BEFORE THE ARIZONA POWER PLANT

AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF PINAL COUNTY ENERGY CENTER, LLC, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES 40-360 ET. SEQ., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE CONSTRUCTION OF A 480 MW NATURAL GAS-FIRED, SIMPLE CYCLE, PEAKING POWER GENERATING FACILITY LOCATED NEAR CASA GRANDE, ARIZONA, IN PINAL COUNTY.	DOCKET NO. L-21314A-24-0144-00233 LS CASE NO. 233 EVIDENTIARY HEARING

At: Casa Grande, Arizona

Date: August 14, 2024

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

VOLUME III
(Pages 442 through 648)

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BE IT REMEMBERED that the above-entitled and numbered matter came on regularly to be heard before the Arizona Power Plant and Transmission Line Siting Committee at The Francisco Grande Hotel and Golf Resort, 12684 West Gila Bend Highway, Casa Grande, Arizona, commencing at 9:09 a.m. on August 14, 2024.

BEFORE: ADAM STAFFORD, Chairman

GABRIELA S. MERCER, Arizona Corporation Commission
LEONARD DRAGO, Department of Environmental Quality
DAVID FRENCH, Arizona Department of Water Resources
NICOLE HILL, Governor's Office of Energy Policy
R. DAVID KRYDER, Agricultural Interests
SCOTT SOMERS, Incorporated Cities and Towns
(via videoconference)
ROMAN FONTES, Counties
(via videoconference)
MARGARET "TOBY" LITTLE, PE, General Public
DAVE RICHINS, General Public
(via videoconference)
JOHN GOLD, General Public

APPEARANCES:

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CHMN STAFFORD: All right. Let's go back on the record.

Mr. Moyes, I believe you were still in the middle of your sound presentation, the noise levels.

MR. MOYES: Yes. Thank you, Mr. Chairman.

BY MR. MOYES:

Q. Mr. Sohm, if you wouldn't mind continuing your testimony from yesterday explaining the impacts on the nearby residences and how that plays into the analysis that you conducted.

Anything that you weren't able to cover yesterday please go ahead and finish.

A. (Mr. Sohm) Sure. Thank you, Mr. Moyes.

Good morning.

So I wanted to talk about and continue the discussion and the testimony on the predicted noise impacts. I wanted to kind of recap just slightly here to get us back on the context that we're discussing with regards to the analysis.

And so here on the left slide, this is a summary, again, of the components that we accounted for and analyzed in our noise models to predict the operational noise at property boundaries and the NSAs that we've been discussing over the last two days.

So, again, the components that we included in

this noise model included all 10 of the GE LM6000 gas turbine packages.

CHMN STAFFORD: Hold on one second.

Mr. Moyes, are these new exhibits we're seeing on the screen?

MR. MOYES: The one on the right was shown yesterday. The one on the left I believe is new. Let's mark that as PCE-23.

But you should have a copy of that in your additional slides packet there on your desk.

MR. MORGAN: Yes. Those would be behind the water slides that were introduced.

CHMN STAFFORD: All right. Let's get these marked so we can refer to them and the people -- the three Committee members online so they -- and they've been e-mailed to the Committee members online; correct?

MR. MOYES: Correct.

CHMN STAFFORD: Okay.

MR. MOYES: They were e-mailed as part of that packet yesterday.

CHMN STAFFORD: All right. I see -- I have a couple packets that are clipped together.

Are they going to be one exhibit or is each slide going to be a separate exhibit?

MR. MOYES: I guess that's up to you,

Mr. Chairman. If you would prefer that each individual slide to be a separate exhibit, we can do that.

CHMN STAFFORD: No, I would not prefer that.

MR. MOYES: Okay. Then let's just mark these as Exhibit 23, additional slides.

CHMN STAFFORD: Okay. So we're starting -- let's see here. Is there -- is there -- because I haven't seen -- the first package is one, two, three, four pages. Is there an order to them?

MR. MOYES: Yes.

CHMN STAFFORD: Prefer to have --

MS. POLLIO: Two water first.

MR. MOYES: 2R first?

MS. POLLIO: The two water were first.

MR. MOYES: Oh, yeah.

MS. POLLIO: In your packet -- do you mind --

MR. MOYES: Yes, go ahead.

MS. POLLIO: In your packet that you received there should have been two water slides first, and then there should have been two sets of noise slides.

CHMN STAFFORD: Well, the water slides, I believe, were marked as Exhibits 21 and 22 yesterday.

MR. MOYES: That's correct, Mr. Chairman.

CHMN STAFFORD: So those are the water -- I'm talking about the sound slides. I have two --

MR. MOYES: And the court reporter has those water slides already.

CHMN STAFFORD: Right.

MR. MOYES: So starting with this additional packet that we'll consider 23 we'll start with the order of what you see on the left there, the slide that's titled "Predictive Noise Impacts" followed by what you see on the right-hand screen, the Project Bella noise impact map with the colors.

CHMN STAFFORD: Okay. All right. So --

MR. MOYES: And then --

CHMN STAFFORD: So, let's see, PCE-23 will start with the predictive noise impact slides.

MR. MOYES: Yes.

CHMN STAFFORD: And then the next slide in that exhibit will be which one?

MR. MOYES: The map on the right.

CHMN STAFFORD: Okay. That's in a separate --

MEMBER LITTLE: That's in the second packet.

CHMN STAFFORD: Okay.

MS. POLLIO: Sorry. They were probably

clipped by right and left screen. We were trying to make it easy, and, of course, I think it made it confusing.

CHMN STAFFORD: Okay. So the predictive noise impact would be page 1. Project Bella noise impact is page 2.

What will be page 3, 4?

MR. MOYES: Page 3 would be the written slide noise impact summary -- findings.

CHMN STAFFORD: All right.

MR. MOYES: And page 4 would be the second colored map that's entitled, "Project Bella Noise Impact Isopleth."

CHMN STAFFORD: Well, these all relate to sounds, but I guess we can make this all one exhibit on the noise impact.

MR. MOYES: I believe so.

CHMN STAFFORD: Okay. So then it would be -- so that's -- we have 1, 2, 3, 4.

Page 5 would be?

MR. MOYES: 5 would be the -- there were two slides that we showed yesterday with Mr. Sohm's testimony. There's a representative sounds and noises chart.

Do you see that?

CHMN STAFFORD: Okay.

MR. MOYES: Yes. We'll make that 5.

And then lastly 6, there was another map with a chart on the right of it. It says, "Project Bella -- Project Area."

CHMN STAFFORD: What about the decibel scale slide?

MR. MOYES: Did you use that yesterday, Brad?

MR. SOHM: I did not.

MR. MOYES: Do you plan on using that today?

MR. SOHM: We can definitely go back and answer any questions. I think it does provide good context that we kind of covered a little bit, but we did not refer to the slide --

MR. MOYES: Well, why don't --

MR. SOHM: -- specifically.

MR. MOYES: Mr. Chairman, we'll include them in case we use them.

CHMN STAFFORD: That's we have --

MR. MOYES: Decibel scale will be -- are we on 7?

MEMBER LITTLE: Yep. 7.

CHMN STAFFORD: All right. Yes. That will be the seventh slide. This will be marked as PCE-23.

MR. MOYES: And then the last one will be existing land use, ambient survey, and NSAs.

CHMN STAFFORD: Oh, so this will be Slide 8 of that, then?

MR. MOYES: Yes.

CHMN STAFFORD: Okay. All right. And what would you like to title this exhibit, Mr. Moyes?

MR. MOYES: "Additional Noise Impact Slides."

CHMN STAFFORD: All right. I believe we have Members Richins, Somers, and Fontes on the line.

Do you have the additional noise impact slides in the correct order?

MEMBER FONTES: Chairman Stafford, I have those attachments from yesterday. I'm not following the order, but I am pretty assured that I have the references that were provided by Tod by the e-mail with the attached PowerPoints.

CHMN STAFFORD: Okay. So you have eight pages?

MEMBER FONTES: I do.

CHMN STAFFORD: And you can see --

MEMBER SOMERS: This is Scott Somers. I have the same.

CHMN STAFFORD: Okay. You have all eight

of them, Member Richins?

MEMBER RICHINS: Confirmed, yes.

CHMN STAFFORD: Okay. All right. If there's confusion of the order, they should be -- you can see the screen; right?

When they put -- well, I guess they don't have it up now, but they will.

MEMBER RICHINS: Yeah, we can see it. Yeah.

CHMN STAFFORD: All right. Excellent.

All right. Exhibit PCE-23 has been marked. All the members have a copy.

Please proceed, Mr. Moyes.

MR. MOYES: Thank you, Mr. Chairman.

BY MR. MOYES:

Q. Go ahead, Mr. Sohm.

A. (Mr. Sohm) All right. Thank you.

So we were talking about the predictive noise impacts and the components that were analyzed as part of the modeling assessment.

And, again, just to, again, drive this point home, I want to make sure -- you know, we tend to look at conservative impacts when we do these types of assessments. And so we have looked at in the model the 10 GE LM6000 turbine package operating simultaneously at

their maximum load.

We've also looked at the 428 battery energy storage system enclosures, HVAC, and/or cooling systems with them discharging or recharging, that loudest condition. We've also looked at the support equipment that's associated with the plant.

The modeling, again, is the SoundPLAN platform that we've used. It uses the ISO 9613-2 engineering calculations. It's an industry standard for noise propagation outdoors.

The key findings for this, again, we've looked at the modeled impact at the property boundary and those NSAs that we've been talking about over the last two days.

In terms of the findings at the property boundary, you can see our discrete receptors along the property boundary on the slide on the right. You can see the cluster of NSAs we looked at to the northwest outside of the property boundary. And then there's an additional cluster of NSAs to the eastern portion of that slide on the right.

CHMN STAFFORD: Do you mind telling us what "NSA" sands for?

MR. SOHM: Sure. Certainly. It's a noise sensitive area.

CHMN STAFFORD: Okay. Thank you.

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: Two more acronyms. LEQ and LDN, what do they stand for?

MR. SOHM: Certainly. LEQ is the equivalent sound level over a period of time.

And LDN is the day-night equivalent.

The important consideration with the LDN is that has a 10-dBA penalty assigned to that metric for the quiet periods of the nighttime period from 10 p.m. to seven a.m.

MEMBER GOLD: Thank you.

MR. SOHM: So I was going to first talk about the Project Bella.

So our analysis in looking at this worst-case maximum condition showed that the maximum noise levels including the background -- and I guess that's another clarification.

The slide on the right shows the project only impact values, but to do the full noise assessment we also want to consider that background concentration. So the numbers I'm going to refer to here are that cumulative noise level.

So the analysis included background at the

property boundary that neighbors the parcel zoned as residential, which is the eastern edge of the project, was estimated at 53.1 A-weighted decibels during daytime hours. And this is in the scale for the Pinal County ordinance seven a.m. to eight p.m. And then 52.9 A-weighted decibels during nighttime hours eight p.m. to seven a.m., which is below the daytime threshold of 60 dBA and the nighttime threshold of 55 dBA in accordance with the Pinal County ordinance for that zoning category.

For the other property, that's general rural. That's basically all the other surrounding boundaries. Including background, the predicted impact was 58.1 A-weighted decibels during daytime hours, and it was also the same 58.1 at nighttime hours, which is also below the daytime threshold of 65 dBA and the nighttime threshold of 60 in accordance with the Pinal County ordinance.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: I had a couple questions, please, of Mr. Sohm.

I'm wondering if the model that you used, that ISO 9613-2, has been tested in any way to determine how accurate the model is in a desert -- a dry desert environment. Some of the public mentioned the fact that

sound seems to carry very easily out there in the desert.

MR. SOHM: Certainly. Yeah.

And this is an industry standard. It's state of the art. It is peer reviewed. It is what all noise consultants would use to model impacts even in a desert environment.

And the reason that it is appropriate and able to handle that is because of all the inputs that go into this model. It is very location specific.

So I kind of mentioned yesterday a little bit the inputs that go into our model include the topography, so the actual real location that the project is going to be located. It also includes the meteorological conditions of the site. So it is representative.

We tend to err on the side of being conservative when we set those parameters. Generally speaking, colder temperatures sound will propagate further. So we used a 50-degree Farenheit for this scenario, which obviously is very low.

It also accounts for wind. You know, this can be a windy area as well. And what I would say is the metric that it uses for that is it does account for the downwind propagation of wind, but it does so in a way that it propagates outwards in all directions. So it

doesn't account just for the prevailing wind it looks at that wind in all directions.

It's not a high wind. It goes from one meter to five meters per second, which is about 11 miles per hour on the top end. And the reason for that is obviously when you have high wind events it also increases the background, right, with the rustling of vegetation, other noises, loose fences, you know, whatever it could be in the environment.

So that's where they've set that -- that standard, and that aligns also with our noise survey. Whenever we encounter ambient conditions that are above 12 miles per hour, the standard that we rely on for those measurements we have to exclude those events if the wind is over 12 miles per hour. It influences our microphone.

MEMBER LITTLE: Thank you.

My second question is that I noticed -- actually, I first noticed it when I was going through the CEC that this scenario that you have the plot for or the map for excludes the chillers running. And I did not see a map like this where the generators -- the generator packages and the chillers were running.

How does -- do they happen not concurrently most often?

MR. SOHM: That's a great question.

Yes, so there were two scenarios that we ended up running with the model. And based on the engineering design, the plant will operate with the chillers not operating simultaneously with the generators.

Generally speaking, you know, based -- base -- or, sorry, baseload peaking plant it would operate during the peaking period, you know, daytime hours mainly. And then when the turbines are not in operation, the chilled water would be maintained and generated during nighttime hours.

So -- so we have looked at both of those conditions in the report, the technical report. We have a second set of isopleths and discrete receptors, but obviously the 10 LM6000s operating are by far the loudest condition.

MEMBER LITTLE: Great. Thank you very much.

CHMN STAFFORD: Do members online have any questions at this point?

MEMBER FONTES: Mr. Chairman, I do have a couple of questions and items for clarifications, if I may.

CHMN STAFFORD: Please.

MEMBER FONTES: I wonder if you can inform

the members of the Committee and myself how long the ISO standard has been in place.

And also have you actually conducted similar paid consultant work for a developer with these types of units in the state of Arizona or New Mexico?

MR. SOHM: Yeah, I'm looking up the last time that ISO -- it's been around for quite some time. So the last time it was revised was 1996.

MEMBER FONTES: Okay.

MR. SOHM: So it's been -- it's been proven. It's been used in the industry. It's the standard of care for these type of assessment.

The second question, yes, I guess most recently and most relevant I've heard it mentioned many times during this hearing is I was in charge and worked on the Coolidge expansion CEC, so it was our company that did that noise assessment.

MEMBER FONTES: That's great. That's very informative. Thanks.

One of the things that I would like to note is that in my experience in working in -- in not in desert environments, but often we have challenges from the public and stakeholders about noise complaints after a power plant is built.

So what can you state in terms of the

complaints that are known on Coolidge, San Tan, and Redhawk from you and others have done similar studies?

My concern is that modeling is -- is good. It's planning. But then you have citizens and stakeholders who have to live with it after the fact.

Specifically, inadequate baselines, how modeling can be oversimplified complex factors to lead to predictions, failure to consider cumulative impacts, sound propagation assumptions, considerations for things like low frequency noise that may not be adequately accounted for in the diagnostics of the testing equipment, community engagement in the testing, in the planning of the testing as well as the design.

So, I guess, I'd like to have you talk about that. And then after you talk about that, I want to talk about potential conditions precedents with just -- here to get around given that we have similar modeling and standards that were done on three power plants in Arizona, and yet we still have issues with after they're constructed.

MR. SOHM: Certainly.

I agree, you know, it's a predictive model. It is only as good as the inputs we have. However, you know, these are based on engineering designs, manufacturer guarantees, manufacturer literature, you

know, standard engineering calculations.

So we do -- it's the best model we have to predict it. You know, obviously it's not there. It hasn't been built yet. So we have to use these sophisticated models to -- to do the best we can.

I would say generally in my experience these are conservative assessments for all those reasons I mentioned prior.

However, when you look at nearby residences or noise sensitive areas, those -- those sensitivities become a little bit more gray areas, I would say. Every -- you know, and we look at it from an average human perspective how they perceive a change in loudness from an increase. But there are people that are more sensitive.

I guess with regards to your baseline, I agree too. I mean, we're taking a snapshot in time. So it's a -- you know, it would not be cost effective or reasonable to do, you know, months of baseline noise surveys. So we do the best we can to have a robust dataset and make sure we're accounting for that baseline condition for the cumulative impact.

So we use all these tools. You know, we look at the, you know, ordinances. We've looked at the EPA's guidance value that is not a standard to try to

help make sure we have a good design, that the impacts would be low.

But, again, it's -- it's not perfect. And so what I would say what I have seen for other such projects, and I'm going to refer to I think I mentioned FERC, the Federal Energy Regulatory Commission, when we do those types of assessments, a lot of times they have a condition on the backside that requires the proponent to do a post-construction survey. That's one way you can go back and validate your model, and then, I guess, you know, determine if changes are warranted to, you know, correct something that may have been missed or -- or misanalyzed. So that's something that I have seen in my career with other types of planning projects.

MEMBER FONTES: I really appreciate your transparency and openness in answering this question.

Modeling is imperfect, but obviously it has to be done for compliance and to inform the public.

As we go forward, Mr. Chairman, and fellow members, I'd like to discuss a CP that has been suggested here, a conditions precedence, that we have a requirement for post-completion acoustic and possible visible.

I'd also like to discuss at the appropriate time, Mr. Chairman, perhaps, a conditions precedence where the public and stakeholders are engaged in the

final design and the considerations at examining the known public issues from these three sited plants being Coolidge, San Tan, and Redhawk on the acoustics and the sound propagation be considered in the final design.

That's all I have, Mr. Chairman. Thanks for the time.

CHMN STAFFORD: Thank you, Member Fontes.

Member Richins, do you have any questions?

MEMBER RICHINS: No. It was answered.

CHMN STAFFORD: Member Somers?

MEMBER SOMERS: No questions. Thank you.

CHMN STAFFORD: Thank you.

I have a quick question.

Just for clarification, on the right screen, this is new PCE-23, page 2 of that exhibit the Project Bella noise impact.

Is this the cumulative or is this just specific to the project?

Because there's another slide I think in the main deck that has different numbers for the sensor points.

Is it one cumulative and one just the project, or what's the difference between the two?

MR. SOHM: That's a great question.

So the slide that is currently up on the

right, as I mentioned, that is just the project impact.

The numbers that I gave in my testimony a moment ago, that included the representative background would be the cumulative numbers, so those were higher than what you see on those.

The other figure I'm not sure what you're referring to, but I can -- I can take a look at it. If it's a figure that's similar to this, the model that we use it only includes the project impact. We have to add that at the end for the cumulative separately.

Hopefully that answers your question.

CHMN STAFFORD: One second maybe because that --

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: -- Member Drago had it up on his pad, these pads don't seem to be working very well now. We can't get back on the exhibits on there.

So if you could -- let me just pull it up on the book.

Member Gold, you had a question?

MEMBER GOLD: Yes.

Along with what Member Fuentes [sic] had said earlier about the sounds, everything is predictive. Let me get closer to the microphone. Sounds travel in waves. So they're represented by sine waves, sort of

like ocean waves.

If sine waves line up, the sound is amplified. If sine waves do not line up and they're diametrically opposed; they cancel each other.

You have ambient sounds in the area. You have all sorts of different sounds in the area, and it's not possible in my opinion -- you may correct me -- to say after this project is completed that the effect of various sounds now, with yours added to them, can be louder or softer. It could go in either direction.

I think Member Fuentes' idea of after the whole project is completed you do this again and say, just for the residents, If it turns out that our predictions were off, were wrong, and there's more noise that would affect your standard of living, that we will do stuff to correct it. If there is less noise, then we did a great job, and we did a fine job with you, and you should be happy with what we did.

Talking about that, that would be one recommendation that I would -- should think should be considered because of the area you're in.

And it's reasonable to assume that you're doing this not only for profit but also to set goodwill in the community. You want the community who supports you.

Second, are there such things as -- and this I don't know the answer to. You know, in the military if we had a 50kW generator and we wanted to keep it quiet, we'd dig a ditch and put it in a ditch.

You know, bless you.

Of course, the drawback was if it rained, you drowned the 50kW generator. Depending on where you were, you have to alter how you deaden the sounds.

What can you use or what do you plan on using or what's available that a worst-case scenario, the sounds are too loud for the neighbors, what can you do? What can mitigate those sounds?

MR. SOHM: Sure.

To address the first question, our assessment and all assessments that I do, when you add noise sources to the environment there will be an increase.

Eventually the sound attenuates with distance. So you do get to a point in time where the noise level generated from a project or a piece of equipment would be at background or less, and essentially it would be indistinguishable.

We obviously -- you know, me being a registered licensed professional engineer, I take this very seriously. We do the best job we can to document

and make sure we have a defensible approach. We're using industry standard methods. So I do have -- I take this very seriously that we are doing the best job and preparing an accurate assessment to the best of our ability.

I think that answers generally your first question.

MEMBER GOLD: It does.

MR. SOHM: The second question, yes, I mean, there's -- the thing with noise is generally speaking there's a way to mitigate. It just is dependent on is it technically feasible?

Do you have the space?

Is it economically feasible?

And so you balance all those factors.

I think some of the things -- and maybe Mr. Demirchian could speak more to this and Mark Thompson. Things that we considered in this design that we've accounted for in our model include largely the setback distance to the property boundary is fairly significant. It's a big property. So that definitely helps with giving additional distance for the sound to attenuate before it hits the property boundary.

The other thing I would say is the way the plant has been laid out, those structures, buildings,

pieces of equipment are intervening structures, so they block at some degree the line of sight, which then foremitigates the sound from traveling in that direction, so that's a big factor as well.

There are other things, you know, that I have seen. I'm not sure if they're feasible for this project or not. I can't speak to that specifically, but barriers, you know, are always -- whether it's some type of solid barrier, a berm can be helpful.

But the thing you have to consider is it needs to block the line of siting of the sound source. So if you have sources that are elevated, a berm or a wall isn't going to do anything. So particularly for the loudest -- one of the loudest sources with this is -- is the stack. So that would probably not be feasible to build anything that high.

But other things you can do is, you know, sound-attenuating blankets, you know, on other pieces of equipment. You know, these turbines already are in enclosures. The batteries are in enclosures, so that also helps.

But those there sorts of things you can look at to help further mitigate the noise levels. But it just really comes down to cost and feasibility.

MEMBER GOLD: Okay. Thank you for that.

The only thing I would ask again is the third thing I said was after this thing is all constructed, if you discover that, no, we miscalculated or something, would you consider -- and perhaps this should go to Mr. Thompson.

Would you consider saying that, yes, we will work with the community to abate the sounds as best we can, we don't want to have a hostility in the community, and it's something that we're predicting, we're doing everything we can up front to make sure we don't have this issue, but, again, after it's constructed, we will have some funding aside that just in case we will be prepared with additional mitigating circumstances?

Do you believe that is something your company would do?

MR. SOHM: I don't want to speak for Mr. Thompson, but I have seen that in other projects I have worked on.

MEMBER GOLD: Thank you.

Mr. Chairman, is that something we can bring up later with Mr. Thompson?

CHMN STAFFORD: I think that's appropriate. We can talk to Mr. Thompson about it, and the Committee can discuss it when it comes time to decide what

conditions to impose.

MEMBER GOLD: Thank you, Mr. Chairman.

CHMN STAFFORD: Mr. Sohm, I was looking at R58 from the slide presentation as compared to page 2 of Exhibit 23.

MR. SOHM: If that's the original slide deck --

CHMN STAFFORD: Yes.

MR. SOHM: -- again, I did not prepare those personally. I'd be happy to try to speak to those, but --

CHMN STAFFORD: Yeah. My question is because there's different numbers, I think. Without them side by side it's hard to tell. Yeah.

They're slightly different. I'm just trying to find out what the variable that changed was between R58 and PCE -- which is --

MR. SOHM: I'm speculating here. And I can definitely dig a little deeper to give you a confident answer, but this could be potentially an old version that was used to prepare this slide, but I'm confident the slides that we introduced this morning are the latest and correct slides.

CHMN STAFFORD: Okay. Because the only difference that I'm noticing in the legend is that the

new slide that's currently on the screen right now, it says, "plant operations without chillers," and that's not mentioned on R58 of PCE-8.

MR. SOHM: Correct.

There were a number of iterations as we normally do with these types of projects as we start to get more informed information on the design of the project. And so there's a number of iterations we ran in terms of this model.

But the versions that were introduced this morning and that are in version 3 of our noise technical report are the latest, correct versions that should be referred to.

CHMN STAFFORD: Okay. So the one on the screen, PCE-23, page 2 is the most up-to-date and accurate measurement that your --

MR. SOHM: Correct.

CHMN STAFFORD: Okay. Thank you.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: I don't know if this is an appropriate time for this question. But as long as we're looking at the slide deck that was originally provided, there is a slide number 60 which shows the Desert Basin generating station and its location. There you go.

And we stopped last night before you got to this. And I'm curious what -- what the experience has been. I think that's a manufactured home community down there. And it's also about half a mile from the Desert Basin generating station.

And I know that -- that the combined cycle -- that plant's been there a while, and it's probably the technology is not as good for those generators as it is on the ones that are going to be installed or being proposing to be installed here.

I'm just wondering what the experience has been if we know relative to that and what you were going to say about that slide.

MR. SOHM: Again, I did not prepare this slide, but I'd be happy to try to speak to it.

We did take a cursory look at this facility just because it does have some peaking units from the LM6000s. However, in looking through, I mean, it's a much different type of generating station than what's being proposed, and this is an existing baseload unit as well.

I think what we were originally trying to look at here is, again, we have a I would say similar and maybe if we need to get to the specific distances, you know, there's a pretty significant buffer distance with

the zero development through those agricultural fields until you get from one fence line of the generating plant to the nearest residence.

And so we were kind of taking a look at that. And I think the connection really was, you know, that we have a similar level if not more of buffer to the majority of the residential areas associated with the Bella Project.

But in terms of trying to make -- connect -- you know, connect the sound levels that would be generated from that particular plant to the nearest residence, I mean, there's a lot of factors to consider. A different plant, different location, different operating profile.

So I think it really was looking at, you know, trying to make sure we had a reasonable buffer when comparing some other existing generation facilities.

MEMBER LITTLE: Thank you.

MR. SOHM: Okay. I'll go ahead and continue.

You know, we talked about the property boundary for the Bella Project and our predicted noise impacts. I just wanted to know -- transition over to what we were seeing for these closest receptors, the NSAs, noise sensitive areas.

And so at the closest one you can see it on the slide on the right there, it's the northwest corner, that first set of boxes. I can try to use the laser pointer, but it's I guess the third one down on the northwest corner. That would represent what we used as our worst-case NSA.

It's slightly different than what we've talked about before. What we saw there at that location is there's some vehicles, like, recreational trailers, an R.V. And so we wanted to make sure, you know, that we analyzed that particular point. So that's what we're referring to in our analysis as NSA-1.

CHMN STAFFORD: Can you use the laser pointer?

MR. SOHM: I can certainly try.

CHMN STAFFORD: Please. Thank you. Let me see if my hand is steady enough here on this little screen. There we go. Right there roughly. Do you see it? I'm right above it. There we go.

MEMBER KRYDER: Mr. Chairman.

CHMN STAFFORD: Yes, Member Kryder.

MEMBER KRYDER: Perhaps Mr. Sohm could read the number that he's trying to get with a pointer. That would be helpful at least to me.

MR. SOHM: Sure. Yes, I can do that.

Let me -- I can't see that far, but I can pull it up on my screen here. Just give me one moment.

MEMBER LITTLE: Both numbers are 44.9.

MR. SOHM: Correct. That's what I'm seeing.

MEMBER KRYDER: Okay. Thank you.

MR. SOHM: So, again, that's NSA-1. It was a trailer, a recreational vehicle, not a structure, permanent structure, but we went ahead and used that in our analysis to identify as the closest sensitive area.

The other location that we specifically looked at is just to the north of that. And that would be NSA-2. That is an actual residence, a house.

And then we also looked at NSA-3, which is to the east, and I can identify those here. Just give me a moment. Yes. Thank you. So it's the second number. Let me point it out, 43 -- 45.3. I don't know what is going on. The second one from the top on the northwest corner on the left side there. I don't know why this thing is giving me fits here. I'm sorry. It's like it's inverted.

Right there. So that's NSA-2. And then NSA-3 to the east. Can we go further to the -- there we go. I'm having trouble with the pointer here.

Oh, I had it backwards. That makes it a

lot better. There we go. I apologize. Let me look up. I lost my spot here. Just one second.

BY MR. MOYES:

Q. You were describing NSA-3, Brad.

A. (Mr. Sohm) Yes. So that's right --

MEMBER KRYDER: What's the reading?

MR. SOHM: The 41.2 that I have the pointer on right now.

BY MR. MOYES:

Q. And, Mr. Sohm, that NSA-3 would represent the closest resident -- the closest direct line-of-sight residence to the loudest noise-emitting structure in the property; is that correct?

A. (Mr. Sohm) Correct.

CHMN STAFFORD: So that's the distance to the generators themselves, not the project border?

MR. SOHM: I'm sorry, the distance?

CHMN STAFFORD: Yeah, he said it's the closest residence to the loudest emitter. So that would be -- you're talking about -- the reference he made was to the plant, the generators themselves, not the project boundary?

MR. SOHM: Correct.

CHMN STAFFORD: Okay.

MR. SOHM: It represents the loudest

predicted impact on the east side of the project.
BY MR. MOYES:
Q. And anything north or south along that eastern boundary of the residential area would be attenuated increasingly; correct?
A. (Mr. Sohm) Correct. Yeah, it's a further distance, so it would attenuate to less than the levels that we're looking at for the three other NSAs.
MEMBER KRYDER: Mr. Chairman.
CHMN STAFFORD: Yes, Member Kryder.
MEMBER KRYDER: As you speak about being attenuated a bit by additional distance, and I know this is a magnificent logarithmic equation that you use or that's my understanding, how far makes a difference?
Are we talking does 10 meters make a -- take -- take the number that you had there, the number 3, 41.3, and if -- and, again, this is back of the envelope since you didn't do it, but if you moved your listening device 10 meters further away, would there be a significant difference? Or 10 meters closer?
How much does 10 meters make a difference or 10 yards or whatever?
MR. SOHM: Well, it depends. And the reason for that is because it's logarithmic you get more attenuation closer to the noise source. So, like, for

reference, a general screening technique that can be used for a stationary noise source is you have a 6-dBA reduction for each doubling of the distance.

MEMBER KRYDER: Okay. That's very, very helpful.

6 dBA for doubling of the distance. And we're at what distance approximately here on this 40 whatever -- 40 -- on .3, 41.2?

What distance are we from the generators approximately?

MR. SOHM: At NSA-3, approximately based on our calculations, a rough number, 4300 feet.

MEMBER KRYDER: So in -- okay. Go back then.

You'd have to double that to drop it how far?

MR. SOHM: So, again, you look at the reference distance, so, like, if you were -- let's say you had a noise source of a turbine.

MEMBER KRYDER: Right.

MR. SOHM: For just discussion purposes, let's say it's 85 dBA at one meter.

MEMBER KRYDER: Okay.

MR. SOHM: If you go to two meters, you can drop that by six.

MEMBER KRYDER: Okay.

MR. SOHM: Then you have to go four meters to drop it by another six.

MEMBER KRYDER: Okay.

MR. SOHM: And eight meters to drop it by another six.

When get out to these distances that were, you know, 4300 feet away --

MEMBER KRYDER: Right.

MR. SOHM: -- to drop that number down by another 6 -- and, again, that's very conservative, it's not accounting for all of the other --

MEMBER KRYDER: It's 1200 meters.

MR. SOHM: Yeah. So you're diminishing returns with a logarithmic scale. To have that attenuate further, takes greater and greater and greater distances.

MEMBER KRYDER: Okay. So distance then becomes regressively helpful to attenuating the noise as the number gets larger as the distance gets longer.

So that brings into play other -- other devices. Let's say a new reading, god forbid, after the system is in place instead of being the 40 whatever it is, 42 or whatever -- I have my glasses off -- it turns out to be 50, and somebody gets real cranky about it, moving it out is not going to -- is not a feasible

possibility. So you've got to put earplugs of some other sort on the thing.

That is a very helpful piece of information. I do understand logarithmics somewhat, but I've never played with them in terms of sound and noise. Okay. Thank you very much, Brad.

MR. SOHM: Yeah, no problem.

And I have a -- we'll get to it hopefully in a minute. There's another slide that -- that you should have, and it shows the concentric. Well, I'll call them somewhat concentric because that's accounting for all the factors I mentioned, but there's -- it's a colored ring. That's an isopleth. And it shows how that noise attenuates from that scenario. So you can kind of see as you get further out it takes more distance to have those reductions.

So let me go ahead and give us the first NSA here.

So based on our assessment, the predicted noise levels at that closest sensitive receptor NSA-1 -- and this includes the background concentration, so it's not going to mimic exactly -- this is only the project contribution that's being shown on the right slide was estimated to be 46.4 LEQ. And then when we look at that LDN, that day-night equivalent value, 50.8.

And the reason, you know, we want to look at that LDN, again, the EPA guidance value sets that standard to be protective of human health and annoyance at 55 LDN. So we looked at a full 24-hour period and account for those 10-dBA penalty hours at night.

And this is a guidance value, but we use to -- as part of our assessment.

So at 50.8 that is below the EPA's recommended limit of the 55 LDN. And obviously if we look at, you know, those further NSAs that we've analyzed in those other residences further out, because they're further away the results would be predicted to be lower at those property levels as well.

Oh, and I guess I could add this too. I -- remember one of the Committee Members, I think it was Member Gold, had asked, you know, try to put that in to relatable terms now of in terms of what that looks like. We kind of talked about that a little bit yesterday, but just to add that component, when we get to the levels of, you know, 46.4 that sounds similar to a refrigerator at that point or a quiet office is how I would characterize that.

MEMBER KRYDER: At one meter?

MR. SOHM: No. At the nearest NSA, that trailer, the 46.

MEMBER KRYDER: Wow. Okay.

MR. SOHM: So just for reference.

If we could go to the next slide, then.

Unless there's questions, I can kind of sum up some of the other components of the Exhibit I.

Okay. So on the left here, this is just a summary of our noise impact findings that came out of the Exhibit I and the supporting technical report.

Again, you know, we did look at construction noise for the project. We've been talking very specifically on the operational noise. But the project construction noise, based on our analysis, there would be temporary exceedances possible of the 55 dBA. However, the construction would be limited by the Pinal County ordinance. I have the section number up there.

And my understanding is that this project would mainly be constructed during daylight hours. If that was not the case or they couldn't comply, then there is an option to get a permit from the county, if necessary.

I think the big takeaway with the construction noise is obviously it is a temporary transient activity, but we did quantify those impacts.

Again, for the project operational noise, noise levels are -- were determined by our model to be

less than the 55 A-weighted LDN at the nearest receptors. Again, that's below the EPA's guidance value for human health and annoyance.

And we've also demonstrated that at the property boundaries the project would be compliant with the Pinal County excessive noise ordinance on all property boundaries as currently zoned.

Additional considerations that we looked at. You know, audible noise from the transmission line. Obviously, that's the corona. That primarily occurs during the foul weather wet conditions. There's no large sections of line, just the interconnect.

And based on the distance of where that interconnect would be to the existing 500kV on-site, that interconnect would be further than the existing line to those residences. So not seeing any issue with corona noise as it relates to the transmission line interconnect.

Similarly, because of the setback distances, not seeing any issue with any type of interference with radio signals due to this project.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: What are the two dots that are on the right-hand side of -- or on the east side of

where the generators are going to be that are orange?

MR. SOHM: The two dots there, yes.

MEMBER LITTLE: Transformers?

MR. SOHM: Yes. Those are the transformers, correct.

MEMBER LITTLE: Thank you.

MR. SOHM: It's kind of hard to see. The coloring is -- you know, kind of blends in with the background. But this is what I was talking about a moment ago where you can see -- you know, in a free space where you have no intervening structures, you know, you would have exactly specific concentric -- perfect circles showing the attenuation of the noise.

But because we have topography features the intervening buildings and structures and other considerations that we've included in the model, you can see how that greatly impacts how the noise attenuates. And so you can see how the noise would emanate and attenuate from the project as you get further out with these different colors levels.

BY MR. MOYES:

Q. Mr. Sohm, we've zoomed in on the screen on the right if that helps you describe that further.

A. (Mr. Sohm) Yeah, you can see it a little bit better.

Thank you.

CHMN STAFFORD: That's Exhibit PCE-23, page 4, the noise impact isopleth?

MR. MOYES: Correct.

CHMN STAFFORD: All right.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: This particular map doesn't show the project -- the north end of the project boundary.

Is it in the sort of light orange area, or is it up -- relative to LT-2 where is the project boundary?

MR. SOHM: That is the project boundary, that kind of reddish, pink east-west line.

MEMBER LITTLE: Oh, I see it.

MR. SOHM: Yeah. And then I guess I can add if this is helpful, the LT-2, LT-1, those were where we placed our sound monitors when we did the baseline measurements. So we tried to kind of orient those on the project boundary but close to the NSAs that we analyzed to try to get the best representation we could.

MEMBER HILL: Mr. Chair, I just have a comment.

CHMN STAFFORD: Yes, Member Hill.

MEMBER HILL: I think what I struggle with the most, aside from not having all the technical knowledge, is that at the end of the day when this -- this rezone is approved by the county or when or if it is approved, it's still surrounded by zoning that will be moderately residential.

And so at the end of the day, when I think about the life cycle of this plant and the potential for residential uses adjacent to it, that's where I'm just kind of struggling with what's the best prescription to ensure that the life of this facility works for you but also works in the landscape context that this county is planning for.

And so while I recognize that residents today are far away from this facility and not likely to be impacted, I just keep thinking about the life cycle of the facility.

So forgive me, when we do start talking about conditions precedent, I have to think about the project in that context. So I just wanted you to understand where I'm coming from on that.

MR. SOHM: Sure. And I can appreciate that. Again, I would just highlight and mention, you know, our assessment has used the current Pinal County ordinances for the current zoning, and we looked at,

again, the guidance value for protective of health.

Now, obviously that doesn't mean we were able to specifically look at if there were any other future homes that may come in. Those would have to be analyzed potentially separately.

I mean, we have a good coverage here with our isopleth, but, I mean, that's to speculative at this point. But looking at the property boundary of the project is the best we can do at this point in time. Looking at those closest receptors.

The other thing I would also kind of just also just, I guess, highlight is based on the analysis -- and I'm going to refer to a table here just to make sure I'm not misspeaking so I can give you the actual number -- never mind.

It was -- I guess what my point was going to be is -- never mind. I guess that's all I can say at this point. I don't want to speculate.

MEMBER HILL: I didn't expect a reply.

MR. SOHM: Okay.

MEMBER HILL: I just want you to understand kind of how I'm processing this site so that when we have the larger conversation or ask for additional details about conditions precedent that may work for you as an applicant but also be considerate of the future land uses

and the life cycle of this plant that's what we're thinking about. Thank you.

MR. SOHM: Understood.

MEMBER GOLD: Mr. Chair.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: Mr. Sohm, this is just a question because I don't remember.

In the top left of your concentric circle there's something that looks a purplish area with yellow squiggles above it and your sound lines pushing toward the west.

What is that area?

MR. SOHM: So those blue purplish, that's the actual turbines.

MEMBER GOLD: Oh, so those are the turbines. So they would make more noise, and that's why the sound bars are pushed further out?

MR. SOHM: Yeah. And then -- yeah, it looks -- with the orange almost like rectangle you're starting to see --

MEMBER GOLD: Yes.

MR. SOHM: -- that also incorporates the BESS. That's why you're seeing that kind of extend out even further is because that also is where the BESS area is located.

MEMBER GOLD: Okay. So the turbines in that bluish purple color, if you look to the north, it looks very quiet.

What do you have in front on them that's quieting them down?

Just to the north of your turbines, see the yellow bar -- the yellow color bars -- I don't remember what to call them, sound isobars.

MR. SOHM: Yeah. It's -- it's likely -- and I can confirm this, but it's the intervening structure of the turbine itself is mitigating the other set of turbines that's to the south. And so that's why you're starting to see some -- some attenuation effects from the intervening structures.

MEMBER GOLD: Is that because they're canceling each other out, or is it the structure itself that is causing it?

MR. SOHM: The latter.

MEMBER GOLD: Oh, wow.

MR. SOHM: So it's almost acting like a barrier, you know, to the other set of turbines.

MEMBER GOLD: See how the yellow isobars are real close, which means it's not making a lot of noise.

MR. SOHM: So it's like -- it's accounting

for the profile. It's -- it's hard to conceptualize. I don't have a better way to do it, but, you know, it's -- well, it's -- yeah, it's definitely the design the way it was placed.

But you start to see the profile of that northern set of turbines act as a barrier to those southern set of turbines. So that's why it almost looks so -- it looks -- it looks -- it almost looks like it would be an error, but I assure you it is not.

MEMBER GOLD: Okay. Just that's very -- that's good to the north. If you could do it to the south as well, it would be perfect. Whatever you've done there attenuates the sound very effectively it looks like.

And you say it's because the buildings that the turbines are housed in or the encasements of the turbines or the stacks or something?

MR. SOHM: Both. I think it's just the intervening structures that are on-site in that area that's what is causing or showing that reduction.

MEMBER GOLD: What are the structures that are causing that?

MR. SOHM: Well, the turbine enclosure itself. And, like I said, it's -- it's not -- it's more impacting the other sources that are emanating sound in

that direction to the north.

So, like, the southern set of turbines are -- are being attenuated by the structure of the northern turbines.

MEMBER GOLD: Okay. So the southern turbines are more toward the south of the bluish turbines. There's another set of turbines down in that rectangular area.

MR. MOYES: Member Gold, if you'll refer to your placemat, there's on one side a structure map that shows there are two separate sets of turbines.

MEMBER GOLD: Oh, I see.

MR. MOYES: One northerly and one southerly. And that's what you're seeing in the purple.

MEMBER GOLD: So somehow the northerly ones are canceling the noise from the southerly ones?

MR. SOHM: And I can add something else here. The other piece of it there is a warehouse building on the north side of those northern turbines where there isn't a building on the south side of the southern turbines. It's not shown on the placemat, but we can -- we can pull up I'm sure --

MEMBER GOLD: I take your word for it.

Okay. So there are things that you can do to actually reduce the noise level if you need to?

MR. SOHM: Yeah. Placement of the structures and the equipment is very critical with this.

MEMBER GOLD: And just from a knowledge point of view, I travel on the interstates and I notice some areas on the interstates have tall block walls I'm guessing to attenuate not just the view of the traffic -- again, I'm traveling on the interstate. I see as we go some areas there are very tall block structures not just to block the view of the traffic but probably to attenuate the noise of the traffic.

Is that effective?

MR. SOHM: Yes. But costly. So they usually look at cost-effectiveness when they design or decide to do those types of mitigation measures.

MEMBER GOLD: Okay. Because I've had block walls built, and, I mean, they're costly, but not excessively costly. They are probably less costly than building berms I'm guessing. I don't know. But this is just something that I'm noticing that it has an effect.

MR. SOHM: Yes.

MEMBER GOLD: Okay. Thank you.

CHMN STAFFORD: Mr. Sohm, so you stated that there is a building to the north of the north set of generators that seems to be attenuating the sound there?

MR. SOHM: Correct. I have a -- I don't

know if this is on the desk, or we could pull up an actual site plan I could refer to. But give us one moment please.

MEMBER FONTES: Mr. Chairman, I have a -- a question that I've been meaning to ask for some time now, just to let you know I'm still here.

CHMN STAFFORD: Oh, yes, Member Fontes.

MEMBER FONTES: Are you ready now?

CHMN STAFFORD: Yes. They're looking for something, so go ahead and ask your question.

MEMBER FONTES: Yes. In my previous question for Member Gould [sic] I noted that we should introduce the CP as consideration of our fellow members as part of a final design that can consider the location of the final structures that the proponent or the applicant here in this case would present to the public that would incorporate what he just observed in terms of the final placement of the structures as well as soil and the grades of construction. Excuse me, I have some background noise here.

And then lastly, the barriers in a cost-effective analysis.

But that is the final design CP that I referred to just to put a point on that.

And then after it's constructed, I

recommended we look at having the applicant propose a -- a monitoring plan for post-construction once it's in operation to look at the sound to see if further improvements are made.

But those were the things that I think we keep bringing up, Mr. Chairman, that I think we address at that point in terms of concrete things that the applicant would be willing to suggest for that CP if that's helpful to move this along.

CHMN STAFFORD: Thank you.

Mr. Sohm, did you have the -- oh, yeah, there you go. There's the schematic.

MR. SOHM: Yes. We pulled up R13, I'll try to make this laser point cooperate here. I need the left one.

CHMN STAFFORD: This is R13 of the PCE-8?

MR. MOYES: And Mr. Chairman --

CHMN STAFFORD: Yes.

MR. MOYES: -- we're going to zoom in here. Just give us a moment.

CHMN STAFFORD: Can you zoom in on the right-hand screen, which is page 3 of Exhibit 23. Okay.

So we can see the design on the left with the isopleth on the right.

MR. SOHM: Yes. As we zoom in here I've

got my pointer on these are tanks -- raw water tanks and the demineralized water tanks. And those are -- and then the control room and the warehouse right here.

So those structures are providing shielding for the sources, you know, surrounding them, i.e. the northern set of turbines and at some level the BESSs to the west as well.

CHMN STAFFORD: Well, what's the height of those structures there up to the north of the generating units?

MR. SOHM: I can pull that up. I don't have that right here.

MEMBER GOLD: It looks like 25 feet.

MR. SOHM: Do you have it? You can do it.

Mr. Demirchian can follow up with that. He's pulling that up if that can wait till the cleanup items, or if we need to, I can get a copy of it and walk through it.

MR. MOYES: Mr. Demirchian, if you're able to just look at that quickly and tell Brad what those heights are right now, it would probably be easier.

CHMN STAFFORD: Or he can come to the microphone and do it himself. He is still under oath.

MR. MOYES: That's true.

MEMBER GOLD: Yeah, Mr. Chairman, I'm

looking at a number 25 right above the tanks, and it looks like it has the symbol for feet. I don't know if that's distance from the tanks to something else or a height. I'm just -- suggestion. I don't know the answer.

CHMN STAFFORD: While they're looking at that, looking at isopleth on the right-hand screen, those green areas, those seem to be mitigating the sound.

What are -- what is there? Is that some kind of geographic feature, or is it an existing structure?

What is that?

I guess -- I doubt it's a structure because it's in the middle of the field, so it's --

MR. SOHM: I believe that what you're referring to that would be the inlet chilling system and the --

CHMN STAFFORD: No, no. I'm looking at the right-hand screen.

MR. SOHM: Right.

CHMN STAFFORD: The green.

MR. SOHM: Correct. In the lower -- in the lower corner by the purple.

CHMN STAFFORD: Okay.

MR. SOHM: So, yes, this is the blue, the

southern set of the turbines. And if you go right here, so that's a structure. It's the inlet chilling system and then the chilling system tank.

CHMN STAFFORD: Okay. Yeah. So I think we'd like to know the heights of those structures as well.

You see where we're going with this, don't you?

It's we're looking at what is actually mitigating the sound, what the necessary height would be, to figure out what kind of mitigation measures would be appropriate.

It seems to be, you know, a 50-foot, 100-foot berm is not going to be feasible. But that's why I'm curious to the height of these structures that seem to be attenuating the sound.

MR. SOHM: Correct. Yeah. It really comes down to the blocking the line of sight. So it depends on how high the sound level is being generated from.

CHMN STAFFORD: Right. But here it's, like, the model -- it's predicting where this -- this model, this isopleth model, is predicting that; correct?

It's calculating the sound -- where the sounds coming from and how it's being abated, so --

MR. SOHM: Correct.

From those ground-level sources it is showing that mitigation or attenuation.

MR. MOYES: Mr. Demirchian, are you -- are prepared to shed some light on those questions?

MR. DEMIRCHIAN: Yes, sir.

MR. MOYES: Go ahead.

MR. DEMIRCHIAN: This is Garen Demirchian.

So just to reconfirm, we have three structures here, a control room, operations maintenance building, a pump room -- I'm sorry, a pump building and --

MEMBER GOLD: Mr. Chairman, Mr. Demirchian, would you mind using a pointer so we can see what you're referring to.

CHMN STAFFORD: Thank you, Member Gold. You read my mind.

MR. DEMIRCHIAN: So in this area here where the red dot is pointing you to, we have operations and control building maintenance, we have a study area and maintenance shop, and we have a pump building, which is basically our RO and demineralization equipment.

And those RO demineralization and storage warehouse maintenance buildings are 24 feet high. The operations control room building is 12 feet high. The storage tanks that you see here in these circles are

typically they're about 30 feet high.

CHMN STAFFORD: And to the southeast the inlet chiller system and the chilling system tank.

MR. DEMIRCHIAN: Yes, sir.

So the tank -- this tank -- this circle tank here is 52 feet high. And I think this is one of the items that was viewed from the north KOP yesterday. I think it was number 2, if I'm not mistaken.

The chillers are relatively low. They're approximately 12 feet off the ground. But we are planning to provide a complete surrounding wall around that area with insulation blankets cover the walls, and the walls will be 24 feet high.

CHMN STAFFORD: And that's around what exactly?

MR. DEMIRCHIAN: Air-cooled chillers.

CHMN STAFFORD: Okay. So just that portion, that section there?

MR. DEMIRCHIAN: Just this -- this area here. This rectangle here.

CHMN STAFFORD: Okay.

Any other questions from members?

MEMBER GOLD: One more question, Mr. Chairman.

CHMN STAFFORD: Please.

MEMBER GOLD: To the left of the generators above, is that the battery storage areas?

It says something tank emergency generator -- no, that's pointing to the right.

The structure to the left of the generators to the -- there. What is that?

MR. DEMIRCHIAN: Those are batteries.

MEMBER GOLD: So the batteries -- if I'm looking at the noise attenuation chart, why are the batteries making so much noise?

MR. DEMIRCHIAN: The batteries themselves have their own chilling system.

MR. GOLD: Oh, so it's chilling system that's making the noise.

MR. DEMIRCHIAN: Individually each enclosure has its own cooling system.

MEMBER GOLD: Okay. But the enclosure itself does not seem to be attenuating the noise well, but, again, there's no -- no houses or anything else off in that direction if I remember correctly.

MR. DEMIRCHIAN: That is correct. And also those noise levels are relatively low that are emitted from the battery cooling systems.

MEMBER GOLD: I'm just looking at the colors again. And I don't see color too well. They seem

to be -- Gabby, I have no clue what colors these are.

MEMBER MERCER: Like brown.

MEMBER GOLD: Now, what's the decibels? Point to them.

So those are like 70 decibels, those brownish colors?

If you look at the chart on the right where you have your northern set of generators, your top set of generators going off to the left or the west from that, you have a whole bunch of noisy stuff going out in that direction, and that's from the chillers.

MR. SOHM: Well, it's cumulative with the other sources that are also producing noise. It's a complex model.

But, yes, that orange color that you're seeing on the isopleth would be in the range of 61 to 58 based on the chart or the legend on the left side.

MEMBER GOLD: But it's going to areas where there's housing, no --

MR. SOHM: Correct.

MEMBER GOLD: -- purple, no nothing.

Okay. That's --

MR. SOHM: That's why it was placed in that area.

And just for a point of reference, if this

is helpful, again, I'm going to hopefully not confuse folks. But the sound power level, you know, doesn't depend on distance. This is how much intensity of the sound is being generated from that source for those enclosures as Garen -- Mr. Demirchian mentioned. The model, it was 79 dBA for the sound power level for each of those enclosures.

And so we modeled all 428 structures individually in the model. So just as a point of reference.

MEMBER GOLD: So at NSA-1 over there and NSA-2, if you had to at some later date or discovered that these noise things are not accurate, that the noise is going further out, you could always put a 25-foot wall or something or a sound -- whatever you were doing in the southern area you could also do that to abate if the community -- if needed.

MR. DEMIRCHIAN: That certainly is an option and only in that little corner up there in the northwest corner because that would be the most closest to the NSA-1, yes.

MEMBER GOLD: Perfect. Perfect.

Okay. So you've done your due diligence?

MR. DEMIRCHIAN: Yes.

MEMBER GOLD: I got it. Thank you very

much.

MR. DEMIRCHIAN: Appreciate it. Thank you.

CHMN STAFFORD: All right. A quick question on this map. The blue area, CR-2, what zoning is that?

Is that commercial or is it residential?

MR. SOHM: Give me one second. There -- please.

CHMN STAFFORD: It's looking like once you get past the project boundary you're into the less than 55 decibel range. But currently that's vacant because you don't --

MR. SOHM: It's residential.

CHMN STAFFORD: -- not until all the way over to NSA-3 is where people actually are.

It is residential?

MR. SOHM: Yeah, that is -- yeah, the CR -- I'm sorry, just to make sure. I'm sorry, but I got distracted there.

But you're mentioning the blue to the east, the CR-2 designation?

CHMN STAFFORD: Yes.

MR. SOHM: Yes. That is one of the zoning classifications designated as residential.

CHMN STAFFORD: Yeah. So what's --

MEMBER HILL: There's a land use map.

CHMN STAFFORD: Right. But what is that -- what -- just -- is that low-density, high-density residential?

Remind me. I think -- I know you covered this before, but I'm just looking at it now given Member Hill's talk about future development in the area.

MR. MOYES: Mr. Morgan, can you answer that?

MR. MORGAN: Yes, I can speak to that.

So that area that's currently vacant land has a designated future use of primarily moderate low-density residential. There's also, which I spoke to you yesterday, the high-intensity activity center, which is the circle that kind of surrounds that Montgomery Road exit off of I-8. So a bit of that land also falls under that designation.

MEMBER HILL: Can we actually pull up the land use map? Because that's actually south of the highway, I believe. I wanted to look at the immediately adjacent zoning.

MR. MORGAN: Sure. That would be R29.

CHMN STAFFORD: Are we going to put that up on the left screen, Member Hill, and keep this one up on the right?

MEMBER HILL: Sure.

MR. MORGAN: And my apologies. We're kind of interchanging land use and zoning here.

So to clarify, do you want the zoning or land use right now?

MEMBER HILL: Zone -- I guess current zoning.

MR. MORGAN: Sure. So that would be R30.

So that parcel directly to the east is CR-2, which is single residence is the zoning there. And that is a half-mile-wide block just for reference. I know I said that yesterday as well, but just for visual reference.

CHMN STAFFORD: Okay. And then the CR-4, that's where the NSA-3 is. What's that -- what's the difference between that -- what's the difference between CR-4 and CR-2 again?

MR. MORGAN: They're just different residential categories within Pinal County. They have somewhat different allowable sort of development within those designations.

CHMN STAFFORD: Right. But what is it? Is that lot size?

MR. MORGAN: Typically, yes, lot size is a part of that.

CHMN STAFFORD: So which one has bigger lots, the CR-2 or the CR-4?

MEMBER HILL: I'm going to guess CR-2. It's usually the lower number.

MR. MORGAN: Yes, I would agree.

CHMN STAFFORD: Okay. So there'll be fewer houses per acre in CR-2 than in CR-4?

That's a fair statement all things held -- all other things held constant?

MR. MORGAN: Correct.

CHMN STAFFORD: Okay.

Member Hill, did you have additional questions about the zoning?

MEMBER HILL: No. Thank you.

BY MR. MOYES:

Q. Mr. Sohm, does that conclude your testimony regarding sound impacts?

A. (Mr. Sohm) Yes.

Q. Thank you.

CHMN STAFFORD: Well, before you move on, could you please move on -- go to Exhibit 23, page 6. I don't think we talked about that one. I had a couple questions on that. You have short-term and long-term monitoring locations.

I assume that short-term means that you'll

take them down once the project's constructed; is that accurate?

MR. SOHM: Can we pull that up, please?

CHMN STAFFORD: Yeah, because when does the short-term term end?

MR. SOHM: Oh, okay.

MEMBER KRYDER: 15 years.

MR. SOHM: Just one moment. Let's pull it up on this screen.

Is this the slide entitled Project Bella project area?

CHMN STAFFORD: Yes.

MR. SOHM: Okay.

CHMN STAFFORD: And we marked it as Exhibit 23.

MR. SOHM: Yes.

CHMN STAFFORD: And it's page 6 of that exhibit.

MR. SOHM: So we got a little out of order here with how we -- how I planned to discuss this.

But this slide was to help refresh our memories here with the project area. And the tables to -- Table 3, Table 4 on the right-hand side of this slide were meant just to show the monitoring locations in Table 3. So that was the LT-1 and LT-2. That

designation is shorthand for long-term is what we call it. So that was a 48-hour approximate continuous monitoring survey to collect the baseline data that we performed.

The ST designation there on the southern portion of the project boundary was what we call a short-term measurement. The reason we did that -- the ST-1 or short-term was just to get a snapshot, if you will. It was about a 20-minute duration event just to see if there was a noticeable difference being that close to proximity to Interstate 8.

CHMN STAFFORD: Okay. All right. So I guess it would be -- I guess my question is would it be feasible for the applicant to have noise monitoring locations around the plant specifically near the NSAs to monitor ongoing noise conditions once -- after the plant has commenced operations and for a finite or indefinite period of time?

MR. SOHM: It's possible to do those surveys. I would say generally what I've seen for other projects is there would be, you know, a specified event. Normally post-construction what I've seen is proponents would do that within 30, 60, 90 days of commencing operation. That would be a one-time event if, you know, results were agreeable with the study and any standards

or guidelines that were being used to identify impacts.

But I suppose that, you know, you could do it more frequent than that if deemed necessary.

And normally what I would also say is sometimes those conditions are written because you really want to make sure, again, we've used the best -- you know, worst-case conditions.

Sometimes it is challenging to have a facility mimic those conditions in the real world. A lot of factors go into that. But try to get that measurement, that physical measurement, post-construction as close to maximum load as possible, and then usually you're assured that, yes, what we modeled and predicted was demonstrated in the real world with a monitor. And I would say that would be sufficient to justify that the results were as expected.

CHMN STAFFORD: Okay. So these are the -- these are the places where you took the measurements. So if you were to come back and say three months after the plant has commenced operations and do the same measurements that you did and compare it to the model, you'd be able to tell how accurate your predictions were about for this isopleth prediction of how the noise is abated.

MR. SOHM: Generally that's true. Again,

it's -- it should be less than what we estimated. But, yes, you would be able to use that as a -- as a point to confirm what the post-construction noise levels actually are.

CHMN STAFFORD: Excellent. Thank you.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: I'm just curious. How much noisier is it at ST-1 than it is at LT-1 and 2 due to the freeway with that distance there?

MR. SOHM: Yeah, great question.

And, again, we've got to be careful with the time periods. You know, that was a short-term, so it was a snapshot. Literally it was about 19 minutes. That was performed at ST-1 on May 9. It was in -- at 1800 or 1900 hours. And what the measurement was on an LEQ basis over that duration -- that 19-minute duration was 42.5 LEQ.

When we compare that to what we saw over the monitoring period for LT-1 and LT-2, we saw -- and that was, again, 48 -- 48-hour measurement, on average the monitor recorded 42.8 LEQ at LT-1 and 40.8 at LT-2.

So not much different, but, you know, I'm sure traffic is probably dependent on time of day, you know, weekend versus weekday, rush hour versus nonrush

hour. So those are all considerations. You know, these are just meant to be snapshots.

MEMBER LITTLE: Thank you.

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: Going along with what you're saying, and I think that's a great idea that you say, you know, 30 days after the project is actually working you would come out and say, you know, we'll check the sound readings with professional equipment because from what I've seen the locals have nonprofessional equipment sort of like what I have that measures decibels.

And if there's an issue, they will know about it, you will know about it, but your professional equipment will tell you what you need to do, if anything, to attenuate it.

So, Mr. Chairman, I think that's a very good suggestion of yours. And I would not want to put too much of a burden on the company because they've done a tremendous amount of due diligence. But I think saying, you know, after everything is produced to take a professional sound meter and just double-check your work just once and if everything comes out fine, you're good and clear.

And this way if the neighbors say, "Hey,

look we have a 60, and your professional equipment says, no, you actually have a 65," which would be out of line with what you're suggesting, but if theirs says "Hey, we have a 30," and you say, "Yep, and we have a 20," you know, you're in much better shape with the neighborhood.

And I don't think it's unreasonable to say, you know, after the thing is going we'll double-check our work. I think that would show goodwill on your part.

And I don't know if your company, you know, keeps this sound equipment on hand or if it's something you would have to job out. But it was just something that would just make sense for the community's sense of comfort with your project.

MR. SOHM: Yeah. And I would recommend that we get a separate party to do that just to be aboveboard.

MEMBER GOLD: Even better. Thank you, Mr. Sohm.

CHMN STAFFORD: Thank you.

Mr. Moyes, I believe that you had -- you were about to wrap this segment of your testimony up; is that correct?

MR. MOYES: That's correct. If there's no further testimony from Mr. Sohm on noise impacts, I'd like to briefly turn back to Mr. Morgan.

CHMN STAFFORD: Well, we've been going for about 90 minutes? So I think it's --

MR. MOYES: It will take --

CHMN STAFFORD: Is this like an ideal --

MR. MOYES: -- about two minutes.

CHMN STAFFORD: -- time to take a break, and we can come back?

Before we go to break, I think I said yesterday we'd be doing public comment this morning. Actually, we will be doing it this afternoon. More because we'll have to take a break because I have to do a prehearing conference for another matter, so we will be in recess here from approximately 2:30 to 3:30. And then when we would come back at 3:30, that would be the time when we take additional public comment.

MR. MOYES: Okay.

CHMN STAFFORD: I just wanted to make sure I announce that and cleared that up.

With that we will stand in recess.

(Recess from 10:39 a.m. to 11:09 a.m.)

CHMN STAFFORD: Let's go back on the record.

Mr. Moyes, I believe you were transitioning away from the noise analysis to, I think, public outreach.

MR. MOYES: That's correct, Mr. Chairman.

I believe we can get that through our public outreach and the statutory notice requirements and have Mr. Morgan summarize his environmental conclusions before lunch hopefully.

CHMN STAFFORD: Excellent.

BY MR. MOYES:

Q. Mr. Morgan, would you please describe and elaborate on the required statute notices for this project for a CEC.

A. (Mr. Morgan) Yes.

So the CEC was filed on June 28. And as required, the notice of hearing was published twice in the Casa Grande Dispatch, once on Thursday July 4 and again on Saturday July 6.

You can see the notice of hearing here on your right screen on R64. It included a project overview map with the project components as well as information related to this hearing.

In addition, four project signs with the notice of hearing were also installed on the project site as you saw on that -- on the route tour yesterday.

An L65 you can see the map showing the sign locations.

And on R65 you can see photos of the four signs

after installation.

As you can see on L65, three of those signs are along the public right-of-way on the eastern boundary on Midway Road, and the fourth sign is in the northwest corner of the project site near our nearest residents.

In addition, the notice of filing was sent to our one affected jurisdiction, which is Pinal County. The CEC was also made publicly available at the Arizona Corporation Commission as well as two different public libraries near the project site. Those libraries are the Casa Grande public library and the Arizona City community library.

Q. Thank you, Mr. Morgan.

Now can you please describe the public process that was conducted for this CEC?

A. (Mr. Morgan) Yes.

So the public involvement program for Project Bella was conducted to provide local jurisdictions, relevant agencies, and community members with the opportunity to receive information about the project and communicate their feedback.

Throughout the process team members held meetings with local jurisdictions and agency representatives, including elected and county planning staff. The coordination included representatives from

Arizona state land, the Pinal County supervisors, Pinal County Air Quality Control District, Pinal County development services, Casa Grande chamber of commerce, Arizona State Historic Preservation Office, Arizona Game and Fish, as well as the ACC.

These stakeholders were contacted through individual meetings as well as informational mailers.

And then in addition to the stakeholder outreach I just mentioned we also held two different rounds of open houses here at the Francisco Grande Hotel & Golf Resort. The first round of open houses was held on April 29 and 30th, 2024.

Prior to that open house, we sent informational postcards to landowners within one mile of the project. Those mailers included a map of the project -- the project site as well as information about the project, information about the open houses, and some general information about the CEC process and timing.

The mailers also provided contact information for the applicant, including a project informational hotline that we maintained and a link to the project website.

The informational phone line has kept up -- has been kept up throughout the process to receive questions and/or requests for information from the public. A

sample informational mailer can also be found in Exhibit J-1, and I will show that on a later slide as well.

In addition to those mailers, to notice that first open house we also hand-delivered informational door hangers in the project vicinity the week prior to that open house. Those door hangers had information about the project in English and Spanish. I'll also be showing those door hangers on a later slide.

Part of the thinking with the door hanger is that for the mailers we have APN, so it's only property owners. So we also want to make sure we're hitting people who might not be -- who might not necessarily own the land they live on in the project vicinity.

So as far as the open houses, the virtual open houses were held on April 29 at 12 p.m. and 5:30 p.m. Generally we like to hold two different sessions to provide options for community members that work around their schedules.

At those virtual hearings the noon version we had four members that attended, four community members, and seven live questions that were submitted and answered.

At 5:30 p.m. we had three members of the public and eight questions that were submitted.

And then the following evening on April 30 was when we held our first open house here. We set up informational poster boards across the room that had information about project components, site plans, things of that nature. At that meeting we had 65 members of the public that attended. We also received 15 comment forms, and those were included in Exhibit J-1 -- or, I'm sorry, the comment forms are in Exhibit J-2. The presentation materials from that open house are in Exhibit J-1.

Now, some of those comment forms were received on the day of and others were mailed to us after the fact. We kind of gave that option to be able to take those comment forms home so they could think about the comments that they'd like to submit.

We also held a second open house with a very similar format in July of 2024. That was July 22 and July 23. So similarly to the first open house we sent the same informational postcards to landowners within one mile of the project. These mailers actually had an update because at that point we also had CEC hearing details, so the date time and location for the public comment session. They also provided the same information, information about the applicant, including our contact.

And, once again, we also delivered those

informational door hangers in the project vicinity the week prior. Same as the first round, they had the information about the project in English and Spanish.

So the virtual open houses for that second round were on July 22. The first session actually did not have any attendees. We had one registration, and they became aware they were the only attendee, so they opted to join the evening session instead. So we gave that presentation at 5:30 p.m. Five members of the public attended that. We received eight live questions.

And then the next evening we held our second open house here on July 23. 12 members of the public attended, and we received one comment form.

And some of the other pieces that I've mentioned here as far as our noticing and public process, here on your right screen you'll see a representative screenshot of your project website. The website has been maintained to notify the public of technical information regarding the project, the project description, maps, as well as our notice of hearing and other statutory requirements as far as the CEC process.

A visual sample as you can see is on R70.

And here on R71, you will see a visual representation of the postcard informational mailers that were sent to residents in the project area. So the top

right row is front and back for the mailers that were sent in April. And the bottom row is front and back for the mailers that were sent from July.

And that July mailer included information about this hearing, including the location, the time of our public comment session, as well as, of course, the project website, and our informational hotline.

And here are the door hangers that I had discussed. You can see on the left we have the April. The front was in English, the back was in Spanish. And the same format for July. It was the same content as the informational postcard, however, obviously slightly formatted differently.

When we aren't able to bring these to a door, what we'll typically do is we'll put them in a bag and tie them to a gate. Obviously, this is a somewhat rural area, so a lot of times we aren't able to get to a front door, so we will secure those to a gate to make them a bit more weatherproofed.

The project also created and maintained a Facebook site for the project. It was originally created in April, and it included a bilingual project description in English and Spanish as well as a link to the project website. The page was advertised to the ZIP Codes -- to the ZIP Codes for Casa Grande and Stanfield, so 85193 and

85172.

We also had Facebook events and ads that were promoted prior to each of the rounds of open houses. The notice of hearing information was also added to that Facebook page.

Q. Mr. Morgan, do you have any metrics on how many people interacted with the Facebook or social media?

A. (Mr. Morgan) Sure.

So we actually had two iterations of the Facebook page. The first iteration was for some reported and banned, so we weren't able to access metrics regarding that page.

But based on metrics provided by Facebook for the second page that was created, we reached 14,417 people with the sponsored ads on the second Facebook page.

CHMN STAFFORD: Member Little, you had a question?

MEMBER LITTLE: I do. I have a couple.

You said that you distributed door hangers to all the residences within one mile of the project.

And I'm wondering whether that included all those homes that are on Whispering Sands and Mammoth because they are a little further than one mile, but --

MR. MORGAN: Well, actually so the

informational postcard went to the one-mile boundary, but our door hanger deliveries were more strategic, and we did hit that entire neighborhood block, so Whispering Sands and Mammoth Drive. So we kind of drove in the project vicinity and made sure we weren't missing any residences in the area.

MEMBER LITTLE: Okay. Good.

And you said that there was one comment in the July open house, and that would not have been in the application.

Can you tell me what that comment was?

MR. MORGAN: Oh, yes. So actually that's a good point.

So the second open house occurred after filing.

MEMBER LITTLE: Right.

MR. MORGAN: So information related to that, including our presentation materials, the other things of that nature, were included in a pre-filing exhibit.

MEMBER LITTLE: Oh, are they in here?

MR. MORGAN: Yeah.

MEMBER LITTLE: Okay.

MR. MORGAN: SO it would be PCE-11.

MEMBER LITTLE: Okay. Great. Thank you.

MR. MORGAN: And that will include additional information about that open house, and I believe that comment form is also included.

MEMBER LITTLE: Wonderful. I'll take a look at that. Thank you.

My next question is when -- since you filed in June, when this project was anticipated it was going to be built. Anticipated.

MR. MORGAN: When the project is anticipated to be built?

I believe that is obviously pending approvals and financing, but hold on a second.

Sure. So construction would be in 2026.

MEMBER LITTLE: No, no, no. I want to know when you guys first dreamed it up and anticipated that you might build it in this location.

MR. MORGAN: We'll have to get back to you on that.

MEMBER LITTLE: Okay.

MR. MORGAN: I can say that we were engaged in the spring of 2024, so I believe it was February or March where we were engaged on this project.

MEMBER LITTLE: And when the property was purchased, I'd be interested in that also.

MR. MORGAN: Sure. We can have Mark answer

that question when he's back on the stand.

MEMBER LITTLE: I'm going to get on my soapbox a little, Mr. Moyes, about the statute says that anybody anticipating the construction of a generating plant needs to file a Ten-Year Plan.

Ten Year Plans are important not to you, but they are important to general resource planning in the area.

MR. MOYES: And, Member Little, if you'll look at Exhibit PCE-19, we did file and show the docketed 90-day plan.

MEMBER LITTLE: I understand that, but I want -- the language says "anticipated." Anybody who is anticipating the construction of a project.

CHMN STAFFORD: Oh, there's a distinction in the statute between transmission lines and power plants.

Transmission lines are required to file the notice by January 31, a Ten-Year Plan.

MEMBER LITTLE: I'm not talking about the notice prior to filing. I'm talking about when the planning actually occurs for a project.

CHMN STAFFORD: It's different for transmission than it is for power plant.

MEMBER LITTLE: I know, but it's not

90 days. It's anticipated to be built.

I had my say. Thank you.

CHMN STAFFORD: All right. Thank you.

MR. MOYES: Member Little, if I might clarify, I believe the statute says within 90 days of filing your application for a power plant you are to file this notification, the plan, not 90 days of --

MEMBER LITTLE: That language is in there, yes, but the language of the statute states that. And it's because of the fact that utility planning is generally done a little bit further ahead than 90 days before something is.

And the plans are when we talk because the -- I'm restating what you all know -- the grid is interconnected, what gets built here affects there. And it is expected that whenever a project is planned, first planned, that the Ten-Year Plan should be filed.

MEMBER FONTES: Mr. Chairman, if I can add to Member Little's comment there for the applicant.

CHMN STAFFORD: Yes, Member Fontes.

MEMBER FONTES: Typically that's when you receive equity approval from your board or your senior management to go ahead on this project. And that's prior to engaging consultants. So that would be task number one, pre-feasibility, to put it in an engineering time

line that I would look based on building similar power plants in other jurisdictions.

MEMBER LITTLE: Thank you, Member Fontes.

MEMBER FONTES: So that date is the date that I think we need to reference to answer Member Little's question.

MEMBER LITTLE: For future notice just --

MR. MOYES: Understood. Thank you, Member Little.

MEMBER LITTLE: Thank you. That's all the questions I have right now.

BY MR. MOYES:

Q. Mr. Morgan, does that conclude your testimony on the public process?

A. (Mr. Morgan) Yes, it does.

Q. Okay. Then I would like to circle back to have you summarize your overall conclusions regarding the environmental compatibility of this project as a whole.

A. (Mr. Morgan) Thank you, Jason.

As I have presented my testimony, we have found there's no significant or detrimental impacts to the land use or jurisdictions, no significant or detrimental effects to fish, wildlife, plant life, and associated forms of life upon which they are dependent, no significant or detrimental effects to existing scenic

areas, historic sites and structures or archaeological sites at or within the vicinity of the project.

No plans for future development of recreational facilities associated with the project or detrimental effects to area plans and no significant or detrimental effects associated with noise emission levels and interference with communication signals.

Q. So, Mr. Morgan, in your professional opinion does Project Bella qualify as an environmentally compatible project?

A. (Mr. Morgan) Yes. In my profession opinion the project is environmentally compatible with the total environment of the area.

Q. Thank you, Mr. Morgan.

MR. MOYES: Mr. Chairman, that concludes our testimony regarding the environment and the public process. And absent our return to panel number 1, which would probably be better after lunch, we are finished for now.

CHMN STAFFORD: All right. Excellent. So I think how we'll go -- I think there were a few outstanding questions I think that they were -- that panel 1 was going to, as we say, bat cleanup.

MR. MOYES: That's correct.

CHMN STAFFORD: Cover some things.

So I think now that you've completed this, have you covered all the exhibits so far?

You referenced a 90-day plan.

MR. MOYES: The only exhibit that we have not referenced is the response to Staff's first data request, PCE-17.

CHMN STAFFORD: Okay.

MR. MOYES: And that was a response regarding the interconnection studies that have been conducted.

We did not receive any further data requests from Staff.

CHMN STAFFORD: Right. And we got -- Staff's letter was -- it's Exhibit 20 then because they came back with their --

MR. MOYES: Correct.

CHMN STAFFORD: Excellent.

All right. I think we'll have some additional questions on that for the panel 1 when we come back.

MR. MOYES: The last exhibit if you want to admit it or not that was not specifically referenced was PCE-16. And that is the standard letter that's requested in the Procedural Order to the ACC business office regarding expenses of the Committee.

CHMN STAFFORD: Okay. Excellent.

So the last one we have referenced is the proposed form of CEC. We've got that. And then we'll discuss that in greater detail later. But it's been marked and referenced.

With that, I'm going to go ahead and admit Exhibits PCE-1 through 23.

MR. MOYES: Thank you, Mr. Chairman.

(Exhibits PCE-1 through PCE-23 were admitted.)

CHMN STAFFORD: All right. It looks like we'll get to lunch early today. So we'll take our lunch break. We'll come back at one o'clock. We'll start with the initial panel again. We'll go from one o'clock to about 2:30. And then we'll take a recess till about 3:30 because I have a procedural conference in another matter.

And then we'll return at 3:30, and we'll take public comment. And then after public comment, we'll come back to the applicant for any rebuttal.

And then at that point I think the Committee will want to discuss potential conditions for the CEC before we start at a conceptual level and have a discussion with the applicant about that.

MR. MOYES: Yes. We were actually going to request that it would be extremely helpful for us to have

some framework to see where the Committee is going.

Normally we would be talking about conditions with an intervening party, and we don't have that luxury here. So if we can utilize that time this afternoon to come back prepared with potential offered conditions tomorrow morning, that would be great.

CHMN STAFFORD: Excellent.

You're reading my mind, Mr. Moyes. That's exactly what I had envisioning for how this would go.

Thank you.

All right. With that, we will go to recess, and we will return at one o'clock.

We stand in recess.

(Recess from 11:30 a.m. to 1:01 p.m.)

CHMN STAFFORD: Let's go back on the record.

Mr. Moyes, I understand we have a new exhibit, and you will be recalling the first panel.

MR. MOYES: Yes.

To take care of the exhibit up front, you have in front of you a printed copy of a duck curve graph that Mr. Thompson will be using as part of one of his responses to a member's question.

We've marked that as PCE-24 and ask that you admit it at the appropriate time.

CHMN STAFFORD: I'll admit it now.

(Exhibit PCE-24 was admitted.)

MR. MOYES: Thank you.

As you already mentioned, we'd like to bring back Mr. Thompson, Mr. Morgan as necessary, and Mr. Demirchian as necessary.

There were a number of questions that throughout the last two and a half days now, lost track, that were asked by the Chairman and various members that we promised to find additional answers to and come back.

And so we have attempted to track all of those questions and provide helpful responses.

If we've missed anything, please let us know.

MR. MOYES: But we'll start you, Mr. Thompson.

CHMN STAFFORD: I'll remind all the witnesses they're still under oath.

Before you start, make sure we have -- Members Fontes, Richins, and Somers, do you have the Exhibit 24?

MEMBER FONTES: Yes, Mr. Chair. We received it in the present e-mail.

CHMN STAFFORD: Thank you.

Please proceed.

GAREN DEMIRCHIAN, STEVE MORGAN, AND MARK THOMPSON, recalled as witnesses as a panel on behalf of applicant, having been previously affirmed or sworn by the Chairman to speak the truth and nothing but the truth, were examined and testified as follows:

DIRECT EXAMINATION

BY MR. MOYES:

Q. Mr. Thompson, you were asked by a number of members questions related to the operational conditions of the gas-fired generators in particular. Member Hill, for example, asked whether 10 units were really necessary.

Other questions were asked about how much those units might run in a given year or how often all 10 would be used.

Could you please with the help of the representation in front of us on the screen shed some light to the Committee on why the plant was designed with 10 generators and what the need for that might be?

A. (Mr. Thompson) Yes. Yes, absolutely.

And as we get into that, I also wanted to make a comment that there's currently 6,859 megawatts of generation here in Arizona that is being utilized by the utilities that were actually built by merchant generators

that includes: Luna; Coolidge, which we consider it to be SRP, but that was not built by SRP, it was built by Trans Canada; Sundance, which we consider it to be an APS, which was not built by APS, it was built by PPL; Mesquite, which was built by Sempra; Gila River by Panda and Entegra, which I operated for four years; Harquahala was built by MACH Gen, now tolled by SRP; Mesquite, which I mentioned, is owned by SRP and the co-ops; and Arlington Valley, which is owned -- which is tolled by APS.

So that 6,859 megawatts represents over 25 percent of the generation that's used to meet peak demand today.

In addition, all -- almost all solar facilities and all battery facilities being built today are being built by merchant generators, thus merchant generation is utilized to assist in meeting peak demand.

And why we're moving away from combined cycles and baseload coal and towards LM6000s and other reliability resource adequacy generators because the penetration of solar generation and some other renewables.

And this chart that we're showing here is from the Arizona Solar Center, and it's outdated significantly. As you can see here the last data point

is in 2020.

There is more detailed information from an ISO to the left of us that I could have presented, but I wanted it to be very Arizona specific.

So as solar generation has entered, what happened first was in 2012 and all the way through 2014, 2015, we used to have what we call a super peak in Arizona, especially in the summer periods, which was hours 13 through 20, and that was inside the on-peak period of 7 through 22. I'm speaking in military time.

And the on-peak period had a super-peak period in which that afternoon peak was more profound and had a higher price.

So baseload generation typically met the morning hour need but not the afternoon hour need.

Post-2014, we saw enough solar generation to where net generation during the solar hours actually outpaced net load. And so we had basically when you take into account -- what we -- what we consider renewables as is many times they're reflected as negative load because renewables are on -- online as an intermittent resource, and load is online as an intermittent load, and the two kind of battle each other.

But the solar out took the -- it overproduced the amount of energy needed during those solar hours. So

you can see in 2020 data here from Arizona that the load from the base kind of the base during the normal afternoon was as much as 6- to 8,000 megawatts below where it had been in 2012.

And now it's even lower. We're getting, you know, 10- to 16,000 megawatts of solar over the next few years.

So what will happen is as that solar comes online about nine a.m., it starts dropping around five, and it drops significantly at six p.m.

Well, we're all just getting home, throwing the chicken potpie in the microwave and turning on the ESPN about six o'clock, and that's when the load continues to rise.

So, you know, you can see in this graph that the load is peaking out at six through nine p.m. as we're trying to cool off our homes. And that's the reason for the ramping requirement is it's a double impact. Load is increasing by about 4,000 megawatts at the same time that solar generation is dropping from 8- to 12,000 megawatts.

So you have a net ramp need for just a very short period of time, three, four, five hours, in that evening peak that is needed, and it's needed very, very quickly, and that's what these aeroderivatives utilize.

And that's the reason why you're seeing the

utilities move away from the combined cycle units which need to be online for longer periods of time. Just to start a combined cycle unit, just to roll the steam turbine, takes six hours from a cold start.

So, you know, obviously those combined cycle units are efficient and they provide a valuable part of that resource mix. But they're sitting at mins (phonetic) during that middle part of the day and not really needed.

So that's the reason why the LM6000 could come online and fill that 8- to 20,000-megawatt ramp that we get in the evenings whether it's winter or summer as we rely on generation -- solar generation regardless of the peak load, that solar generation is going to drop off at six o'clock.

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: For Mr. Thompson, isn't that what the batteries are supposed to do?

MR. THOMPSON: Batteries is one part of -- of ramping capability. But there's also problems with batteries. Batteries have a four-hour duration in current technologies. So they can only discharge for a period of four hours.

So if you have periods of a monsoon or

cloud cover, and that solar starts dropping at two o'clock in the afternoon because we have cloud cover, that battery can only deploy for a certain amount of hours. That's the reason why there's a portfolio approach of gas, hydro, wind, solar and other resources needed in the portfolio because gas can run 24 hours if needed.

MEMBER GOLD: So that is why the simple gas generation is absolutely needed at this point in time since they haven't done nuclear, and simple gas makes up right now it's 25 percent of consumption.

Is that what you said earlier?

MR. THOMPSON: I think gas on the margin in the desert southwest is about 54 percent of which combined cycles are about 30 percent. So approximately 20 percent is reliability units.

MEMBER GOLD: All right. So there is an absolute necessary for what you're doing?

MR. THOMPSON: Yes, sir.

MEMBER GOLD: And thank you for doing it.

MR. THOMPSON: Yes, sir.

CHMN STAFFORD: I believe we have a question from one of the members attending virtually. I see a hand raised, but I can't see a name.

MEMBER FONTES: Mr. Chairman, can you hear

me?

CHMN STAFFORD: Yes, Member Fontes.

MEMBER FONTES: Yes, sir. I appreciate the time to comment here.

Thank you for the tutorial on the duck curve. Although the information is dated, as you noted, I wonder how that conforms to whether SRP and APS had put it in their integrated resource plans.

You're a merchant developer, and I appreciate that. But there's also public policy here, and we've got stakeholders who are looking at this not from the perspective that you are.

Utilities focus on grid resilience. Just because they have a grid they have an operational need. You do not.

As a merchant operator you may prioritize grid resilience in a slightly different perspective because you're looking at market signals to make money for economic advantages.

Your provisional ancillary services may, in fact, cause in the pursuit of financial -- energy independent centers may actually have a detriment to the systems of SRP and APS.

Can you provide letters of support or evidence that SRP or APS have supported this project for

this forum?

MR. THOMPSON: Well, I disagree with your characterization of my motivations just for the record.

So our generation likely will be sold long-term to one of the load serving entities as we've explained in our testimony.

So we're not just a merchant generator. As I stated, the over 6,800 megawatts of merchant generation, which is the backbone of Arizona generation, serves every day for Arizona load, and it's controlled in one way or another by the IOUs in very similar manners as ours would be.

Yes, I will answer your question. In TEP's IRP plan they have a very similar duck curve. And you're welcome to go look at that because it is on the public record. I did not use TEP's IRP duck curve because it focuses on price, the very element that you just identified. It focuses on what the price is going to be from hours ending nine a.m. to nine p.m.

And that's what they're -- they're -- so it looks to me like, perhaps, also the utilities are focused on price, not just the merchant generator because we all look at price in the wholesale market.

SRP, APS, you will be attending a CEC next week in which APS is asking for eight LM6000s at an

existing Redhawk generation station. Last year, SRP put in 12 new at Coolidge, two at Desert Basin, two at Copper Crossing, and two at Agua Fria. APS is also adding two at Sundance. Of which were just permitted in Pinal County in March and May respectively for Coolidge and Sundance. All of those are GE LM6000s.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: As a follow-up question, I would like to -- you know, as a longtime utility planner, I recognize that what you have said about the need for this type of resource is it's absolutely -- is out there and not just to make the peak load but also for stability, operational flexibility.

But as far as a need for this plant itself, I'm wondering whether -- and you probably don't have that at your fingertips right now, but maybe before we're -- before tomorrow you can -- if you can show whether the utilities, yes, they're building some, but are they putting out RFPs requesting that others build that they can purchase from?

MR. THOMPSON: Yes, they are.

MEMBER FONTES: Mr. Chairman.

CHMN STAFFORD: Yes.

MEMBER FONTES: I hadn't finished, but if I

get a chance to, can I come back to follow up on my questions?

CHMN STAFFORD: Yes. Yes.

MEMBER LITTLE: Sorry I interrupted you.

CHMN STAFFORD: There was that pause there, and so I think Member Little thought maybe you were done.

But what we'll do is we'll let him answer her question, and then once he answers that, you can proceed with follow-up questions.

MEMBER FONTES: Appreciate that.

CHMN STAFFORD: All right.

MR. THOMPSON: Member Little, as a merchant generator, yes, we watch and participate in the RFPs. APS has announced that they will be doing an all-source RFP this fall. SRP just had an all-source RFP in May of this year. TEP just closed their all-source RFP in March of this year. And those two utilities, SRP and TEP, have announced that they will continue to do RFPs every two years. But I will continue to say that the utilities also conduct self-builds.

CHMN STAFFORD: Member Fontes, you had additional questions?

MEMBER FONTES: Yes.

That's my observation as well is when the utilities do their IRP planning, they do all-source, they

select best for their selected renewables.

This is a unique plant in that we are seeing a merchant developer building an actual gas plant. In all those other cases, including the ones that you cited by TEP, UniSource, they are going to go ahead and look at rate basing in those.

I'm just trying to put this in perspective in a public forum so that we know that this is a merchant plant that you're looking to design, build, and transfer so that we can support your business objectives in factoring that in mind and what are two, well, conditions precedents, I'll call it, for this CEC to support your project, but by the same token know where the risks and issues lie in terms how we're going to be assumed by a stakeholder or a counterparty in this -- this forum here and go forward and that that plant may be transferred, Mr. Thompson.

MR. THOMPSON: That's exactly --

MEMBER FONTES: So I appreciate your perspective on that, and we will -- we will professionally disagree on how merchant plants fit into the stack, I'm sure. But I'm trying to put it in that framework.

So I appreciate you factoring that in as we get to some of the more challenging issues like the final

design and the monitoring, and the perspective is how do we put this in knowing you are working in this framework that you're not a utility and thinking about those mitigations that we owe to the public.

MR. THOMPSON: That's correct.

And in the putting it in the testimony, I think you'll notice in the record that UNSE brought forward a petition for a Black Mountain expansion and to not file a CEC application for new LM6000s that they want to build without an RFP and without a CEC.

As I've stated, our generation also goes to ED3, ED4. We are in communications with those EDs, and we're also in communication with the data center that APS has asked the data center to identify load and -- or, excuse me, to identify generation that is not in their resource plan that could be utilized to serve the data center before they put the data center and APS's planning.

So they've already paid for two interconnection reviews, spent over $225,000 and one and a half years dealing with APS to be served. And now APS is asking them if they have the resource.

So I think for the record we need to state what's really going on in this market where resources are not being served, and the utilities are telling them they

can't serve them.

MEMBER FONTES: From my perspective, what you just shared there, that is much more useful so that we can do the granular examination on this and look at the issue and talk about the mitigations than talking about a high-level duck curve grid resiliency.

Those issues there, knowing where you're going to touch the busbar, where the load is going to go to and how you configure it is actually, I think, more meaningful, so I appreciate that level of detail much more so than some of the colleagues -- the members here who want to talk about higher level issues on grid resiliency and the other services that we've noted.

So appreciate it. I just want to call that out.

And I do second Member Little's request there for additional information on that point as well.

CHMN STAFFORD: Did you have additional questions, Member Little?

MEMBER LITTLE: I'm wondering and I'm aware of the fact that I'm sure that whatever negotiations are going on are confidential and rightfully so.

However, I'm wondering whether the fact that the switchyard is going to be military and operated by SRP can give us any level of assurance about the need

for this project. I'm trying to choose my words carefully.

MR. MOYES: Member Little and Mr. Thompson, in fact, that's probably a good dovetail into similar questions that Member Fontes asked yesterday about the actual ownership and operation of certain assets, particularly the interconnection asset.

So if you would indulge us --

MEMBER FONTES: Mr. Moyes, if I can add to that, because what Member Little is getting at, and I think you can answer this on the applicant side, is also look at where the transmission's going to go, because if you're going to operate it in that capacity, you're connecting at the PIO, the point of interconnect, for Member Gould, into the SRP system, but then, in fact, you're going to go do a wheel on either to the WAPA system to ED3 or ED4 or over to the APS system, that's material here I think just so we have a concept of that from the systems reliability perspective that we have to give a view on as this Committee.

But also from the perspective, as I noted yesterday, Test Track just had a fire on the WAPA system. So if you're planning on going on there, you're probably going to be delayed about a year because that -- that asset is completely toast, for lack of a better word.

It's inoperable.

So there's some additional operation things that would probably be beyond the system's impact study, but I want to get a further understanding on perhaps with Member Little so that we come back and look at where the infrastructure is going knowing that you have the systems impact study, you're not at final design, you've got some concerns from the public on acoustics and on visual impacts so that we can make an informed set of conditions precedents for you that are very realistic that you can work with, and then you can go forward on your project.

Mr. Moyes, I hope that's a helpful characterization of what we're looking for here for your applicant.

MR. MOYES: Thank you, Member Fontes.

Mr. Thompson, can you elaborate on the ownership of those structures and particularly the transmission off-taker.

MR. THOMPSON: Yes.

So the fire at Test Track was a load side fire on the load side of that transformer, and those repairs will be fixed and paid for by the load. That's already been identified.

The transmission ownership and the system impact study that we went through was a transition

cluster. And in that same transition cluster was the Coolidge expansion, which has already been approved. But they're in the same system impact study that I'm in. Okay. So I'm right there with them.

So WAPA does not have ownership of the transmission line past Duke.

Duke owns -- the WAPA owns from Duke to Palo Verde -- or from Palo Verde to Duke as we refer to it in transmission language is partially --

MEMBER FONTES: It's usually --

MR. THOMPSON: If you would let --

CHMN STAFFORD: One at a time. One at a time.

MEMBER FONTES: For the benefit of my colleagues, do you have a visual on that?

So that I know what you're talking about, Mr. Thompson, but some of my colleagues may not. If possible. And I think you have one.

Sorry, Mr. Chairman. Just trying to be useful for the fellow members here.

CHMN STAFFORD: Thank you.

MR. MOYES: Steve, if we don't have a pre-submitted graphic on that, perhaps Cutter could help us at least locate the Duke substation and identify that on a map for the Committee.

MR. MORGAN: Yes. We have that capacity here.

CHMN STAFFORD: While you're looking for the map, can you just --

MR. THOMPSON: I have map.

CHMN STAFFORD: Okay.

MR. THOMPSON: It's just not in the exhibit.

CHMN STAFFORD: All right. Can you just -- can you just -- while they're trying to get it up, can you just talk about -- because, like, I understand what you're talking about, like, where, like, this segment is owned by this utility and this is owned by somebody else.

But I think you can talk through it until you can get the visual up there so we can understand.

MR. THOMPSON: Okay. So as we think about the 500kV system and we think about the state of Arizona, we understand that the largest nuclear power plant in North America sits at Palo Verde.

Palo Verde is what we call the end of the 500kV system for all intents and purposes when we think about Arizona. It does continue into California on a different line.

WAPA has ownership from Palo Verde to Duke. That means they own part of the transmission line.

Specifically they own 9.41 percent.

From Duke to Pinal Central, which is our interconnection span where we are interconnecting, has no WAPA ownership. Just ED2 owns 5.21 percent. SRP owns 66.91 percent. TEP owns 27.88 percent of those lines. Therefore, we are not NEPA jurisdictional. We are not interconnecting to a WAPA transmission-owned line.

ED3, ED4, WAPA, AEPCO to SRP, TEP all have capacity rights on that transmission line. You can have capacity rights on a transmission line and not own the line.

The switchyard will be owned by and operated what we always say is SRP. Technically, it's owned by the ownership that I just identified, which is 66 percent SRP, 27 percent -- 27.88 percent TEP and 5.21 percent of ED2. Meaning the owners of that line will be technically the owners of that switchyard. That is for reliability purposes and is required by the owners of the line. That happens with every interconnection, solar, battery, gas. It's an interconnection.

We do have maps of the transmission line. I live by maps of the transmission lines and the gas pipelines. We didn't submit them because they are outside the boundaries of our project that we're speaking about today.

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: I appreciate Member Fuentes adding in a great deal of --

CHMN STAFFORD: It's Fontes.

MEMBER GOLD: Fontes. Did I get it right?

CHMN STAFFORD: You said Fuentes. It's Fontes.

MEMBER GOLD: He called me Gould, so we'll just get even with it.

Mr. Thompson, I appreciate everything that is going on at this point in time, but I'd like to simplify it so that I understand why we're doing this.

Is there a need for this generation?

MR. THOMPSON: Yes, per the exhibit that's on the screen.

MEMBER GOLD: And I think that is crystal clear that we do need it.

Has anybody else decided to fill this in who are bidding?

Who are you competing with?

MR. THOMPSON: The difference is if a utility were to do it, then the utility may seek rate base immediately. A utility such as UNS may not come in for a CEC application as they've identified.

MEMBER GOLD: Wait a second.

Have they done so?

MR. THOMPSON: Well, Coolidge asked for an expansion last year.

MEMBER GOLD: Okay.

MR. THOMPSON: Yes.

MEMBER GOLD: Okay. And are you competing with them in any way, or are you just adding to the power?

MR. THOMPSON: I don't look at it as competition so much as complementary. We're all trying to do the same thing. We're all trying to provide reliability to the Arizona system regardless of whether I'm a merchant or have the absolute final load-serving obligation or not doesn't mean that we don't contribute to the reliability of the grid just as 6,800 megawatts was built in Arizona to provide reliability to Arizonans.

MEMBER GOLD: And that's very nice to know, but that's not what I was asking, so let me rephrase what I was asking.

Is anybody competing with you right now who's submitted a CEC to us, and if we grant it to you, they would be eliminated?

MR. THOMPSON: No, not necessarily.

MEMBER GOLD: Thank you.

MR. THOMPSON: It's not a -- it's not a, you know, one for one --

MEMBER GOLD: That's what I -- what I believed.

So I say you're filling a need. You're willing to do this. You're working in it to accomplish something that's needed and you should be able to make a profit in the process. And --

MR. THOMPSON: I may lose money in the process.

MEMBER GOLD: But you also may make money. Here's hoping you'll make some in the process. If you lose money, you won't bid again. And with the power needs are keeping to expand and grow with the population, so am looking at very simple we need the power. You're willing to provide the power. And we're simply here to state that you accomplish all the requirements that are required of you to do this.

And part of which is my responsibility, which is you taking care of the local people and not harming them. And you seem to have done a great job so far, and I'm looking forward to getting on the CEC process.

MR. THOMPSON: Thank you. Nothing in our testimony, I think, speaks to profit motivation. I think

it speaks to resource adequacy. And not everybody is just profit motivated. There are other reasons to do investments.

BY MR. MOYES:

Q. Mr. Thompson, there was also a question asked by Member Kryder regarding potential negotiations with El Paso for a long-term gas contract.

Can you briefly touch on that?

A. (Mr. Thompson) Yes.

As I stated in my experience, I manage over 1.2 BCF a day of natural gas on various different pipelines. I just -- I just completed an asset management agreement for 20 years with JP Morgan on El Paso releasing transportation to them.

We can buy firm natural gas off of El Paso from JP Morgan, BP, other shippers. SRP, APS, TEP are also shippers on El Paso. So you can buy firm delivered or you can buy transport on El Paso.

In our case, the amount of gas that we use is very small. For example, if we run for four hours on a particular day all units, we only burn 18,816 MMBtus on a four-hour run.

When I was managing Gila River, I would nominate 180,000 a day of natural gas, and that was for half the unit.

So this is 18,000 a day on a four-hour run for all 10 units. One hour will burn 4,700. One unit will burn 470.

The total amount of natural gas that we would consume over a year we're limited by our air permit, and the reason why they do that is the amount of conversion from natural gas to electricity is a direct correlation to the emissions.

So if you look at the 18,844,000 that we're permitted to consume, and you look at the 9.8 heat rate of the unit, you can do the math of 18.8 million divided by 9.8 divided by 480. That gives you 4,000 hours a year that you can run. 4,000 hours divided 8,760, which is the amount of hours in a normal year, not a leap year would be 45.7.

Thus my testimony stated the maximum that we could ever run in a particular year was 45 percent, but that's actually overstated a little bit because you do consume a little bit of gas when you're in startup. So we really characterize that as around 43 percent maximum.

When SRP build the same units, spent the same amount of money to put the same units over at Coolidge, they agreed to an air permit that limited them to 30 percent. The reason for that is they already have 12 units at that very site. Therefore, the combination

of 12 unit plus 12 units took them over some thresholds in their total site air permit.

But if you think about it, I'm investing in this site, and I could run 30 up to 43 percent of the time, whereas the same investment by a regulated utility at Coolidge will be limited to 30 percent.

However, that 30 percent, as we've said in our testimony, is more than adequate to supply the needs. And we've also identified in the Coolidge testimony, and I think there was Coolidge testimony that's on the record that showed that only 10 minutes in 2022 were all 12 units at Coolidge were operating at the same time. So that goes to the sound issue. It goes to the water issue. It goes to the air issue. And that is with one B.A. SRP is a single B.A. we may be selling to ED2, ED3, ED4.

Q. Mr. Thompson, let me stop you real fast.

Can you please explain what a B.A. is for the Committee?

A. (Mr. Thompson) A B.A. is a balancing authority, which is inside that balancing authority there may be numerous utilities such as ED3 is an AEPCO's B.A., or AEPCO provides some B.A. services for them. There's some utilities within APS's B.A. and some other load-serving entities in SRP's B.A., but the B.A. is ultimately

responsible for all reliability within that balancing authority territory.

CHMN STAFFORD: Yeah, because unlike in the other -- like, in the California Independent System Operator they balance the load for all the utilities across the footprint except for, I think, LAWP, yeah.

But, see, in Arizona it's different because APS is its own balancing authority, so is SRP, AEPCO, TEP. They coordinate with each other, but it's not one entity that's managing it all. It's each utility is their own balancing authority except for, as you noted, some of the ones that subsets under the major utilities.

BY MR. MOYES:

Q. And so, Mr. Thompson, with your testimony that there's likely going to be multiple B.A.'s with access to these generators on Project Bella, is it true to state that the likelihood of all 10 operating at the same time would be very slim considering those different B.A.'s all have different peaking needs?

A. (Mr. Thompson) That is correct. In the documentation that you saw in your local newspapers, APS and SRP hit their summer load here on a Sunday about three Sundays ago whereas Tucson Electric's peak was back in July. So they have different peak periods.

MEMBER KRYDER: Mr. Chairman.

CHMN STAFFORD: Yes, Member Kryder.

MEMBER KRYDER: I just -- excuse me, I just wanted to thank Mr. Thompson for the very much broader answer to my question than I had expected. It was very helpful. Thank you so much.

MR. THOMPSON: Thank you, sir.

MR. MOYES: While we're on the subject of natural gas, Mr. Thompson, the Chairman had asked a question, I believe, yesterday regarding that maximum annual consumption of natural gas, the 18 million and change MMBtu, he had asked if you were able to convert that to equivalent megawatt hours?

CHMN STAFFORD: Actually, my question was in reference to page 17 of 23 on the air quality assessment where it noted that the -- it's a 1,170 pounds of CO2 per megawatt gross requirement, but then it stated that the emission rate for the Project Bella would be 160 pounds of CO2 per MMBtu. That was the conversion that I was asking for.

MR. MOYES: I'm sorry. I misunderstood.

CHMN STAFFORD: What is that terms in terms of megawatts hours?

MR. THOMPSON: So, yeah, on Table 8 on page 18 we show that it's 1,539 pounds per megawatt hour. I'm not sure if that's directly to what you were asking,

but that's what I researched and was thought -- I thought that you were seeking.

That's in reference to CO2 emissions.

CHMN STAFFORD: Say that again.

MR. THOMPSON: So on page 8 -- Table 8 on page 18 there's a reference to 1,539 pounds per megawatt hour of CO2. I thought that's what you were seeking.

CHMN STAFFORD: No.

MR. THOMPSON: Okay.

CHMN STAFFORD: I'm not even seeing that on here.

MR. THOMPSON: So, I'm sorry, what was your question?

CHMN STAFFORD: Okay. It was on -- because the standard that's in subpart TTTTa is 1,170 pounds of CO2 per megawatt hour. And you said that the -- that this Project Bella would have emission rate of 160 pounds of CO2 per MMBtu or less, so that's why -- can you explain why it's not subject to the monitoring requirements of that subpart of the CFR?

My question was what is that -- the 160 pounds of CO2 from MMBtu come out to -- how many pounds is that per megawatt hour. So to compare apples and apples.

MR. THOMPSON: Okay. I'll get that for

you.

CHMN STAFFORD: Thank you.

MR. THOMPSON: But what I could respond to, and I think it's relevant, is that our project will comply with the most stringent requirements. Our requirements on tons per year is 225 versus 250, which is the federal threshold.

So Pinal County set us at 90 percent of the federal threshold to make sure that they had plenty of room before we went over any federal thresholds even though we have an EPA Title V permit.

We will also meet the new TTTTa CO2 requirements, which are more stringent, for a facility. And we're considered an intermediate facility. And at 1539 pounds per megawatt hour, we meet the compliance requirement up to 1560 that's in the new EPA regulations for TTTTa CO2 emissions.

CHMN STAFFORD: Oh, so you're saying it's 153 -- 153 pounds per megawatt hour?

MR. THOMPSON: No. 1,539 pounds.

CHMN STAFFORD: That's what the emissions will be?

MR. THOMPSON: Per megawatt hour.

CHMN STAFFORD: And that's for the Project Bella?

MR. THOMPSON: Yes.

And so that's below the threshold for an intermediate facility under the new EPA regulations.

CHMN STAFFORD: Say that again. I didn't write it down fast enough.

MR. THOMPSON: So that's under the regulations for TTTTa CO2 requirements of 1,560 for an intermediate facility under the new EPA regulations that were just issued by the administration.

CHMN STAFFORD: Well, that's the requirement, not the emissions rate for this plant, though.

MR. THOMPSON: We're below the emissions requirement at 1,560 because our rate will be 1539 pounds per megawatt.

MEMBER FONTES: Mr. Chairman.

CHMN STAFFORD: I'm -- I'm confused here.

Member Fontes, yes.

MEMBER FONTES: I actually want to observe that I asked that yesterday, Mr. Thompson, to your consultant, your paid subject matter expert, and he said that you did not, so that's actually prepositive.

And I want to note that for the record that that's actually better than the requirement, Mr. Chairman, that they are meeting a threshold that is

new and yet not fully implemented here in the modeling, so --

CHMN STAFFORD: Yeah. I'm confused.

Then what's the 1,170 pounds per megawatt?

MR. THOMPSON: So the 1,170, there's a range. So what they do, the EPA identifies a range for different types of generators, and an intermediate generator is between 1,172 to 1560, so we do, indeed, fit inside that intermediate range for compliance purposes because our emissions of CO2 will be 1,539, which is in the range of -- of pounds per megawatt hour, which is in the range of 1,170 to 1,560 defined by the administration for an intermediate resource.

CHMN STAFFORD: Okay. So I got that straight, the range is 1,172 to 1,560, and this project will be 1,539 pounds per megawatt hour?

MR. THOMPSON: Yes, sir.

CHMN STAFFORD: And that's across --

MR. THOMPSON: That's per megawatt hour. Okay.

MEMBER FONTES: -- per megawatt hour, yes.

MR. THOMPSON: Okay.

CHMN STAFFORD: Got it.

MEMBER FONTES: And, Mr. Chairman, if it's useful, I think they're going to meet better standards

than any other asset we have in the state for LM6000s based upon this.

CHMN STAFFORD: Thank you. That answered my question.

MR. MOYES: Mr. Thompson.

CHMN STAFFORD: Mr. Moyes, please continue.

BY MR. MOYES:

Q. There were a number of questions yesterday regarding the future possibilities of hydrogen, and I know you stated in testimony, both you and Mr. Demirchian, that hydrogen was not contemplated as a fuel for this plant.

Can you elaborate more on the commercial availability today and the future prospects of hydrogen as well as the difficulties that that might provide in any type of water consumption conversion that was also asked for by one of the members?

A. (Mr. Demirchian) Yes. I will be happy to provide my testimony on that.

Currently we are not aware of any hydrogen production facility within a reasonable range of Project Bella. There are a number of hydrogen production facilities that are being contemplated outside of the state of Arizona, but those are primarily for local use, and transportation of those production facilities to

Arizona would be not really practical unless there are major new transmission pipelines are established. So there is no contemplation of using hydrogen even in the future should there be available in other locations.

There was an information about available or a nearby hydrogen facility here that -- that is planning to generate hydrogen for California market -- mobility market, which is basically transportation.

So this facility that is within three to four-mile range of our project is basically will be utilizing the resources locally here. Which namely are water and power, but the product in hydrogen will be then exported to California.

Q. So that nearby facility will not be providing commercially available hydrogen for a project such as Project Bella in Arizona?

A. (Mr. Demirchian) That is my understanding based on the -- their own website and public information that is available.

Q. And, Mr. Demirchian, can you explain why it would be difficult to come up with a reasonable -- a reliable estimate on how much water would be saved or used in addition if one or more of these units was converted to hydrogen?

A. (Mr. Demirchian) Because that information

currently is simply not available to us to be relying on confidently and plan on it for future.

But should that happen in some time in the future time again, then what we will be planning to do or we'll consider is reallocate the water that we currently use with the LM6000s for the hydrogen use.

MEMBER RICHINS: Chairman.

CHMN STAFFORD: Yes, Member Richins.

MEMBER RICHINS: Just to add some information, yes, Air Products is constructing a 11,000-ton-per-year production facility about three miles from this site. As far as I understood they had not made full commercial decisions about where the destination of that hydrogen is going.

In addition to that, Fortescue is planning 33,000 tons per year in Buckeye, which is not unreasonably far from this site as well. They have no commercial contracts for that, and that hydrogen would be available to any comer that wanted to come use it.

So that's at least 44,000 tons of hydrogen being produced in Arizona as well as Matheson's gas facility, which is typical -- they typically use it in commercial applications on a much smaller scale than those guys would ever use.

So they're -- a little bit of due diligence

would benefit the applicant, I believe, to see what might be available coming online about the same time as their plant will be completed.

So I don't think that conversation should be foreclosed on. I know specifically Fortescue is looking for users for the 33,000 tons they produce.

I am admittedly ignorant about the amount of the tonnage of hydrogen that would need to be used to power 10 turbines, but I do like the idea of at least exploring some of the turbines to be run on hydrogen sooner than later as an air mitigation measure.

Anyway, that's the information I had to provide to that. Thank you.

CHMN STAFFORD: Yes, Mr. Thompson.

MR. THOMPSON: So we agree that hydrogen may be a source. What we're trying to say is hydrogen would first be utilized at combined cycle facilities or larger facilities that utilize hydrogen all the time because our plant may not run for 30 days at a time.

So parking hydrogen at our facility and then our unit not dispatch as opposed to a combined cycle unit for a different type of unit that's going to run more often would be the case.

The reference that we provided was from an Air Products press release issued on March 8, 2022, which

states that their hydrogen facility in Casa Grande, Arizona, the zero carbon liquid hydrogen facility is expected to be on stream in 2023 and its products will be sold to the hydrogen for mobility markets in California and other locations requiring low carbon hydrogen.

And then it goes on to say that the site will also include a terminal for distributing products to customers' locations throughout California and other markets.

That's an Air Products press release of March 8, 2022. We just simply used the worldwide web.

MEMBER RICHINS: Chairman, I'm not -- I'm not picking a fight here, but that's very old information.

And I just would encourage the applicant to do their due diligence and find updated information that's not two and a half years old about the developing hydrogen market in Arizona.

Arizona was not selected as a hydrogen hub, which is part of that issue. And so they had to kind of rethink where their dissemination might be. But we would welcome those that want to generate hydrogen demand in Arizona so those facilities that are using our air and water could keep the power close by or the gas close by as well.

So just an encouragement to do a little bit more due diligence on this. I think you might find this a little bit more favorable conditions than you might have a few years ago. That information is no longer reliable.

Thank you. And I just I have personal experience with both of those.

MR. THOMPSON: Yes, sir. I will commit to do so.

CHMN STAFFORD: Member Hill.

MEMBER HILL: Sure. I also wanted to mention that I think that press release was before the passage of the IRA, and I think that shifted a lot of the markets in the hydrogen space just because of generation.

MR. THOMPSON: Thank you very much.

We'll commit to --

MEMBER HILL: And I think some of us are very excited about this.

I think -- I sit in a lot of integrated resource planning meetings, and about 60 percent of it goes right over my head, I'll be honest, but what I do hear consistent from our utilities here is that they are interested in using hydrogen and transitioning their natural gas facilities over to hydrogen.

So I only brought this up because I'm

hoping that the merchants operating in Arizona are also thinking along those lines and trying to figure out how to serve Arizona utilities and help them achieve their climate goals, and that at the end of the day will probably require some green hydrogen. So that's the only reason that I brought it up yesterday.

MR. THOMPSON: Can I make a comment to that?

MEMBER HILL: Uh-huh.

MR. THOMPSON: So in California they have a carbon tax. Okay? And so --

MEMBER HILL: I would like to love to see -- well, okay, other topic. Go ahead.

MR. THOMPSON: So what may happen is if you're producing energy that's carbon neutral, it's probably going to go to the market that pays you for that carbon neutrality, which right now is not Arizona.

So we are not contemplating that because we want the energy to be right here in Arizona.

MEMBER HILL: So you want to sell us your dirtier energy because you can't sell it in California? I was generally confused.

MR. THOMPSON: I threw you that softball. I'll give you that.

MEMBER HILL: Okay.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: I have one last question about need.

Will your project construction depend on you having firm power purchase contracts or agreements before you begin construction?

MR. THOMPSON: Not necessarily. But a portion of it may, yes.

MEMBER LITTLE: Well, I would also like to interject here as long as I have the floor. I owe Mr. Moyes and the applicant an apology. I misstate -- made a mistake. The generation plants are not required to submit Ten-Year Plans just because they are contemplating construction. Chairman Stafford pointed that out to me, and I wanted that to go on the record. Thank you.

MR. MOYES: Thank you, Member Little. We appreciate that.

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: Only for curiosity from Mr. Thompson, and you don't have to answer this if I'm getting into some of your business practices.

Right now I looked at your history, I

looked at your biography that you have here, the short version, and you control pretty much your access to natural gas. You will have plenty of that for your project.

Do you also have any solar plants that you have a background with?

MR. THOMPSON: I manage a 130-megawatt solar facility, but we don't own it. We manage it for our customer.

MEMBER GOLD: Gotcha.

Because I was going to say if you have a great number of solar plants, you could also develop your own hydrogen and use that in your natural gas plants.

So there's no conflict here. I see just straightforward saying this is the best way. I have access to the natural gas, there's a need for this project. And I appreciate your altruism, but the fact that you're providing something that's necessary for the community in Arizona I think is important, and nobody else today is doing it in front of us. You are, and I appreciate that. Thank you.

MEMBER FONTES: Mr. Chairman, I have a clarification question.

CHMN STAFFORD: Yes, Member Fontes.

MEMBER FONTES: I appreciate the rundown on

the ownership structure of the interconnect and the substation there.

One thing I'd like to get clarity on, and I don't know who can answer this, but you've got a BESS system and then you've got a peaker plant. And their -- in the interconnect is that a single POI that you're going to interconnect?

And then what is the contemplated operation configuration of those?

Because if you've got a four-hour duration battery at best, you could be operating that independent for dispatch than the peaker plant. I just want to get a concept of the operation that's planned for the basis of the interconnect there and then sort of the commercial thoughts in terms of how you're going to operate that with the market.

MR. THOMPSON: So thank you. When we submitted our application for interconnection with SRP in the transition cluster, we were required to provide a significant amount of data regarding the primary movers or the generators behind that resource.

And with that we identified the inverters for the 440 megawatts of batteries and the -- the generator data on the -- on the LM6000s, and there's a lot of data that goes into that. So each resource was

identified, but it is a single POI into the 500kV switchyard.

What happens on our side of the fence is the BESS system has its own 13.8 to 230 step-up, and the gas turbines have 34.5 -- excuse me, 34.5 to 230 step-up, and the gas turbines have their 13.8 to 230 step-up transformers. And then those -- both those general leads will go over to our 230 to 500kV autotransformers that are bidirectional. And then it steps up to the 500kV system.

The reason why it's bidirectional is we can also pull energy off the grid for charging during periods as we see up on this chart when solar exceeds demand, and we're parking that solar for later use for load-serving entities in the evening periods to meet that peak. So they both have their own inside-the-fence facilities, but it's a single POI.

MEMBER FONTES: It's a single POI, so you can only put energy on the grid from one asset versus the other at a time, or could you do it simultaneously?

MR. THOMPSON: No. So our interconnection is for 924 megawatts or 928 megawatts, so it's the combination of the two.

MEMBER FONTES: Okay. That's very useful.

So it's bidirectional. We've been asked by

the Commission to look at this. So you can charge and do energy arbitrage back on to the grid with the BESS.

MR. THOMPSON: That's correct. That's its design. It's not designed to be charged from the gas turbines. It's designed to be charged from grid.

MEMBER FONTES: That is very, very important.

The other question I wanted to follow up, Mr. Chairman, if I may, is you talked -- and I do appreciate the ownership breakdown of that substation.

Did you look at the access roads?

In other projects we've looked at you have inside the fence and then you've got the outside-the-fence scenario. And when you get to fire and safety with the county and some of the issues like we're going to talk about today hopefully with realistic CPs for you for barriers and other things, permissions are going to have to be granted by the utility. So if you don't have the answer right now, that's fine, but I just want to say we will need that here probably tomorrow when we get to that for access roads in particular.

MR. DEMIRCHIAN: Member Fontes, I can answer that.

MEMBER FONTES: Thank you.

MR. DEMIRCHIAN: We have two direct access

for the SRP switchyard from the Midway Road that's independent of our access to the project, and there are two access to the project. One would be active, which would be maintained with a security guard and a station. And the second one is a secondary access, which is closer to the south corner of the project.

MEMBER FONTES: So for thinking about the best of fire and safety, that's one thing we don't have jurisdiction over, but you're going to have to think about that, and we can look at, like, the West End fire that APS had and so forth.

MR. DEMIRCHIAN: Yes.

MEMBER FONTES: The access roads, are they owned by the city or are they owned by the utility?

MR. DEMIRCHIAN: The access roads within the SRP will be owned by SRP.

MEMBER FONTES: SRP?

MR. DEMIRCHIAN: Yes. That's within their own inside the fence of SRP's switchyard. So when we transfer the switchyard, we also will be transferring the deed for that section for that plot that switchyard is constructed on.

MR. THOMPSON: And we respect SRP, but we're giving them a little of a name-brand recognition there. It's actually 66 percent SRP, 27 percent TEP, and

5.2 percent ED2 just to be fair to the other transmission owners there.

MR. DEMIRCHIAN: And to your point regards to the access to the battery, we have a complete circulation ring around the BESS so that there will be full access for fire and safety.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: As a follow-up to that question, I notice that one of the questions that was asked on a comment at one of the open houses, I believe, was the person was asking how the public is going to be notified in the event of an emergency, and we didn't have the benefit of seeing the answers that were provided to the public in response to these questions.

So is there a plan in place for notifying residents in the vicinity if there is an emergency at the plant?

MR. DEMIRCHIAN: Yes. That will be part of our emergency response plan. It will be detailed within that emergency response plan. The notifications, procedures, announcements, yes.

BY MR. MOYES:

Q. And, Mr. Demirchian, that emergency response plan is something you've already committed to and, in

fact, hired professional consultants to begin developing; is that correct?

A. (Mr. Demirchian) That is correct.

We have two subject matter expert consultants both in battery fire protection, fire suppression systems that will be working on that.

MEMBER LITTLE: Thank you.

MR. DEMIRCHIAN: One of the experts actually is working on a number of projects here in Arizona.

MEMBER LITTLE: It's my understanding that there's really no fire protection out here, that Casa Grande fire comes out, but it takes them a while, and it's in the county, and so it's been an issue.

MR. THOMPSON: That's correct. And we've reached out to Regional Fire who used to have this area. We've asked them to redeploy assets back to this area, and we are in direct contact with them. That's one of the things we'll be working on with Regional Fire.

And it's the same issue that the solar facilities that have collocated batteries on them throughout the county has as well. They have the same exact risk exposure as we would.

MEMBER LITTLE: Thank you.

MEMBER FONTES: Mr. Chairman.

CHMN STAFFORD: Yes, Member Fontes.

MEMBER FONTES: Member Somers had a strong recommendation that I'm going to endorse when we get to the CPs, but this -- this point here brings up a similar -- is to involve the public for the finalization of that plan as well as the final design review.

So I just want to make a note here that when we get to conditions precedence for this CEC that we revisit that point right there that Member Little brought up.

CHMN STAFFORD: I have a question.

This emergency response plan, who is responsible for reviewing that?

Does it go to the county, or is that just in a document that you have that's a plan?

What does that entail?

MR. DEMIRCHIAN: I believe it goes to the county and ultimately the authority having jurisdiction.

CHMN STAFFORD: Okay. Now, so currently I guess Member Little was saying at Casa Grande fire has to respond to this area for any kind of emergency if there were a fire?

MR. THOMPSON: Yeah. We have some maps here that will show you Regional Fire's area and then Coolidge -- or the Casa Grande city limits area.

And, yes, we agree. So we've reached out to Attesa racetrack as well as Regional Fire, and we're working with the county to get Regional Fire back in.

CHMN STAFFORD: Regional Fire, is that a private company that provides services to the county?

MR. THOMPSON: Exactly.

MEMBER LITTLE: That's a pay for service; right?

MR. THOMPSON: That's correct.

MEMBER LITTLE: The customer pays.

MR. THOMPSON: That's correct.

MEMBER GOLD: Mr. Chairman.

CHMN STAFFORD: Yes, Member Gold.

MEMBER GOLD: Just a question.

Since you have the BESS, can you tell us, if you know, how do you put out a lithium fire?

MR. DEMIRCHIAN: There are a lot of different opinions right now about that and depending on experts and their experience. And some prefer to use water for reducing the temperature, but that may not necessarily putting the fire out. The benefit would be to reduce any emissions that may emit during the fire.

And there are other opinions about isolating that one entity and let it burn itself out.

MEMBER GOLD: What are the emissions from a

lithium fire?

MR. DEMIRCHIAN: I don't have that in front of me, but there are a number of gas that will be emitted, and that's part of the emission response plan and hazard mitigation analysis that will be performed to analyze the plume that would be emitted, the direction it will emit.

MEMBER GOLD: Again, out of curiosity's sake, lithium -- when we say lithium, it's really a lithium iron?

MR. DEMIRCHIAN: Lithium-ion.

MEMBER GOLD: Lithium-ion.

MR. DEMIRCHIAN: Correct.

MEMBER GOLD: Okay. And the ion refers to the fact that the lithium can combine with something else.

What is the lithium attached to?

What other chemicals are in the lithium battery?

MR. DEMIRCHIAN: I don't have specific information on that.

That's our environmental expert that can speak to that.

MEMBER GOLD: Your environmental expert?

MR. DEMIRCHIAN: Yes. Mr. Westbrook that

was here yesterday.

MEMBER FONTES: Member Gold, if I may add to this to address your concerns.

I actually financed a -- projects in -- with the Department of Energy for battery energy storage and was involved reviewing two fire incidents in Peoria, Arizona that resulted from projects in APS's service territory.

And that jurisdiction is at the county level, and I do believe that the applicant here is working with the right folks. They have a solid consultant.

While it's interesting for us to know from the perspective of our certificate of environmental compatibility and system reliability and the improvements we're going to do, I'm pretty satisfied that they're working with the right set of actors, and they can fully address this.

And I would just look at making it a CP here, a conditions precedence to our CEC that it will addressed.

If you want to get offline as well, I can point you to those reports.

MEMBER GOLD: No. I'm actually familiar with some of that.

What I was asking was something still concerns me, and that's your battery system and the protections you have around it.

And if somebody shoots into your battery system, and I'm simply saying a terrorist act, somebody goes in instead of shooting at your transformers shoots at your batteries and does cause an issue, how do you put it out?

The answer is you don't put it out, you let it burn itself out. If it burns itself out, it's not really going to harm your other equipment, I don't think, because I'm not sure of the explosive capability.

But I would be concerned how are you going to protect your battery system other than the metal casing that it's in, and is that metal casing bulletproof?

MR. THOMPSON: I think we would be diligent to go look at that for you instead of opining on that off the cuff, but we would -- we'll look into that.

MEMBER GOLD: Of course, that would be something I'm just concerned about just safety. And we are in a environment where terrorism is an issue. It's going to be a bigger issue. And the easiest thing to do is target our grid.

MR. DEMIRCHIAN: And I believe that would

be one of the items in the HMA, which stands for hazard mitigation analysis, you know, external threats basically to the facility. I'm sorry, external threats of the facility is one of the items in the hazard mitigation analysis, active shooters.

MEMBER GOLD: Okay. Again, just a suggestion is put a concrete wall around it.

BY MR. MOYES:

Q. Mr. Demirchian, maybe it would be helpful to restate your testimony from the other day regarding the cooling systems that are designed around the battery enclosures and the self-containment, the fire suppression systems that are already built in.

There was also a question from Member Kryder, I believe, regarding the spacing of the batteries, and perhaps that would be a good time to answer that as well.

A. (Mr. Demirchian) Yes, I would be happy to.

So the cooling system for the batteries, each battery container, which is very similar to a shipping container, has its own cooling device, its own small chiller that will cool the battery, lithium-ion batteries within that enclosure.

Each one of these systems will be tested in the factory where they're built before they're being shipped to the site. So they'll be fully tested and

commissioned.

With regard to the spacing of the units, we are right now contemplating the closest units to -- the distance between the closest units is approximately 12 inches. We can extend that to 24 inches if the hazard mitigation analysis indicates that we need to separate them further.

In the opposite direction they're about eight feet apart from each other.

And finally, your question about the fire -- the measures we have put in place for fire -- fire suppression. We have fire water that will be operated by a diesel engine-operated fire pump. We plan to install a complete hydrant loop around the battery system.

Each battery enclosure internally has a water suppression system that will connect water to each one of those as well. So we can spray water internally to each one of the enclosures. We'll have a fire hydrant loop externally, so in case of a fire, and our fire response team when they arrive they can -- they can put a barricade around it and douse the water -- the fire with water from a distance.

And finally, if there is any additional measures including NFPA 15, which is directly water on top of each enclosure with an automatic release will be taken into

consideration.

Q. So hypothetically if the whole plant went down and you had no electricity available, that diesel pump with the water source nearby would -- you'd be able to fire that up and still be able to suppress -- to put water on the fire; correct?

A. (Mr. Demirchian) That is correct.

Which is part of the NFPA compliance.

Q. And, in fact, that's a luxury that many of the battery plants that are being permitted or being built in the state of Arizona don't have; is that true?

A. (Mr. Demirchian) I can't speak for the other plants, but definitely we have taken extra measures here for additional safety.

Q. Thank you.

MEMBER KRYDER: Mr. Chairman.

CHMN STAFFORD: Yes, Member Kryder.

MEMBER KRYDER: Thank you very much for adding this level of information. It's really quite helpful, and it was the sort of information I was really looking forward to. Thanks.

Each one of those bad boys, then, the enclosures, has their own cooling compressor and system; is that correct?

MR. DEMIRCHIAN: That is correct.

And not to oversimplify it, it's not all that different from a residential cooling system that you have -- that you have the -- your outdoor unit, and then it chills -- basically in this case it chills water, and it circulates it internally.

MEMBER KRYDER: Okay. And Mr. Moyes brought up just a moment ago suppose all the power to the project, all the electrical power goes out, the only source -- do you have a backup?

Can you pull off of your own batteries to use that in the case of an emergency?

I guess that's where the question would go.

MR. DEMIRCHIAN: Yes. And we will also have a life safety diesel generator as normally required by any -- any facility for life safety for lights for strobes for horns and for any other system that have to be operational during an emergency and power outage. That would be standard practice for us.

MEMBER KRYDER: Thank you.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: I have a couple of questions about the ponds. The evaporative pond, is that lined?

MR. DEMIRCHIAN: Yes. It will have a geo

liner. It's two liners with a leak detection system in between the liners.

MEMBER LITTLE: But -- and how the evaporative -- oh, good -- cooling water pond, is that going to be covered?

Or it would be nice to, like, put solar panel over them -- over it or something to help prevent evaporation from the cooling water pond.

MR. DEMIRCHIAN: Member Little, which one is the cooling water you're referring to?

To the storage tank?

MEMBER LITTLE: I'm sorry. The fire water pond.

MR. DEMIRCHIAN: Oh, the fire water pond.

MEMBER LITTLE: It is not the evaporative pond, but, yes, the fire water pond.

MR. DEMIRCHIAN: I think the challenge there putting solar panels will be access for personnel for maintenance. So effectively we need to provide walkways that are safe because they need to maintain and inspect it over time.

But it's an option for us to cover as well.

MEMBER LITTLE: Well, I'm just wondering if it's covered it helps with evaporation which, of course, is a huge issue here.

MR. DEMIRCHIAN: Yes, that is correct.
MEMBER LITTLE: Thank you.
CHMN STAFFORD: And you don't need an aquifer protection permit for this project, do you?
That's what the evaporative pond is for, then?
MR. THOMPSON: That's correct. We are a zero liquid discharge facility.
CHMN STAFFORD: Okay. All right. And then currently what are the plans for the perimeter fence of the project?
Do you typically construct is it chain link, or do you do a block wall?
MR. DEMIRCHIAN: Right now it's envisioned to be chain-linked. But it also will be designed for habitat and the environment in consideration. So they'll probably have passages underneath the chain link that the smaller animals can have their migration paths.
CHMN STAFFORD: What about will there be any vegetation to -- or will it be just straight chain-link fence that you can see right through it?
MR. THOMPSON: Inside the 158-acre site itself, you know, we wouldn't have vegetation. Due to fire protection reasons it's all gravel.
We would have some vegetation on the

outside of the fences, yes. That's part of your landscaping plan with the county.

CHMN STAFFORD: All right. Is the -- I don't recall hearing about a landscaping plan. Is that just a --

MR. THOMPSON: That's part of your major amendment process that we do with the county.

CHMN STAFFORD: Okay. All right. So the county will determine what's appropriate for the outside vegetation, then?

MR. THOMPSON: And so we work with a landscaping engineer as well as with the county what's appropriate from a water perspective as well as natural habitat.

CHMN STAFFORD: Okay. And then so the current use of the site I think -- I'm looking at -- I'm referring to slide R35 of your Exhibit 8.

So the current site is using 334 acre feet per year?

MR. THOMPSON: Yes.

So I think she'll pull that slide up here in just a second. There it comes.

CHMN STAFFORD: There it is.

MR. THOMPSON: And so there's 189 acres of the 355-acre parcel that's actually being actively farmed

right now.

And what we did, if you remember the first day of our hearing, I said that we were intentionally conservative in all of our modeling on both ends. So on our permits we look at the maximum permitable, and on our water usage historical we looked at the least amount.

And we've quoted to you 335 average -- 335 acre feet. That was last year's usage. If you look at the well production on that site over the eight years that it's been active here, the average -- the straight eight-year average from 2016 to 2023, so not counting, of course, this current year, was 462 acre feet per year.

So, again, I don't want to confuse the record with data, but I want to reemphasize that the reason why we used the 335 -- 334 was that was last year's pumping was 334. So we took the lowest of those two versus the average versus the lowest year of last year to be very, very conservative in our usage.

But, you know, just to be clear, they've used 462 over that six-year period, and the highest year was 936 acre feet.

CHMN STAFFORD: What year was that?

MR. THOMPSON: 936 acre feet was the first year, 2018, where they used 307 acre feet of CAP water and another 218 feet in-lieu water, which means CAP

water. They were growing cotton that year.

CHMN STAFFORD: Okay. Now, looking at the site, if the CEC was conditioned on a groundwater cap and just say it was set at 400 acre feet per year of groundwater that you could actually use, what effect would that have on the operations of the plant?

MR. THOMPSON: Well, I would say over an average three years if it was a cap over an average of three years, that would be, you know, something that would be manageable and would have very little, if any, impact on the historical use.

As I just stated, the -- we can provide you data that shows that this pump from 2016 to 2023 averaged 462, and so that would be well below that average.

In our testimony, as you heard us state, we could use up to 540 acre feet per year, but if it was set on three-year average or something like that, you wouldn't necessarily have an emergency energy crisis three years in a row that you would need to be running at your full maximum permitted levels three years. I think we stated that we're probably in the 380, 390 on average typically.

CHMN STAFFORD: Okay. I'm just trying to think of ways to mitigate the drawdown of the aquifer. That seems to be a common concern with the people who

are -- live near the project, so I'm just trying to kind of think of possible solutions.

I didn't want to propose or consider a condition that would just be a poison pill or deal breaker or just something like those. Well, like, because obviously if we put like a 100-acre-feet total cap, it wouldn't be economic to build it, you wouldn't be able to operate it enough to cover the cost.

MR. THOMPSON: Correct.

CHMN STAFFORD: But you said that 400 -- 400-acre-foot three-year average is workable potentially?

MR. THOMPSON: Potentially. I would need to have a Coke and think about that.

MEMBER FONTES: Mr. Chairman, I want to take a step back and revisit something on the BESS, if I could.

CHMN STAFFORD: Yes, please.

MEMBER FONTES: With respect to the BESS we had fellow members talk about water. In the cases that I know in Arizona water was very ineffective and, in fact, counterproductive to putting out fire incidents in lithium-ion battery storage projects. What was more effective is making sure we had an access around the BESS site and it was separated from water sources.

One of the things that I asked the

applicant to revisit is during the final design to have that final design be informed by the fire safety for the BESS for the standout region from the BESS and then think through how that will be separated from water sources in light of fatal flaw analyses conducted by the utilities based on the other BESS fires that we've had here in Arizona.

MR. THOMPSON: We will commit to do such.

MEMBER FONTES: Appreciate that.

And, again, let your fire safety folks look at that very closely.

And there's a been a couple of projects where they had to rethink that. I'm not trying to create additional costs here by suggesting this. I'm just thinking it through smartly with the fire and safety before you get to the final design.

MR. THOMPSON: Yes, sir.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: Just a couple of other things that I wanted to address.

I'm wondering whether the switchyard design provides for possible expansion. I'm envisioning -- I mean, I realize that we have to deal with what we're dealing -- with what we see now as far as zoning in the

area and that kind of thing.

But I'm envisioning based on what I've seen in other agricultural areas and medium-density residential areas where utility facilities have started to be built that this might be an area where it would be less desirable to put homes and more desirable to put solar plants. For example, in which case that switchyard might be a gathering point.

Or is it being designed right now just for the facility that you have?

MR. DEMIRCHIAN: Right now it is being designed just for our facility for our project.

We have potential flexibility to connect the 230kV switchyard to the 230kV circuit that is also on the same tower structures that are 500kV are located on it. However there is no impact study currently done for that to take place.

There is some space on our -- adjacent to the 500kV switchyard that can expand, but it is limited.

MEMBER LITTLE: Okay. And one other thing that I would just mention to you that you may want to investigate a little, and Mr. Demirchian and I discussed this, is that when Desert Basin was built, that generation plant that's not too far away from here, they excavated the entire property and concreted it, the

entire thing, for stability purposes. And I'm not quite sure why they did it, but it might be something that you would want to look at before you --

MR. DEMIRCHIAN: We will take certainly that under advisement. And also typically we would conduct a geotechnical soil sampling boring investigation. And the report that will be produced for that bore tests, soil sample tests, will recommend a type of foundations that will be necessary.

And typically in this general area what's known as spread footing-type structures and foundations have been more than adequate to support similar equipment. And those will be basically for each one of the power islands instead of an entire --

MEMBER LITTLE: Facility.

MR. DEMIRCHIAN: -- concrete mat that would encompass all the equipment.

So each one of the equipment itself will have its own dedicated foundation, but it's still subject to the soil boring test.

MEMBER LITTLE: Thank you.

MR. THOMPSON: And these units are quite a bit smaller than Desert Basin. You know, the two gas turbines and one steam turbine produces 630 megawatts, so each one -- the gas turbines are 160 each. So they're

much bigger. So one gas turbine there is equal to four of our gas turbines.

MEMBER LITTLE: Right.

CHMN STAFFORD: Are there any other questions from members?

Mr. Moyes, anything further?

MR. MOYES: No. Mr. Chairman, that concludes the presentation of our direct case.

CHMN STAFFORD: All right. Well, before you give your closing statement or closing argument, I think I announced previously we'll be taking a recess between 2:30 and 3:30 so I can attend to a prehearing conference for another matter.

And then when we return at 3:30, we will take additional public comment. After that if you need to present rebuttal you may, and then you can proceed with your closing statement.

And then we'll begin to discuss potential conditions amongst the members.

MR. MOYES: Thank you.

CHMN STAFFORD: All right. With that, we stand in recess until 3:30.

(Recess from 2:27 p.m. to 3:36 p.m.)

CHMN STAFFORD: Let's go back on the record.

All right. We announced before the break that we'd be taking additional public comment.

When I call your name please approach the podium, and you'll have five minutes to provide public comment.

First up is Paul Cataldo. Please spell your last name for the court reporter.

A VOICE: That's John Callaway. Paul and John. John Callaway, Paul -- are you first?

MR. CATALDO: Yeah.

CHMN STAFFORD: I called Paul Cataldo.

MR. CATALDO: Good afternoon, Chairman and Members. First of all, thank you so much for reopening the comments to us. We really appreciate that. And I just wanted to kind of take a minute, and this has been a huge learning curve for myself and my neighbors and, you know, Mr. Thompson has done a wonderful job presenting. His team has done excellent research and they are obviously very knowledgeable with what their fields are.

The bottom line that I have is I'm 58 years old and I have worked all my life for what little piece of the pie that I have here in Pinal County. And this plant, even though we all acknowledge that this plant is necessary for the loads on our grid, Arizona is growing, we are needing additional resources. I just -- and our

community feel it's not a place to be put in a residential community.

And I've been open about that from day one. And there should be, there has to be other ways to do what we're doing that's not a nuisance to the people that are used to a certain lifestyle. And the $6 million a year for tax revenue, that is huge, honestly. And I just hope that the Members, the Corporation Commission, doesn't use the money factor as the majority of the decisions-making, where money talks, you know.

So there's a lot of information that I probably could rehash. I'm still learning as we're going about the technologies. The BESS systems, that is a whole other topic where they have to burn out. Evacuation processes for us, we have nowhere to go. The local dairies, they have thousands and thousands of cows. Where are they going to move their cows to? It could contaminate livestock. It could contaminate milk sources. So I hope there's room to consider another location down on White & Parker Road.

I've heard several times about the track, WAPA, switch. We watched that fire burn for multiple days. There's a lot of property out there that could be available, not to say that it is. There's natural gas out that way. It's very close to that switching station.

And there's no homes. It's all farmland.

So other than that, thank you so much again for reopening this second comment session. And I appreciate all your time and it was fun hanging out with you. We've been here every day. It's a lot of information. I understand the process a little bit better now. So thanks again.

CHMN STAFFORD: Thank you, Mr. Cataldo.

Up next is Bert Chapman.

MR. CHAPMAN: I'd like to thank the chairman of the board for this opportunity to speak once again to you.

You've got three days to hear the testimony of the hired guns from Seguro Corporation. They're hired to come in here and give you the downplay, the lowest possible outcome of this. They're not hitting the top end of it. And that's -- I've been in litigation before. I know how that works. And that's exactly what it's up to.

And there's nobody, I'm not hearing anybody tell us what it could possibly really be, and that's my question. I have questions that are not answered as yet. What could be the worst outcome of this, whether it be pollution, noise levels and whatever. They talk about how low it can be. But we hear nothing about how high it

could be.

And if the noise is not what it's promised and it's higher than what they're talking about, what recourse do we have? Is it going to be like the race track that the county okayed and they said it was going to be a level down here, and now they extended it and let it be tremendously high, and when I called the county about it, we have no recourse. They said, sorry, live with it. I don't want to hear that.

And if we have batteries catch on fire and we start breathing this crap that comes off of these batteries and we have to evacuate, who's going to pay for that? Most of us can't afford that kind of thing. Is the company going to take care of us on that? That's a question I have. These questions are not answered.

I don't think this project is going to help our local community here. We've already been told there's very few jobs that's going to come from this, but there is going to be traffic come through there, especially when they build it.

Our roads, like I've said before, are in terrible shape. Are they going to rebuild all the roads? The county hasn't been taking good care of that either, and that's one of the questions that I have.

You know, the farmers, they only irrigate

when necessary. Anybody that's been in agricultural knows you don't irrigate every day.

When you go in and cut your hay, then you irrigate afterwards. And as your hay grows and the time comes, unless it dries out you don't irrigate until you cut again.

I've farmed lots of alfalfa, and the thing is, this project, the way it sounds to me like they're going to be pumping a lot more water than they're saying. I think it's going to be an everyday thing.

The other thing when you irrigate and you irrigate those fields, that water eventually gets back to the aquifer. Maybe not all of it, but a big percentage. What they pump out, it becomes evaporated, does not go back to the aquifer. That's going in the air. That is no benefit of anybody.

And I think of the farmers, I think they're going to get hit pretty hard on this thing in reality, because water level in most of these wells here is down. I know of a number of wells already, I have friends on the other side of I-8 whose wells have gone dry several years ago.

And a lot of those people can't afford to redrill these wells. And project will probably lower them again. Which brings up another question, which I

know is not being addressed yet, is the possibly of a copper mine.

I was a miner for a number of years, I know what it's like in the aquifer. I've been down there. I've been down 4,000 feet in the ground. I worked at Superior, I worked in New Mexico in the uranium mines, there was -- I was working in a mine that flooded. The pumps went out.

This water -- I drilled in the face, and when I drilled in the face the water came out of the face, that big around. It was that much water coming out of the aquifer. When we drilled the lifters to blast around, the water was clear up to above our ankles.

That all went to a sump, and when they sumped it where did it go? It was pumped up into a pond to evaporate, basically.

All the wells, my dad's own well on the ranch back home dried up. And he barely could afford to redrill it. And that was back in the days he wrote a check for drilling his well for a thousand dollars. He said that's the biggest check I've ever written in my life, you know. And nowadays you don't drill wells for a thousand dollars. That's gone. I'm sorry.

Let's see. The property over here that they're going to be on has barely come back into

production. I watched it. Not long ago that was covered in mesquites because it was not used for many, many years. And I watched as they put that well back online. So what they're talking about how much is pumped and over the amount of years, 10 years? No, it's not been in production for 10 years. That's not true.

I used to own a 480-head cow outfit, and I had 200 acres of hay and grain. I know about how water works. I even had a situation, I had a lot of wells, I had a lot of water, a lot more water than what we have here. But I also had put tile drains in my upper pastures and fields so that when I irrigated, that water what was runoff was captured again and went down to the lower fields. And we reused it and reused it and reused it, even though I had the water right I had, because water was precious.

And I'm afraid that what we're going to find here, we're going to have more wells that their levels are going to be lower, and there's going to be more people whose wells are going to go dry. And that's a big worry for a lot of people. Unfortunately I'm not on a well right now.

And working underground, I was able to see just how an aquifer works. I have been underground where I've had water this deep on me, and every day I had it

above my ankles. So that water, once you start tapping into it, like that in a heavy way, it's going to go away eventually.

Once they shut all those mines down, it took over 10 years to ever bring that back up. There was springs in that area that dried up that did not produce an ounce of water for years and years. And that can happen here.

Our aquifer here is not that big. You know, it's got a lot of water down there, we think, but it's been tapped into an awful lot here, especially lately since they lost the CAP water. And that affects a lot of people. There's six to 800 acres just north of my home right here that was in production three years ago it's shut down now.

It was always in production when I moved out here 20 years ago. The temperature at my house was always five degrees cooler there than it was around anywhere else, and that's because of the vegetation.

Now temperature's up. Now I'm running my air conditions at 80, 81 degrees, and at night I turn them off. And I'm sleeping with a fan on me. I'm like living in Vietnam again, because we can't afford to pay the price. And the thing that bothers me about this, all the production they bring in is not going to lower my

power bill one penny.

And another thing, that they've got several storage tanks on there for ammonia, because they're going to add ammonia to the water. What's going to happen if there's a leak or a spill of that ammonia? We're going to be breathing that crap. And then I've been told, well, it's a synthetic ammonia. Well, you know, it's synthetic or pure ammonia, I don't care, it still stinks and it's still hazardous. We don't need that.

Let's see. And then of course where I sit I'm in the prevailing wind which comes out of the southwest. My house is over here, their project is here. Anything that comes off of that is going to come right to my front door to welcome me.

Now this WAPA substation, Paul brought it up, it burned for five days down there. And that is not a lithium battery. That was a transformer of some kind, that's oil that was burning but I watched it for five days burn. If they couldn't put that out in five days or it took them that long, what about these lithium batteries? What's it going to do?

I'm not saying there's going to be a fire, but we've got to look ahead. What's the possibility we do have a fire? We don't need that.

And I also heard somewhere or read in some

of the stuff that was given to us that these turbines will be running from anywhere from 600 degrees to 900 degrees Fahrenheit. I may be wrong on that, but that's what my memory says.

Well, there's all this -- I saw a guy talking the other day about all the heat that we're pumping into Arizona, whatever. Well, my house, already in that area the temperature is already higher than what it was when they were farming right next to me. What's that going to do to the temperature around here? Bring it up higher?

And I can't hardly believe that they're going to be running it a couple turbines at a time. You don't invest the money they're going to invest in something that they're not going to run that every possible chance they get. Because they're selling this electricity.

They're not in this to make pennies. They're in here to make big dollars. And when they start talking about big dollars and they're saying, well, we're going to be paying taxes of six million something or another every year.

Well, you know, that's a lot of money, but I don't worship money, and I don't think we're going to get any benefit out, even that's what the county -- the

way the county's been doing this, and I don't think that that should be anything we should judge this on.

And I would suggest if they want to help us out why not give us a small percentage to each homeowner to help with the cause of the problem that they're bringing in. If they're going to make that kind of money they can pay that high in taxes, then they can probably kind of share a little bit of that.

Maybe help offset our electric bill. It's just a suggestion. Better suggestion I think is maybe they take and go out and buy one of those coal-fired power plants, convert it to natural gas. Four Corners is full of natural gas. I've worked there too. I know what that's like up there. Power lines are already there. They don't have to do a whole lot to do it.

My opinion is such that there is no benefit in reality for those of us that live in this area for this to be here. None at all. We look out our front door, we're going to see a power plant. I had to go to town this morning, so I wasn't here. As I drive to town I look over and I see that other power plant, two big brown stacks sticking up and I thought, boy, this is what I'm going to see out my front door, except it's not going to be two. There's going to be 10 of those suckers out there. You know, this is nothing to look forward to.

I moved out to get away from town and all the crap that goes with it. But now it's coming to us. You know, I'm not in favor of this at all and I appreciate -- I appreciate your time. Thank you very much.

CHMN STAFFORD: Thank you.

Up next is John Callaway.

MR. CALLOWAY: I'm going to make this short. I got three points that I want to bring up I want the Committee to consider. One is a balance in neighborhoods. There's very few properties like the properties that we have that are five to 20 acres. They're kind of homestead-type properties maybe, horse properties. These properties are few and far between in Pinal County. So the balance of properties is very important I think to the whole county.

But the big -- what I got here is the big if. If the Committee decides that this project needs to go through, I'd like for the Committee to consider, one, instead of talking about berms, please consider a wall.

We build walls along the freeway to control sound. Let's just go ahead and consider a wall. Write in the contract legal language that a wall must be put around. It's going to solve a lot of problems from terrorism, a terrorist act to fire. It's going to solve

a problem, it's just going to solve a number of problems. We don't need to get into that.

But the third point is what if we as property owners do have trouble with our water, our well, pollution, all of the above, can the Committee consider an impact fee? A lot of companies utilize an impact fee because something would impact them as a community, we will be impacted. Is it possible to consider an impact fee?

And that's -- I won't carry on any longer. Thanks for the opportunity. Appreciate it.

CHMN STAFFORD: Thank you. Up next is Margarita Leyvas.

MS. LEYVAS: Good afternoon. My name is Margarita Leyvas and as I shared with you during my public comments on Monday, August 12, I'm a native of Pinal County and have lived my entire life in or around Casa Grande. I have lived on Whispering Sands, in that neighborhood for 35 years.

I reviewed the list of this Committee's members and per my search, not one of you lives in Pinal County. In fact, most if not all of you live in Maricopa or Pima County.

On Monday, one of the public comment speakers used a term, "merchant company." I had not

heard that term before. I researched it. I looked into it and found that once constructed and in operation, the Arizona Corporation Commission will have no oversight over this project because they are not a utility company. Which raises the question who and what will have oversight with valid consequences when this project fails to comply with its written proposed limits regarding noise, air, sound pollution, and groundwater usage.

This Committee has a grave responsibility. It is incumbent upon you to ensure that there is absolutely no perception or appearance of impropriety.

Yet during these last three days, not during open meeting, but during breaks, Committee Members have engaged in conversations with Bella Project team members and its paid consultants. Also, during yesterday's open meeting, one Committee Member during the open meeting stated that he was already in favor of the project. Your Committee has not even finished meeting.

I value the opportunity for public comment. Hearing is a passive process that does not require attention or effort. Listening is the active process that requires conscious effort, focus, intent, and interest to understand and comprehend what is heard.

Unfortunately I do not believe nor have faith that this Committee has listened to our concerns

and our fears.

CHMN STAFFORD: Thank you.

Up next is Ed Ryl-Kuchar. I'm sure I'm mispronouncing your name. If you correct me that would be appreciated.

MR. RYL-KUCHAR: Again, I do have a medical condition that makes me shake, so please don't get the wrong impression, I'm not stroking out. I'm not --

CHMN STAFFORD: If you could raise the microphone a tad that would be -- if you could raise your microphone a little bit that would be helpful. There you go.

MR. RYL-KUCHAR: Sorry. First of all, thank you for the opportunity again to have a public comment. Many, many, many years ago I had the opportunity to be tasked with being a project manager for a project very similar to what Mr. Thompson is providing. So I sympathize with you. I understand. It takes a lot of time, a lot of effort. It's a commitment.

And I'd like to say that I appreciate the Committee for a lot of their questions. I've sat here for the three days, and the Committee has asked quite a few questions that were very relevant.

So my biggest problem, again, is what everybody else is putting forward, our water. Water is

our lifeblood, it's the gold in Arizona. The water usage for this facility is going to be extreme.

Again, you're looking at not a problem, they can buy credits. They can buy water usage that the agricultural areas are not using or supposedly not using. At least that's the way it's put forward.

One thing that was not addressed in any of the proposals is the residential wells. Everything was based on agricultural wells that are dug way much deeper than what we have on residential. You lower that water table, you just put many residences out of business. You're taking my water. I won't have any.

And the reason I won't have any is because I can't afford to drill, I would have to drill much, much deeper. That would have to come out of my pocket. So there is an impact.

One of the other problems I have with this proposal is that there are some issues that are in the background that nobody really looks at.

Again, the battery storage system, NFPA has barely touched the surface of what they consider as being some kind of suppression system. NFPA being National Fire Prevention Association. I know, I was a member many, many years ago.

They have not caught up to suppression on

batteries. And part of it has to do, of course, because Halon has been outlawed and CO2 has been outlawed. Some of the things that would be considered for suppression systems on the batteries can't be used anymore.

Pouring water on these batteries? Okay. Pour water on them. Let 'em burn out. But guess what? That water is going down into the soil. I don't see anything about a base or a pond, a containment system, concrete, anything that would capture that water.

That water is going down into our -- back into our aquifer. And it's contaminated water. And it's something the EPA doesn't regulate. They haven't got there yet. They have no clue as to what to do with batteries yet.

One of the things that I looked at the cut sheet on the enclosures for these batteries. Yeah. They're self-contained, they're louvered. They vent to the atmosphere if there's too many fumes. Gee, thanks, putting it back up into the air.

But they have their own cooling system. Okay. The batteries themselves, that unit begins to deteriorate at 45 centigrade, which is 113 degrees. 113 degrees. That's all it takes and it starts to deteriorate.

At 131 degrees inside that cabinet we have

a major issue. Each cabinet -- I mean, you're looking at, we have 115-degree days and these cabinets are out in the open. You know, the temperature on the cabinet, it's a steel cabinet. The temperature on the cabinet itself is extreme. Okay.

Cooling systems also inside these cabinets are equipped with water-cooled units that use 50 percent ethylene glycol and 50 percent water. Okay. So when the cabinet is trashed and you let it burn out, all that ethylene glycol goes down into the ground. There's no capture system. There's no reclaim. There's no nothing. It goes, eventually it's going to get back into our aquifer. And these are chemical fires. There's nothing you can do with a chemical fire. You can pour water on it until you're blue in the face, it's not going to go out. It's a chemical fire.

At any rate, the last problem that I have with this project is something that's not controlled by EPA, again, there's no regulations on it, which is the evaporative pond.

What's going to be in that pond? What's going to evaporate into the atmosphere? Nobody -- nobody has said what is going to be in that pond.

What are the fumes coming off of that pond, the smell? What are they going to do with the sludge

when it evaporates? Where's that sludge go? Does it go to our landfill? Is it hazardous waste? There's no discussion whatsoever.

And the reason there's no discussion is because it's not EPA controlled. It's not in that permit. You can put anything into that pond and evaporate it into the atmosphere and EPA won't touch you.

So there's a lot of things that are still in question. At any rate, thank you very much. Thank you for the -- the Committee has been doing a good job asking a lot of questions. Thank you.

CHMN STAFFORD: Thank you.

Are there any public commenters on the line?

A/V TEAM MEMBER: Mr. Chairman, there is nobody from the public online.

CHMN STAFFORD: All right. Well, that will conclude our public comment.

Mr. Moyes.

MR. MOYES: Are you ready for my closing statement?

CHMN STAFFORD: If you're done with witnesses, yes.

MR. MOYES: We are, Mr. Chairman.

CHMN STAFFORD: Please proceed.

MR. MOYES: Mr. Chairman, Members of the Committee, I want to personally and on behalf of the applicant, Pinal County Energy, LLC, thank you for your diligence and your attentive attention -- or attendance at those proceedings over three long days.

Many eyes are upon us, as you know. As the need for similar gas peaking facilities has grown in recent years, there are going to be more projects like Project Bella coming before this Committee.

For this project, we have conducted a very thorough and robust public process. We spent three days presenting as thorough and transparent of a case as possible, demonstrating our compliance with all of the statutory requirements set forth in Arizona Revised Statutes for a certificate of environmental compatibility.

We presented all of our modeling results based on the most conservative or rather the worst-case scenarios for operations when in realty the actual project operations will be substantially lower than those model levels.

Whether it's air, water, or noise impacts, the applicant has demonstrated its commitment to go above and beyond all applicable regulatory standards. The fact that Project Bella is here today voluntarily subjecting

itself to this Committee and the Commission's jurisdiction, when it isn't presently mandated, speaks volumes about its desire to do the right thing and be a good neighbor.

In a perfect world we wouldn't have to build new power plants that utilize fossil fuels, but the ever-increasing demand for electricity in Arizona makes these fast-ramping, reliable peaking resources absolutely necessary.

As our testimony has shown, Project Bella actually compliments renewables and makes them more viable for the southwest. Project Bella will allow the future retirement of more polluting baseload resources like coal plants that otherwise would not be possible.

We appreciate the public's engagement in this process. We have tried to be as responsive as possible to their concerns. We've tried to be responsive as possible to the Committee's concerns and develop as robust a record for this proceeding, as we know we'll be setting precedent for future proceedings.

The questions from the Committee have been helpful. We hope that we've adequately addressed your concerns. We thank you for your time and we respectfully request that you grant our application for a certificate of environmental compatibility for Project Bella.

Thank you.

CHMN STAFFORD: Thank you.

All right, Members, I believe that we had envisioned having a discussion about potential conditions to attach to the CEC.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: Are you looking for conditions that are different from the standard ones that we have? Or -- generally we propose new ones as we go through the CEC.

CHMN STAFFORD: Right. My thought was that if the members had suggestions now would be the time to present them to the applicant in anticipation of preparation for voting on a draft CEC in the morning.

The things that the additional conditions that we talked about, I remember Member Fontes had a number of suggestions. First, do we want to -- do you want to consider a hard cap on a rolling average basis of how much acre feet they can -- groundwater they can pump on an annual basis?

What requirements, if any, should there be for continuous noise monitoring after the operation of the plant?

Any kind of additional mitigations for

noise that we would want to consider.

Should we require a block wall along at least one or two borders of the property in order to dampen sound and mitigate some of the visual impact?

These are all typical things that aren't included in conditions for CECs. I thought it would be good to have a discussion of those before we started trying to wordsmith it.

MEMBER FONTES: Mr. Chairman.

MEMBER RICHINS: Mr. Chairman.

CHMN STAFFORD: All right. Member Somers.

MEMBER SOMERS: Yes, Mr. Chairman. I have one that's a little outside of the -- what has been put in traditionally the CEC I think might be relevant and I'd be interested to hear from the applicant if they'd be willing to do it.

Looking at past CECs I have in front of me, previous projects have contributed money to various things, school districts, for example, regional public transit authority is in here. Pipeline safety revolving fund is another one that I found in a past CEC.

So we've heard some testimony over the past couple of days about safety concerns with response to, for example, lithium-ion battery fires which I've had the misfortune of having to fight. Hazardous materials

response. Just even public safety response to any of the usual hazards that come with the operation of plant.

This area is pretty rural. The fire department nearby for-profit, the other fire departments are fairly small. And while I'm sure they're funded as best they can, I'm interested if the applicant would be willing to contribute a certain dollar amount for, say, a 10-year period to be used for grants by local fire emergency response entities, for training and equipping those units to respond to emergencies that are present on the site.

MEMBER KRYDER: Mr. Chairman.

CHMN STAFFORD: One second. We have a question posed to the applicant.

Looking at Mr. Moyes, are you going to answer that, or are you going to have Mr. Thompson?

MEMBER KRYDER: Mr. Chairman.

CHMN STAFFORD: Yes, Member Kryder.

MEMBER KRYDER: Before the answer's given, I'd like to respond to my member colleague here.

It seems that we as a Committee have a series of responsibilities to our respective entities for whom we're supposed to represent. And there's a great deal of power vested in this Committee. We are not an elected, we're an appointed Committee.

And it seems really a dangerous step to me to -- and I'm going to use a very loaded word on this so buckle your seat belt, to extort money from an applicant saying if you don't do this, we're not going to approve it. This seems to me a great overextension of the alleged authority of the Committee. Thank you.

CHMN STAFFORD: All right, Member Kryder, I would --

MEMBER SOMERS: That's why I brought up the examples of past CECs and what are funded, too. I never said I wouldn't approve it without it.

I said I was interested in what the applicant had to say about the possibility of adding that if that would be of interest. And three, I think it goes to an issue of community safety and addresses some of the issues that were discussed today. Lithium-ion batteries for one example of an emerging hazard that most fire departments, even the Phoenix fire department, are yet equipped to handle.

So given what this power plant is hoping to do, which I fully support, if they are willing to back that kind of thing I think that would be an outstanding way for them to show participation in the community by addressing one of the concerns that have been expressed here, and I'm quite frankly insulted by your word.

MEMBER KRYDER: Mr. Chairman, may I reply?
CHMN STAFFORD: Yes, Member Kryder.
MEMBER KRYDER: I value greatly your understanding and your desire to seek revenue or a contribution, better said.
However, I've served in a number of roles, as I know you all have, and I don't mean to be personal about this. But I've sat in the role as a judge for a number of years and as an elected public official for a number of other years. And the bribery, bad word --
MEMBER SOMERS: Yeah, that is absolutely --
MEMBER KRYDER: -- think --
CHMN STAFFORD: One at a time. One at a time. Member Kryder has the floor. One at a time. Member Kryder has the floor.
MEMBER KRYDER: Thank you.
MEMBER SOMERS: He just accused me of bribery.
CHMN STAFFORD: You'll have a chance to rebut what he's saying, and I will explain to you what the statute requires of us.
MEMBER KRYDER: The --
CHMN STAFFORD: Member Kryder, please finish, and I will allow you, Member Somers, to respond.
MEMBER KRYDER: Thank you very much,

Mr. Chairman.

I was not directing this to you, Member Somers. I was directing it to my own experience. That bribery in my courtroom and in my elected official position oftentimes came -- it was not if you don't do this we're going to slam you, or do this, that or the other bad thing. It was, gee, just a suggestion. Maybe if you'd make a donation to the little league, we'd really appreciate that.

And I think that is severely overstepping -- well, I know it was overstepping the venue of my court, and I think it's overstepping the authority of this Committee. But I wait for Mr. Chairman's statement about this. Thank you.

CHMN STAFFORD: Member Somers.

MEMBER SOMERS: Sorry, Mr. Chairman. I was having some problems with my camera.

Well, one of the past CECs, Decision number 63611 says, and this was item number 12, "Applicant shall actively work with interested valley cities including," I won't list them all, "to fund a Major Investment Study through Regional Public Transit Authority to develop concepts and plans for commuter rail systems to serve rural population in East Valley. Applicant will contribute a maximum of $400,000 to this

effort."

I would argue that has nothing to do with community safety or training of responders and that the Committee at the time established that I assume with the agreement of the applicant.

I'm not asking for little league baseball. I'm not asking for a transit plan. I'm asking for public safety. And if the applicant doesn't want to do it, then we move on with other elements of the CEC. If the member doesn't like that, he may vote no on it. If they say yes, we're willing to move forward with it.

So with that, I'd ask the question. Are they interested in something like that? Or are they not? Thank you, Mr. Chair.

CHMN STAFFORD: Thank you. Now to the applicant.

MR. MOYES: Thank you, Mr. Chairman and Member Somers for your concern. The applicant is certainly aware of those issues and has considered public safety and a meaningful response to the concerns expressed about that.

I think rather than responding to each potential condition that you guys propose right now and on the spot trying to say yes or no, we will agree to that, it would be more helpful for us to hear the full

list of what you are considering, allow us tonight as a team to coordinate appropriate responses and draft potential conditions that meet your concerns and then present those tomorrow. If that's possible, Mr. Chairman.

CHMN STAFFORD: Yes, that is what I envisioned. I envisioned a discussion today without proposing specific language. I wanted to give the applicant a chance to discuss amongst themselves and look at, you know, the information that's not public to determine what mitigation steps they're prepared to take.

Because that's -- and I was going to point that out is that under the statute, we are -- it says we may impose reasonable conditions on the issuance of a CEC.

And as Member Somers pointed out, a lot of those things, they're not just about how the plan's configured. It has to do with other things. For example, I think in one of the mitigation measures in the Coolidge plant was that they, because it was in Pinal County and PM10s, the main nonattainment pollutant, is that they are going to pave -- they had set aside a certain amount of money to pave roads to reduce the PM10 pollution.

Now, in this situation you'll notice that I

made a note which road it was, Selma -- Selma Highway, that's a -- I know it won't be used for construction purposes. But that's an unpaved road. I don't know what the traffic is on that. I don't know if there's -- if paving that would make any difference at all in the amount of PM10 in the area. Among other things, it's an idea that I would like the applicant to consider.

Another one that I proposed was potentially a hard cap on the amount of groundwater that would be pumped for the plant. And I think I heard a response somewhere on the three-year rolling average, that would do something to assuage the locals' fears of their wells being pumped dry or have the water table drop below where their wells reach.

What else -- what to do to mitigate the visual impact. It seems that because the residents are much further away than they were when the San Tan expansion, that a berm with large trees on top would have to be really, really big and tall.

I mean, like the height of practically the plant itself to really obscure the views from a mile or so away. I'm familiar with the San Tan plant, I live a couple miles from it. And when I'm heading down from Guadalupe on Val Vista, I can see plant. But when I get to Warner, not so much. And then when you get right

there to the neighborhoods that are surrounding it, which I think the closest house is 400-something feet away from the generators, you can't see the plant at all. It's totally obscured.

And so that's -- what measures could the applicant take to obscure the vision, at least mitigate, you're not going to be able to -- every one of these major projects has effects on the environment.

The focus of this Committee is to determine if the -- I guess it's more to establish the record so the Commission can balance the need against the impacts. But for us, it's to really focus on we have to provide that in the record, but we need to look at the nine factors listed in ARS 40-36.06A, we're required to look at those.

One of those is total environment of the area, so we have to consider what's around it. And I know that the battery project is nonjurisdictional, but it's going to be part of the environment of the area. And so certainly safety concerns with that is something I think could be a valid condition.

Another elements is, you know, for the sound. Would a solid wall along at least the north, possibly northwest sides, east side -- I don't know -- much, but agriculture to the south and the highway,

that's less of an impact. But on those edges, would a solid wall provide a benefit and mitigation to the visual and sound impacts to the people who live in the area? It's part of the environment that they live in.

Another is the noise. You did the monitoring testing, and you did projections showing oh, it should be within the tolerable ranges for what the Pinal County ordinance is, even though the Pinal County ordinance doesn't technically apply to you all because there's an exception for power plants.

Do we want to condition that requires you to comply with that? That's a valid additional condition, and require monitoring to make sure that you do comply with it, and if something happens that you don't, what is your mitigation plan to -- to reduce that, to reduce to get those decibel levels to where they're required by the county. Again, even though you're technically not required, you could be required as a condition of the CEC to meet.

Another one would be for visual impacts. Is there a dollar amount that you could set aside to allow homeowners that do experience an impact to put mitigation measures on their own property that would actually mitigate the visual impacts?

Because that would be, for example, if I'm

a mile away and the plant's right there, I'm looking out my back door, well, you know, the wall would have to be huge to obscure it from my vision if it's, you know, a thousand yards -- a thousand feet from the actual generators.

But could I plant -- could I plant a tree or put some kind of barrier in my yard that would solve -- that would mitigate it so I could sit in my back porch and see other things and not the plant, and that would mitigate the visual impacts.

Things of that nature is what I'm talking about. And those are all clearly within the authority of this Committee to impose.

I don't think we're talking about, you know, making them pay for, you know, build a gym on the corner that's open to the public or construct new libraries or -- I'm talking about things that actually mitigate.

Now, a lot of these other things, they go beyond those. But those are cases where the cities intervened, you had homeowners intervening and they negotiated a lot of those things between the applicants and the parties to the case.

The only party to this case is the applicant. And so I think with that, I think I've

said -- I think I've rattled down a list of mitigation measures that I'd like to see considered.

I believe Member Fontes had some suggestions too. Member Fontes, if you could turn your camera on it makes it a lot easier for the court reporter to make out what you're saying.

MEMBER RICHINS: Chairman, this is Dave, while he gets ready to come on line.

CHMN STAFFORD: Could you turn your camera on, Member Richins?

MEMBER RICHINS: I'm trying to.

CHMN STAFFORD: Excellent.

MEMBER RICHINS: It had a delay.

I don't mean to steal anybody's thunder, but if we could categorize those mitigations, because some of them fall under the purview of our Committee, and some might be wise suggestions to the county as they go through their case, so kind of understanding where jurisdiction lies on some of our mitigations as we go through and discuss them. Thank you.

MEMBER LITTLE: Mr. Chairman.

CHMN STAFFORD: Yes, Member Little.

MEMBER LITTLE: I had a couple that I would also like to add to be considered. One of them is to agree that -- the applicant would agree that it would not

add any additional natural gas generation units at the project without -- beyond the 10 units without -- under this certificate. In other words, they'd have to come before the Committee to add any more generation plants at the site.

And the other is that I would like to have the applicant consider, too, the establishment of some sort of a committee that involved the local residents in coming up with some of these decisions. They're the ones that have to live with it, and I think that it would be very helpful to have their input.

MEMBER FONTES: Mr. Chairman, I must apologize to the court reporter. I have a computer device without a camera, unfortunately. So I am unable to comply with the request.

CHMN STAFFORD: Okay. If you can't have a camera, my request, then, would be to make sure you speak slowly and clearly so she can make out everything you say. Thank you.

MEMBER FONTES: Thank you. I appreciate that.

I would like to -- I originally wanted to proposed a framework to think about these, what I'll refer to as conditions precedents to the CEC in three, in terms of a life cycle, preconstruction, operations, and

then decommission for the full life cycle.

I think, Mr. Commissioner, you covered a lot of the preconstruction and construction, and Member Little suggested that we appoint a community action group similar to San Tan generating facility that they have in place.

And I will refer my fellow members to that CEC, which is I believe Docket L-0000-Bravo-00-0105. It has some useful conditions that were issued by a CEC for a very similar power plant. And, in fact, Mr. Chairman, the items that you noted are pretty much on there, and they are oversaw by a community action group.

In fact, that community action group was part of the final design with county and city officials to address issues of noise, sound, and visual impact, and then they were brought in to do annual monitoring as well as continued stakeholder outreach.

The only thing that I did not note that was mentioned from everybody else that I would like to add is a plant of this nature due to the ownership structure and due to the citizens' concerns that were addressed, I think requires a decommissioning plan.

And I'm unfamiliar, I admit, with what the county requires and other forms of government, but I would request that we consider a solid decommissioning

plan, and not just a plan, but something that has financial assurance that is on par with what we have seen in Pinal, in Maricopa County, requiring developers to post a surety bond, to put money down and to have that reviewed by an independent third party and to tune that up for commissioning costs for the life of asset.

We've seen that in other cases certainly in the renewable form and I think that's most appropriate here to assuage the concerns and mitigate the risk that have been expressed by the public. So thank you, Mr. Chairman, those are my additional suggestions beyond that framework.

And then to think through the life cycle, just a little bit more reference on something for the applicant and for the fellow members to look at, and then lastly a solid decommissioning plan with viable financial assurances that would either be checked by the Commission or the county or both.

CHMN STAFFORD: Thank you, Member Fontes.

I'm just going to give you the numbers of decisions we're referring to for ease of reference for the Committee, the public, the applicant. And we can take additional notice of Commission's Decisions 79020, which was the decision to grant a CEC for the Coolidge expansion.

And the Decision -- the original decision for the San Tan plant expansion from 2001, Decision number 63611.

So those are the kind of mitigation requirements, conditions that we've spoken about that we're interested to see the applicant propose. What would they -- what are they willing to do to mitigate the impacts.

Because, again, you know these types of major projects, they're needed in the state, and you can't have no impact on the environment. But our role is to seek to minimize those impacts.

MEMBER SOMERS: Mr. Chairman.

CHMN STAFFORD: Yes, Member Somers.

MEMBER SOMERS: I was just curious because I saw that that committee that we just discussed in the CEC for San Tan, was that committee established prior to the CEC and the work being done, or is that established as part of the CEC?

CHMN STAFFORD: I'd have to refer -- Member Little, do you have recollection of that one?

MEMBER LITTLE: Subject to check, but my recollection is that this the committee was established before. And may even have intervened. I'm not certain of that.

CHMN STAFFORD: Oh, I'm pretty sure the city was involved. I think the city and multiple homeowners associations intervened in that --

MEMBER LITTLE: That's right.

CHMN STAFFORD: They had -- because that's -- the situation we have here is this is unincorporated county land. There's not a city government that's engaged with the applicant. And that's what happened with the Coolidge expansion because it was the community of Randolph that was in unincorporated Pinal County that was not part of Coolidge, it wasn't part of Casa Grande, it wasn't -- it was unincorporated. It was an unincorporated community that was in Pinal County.

MEMBER LITTLE: Right.

CHMN STAFFORD: That creates a difficulty for the applicant because they don't have clear elected leadership that represents the people of the area.

MEMBER LITTLE: And that committee was established by the CEC.

CHMN STAFFORD: In Coolidge, yes. I believe they had -- I'd like to go back and review the record from 2000 on the San Tan. I was much younger when that was happening. I wasn't on the Committee or anything at that point.

MEMBER SOMERS: Yeah. Thank you for that. So it sounds -- because I like what was said, my concern was reading through the San Tan CEC it made it sound like that committee had been established prior to the CEC and some of those recommendations made it into there.

This would be a little bit different. But if the Coolidge CEC possibly provides a bit of a template for moving forward, then I would be interested in seeing how that works its way out.

CHMN STAFFORD: Yes.

MEMBER HILL: Mr. Chairman.

CHMN STAFFORD: Yes, Member Hill.

MEMBER HILL: I just -- I have two requests. Number one, I think it would be helpful as we start deliberations tomorrow in particular that you lead off by talking about our role and purview in the CECs. Because I think some members are newer than others, including myself, and I think it would be helpful to be reminded of that.

The second thing that I want to suggest is I don't -- I would appreciate it if someone would send me the CECs that we're talking about, because I've not seen all of them, that are examples are precedent from previous projects.

I think that I do -- I did look at one

where there was like a landscaping visual impact like there were a set of dollars that were set aside for landscaping and visual impact. I think it was related to neighborhood associations or something like that.

But I think it would be helpful for Mr. Kryder in particular to be able to see that the dollar amounts that have been requested and set aside in previous arrangements were genuinely mitigation for the project. It wasn't -- and it is directly related to the impacts of the project.

So I just feel like all of us would have a better understanding of our purview and the lanes that we have and the mitigation measures that we could be taking to reduce impacts of this project. I think that would be a helpful start to start us off on the right foot tomorrow.

CHMN STAFFORD: All right. Members, since we've taking official notice of Decision 79020 and Decision 63611, I think it's probably too late to have Tod send anything out. But I think --

MR. MOYES: Mr. Chairman, we have access to those and can send them to you if you want to distribute them to the Committee members.

CHMN STAFFORD: Yes, I guess the links, we could send them out to all the Committee members. It's a

public record. I mean, I think you could probably send them directly.

MR. MOYES: Okay.

CHMN STAFFORD: I mean, it's a public record. They all have access to it. It's just ease -- ease of accessing instead of having to go to the Commission website and locate it and pull it up, because you can send a straight link to the decision. I would send the decision that approves the CEC. Because in the San Tan case, the Committee had posed a bunch of conditions and then the Commission imposed additional conditions on top of that at the open meeting.

MR. MOYES: We will do that. I don't know that we have each individual member's e-mail address. Would it be possible if we send it to you, Mr. Chairman, and then you forward them on, or what's the most convenient way to do that?

MEMBER HILL: Please.

MR. MOYES: Unless Tod can do that after hours.

CHMN STAFFORD: Yeah, Tod -- Tod is unavailable until about seven a.m.

MR. MOYES: We can gather e-mail addresses after we close tonight and make sure that we directly mail to each Committee member.

CHMN STAFFORD: I have the contact list for the Committee here. I think, yeah, it's not going to be an ex parte communication because it's coming from you, because it's already in the docket. It's a public thing that we've taken official notice of.

However, if it's coming from me, it could still be construed as an open meeting violation because it would be sent to a quorum of the members proposing action, so I would prefer to have you send it, everyone knows that it's coming, it's not -- it's publicly available.

MEMBER HILL: I'm sorry, I forgot about the nuances there, since we were talking about on the public record I thought it would be fine. But maybe it's not.

CHMN STAFFORD: Well, it may be. I just would prefer -- I'd prefer to have the --

MR. MOYES: It's not a problem, Mr. Chairman. If we can get that distribution list we will mail it ourselves directly.

CHMN STAFFORD: I will confer with my colleagues and make sure I have their correct e-mail addresses here. I think some of them may have been -- this is last revised in March. Has anyone changed their e-mail address since March, Members?

MEMBER MERCER: Nope.

CHMN STAFFORD: Mr. Richins, you still got the same e-mail address from March?

MEMBER RICHINS: Yes, I do.

CHMN STAFFORD: Okay. Member Fontes?

MEMBER FONTES: I will need to send that in, an update, and I'll send that in through fellow member update with you right now.

CHMN STAFFORD: Okay. And then Member Mercer, you have the same?

MEMBER MERCER: Yes.

CHMN STAFFORD: And Member Somers, the one from March is accurate for you?

MEMBER SOMERS: It's still valid, yep.

CHMN STAFFORD: Okay. Excellent.

MEMBER SOMERS: Thank you.

CHMN STAFFORD: All right. Well, I think we've given the applicant an idea of what we want to see in the morning. I think that unless the members have further comments, I think we could call it a day for the hearing and let the applicant get to work.

And then I'm thinking tomorrow maybe we come back at ten instead of nine to allow the applicant a little more time to wordsmith or finagle or however you want to phrase it, to --

MEMBER HILL: Craft.

CHMN STAFFORD: Craft. That's the word I was looking for. To craft proposed conditions to satisfy the concerns of the members, the public, and mitigate the impacts of the project, Mr. Moyes.

MR. MOYES: I think we could be ready by nine a.m. if the Committee is so willing just to get you out of here sooner. We will huddle as a team tonight. I wanted to thank you and the rest of the Committee for this discussion. It's extremely helpful. All of the conditions that you have proposed we have already begun discussing. Many of those mitigation measures are, in fact, and will be covered by the county land use process and we can discuss that more in detail tomorrow.

But, yes, we do plan to introduce conditions to satisfy many of those requests. We do not dispute the Committee's authority to impose additional conditions by any means.

So thank you for teeing up those issues for us tonight. And Mr. Thompson has requested to make one final statement.

CHMN STAFFORD: Please.

MR. THOMPSON: Thank you. I just wanted to make one additional statement that throughout this hearing I've appreciated the opportunity to listen to Paul and Burt and Callaway, Margarita and Ed and the

others in the public that have made comments.

It is our commitment that the public process will continue and we'll continue this dialogue. We remain committed to both education and transparency. I understand that there's a lot of technical detail.

So to the Committee, we appreciate your time. We are going to be working on the conditions that you've identified as well as some other conditions. We realize that there's some important items that need to be, you know, addressed and be transparent. So thank you for your time.

CHMN STAFFORD: Thank you.

Anything further from Members?

MEMBER SOMERS: Mr. Chairman.

CHMN STAFFORD: Yes.

MEMBER SOMERS: It's Member Somers, and I apologize, I'm on the road right now so I don't have a camera with me.

But just for your information, I have a number of meetings tomorrow that's going to complicate my continued participation. I do hope to get back online to review the CEC, participate in negotiations for those. So the sooner those could be sent to me the better.

But I'm just not going to be able to be on the meeting in its entirety tomorrow. I have to -- as a

matter of fact, I have interviews tomorrow to hire two judges, and that's probably going to take the better part of an hour or two in the morning.

CHMN STAFFORD: All right. So I guess when do those interviews -- those interviews are starting at nine? Are they starting at ten?

MEMBER SOMERS: If it starts at ten, I should be able to be online. Because we start at 7:30.

CHMN STAFFORD: Okay.

MEMBER HILL: Split the baby at 9:30.

CHMN STAFFORD: All right, Members, you said you'd be online by -- you could be online by ten?

MEMBER SOMERS: Yeah, to discuss the CEC that would -- I should be able to be online by ten, yes.

CHMN STAFFORD: Okay.

MEMBER SOMERS: And I apologize to my fellow members, but I have council business to attend to.

CHMN STAFFORD: All right. Well, with that I'm inclined to start at ten. I'd like -- I appreciate you trying to get us done sooner than later, but it takes the time it takes. I think it's more important to do it right and address the issues than to do it quickly.

MEMBER FONTES: Mr. Chairman, I'd like to request the same as Member Somers. I also have a conflict at nine and I will be offline from nine to ten

if we started earlier.

CHMN STAFFORD: All right. Well, then we'll be back at ten in the morning, then. We'll start at ten. That way I'll probably be in this room at nine looking at things, but we'll have -- we've already sent me the Word version of the proposed CEC. Instead of -- what I would have the applicant do is just have a list of proposed additional conditions that you can put up. We can do that as Chairman's 3 because Chairman's 1 will be the CEC, the draft CEC that's already been filed by the applicant.

Chairman's 2 will be the Word version that we'll be working off of, and then if you could just create another document that has the list of proposed conditions, and I would suggest doing them under the headings that Member Fontes suggested having to do with preconstruction, operation, what was the last one? Retirement.

MEMBER FONTES: Decommission.

CHMN STAFFORD: Decommissioning.

MR. MOYES: Understood.

MR. THOMPSON: I think one condition that we're willing to agree to right now is air conditioning in this room.

CHMN STAFFORD: The fan does help but it

makes it impossible to communicate.

MEMBER HILL: What?

MEMBER DRAGO: I second.

CHMN STAFFORD: Anything further from members? The applicant?

MR. MOYES: No, Mr. Chairman. Thank you.

CHMN STAFFORD: All right. You have -- I think you have the clear direction of where we're going; correct? All right. Good.

With that, we stand in recess until ten a.m. tomorrow. Thank you.

(Proceedings recessed at 4:47 p.m.)

STATE OF ARIZONA)
)
COUNTY OF MARICOPA)

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

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

I CERTIFY that I have complied with the ethical obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206(J)(1)(g)(1) and (2).

Dated at Phoenix, Arizona, August 20, 2024.

JENNIFER HONN, RPR
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