



ZONING EXAMINER

REPORT TO MAYOR AND COUNCIL

March 22, 2018

C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus Rezoning I-1 and I-2 to PAD zone

BACKGROUND

This is a request by Robin Large of Lazaurus, Silvyn and Bangs, P.C., on behalf of the property owners, Unisource Energy Corporation/Tucson Electric Power Company, to rezone approximately 345 acres from I-1 and I-2 zones to Planned Area Development (PAD) zoning.

The rezoning site is located at the Southeast corner of Alvernon Way and Irvington Road (see Case Location Map).

The PAD document proposes uses and development standards for the long-term operation of the power generation plant.

Rezone to Planned Area Development (PAD) Zone to establish "... development standards and land use regulations that are appropriate for a regional 345-acre power generating project that must have the flexibility to adapt to innovative industry changes quickly."

PUBLIC HEARING SUMMARY (Minutes Attached)

At the March 8, 2018 public hearing, Planning and Development Services staff reported that there was one (1) written approval and one (1) written protest. (Staff pointed out that there were two written protests received by the same owner for the same property; however, only one written protest is on record.)

The applicant, Keri Silvyn of the law firm Lazarus, Silvyn & Bangs, P.C., spoke on behalf of the owners, Tucson Electric Power (TEP). She gave a brief overall description of the project including:

- She described the history of the project pointing out this area was annexed into the City. Unfortunately, the City's Unified Development Code (UDC) does not include the code provisions needed to allow TEP to modify, remodel or expand their campus since many of their existing uses and buildings are not allowed in the current I-1 and I-2 zoning classifications.
- This rezoning request is necessary and avoids future requests for variances each time Tucson Electric Power does a project in the future.
- She explained that Tucson Electric Power needs to move forward in their efforts to modernize their campus.

**C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus
Rezoning I-1 and I-2 to PAD zone**

- Tucson Electric Power is required to modernize their operation by the Arizona Corporation Commission.
- The requested PAD zoning will allow Tucson Electric Power the flexibility required to grow as the technology evolves.

A representative of Tucson Electric Power then spoke in favor of this request and discussed his role as TEP's government and external affairs coordinator.

He discussed how and why Tucson Electric Power is planning on expanding and remodeling their campus in order to provide cleaner and more energy efficient means of providing power to us all.

He told us that solar power is their ultimate goal and he discussed the Arizona Corporation Commission's requirements and goals for energy conservation and renewable clean energy sources.

He told us that most power plants are no longer using coal as an energy source. He explained that many plants are switching to natural gas or closing.

He said their first modernization project will be installing their new Reciprocating Internal Combustion Engines ("RICE") which will eventually replace two of their four steam generators.

He said that there are 750 employees currently working at the Irvington Road facility. He stated that in addition to modernizing their energy producing operations, TEP wants to provide a nice work environment for all of their employees by updating and remodeling the campus.

Keri Silvyn then spoke about how they opted to use a larger public notification area than what the City requires so that the rezoning notification area would be the same as the larger notification areas required by the various governmental and regulatory agencies having jurisdiction over this facility.

She also pointed out that Tucson Electric Power offered public tours of their facility to all of the neighbors.

Nobody else spoke in favor of this rezoning request.

Three people spoke in opposition of this request.

In summary, these were the major issues discussed:

1. Coal and Natural Gas are both still fossil fuels and are not clean nor energy efficient.
2. TEP's proposed "RICE" generators will still add particulate pollution which does not comply with "Plan Tucson".
3. TEP's energy goals are not achievable.
4. TEP should concentrate their efforts towards solar and battery power.
5. Conserving energy is not TEP's goal.
6. The proposed smoke stack is too tall and does not meet the Airport Environs Overlay Zone.
7. Talked about the 'social injustice' of this request since most of the residents near this facility are Hispanic and have a lower income than those who don't live in the area and are not impacted by this plant.

**C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus
Rezoning I-1 and I-2 to PAD zone**

No one spoke who was project neutral.

The applicant then responded to the comments made against this proposed PAD.

1. TEP's energy production and operation is heavily regulated by various governmental and regulatory agencies. The City of Tucson has no authority in this area and should not be a determining factor in this rezoning request.
2. Any complaints or concerns regarding TEP's current operations should be directed towards the governmental and regulatory agencies having jurisdiction over such matters. These agencies conduct public hearings specifically for this purpose.
3. The existing 250' high smoke stack is a legal non-conforming structure which is allowed to remain.
4. The proposed new 140' smoke stack for the new "RICE" units has been reviewed and approved by Davis-Monthan Air Force Base (DMAFB).
5. Other existing non-conforming buildings used for coal storage are scheduled for demolition.

FINDINGS OF FACT

Existing and Surrounding Land Uses

Existing Land Use:

Zoned I-1 and I-2; Power Generation Plant

Surrounding Land Uses

North: Zoned City I-1 & I-2 and County CI-1 & CI-2; DMAFB, Industrial and Commercial Services Uses

South: Zoned CI-1; Union Pacific RR and I-10

East: Zoned City I-1 and County CI-1 and CI-2; Industrial Uses

West: Zoned County CI-1; Industrial and Commercial Services Uses

Developed areas adjacent to the Tucson Electric Power PAD site are as follows:

The Campus is bounded on the north by Irvington Road (future ROW 150'), Swan Road (future ROW 150') on the east, the Union Pacific Railroad ROW and Interstate 10 ROW on the south (combined ROW varies 500' to 700'), and the Union Pacific ROW and the I-10 westbound exit ramp and Alvernon Way (future ROW 150') on the west.

Land Use Plans

Land use policy direction for this area is provided by the *Rincon Southeast Sub-regional Plan* and *Plan Tucson*. The rezoning site is located within an Existing Neighborhoods Growth Scenario Building Block as identified on the Future Growth Scenario Map of *Plan Tucson*, which does not specifically identify the Campus.

The *Rincon Southeast Sub-regional Plan (RSSP)* identifies the site in the *RSSP* Swan/Irvington Map Detail #3, created when the area was annexed in to City of Tucson. The Map Detail describes the area as a combination of developed and vacant industrially-

**C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus
Rezoning I-1 and I-2 to PAD zone**

zoned properties. The Campus is specifically identified as “...the most significant industrial use...” in the area.

Due to the location of the Campus, at the intersection of two arterial roadways, surrounded by heavy industrial zoning and uses, bounded by the railroad on two sides and the interstate to the south, the Campus meets the broad *PT* guidelines for the locations of industrial areas: “Industrial areas are strategically located for efficient handling of intermodal freight movements. These areas support national and international freight movement through Tucson by connecting existing major regional commercial transportation routes, including railway, major highways, and the airports.”

The operational goals for power generation as well as corporate programs within the community support numerous *Plan Tucson* goals which are summarized below:

Energy and Climate Readiness (EC Policies) call for increasing the use of low carbon and renewable energy sources, including solar and other renewable energy sources. Environmental Quality (EQ) Policies broadly support striving for a “zero waste” model and improving environmental performance through process, technological and behavioral changes. As stated above, TEP is seeking to increase the amount of delivered power from renewable resources the current 11% to 30% by 2030. This is double the State of Arizona goal for renewable power generation. TEP also uses waste methane gas from the Los Reales Landfill as a power source. Typically, the methane is collected and burned off. Through a program developed with Civano Nursery, green waste, collected by TEP maintenance crews is chipped and recycled, reducing the flow to local landfills by about 30,000 cubic yards, annually.

Public Infrastructure, Facilities & Cost of Development (IP) Policies support expanding the state-of-the-art, cost-effective technologies and services for public infrastructure and facilities, coordinating with utility companies and other public service providers for the planning of infrastructure, facilities, and services, and ensuring infrastructure and facility construction is sensitive in design and location to environmental and historic resources. The specific purpose of this PAD is to coordinate with the City to ensure an efficient process to develop state-of-the art and cost-effective, as well as more environmentally sound technologies for providing electrical service to eastern Pima County.

Jobs and Workforce Development (JW) Policies support recruiting, retaining, and expanding businesses and industries within Tucson’s key economic sectors, including but not limited to aerospace and defense, biosciences, renewable energy, astronomy, and optics to increase high-quality, high-paying job opportunities. JW Policies also call for collaboration with local institutions, including but not limited to the University of Arizona, Pima Community College, Pima County and public and private training and technical organizations to support a well-educated, well-trained workforce with skills matched to local job opportunities and employer needs. The PAD document cites TEP’s extensive efforts in renewable energy. TEP is also involved in two workforce training programs in

**C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus
Rezoning I-1 and I-2 to PAD zone**

the community. Collaboration with Pima Community College created the Building for Success program to develop local talent through training programs and career resources. A partnership with DMAFB developed the Career Skills Program to help military service members transition to the civilian workforce.

The entire site is within the DMAFB Airport Hazard Zone, within the Airport Environs Zone (AEZ) Overlay. It also falls within the Noise Control District (NCD)-A (65-70 Ldn). The AEZ Height Zone 2 also impacts the site and limits structure height to 140 feet. TEP coordinates with DMAFB to ensure structures and activities on the Campus are compatible with DMAFB operations. DMAFB reviews all above-ground construction to ensure proposals do not pose visibility or safety hazards. DMAFB has supported and continues to support construction of TEP structures that exceed the height limitations of AHD, provided they do not pose a risk to Base operations. DMAFB has already signed off on an upcoming project at the Campus. That letter is included in the Zoning Examiner's packet.

No billboards are located on the rezoning site.

DESIGN CONSIDERATIONS

Land Use Compatibility

Due to the intense industrial nature of electrical generation use, design considerations are limited. The Campus is employs tight security whereby all employees and visitors must enter through security checkpoints. Therefore, many of the design features associated with public spaces are not appropriate at this location.

The Campus is located in an industrial area, surrounded by industrial and heavy commercial uses. There are currently numerous structures related to the power generation activities. Future projects will be designed according to the engineering, safety, technology and needs demand for producing electricity.

All utilities are currently available at the site.

Drainage/Grading/Vegetation

The site is relatively flat and slopes from the southeast to the northwest. The average cross-slope for the site is 4.4%.

The Campus is well-developed and has a system of storm water management. The PAD proposal states that TEP operational requirements will determine the location of detention basins. Development standards for retention/detention are specified in the PAD. The long-term detention plan will reduce existing discharge from the campus by 15% (one- hour, 100-year storm), using existing discharge points.

There are no flood hazard areas on the site. The southern and western edges of the Campus are within the 500-year flood zone, mostly due to the impacts of the railroad tracks in those areas. There are no regulated washes on the site.

**C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus
Rezoning I-1 and I-2 to PAD zone**

Vegetation has been significantly disturbed on the site. It mainly consists of shrubs and scattered grasses. The vegetation does not provide habitat that would support foraging, sheltering or nesting areas. While studies show that seven (7) threatened and endangered species (TES) may exist in the general area, there is no proposed or designated critical habitat for the TES on or in the vicinity of the Campus. The PAD does include recommendations regarding activities to promote the conservation of native vegetation and other wildlife in the area.

Certain cultural resources have been identified on the site, however, due to activities and determinations regarding the preservation of these resources, they are no longer under consideration. TEP and its contractors will abide by ARS 41-865 should human remains be discovered during construction activities.

Road Improvements, Vehicular Access and Circulation

TEP has already established a vehicle and pedestrian circulation system within the Campus. Parking will be provided at a ratio one space for each employee. Access to the Campus is limited to four security-controlled gates, three of which are accessed from Irvington Road, and one accessed from Swan Road.

TEP will coordinate with the Tucson Department of Transportation (TDOT) to install a minimum five-foot wide landscape border along the Campus boundary, in the Irvington Road and Swan Road right-of-way, where feasible so as not to interfere with utility or drainage infrastructure, and in those areas where no vegetation currently exists.

An *Existing Transportation Conditions Study*, submitted as an appendix to the PAD document, found most off-site intersections and roadways operate at level of service (LOS) D or better. LOS D is the generally accepted operating condition for roadways and intersections by the jurisdictions that own and manage the surrounding roadway system.

No appreciable increase in traffic is anticipated at the site.

CONCLUSION

The TEP Irvington Campus is a unique land use. While the product of the Campus, electricity, does not change, the resources and means used to produce electricity have changed substantially over the years and will continue to evolve into the future. The proposed PAD will provide the land use regulations and development standards to accommodate that evolution to a cleaner, more sustainable power supply. Subject to compliance with the attached PAD document, rezoning to the Planned Area Development Zone is appropriate.

**C9-18-03 Tucson Electric Power Company (TEP) – Irvington Road Campus
Rezoning I-1 and I-2 to PAD zone**

RECOMMENDATION

The Zoning Examiner recommends **approval** of this PAD rezoning.

Respectfully Submitted,

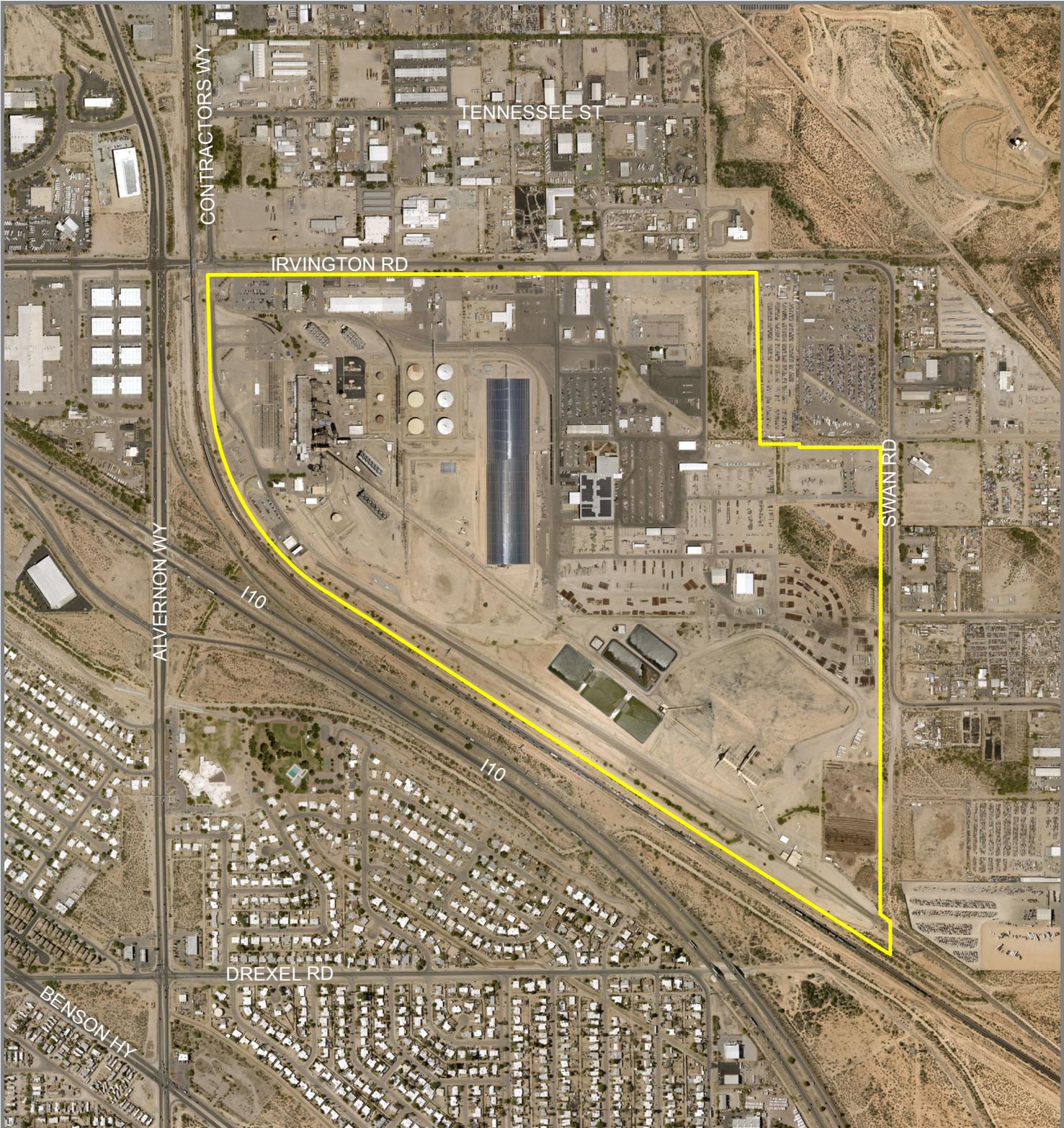
A handwritten signature in blue ink, appearing to read 'S. Shell', is positioned above the printed name.

Steven C. Shell
Zoning Examiner

ATTACHMENTS:

Aerial Photo & Location Map
Public Hearing Minutes

C9-18-03 - TEP-Irvington Campus
Rezoning Request: From I-1 and I-2 to PAD-34



 Area of Rezoning Request



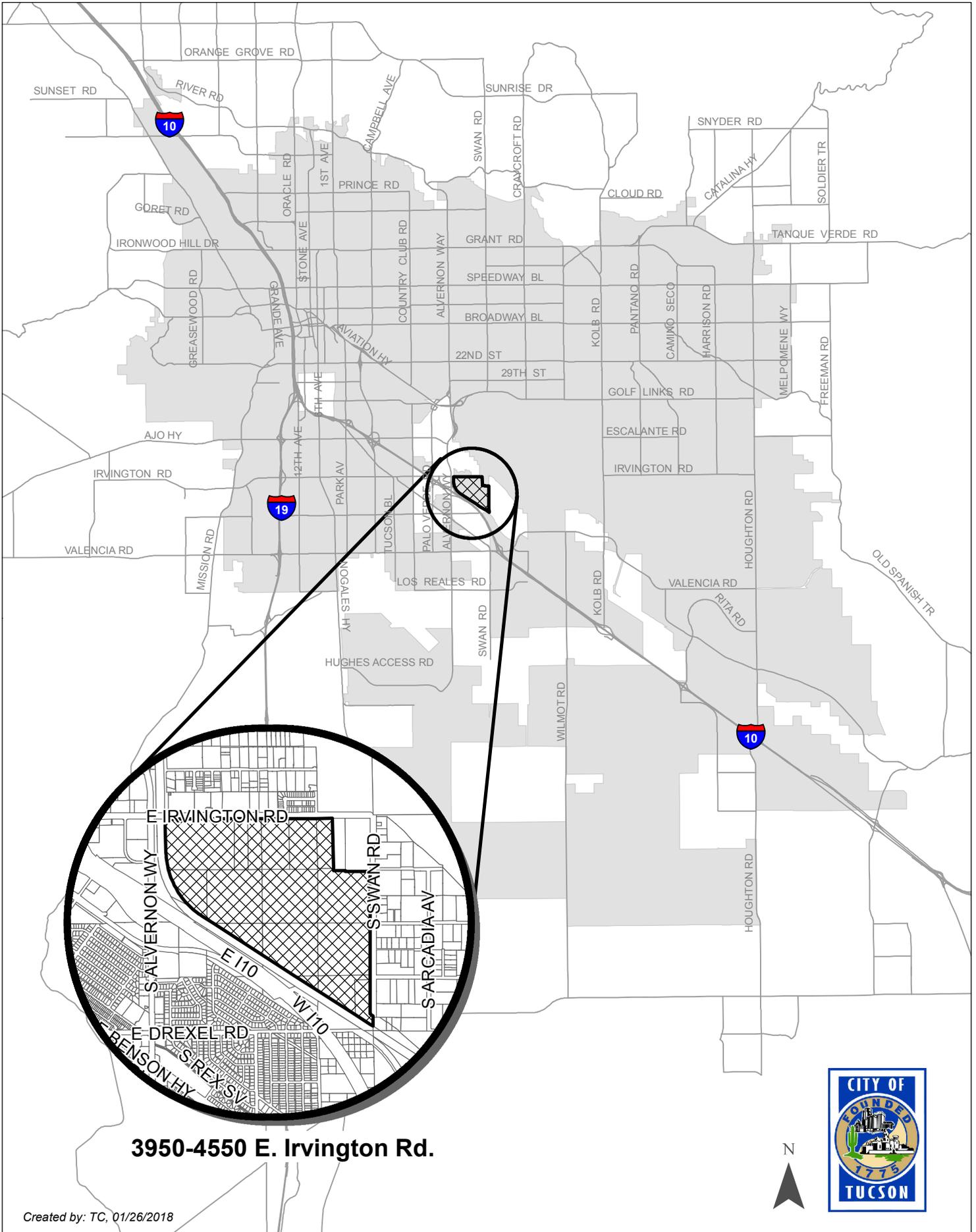
Address: 3950-4550 E. Irvington Rd.
Base Maps: Twp.15S Range14E Sec. 03
Ward: 5


1 inch = 1,000 feet



C9-18-03 - TEP-Irvington Campus

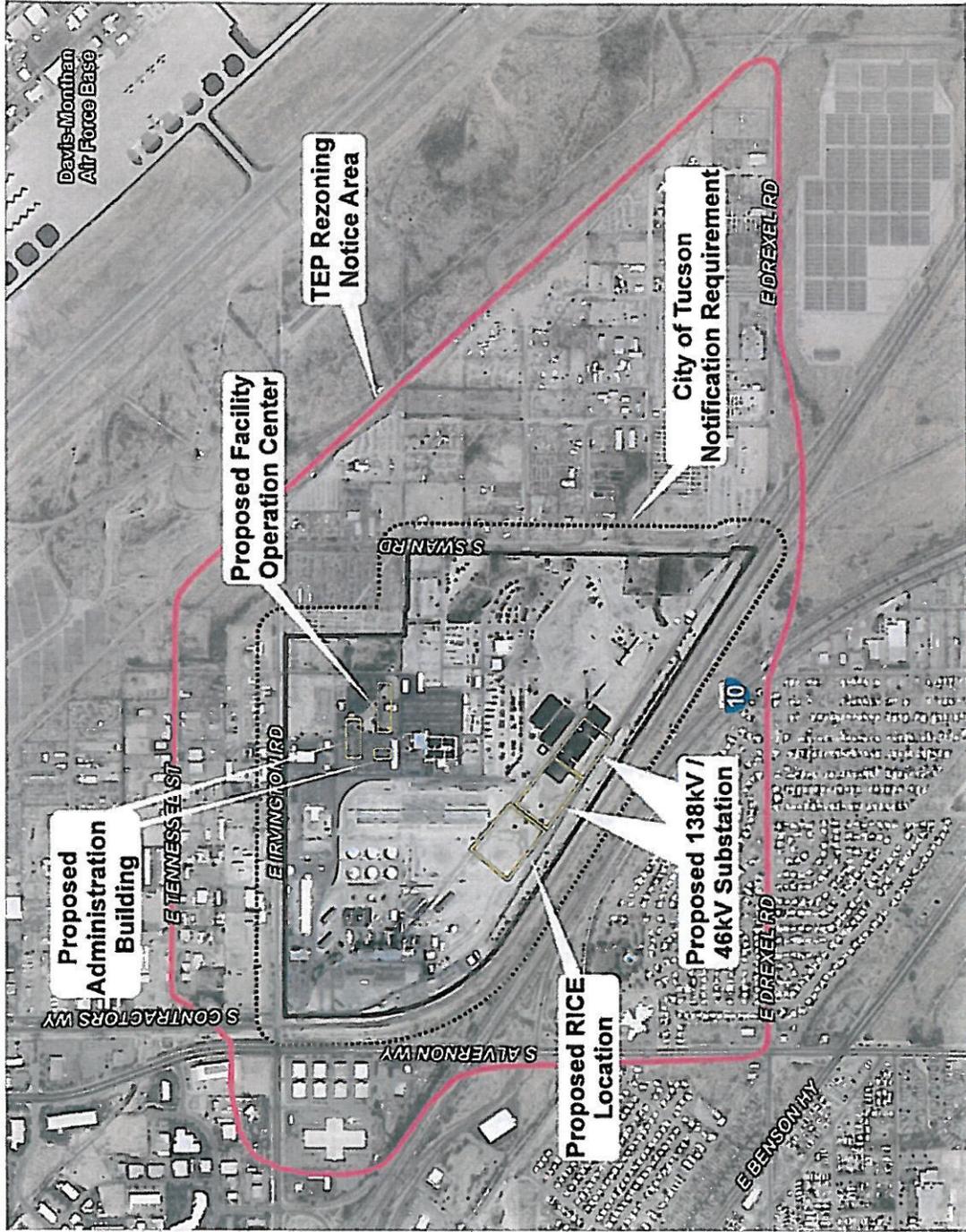
Rezoning Request: From I-1 and I-2 to PAD-34



3950-4550 E. Irvington Rd.



Tucson Electric Power



**PRELIMINARY STUDY
AREA MAP**

Irvington R.I.C.E.
and Substation
Public Notification Area

ZONING MEMBERS PRESENT

Steven Shell, Zoning Examiner
Peter McLaughlin, Planning & Development Services
David McGovern, City Recording Clerk

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1 ZONING EXAMINER: Okay. I'm gonna call us back to order
2 now. So, our next case is C9-18-03 the TEP Irvington Campus (PAD).
3 And at this time, I'd like to have Mr. McLaughlin, if he would, give
4 us a brief description of the project.

5 MR. McLAUGHLIN: Yes. This is a request by Robin Large of
6 Lazarus, Silvyn & Bangs, P.C. on behalf of the property owners,
7 Unisource Energy/Tucson Electric Power Company to rezone approximately
8 345 acres from I-1 and I-2 zones to Planned Area Development (PAD)
9 zoning.

10 The site's located at the southeast corner of Alvernon Way
11 and Irvington Road. The PAD document proposes uses and development
12 standards for the long-term operation of the power plant.

13 Due to the age of the plant and changes in technology, and
14 moving towards more modern and cleaner and more sustainable energy,
15 flexibility in the zoning is required to position TEP to use its
16 resources to respond to events in technology without having to
17 continually request zoning administrative decision letters and sort
18 through other zoning issues on the site.

19 TEP is focusing more on using renewable resources and using
20 solar power and bio-diesels for power generation, and is developing
21 plans for additional wind and solar-powered facilities.

1 The need for land use regulations in development standards
2 that meet the needs of a unique evolving facility within Tucson, and
3 simultaneously meet community goals is the basis for the PAD.

4 The PAD will establish development standards and land use
5 regulations that are appropriate for TEP and will allow flexibility to
6 adapt quickly of innovative industry changes.

7 The proposed PAD will provide the land use regulations and
8 development standards to accommodate that evolution to a cleaner, more
9 sustainable power supply. Subject to the PAD document, rezoning to
10 Planned Area Development or the PAD zone is appropriate, and Staff
11 supports it. We've had one approval submitted and one protest
12 submitted to date. That concludes my Staff report.

13 ZONING EXAMINER: Thank you very much. Is the Applicant,
14 or the Applicant's representative here? As if I didn't know. Care to
15 introduce yourself, please?

16 MS. SILVYN: Keri Silvyn with Lazarus, Silvyn & Bangs,
17 representing TEP and Unisource Energy in this application. I want to
18 introduce some of the folks on the team who are here.

19 ZONING EXAMINER: Absolutely.

20 MS. SILVYN: So, Larry Lucero, who's the Senior Director of
21 Government and External Affairs for TEP/Unisource. Cheryl Emix (ph.),
22 Supervisor of the Environmental and Land Use Planning. Rick
23 Burroughs, who's the Project Manager of the Rice Project. Robin
24 Large, who's a land use planner with my office. And Patrick Deverly
25 (ph.), who's the GIS analyst for, for TEP.

1 We are excited to be here tonight. This is the project
2 that keeps the lights on in Tucson, including 4th Avenue.

3 ZONING EXAMINER: And I was wagering it would take you
4 three minutes before.

5 MS. SILVYN: No, never takes me that long. This is a
6 little bit of an unusual request because a lot of times you come
7 forward with a Planned Area Development because uses aren't permitted,
8 or the collection of uses.

9 What's a little bit unusual about this is all the uses that
10 are on this 345-acre site are actually permitted in the I-1, or I- --
11 predominantly I-2, and a little bit of the I-1 portion, as Staff has
12 pointed out.

13 The issue is that this is the only large regional power
14 distribution in the, in the region. And the Unified Development Code
15 doesn't have development standards that contemplate this kind of use,
16 a closed campus, large transmission and, and power lines, and all of
17 the uses that are kind of on the project.

18 So, what had been happening is as TEP was looking to
19 respond to technologies and move things forward into more renewables,
20 they're coming forward with projects. And it was going to require
21 large packages of variances to the Unified Development Code.

22 And the question became, should we be appearing in front of
23 the Board of Adjustment for large packages of variances? Or should we
24 take a more comprehensive look at this and create a P-A-D? So, again,
25 it's unusual because I'm not sitting here negotiating uses that would,

1 or wouldn't be appropriate. They're all still permitted. It's, it
2 has more to do with the development standards.

3 The interesting history about this project, too, TEP has
4 been on this property since the 1950's. It's been in Pima County
5 until 1995. In Pima County, the large power-generating facility was
6 exempt from zoning.

7 So, in 1995, it was brought into the City. Again, the
8 translational zoning was I-2, I-1. Uses were all permitted, and it
9 really wasn't until TEP began to respond to some of the changes going
10 on that we realized that we had the large issue that we had with the,
11 with the development standards.

12 What I'd like to do now is I'm gonna introduce Larry to
13 come up and talk a little bit about, there's a, there's a current
14 program going on right now that is making way for TEP to use a lot
15 more renewable energy. And there's been some retirement. It happened
16 over the last couple of years, and it's now done, of coal generating,
17 so that you can understand sort of what's going on on the campus.

18 The P- -- and the immediate project is important, but the
19 P-A-D isn't just for the immediate project. It really is meant to
20 allow TEP the flexibility over time. And when Larry's done, I'm gonna
21 come up and chat a little bit about the actual P-A-D, and our
22 neighborhood outreach process, who we've engaged, why we've engaged.

23 And then if you have any questions about the P-A-D after
24 the public hearing, we'll be happy to address those then, unless you
25 want us to do something different. We can save -

1 ZONING EXAMINER: Well, I'm, -

2 MS. SILVYN: - the presentation for after.

3 ZONING EXAMINER: - I'm flexible.

4 MS. SILVYN: Okay. We'll go with our normal agenda then.

5 ZONING EXAMINER: That's fine.

6 MR. LUCERO: All right. Thank you. I'm Larry Lucero,
7 Senior Director for Governmental and External Affairs, as Keri
8 mentioned. And I have been sworn in, and have signed in. And I'm at
9 88 East Broadway in Tucson, Arizona, 85701.

10 ZONING EXAMINER: Okay.

11 MR. LUCERO: This is a unique process that we're engaged
12 in. In response to the pressures that we are experiencing as a result
13 of the transformation in our industry, we are going through a very
14 accelerated transformation as a result of technological changes that
15 have occurred in the world of renewables, in the world of fossil fuel
16 generation, as well as in the world of fossil fuel generation actually
17 selecting what type of fossil fuels may be more prudent in order to
18 reduce the carbon emissions that our industry creates.

19 So, as a result of these many variables, we think that the
20 studies and evaluations that we have conducted over time to prepare us
21 for this transformation to be successful have resulted in some
22 (inaudible) I think will be helpful to the conversation.

23 And Rick Burroughs, from our generation site, is here as a
24 technical, on the technical side of the house, has actually done a
25 great deal of investigative work with respect to one component of this

1 whole modernization of the campus, and that is the, the installation
2 of the reciprocating internal combustion engines, which he is more
3 than familiar with.

4 But why are we here? As I mentioned, we are shifting away
5 from the use coal, the whole industry is for a variety of reasons.
6 Not just cost, but also simply because in, in, in our evolution as a
7 society, we see that there are other fuels that are available, and
8 other resources and technologies that have been invented that we need
9 to take advantage of. One of those technologies clearly in Arizona is
10 the use of solar and wind generation.

11 Our corporate organization is regulated by the Arizona
12 Corporation Commission. And not long ago, about ten years ago, the
13 Corporation Commission set a statewide standard to have all of the
14 retail, to have 15% of our retail (inaudible) provided by renewables
15 and then they had a set of definitions what renewables would include.

16 We're well on our way. By 2025, we intend to meet that
17 goal of 15%. But more importantly, we have now changed that vision as
18 a result of advances in, in chip manufacturing and the way things have
19 progressed, and that is we're proposing to increase our use of
20 renewables up to 30% by 2030. So, that'll double the state standard.

21 And even if the Commission makes adjustments with respect
22 to its modernization of its own vision, we'll be prepared to respond
23 to whatever goal the state has as far out as 2050. So, in the near
24 term, and by near term, we're talking in the next 12 years, we propose
25 to be there at 30%.

1 What that does, though, it does change the portfolio of
2 what we use to generate electricity. And what it does is it
3 absolutely has reduced our reliance on coal. Coal has got a lot more
4 costs incurred with respect to emission controls as well as all of the
5 potential carbon tax, scenarios that have been, that have been
6 proposed.

7 And so, we've, we've seen the future, and we know that coal
8 use, and the use of coal for generation has to be reduced. And
9 Arizona's well on its way to doing that. Several plants are scheduled
10 for retirement in the not too distant future. By that, we're talking
11 in '19, '20, '21 and '22. Significant number of megawatts that are
12 generated using coal as a fuel are going to be retired.

13 So, the industry has been making a great deal of effort to
14 substitute that with much more efficient natural gas fuel generation,
15 whether it's a combined cycle or whether a simple cycle. And if you
16 really want to get into the (inaudible) we can discuss the differences
17 between those.

18 But, suffice it to say, there are benefits from using
19 natural gas. Pricing has become much more attractive. Supply has
20 become much more assured. Exploration for that supply is, is much
21 more predictable, and as a result the, the use of, of natural gas will
22 reduce our carbon output by, by half in comparison to coal.

23 But one of the, one of the results of using a great, a
24 greater percentage of renewables is that there's a great deal of
25 intermittency that you have to address. And by that, we mean it's not

1 - the technology is, is, is able to produce electricity, but it has a
2 lot of integration challenges with respect to keeping the lights on at
3 the 60 cycles that you are accustomed to, and that all machinery is,
4 is programmed to work at.

5 So, it is our challenge in the integration site to have
6 equipment that can address the vagaries of that intermittency. And
7 we've got some charts that, that we can - if you really want to get
8 into the (inaudible) that really indicate that we will be dealing with
9 not only today but into the future, great variability in the amount of
10 megawatts that are being generated by renewables.

11 So, that forces us to be able to take down the base load,
12 natural gas, or coal plants up and down and, and, and flick them back
13 up and, and to respond to as things change in terms of cloud cover, or
14 the wind dies down or the wind picks up.

15 Machinery that we've been used (sic) - the machinery, the
16 machinery that we've used over our history is not that responsive.
17 So, as a result of that, one of the options that we have is, as part
18 of this modernization, and if I may mention, the Irvington campus here
19 used to burn coal, and there was public policy that actually required
20 us to burn coal, and not burn natural gas at one point.

21 Congress had instituted those conditions for us in the
22 middle '70's. And not long after that, they realized that that was a
23 bad policy, so they switched back and allowed us to use natural gas
24 again, 'cause we thought we were gonna run out by 1985.

1 So, a major component of this modernization will be
2 additional retirement of natural gas combined, combined cycle
3 facilities at Irvington, because they are not even as responsive as
4 they need to be as the Rice machines are able to do.

5 So, that switch and technology is part of this whole
6 modernization. It's a, it's a tricky, it's a tricky process that
7 we're involved in and so this is why we mention this component of the
8 modernization because it is so critical to our ability to continue to
9 integrate the renewables that we are incorporating into our portfolio.

10 The campus today has about 750 people that are employed
11 there. They are really the, the folks that where the lights, where
12 really the lights go in Tucson really is conducted by the folks that
13 we have there.

14 We have about 600 employees here at our downtown facility,
15 but the, the, the real work out there is - includes training
16 facilities that we've coordinated with Pima Community College for our
17 free apprenticeships and apprenticeship training programs which are
18 very rigorous in order for us to certify our employees to deal with
19 the very complex industry that they, that they deal with.

20 We have a call center out there. We have field operations,
21 headquarters out there, and fleet management. And all the big trucks
22 are out there. We store and, and have all of our contractor equipment
23 out there that we rely on in terms of getting our work done.

24 And also, within that large campus are electric handling
25 facilities that convert high-voltage electricity and create

1 electricity to send out into the, into the grid, enough so that we
2 can, we can serve all of our 400,000 households from this area. It's
3 all managed out of there.

4 We also include in there in a, in a location in one of the
5 edges recycling facilities with the Civano Nursery. So, as part of
6 our vegetation management as we go out there and trim trees and do
7 our, our vegetation work. We don't take it to the landfill, we create
8 a compost process that we've had for quite some time.

9 So, there's a great deal of activity there. We have
10 several buildings there that have been there. They're vintage 1960's
11 and actually some of them are even a little younger than that. At one
12 time, we had our presence down here on St. Mary's, and we sold that
13 facility off to the University of Arizona and, and moved out.

14 We moved a whole bunch of employees out to Irvington and
15 put them in temporary modular facilities that we call the 19 Wide, and
16 another entertaining kind of facility that we have there. So, in
17 order to be able to get a more efficient, more streamlined and more
18 importantly, a safer campus for our employees, we've got a design now
19 that as we go forward and make these improvements, we're gonna have a
20 situation where our employees are gonna be in an environment that is
21 much more modern.

22 We'll have the amenities that, that we have downtown from
23 workout rooms to restaurants. But the ability to redirect traffic to
24 keep pedestrian traffic and the vehicular traffic in a much safer mode
25 is very important to us. So, the campus will be redesigned in a

1 manner that provides us much more safe environment, a safer way to get
2 in and out of facilities since we have many, many vehicles coming and
3 going.

4 So, it's, it's a comprehensive effort, and although the,
5 the immediate concern is for us to get the, the Rice Project
6 installed, but the entire campus modernization, I think, is part of
7 what our vision calls for in terms of moving our company forward to be
8 able to be responsive to our customers' needs, and also to be as
9 envir- -- as good an environmental steward as, as we can.

10 So, that concludes my remarks. I'm gonna turn it back over
11 to Keri to give you back to the process itself.

12 ZONING EXAMINER: Thank you.

13 MS. SILVYN: So, as I mentioned earlier, this is 345 acres.
14 You can see in the P-A-D, and on this board, we're surrounded almost
15 entirely by industrial. The Union Pacific Railroad, I-10 to the
16 south, Alvernon to the, to the west, Irvington and Swan.

17 Most of the, of the development around us is actually in
18 unincorporated Pima County. There's a little sliver, as you've seen,
19 that's in the City. The residential development to our south is in
20 unincorporated Pima County.

21 On this map, it's, it's kind of hard to see, but I can
22 outline it. There is a, an orange and black line. And that orange
23 and black line is actually the City's notification requirement for
24 this P-A-D. The bright pink line that you can see is the notification

1 line that was required for a lot of the other regulatory processes
2 that TEP is going through specific to the Rice Project.

3 We made a decision, TEP made this decision early on to go
4 ahead and do the notification for the zoning, the neighborhood meeting
5 at that pink line because we didn't want to cause confusion with
6 people getting not- -- some people getting some notifications and
7 others not.

8 So, we had our neighborhood meeting in, in the middle, in
9 the middle of January. Again, the pink line was the notification that
10 we used. We had six or seven folks from the neighborhood to the south
11 come in and, and chat with us.

12 A lot of - the summary of the neighborhood meeting is in
13 the rezoning application. Most folks just didn't understand what was
14 going on on the campus, and it became clear that it's, it's more of a
15 mystery than it should be to our neighbors.

16 There's a lot of space between the neighborhood and even
17 the edge of our property when you count the greenway that's there, the
18 I-10. There's also an elevation difference than the, the additional
19 right-of-way for A-DOT, and then Union Pacific. And then you get to
20 our property line, but we're still - you can still see us.

21 So, TEP, at that meeting, committed to two things. One of
22 them was a second meeting that they notified everybody within that
23 neighborhood. And it was specific to that neighborhood. That
24 occurred about a week and a half ago. Another eight or nine people

1 came who were different than the first eight or nine. Again, most
2 wanted to hear just what was going on on the campus.

3 The other commitment that TEP made at both of these was to
4 schedule tours on site. And so there's a - there - handed out flyers,
5 we handed out flyers and there's an ability to register on line to
6 come do (sic).

7 They need to be organized tours because it's a closed
8 campus for safety and a lot of other reasons. But have organized
9 tours so that people can come and try and demystify the mystery that
10 is this campus and explain what's going on.

11 So, the neighborhood meetings went, went very well. Again,
12 we did one extra one, and have these tours scheduled, I think March
13 16th, a week from tomorrow. So, with that, I'm - we're happy. We've
14 got the folks here, as Larry mentioned, who can answer very technical
15 questions about the Rice and how that moves us towards renewables, how
16 they work.

17 We don't - well, we can - well, if you want to go ahead and
18 open up the public hearing, and then we will respond to whatever
19 questions you have, or if you have questions now, we're flexible.

20 ZONING EXAMINER: We're already open. Just the fact that
21 you're talking, open hearing.

22 MS. SILVYN: There you go.

23 ZONING EXAMINER: I appreciate your shortness and brevity,
24 but at the same time, your thoroughness of your presentation of why
25 you're doing this. Unless you have anything else to add, Ms. Silvyn,

1 I think what I'd like to do is, is ask if there's anybody here wishing
2 to speak in, in favor of this request. Is anybody here to speak in
3 favor? Not all at once, people.

4 Hearing none, is there anybody here wishing to speak in
5 opposition? Oh, there are. Come on down. You don't have to sit all
6 the way in the back. You can all move forward so you don't have to
7 walk so far.

8 MR. STORMONT: (Inaudible) sit back there before, you know?

9 ZONING EXAMINER: Well, but now you don't.

10 MR. STORMONT: I know. I just didn't move. Anyway
11 (inaudible)

12 ZONING EXAMINER: Wasn't that an enjoyable show, though?
13 I mean for three hours?

14 MR. STORMONT: It was.

15 ZONING EXAMINER: Come on. Quality entertainment.

16 MR. STORMONT: I, I knew we were gonna subject ourselves to
17 that, but I didn't think it was gonna be three hours. That was -

18 ZONING EXAMINER: I really did try to flip these. But once
19 it got advertised, it was out of my hands.

20 MR. STORMONT: That would have been good.

21 ZONING EXAMINER: Do you care to - I, I, I'm assuming you
22 signed in?

23 MR. STORMONT: I am going to as soon as I (inaudible)

24 ZONING EXAMINER: Wonderful. Did you swear in?

25 MR. STORMONT: I did.

1 ZONING EXAMINER: Okay. Great. While you're signing in,
2 then I'll ask you for your name and address.

3 MR. STORMONT: Okay. My name is Daniel Stormont, and my
4 address is 4743 East Mabel Street. Okay, and, of course, as, as TEP,
5 and, in fact, I got a chance to talk a little bit before, during the
6 break, our five-minute break there about the zoning process. And I do
7 understand that right now, it's already zoned for I-1 and I-2, which
8 is, you know, pretty much allows just about anything anyhow.

9 The only concern I had, and it relates to the Rice, and
10 that's sort of the problem, is they're asking for the PAD, but at the
11 same time, the PAD's not specifically tied to the Rice. It's tied to
12 all the things they want to do with the campus, and I've just been
13 involved with this process.

14 They had the PDQ hearing last week about the Rice
15 generators they plan to install, and one of the issues I have is even
16 in the P-A-D request, they talk about meeting the requirements of Plan
17 Tucson. And so since I don't remember all of those right offhand, I
18 brought this up with me.

19 So, for example, one of them is EC-4 which is increase the
20 use of low carbon and renewable energy sources. Well, honestly, I'm
21 glad they're not burning coal out there, but burning natural gas is
22 really still a fossil fuel. It's not really a low carbon fuel source.
23 So, that's one of the issues I have.

24 EC-6. I know that there are - is some talk. I've heard
25 TEP plans, they're talking about putting in some new switching

1 facilities and things. They need to modernize all of that, and that's
2 going to enable them to transition more to the solar that was
3 mentioned earlier, where- -- wherever you want to.

4 But, so, that's one of the things that, you know, they need
5 to modernize some of their switching equipment, and that kind of thing
6 to be able to handle the increased solar system wide which is, my
7 understanding is not necessarily at the Irvington campus. But again,
8 at the Irvington campus, that is not going to increase the solar power
9 by putting the Rice generators in.

10 And then one of the other concerns that I have, and this
11 came out of the PDQ hearings is that the Rice units actually are going
12 to increase the number of some pollutants, especially (inaudible)
13 organics.

14 And if you have more than, you know, one or two of them
15 running at a time, it's also going to increase the amount of
16 particulate pollution and also nitrous oxide. So, that's a concern
17 that it's actually worse than some of the units they're
18 decommissioning.

19 And so that really sort of violates the Plan Tucson EC-9
20 which is, you know, assessing and addressing the vulnerability of the
21 community's health and safety because there are, or course, the, as
22 was mentioned, pointing out the plan map here, that there are
23 residential - a residential community near to the plant and also, you
24 know, we're all downwind of the Irvington plant. So, it's not like
25 it's that far away from any of us.

1 So, those are the concerns I have. It's really pretty
2 brief as far as that goes.

3 ZONING EXAMINER: Do you live in the area?

4 MR. STORMONT: I do not live in that area. I live at Swan
5 and Speedway, so, I live right in the center of town, but -

6 ZONING EXAMINER: Okay.

7 MR. STORMONT: - Irvington, I'm not that far. I'm just up
8 Swan from the -

9 ZONING EXAMINER: Right.

10 MR. STORMONT: - Irvington plant.

11 ZONING EXAMINER: Okay. So, it's primarily the fact that
12 you're concerned that the, the Rice generators will generate a little
13 bit more particulate than what's already being emitted just by what
14 they're currently doing.

15 MR. STORMONT: By the two natural gas (inaudible)

16 ZONING EXAMINER: Right.

17 MR. STORMONT: - steam generators.

18 ZONING EXAMINER: Is there any way - well, and maybe
19 there's - that's something that I can ask our technical people if
20 there's any scrubbers that can be added or things likes that that can
21 maybe help trap some of those particulates.

22 MR. STORMONT: Yeah. Well, and there are other things. I
23 mean the Rice units are worse when they start up, and of course, since
24 they're using them as surge generation, then anytime they're firing

1 up, they're spewing up a lot of stuff. Once they get under load and
2 they're at speed, then they're not as bad, so -

3 ZONING EXAMINER: Those are not continuous being - right.

4 MR. STORMONT: - it's just something of shutting them down,
5 you know, starting and stopping, which is really what they're putting
6 them in there for.

7 ZONING EXAMINER: Okay. So, really, you're more opposed to
8 the Rice than you are actually the PAD?

9 MR. STORMONT: Yeah. The, the PAD just sort of came along
10 with the deals, so -

11 ZONING EXAMINER: Right.

12 MR. STORMONT: - I came down, not, not entirely
13 understanding what the request was for the PAD until I got down here
14 tonight. Most of my objection is to the most immediate use under the
15 new zoning request, and not necessarily what they're doing long term
16 because obviously the Irvington generating station's gonna be there
17 for a good long time. That campus isn't going away and they're using
18 it for a number of other things besides just the power generation that
19 they're currently doing.

20 ZONING EXAMINER: Yeah. And if, if I understood it right -
21 I mean I read through all this documentation that they gave me, and my
22 eyes are still red. Not enough Visine for that. But it did, it did
23 appear that this is a one-time fix for their ongoing development over
24 the life of the, the project versus coming in and requesting variances
25 each and every time they do a project, -

1 MR. STORMONT: Right.

2 ZONING EXAMINER: - because unfortunately, since it got
3 annexed into the City, there was just no way to account for some of
4 the uses that are there.

5 MR. STORMONT: Right. Well, -

6 ZONING EXAMINER: So, I can understand why they're doing
7 it.

8 MR. STORMONT: Yeah.

9 ZONING EXAMINER: It's, it's obviously a huge effort on
10 their part to do this. And it sounds like this - the Rice thing was
11 just something that's kind of spawning part of this growth that they
12 need to accommodate.

13 MR. STORMONT: Yeah. And so I can understand that they
14 don't want to have -

15 ZONING EXAMINER: Uh-huh.

16 MR. STORMONT: - to keep coming back, 'cause it doesn't
17 meet - right now, it doesn't actually meet the zoning requirements
18 with the height of the current stacks. And the new stacks aren't
19 gonna meet the (inaudible)

20 ZONING EXAMINER: And that actually got grandfathered in.
21 It was (inaudible) when I read that, that Davis Monthan and all that,
22 they basically just said that that's just gonna be a non-conforming
23 structure, and -

24 MR. STORMONT: Yeah. It's cool. (Inaudible)

1 ZONING EXAMINER: - everybody just kind of agreed to it,
2 and said it's there. Fly around us.

3 MR. STORMONT: Well, yeah. We'll try not to fly
4 (inaudible)

5 ZONING EXAMINER: Yeah. "We'll try not to hit it."

6 MR. STORMONT: Yeah.

7 ZONING EXAMINER: But that's the case of see the rock, hit
8 the rock. Do you have anything else to add?

9 MR. STORMONT: That's it.

10 ZONING EXAMINER: Thank you very much for coming down.

11 MR. STORMONT: Okay. Thank you.

12 ZONING EXAMINER: Who else was here to speak in opposition
13 of this? And I know you swore in.

14 MR. EDIGER: I actually did not. I got here a little bit
15 late. I'm sorry.

16 ZONING EXAMINER: Oh, come on.

17 MR. EDIGER: I affirm that I will tell the truth.

18 ZONING EXAMINER: It was fifty-fifty bet. Do you swear or
19 affirm to tell the whole truth, and nothing but the truth?

20 MR. EDIGER: I do affirm.

21 ZONING EXAMINER: Would you care to state your name for the
22 record?

23 MR. EDIGER: My name is Duane Ediger. I reside at 511
24 North Cuesta Avenue in Tucson. My comments, I will start by saying I

1 think that we are all here with the same goals but different senses of
2 how to meet them.

3 I'm gonna start with talking about the carbon budget,
4 'cause I think while zoning can be very particular, and talk about
5 neighborhoods and who can comment, our climate doesn't respect those
6 boundaries.

7 We are in a non-attainment country. Non-attainment is a
8 word that's sometimes used in what kind of pollution is allowed in a
9 specific area. In Paris, the climate talks that we, as a country,
10 have gotten out of, expressed a hope that we could keep the
11 temperature from rising to 1.5 degrees above historical levels.

12 There's a budget of how much carbon can be burned, and we
13 attain that goal. If we can't make 1.5, let's at least try to, to get
14 to the 1.5 goal. We have six years at our current amount of
15 greenhouse gas pollution, as a world, as a planet.

16 Different countries are increasing theirs, others are, are
17 lowering theirs. If we continue as we are beyond the six years, we
18 have said goodbye to 1.5 degrees. We have about 24 years for that
19 two-degree goal.

20 What that means is, if we continue at our current rate, and
21 completely stop at 24 years where we have zero greenhouse gas
22 emissions after that, there's a fifty-fifty chance that we will keep
23 the temperature from rising more than two degrees.

24 All of this is to say the basics of the environmental and
25 climate, not goals, requirements that the City of Tucson, the County,

1 the State, etc. have put in place need to be elevated to that level
2 of, if we lose control, it's not just a slightly bad administrative
3 decision that got somebody cheated out of a, a financial benefit
4 because the wrong decision was made, it's, the implications are, are
5 that much bigger.

6 Now I want to move on to what should we do about it in the
7 terms of this PAD? The City should hold the Applicant to the maximal
8 standards of environmental and climate protections. I think one of
9 the ways that it can do this that I believe is inadequately addressed
10 in the application is require proof that there is no alternative to
11 meeting the goals of the proposal as they have placed it that do not,
12 do not have the same cost to our environment.

13 I believe that there is a better solution. It may be -
14 okay. It's batteries, solar and batteries. I, I'm the first Tucson
15 resident to have Tesla come and install a (inaudible) battery on my
16 home, the local branch of that. And the solar that I produce heats
17 and lights and cools my house 24 hours a day.

18 This is what Tucson needs. We, in the land of the sun,
19 cannot - we can burn gas, and that makes it easy to meet those little
20 demand peaks and valleys, and it's what power companies are familiar
21 with. It's easier on investor-owned utilities to make the case that
22 you're gonna make money doing that.

23 Batteries are new, but they are also proven. In earlier,
24 was it this year even? Very end of last year, 100 megawatt battery
25 storage was built and installed in less than 100 days in south,

1 southern Australia. This system is capable of reacting not in the
2 five minutes or so that the Rice will be able to respond to an
3 immediate need, but in milliseconds.

4 The capacity of the batteries is something that would have
5 to be discussed and figure out, okay, if we have a Rice, you can meet
6 a three-day deficit of renewable production by burning gas and
7 covering the difference. Great. How often does that happen?

8 How often does it happen that it's a three-hour? Well, we
9 can do that for \$150 million with batteries. But the plant, I don't
10 know if I've heard a real cost estimate of it. I know that in an
11 article I read in Tucson media, a TV representative was saying it was
12 somewhere above 200 million.

13 Fifty million for 100 megawatts of batteries times four
14 would give you five hours of 200 megawatts of power, or a hundred
15 hours of five megawatts of power. These, these facts need to be
16 presented. Why is it that we have to burn gas? Can we do this with
17 batteries? Can it be cost effective? Can it be allowing us to have a
18 future?

19 I think I'm gonna end my comments there and sincerely hope
20 that you will take the seriousness of the need to protect our climate
21 and for us not just to barely meet two degrees, but to be leaders so
22 that as a planet, we have a hope.

23 ZONING EXAMINER: Thank you very much. Did I swear you in?

24 MS. SEGAL: Yeah.

1 ZONING EXAMINER: Okay. You, you can talk into the taller
2 mike.

3 MS. SEGAL: Which one's the taller mike? (Inaudible)

4 ZONING EXAMINER: The one to your right.

5 MS. SEGAL: Hearing problems. Hi. I'm, I'm Jana -

6 ZONING EXAMINER: That's why I want you to talk into the
7 taller mike. What was your name?

8 MS. SEGAL: I'm Jana, J-A-N-A, Segal, S-E-G-A-L. And I
9 live at 4743 East Mabel Street with this guy over here, and he's the,
10 and he's the engineer.

11 But actually, all three of us are with Sustainable Tucson,
12 and we take it very serious that Tucson should be transitioning to a
13 more sustainable energy and doing things to conserve our water, and
14 I've been concerned for a long time and gone to the Corporation
15 Commission hearings where we don't feel like that we're being listened
16 to. That those guys are being bribed, you know, by dark money.

17 And so I don't entirely trust TEP to - when they say that
18 they're moving to, as fast as they can, to clean energy when they go
19 to my kids' schools and they pass out (Inaudible) and, and pieces of
20 coal and call it clean energy, it's not clean energy.

21 And those people in South Tucson over there, they already
22 have been living with the pollution for all those years. Their kids
23 have asthma. So, that's a social injustice right there because
24 they're poor and because they're, most of them, Mexican-American and

1 the City Council promised us that they were working towards Tucson
2 being, fighting climate change. And this is not it.

3 I, I just can't believe that, that they're even considering
4 putting in these ten natural gas generators. I can see using the ones
5 we already have until they break down, 'cause they care about profit.
6 I, I don't see putting in new ones. We need to be, like he's already
7 said it better than I can, but we need to be moving faster to clean
8 energy than 30% by 2030. Tucson will already be devastated by then.

9 I garden, so, I can see what is happening, you know, that
10 I'm seeing the change from the time that - I've been in Tucson for 23
11 years, and I - there used to be monsoons every day in the summer. And
12 I can see that climate change is happening, and it's happening faster
13 than we ever thought it was going to happen. And we don't even know
14 if it's going to get even worse than scientists can predict.

15 So, this is just not acceptable to say 30% by 2030, and
16 it's not acceptable to put in new natural gas generators. And if this
17 - if I'm against, you know, these zoning things, it's because I'm
18 against anything that will allow them to do that. So, -

19 ZONING EXAMINER: I think that they would actually be
20 allowed to put in the generators, though, without the zoning issue.
21 That's really not on the table because they could still do the
22 development and just get a couple of variances if that's really what
23 they needed.

24 MR. STORMONT: They'd have to get a variance for the stack
25 (inaudible)

1 ZONING EXAMINER: Come on up to the microphone. I can't
2 talk to you while you're out there.

3 MS. SEGAL: He's, he's the engineer.

4 MR. STORMONT: I was just gonna say they'd have to get a
5 variance for the stack height 'cause it's ten feet above what's
6 allowed under the current zoning.

7 ZONING EXAMINER: They're not gonna be able to go above the
8 stack height even with the PAD.

9 MR. STORMONT: (Inaudible)

10 ZONING EXAMINER: That, that's an Airport Environs.

11 MR. STORMONT: (Inaudible) 'cause that's requesting 150
12 feet (inaudible)

13 ZONING EXAMINER: That's, that's a Staff requirement.

14 MR. STORMONT: So, -

15 ZONING EXAMINER: I'll ask them. Okay. Thank you.

16 MR. STORMONT: Yeah. (Inaudible)

17 ZONING EXAMINER: Is there anybody else here wishing to
18 speak in opposition? Anybody else speaking in project neutral?
19 Hearing none, I'd like the Applicant to come forward if she would, and
20 address some of the concerns. And in particular, while it's a hot
21 subject, could you address how the PAD is dealing with the height
22 limitations that are imposed by the environs?

23 MS. SILVYN: Yeah.

24 ZONING EXAMINER: Thank you.

1 MS. SILVYN: The PAD is actually permitting the height at
2 the - so the current height that's out there is at about the 250-foot
3 level. The P-A-D actually has the height limitation that sets it at
4 that. We have been working very closely with Davis Monthan, and it's
5 just part of that project acknowledging that the - there is some
6 height required for the Rice generating engines, but they're below
7 that 250 foot. And so that is going to be permitted.

8 What we're trying to do is get out of the legal non-
9 conformity issue, the grandfathered issue, and make all of it legal
10 within the P-A-D. So, the P-A-D is very clear that the existing
11 height that's out there is now permitted.

12 And again, Davis Monthan has signed off on that, and that
13 the new Rice generating engines will have, will have some components
14 that are at about 140 feet. And we did create some visual simulations
15 that we showed at the neighborhood meeting that we made a copy of as
16 well that we can put into the record just to show what those look like
17 kind of from the perimeter.

18 A couple of quick things, and then I want to turn it over
19 to, to Larry. The, the concerns we heard tonight are all valid
20 concerns and TEP as a, as an industry and this industry generally is
21 very heavily regulated when it comes to the environmental issues, as
22 well as other issues.

23 So, there's a lot this required from the Arizona
24 Corporation Commission, the FAA, Environmental Protection Agency,
25 Arizona Department of Environmental Quality, Pima County Department of

1 Environmental Quality, Davis Monthan. There's a whole list of them.
2 They're actually on page 48 of the document.

3 And so we've acknowledged over and over again that there's
4 been some, some confusion about where does the P-A-D fit into this?
5 The P-A-D is really about the uses and the development standards on
6 the site. So, these are issues that are important and the forums have
7 been created and area available through these.

8 I understand there's some sense, 'cause it's not the first
9 time we've heard it that, that folks are not being heard by these
10 agencies. But there are extensive public hearings that are still in
11 process. Those are the agencies that regulate the environment, it's
12 not the City of Tucson.

13 The goals that are in the Plan Tucson are larger goals that
14 we believe we are actually meeting with this work. This is doing
15 better than what is out there right now, and this Rice technology is
16 intended to be the bridge technology.

17 The hope is that battery storage catches up
18 technologically, and allows us to use that in a regional distribution
19 manner that these Rice engines are a, a bridge fix to this. But at
20 the end of the day, have much less environmental impact.

21 So, this is that spot where I want to make a distinction
22 between what we're here to do today, but yet, we also have the folks
23 here who can help answer some of these questions if, if you want us
24 to, to go ahead and answer them.

1 ZONING EXAMINER: Actually, I'm - I mean although I'm, I'm
2 a huge advocate of renewable - and I have my climate concerns as well.
3 That's not in the purview of what I can hear. That's, that's not even
4 being open to discussion, but unfortunately, I'm just nice and I
5 wanted to hear what you had to say.

6 And I figure if anybody's been patient enough to sit
7 through the three hours that we've all been here, you bought your
8 right to, to be heard. So, I have no problems with that.

9 But at the same time, I don't need to hear the technical
10 sides of this. The only thing I'm really interested in hearing is
11 addressing the PAD and the zoning issues that we're here to talk
12 about.

13 So, if you have anything else to add about the PAD, I am
14 curious, though, how you got around the height restriction imposed by
15 the Airport Environs, because the 140 is over that.

16 MS. SILVYN: Sure. Davis Monthan is, is the dictator of
17 the Airport Environs.

18 ZONING EXAMINER: Uh-huh.

19 MS. SILVYN: You know that was part of that whole
20 (inaudible) program and all of that stuff. And so there's been an
21 acknowledgement. It, it's acknowledged both in Plan Tucson which has
22 been since then, as well as in other places, that this is our regional
23 power distribution center. And the, the higher level of regulatory,
24 and when I say "higher", what I, what I mean is -

25 ZONING EXAMINER: No, I know what you mean.

1 MS. SILVYN: - higher in the federal versus -

2 ZONING EXAMINER: Chain, yeah.

3 MS. SILVYN: - state versus city, have all been, have all
4 been cleared and we've provided a lot of that information. So, TEP on
5 a separate avenue, has to work very closely with Davis Monthan, and
6 with those approvals and that acknowledgement that both the existing
7 stuff is there. And what we're doing is actually right for this area.

8 ZONING EXAMINER: Uh-huh.

9 MS. SILVYN: They've gone ahead and, and approved it
10 (inaudible)

11 ZONING EXAMINER: Okay. So, you got it specifically from
12 Davis Monthan?

13 MR. LUCERO: That's correct. Historically, we've had a
14 very good working relationship with them. And, and historically,
15 we've had even greater challenges than we do today. The coal handling
16 facilities, for example.

17 Before we retired the coal - using coal a couple years ago,
18 the facilities that are in place presented their own challenges for
19 their radar technology with respect to the large barn that we use that
20 stored coal while we were using coal and, and coal deliveries there.

21 Those facilities will all be dismantled in the next couple
22 of years. We've already taken down some of the coal handling
23 facilities, as it is, so that there's less, there's less vertical
24 features now. And then once we get the Rice Project completed, we're

1 going to take down the big barn that you see from the interstate
2 altogether.

3 It has such a large demolition complexity to it that we
4 couldn't do the Rice Project as well as that demolition at the same
5 time, 'cause we'd be in each other's way, because the Rice Project is
6 in a location that is adjacent to the coal handling facilities, 'cause
7 we've retired several of the evaporation ponds that we once used as
8 part of the coal generation that we did.

9 And as we go forward, we will actually retire even more of
10 the evaporation ponds so that that's where the area that we will be
11 doing this modernization with respect to moving the substation, moving
12 the, the Rice engines into that location. So, it's all part of a plan
13 that better utilizes the facility.

14 ZONING EXAMINER: Okay.

15 MR. LUCERO: Nevertheless, I can't stress enough, though.
16 We, we've always been very sensitive to the relationship to our
17 neighbor directly next door to us.

18 ZONING EXAMINER: Right.

19 MR. LUCERO: And they've been very helpful in understanding
20 the challenges we have as well as understanding what their concerns
21 are, and we've always worked those through.

22 ZONING EXAMINER: Okay. Thank you very much. Anything
23 further to add?

24 MS. SILVYN: Not unless you have any questions I haven't
25 answered.

1 ZONING EXAMINER: You know, it's interesting. When I went
2 through your PAD, I actually had a full page of questions. And it only
3 took one phone call with a couple of the Planning people to find out
4 that I was being more nitpicky than they ever will be. And I said,
5 "I'll shut up now."

6 Yeah. No, I don't have any other issues to bring up.
7 They've already kind of gone through the PAD requirements through your
8 meetings prior with Staff. So, I feel pretty good that everything's
9 been covered from what I would be concerned about.

10 MS. SILVYN: Okay.

11 ZONING EXAMINER: So, -

12 MS. SILVYN: We can put in the record the visual
13 simulations as well if you want to take a look (inaudible)

14 ZONING EXAMINER: No, that'd be great. Yeah.

15 MS. SILVYN: From external to the site. Oh. And the fact
16 sheet. (Inaudible)

17 ZONING EXAMINER: Well, seeing that there's nobody else
18 here to speak, and it's almost 10 o'clock. I swore we were gonna get
19 out of here before 10 o'clock, so I'm a man of my word. I'm gonna go
20 ahead and close this public hearing.

21 I'll get my decision out within the time requirement that I
22 need, which is five working days, and we are adjourned. Thank you
23 very much for your patience. Thank you.

24 (Case: C9-18-03 was closed.)

I hereby certify that, to the best of my ability the foregoing is a true and accurate transcription of the original tape-recorded conversation in the case reference on page 1 above.

Transcription Completed: 03/21/18

/s/ Kathleen R. Krassow
KATHLEEN R. KRASSOW - Owner
M&M Typing Service