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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

LEA MÁRQUEZ PETERSON– CHAIRWOMAN
SANDRA D. KENNEDY
JUSTIN OLSON
ANNA TOVAR
JIM O'CONNOR

Arizona Corporation Commission
DOCKETED
APR 28 2022
DOCKETED BY

IN THE MATTER OF THE APPLICATION OF SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES, SECTIONS 40-360, ET SEQ., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE EXPANSION OF THE COOLIDGE GENERATING STATION, A NATURAL GAS-FIRED, SIMPLE-CYCLE POWER PLANT NEAR COOLIDGE, ARIZONA, THAT WAS BUILT BETWEEN 2009 AND 2011 AND PURCHASED BY SRP IN 2019 TO HELP SUPPORT GROWING DEMAND FOR POWER IN THE REGION.	DOCKET NO. L-00000B-21-0393-00197 CASE NO. 197 DECISION NO. 78545 **ORDER**

Open Meeting
April 12 and 13, 2022
Phoenix, Arizona

BY THE COMMISSION:

The Arizona Corporation Commission ("Commission") has conducted its review, pursuant to A.R.S. § 40-360.07. Pursuant to A.R.S. § 40-360.07(B), the Commission in compliance with A.R.S. § 40-360.06 and in balancing the broad public interest and the need for adequate, economical, and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of the state, finds that the above-captioned Application for a Certificate of Environmental Compatibility ("CEC") for siting approval is hereby denied.

DISCUSSION

Background

On December 13, 2021, Salt River Project Agricultural Improvement and Power District ("SRP") filed an Application for a CEC to expand its Coolidge Generating Station, a natural gas-fired simple-cycle power plant located in Coolidge, Arizona ("Coolidge Expansion Project", "CEP" or

"Project").[1] The CEP consists of 16 General Electric 1.M6000 PC SPRINT NxGen individual simple-cycle combustion turbine generator units, each producing up to 51.25 megawatts (MWs), for a total of 820 MWs, and associated interconnection facilities including new 500 kV transmission lines and a new 500 kV switchyard, which SRP may later convert to a 500/230 kV substation. The new generation units will be located immediately adjacent to and south of the existing units at the Coolidge Generating Station. Sixteen stacks, approximately 85 feet tall, will be located adjacent to the combustion turbine generator units. The Project will be located entirely on land owned by SRP. SRP states that the CEP will allow SRP to meet near-term capacity needs in its service territory which is among the fastest growing regions in the nation while providing needed capacity and reliability to facilitate the integration of additional renewable resources.[2]

The Coolidge Generating Station, and the CEP are located in Coolidge, but the closest community to the plant is the unincorporated community of Randolph. Randolph is a historic Black community, currently with approximately 150 residents, established in the 1920s.

Sierra Club, Western Resource Advocates ("WRA"), residents of Randolph ("Randolph Residents"), and the Commission's Utilities Division ("Staff") are intervenors in this matter.

On December 16, 2021, the Chairman of the Power Plant and Transmission Line Siting Committee ("Committee") set a hearing on the Application for CEC to commence on January 18, 2022, in Casa Grande, Arizona. Following a Motion for Continuance filed by Sierra Club on December 20, 2021, which motion was joined by WRA and Randolph Residents, the hearing was continued to commence on February 7, 2022.

On January 12, 2022, Staff filed a letter in response to a request from the Committee Chairman for comments on whether the Project will improve the reliability and/or safety of the operation of the grid. In its response, Staff concluded that it was unable to fully comment on whether the Project could improve the reliability and safety of the grid or delivery of power in Arizona, but Staff agreed that the CEP would allow SRP to have the ability to fast-ramp generation and can provide system reliability in nearly all conditions.

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[1] CEC Application SRP Exhibit ("Ex") 1 in the Committee Hearing.
[2] SRP Ex 1, Ex A at 3.

The hearing convened as scheduled on February 7, 2022, and continued through February 16, 2022.

At the hearing before the Committee, SRP presented the testimony of 10 witnesses. John Coggins, SRP's Associate General Manager and Chief Power System Executive, testified about the importance of reliability, SRP's generation portfolio, the significance of near-term growth in SRP's service territory, and transformational changes facing the electric industry. Grant Smedley, SRP's Director of Resource Planning, Acquisition and Development, testified about the need for the CEP, resource planning considerations and how the plant would complement SRP's battery storage resources. Bill McClellan, SRP's CEP Project Manager, testified about the project's descriptions and the benefits of using existing infrastructure; Angie Bond-Simpson, SRP's Director of Integrated System Planning and Support, testified about planning for reliability, how SRP evaluates resource options, and the alternative resource analyses that SRP conducted. Christina Hallows, SRP's manager of Public Involvement, and Anne Rickard, SRP's Director of Community Partnership, testified about public notice and outreach. Devin Petry, Senior Project Manager with SWCA Environmental Consultants ("SWCA"), testified about environmental studies conducted by SWCA in support of the CEP. Kristin Watt, SRP's Manager of Air Quality, testified about the air permit application and the ambient air quality modeling assessment and existing air quality in the CEP area. Kendra Pollio, Principal with KP Environmental, testified about her involvement in the initial siting of the Coolidge Generating Stations and her assessment of the CEP's effects on the Randolph community. Robert Olson, SRP's Director of Supply and Trading of Fuel, testified about fuel supplies during specific times of constraint.

Sierra Club offered the testimony of three witnesses. Rob Gramlich, president of Grid Strategies, LLC, testified concerning the technical and cost aspects of the CEP including the project's proposed objective, the technical practicality of achieving that objective and methods available for achieving that objective. Sandy Bahr, director of Sierra Club's Grand Canyon Chapter, testified about the environmental impacts of the CEP, including impacts relative to water, air quality and public health. Cara Bottorff, a senior electric sector analyst for Sierra Club, testified about the estimated health

impacts of changes to emissions from the CEP as modeled by the Environmental Protection Agency's Co-Benefits Risk Assessment ("COBRA") tool.

WRA presented the testimony of Alexander Routhier, WRA's Senior Clean Energy Policy Analyst, who testified about the public health impact of greenhouse gases and the effects of failing to reduce greenhouse gas emissions.

Randolph Residents offered the testimony of eight witnesses. Ron Jordan and Melvin Moore, long-term residents of Randolph, testified about the history of Randolph and the impact of the existing plant on families, health, and property values, and the community's objection to the CEP. Dagney Signorelli, environmental justice chair of the Social Justice and Engineering Initiative and a former employee of Pinal County Air Quality Control, testified about air quality in Pinal County and the impacts of exposure to particulate matter. Mark Stapp, a real estate economist, development expert, and professor of real estate at Arizona State University, testified about studies that identified negative externalities resulting from proximity to power plants and about the historical and planned development in the Pinal County/Randolph area and the long-term impact on property values. Timothy Collins, professor of geography and environmental and sustainability studies at the University of Utah, testified about environmental justice and patterns of inequities for Black Americans due to exposure to pollution and disproportionate exposure to various air pollutants relevant to the CEP. Sara Grineski, professor of sociology and environmental studies at the University of Utah, testified about the disproportionate health conditions suffered by Black Americans due to environmental causes such as exposure to natural gas fired power plants and about the predicted air pollution emissions within the CEC application and their corresponding health implications; Adrienne Hollis, principal of Hollis Environmental Consulting Services, LLC, testified about the nature of environmental contamination exposure and the importance of maintaining the history of African American communities and other communities of color. Stephanie Malin, associate professor of sociology at Colorado State University, testified about community impacts of fossil fuel production, particularly on rural communities.

Andrew Smith, an engineering supervisor for Staff, testified about the requirement for an updated power flow analysis and system impact study and that Staff did not evaluate alternatives to the CEP when it evaluated impacts on the grid and the reliability of the Project.

At the conclusion of the hearing, the Committee voted 7 to 2 to approve the CEC.

On February 23, 2022, the Committee issued a CEC for the CEP, which is attached hereto as Exhibit A, authorizing the CEP subject to certain conditions.

On February 24, 2022, the Commission's Legal Division filed Staff's Notice of Filing Sample Forms of Order for Case No. 197.

Also on February 24, 2022, SRP filed a Request for Consideration at Special Open Meeting, requesting that the Commission consider the CEC on March 25, 2022.

On February 25, 2022, Randolph Residents filed an Opposition to Request for Consideration at Special Open Meeting on March 25, 2022, requesting that the matter be heard at the Commission's Regular Open Meeting scheduled on April 12-13, 2022, to give Randolph Residents sufficient time to consider the impact of the conditions in the CEC.

On the same date, pursuant to A.R.S. § 40-360.07(A), Randolph Residents filed a Request for Review of the Line-Siting Committee Decision by the Corporation Commission. Randolph Residents requested that pursuant to A.R.S. § 40-360.07(B), the Commission request written briefs or oral argument.

On February 28, 2022, by Procedural Order, the parties were ordered to file briefs by March 14, 2022, public comment was set for March 15, 2022, during the Commission's regularly scheduled Open Meeting, and oral argument was set for March 16, 2022, during the second day of the Commission's March Open Meeting.

On March 10, 2022, Sierra Club filed a Request for Review of Arizona Power Plant and Line Siting Committee Decision pursuant to A.R.S. § 40-360.07(B). Sierra Club did not request a change in the schedule for briefs or oral argument.

On March 14, 2022, SRP, Randolph Residents, Sierra Club, and WRA filed briefs.

On March 15, 2022, during the Commission's Open Meeting, telephonic public comment was received. The majority of callers opposed the proposed CEP, either for environmental reasons or due to the impacts on the local Randolph community.

On March 16, 2022, during the Commission's Open Meeting, Randolph Residents, Sierra Club, WRA, Staff, and SRP appeared through counsel before the Commission for oral argument on the

review pursuant to A.R.S. § 40-360.07(B). Following oral argument, the Commission took the matter under advisement for consideration at a subsequent Open Meeting.

In its brief and in oral argument, Randolph Residents assert that the Committee did not meet the statutory standards of A.R.S. § 40-360.06. Specifically, Randolph Residents argue that A.R.S. § 40-360.06(A)(1) requires the consideration of private developments planned near the CEP. They state that SRP did not include information about such private developments in its application and that the Committee did not consider them, in violation of A.R.S. § 40-360.06(A)(1).[3] Randolph Residents claim that SRP did not investigate actual noise levels but only performed modeling for increases in noise and that testimony from Randolph Residents witnesses refuted the conclusion that the increased noise would be barely perceptible and as a result, A.R.S. § 40-360.06(A)(3) which requires consideration of noise levels, is not adequately addressed in the CEC as issued.[4] In addition, Randolph Residents argue that the CEC does not adequately address the testimony of Randolph Residents witnesses about historic homes, the culture of the area, and view impacts, and thus, the CEC fails to comply with A.R.S. § 40-360.06(A)(5) which requires that scenic areas and historic sites and structures be considered.[5] Randolph Residents argue that A.R.S. § 40-360.06(A)(6) which requires consideration of the total environment of the area was not properly addressed in light of testimony about declining housing values, increasing health risks and decreasing neighborhood well-being.[6] Furthermore, Randolph Residents argue that discrimination and environmental justice are factors that must be considered under A.R.S. § 40-360.06(A)(9) which requires consideration of additional factors under applicable federal and state laws.[7] Concerning this point, Randolph Residents cited to testimony about the extensive industrial encroachment on the Randolph community over time, disparities caused by environmental injustice and the impact of pollution resulting in poorer health consequences, and a lack of robust engagement with the community by SRP, resulting in paltry offers of compensation in comparison to what SRP has provided to white communities.[8] Randolph Residents argue that the CEC

[3] Randolph Residents Brief at 2.
[4] Randolph Residents Brief at 3-5.
[5] Randolph Resident Brief at 5-7.
[6] Randolph Residents Brief at 8-12.
[7] Randolph Residents Brief at 13.
[8] Randolph Residents Brief at 15 *citing* Decision No. 63611(May 1, 2001)(concerning SRP San Tan Generating Station in Gilbert, Az).

as issued is arbitrary and capricious in violation of A.R.S. § 40-360.06(A)(9), because it fails to properly consider the overwhelming public opposition to the Project and the impact on the Randolph Residents. [9] Further, Randolph Residents argue that the Committee failed to fairly consider the public and Randolph Intervenors when balancing the overall public interest as required by A.R.S. § 40-360.07(B).[10] Randolph Residents argue that the CEC for the Project should be denied because damages cannot adequately compensate for the injuries suffered as a result of going forward with the Project, but if the Project is approved, the residents must receive compensation for their losses.

Sierra Club presents the following five primary reasons for denial of the CEC: (1) the overall environmental impact; (2) the location-specific environmental impacts; (3) the flawed and rushed process by which SRP selected the Project to meet its need for peaking capacity; (4) SRP's failure to consider and its rejection of reasonable alternatives to the CEP; and (5) the legally deficient CEC Application. Sierra Club cites to evidence presented to the Committee concerning the projected negative and cumulative health impacts from increased air pollution, climate change, noise pollution, visual and light pollution, and water consumption.[11] Sierra Club also argues that the specific location of the CEP is inappropriate as it is within 1000 feet of the historically Black Randolph community and less than a half mile from the Arizona Training Program – a home and care facility for disabled persons. Sierra Club also points to the lack of outreach to the Randolph community as compared to the process SRP engaged in with the more affluent community of Gilbert.[12] Further, Sierra Club notes that even though SRP had adequate time to conduct an all-source RFP, SRP failed to use the RFP process which Sierra Club argues is the best way to secure new capacity.[13] Sierra Club points to testimony that there are alternatives to the CEP that would have significantly reduced environmental impacts and that SRP did not fairly evaluate.[14] Finally, Sierra Club argues that no party could confirm that SRP filed the power flow study required by A.R.S. § 40-360.02 and, thus, the CEC application was legally deficient.[15]

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[9] Randolph Residents Brief at 20-21.
[10] Randolph Residents Brief at 23-26
[11] Sierra Club Brief at 2-10.
[12] Sierra Club Brief at 11.
[13] Sierra Club Brief at 12-13.
[14] Sierra Club Brief at 13-17.
[15] Sierra Club Brief at 17-18.

WRA argues that the evidence in this matter weighs in favor of denying the CEC because the Project presents unreasonable risks to the total environment of the area by worsening and speeding the impacts of climate change. More specifically, WRA cites to evidence that approval of the CEP, which is expected to result in the addition of over one-half million tons of CO_2 annually, will contribute to extreme heat, prolonged drought, decreased crop yields and increased wildfire risk.[16] WRA cites Sierra Club's testimony that SRP could obtain the same reliability as it expects from the CEP, at a lower cost, by using solar panels and battery storage.[17]

SRP argues that given the current economic development activity in Arizona, the Project is urgently needed for SRP to meet rapid load growth.[18] SRP states that reliability is critical and that it is pursuing a strategy to acquire an array of resource types while reducing its carbon footprint. SRP states that it will need over 700 MW of additional power by 2023 and an additional 300 MW by 2025.[19] SRP asserts that the CEP is needed to help SRP reliably integrate more renewable resources because the intermittent nature of solar and wind means they cannot be counted on as firm generation to meet demand. SRP disputes Sierra Club's contention that battery storage would provide the same benefits as the CEP, and moreover, states that SRP is adding 450 MW of battery storage in the next two years.[20] SRP asserts that the CEP is neither the cause nor a contributor to the past mistreatment of the Randolph community, and that the Committee correctly found that the environmental effects of the expansion project will be minimal.[21] SRP states that it is committed to assisting Randolph with community improvements. SRP notes that the CEC as issued contains several conditions that are modeled on those included for the Gilbert San Tan Generating Station, including commitments to limit nighttime construction noise (CEC Condition 13) and provide public access to emergency and safety plans and emissions monitoring data (CEC Conditions 16 and 17). SRP asserts that the Project is environmentally compatible with the surrounding area because it is being constructed on an existing generation site which minimizes the impacts from additional transmission facilities or pipelines.[22] SRP argues that its

[16] WRA Brief at 6-10.
[17] WRA Brief at 10.
[18] SRP Brief at 4-5.
[19] SRP Brief at 5.
[20] SRP Brief at 6-8.
[21] SRP Brief at 9.
[22] SRP Brief at 10.

site-specific analyses demonstrate that the CEP will have minimal environmental effects and will not negatively affect human health or the environment.[23] In support, SRP points to testimony that the Project will use minimal water, that emissions will not cause or contribute to exceedance of the National Ambient Air Quality Standards, that the Project is on SRP's land and will not affect whether the Randolph community receives historical designation, and that the Project does not use or create significant amounts of chemicals or hazardous materials.

On March 15, 2022, at the request of Commissioner O'Connor, Randolph Residents filed a Supplement outlining possible amelioration conditions that could be included in the CEC should it be granted.

On March 28, 2022, Commissioner O'Connor filed a letter in the docket requesting that SRP and any other interested parties file responses to the Supplement filed by Randolph Residents.

Standard for Review

In determining whether to support a new CEC, the Commission is guided by A.R.S. § 40-360.06 and § 40-360.07(B). Together these statutes require the Commission to determine the environmental impact and need for the proposed project. Specifically, A.R.S. § 40-360.07(B) states that "[i]n arriving at its decision, the commission shall comply with the provisions of [A.R.S.] § 40-360.06 and shall balance in the broad public interest, the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state."

After our review of the record and consideration of the arguments of the parties, the Commission finds that the CEC application submitted by SRP is not complete and the record is not sufficient to allow the Commission to find that the Coolidge Expansion Project meets the standard required by A.R.S. § 40-360.07(B) to approve the project. The Commission finds that the record does not contain sufficient information to allow the Commission to find that the CEP is an economical supply of power because the power flow and stability analysis required by A.R.S. §40-360.02 (C)(7) was not part of the record, a full copy of the E3 analysis was not given to the SRP board prior to approval of the project by the board or to the Committee (and thus also is not part of the record), and

[23] SRP Brief at 12-16.

SRP did not issue an All Source Request for Proposals ("ASRFP") prior to determining to go forward with the CEP and thus neither considered nor provided the Committee sufficient information regarding any feasible and potentially economical alternatives. Further, we find that regardless of the completeness of the application, the conditions contained in the CEC as issued do not go far enough for us to find that the need for additional reliable generation outweighs the negative impacts on the environment and people of the surrounding community and the state. Consequently, the Commission must deny the CEC as presented.

Findings of Fact

1. SRP will need additional capacity to meet a growing load demand in its service territory in the next several years. According to SRP, it needs a flexible resource to maintain reliable service in its service area and facilitate the integration of more renewable resources.

2. SRP admits that it did not perform an ASRFP prior to its board voting to proceed with the CEP even though its 2018 Integrated Resource Plan specifies that the utility should go through an all-source RFP for new contracts for new-build generation.[24]

3. SRP states that it did not issue an ASRFP, or any RFP, for the CEP because it had older RFPs that provided it with sufficient data to proceed with the CEP.[25] Data from older RFPs that SRP relied upon for its decision to construct the CEP are not part of the record in this matter.

4. The record shows that SRP contracted with E3 to conduct an analysis to determine how much solar and storage would be needed to provide the equivalent reliability of the CEP.[26] Neither the SRP board, prior to voting to proceed with the CEP, nor the Committee, was given a complete copy of the E3 study.

5. SRP states that it conducted and submitted a Power Flow and Stability Study which A.R.S. § 40-360-02(C)(7) requires to be filed 90 days prior to filing an Application for CEC. However, the record does not show that the Study was provided to the Commission, reviewed by Staff, or available to any other party in connection with the consideration of the Project.

6. Without the results of an ASRFP, the E3 Study, and the Power Flow and Stability Study,

[24] LS Hearing Transcript ("Tr.") Vol. 1 at 83:7; Tr Vol. II at 273:24-274:8.
[25] Tr. Vol I at 82:1-83:11.
[26] Tr. Vol. VII at 1120:25-1121:3.

the record is not sufficient for the Commission to determine the economics of the CEP and whether there are alternatives available that would provide the same capacity, responsiveness, and reliability for SRP's customers but would be less costly and would potentially have less adverse impacts on the local residents or the environment and ecology of the state.

7. The evidence of record shows that the proposed CEP will negatively affect the total environment of the area and state and have significant negative impacts on residents in Randolph from noise levels during construction and operation of the Project, increased lighting, emissions of greenhouse gases, worsened air quality, degraded views, and lower property values. Further, the record indicates that the residents of Randolph, a historically Black community, have not been treated equitably with other more affluent white communities located in proximity to similar projects, and that Randolph citizens have suffered increased negative impacts on human health, their community and the environment as a result of the disparate treatment.

8. The conditions contained in the CEC as issued do not adequately compensate the citizens of Randolph for the damages they would incur as a result of approving the Project and as such, the balance of the need for adequate, economical and reliable power with the effects on the total environment does not weigh in favor of approving the CEC.

Conclusions of Law

1. The evidence in the record is not sufficient to weigh the balancing of the public interest in favor of granting the CEC in this matter when all the factors set forth in A.R.S. § 40-360.06 are considered along with the need for an adequate, economical, and reliable supply of electric power.

2. The conditions placed upon the CEC as issued by the Committee are not sufficient to weigh the balancing of the public interest in favor of granting the CEC in this matter when all the factors set forth in A.R.S. § 40-360.06 are considered along with the need for an adequate, economical, and reliable supply of electric power.

3. The incomplete record as identified above and the negative impacts of the Project compel balancing the competing public interests in favor of protecting the people, environment and ecology of the State of Arizona by denying Applicant a CEC.

4. The CEC issued by the Siting Committee should not be confirmed and approved by the

Commission.

Order

IT IS THEREFORE ORDERED that the above captioned Application for a Certificate of Environmental Compatibility is denied.

IT IS FURTHER ORDERED that the Certification of Environmental Compatibility issued by the Power Plant and Transmission Line Siting Committee, attached hereto as Exhibit A and incorporated herein, is denied.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRWOMAN MARQUEZ PETERSON

COMMISSIONER KENNEDY

DISSENT

COMMISSIONER OLSON

COMMISSIONER TOVAR

COMMISSIONER O'CONNOR

IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 28 day of April 2022.

MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

JLR/(gb)

SERVICE LIST FOR: SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

DOCKET NO.: L-00000B-21-0393-00197

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EXHIBIT A

BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES, SECTIONS 40-360, et. seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE EXPANSION OF THE COOLIDGE GENERATING STATION, ALL WITHIN THE CITY OF COOLIDGE, PINAL COUNTY, ARIZONA.	Docket No. L-00000B-21-0393-00197 Case No. 197 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

A. INTRODUCTION.

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (Committee) held a public hearing on February 7, 2022, through February 16, 2022, in Casa Grande, Arizona, in conformance with the requirements of Arizona Revised Statutes (A.R.S.) §§ 40-360, *et seq.*, for the purpose of receiving evidence and deliberating on the application (Application) of Salt River Project Agricultural Improvement and Power District (Applicant or SRP) for a Certificate of Environmental Compatibility (Certificate) in the above-captioned case.

The following members and designees of members of the Committee were present at one or more of the hearing days for the evidentiary presentations, public comment, and/or the deliberations:

Paul A. Katz	Chairman, Designee for Arizona Attorney General Mark Brnovich
Zachary Branum	Designee of the Chairman, Arizona Corporation Commission (Commission)
Leonard C. Drago	Designee for Director, Arizona Department of Environmental Quality

John R. Riggins	Designee for Director, Arizona Department of Water Resources
Mary Hamway	Appointed Member, representing incorporated cities and towns
Rick Grinnell	Appointed Member, representing counties
James Palmer	Appointed Member, representing agricultural interests
Margaret "Toby" Little	Appointed Member, representing the general public
Karl Gentles	Appointed Member, representing the general public

The Applicant was represented by Bert Acken of Jennings, Strouss & Salmon, PLC, and by Karilee Ramaley of SRP. The following parties were granted intervention pursuant to A.R.S. § 40-360.05: Staff of the Arizona Corporation Commission, represented by Stephen Emedi and Kathryn Ust; Sierra Club represented by Court Rich and Eric Hill; Western Resource Advocates represented by Adam Stafford; and Randolph Residents represented by Dianne Post and Autumn Johnson.

At the conclusion of the hearing, the Committee, after considering the (i) Application, (ii) evidence, testimony and exhibits presented by Applicant and interveners, and (iii) comments of the public, and being advised of the legal requirements of A.R.S. §§ 40-360 through 40-360.13, upon motion duly made and seconded, voted 7 to 2 to grant the Applicant, its successors and assigns, this Certificate for construction of the Coolidge Expansion Project as described below.

B. PROJECT OVERVIEW.

The Coolidge Expansion Project (CEP or Project) will be located in the City of Coolidge, Pinal County, and consists of sixteen (16) General Electric LM6000 PC SPRINT NxGen individual simple-cycle combustion turbine generator units, each producing up to 51.25 megawatts (MWs), for a total of 820 MW, and associated

interconnection facilities including new 500 kV transmission lines and a new 500 kV switchyard, which SRP may later convert to a 500/230 kV substation. The new generation units will be located immediately adjacent to and south of the existing units at Coolidge Generating Station. Sixteen (16) stacks, approximately 85 feet tall, will be located adjacent to each combustion turbine generator unit. The Project will be located entirely on land owned by SRP. A general location map of the Project showing the general placement of the combustion turbine generator units and the interconnection facilities is set forth in **Exhibit A**. Because this Project is totally contained on SRP-owned land, SRP does not require a right-of-way to access the site.

CONDITIONS

This Certificate is granted upon the following conditions:

1. This authorization to construct the Project shall expire five (5) years from the date this Certificate is approved by the Arizona Corporation Commission, with or without modification. Construction of the Project shall be complete, such that the Project is in-service within this five-year timeframe. However, prior to the expiration of the time period, the Applicant may request that the Commission extend the time limitation.

2. In the event that the Project requires an extension of the term(s) of this Certificate prior to completion of construction, the Applicant shall file such time extension request at least one hundred and eighty (180) days prior to the expiration of the Certificate. The Applicant shall use reasonable means to promptly notify the Board of Supervisors of Pinal County, the City of Coolidge and all other cities and towns within a five (5) mile radius of the Project, and all landowners and residents within a five (5) mile radius of the Project, all persons who made public comment at this proceeding who provided a mailing or email address, and all parties to this proceeding. The notification provided will include the request and the date, time, and place of the hearing or open meetings during which the Commission will consider the request for extension.

Notification shall be no more than three (3) business days after the Applicant is made aware of the hearing date or the open meeting date.

3. During the development, construction, operation, maintenance and reclamation of the Project, the Applicant shall comply with all existing applicable air and water pollution control standards and regulations, and with all existing applicable statutes, ordinances, master plans and regulations of any governmental entity having jurisdiction including, but not limited to, the United States of America, the State of Arizona, Pinal County, the City of Coolidge, and their agencies and subdivisions, including but not limited to the following:

a. All applicable land use regulations;

b. All applicable zoning stipulations and conditions including but not limited to, landscaping and dust control requirements;

c. All applicable water use, discharge and/or disposal requirements of the Arizona Department of Water Resources and the Arizona Department of Environmental Quality;

d. All applicable noise control standards and light control standards; and

e. All applicable regulations governing storage and handling of hazardous chemicals and petroleum products.

4. The Applicant shall obtain all approvals and permits necessary to construct, operate and maintain the Project required by any governmental entity having jurisdiction including, but not limited to, the United States of America, the State of Arizona, Pinal County, the City of Coolidge, and their agencies and subdivisions.

5. The Applicant shall comply with the Arizona Game and Fish Department (AGFD) guidelines for handling protected animal species, should any be encountered during construction and operation of the Project, and shall consult with AGFD or U.S. Fish and Wildlife Service, as appropriate, on other issues concerning wildlife.

6. The Applicant shall design the Project's interconnection facilities to incorporate reasonable measures to minimize electrocution of and impacts to avian species in accordance with the Applicant's avian protection program. Such measures will be accomplished through incorporation of Avian Power Line Interaction Committee guidelines set forth in the current versions of *Suggested Practices for Avian Protection on Power Lines* and *Reducing Avian Collisions with Power Lines manuals*.

7. The Applicant shall consult the State Historic Preservation Office (SHPO) with respect to cultural resources. If any archaeological, paleontological, or historical site or a significant cultural object is discovered on state, county or municipal land during the construction or operation of the Project, the Applicant or its representative in charge shall promptly report the discovery to the Director of the Arizona State Museum (ASM), and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery as required by A.R.S. § 41-844.

8. The Applicant agrees to establish a Community Working Group (CWG) made up of the following members: up to 5 residents of the Randolph community; 1 member designated by the Pinal County Supervisors; 1 member designated by the City of Coolidge; 2 members selected by SRP; 1 member designated by the Sierra Club, if requested by the Randolph community; and 1 member designated by Western Resource Advocates, if requested by the Randolph community. The Applicant shall act as advisor to the CWG. CWG meetings shall be noticed to and be open to the general public. The initial meeting shall take place on an evening or weekend in/or near the Community of Randolph.

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 conducting an orderly and productive process. The facilitator may, if necessary, employ dispute resolution mechanisms. The Scope of the CWG will include but shall not be limited to:

- Implementing a landscaping plan to:
  - visually screen the Project and mitigate noise
  - provide landscaping in Randolph public areas
- Reducing impacts of plant lighting within limits required for plant and employee safety
- Providing a grant writer to help the Randolph community seek federal and state support to address community needs
- Implementing job training and skills development for the residents of Randolph

9. Subject to approval of Pinal County and the City of Coolidge as applicable, the Applicant shall pave the following roads:

- Roads within the Randolph community
- Randolph Road between Arizona Boulevard and Vail Road
- Kleck Road between Arizona Boulevard and Vail Road
- Vail Road between Randolph Road and Kleck Road

10. The Applicant shall establish an annual scholarship program for Randolph residents with qualifications and timelines established by the CWG.

11. The Applicant shall support efforts to establish Arizona and National Historic Designations for Randolph.

12. In consultation with the CWG, the Applicant shall facilitate discussions with Pinal County, the City of Coolidge, and other appropriate authorities regarding infrastructure improvements for the Randolph community.

13. Applicant shall operate the Project so that during normal operations the Project shall comply with OSHA worker safety noise standards. Applicant agrees that it shall use reasonable efforts to minimize nighttime construction noise.

14. Applicant will discontinue use of groundwater at the existing facility upon operation of the new facility and thereafter will use only stored surface water for power plant purposes.

15. Applicant agrees to comply 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 City of Coolidge 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 subject to the extent plans are not confidential. Additionally, Applicant will cooperate with the City of Coolidge and the CWG 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 local area 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.

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

18. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law (A.R.S §§ 3-901 *et seq.*) and shall, to the extent feasible, minimize the destruction of native plants during the construction and operation of the Project.

19. The Applicant shall make every reasonable effort to promptly investigate, identify and correct on a case-specific basis, all complaints of interference with radio or television signals from operation of the Project addressed in this Certificate and where such interference is caused by the Project take reasonable measures to mitigate such interference. The Applicant shall maintain written records for a period of five (5) years of all complaints of radio or television interference attributable to operations, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notation on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. Upon request, the written records shall be provided to the Staff of the Commission. The Applicant shall respond to complaints and implement appropriate mitigation measures. In addition, the Project shall be evaluated on a regular basis so that damaged insulators or other line materials that could cause interference are repaired or replaced in a timely manner.

20. If human remains and/or funerary objects are encountered during the course of any ground-disturbing activities related to the construction or maintenance of the Project, the Applicant shall cease work on the affected area of the Project and notify the Director of the ASM as required by A.R.S. § 41-865 for private land, or as required by A.R.S. § 41-844 for state, county, or municipal lands.

21. Within one hundred twenty (120) days of the Commission's decision approving this Certificate, the Applicant shall post signs in or near public rights-of-way, to the extent authorized by law, reasonably adjacent to the Project giving notice of the Project. Such signage shall be no smaller than a roadway sign. The signs shall advise:

a. Future site of the Project;

b. A phone number and website for public information regarding the Project; and

c. Refer the Public to the Docket https://edocket.azcc.gov/search/docket-search/item-detail/26170.

Such signs shall be inspected at least once annually and, if necessary, be repaired or replaced, and removed at the completion of construction.

The Applicant shall make every reasonable effort to communicate the decision either approving or disapproving the Certificate in digital media.

22. Upon the approval of this Certificate by the Committee, the Applicant shall provide the City of Coolidge and all other cities and towns within five (5) miles of the Project, the Board of Supervisors for Pinal County, and known builders and developers who are building upon or developing land within one (1) mile of the Project with a written description, including the approximate height and width measurements of all structure types, of the Project. The written description shall identify the location of the Project and contain a pictorial depiction of the facilities being constructed. The Applicant shall also encourage the developers and builders to include this information in their disclosure statements. Upon approval of this Certificate by the Commission, the Applicant may commence construction of the Project.

23. The Applicant shall use non-specular conductor and non-reflective surfaces for the transmission line structures on the Project.

24. The Applicant shall be responsible for arranging that all field personnel involved in the Project receive training as to proper ingress, egress, and on-site working protocol for environmentally sensitive areas and activities. Contractors employing such field personnel shall maintain records documenting that the personnel have received such training.

25. The Applicant shall follow the most current Western Electricity Coordinating Council (WECC) and North American Electric Reliability Corporation (NERC) planning standards, as approved by the Federal Energy Regulatory Commission

(FERC), National Electrical Safety Code (NESC) standards, and Federal Aviation Administration (FAA) regulations.

26. The Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.

27. When Project facilities are located parallel to and within one hundred (100) feet of any existing natural gas or hazardous pipeline, the Applicant shall:

a. Ensure grounding and cathodic protection studies are performed to show that the Project's location parallel to and within one hundred (100) feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. The Applicant shall take appropriate steps to ensure that any material adverse impacts are mitigated. The Applicant shall provide to Staff of the Commission, and file with Docket Control, a copy of the studies performed and additional mitigation, if any, that was implemented as part of its annual compliance-certification letter; and

b. Ensure that studies are performed simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within one hundred (100) feet of the existing natural gas or hazardous liquid pipeline. The studies should either: (a) show that such simulated outage does not result in customer outages; or (b) include operating plans to minimize any resulting customer outages. The Applicant shall provide a copy of the study results to Staff of the Commission and file them with Docket Control as part of the Applicant's annual compliance certification letter.

28. The Applicant shall submit a compliance certification letter annually, identifying progress made with respect to each condition contained in this Certificate, including which conditions have been met. The letter shall be submitted to Commission's Docket Control commencing on March 16, 2023. Attached to each certification letter shall be documentation explaining how compliance with each condition was achieved. Copies of each letter, along with the corresponding documentation, shall be submitted to the Arizona Attorney General's Office. With respect to the Project, the requirement for the compliance letter shall expire on the date the Project is placed into operation. Notification of such filing with Docket Control shall be made to the Board of Supervisors for Pinal County, City of Coolidge, all parties to this Docket, and all parties who made a limited appearance in this Docket.

29. The Applicant shall provide a copy of this Certificate to the Board of Supervisors for Pinal County and the City of Coolidge.

30. Any transfer or assignment of this Certificate shall require the assignee or successor to assume, in writing, all responsibilities of the Applicant listed in this Certificate and its conditions as required by A.R.S. § 40-360.08(A) and R14-3-213(F) of the Arizona Administrative Code.

31. In the event the Applicant, its assignee, or successor, seeks to modify the Certificate terms at the Commission, it shall provide copies of such request to the Board of Supervisors for Pinal County, the City of Coolidge, all parties to this Docket, and all parties who made a limited appearance in this Docket.

32. The Certificate Conditions shall be binding on the Applicant, its successors, assignee(s) and transferees and any affiliates, agents, or lessees of the Applicant who have a contractual relationship with the Applicant concerning the construction, operation, maintenance or reclamation of the Project. The Applicant shall provide in any agreement(s) or lease(s) pertaining to the Project that the contracting parties and/or

lessee(s) shall be responsible for compliance with the Conditions set forth herein, and the Applicant's responsibilities with respect to compliance with such Conditions shall not cease or be abated by reason of the fact that the Applicant is not in control of or responsible for operation and maintenance of the Project facilities.

33. During the proceeding, neighbors to the plant site raised significant concerns 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 CWG, Pinal County, City of Coolidge and the Randolph community, shall consider and attempt to maximize the positive effect of its activities on the values of the homes in the surrounding neighborhoods.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Certificate incorporates the following Findings of Fact and Conclusions of Law:

1. The Project aids the state and the southwest region of the United States in meeting the need for an adequate, economical, and reliable supply of electric power.

2. The Project aids the state, preserving a safe and reliable electrical power system.

3. During the course of the hearing, the Committee considered evidence on the environmental compatibility on the Project as required by A.R.S. § 40-360 *et seq*.

4. The Project and the conditions placed on the Project in this Certificate effectively minimize the impact of the Project on the environment and ecology of the state.

5. The conditions placed on the Project in this Certificate resolve matters concerning balancing the need for the Project with its impact on the environment and ecology of the state arising during the course of the proceedings, and, as such, serve as findings and conclusions on such matters.

6. The Project is in the public interest because the Project's contribution to meeting the need for an adequate, economical and reliable supply of electric power outweighs the minimized impact of the Project on the environment and ecology of the state.

DATED this _____ day of _____, 2022.

THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

By _____

Paul A. Katz, Chairman

CERTIFICATE OF MAILING

Pursuant to A.A.C. R14-3-204, the **ORIGINAL** of the foregoing and 25 copies were filed this ____ day of February, 2022 with:

Utilities Division – Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

COPIES of the above mailed this ____ day of February, 2022:

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By_____