

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	Jeff Mcguire	Appointed Member
9	A. Wayne Smith	Appointed Member
10	Sandie Smith	Appointed Member
11	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 ~ An amended Aquifer Protection Permit (APP) was issued with  
8 an effective date of April 6, 2005.***

9 ***SRP and RWCD are close to finalizing the Water Discharge Operating  
10 Agreement. Both parties are expected to sign the agreement very soon  
11 as final approval was pending receipt of the amended APP Permit. The  
12 Operating Agreement is necessary so that SRP access to the RWCD  
13 outfall can be utilized for sampling and monitoring as stipulated in the  
14 APP permit. The RWCD outfall is where the water discharges from the  
15 SRP pipeline into the RWCD canal.***

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

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

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

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

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

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

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

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

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

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

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

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

23 The objective of the CWG shall be to refine the landscaping and mitigation  
24 concept plans submitted during these hearings (Exhibit 88). The CWG shall  
25 work to achieve appropriate visual mitigation of plant facilities and to  
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

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

6 **Status ~**

7 **Onsite Landscaping Program ~**

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

15 ***In the "Trails Area" to the east of the power plant, work is almost  
16 complete. The "Trails Area" includes a horse trail, unpaved equestrian  
17 resting areas complete with benches for the horse's rider, and a shared  
18 use path, surrounded by decorative masonry walls, path lighting, and  
19 new plantings of trees and shrubs.***

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

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

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

9. Applicant shall, where reasonable to do so, plant on site trees by the fall of 2001. Because planting of trees must await the improvement of Warner Road and the design and construction of berms, this condition will largely

1 apply to trees on the East side of the site, and some of the trees on the  
2 North side. All landscaping will be installed prior to the installation of major  
3 plant equipment such as, but not limited to, exhaust stacks, combustion  
4 turbines, and heat recovery steam generators, except where delays are  
5 reasonably necessary to facilitate construction activities.

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

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

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

***Unit 5 began commercial operation on April 1, 2005 and plant personnel  
are conducting additional off-site noise testing on a weekly basis during  
the month of April. The noise tests are being taken at 8 p.m. at the three  
sites designated by the Santan Neighborhood Committee (SNC) on the  
north, east and south sides of the plant boundaries. The SNC  
committee is responsible for establishing the locations, timing and  
frequency of the noise tests. Following the first month of weekly noise  
tests, the tests will be extended to a monthly basis. Once several  
months of noise data have been collected, the SNC expects that noise  
tests will be conducted on a quarterly basis. The weekly noise data for  
April will be reviewed at the May 25<sup>th</sup> SNC meeting. For more  
information on the SNC, please refer to condition 19.***

- 25 11. Applicant will work with the Gilbert Unified School District to assist it in  
converting as many as possible of its school bus fleet to green diesel or  
other alternative fuel, as may be feasible and determined by Gilbert Unified

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

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

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

9 **Status ~ Phase 2 of the Gilbert Transportation Study (the Gilbert Bicycle  
10 & Pedestrian Plan) is 98% complete. The Gilbert Transportation Study  
11 was developed to integrate with the Maricopa Association of  
12 Government's (MAG) Transit Study. Final comments from the Technical  
13 Advisory Committee (TAC) on the report have been incorporated in the  
14 Plan. The draft Development Guidelines document was prepared and  
15 submitted to the Town of Gilbert for final comments. A presentation  
16 describing the Plan and Development Guidelines was made to the  
17 Gilbert Planning and Zoning Commission and Gilbert Park Advisory  
18 Commission the first week of March 2005.**

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

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

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

6 **Status ~ SRP's ability to store CAP water during the first quarter of 2005  
7 was curtailed due to releases to the Salt River below Granite Reef Dam.  
8 The delivery channel for the Granite Reef Underground Storage Project  
9 (GRUSP) crosses the Salt River and was washed out by the high flows.  
10 The delivery channel is currently being repaired and deliveries to  
11 GRUSP should commence in May. SRP will increase its monthly  
12 deliveries to GRUSP for the next several months to make up for the  
13 outage period.**

14 **To date, SRP has delivered a total of 50,191 acre feet of CAP water to  
15 GRUSP for future use at the Santan Expansion Project (SEP) via  
16 recovery from any SRP owned wells (Association or District) and**



1 **delivered to SEP from the Eastern Canal (or onsite District wells). Even**  
2 **with the GRUSP outage, SRP continues to be ahead of its storage**  
3 **schedule and projects that SRP will continue to store CAP water in**  
4 **GRUSP through 2011 for recovery and use at Santan. Since Unit 5**  
5 **began commercial operation on April 1, 2005, SRP surface water or CAP**  
6 **water is being utilized for the plant's operation.**

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

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

16. Applicant agrees to maintain on file with the Town of Gilbert safety and emergency plans relative to emergency conditions that may arise at the plant site. On at least an annual basis Applicant shall review and update, if necessary, the emergency plans. Copies of these plans will be made available to the public and on Applicant's web site. Additionally Applicant will cooperate with the Town of Gilbert to develop an emergency notification plan and to provide information to community residents relative to potential emergency situations arising from the plant or related facilities. Applicant agrees to work with the Gilbert police and fire departments to jointly develop on site and off-site evacuation plans, as may be reasonably appropriate. This cooperative work and plan shall be completed prior to operation of the plant expansion.

**Status ~ SRP does and will continue to comply with all safety standards including secondary containment for bulk materials (chemicals) and development of evacuation procedures for plant personnel. A detailed copy of the response plan is available at the Town of Gilbert Fire Department as well as with the State Emergency Response Commission (SERC) and the Maricopa County Local Emergency Planning Committee (LEPC).**

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

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

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

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

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

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***Status ~ The Santan Neighborhood Committee (SNC) met in February and March to receive training on how to interpret environmental data (air, noise, and water quality), and to discuss the status of Santan Unit 5 and organizational issues. The committee discussed the proposed bylaws provided to the SNC by SRP. The SNC Chairman will provide a final draft of the bylaws to the committee for further discussion and approval at the next scheduled meeting on May 25, 2005.***

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***As mentioned in SRP's response to condition 10, plant personnel are conducting off-site noise testing on a weekly basis during April. The noise tests are being taken at 8 p.m. at the three sites designated by the SNC (north, east and south sides of the plant boundaries). Following the first month of weekly noise tests, the tests will be extended to a monthly basis. Once several months of noise data have been collected, the noise tests are expected to be conducted on a quarterly basis. The noise data will be reviewed at the May 25<sup>th</sup> SNC meeting. The SNC committee is responsible for establishing the locations, timing and frequency of the noise tests.***

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***A newsletter was mailed out in April to residents living within a .5 mile radius of the plant. The newsletter addresses the commercial operation***

1 **of Unit 5 as well as announcing the formation of the Santan**  
2 **Neighborhood Committee. The newsletter is included as Appendix A.**

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

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

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

14 ***Status ~ SRP's current plans are to sell the SEP lateral to a third party.***  
15 ***SRP sent out a Request for Expression of Interest (Requests for***  
16 ***Interest) in late July 2004 to various parties that might be interested in***  
17 ***purchasing the lateral. SRP has narrowed its selection to two***  
18 ***proposals and is currently reviewing those two parties' proposals.***

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

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

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

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

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

36 ***Status ~ A representative of the Arizona Department of Health Services***  
37 ***serves on the Santan Neighborhood Committee. The representative's***  
38 ***role is to provide technical assistance and expertise to the citizens***

1                    **committee mentioned in condition 19. Such assistance will cover air,**  
2                    **noise, and water quality issues.**

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

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

- 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  
18                    Valley generating facilities.

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

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

26                    **Status ~ SRP has installed continuous emission monitoring equipment**  
27                    **on the new units. SRP is currently developing the presentation**  
28                    **materials and graphics for the emissions data that will be posted on the**  
29                    **Santan Website. Tentative plans are to begin posting the emissions**  
30                    **data for the existing and new units on the website beginning in July,**  
31                    **2005.**

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

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

37                    **Improvements to Warner Road and Val Vista Road ~ These**  
38                    **improvements are complete.**

1                   **Screening of the Plant** ~ All of the screening, with the exception of the  
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25                   **Screening of the Plant** ~ All of the screening, with the exception of the

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

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

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

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

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

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

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

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

- 3                    31. Applicant will construct the heat recovery steam generators (“HRSG”)  
4                    approximately 15 feet below grade and will construct the HRSGs so that the  
5                    overall height of the HRSG module from the natural grade is no more than  
6                    80 feet.

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

- 8                    32. Applicant will complete the installation of the dry low NOX burners on the  
9                    existing units prior to the construction of the new units.

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

- 11                   33. Applicant shall not transfer this Certificate to any other entity for a period of  
12                   20 years from the date of approval by the Corporation Commission, other  
13                   than as part of a financing transaction where operational responsibilities will  
14                   remain with Applicant, and where Applicant will continue to operate the plant  
15                   in accordance with this Certificate.

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

- 17                   34. Applicant shall post on its website, when its air quality permit application is  
18                   submitted to the Maricopa County Environmental Services Department.  
19                   Also, Applicant shall post on its website any official notice that may be  
20                   required to be posted in newspapers for its air quality permit application.

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

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

23                   ARIZONA POWER PLANT AND TRANSMISSION  
24                   LINE SITING COMMITTEE

25                   \_\_\_\_\_  
By Paul A. Bullis  
Its Chairman

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2  
3 In the matter of the Application of Salt )  
4 River Project Agricultural Improvement and )  
5 Power District in conformance with the )  
6 requirements of Arizona Revised Statutes )  
7 Sections 40-360-03 and 40-360.06, for a ) Case No. 105  
8 Certificate of Environmental Compatibility )  
9 authorizing the Expansion of its Santan ) Docket No. L-00000B-00-0105  
10 Generating Station, located at the intersection )  
11 of Warner Road and Val Vista Drive, ) Decision No. \_\_\_\_\_  
12 in Gilbert, Arizona, by adding 825 megawatts )  
13 of new capacity in the form of three combined )  
14 cycle natural gas units, and associated )  
15 intraplant transmission lines. )  
16 \_\_\_\_\_ )

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

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

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

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

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

36. Due to the plant's location in a non-attainment area, the Applicant shall not use diesel fuel in the operation of any combustion turbine or heat recovery steam generator located at the plant.

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

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

37. In obtaining emissions reductions related to Carbon Monoxide (CO) emissions, Applicant shall, where technologically feasible, obtain those emission reductions onsite to the Santan Expansion Project.

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

38. Beginning upon commercial operation of the new units, Applicant shall conduct a review of the Santan Generating facility operations and equipment every five years and shall, within 120 days of completing such review, file with the Commission and all parties in this docket, a report listing all improvements which would reduce plant emissions and the costs associated with each potential improvement. Commission Staff shall review the report and issue its findings on the report, which will include an economic feasibility study, to the Commission within 60 days of receipt. Applicant shall install said improvements within 24 months of filing the review with the Commission, absent an order from the Commission directing otherwise.

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



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

4 ***Status ~ In March 2005, a check for \$20,000 was sent to the Arizona  
5 Corporation Commission, for deposit in the Pipeline Safety Revolving  
6 Fund. This check satisfies compliance with this condition for the year  
7 ending April 30, 2005. A copy of the transmittal letter to Mr. Alan  
8 Bohnenkamp, Interim Director of Pipeline Safety for the Arizona  
9 Corporation Commission, is included as Appendix B. Subsequent  
10 checks will be distributed in the March/April timeframe each year.***

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

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

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

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

22 **APPROVED AS AMENDED BY ORDER OF THE ARIZONA CORPORATION  
23 COMMISSION**

24 \_\_\_\_\_  
25 Chairman

Commissioner

Commissioner

In Witness hereof, I, Brian C. McNeil,  
Executive Secretary of the Arizona  
Corporation Commission, set my hand  
and cause the official seal of this  
Commission to be affixed this \_\_\_\_ day  
of \_\_\_\_\_, 2001.

By: \_\_\_\_\_  
Brian C. McNeil  
Executive Secretary

Dissent: \_\_\_\_\_