 MR. SUNDLOF: I think that's what we need to
13 talk about.

14 CHMN. CHENAL: Goes to need. And I think
15 they're going to be very interested in it.

16 MR. SUNDLOF: I understand that we need to talk
17 about it at a generic level, but we will talk about it.

18 CHMN. CHENAL: I understand.

19 Is there anything else we need to talk about?
20 Any issues we need to discuss? Any legal issues?

21 MR. SUNDLOF: Not that I know of.

22 CHMN. CHENAL: Any controversy? This looks
23 like a -- power lines seem to evoke a response from
24 neighbors. We know that; right? But this is all compact
25 within the property owned by the applicant. And I think

1 people just generally realize that this is -- this is
2 targeted power for data centers, and I just think people
3 accept that that's -- that's the future. And we want our
4 phones to work well and handle the data. And I think, in
5 my experience, people are willing to put up with the
6 facilities to allow the convenience of these phones to
7 work ever better.

8 MS. RAMALEY: Especially as more and more moves
9 to the cloud. I guess that's where the cloud is.

10 CHMN. CHENAL: Correct.

11 I don't want to say it's a generational thing,
12 but I think it is.

13 MR. SUNDLOF: You'd be surprised how much
14 information is on the cloud.

15 CHMN. CHENAL: Well, good. I'm looking forward
16 to this hearing.

17 MR. SUNDLOF: I am too.

18 CHMN. CHENAL: And I think, Mr. Sundlof, you
19 know if anything comes up between now and when we meet
20 again, just reach out. We'll accommodate whatever the
21 needs are to make sure this runs smoothly. It's always a
22 pleasure to work with you and SRP. And I look forward
23 and I know the committee is going to look forward to this
24 project.

25 I can't remember when the last hearing was, but

1 it seems like it's been a year since we really had a
2 hearing. And now we've got one next week, the following
3 week, and now we're going to have one November 5th. So
4 it's funny that it's all coming at us, but it's what we
5 like to do.

6 MR. SUNDLOF: Thank you.

7 CHMN. CHENAL: Then we're adjourned.

8 (The prefiling conference concluded at
9 1:51 p.m.)

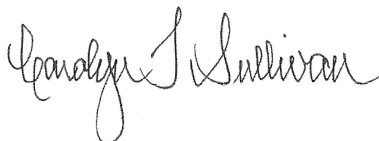
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1 STATE OF ARIZONA)
 COUNTY OF MARICOPA)
2

3 BE IT KNOWN that the foregoing proceedings were
4 taken before me; that the foregoing pages are a full,
5 true, and accurate record of the proceedings, all done to
6 the best of my skill and ability; that the proceedings
7 were taken down by me in shorthand and thereafter reduced
8 to print under my direction.


9 I CERTIFY that I am in no way related to any of
10 the parties hereto nor am I in any way interested in the
11 outcome hereof.

12 I CERTIFY that I have complied with the ethical
13 obligations set forth in ACJA 7-206(F)(3) and ACJA
14 7-206(J)(1)(g)(1) and (2). Dated at Phoenix, Arizona,
15 this 16th day of September, 2019.

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CAROLYN T. SULLIVAN, RPR
Arizona Certified Reporter
No. 50528

17 I CERTIFY that COASH & COASH, INC., has complied
18 with the ethical obligations set forth in ACJA
19 7-206(J)(1)(g)(1) through (6).

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