

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

3
4 IN THE MATTER OF THE APPLICATION) DOCKET NO.
OF SALT RIVER PROJECT) L-00000B-19-0219-00184
5 AGRICULTURAL IMPROVEMENT AND)
POWER DISTRICT, IN CONFORMANCE)
6 WITH THE REQUIREMENTS OF ARIZONA) LS CASE NO. 184
REVISED STATUTES, SECTIONS)
7 40-360, et seq., FOR A)
CERTIFICATE OF ENVIRONMENTAL)
8 COMPATIBILITY AUTHORIZING)
PROJECT RED HAWK, A SWITCHYARD)
9 AND MULTIPLE TRANSFORMERS)
INTERCONNECTING 230kV STRUCTURES,)
10 LOCATED AT SOSSAMAN AND ELLIOT) PREHEARING CONFERENCE
ROADS ALL WITHIN THE CITY OF)
11 MESA, ARIZONA IN MARICOPA COUNTY.)
_____)
12)

13 At: Phoenix, Arizona
14 Date: October 30, 2019
15 Filed: November 4, 2019

16 REPORTER'S TRANSCRIPT OF PROCEEDINGS
17
18
19
20
21

22 COASH & COASH, INC.
Court Reporting, Video & Videoconferencing
1802 North 7th Street, Phoenix, AZ 85006
23 602-258-1440 staff@coashandcoash.com

24 By: Carolyn T. Sullivan, RPR
Arizona Certified Reporter
25 Certificate No. 50528

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 1:14 p.m. on the 30th day of October, 2019.

7

8 BEFORE: THOMAS K. CHENAL, Chairman

9

10 APPEARANCES:

11 For the Applicant Salt River Project:

12 Mr. Kenneth C. Sundlof, Jr.
13 c/o Salt River Project
14 Mail Station PAB4TA
15 P.O. Box 52025
16 Phoenix, Arizona 85072-2025

17 and

18 Ms. Karilee S. Ramaley
19 Senior Principal Attorney
20 Legal Services
21 Salt River Project
22 Mail Station PAB4TA
23 P.O. Box 52025
24 Phoenix, Arizona 85072-2025

25

For Intervenor City of Mesa:

26 Mr. Wilbert J. Taebel
27 Assistant City Attorney
28 City of Mesa
29 PO Box 1466
30 Mesa, Arizona 85211-1466

31

1 INTERESTED PARTIES:

2 Mr. Josh Robertson
3 Manager of Regulatory Policy
4 Salt River Project

5 Ms. Kim Humphrey
6 Manager of Strategic System Projects
7 Project Manager for Project Red Hawk CEC Application
8 Salt River Project

9 Ms. Michele Maser
10 Legal Department Paralegal
11 Salt River Project

12 Ms. Marie Cobb
13 Assistant to Chairman Chenal

14

15

16

17

18

19

20

21

22

23

24

25

1 CHMN. CHENAL: This is the time set for the
2 prehearing conference on CEC Application 184, the Red
3 Hawk SRP Project.

4 May I have appearances, please.

5 MR. SUNDLOF: Kenneth Sundlof representing the
6 applicant.

7 MS. RAMALEY: Karilee Ramaley representing the
8 applicant.

9 MR. TAYLOR: Rob Taylor, Salt River Project.

10 MS. HUMPHREY: Kim Humphrey, Salt River
11 Project.

12 MR. TAEBEL: Wilbert Taebel representing the
13 City of Mesa.

14 MS. MASER: Michele Maser, SRP.

15 MS. COBB: Marie Cobb, assistant to Chairman
16 Chenal.

17 CHMN. CHENAL: I have had a chance to review
18 the materials that were filed yesterday, the draft CEC,
19 the summary of testimony, the exhibits. And everything
20 seems to be in order, so I think we'll just go through my
21 checklist, but I don't think this is going to take very
22 long. I think everything's pretty much in order.

23 I have on my little checklist -- I'll just go
24 through it.

25 The lodging has all been taken care of, the

1 block of rooms at the La Quinta Mesa? That's all been
2 taken care of?

3 MS. MASER: Yes.

4 CHMN. CHENAL: We have one notice of
5 intervention by the City of Mesa. That's not -- there's
6 no discretion involved there. It's a matter of right for
7 Mesa. So Mesa will be appearing, and I know Mesa has
8 submitted its summary of testimony of its witnesses.

9 Mr. Taebel, are there any exhibits that Mesa
10 intends to use?

11 MR. TAEBEL: Other than the letter of the
12 mayor, which was already in the record, so I didn't
13 resubmit it. And I apologize for the slight untimeliness
14 of my summary.

15 CHMN. CHENAL: That's all right.

16 MR. TAEBEL: In my defense, the challenge is
17 getting the 25 copies from Mesa to the Commission. But I
18 think we accomplished that this morning. So I appreciate
19 your indulgence.

20 CHMN. CHENAL: We're good with that.

21 MR. TAEBEL: Okay.

22 CHMN. CHENAL: So do you anticipate putting
23 testimony on?

24 MR. TAEBEL: I actually don't, but we don't
25 know what will happen as the hearing progresses and when

1 we get public comment. But at this point, we do not.

2 CHMN. CHENAL: Okay. Very good.

3 I haven't received any other notices of
4 requests for intervention from any other potential
5 parties.

6 MR. SUNDLOF: We've heard of no attorneys that
7 are interested.

8 CHMN. CHENAL: Okay.

9 The applicant has complied with providing
10 notice to affected jurisdictions. I saw that was filed,
11 and it's an exhibit.

12 I saw it in study, but I saw that the
13 publishing and posting requirements in the Procedural
14 Order seem to have been met; is that correct?

15 MR. SUNDLOF: That's correct.

16 CHMN. CHENAL: And you'll have exhibits and
17 testimony on that?

18 MR. SUNDLOF: We will.

19 CHMN. CHENAL: Okay.

20 The agenda, it's kind of a standard agenda, but
21 I don't see that there's any objections or requests for
22 changing the agenda that I submitted. Is that true?

23 MR. SUNDLOF: No objections.

24 CHMN. CHENAL: Okay.

25 The hearing is set for -- to start November

1 5th, with a public comment hearing the evening of
2 November 5th, starting at 5:30 at the Superstition
3 Springs Golf Club, which is the location of the hearing,
4 and continuing through and including November 8th, if
5 necessary.

6 Let me ask, what do you anticipate the time
7 will be to put on the hearing?

8 MR. SUNDLOF: I always underestimate.

9 CHMN. CHENAL: Yeah.

10 MR. SUNDLOF: I would hope we can get done with
11 the testimony in the first day. I think we could do
12 that.

13 CHMN. CHENAL: Oh, first day. Okay.

14 MR. SUNDLOF: I mean, the only one that's sort
15 of a wild card is the data center guy. And if there are
16 a lot of questions, it may take a while, but we don't see
17 it taking that long.

18 CHMN. CHENAL: So we start at 10 a.m. on the
19 5th. We'll have some introductory matters. We'll have
20 the testimony. We'll have a tour the next day, the next
21 morning.

22 MR. SUNDLOF: Yes.

23 CHMN. CHENAL: And I see you have a route plan
24 that's also been submitted. And how long do you believe
25 the tour will take?

1 MS. HUMPHREY: 30 minutes. We should be in and
2 out in less than an hour because the property is very
3 nearby. It's half mile, half mile, half mile. We have
4 four stops.

5 MR. SUNDLOF: It's only 187 acres.

6 CHMN. CHENAL: Right. It's loading the
7 Committee onto the bus, and it's driving there, it's the
8 four stops or at least four observation points where
9 there may be some questions. So an hour to two hours is
10 probably more accurate.

11 MS. HUMPHREY: He gave me his underestimating.
12 I meant to say an hour to two hours.

13 CHMN. CHENAL: It will take a half hour to get
14 everyone herded into the bus just from past experience.

15 So you're anticipating, collectively, that we
16 may be able to start deliberations Tuesday afternoon?

17 MR. SUNDLOF: Well, that's what I'm hoping,
18 yes.

19 CHMN. CHENAL: All right. Well, if we can do
20 that, that will be fine.

21 I will tell you, my normal preference is if we
22 get into Tuesday afternoon and we haven't started
23 deliberations, I'm going to want to hold the
24 deliberations Wednesday morning when the Committee is
25 fresh. I just --

1 MR. SUNDLOF: Understood.

2 CHMN. CHENAL: It's better than trying to rush
3 through it for people to get out of there Tuesday
4 afternoon. Just to give you a heads-up. We don't want
5 to rush the hearing. We want to make a good record of
6 it.

7 It's educational for the Commission to have
8 that testimony. This seems to be the beginning of a
9 trend to have these data centers; and I think creating a
10 good record is important, not only for this case, but
11 future cases. I view it as almost a public service by
12 SRP to take the time to put that evidence into the record
13 because I think it's going to help the Staff and the
14 Commission.

15 So if we are able to start it, fine. I just --
16 my concern always is wherever we've tried to rush it to
17 get it done, it's always been problematic in my view.
18 But we'll see how it goes.

19 But certainly, by Wednesday, it looks like we
20 will be finished with the hearing. Okay.

21 So we'll need sign-in forms for people for
22 public comment.

23 I note there's been some public interest in
24 this, maybe more than some of the other hearings we've
25 had. There were something like 30 people that showed up

1 at one of your open houses. So do you anticipate much
2 public comment for this hearing?

3 MR. SUNDLOF: There were 30 people who showed
4 up at the open house. I don't think they're all going to
5 comment. I don't expect more than -- you guys tell me,
6 but six to eight people commenting is my guess.

7 MS. HUMPHREY: I think that's a fair guess. I
8 think all of the attendees were from the residents to the
9 north, and they seemed to be kind of educating each
10 other. So I wouldn't expect all of them to come. I
11 would expect those that are closer to the project to
12 come.

13 CHMN. CHENAL: And that's the residential
14 development just north of the corridor?

15 MS. HUMPHREY: Exactly.

16 MR. SUNDLOF: And I don't necessarily expect
17 anybody from the south or the east to come, but you never
18 know.

19 CHMN. CHENAL: That's okay. And we'll get most
20 of those comments, then, probably Monday evening, but
21 there could be comments from people during the course of
22 the hearing.

23 MS. COBB: It's actually Tuesday is the first
24 day.

25 CHMN. CHENAL: I'm sorry. I've been saying

1 Monday. I've been meaning to say Tuesday.

2 So we'll go Tuesday into Wednesday, and we'll
3 finish either Wednesday or Thursday morning. I'm sorry.
4 I'm so looking forward to this hearing starting that I'm
5 just expecting it to be Monday.

6 MR. SUNDLOF: We can start it right now, if you
7 want.

8 CHMN. CHENAL: I want it to be Monday, but
9 we've got to put it off to Tuesday. I'm sorry.

10 So Wednesday afternoon. By just, from
11 experience, Thursday morning probably seems more likely
12 when we'll finish this, have the deliberations. And you
13 know the process, the standard process we follow for
14 that.

15 MR. SUNDLOF: Yes.

16 CHMN. CHENAL: So just on that, just to remind
17 Mr. Sundlof and the others, we actually have the
18 deliberations. We'll take your CEC, proposed CEC, and
19 there may be some slight edits I'll propose and make, and
20 I'll ask you to include those on yours. And we'll then
21 review that document on the left side of the screen. And
22 on the right -- and we'll have that as an exhibit number.

23 And on the right side of the screen, we'll have
24 our working copy which we'll review, make changes to, if
25 necessary, and vote on as we go through. And then we'll

1 vote on that document at the end. And that will become
2 the final CEC, and that will have an exhibit number. And
3 that way, when people are reviewing the record, they'll
4 be able to follow it. Otherwise, it's pretty hard to
5 follow as we're going through the deliberative process.

6 I note there will be a Google Earth flyover.

7 MR. SUNDLOF: Yes.

8 CHMN. CHENAL: There are always a couple
9 Committee members who don't take the tour, and I think
10 it's helpful to get the flyover. We'll have the flyover
11 of the 187-acre parcel.

12 MS. HUMPHREY: It's fast.

13 MR. ROBERTSON: Try to stretch it out.

14 CHMN. CHENAL: Slow it down, the drone.

15 We'll break every 90 minutes, as usual.

16 I assume that we'll have robust WiFi. It's
17 always on my list here. Robust WiFi.

18 MS. MASER: We have WiFi. We have MiFi's.

19 CHMN. CHENAL: Okay.

20 MS. MASER: So we should have robust WiFi.

21 CHMN. CHENAL: All right. Very good.

22 Will there be iPads? I think we discussed this
23 last time.

24 MR. SUNDLOF: Yes, there will be.

25 CHMN. CHENAL: You'll have iPads with exhibits

1 loaded?

2 MS. MASER: Surface Pros.

3 CHMN. CHENAL: Or Surfaces. Okay. Very good.
4 That's really helpful. The Committee really likes that.

5 I know in the past, you would see people
6 sitting at the tables with piles of books, and now they
7 don't. They have just the Surface or the iPad. It's
8 very helpful.

9 Any other issues regarding the hearing itself
10 that we should discuss? I don't think there's
11 anything -- nothing that I could think of. It's a timing
12 issue that's the only thing. I'm a little concerned
13 about finishing up too quickly -- I'll get the days
14 right -- Thursday afternoon and putting ourselves in a
15 position where we're trying to get through this.

16 And I'm a little anxious when we do this. I've
17 had experiences in the past if it takes Wednesday and
18 Thursday to get testimony, even if we break early
19 Thursday and start fresh -- Tuesday and Wednesday, and
20 start fresh Thursday morning, that would be probably my
21 preference, but we'll see how long it takes.

22 MR. SUNDLOF: We don't have any other
23 intervenors other than Mesa to ask a lot of questions, so
24 we'll see.

25 CHMN. CHENAL: All the witness summaries and

1 exhibits have been exchanged?

2 MR. SUNDLOF: They have.

3 CHMN. CHENAL: I see a letter was submitted to
4 the Corporation Commission regarding the financial -- you
5 know, being responsible for the costs associated with the
6 hearing over and above the \$1,000 filing fee, which I
7 think was set in 1972.

8 Have you had discussions with the Staff at the
9 Corporation Commission as to their position on this,
10 Mr. Sundlof?

11 MR. SUNDLOF: We have, and we did an amendment
12 to the ten-year plan. And the Staff submitted three
13 technical questions, which we answered, and I don't think
14 there's any concern.

15 CHMN. CHENAL: Okay.

16 MS. RAMALEY: They have not intervened, so ...

17 CHMN. CHENAL: They have not intervened.
18 Right.

19 Are there any legal matters surrounding the --
20 not the application itself, but the project, that I
21 should be aware of?

22 MR. SUNDLOF: I don't think so. Not that I
23 could think of.

24 CHMN. CHENAL: And the permitting process.

25 Apart from the CEC, what other permits are required? I'm

1 assuming Mesa has a process.

2 MR. SUNDLOF: Mesa has established a special
3 zoning district.

4 Actually, you could probably answer that better
5 than I could.

6 MR. TAEBEL: So I wish I could. I'm not super
7 familiar with the zoning process. I guess you can help
8 me if I speak out of turn.

9 But the only observation I might make is that
10 the entity that is ultimately the recipient of this
11 project has a high level of sensitivity about their
12 business.

13 Is that fair?

14 MS. HUMPHREY: Yes. Without dropping their
15 name out there.

16 MR. SUNDLOF: We can say their name, and that's
17 about it.

18 MR. TAEBEL: And we have when we approved the
19 development agreement. Well, there was a streamlined
20 process, I think. In general, they had to comply with
21 the usual building permitting, zoning, and have gone
22 through the process.

23 CHMN. CHENAL: There probably will be a few
24 questions from the Committee on what other hoops the
25 applicant would have to go through to get approval for

1 the project, you know, through the Mesa process. I don't
2 know if it's, you know, any kind of a zoning change or a
3 general plan change or if it's zoned for this project
4 already, then just what ...

5 MR. TAEBEL: I think they have the zoning. I
6 think they do.

7 I will have someone with me, one of the people
8 that I identified as a witness. So I think if there's a
9 question, I'll have somebody there that can field the
10 responses.

11 CHMN. CHENAL: That's fair. And I think
12 probably there will be, because -- I'm just going off the
13 past hearing of the data center. There was some
14 testimony about the status of the zoning and the land use
15 and just how this fit into it. And I know it was of
16 interest to the Committee.

17 MR. SUNDLOF: One thing that Bill mentioned
18 that I wanted to reemphasize is that our customer here,
19 Google, has a high degree of sensitivity toward secrecy.
20 So you will see, as our testimony goes forward, if it's
21 as a little vague on a few points, that's why.

22 CHMN. CHENAL: There's no NEPA issues, it's not
23 federal --

24 MR. SUNDLOF: No.

25 CHMN. CHENAL: -- land in any way?

1 MR. SUNDLOF: It's not.

2 CHMN. CHENAL: Mesa's in favor of the project?

3 MR. TAEBEL: Yes.

4 CHMN. CHENAL: There's no objection to the
5 project that I can see in anything that's in the record
6 that I've seen so far. Is that a fair statement?

7 MR. SUNDLOF: Nobody's objected to the project
8 per se. There seems to be just the visual impact that's
9 the issue.

10 MR. TAEBEL: On that minor point, I did have a
11 chance to review the proposed certificate. And I think
12 Mesa will have a couple of proposals in terms of some of
13 the conditions, but we'll shop it with SRP before we
14 submit a proposal.

15 CHMN. CHENAL: Okay. That's fine. Anything
16 you can work out ahead of time will be helpful.

17 And then if there are any changes, those would
18 be tracked changes along with any comments I have to what
19 they've submitted.

20 MR. SUNDLOF: Yes.

21 CHMN. CHENAL: So that left side of the screen
22 that I talked about when we begin deliberations would
23 have tracked changes with Mesa's additions and any
24 changes that -- and that's just for discussion, something
25 to get on the board to start having the conversation. It

1 doesn't mean that Mesa may be advocating for these
2 changes. But any that you see from me are not
3 necessarily ones that I'm pushing for so much as just to
4 have a discussion on the record and see what the
5 Committee wants to do with it.

6 Well, I've exhausted my checklist other than
7 are there any other matters or issues we should discuss?

8 MR. SUNDLOF: Not that I know of.

9 CHMN. CHENAL: I didn't think this was going to
10 take a long time. As I was reviewing the materials last
11 night, I thought it was pretty much all in order, and I
12 didn't see that there were going to be any major
13 problems.

14 MR. SUNDLOF: We had lunch with our data center
15 expert today, and I think you'll like him. He has a lot
16 of knowledge.

17 CHMN. CHENAL: There was a lot of interest in
18 this project on the whole data center, the need.

19 MR. SUNDLOF: And he can talk about future
20 trends and all that stuff.

21 CHMN. CHENAL: You have asked for 20 years.

22 MR. SUNDLOF: Yes.

23 CHMN. CHENAL: Our general -- the norm for CECs
24 that we've issued is 10, so just be prepared to explain
25 why 20 years is being requested. I think it would be

1 important for you to do just because there will be some
2 questions on it. I don't know if there's going to be a
3 problem with it, but I just think you need to explain why
4 you need 20 years. That's way beyond what we've normally
5 provided in projects. But, again, it's not a comment by
6 me on it that it's not appropriate. I just think you'll
7 find you have some questions on it.

8 MR. SUNDLOF: Okay.

9 CHMN. CHENAL: So that's all I can think of.

10 Tuesday, I look forward to starting the hearing
11 with you. And, again, if anything comes up in the
12 interim, just give us a call, and we'll sort it out
13 beforehand.

14 MR. SUNDLOF: Thank you. We'll see you
15 Tuesday.

16 MS. COBB: I do have a question. I'm kind of
17 curious. You've kind of touched on that your customer
18 has some sensitivity issues.

19 MR. SUNDLOF: Yes.

20 MS. COBB: Is it related to intellectual
21 property? Technology?

22 MR. SUNDLOF: It relates to just about anything
23 you can think of. The amount of power they're going to
24 use. What their buildings are going to look like. What
25 their step-down voltages will be. Where they're going to

1 put the stuff. I mean, it's just all trade secrets.

2 CHMN. CHENAL: Okay.

3 MR. SUNDLOF: So that's what we deal with.

4 CHMN. CHENAL: Okay. If there's nothing else,
5 the meeting is adjourned, and we'll see you all Tuesday.

6 MR. SUNDLOF: Thank you.

7 (The prehearing conference concluded at
8 1:35 p.m.)

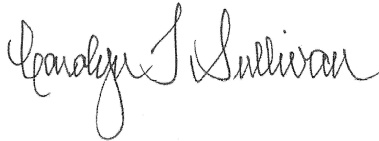
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

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 31st day of October, 2019.

16
17
18
19
20
21
22
23
24
25


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

26 I CERTIFY that COASH & COASH, INC., has complied
27 with the ethical obligations set forth in ACJA
28 7-206(J)(1)(g)(1) through (6).

29
30
31
32
33
34
35


COASH & COASH, INC.
Arizona Registered Firm
No. R1036