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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

TOM FORESE - Chairman  
BOB BURNS  
ANDY TOBIN  
BOYD W. DUNN  
JUSTIN OLSON

IN THE MATTER OF THE APPLICATION  
OF TUCSON ELECTRIC POWER  
COMPANY ("TEP"), IN CONFORMANCE  
WITH THE REQUIREMENTS OF ARIZONA  
REVISED STATUTES §§ 40-360, ET SEQ.,  
FOR CERTIFICATES OF  
ENVIRONMENTAL COMPATIBILITY  
AUTHORIZING THE CONSTRUCTION OF  
THE RECIPROCATING INTERNAL  
COMBUSTION ENGINE GENERATION  
PROJECT AND THE IRVINGTON 138KV  
TRANSMISSION LINE RELOCATION  
PROJECT, INCLUDING THE  
INSTALLATION OF TEN (10) MODULAR  
APPROXIMATELY 20 MW  
RECIPROCATING INTERNAL  
COMBUSTION ENGINE GENERATORS  
AND CONSTRUCTION OF  
APPROXIMATELY 2.2 MILES OF NEW  
138KV TRANSMISSION LINES LOCATED  
WITHIN TEP'S IRVINGTON CAMPUS,  
SECTION 3, TOWNSHIP 15 SOUTH, RANGE  
14 EAST, PIMA COUNTY, ARIZONA.

**CASE NO. 00177**

**DOCKET NO. L-00000C-17-0365-00177**

**DECISION NO. 76639**

Arizona Corporation Commission

**DOCKETED**

**MAR 29 2018**

DOCKETED BY

Open Meeting  
March 13, 2018  
Phoenix, Arizona

**BY THE COMMISSION:**

Pursuant to A.R.S. § 40-360, *et seq.*, after due consideration of all relevant matters, the Arizona Corporation Commission ("Commission") finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Siting Committee") is hereby approved as granted by this Order.

1 The Commission, in reaching its decision, has balanced all relevant matters in the broad  
2 public interest, including the need for an adequate, economical and reliable supply of electric power  
3 with the desire to minimize the effect thereof on the environment and ecology of this state, and finds  
4 that granting the Project a CEC is in the public interest.

5 The Commission further finds and concludes that in balancing the broad public interest in this  
6 matter:

- 7 1. The Project is in the public interest because it aids the state in meeting the need for an  
8 adequate, economical, and reliable supply of electric power.
- 9 2. In balancing the need for the Project with its effect on the environment and ecology of  
10 the state, the conditions placed on the CEC effectively minimize its impact on the  
11 environment and ecology of the state.
- 12 3. The conditions placed on the CEC resolve matters concerning the need for the Project  
13 and its impact on the environment and ecology of the state raised during the course of  
14 proceedings, and as such, serve as the findings on the matters raised.
- 15 4. In light of these conditions, the balancing in the broad public interest results in favor  
16 of granting the CEC.

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1 THE CEC ISSUED BY THE SITING COMMITTEE IS  
2 INCORPORATED HEREIN AND IS APPROVED BY ORDER OF THE  
3 ARIZONA CORPORATION COMMISSION

4   
5 CHAIRMAN FORESE

  
6 COMMISSIONER DUNN

7   
8 COMMISSIONER TOBIN

  
9 COMMISSIONER OLSON

  
10 COMMISSIONER BURNS



12 IN WITNESS WHEREOF, I, TED VOGT, Executive  
13 Director of the Arizona Corporation Commission, have  
14 hereunto, set my hand and caused the official seal of this  
15 Commission to be affixed at the Capitol, in the City of  
16 Phoenix, this 29<sup>th</sup> day of MARCH,  
2018.

17   
18 TED VOGT  
19 EXECUTIVE DIRECTOR

20 DISSENT: \_\_\_\_\_

21 DISSENT: \_\_\_\_\_

1 SERVICE LIST FOR: TUCSON ELECTRIC POWER COMPANY  
 2 DOCKET NO.: L-00000C-17-0365-00177

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**BEFORE THE ARIZONA POWER PLANT  
AND TRANSMISSION LINE SITING COMMITTEE**

In the matter of the Application of Tucson Electric Power Company ("TEP"), in conformance with the requirements of Arizona Revised Statutes § 40-360, et seq., for Certificates of Environmental Compatibility authorizing the construction of the Reciprocating Internal Combustion Engine Generation Project and the Irvington 138kV Transmission Line Relocation Project, including the installation of ten (10) modular approximately 20 MW reciprocating internal combustion engine generators and construction of approximately 2.2 miles of new 138kV transmission lines located within TEP's Irvington Campus, Section 3, Township 15 South, Range 14 East, Pima County, Arizona.	Docket No. L-00000C-17-0365-00177  Case No. 177
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**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 public hearings on January 17 through January 19, 2018, in Tucson, Arizona, in conformance with the requirements of the Arizona Revised Statutes ("A.R.S.") §§ 40-360 *et seq.* for the purpose of receiving evidence and deliberating on the December 8, 2018 Application of Tucson Electric Power ("TEP" or "Applicant") for Certificates of Environmental Compatibility ("Certificates") in the above-captioned case.

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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 for the deliberations:

Thomas Chenal	Chairman, Designee for Arizona Attorney General
Leonard Drago	Designee for Director, Arizona Department of Environmental Quality
John Riggins	Designee for Director, Arizona Department of Water Resources
Laurie A. Woodall	Designee of the Chairman, Arizona Corporation Commission ("Commission")
Russell Jones	Appointed Member, representing the general public
Jack Haenichen	Appointed Member, representing the general public
James A. Palmer	Appointed Member, representing agriculture
Gilberto Villegas Jr.	Appointed Member, representing the counties

The Applicant was represented by J. Matthew Derstine, Snell & Wilmer, Marcus Jerden and Megan J. DeCorse of TEP.

At the conclusion of the hearings, the Committee, after considering the (i) Application, (ii) evidence, testimony, and exhibits presented by the Applicant, and (iii) comments of the public, and being advised of the legal requirements of the A.R.S. §§ 40-360 through 40-360.13, upon motion duly made and seconded, voted 8 to 0 to grant TEP, its successors and assigns, this Certificate for construction of the Irvington 138kV Transmission Line Relocation Project ("Transmission Line Project") as described below.

#### **B. Overview of the Transmission Line Project**

The Transmission Line Project will be located in the City of Tucson, Pima County, and entails the construction of 2.2 miles of new 138kV transmission lines. Structures will be a mixture of tangents and deadend steel monopoles. An additional 0.4 miles of existing 138kV

1 transmission line will be repurposed. A general location map of the Transmission Line Project is  
2 set forth in **Exhibit A**.

3 The purpose of the Transmission Line Project is to accommodate construction of the new  
4 Irvington 138kV substation, which will replace the existing substation, thereby providing  
5 improved reliability for TEP's system. This construction of the new Irvington 138kV substation  
6 and the Transmission Line Project is timed to coincide with and support the RICE Generation  
7 Project.

### 8 **C. Transmission Line Project Description**

9 The Transmission Line Project is approximately 2.6 miles in length and is contained  
10 within the TEP Irvington Campus on land owned by TEP as shown on **Exhibit A**. The new  
11 transmission lines will begin at the location of the existing substation and extend to the southeast  
12 to connect to the new substation. No land acquisition is required.

13 TEP's standard for 138kV construction is for a 150-foot Right of Way ("ROW").  
14 Because this project is totally contained on TEP-controlled land, TEP does not contemplate  
15 granting a specific ROW to itself across its own property. This Certificate is based on the  
16 general alignments shown on **Exhibit A**.

### 17 **CONDITIONS**

18 This Certificate is granted upon the following conditions:

19 1. This authorization to construct the Transmission Line Project shall expire seven  
20 (7) years from the date this Certificate is approved by the Arizona Corporation Commission,  
21 with or without modification. Construction of the Transmission Line Project shall be complete,  
22 such that the Transmission Line Project is in-service within this seven-year timeframe. However,  
23 prior to the expiration of the time period, TEP may request that the Commission extend the time  
24 limitation.

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1           2.     During the development, construction, operation, maintenance and reclamation of  
2 the Transmission Line Project, TEP shall comply with all existing applicable statutes,  
3 ordinances, master plans, and regulations of any governmental entity having jurisdiction,  
4 including, but not limited to, the United States of America, the State of Arizona, Pima County,  
5 the City of Tucson, and their agencies or subdivisions.

6           3.     TEP shall obtain all approvals and permits required by any government entity  
7 having jurisdiction including, but not limited to, the United States of America, the State of  
8 Arizona, Pima County, and the City of Tucson.

9           4.     TEP shall comply with the notice and salvage requirements of the Arizona Native  
10 Plant Law (A.R.S. §§ 3-901, *et seq.*) and shall, to the extent feasible, minimize the destruction of  
11 native plants during construction of the Transmission Line Project.

12          5.     TEP shall comply with the Arizona Game and Fish Department ("AGFD")  
13 guidelines for handling protected animal species, should any be encountered during construction,  
14 and shall consult with AGFD as necessary on other issues concerning wildlife.

15          6.     TEP shall design the Transmission Line Project to incorporate reasonable  
16 measures to minimize impacts to avian species. Such design will be accomplished through  
17 compliance with the 2006 standards of the Avian Power Line Interaction Committee, and address  
18 the application of recommended measures to minimize the risk of collision, as described in the  
19 2012 guidelines of the Avian Power Line Interaction Committee.

20          7.     TEP shall make every reasonable effort to promptly investigate, on a case-specific  
21 basis, all complaints of interference with radio or television signals from operation of the  
22 Transmission Line Project addressed in this Certificate and where such interference is caused by  
23 the Transmission Line Project take reasonable measures to mitigate such interference. TEP shall  
24 maintain written records for a period of five (5) years of all complaints of radio or television



1 interference attributable to operations, together with the corrective action taken in response to  
2 each complaint. All complaints shall be recorded to include notation on the corrective action  
3 taken. Complaints not leading to a specific action or for which there was no resolution shall be  
4 noted and explained. Upon request, the written records shall be provided to the Staff of the  
5 Commission. TEP shall respond to complaints and implement appropriate mitigation measures.  
6 In addition, the Transmission Line Project shall be evaluated on a regular basis so that damaged  
7 insulators or other line materials that could cause interference are repaired or replaced in a timely  
8 manner.

9       8. If human remains and/or funerary objects are encountered on private land during  
10 the course of any ground-disturbing activities related to the construction of the Transmission  
11 Line Project, TEP shall cease work on the affected area of the Transmission Line Project and  
12 notify the Director of the Arizona State Museum as required by A.R.S. § 41-865.

13       9. Within one hundred twenty (120) days of the Commission's decision approving  
14 this Certificate, TEP shall post signs on the perimeter of TEP's Irvington Campus giving notice  
15 of the Transmission Line Project to the extent authorized by law. Such signage shall be no  
16 smaller than a roadway sign. The signs shall advise:

- 17           a. That the site has been approved for the construction of the  
18           Transmission Line Project facilities;
- 19           b. The expected date of completion of the Transmission Line Project;
- 20           c. A phone number for public information regarding the Transmission  
21           Line Project;
- 22           d. The name of the Transmission Line Project;
- 23           e. TEP's name; and
- 24           f. The website for the Transmission Line Project.

1           10.     At least ninety (90) days, but not more than three hundred sixty-five (365) days  
2 before construction commences on the Transmission Line Project, TEP shall provide cities and  
3 towns within five (5) miles of the Transmission Line Project, Pima County and known builders  
4 and developers who are building upon or developing land within one (1) mile of the centerline of  
5 the Transmission Line Project with a written description, including height and width  
6 measurements of all structure types, of the Transmission Line Project. The written description  
7 shall identify the location of the Transmission Line Project and contain a pictorial depiction of  
8 the facilities. TEP shall also encourage the developers and builders to include this information in  
9 their disclosure statements.

10           11.     TEP shall use non-specular conductor and non-reflective surfaces for the  
11 transmission line structures on the Transmission Line Project.

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

16           13.     TEP shall follow the most current Western Electricity Coordinating Council  
17 ("WECC") and North American Electric Reliability Corporation ("NERC") planning standards,  
18 as approved by the Federal Energy Regulatory Commission ("FERC"), and National Electrical  
19 Safety Code ("NESC") construction standards.

20           14.     TEP shall participate in good faith in state and regional transmission study forums  
21 to coordinate transmission expansion plans related to the Transmission Line Project and to  
22 resolve transmission constraints in a timely manner.

23           15.     When Transmission Line Project's facilities are located parallel to and within 100  
24 feet of any existing natural gas or hazardous liquid pipeline, TEP shall:

- a. Ensure grounding and cathodic protection studies are performed to show that the project's location parallel to and within 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. TEP shall take appropriate steps to ensure that any material adverse impacts are mitigated. TEP shall provide the Commission Staff and file with Docket Control a copy of the studies performed and additional mitigation, if any, that were implemented as part of its annual compliance certification letter, and
- b. Ensure that studies are performed simulating an outage of the applicable project that may be caused by the collocation of the project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. The studies should either: i) show that such simulated outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. TEP shall provide a copy of the study results to the Commission Staff and file them with Docket Control as part of TEP's annual compliance certification letter.

16. TEP 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. Each letter shall be submitted to Commission's Docket Control commencing on April 1, 2019. 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 and the Governor's Office. With respect to the Transmission Line Project, the requirement for the

1 compliance letter shall expire on the date the Transmission Line Project is placed into operation.  
2 Notification of such filing with Docket Control shall be made to the Board of Supervisors for  
3 Pima County, the City of Tucson, all parties to this Docket, and all parties who made a limited  
4 appearance in this Docket.

5 17. TEP shall provide a copy of this Certificate to the Board of Supervisors for Pima  
6 County and the City of Tucson.

7 18. In the event that the Transmission Line Project requires an extension of the  
8 term(s) of this Certificate prior to completion of construction, TEP shall file such a time  
9 extension request at least one hundred eighty (180) days prior to the expiration date of the  
10 Certificate. TEP shall use reasonable means to promptly notify all cities and towns within a five  
11 (5) mile radius of the centerline of the Transmission Line Project and all landowners and  
12 residents within a one (1) mile radius of the centerline of the Transmission Line Project, all  
13 persons who made public comment at this proceeding who provided a mailing or email address,  
14 and all parties to this proceeding of the request and the date, time, and place of the hearing or  
15 open meeting during which the Commission will consider the request for extension. Notification  
16 shall be no more than three (3) business days after TEP is made aware of the hearing date or the  
17 open meeting date.

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

22 20. In the event TEP, its assignee, or successor, seeks to modify the Certificate terms  
23 at the Commission, it shall provide copies of such request to the Board of Supervisors for Pima  
24

1 County, the City of Tucson, all parties to this Docket, and all parties who made a limited  
2 appearance in this Docket.

3 21. The Certificate Conditions shall be binding on TEP's successors, assigns and  
4 transferees and any affiliates, agents, or lessees of TEP who have a contractual relationship with  
5 TEP concerning the construction, operation, maintenance or reclamation of the Transmission  
6 Line Project. TEP shall provide in any agreement(s) or lease(s) pertaining to the Transmission  
7 Line Project that the contracting parties and/or lessee(s) shall be responsible for compliance with  
8 the Conditions set forth herein, and TEP's responsibilities with respect to compliance with such  
9 Conditions shall not cease or be abated by reason of the fact that TEP is not in control of or  
10 responsible for operation and maintenance of the Transmission Line Project facilities.

11 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

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

13 1. The Transmission Line Project aids the state and the southwest region in meeting  
14 the need for an adequate, economical, and reliable supply of electric power.

15 2. The Transmission Line Project aids the state in preserving a safe and reliable  
16 electric transmission system.

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

20 4. The Transmission Line Project and the conditions placed on the Transmission  
21 Line Project in this Certificate effectively minimize the impact of the Transmission Line Project  
22 on the environment and ecology of the state.

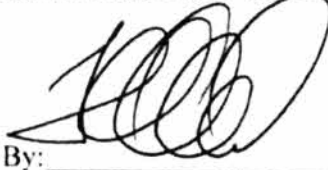
23 5. The conditions placed on the Transmission Line Project in this Certificate resolve  
24 matters concerning balancing the need for the Transmission Line Project with its impact on the

1 environment and ecology of the state arising during the course of the proceedings, and, as such,  
2 serve as findings and conclusions on such matters.

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

7 DATED this 25<sup>th</sup> day of January, 2018.

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9  
10 THE ARIZONA POWER PLANT AND  
11 TRANSMISSION LINE SITING COMMITTEE

12   
13 By: \_\_\_\_\_  
14 Thomas K. Chenal, Chairman  
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**EXHIBIT A**

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## Exhibit A - Transmission Line Project

