BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

LS-262

IN THE MATTER OF THE APPLICATION OF SUPERSTITION ENERGY STORAGE, LLC IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES, SECTIONS 40-360, et. seq., FOR TWO CERTIFICATES OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE SUPERSTITION 230-kV GENERATION INTERTIE PROJECT AND ASSOCIATED SUBSTATION WITHIN THE TOWN OF GILBERT, ARIZONA, LOCATED WITHIN MARICOPA COUNTY, ARIZONA	DOCKET NO. L-21209A-22-0255-00210 LS CASE NO. 210 EVIDENTIARY HEARING

At: Tempe, Arizona

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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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 Hilton Garden Inn, 86 South Rockford Drive, Tempe, Arizona, commencing at 10:08 a.m. on the 9th of November, 2022.

BEFORE: PAUL A. KATZ, Chairman

LEONARD DRAGO, Department of Environmental Quality
DAVID FRENCH, Arizona Department of Water Resources
JAMES PALMER, Agriculture Interests
MARY HAMWAY, Incorporated Cities and Towns
RICK GRINNELL, Counties (via videoconference)
MARGARET "TOBY" LITTLE, PE, General Public (via videoconference)

APPEARANCES:

For the Applicant:

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Mr. Christopher Thomas
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For Intervenor Town of Gilbert:

CROCKETT LAW GROUP, PLLC
Mr. Jeffrey Crockett
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Phoenix, Arizona 85016

CHMN. KATZ: Good morning, everyone. We're about ready to begin our next hearing in CEC Case Number 210, Plus Power Superstition project.

And I will ask counsel who are present to please identify themselves for the record.

MR. THOMAS: Good morning, Mr. Chairman, Members. My name is Chris Thomas. I'm with the Perkins Coie law firm. And with me today is Andrea Driggs also from Perkins.

CHMN. KATZ: Thank you very much.

And we do have an attorney representing the intervenor, or potential intervenor, Town of Gilbert -- or is it City now -- anyway, representing Gilbert, Arizona. And I'd ask the gentleman seated to my left to identify himself.

MR. CROCKETT: Good morning, Chairman Katz and Members of the Committee. My name is Jeff Crockett of Crockett Law Group, PLLC. I am here today representing the Town of Gilbert. And we have filed a notice of intent to be a party in this proceeding and are waiting for the Committee's ruling on that request.

CHMN. KATZ: And again, the Town is supportive of the project, at least that's my understanding, and you don't intend to likely need to cross-examine any of our witnesses or present any

testimony?

MR. CROCKETT: Chairman Katz, Committee Members, that is correct. The Town is in support of the application, and I think our participation today is mostly that of monitoring.

CHMN. KATZ: Thank you very much. First thing I'd like to do is just have a roll call, and first of the folks that are appearing here in person.

MEMBER DRAGO: Yeah, hi. My name is Len Drago. I'm designee for the Arizona Department of Environmental Quality.

CHMN. KATZ: And I'm Paul Katz, the Chairman designated by our Attorney General, Mark Brnovich.

MEMBER FRENCH: David French, Director's designee for the Arizona Department of Water Resources.

MEMBER PALMER: Jim Palmer representing agriculture.

CHMN. KATZ: And I would then ask the -- I'll ask Member Grinnell to identify himself for the record.

MEMBER GRINNELL: Sorry. Rick Grinnell representing counties.

CHMN. KATZ: And then Member Hamway.

MEMBER HAMWAY: Yes. Mary Hamway representing cities and towns.

CHMN. KATZ: Last but not least, Member

Little.

MEMBER LITTLE: Toby Little representing the public.

CHMN. KATZ: And I am glad that we have one more person present than necessary for a quorum. There are seven of us. I don't know if all of you have heard, but Jack Haenichen, who is staying at the hotel where we're conducting the hearing, woke up this morning with the world spinning around him, had a severe case of vertigo. Jim Palmer tried to help him get out of bed, and he just couldn't, so he was taken to --

Was it Tempe?

MEMBER PALMER: Tempe St. Luke's Hospital, yes.

CHMN. KATZ: -- Tempe St. Luke's Hospital by ambulance. All of his vital signs were normal, but he was still having visual and dizziness symptoms. So our thoughts and prayers, to use the true but old cliche, should all be with him for a speedy recovery. But I'm glad we have enough participants to go forward.

MEMBER GRINNELL: Mr. Chairman.

CHMN. KATZ: Yes, sir.

MEMBER GRINNELL: My fault. I did not see, when the notice came out, that we were starting at

10:00 today. I had a previous appointment scheduled for 11:00, assuming we were going to start at 1:00 like normal. Will this change the quorum requirement?

CHMN. KATZ: Well, if you have to disappear for an hour or so, we'll still have six of us present, and then you could rejoin us. I think we'll be done by mid-afternoon with the testimony, but we'll have to sit here waiting until 5:30 for public comment. And I'm suspecting we won't have much, if any, but we still need to be available for that purpose.

How long will you be absent for --

MEMBER GRINNELL: Well, my original meeting was scheduled from 11:00 to 12:45, so I'm going to see if I can adjust it and change it. But I didn't catch, when they sent -- when Tod sent out all the information, I didn't catch the time change.

CHMN. KATZ: Well, if you can't do it, as long as Member Hamway and Member Little can remain with us, we can go forward.

MEMBER GRINNELL: All right. Sir, I'll keep you posted.

CHMN. KATZ: Our next order of business should be to decide whether or not we should allow the Town of Gilbert, through their expert counsel Mr. Crockett, to intervene. Do we have a motion?

MEMBER PALMER: Mr. Chairman, I would move that we allow the Town of Gilbert to intervene.

MEMBER FRENCH: Second.

CHMN. KATZ: All in favor.

(A chorus of ayes.)

CHMN. KATZ: Anybody opposed?

(No response.)

CHMN. KATZ: Welcome, Mr. Crockett. Good to see you once again.

And the next thing I would like Counsel to speak out -- I believe this is about a 400- or 450-foot power line and a substation. And I would ask Counsel, if they would, to advise us as to whether or not they think a tour would be necessary or appropriate.

MR. THOMAS: We don't believe a tour is necessary, Mr. Chairman.

CHMN. KATZ: And this is very similar to the CEC -- a very similar project to the one that was in CEC 208 that we finished hearing yesterday. Do we have a motion, one way or the other, to take a tour? And with all of our virtual participants, I don't think it would be helpful and I don't think it would be helpful for any of us here, but that's my opinion. Do we have a motion either to take a tour or not take a tour?

MEMBER PALMER: Mr. Chairman, I would move

that we dispense with the tour.

MEMBER FRENCH: Second.

CHMN. KATZ: All in favor.

(A chorus of ayes.)

CHMN. KATZ: Anybody opposed?

(No response.)

CHMN. KATZ: That all being said, I guess we can begin with the evidentiary presentation. And I had a brief conversation with Mr. Thomas and indicated that, even though we've heard a lot of these experts yesterday, we're going to have to hear from them again today because the Corporation Commission is going to need to have a good record, evidentiary record, upon which to make their decision, and we definitely don't want it kicked back to us so you get to do it a second time.

So if you're ready to begin, I think we've covered everything we need to. And Mr. Thomas, the floor is yours.

MR. THOMAS: Thank you, Mr. Chairman. Our first witness is Lucy Marton, M-A-R-T-O-N.

CHMN. KATZ: Whenever you're ready.

MR. THOMAS: Do you want to raise your right hand to be --

CHMN. KATZ: Oh, we've got to do -- do you

prefer an oath or an affirmation?

MS. MARTON: An affirmation, please.

(Lucy Marton was duly affirmed by the Chairman.)

CHMN. KATZ: Thank you very much.

Counsel, you may begin.

LUCY MARTON,

called as a witness on behalf of Applicant, having been previously affirmed by the Chairman to speak the truth and nothing but the truth, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. THOMAS:

Q. Tell us your name, please.

A. Lucy Marton.

Q. Where do you work?

A. I work as a permitting manager at Plus Power.

Q. And what is Plus Power?

A. Plus Power is the parent company of Superstition Energy Storage, LLC, the applicant in this matter. They are a developer of standalone battery energy storage systems transmission-connected. We have

over 7 gigawatts of projects in development across 20 states in the United States currently.

Q. Okay. And one of the projects we obviously spoke about Monday and Tuesday was Sierra Estrella, correct?

A. Correct.

Q. And that's a 250-megawatt battery storage project approved by the Committee on Tuesday, right?

A. Correct.

Q. The project we're here about today, Superstition, that's a 90-megawatt project?

A. Correct. 90 megawatts at four hours, so a 360-megawatt-hour system.

CHMN. KATZ: Did you say 90 or 19?

MR. THOMAS: 9-0, 90.

CHMN. KATZ: Thank you.

BY MR. THOMAS:

Q. And, of course, the Committee and the Commission have jurisdiction over the Gen-Tie portion of that project, right?

A. Correct.

Q. How long is the Gen-Tie for this project, do you recall?

A. Approximately 440 feet.

Q. Okay. Why don't we flip to the next slide.

And I know everybody has heard this before, but in addition to Sierra Estrella, which the Committee know about, some of the other Plus Power projects are on that Slide 3 in Texas. Those are operating, correct?

A. Correct. We have three projects in Texas, all 100 megawatts, that are currently operational in Texas. We have a project under construction in Hawaii called the Kapolei Energy Storage Project, it's on Oahu, and it's retiring the last coal plant. And then we have two projects, that have contracts in ISO New England, in Maine and Massachusetts that are in the late-stage development.

Q. Okay. By the way, your slides, I believe, are Exhibit SE-4, if anyone wants to follow along, is that correct?

A. Correct.

Q. And then do you have in front of you the binder for this project?

A. Yes.

Q. Wanted to give everybody a little road map of where we're going today, if we might. So it looks like Tab 1 is an amended Exhibit G for the application, is that correct?

A. That is correct.

Q. And I believe the application was filed as Exhibit 1?

A. That is correct.

Q. Now, Tab 2 looks like direct testimony from Andy Allbee?

A. Yes.

Q. He's the project engineer?

A. That is correct.

Q. So we'll be hearing from Mr. Allbee today rather than Mr. Banerjee, right?

A. That is correct.

Q. And you're taking the place of Molly Emerson today, right?

A. Yes, big shoes to fill.

Q. Okay. So it will be terribly embarrassing if you don't prevail in this hearing and you'll never hear the end of it?

A. Never.

Q. And then we'll be hearing -- Tab 3 is direct testimony by Mr. Petry and Mr. Hazle of SWCA. Are they testifying as well?

A. Yes, they are.

Q. Tab 4 is your direct testimony. Tab 5 is Paul Rogers, ESRG. He's here today as well, is that correct?

A. Yes.
Q. And then we have nine exhibits filed here. Just wanted to identify for the record, SES-1 appears to be the original application, correct?
A. Correct.
Q. And we saw that we've got a replacement for Exhibit G to the application, right?
A. Correct.
Q. Exhibit 2 is the amended Exhibit G that's associated with that application, correct?
A. Correct.
Q. SES-3 was the potential tour itinerary, right?
A. Correct.
Q. SES-4, these are the slides that are up on the screen right now, correct?
A. Correct.
Q. And what's SE-5?
A. SE-5 is the requested CEC corridor.
Q. Or, SES-5.
Okay. And then SES-6, shareholder involvement summary. I believe SWCA will talk about this a bit?
A. That is correct.
Q. SES-7, I think, is the SWCA slides, correct?

A. Correct.
Q. And Number 8 is the Fisher Engineering safety report regarding the Tesla Megapack 2XL, is that right?
A. That is correct.
Q. And Mr. Rogers can talk about that if the Committee is interested?
A. Yes.
Q. And then Number 7, draft CEC applications that the Committee will deal with later, right?
A. Yes.
Q. And then finally, SES-9, this looks like a letter from Commission Staff to the Chairman, is that right?
A. That is correct. And Staff concluded that the proposed project could improve the reliability and/or safety of the operation of the grid and the delivery of power in Arizona.
Q. Okay. Well, let's get back to the slide show, then. Thank you for guiding us through that.
The next slide, please.
So what are we seeing here in this two-part slide on the left-hand slide? What does that depict?
A. The left-hand side is the Superstition Battery Energy Storage Project. It is on an approximately 3-acre parcel, with the substation itself

being approximately .8 acres. There will be a hundred Megapack 2XLs on the 3-acre parcel for the 90-megawatt system.

Q. And on that slide the things that look sort of like tractor trailers are the Tesla Megapack 2XL units?

A. That is correct.

Q. That parcel there -- over here on the left-hand side of the room we've got a map. Can you tell us generally what the location is of that parcel?

A. Yes. The parcel is located in the town of Gilbert, very close to the city of Chandler and city of Mesa as well, but the entire project is located within the town of Gilbert, Arizona.

Q. On the map on the left-hand side of the room, which parcel is the Plus Power parcel?

A. The blue parcel is the 3-acre Plus Power parcel and the red parcel is the approximately 8.5-acre Corbell Substation owned by SRP.

Q. Okay. So the blue square to the northwest is the parcel that -- does Plus Power own that today or do you have an option to purchase it?

A. We have an option to purchase, which we will execute upon if the CEC is approved by the Committee.

Q. Okay. And then the -- kind of the

stair-looking parcel in red, that's the existing Salt River Project Corbell Substation?

A. That is correct.

Q. Okay. And then over -- back to the right side of the room, the second part of the slide, what does that show us?

A. This shows the generation tie line that we are requesting a Certificate of Environmental Compatibility for today. It is approximately 440 feet. It will leave the Superstition Energy Storage Project substation, which I'll just refer to as the project substation, it will go south crossing West Commerce Avenue, approximately 50 feet of crossing there, into the Corbell Substation, and then go east for approximately 170 feet into a bay within the Corbell substation.

Q. So Commerce Avenue is a street in the town of Gilbert?

A. That is correct.

Q. Other than -- how long is the span going to be over the street, do you know?

A. It will be a 50-foot aerial crossing.

Q. Other than that 50-foot aerial crossing, is the Gen-Tie located entirely on private land?

A. That is correct.

Q. And that's land owned today by SRP in the case of the Corbell Substation, right?
A. Correct.
Q. And in the case of the substation and battery units, that will be land to be purchased by Plus Power?
A. Correct.
Q. No federal land involved, is there?
A. No.
Q. No state land?
A. No.
Q. Next slide, please.
Okay. Again, I think the left-hand slide is the same thing we've got on the full screen on the --
Oh, can you go back one, please?
A. Yep. Sorry.
Q. So that's the same map over here that shows the general location in the town of Gilbert?
A. That is correct. It shows the general location and 1-mile study area buffer.
Q. And then on the right-hand side we've got a closer-up view of the actual project location?
A. That is correct, of the proposed 440-foot Gen-Tie.
Q. Okay. And again, we've got -- the blue square parcel to the top of the picture, that's the one

that Plus Power will purchase, correct?

A. Correct.

Q. And then the red stair-steppy thing is the existing Corbell Substation?

A. Correct.

Q. Okay. What's the yellow and black L-looking line depicted there?

A. That is the proposed Gen-Tie line.

Q. And so that will go from the sort of southern part of the Plus Power parcel down to Corbell?

A. Correct. It will move from the project substation, across West Commerce Avenue, into the existing Corbell Substation.

Q. There's a line south of the blue parcel boundary and north of the red parcel boundary; is that Commerce Avenue?

A. Yes, that is Commerce Avenue, which is the Town of Gilbert's.

Q. So that's where we'll have the 50-foot span across the street?

A. Correct.

Q. What's the yellow dot that's kind of at the base of the letter L figure there?

A. That is an existing monopole within the Corbell Substation, which is the preferred route to

enter into the Corbell Substation into the bay.

Q. Next slide, please.

Now, in this next slide entitled "Requested CEC Corridor," it's similar to the last picture, but you've got this kind of yellowy light brown shaded area. What's that?

A. That is the corridor that we're requesting for the CEC. It is approximately 3.7 acres. 0.8 acres of that will be the project substation. It does not include the entire Corbell Substation, which is 8.5 acres.

Q. Okay. And it looks like the yellow and black L is within that shaded area, correct?

A. Correct.

Q. And why is it that you're requesting a corridor with a bit of wiggle room rather than deciding today where the Gen-Tie should go?

A. So SRP will construct, own, and operate the Gen-Tie line, and they are still configuring their final design. They are -- we are requesting the corridor for three potential options that SRP is evaluating. All of the options would originate in our project substation in a new A frame and then enter the Corbell Substation.

Within the Corbell Substation the preferred

route would be to go from the existing A frame to the existing monopole and then into the bay. Alternatively, it could enter the Corbell Substation, connect to a new A frame, and then to the existing monopole, dropping into the bay. And then the third option they are evaluating is going into the Corbell Substation to a new monopole that would be north of the existing monopole into the -- into the bay. All new structures would be located within the project substation or Corbell Substation and within the requested corridor.

Q. Okay. So it sounds like SRP engineers will determine the final configuration of the Gen-Tie?

A. Correct.

Q. But in any event, it will remain within the requested corridor area?

A. That is correct.

Q. Next slide, please.

Now, some of these characters are going to look familiar. This slide looks like it depicts the project team?

A. That is correct.

Q. And your role is project manager, correct?

A. Permitting manager.

Q. Permitting manager.

A. That's correct.
Q. What does permitting manager do?
A. We're responsible for managing and obtaining all required permits for the construction, operations, and development of battery energy storage projects across the United States.
Q. What other projects have you worked on?
A. I am permitting manager for Superstition Energy Storage, Sierra Estrella Energy Storage, which you heard a case on earlier this week, as well as projects across the western half of the United States.
Q. How long have you been at Plus Power?
A. I've been at Plus Power for a year.
Q. And before that?
A. I was with a company called LS Power. I was responsible for obtaining all permits required for high-voltage transmission lines and substations, mainly 345- and 500-kV. I was also responsible for maintaining the operation permits for over 200 miles of transmission line, 345, in Texas.
Q. And before that?
A. I worked as an environmental consultant for a company called Ramboll Environ.
Q. And then was that your first job after college?

A. That was.
Q. Where did you go to school?
A. The Missouri University of Science and Technology, where I received a bachelor's in environmental engineering.
Q. What year was that?
A. 2013.
Q. Are you a registered engineer?
A. I am a registered engineer in the state of Missouri.
Q. Probably should have asked this before we got halfway through, but Superstition Energy Storage, LLC is the formal applicant here, correct?
A. That is correct.
Q. And that's a subsidiary of Plus Power?
A. Correct.
Q. So if we're sloppy today and we refer to Plus Power rather than Superstition, that's interchangeable for today's purposes, correct?
A. Correct.
Q. Now, we talked about the project location, which is depicted here on the left. Who else are we going to be hearing from today? Mr. Allbee is project engineer?
A. Yes, he is the project engineer for the

Superstition Energy Storage Project. He will be talking about the Gen-Tie design, the battery energy storage system design, as well as the noise and interference studies that are a part of the application.

Q. So detailed questions about those issues are probably better addressed to Mr. Allbee than to you?

A. Correct.

Q. And what did the SWCA folks do?

A. Plus Power retained SWCA Environmental Consultants in January of 2022 to help us put together the application and perform the studies necessary. Dean Hazle and Devin Petry will be testifying on the application, public notice and outreach, visual tour, land use, bio, visual, cultural resources, and recreation, as well as the overall compatibility of the project.

Q. Did SWCA also support the public outreach application with the Gilbert zoning process?

A. No, they did not.

Q. Someone else did that?

A. Correct.

Q. And finally, Paul Rogers, who is he?

A. He is the co-founder of Energy Safety Response Group. Plus Power retained ESRG to assist

with drafting emergency response plans and hazard mitigation analyses and coordinating with the Town Fire Department to ensure safety. He will be testifying on battery safety considerations today.

Q. He's a former New York City firefighter, is that right?

A. That is correct.

Q. And ESRG specializes in battery storage and also training and development of standards and codes?

A. That is correct.

Q. So those folks we'll all be hearing from today, correct?

A. Correct.

Q. And then also on the slide you've got Asset, Atwell, and BEI. We don't have witnesses from them testifying today, right?

A. No, we do not.

Q. They're involved in sort of non-Gen-Tie-related parts of the project?

A. Correct. Asset Engineering is the owner's engineer for the project who's assisted us in obtaining permits. Atwell is our civil engineering and site design consultant who's assisted us with our Town of Gilbert application permits. And then BEI Construction will be the engineering, procurement, and construction

contractor who will build the project.

Q. Okay. And, of course, you have your youthful counsel as well?

A. Yes.

Q. The next slide, please.

So how did this project come about?

A. So SRP's resource plan indicates a need for increased peak load capacity by mid-2020s. In order to support this need, SRP released an RFP in 2021 requesting an additional 400 megawatts of peaking capacity by 2024 and an additional 600 megawatts of peaking capacity by 2026. Plus Power saw this need and bid in the Superstition Energy Storage Project, as well as the Sierra Estrella Energy Storage Project we heard about in the previous case into the RFP. We were awarded the contract and signed the contract on October 26th, 2022.

Q. And so you have a contract in place?

A. Correct.

Q. Subject, of course, to the CEC being granted?

A. Correct.

Q. What's the deadline for getting this project online under your contract?

A. The project must be online by June 1st, 2024, meaning construction will commence in 2023, spring of

2023.

Q. Okay. And this is a 90-megawatt storage project?

A. Correct.

Q. There's no associated generating facility with this project, right?

A. That is correct. It is a standalone battery energy storage project.

Q. Okay. And so you will be taking power from the SRP substation?

A. Correct, the Corbell Substation, which SRP identified as a -- as an ideal substation for this type of connection.

Q. Okay. So whatever power happens to get to the Corbell Substation from whatever generating source will be capable of being stored in your batteries?

A. Correct.

Q. And we don't know necessarily if that's from solar or wind or any other source, correct?

A. Correct. It will support the resiliency and reliability of the grid.

Q. Okay. In terms of 90 megawatts, just size-wise, is there some -- how would you characterize that?

A. In peak summertime, 90 megawatts is enough to

support approximately 20,000 homes. That would be the peak load in the summertime.

Q. Next slide, please.

Has there been a local zoning approval process as well?

A. Yes. So as you can see, our project is this red star here. We are located in the general industrial district, surrounded by other general industrial uses, as well as the public facilities and institutional zoning district, which is Corbell Substation. Within the general industrial district, large-scale utility facilities, which are facilities greater than 2 acres, are permitted with a Special Use Permit. Our project site is 3 acres.

We submitted a prefiling application to the Town of Gilbert in April of 2022, where they provided comments on our site plan and our project. We went back with a Special Use Permit application on August 19th of 2022. As part of that application process, we held a neighborhood meeting on August 17th of 2022, where we allowed the neighborhood to come and learn more about the project and ask questions. The SUP was heard on the November 2nd SUP -- the Planning Commission -- I'm sorry -- Planning Commission, where they approved the SUP permit.

Q. Were you present at that meeting?
A. I was.
Q. Was there any public opposition?
A. No, there was not.
Q. And we heard this morning from Mr. Crockett that the Town is in support, correct?
A. Correct.
Q. So on that -- the right-hand side of the parcel shows kind of the general project area again?
A. Yes.
Q. And it looks like you are kind of on the border of Chandler, and Mesa is nearby as well?
A. Correct. We're right near the border, but the entire project is located within the town of Gilbert.
Q. Okay. So Gilbert was the only zoning authority involved?
A. Correct.
Q. Did Plus Power, nevertheless, engage Mesa and Gilbert in its outreach process?
A. As you will hear from Dean Hazle and Devin Petry later, we engaged both the City of Chandler and City of Mesa and made them aware of the project.
Q. I think I know the answer to this, but why this particular parcel adjacent to the Corbell

Substation rather than some other parcel?

A. As mentioned previously, SRP identified this substation as a preferred substation. When looking to site the project, Plus Power looked at parcels that would be ideal -- ideal for this type of use, so industrial properties, properties that were previously disturbed. The property that we identified is within the general industrial district, surrounded by other industrial uses, such as trucking facilities, construction facilities, you know, roofing facilities, and adjacent to the Corbell Substation to ensure that we didn't need a lengthy Gen-Tie line.

Q. Okay. This is about as close as you can get to the substation?

A. Correct.

Q. Separated only by that 50-foot Commerce Street or Avenue --

A. Correct.

Q. -- span?

A. Correct, that we will obtain an aerial easement for from the Town of Gilbert.

Q. Did you look at any safety issues?

A. Yes, we looked at safety issues. And as you will hear from Paul Rogers later, we have ensured compliance with all of the local -- the most recent

standards, NFPA 855, as well as IFC of 2021 -- International Fire Code, excuse me, and ensured that this is the latest and greatest technology.

Q. Okay. And Mr. Rogers can address that in further detail, correct?

A. Correct.

Q. In terms of the engagement with the Town of Gilbert, was there engagement already with the Town on thermal safety issues?

A. Yes. So the fire department reviewed the site plan that we submitted in April of 2022. We have incorporated their comments into our site plan, which we will resubmit with our design review that we will proceed with now that the SUP has been approved.

We then met with the Town of Gilbert Fire Department, Mr. Rogers was present, to introduce them to the Megapack 2XL, explain the new safety features and how they would respond to any incidents there.

Next, we will prepare an emergency response plan and go back to the Town of Gilbert with the emergency response plan and ESRG to go through the response plan to ensure that they will be trained on how to handle these systems.

Q. And the Tesla Megapack 2XL technology that's going to be used at Superstition if the CEC is granted,

that's the same as the technology we talked about with regard to Sierra Estrella, correct?

A. That is correct.

Q. What's the status of your Gilbert zoning approval?

A. It was approved on November 2nd. It has a 10-calendar-day appeal period. So on the 11th -- so on November 13th, if no appeal has been filed, which none have been filed to date, it will be final.

Q. Okay. And then that will be it for the zoning approval process, correct?

A. Correct. There will be a design review process that will be following that, but that is more administrative.

Q. And then, of course, it sounds like you'll have additional engagement with the fire department on thermal safety issues, correct?

A. Correct.

MR. THOMAS: Mr. Chairman, I think that's all the questions I have.

Lucy, stay put. There may be some questions from the Committee Members.

CHMN. KATZ: If any of the Committee Members have questions of Ms. Martin, please feel free to ask; otherwise, we will proceed to our next witness.

(No response.)

CHMN. KATZ: Hearing from no one, Counsel, you may call your next witness.

MS. DRIGGS: We'll have Mr. Dean Hazle, H-A-Z-L-E, and then Mr. Devin Petry, who we had speak yesterday, and they will be speaking as a panel. So once they're sworn in, I will start. And Mr. Hazle will be speaking first, followed by Mr. Petry.

CHMN. KATZ: And do you gentlemen prefer an oath or affirmation?

MR. HAZLE: An affirmation, please.

MR. PETRY: Affirmation as well, please.

(Dean Hazle and Devin Petry were duly affirmed, en masse, by the Chairman.)

CHMN. KATZ: Thank you very much.

And you may begin, Counsel.

MS. DRIGGS: Thank you.

DEAN HAZLE, DEVIN PETRY,

called as witnesses as a panel on behalf of Applicant, having been previously affirmed by the Chairman to speak the truth and nothing but the truth, were examined and testified as follows:

DIRECT EXAMINATION

BY MS. DRIGGS:

Q. Mr. Hazle, please state your name for the record.

A. (MR. HAZLE) My name is Dean Hazle.

Q. And your business address is 1645 South Plaza Way in Flagstaff, Arizona, is that correct?

A. (MR. HAZLE) Yes, it is.

Q. You're employed by SWCA Environmental Consultants?

A. (MR. HAZLE) Yes.

Q. And your job title?

A. (MR. HAZLE) I'm a project manager and environmental planner -- and environmental planner for SWCA.

Q. Please provide a brief description of your educational background.

A. (MR. HAZLE) Yes. I hold a bachelor's of science in geology from Hope College in Holland, Michigan. I've worked in both technical and management positions for various state governments, including a period as the assistant director for the Massachusetts Energy Facilities Siting Board. Additionally, I've served as an in-house permitting coordinator for industrial operators. I've been employed by SWCA for

approximately one year, where, again, I serve as a planner and project manager primarily focused on transmission and renewable energy developments.

Q. All right. Let's move to the CEC application, which has been previously marked as SES-1, and also the amended Exhibit G, previously marked as SES-2. Provide a brief explanation of SWCA's expertise and role in this project, please.

A. (MR. HAZLE) Yes. SWCA is an environmental consulting firm based in Phoenix. We routinely prepare permit applications for various federal, state, and local agencies. We provide consulting services related to environmental planning, regulatory compliance, and natural and cultural resource management in Arizona and across the United States. In the past 10 years, SWCA has been involved in at least 13 CEC cases before the Line Siting Committee and the Corporation Commission.

Q. And you were engaged by Plus Power to assist with the preparation of the CEC application, is that right?

A. (MR. HAZLE) Yes.

Q. Please describe SWCA's role in this project.

A. (MR. HAZLE) As Ms. Marton mentioned, SWCA was retained by Plus Power in January 2022 to assist with the preparation of the CEC application for the

generation intertie line associated with the battery energy storage system.

Regarding the CEC application, our main role was to perform the environmental resource studies and assist with the public involvement program for the CEC application. Specifically, we completed resource studies for Exhibit A through F and Exhibit H of the application. In addition, we prepared Exhibit J, which primarily contains our -- the details of our public involvement program. Mr. Petry and I personally coordinated these efforts and oversaw the compilation of information contained in each exhibit.

Q. And please provide a brief overview of the topics that you'll cover in your testimony today. I think it's up on the screen as well.

A. (MR. HAZLE) Yes, it's on the right screen here. I will provide the Committee with information on the environmental studies completed for this project. Specifically, those are: Existing and planned uses contained in Exhibits A and B; scenic areas, historic sites, structures, and archaeological sites contained in Exhibit E; recreational purposes in Exhibit F; existing plans in Exhibit H; and again, special factors, which primarily focuses on our public outreach, contained in Exhibit J.

Mr. Petry, to my left, will provide the Committee with information on biological resources, and finally, will provide his opinion regarding the overall compatibility of the Gen-Tie.

Q. Please identify the study area that was used by SWCA in preparing this application.

A. (MR. HAZLE) Yes. The study area is shown on the left screen. It's sort of the 1-mile -- 1-mile radius circle buffered around the Gen-Tie. As Ms. Marton mentioned, the study area, you know, overlaps with the town of Gilbert, the city of Chandler, and the city of Mesa. The study area served as the geographic boundary for our resource assessments and the target area for our public outreach activities.

Q. And why did you choose a 1-mile radius?

A. A 1-mile study area was sufficient to capture sort of the variety of environmental resources in the area and also the affected jurisdictions that are near the project we have here today.

Q. Thank you. Let's move on to public notice and outreach. And I believe that you have a stakeholder involvement summary previously marked SES-6 that summarizes your efforts, but please provide the Committee with an overview of the public involvement activities that you completed.

A. (MR. HAZLE) Sure. Of course. We took a broad approach to noticing this project to the surrounding communities, including property owners, tenants, and businesses in Gilbert, Chandler, and Mesa. In order to get the word out about the project, we undertook the activities shown on the right screen here. So that involved project mailings to approximately 3,900 addresses within that 1-mile study area. We held a virtual open house. We maintained a project website. We set up a dedicated telephone and e-mail account so that community members could directly reach members of the project team. We took out newspaper ads and social media advertisements in order to broadcast the availability of the virtual open house. And I think I already mentioned the project e-mail there.

Q. Okay. Let's go through these one by one. So July and August 2022, most of your outreach focused on advertising the virtual open house and requesting comments, is that correct?

A. Yeah, that's correct. In late July specifically we mailed the first project newsletter, which is shown here on the left screen. Again, that went out to about 3,900 addresses contained in the study area. The purpose of this newsletter was to

provide notice of the project, provide a brief description of the CEC process, we included a map showing the project's location, and most importantly, we invited attendance at the virtual open house.

In addition, we purchased Facebook and Instagram ads and display advertisements in local newspapers. Those are shown on the left screen here. Metrics from Facebook indicate that this advertisement, which was live pretty much for the month of August, reached approximately 15,800 accounts and received approximately 750 clicks. Individuals who clicked on the Facebook advertisement were directed to the virtual open house website.

The display advertisements we purchased in newspapers were taken out in the Gilbert Sun News, Chandler Arizonan, and Mesa Tribune. Both of those -- excuse me. All three of those newspapers are specific to the study area. And we ran this advertisement twice during the month of August just to try and further get the word out about the project.

The Committee may be familiar with sort of the virtual open house approach for public involvement, but this basically serves as a website environment where we post information sort of on these display boards, and that allows community members to peruse

that information as their leisure. There's a comment form where they can submit questions or comments directly to the project team and allows us to respond directly to those individuals.

The virtual open house went live in late August and is still live today. Through the end of October, this virtual open house had received approximately 1,400 views. And again, sort of screenshots from that virtual open house are up here on the left-hand screen.

In addition, the applicant, Superstition Energy Storage, hosted their own project website, which went live in July 2022. This website contained really thorough information about the project itself, its development context, its location. It had a community page here, which again included, you know, contact information so that members of the public could reach the project team directly and also a list of frequently asked questions.

Finally, as I previously mentioned, we did have a dedicated telephone line and e-mail account that the SWCA project team monitored continuously since they went live in late July.

To date, the project received about 26 comments on the project through the various channels

that I previously described here. The nature of the comments ranged from factual questions to support for the project to concern about adding additional electrical infrastructure to the area. The project team endeavored to reply to each comment personally, including those left on our Facebook advertisement. A summary of the comments we received are included in the application in Table J-2 and the supplemental public involvement summary, which Ms. Driggs described earlier.

Q. And please briefly describe the outreach activities leading up to these hearings.

A. (MR. HAZLE) Yes. In accordance with the Chairman's procedural order and the CEC regulations, we published the notice of hearing, it's the full notice of hearing, twice in the Arizona Republic and then again in those same local newspapers, so Gilbert Sun News, Mesa Tribune, and Chandler Arizonan.

We had broadcast signs made which displayed the full notice of hearings, and we posted those around the project site. And, you know, understanding that the project site is sort of down a dead-end street in an industrial area, we did endeavor to put these signs in locations where they would be visible by the public. So this one sort of in the upper center is on the

southern fence line of the Corbell Substation, and that's along the Western Powerline Trail, which is a multiuse path used by the community. So tried to make these signs visible to the public.

In addition, we took out a social media advertisement, which included event details for these hearings today. And we sent a follow-up newsletter to that same mailing list containing, you know, a description of the project and hearing details so that people could attend and provide public comment today if they chose to.

Q. Let's move on to Exhibit H, letters, the future plans for development. Did you contact public or private entities to determine whether the project would impact plans for other development in the project area?

A. (MR. HAZLE) We did. On August 5th we sent a letter to the public agencies described here on the right screen. The letter specifically requested plans for existing or future developments in the area. In addition to the public agencies listed here, we did identify one private developer just by viewing the Town of Gilbert's sort of active planning case map.

The public agencies we noticed through this Exhibit H letter include the Town of Gilbert's Planning

Department and Clerk's Office, the City of Chandler's Planning Department and Clerk's Office, City of Mesa's Planning Department and Clerk's Office, utility providers, including the Western Area Power Administration, the Salt River Project, and Arizona Public Service Company. In addition, we reached out to state agencies, including the Arizona Game and Fish Department, the Department of Transportation, and the State Historic Preservation Office.

We received three comments from this list on the right here. Each of these comment letters are shown on the left screen. They provided general comments. None of the comments returned identified existing or future plans that would be -- well, any plans at all. The Western Area Power Administration noted that they don't have any facilities in this area. The Game and Fish Department provided their standard online environmental review tool. And the State Historic Preservation Office inquired about the cultural resource inventory that we prepared for the application. We replied to the SHPO staff with an e-mail summary of the cultural resources study. The SHPO staff did not request any further information.

Q. And all those responses are in Exhibit H?

A. (MR. HAZLE) Yes.

Q. State your conclusion, if any, regarding whether the project is compatible with existing plans of the state, local government, and private entities for other developments in the study area.

A. (MR. HAZLE) Yes. As indicated by my previous responses, we did not identify any existing or planned developments that would be inconsistent with the proposed Gen-Tie line.

Q. And now I believe you have a virtual tour that you're going to walk us through with regard to the project, is that right?

A. (MR. HAZLE) Yes, I do.

(Virtual tour plays.)

MR. HAZLE: So I think the Committee is familiar with this style of virtual flyover tour. I'll let it zoom in a little bit here before requesting to pause just to establish sort of the context and location for where we are.

If we could pause right about here. It's just out of view, but this is West Guadalupe running east/west across the northern area and then North McQueen Road running north/south here. So our project area is approximately one half mile southwest of that intersection of Guadalupe and McQueen.

The area outlined in purple is the CEC

corridor for which we are requesting approval. The area outlined in light blue is the battery storage site itself. And then the area outlined in red is SRP's Corbell Substation. When we get a little closer, the dash line will, you know, show the alignment of the Gen-Tie. And then finally, just these colored lines running east/west, those are representations of existing transmission lines that run along the western canal and the recreational path which is aptly named the Western Powerline Trail.

Let's continue with the tour.

So zooming in here, we get sort of an oblique view. Just pause quickly here. Ms. Marton already provided a good description of kind of the Gen-Tie setup, but basically we're leaving the project substation located in the southeast corner of the BESS site. We'd lead down to an existing transmission structure that already exists in the SRP substation and then drop down into a new A frame structure and then that breaker bay equipment.

Let's continue with the flyover.

This is our first key observation point. I'll provide additional testimony about it in the visual resources section, but it's just a nice establishing picture.

Let's pause here. This is from the Western Powerline Trail facing north towards the Corbell Substation. It's mostly the existing conditions, but then with our project facilities sort of simulated on the left-hand side of the image here. So we have a new A frame and new crossarms on the existing transmission structure.

Let's continue with the video.

Panning over to the east, kind of providing a view of the existing electrical infrastructure that's already in Corbell. Again, the dash line represents the alignment of our Gen-Tie that we're requesting approval of here today.

Right now we're cruising over the Kokopelli Golf Club, which borders the --

MEMBER GRINNELL: Sir.

CHMN. KATZ: Did you have a question?

MEMBER GRINNELL: Yeah, I have a question.

MR. HAZLE: Sure.

MEMBER GRINNELL: Does that utility corridor or -- how many persons or how many people does that actually generate power to, that whole facility there, and how many more will this battery storage and this Gen-Tie be able to facilitate?

MR. HAZLE: I can't speak to the load pocket

that the Corbell Substation serves for SRP, but I believe Ms. Marton testified that the energy storage system would support approximately 20,000 homes during a peak load period.

MEMBER GRINNELL: Thank you.

MR. HAZLE: Sure.

We can resume the tour.

CHMN. KATZ: And that last question was from Mr. Grinnell -- or, Member Grinnell.

MR. HAZLE: Thank you. This is the Playa Del Rey subdivision located in the town of Gilbert. We have our second sort of simulated conditions key observation point from this neighborhood facing to the west towards the Corbell Substation. No need to pause here; we'll just get a flavor for the conditions. Again, this is our new facilities, which would be the crossarms on the existing transmission structure, and much of the project infrastructure would have been behind that house there. We'll provide further detail in the visual resources testimony.

CHMN. KATZ: And again, I think we all understand, but that substation -- SRP substation already exists, and I don't know whether it was there before or after that subdivision. But we're not adding much of anything, correct, by way of one new pole?

MR. HAZLE: Yeah. As Ms. Marton described, we have three design variants, but the preferred option is to just actually use an existing transmission structure. And I would agree with your characterization that it's not much of a change here.

So this is cruising over the northern part of the battery site, just kind of provides a nice establishing context for the industrial nature of the immediate surroundings. We have a lot of like construction laydown yards, material storage yards, trucking facilities, things like that.

We included just sort of an existing conditions photo from this neighborhood immediately west of the Corbell Substation. This is the Tremaine Park neighborhood in the city of Chandler. And if we could pause once we get the existing conditions photo.

We just included this to note that we did sort of evaluate the visibility of the project from this neighborhood to the west. And most of the facilities in Corbell are very well screened by this row of trees that's at the sort of eastern property limit of these residential properties. These taller transmission structures down here, they're running east to west along the Powerline Trail, the taller one being a 500-kV facility and then the secondary sort of like

230-kV lines that already exist and run down that multiuse path.

So let's continue.

We're just going to kind of pan back out to the initial starting view. So that basically -- that concludes our virtual flyover tour, and I'd be happy to answer any further questions from the Committee.

CHMN. KATZ: Committee have any questions regarding the virtual tour?

(No response.)

CHMN. KATZ: Counsel, feel free to go forward.

MS. DRIGGS: All right.

BY MS. DRIGGS:

Q. Let's move on to land use, which is Exhibits A and B of premarked Exhibit SES-1. Please explain your analysis of land use, ownership, and jurisdiction as described in the application.

A. (MR. HAZLE) Sure. I think I sort of covered some land use aspects in the flyover tour. But just to orient the Committee, again, we looked at land use within that 1-mile study area. Again, it includes Gilbert, where the project is located, but also the city of Chandler and the city of Mesa. Most notably, land use at the project and also the whole study area

is privately owned, so we did not identify any federal or state trust land within the vicinity of the project even. The Gen-Tie would be entirely on privately owned land except for that short span over West Commerce Avenue.

We completed a desktop review and a field visit to sort of confirm the land uses surrounding the project. So I think, just to provide a high-level overview, the purple areas here are, I believe, industrial properties. We have a lot of industrial properties immediately surrounding the project and then also to the south.

And then the sort of purple brownish -- excuse me -- yellow brownish colors to the east, west, and north, those are residential properties. Mostly single-family homes to the east and west, but with some more like apartment complex/condo developments farther north. So, again, the immediate surroundings are industrial and zoned as such, but then once we kind of get out into the farther study area we have a little bit more of a mix of industrial and residential properties.

As I noted in the flyover tour, there are a lot of existing electric transmission lines in the area and, of course, the Corbell Substation. That Playa Del

Rey residential neighborhood, those are the closest residential homes to the project. They're about 720 feet east of the Gen-Tie line. The Western Powerline Trail and the Kokopelli Golf Course, those are the nearest recreational facilities, with the Powerline Trail being about 300 feet south of the Gen-Tie.

The Gen-Tie would be located on parcels zoned as general industrial and public facilities/infrastructure. Under the Town's zoning ordinance, the Gen-Tie and the BESS are allowable uses subject to a Special Use Permit. Given that the Gen-Tie would be in an industrial area with existing transmission infrastructure, the project is compatible with existing land uses.

Q. Let's move on to planned land uses, also in Exhibits A and B. And you studied the impact of the project on future land use plans, correct?

A. (MR. HAZLE) We did. We reviewed planned land uses as designated by the General Plans of Gilbert, Chandler, and Mesa. Those land use designations are mapped here on the left-hand screen, with the sort of respective designations pulled from the individual General Plans.

The Town of Gilbert's General Plan designates

the project and its immediate surroundings as general industrial or public facilities/institutional. Neither the Gen-Tie nor the BESS site trigger a Comprehensive Plan amendment -- excuse me -- a General Plan amendment. Given that the area is already used for industrial purposes, we found that the Gen-Tie is compatible with both existing and planned or future land uses.

Q. Let's move on to visual resources, and that would be Exhibit E and G of SES-1. Please explain the impact of the project, if any, on scenic areas or other visual resources.

A. (MR. HAZLE) Sure. SWCA completed a visual resources study for this project, which involved characterizing the existing scenery and identifying groups of sensitive viewers which may have views of the project. We found that the existing scenery is consistent with the highly developed nature of the study area and the land uses that we described earlier.

The immediate area around the project is visually dominated by existing electrical and utility infrastructure, including those high-voltage transmission lines, Corbell Substation, communications tower, and the industrial laydown yards that we described already. Given those factors, we found that

the scenic quality is relatively low sort of based on the general lack of visually interesting land forms, vegetation, and the prominence of built features.

Considering that scenic quality, we then identified sensitive viewers. And for the purpose of sensitive viewers, we kind of think about three categories. So we have residential viewers, that might have permanent views of this project; recreational viewers, who may look at the project as they pass by the substation on the Powerline Trail or from other potential recreation areas; and then, quote, travel route viewers, which is a term we use for anyone who might be on public roadways that could see the project as they pass through the area.

So, again, the nearest residential area is the Playa Del Rey subdivision, where we saw on the flyover tour. And then recreation -- the nearest recreational areas are the Western Powerline Trail and the Kokopelli Golf Course.

For our visual resources study we selected two key observation points, the first being the recreational views from the Western Powerline Trail that's shown on the left-hand side of the left screen here, and the second being the residential views from the Playa Del Rey neighborhood facing west towards the

project.

To illustrate the potential visual impacts of the project, we prepared simulated images using the project's current design provided by Plus Power. Simulations were developed using 3D modeling software and are found in Exhibit G of the application and in the amended Exhibit G, which is marked as SES-2 in this case.

So our first key observation point shown on the left-hand screen over here. Again, we have the sort of existing conditions in the upper photo and the simulated conditions in the lower photo. Here we can see the new A frame structure and the new crossarms on the existing transmission structure. Our conclusion was that this would sort of repeat the basic visual elements that already exist, it would have a low degree of contrast, and would therefore have low visual impacts.

CHMN. KATZ: And on the pole or tower to the furthest left, it is going from having three arms to six arms, correct?

MR. HAZLE: Yep, that's correct.

Ms. Marton described two design variants that SRP may use, depending on sort of their final engineering analysis. The first design variant would

add a second A frame structure immediately south of West Commerce Avenue, but still inside of the Corbell Substation. So that's shown on the left-hand side of the lower image here. Our conclusion is the same: This is low contrast and low visual impacts.

And finally, we have the second design variant, which would not use the existing transmission structure, but rather install a new structure sort of about 90 feet north of the existing one that we previously focused on. And again, this would repeat the same visual elements that already exist, low contrast, low visual impacts.

From here, we move over to our second observation point from the Playa Del Rey neighborhood in Gilbert to the east. Here we can see the existing conditions. It's maybe a little hard to see at your distance from the screen there, but there's kind of a row of trees and then the actual physical structures of the homes here. They screen quite a bit of the Corbell Substation. The existing transmission structure that we would connect to is just visible over the top of this roof line and trees here, kind of where my laser pointer is. So from this area you'd be able to see the new crossarms, but same conclusion, low contrast, low visual impacts.

The first design variant would be identical to the preferred design in this case, and that's just because the A frame structure is not tall enough to be visible above this home right here.

The second design variant, which would use sort of a new monopole structure, it is visible above the tree line and this residential structure. It's about right where my laser pointer is. But it's minimally -- minimally visible above the tree line and would be low contrast and low visual impacts.

Again, this is the same existing conditions photo that I included in the virtual flyover. So here we are in the Tremaine Park neighborhood of Chandler facing east towards the Corbell Substation. We did not develop simulations from this vantage point, primarily because it was apparent that the existing facilities inside of Corbell are sufficiently screened by these trees already. So this is just included to provide context from that second residential neighborhood.

Overall, our conclusion, as I previously stated, would be that the Gen-Tie for the preferred design or either design variants would have a low degree of contrast and low visual impacts.

BY MS. DRIGGS:

Q. Let's move on to the cultural resources in

Exhibit E of SES-1. Describe SWCA's inventory and findings regarding cultural resources in the project area.

A. (MR. HAZLE) Yes. SWCA archaeologists completed an inventory of previously identified historic sites, structures, and archaeological sites within the study area. Again, the study area is that broader 1-mile circle around the Gen-Tie. We created our inventory by consulting the Arizona State Museum and their database, AZSITE. We reviewed the National Register of Historic Places. We reviewed plat maps from the General Land Office and historical topographic maps from the U.S. Geological Survey.

The inventory revealed that there are no known historic sites or archaeological sites along the Gen-Tie's alignment or in the broader 1-mile study area. The inventory did identify two historic-era structures within the study area, but not in the Gen-Tie alignment itself. Those two structures are a railroad spur and State Route 87. Both of those are -- meet the criteria for historic-era structures, but are still in use today.

Given that our visual impact analysis concluded that the project would have low visual impacts, we can similarly conclude that the project

would not have any direct or indirect effects on those historic-era structures that were identified in the inventory we completed.

Because the existing built environment includes numerous modern structures, large transmission lines, and given that the project would have low visual impacts, our conclusion is that this project would not directly or indirectly affect any historic sites, structures, or archaeological sites, and would therefore be compatible with known cultural resources in the surrounding area.

Q. Let's move on to recreation in Exhibit F of SES-1. Describe SWCA's inventory and findings regarding those recreational resources.

A. (MR. HAZLE) Sure. So we looked at the 1-mile study area to identify anywhere where people might be using public recreation facilities near the project. The closest that we focused on were the Western Powerline Trail, shown in the upper image of the left-hand screen, and then the Kokopelli Golf Course, which is shown here on the lower image of the left screen.

Given that the project would have low visual impacts, we concluded that the project would have no effect to the ongoing use of the Western Powerline

Trail or the Kokopelli Golf Course. As you can see here on the lower image, there's an existing masonry block wall between the Corbell Substation and the golf course that already provides some visual screening.

In addition to not interfering with the ongoing use of these resources, the applicant does not have any plans to develop recreational aspects of the Gen-Tie line itself.

Q. Does that conclude your testimony?

A. (MR. HAZLE) Yes, it does.

Q. Let's move on to Mr. Petry. And Mr. Petry, please state your name again for the record.

A. (MR. PETRY) Devin Petry.

Q. And the location of your office?

A. (MR. PETRY) 20 East Thomas Road, Suite 1700, Phoenix, Arizona.

Q. And as you testified earlier this week, you're employed by SWCA Environmental Consultants?

A. (MR. PETRY) Yes.

Q. And in what capacity?

A. (MR. PETRY) I'm a client services director and senior environmental project manager.

Q. And you've testified previously before the Arizona Power Plant and Transmission Line Siting Committee?

A. (MR. PETRY) Yes, I have.
Q. In approximately seven cases, is that correct?
A. (MR. PETRY) Seven cases.
Q. And those are listed in your prefiled testimony, is that right?
A. (MR. PETRY) Yes.
Q. Please provide a brief overview of your educational and professional background.
A. (MR. PETRY) Yes. I earned a bachelor of arts in geography from the University of Arizona, and I have approximately 14 years' experience in siting studies, environmental planning, and permitting. And I have managed over 50 environmental impact assessment studies.
Q. And you are going to speak to biological resources, Exhibits C and D of SES-1, is that right?
A. (MR. PETRY) Yes.
Q. Take us through the studies that SWCA completed.
A. (MR. PETRY) Sure. As part of our inventory, an SWCA biologist completed a reconnaissance-level survey to document the existing conditions of the project site and to note whether any habitat features important to any special status, threatened, or

endangered species were present. We also obtained information from the Arizona Game and Fish Department and the United States Fish and Wildlife Service to identify any protected species or their critical habitat.

Our inventory found that no species listed under the Endangered Species Act are present within the project area and none are anticipated to be affected by the project. As well, no protected areas or any areas of biological wealth are within the project area.

Q. Given that there are no listed species and no areas of biological wealth within the project area, are any mitigation measures required to reduce the impact of the project?

A. (MR. PETRY) Yes. We have identified mitigation measures in both Exhibits C and D that are very standard biological mitigation measures, really focused on preconstruction surveys for nesting birds, looking for cleaning of equipment prior to entering the site to minimize invasive species, and just constructing the Gen-Tie itself in compliance with Avian Power Line Interaction Committee, or APLIC, guidelines to minimize electrocution of large birds.

Q. Summarize your conclusions regarding whether the project is compatible with wildlife and plant

species and any affected habitats.

A. (MR. PETRY) Yeah. Based on our evaluation, the project is not likely to affect any rare, endangered, or special status species or their habitat or any areas of biological wealth. Because construction of the project would take place in a setting that is already highly altered, within an area of existing utility and industrial infrastructure, the project would not contribute significantly to the loss of native vegetation that provides wildlife habitat or contribute to any declines in any native plant or wildlife species.

Q. In terms of overall compatibility, have you formed an opinion regarding the environmental compatibility of the project as described in the application?

A. (MR. PETRY) Yes. When looking at the total environment of the area, the project would have minimal effects to existing and planned land uses, recreation, visual, cultural, and biological resources. The project is consistent with local zoning and land use prescriptions and would be constructed in an area with, again, existing electrical and industrial infrastructure. Given this fully developed nature of the project area and the relatively short distance of

the Gen-Tie, there is a low potential for it to affect biological, cultural, or visual resources.

In my professional opinion, based on our analysis, the project is environmentally compatible with the factors set forth in ARS 40-360.06 and consistent with previous projects approved by this siting Committee.

Q. Does this conclude your testimony?

A. (MR. PETRY) Yes.

MS. DRIGGS: Thank you.

Any questions from the Committee?

CHMN. KATZ: Any questions from the Committee?

(No response.)

CHMN. KATZ: I don't think so.

Either now or in about 5 or 10 minutes we could take a short maybe 10-minute break and then run until either 12:00 or 12:15. We'll just see where we're at. And you'll let me know -- we don't need to do it on the record -- as to how long of a lunch we should take, because I know that we're going to have a considerable wait between the time we're finished and the public comments at 5:30. But I don't want to rush you, so -- do you want to take a break now?

MS. DRIGGS: I think that makes sense to take

one right now.

CHMN. KATZ: Okay. And then are we next going to hear from our fire and safety expert?

MS. DRIGGS: Next we hear from Mr. Allbee, which is -- he's the project engineer, and followed by Paul Rogers.

CHMN. KATZ: That's fine. We'll take a break. It's almost 25 after. I'd like to get started by about 20 to 12:00, and we'll maybe go a half an hour to 40 minutes after that.

MS. DRIGGS: Okay. That sounds great.

CHMN. KATZ: We are in recess.

(Off the record from 11:23 a.m. to 11:43 a.m.)

CHMN. KATZ: Let's go back on the record. I just text messaged our three virtual participants saying we're ready. It's my understanding that we're going to go ahead with Mr. Allbee's testimony, which will take about 25 minutes, then we'll probably take an hour or so for lunch, and finish up with, I believe, our final witness, correct?

MS. DRIGGS: That's correct.

CHMN. KATZ: If you're ready to go -- I think we have enough folks here right now. Why don't we go ahead and --

Do you prefer an oath or an affirmation, Mr. Allbee?

MR. ALLBEE: Oath, please.

(Andy Allbee was duly sworn by the Chairman.)

CHMN. KATZ: Thank you very much.

And you may begin, Counsel.

ANDY ALLBEE,

called as a witness on behalf of Applicant, having been previously sworn by the Chairman to speak the truth and nothing but the truth, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. DRIGGS:

Q. Please provide your name for the record.

A. Andy Allbee.

Q. And your --

A. Last name is spelled, sorry, A-L-L-B-E-E.

Q. Thank you. And your business address is 1780 Hughes Landing Boulevard, Suite 675, in The Woodlands, Texas, is that correct?

A. Correct.

Q. You work for Plus Power?

A. Yes.

Q. And what is your job title at Plus Power?
A. I'm a project engineer, so my role is to provide technical subject matter expertise on the subject of battery energy storage systems.
Q. And you are the project engineer for the standalone battery energy storage system that's proposed for construction by Superstition Energy Storage, LLC, is that right?
A. Correct.
Q. Describe your educational background.
A. I received my bachelor's of science in engineering from the Cooper Union in 2005.
Q. And your full resume is attached to your prefiled testimony if the Committee Members would like to take a look, is that right?
A. Correct.
Q. Describe your experience working in clean energy, utility, or related industries.
A. I started working in the solar industry in 2006 as a project engineer and project manager until about 2012. From 2017 until today I've been in the field of battery energy storage systems.
Q. Let's move to the Gen-Tie design itself. I know it's detailed in the application, SES-1, in Section 1.1, but please briefly describe that for us.

A. So the Gen-Tie is intended to connect the project substation to the existing Corbell Substation. As described in previous testimony, it's about 440 feet all told.

Q. And the proposed project substation itself?

A. The project substation exists within -- within the BESS facility includes a main power transformer, medium-voltage and high-voltage breakers and feeders that connect the BESS yard to the energy project substation.

Q. And I understand the project construction schedule -- the expected BESS construction start date is August 31st of 2023, is that correct?

A. Correct.

Q. And then the expected date of Gen-Tie energization is April 1st of 2024?

A. Yes.

Q. And finally, the expected date of commercial operation is June 1st of 2024, is that right?

A. That's right.

Q. Let's talk about the BESS design. Please briefly describe --

MEMBER GRINNELL: Mr. Chairman.

CHMN. KATZ: Yes.

MS. DRIGGS: Go ahead.

MEMBER GRINNELL: Excuse me, Counsel. Is there a reason you didn't connect directly to the SRP substation instead of establishing a whole new substation? I guess I was a little confused in reading all this. There's already a major utility substation there. Why didn't you just connect? What is the real need for this substation? I guess I haven't gotten that clear in my head yet.

MR. ALLBEE: Yeah. So the project substation is intended to step up the voltage to the existing Corbell Substation 230 kV. Rather than place any additional equipment within SRP's Corbell Substation, we place that in the -- within the project substation.

MEMBER GRINNELL: But if you were potentially planning on transferring the substation to SRP at some point, I guess -- I don't know. It just seems a little redundant of the amount of infrastructure in that area. And I don't mean to be nickel and diming this to death, but I'm still trying to -- SRP could have easily done a step up within their own substation. And the need and cost that will be reflected and then passed on to the ratepayers at some point seems to be redundant.

MR. ALLBEE: Yeah. What I can say is that SRP may have made that decision. The system itself is -- you know, was a response to an RFP and we

designed it in that way.

CHMN. KATZ: Also, wouldn't Plus Power, as long as you're operating the battery storage facility, want to retain control of the power distribution to SRP until such time as SRP might take over the substation located on Plus Power's property?

MR. ALLBEE: Correct. There's a more clear line of delineation in that case.

MEMBER PALMER: Mr. Chairman.

CHMN. KATZ: Yes, Member Palmer.

MEMBER PALMER: Another question along those lines that might clarify it, if I understand it correctly, and I'm not saying that I do. Typically are not battery storage facilities generating DC power that has to be converted to AC?

MR. ALLBEE: They are, yeah. That AC-to-DC conversion in this case actually happens within the Tesla Megapack 2.

MEMBER PALMER: Oh, it does?

MR. ALLBEE: So anything coming out of, yeah, the Megapack is AC.

MEMBER PALMER: Okay. Thank you.

BY MS. DRIGGS:

Q. And I believe also, Ms. Marton testified earlier that the contract with SRP is for 20 years, but

Plus Power intends to operate that beyond that, is that correct?

A. Correct. There's a few options that could take place after that 20-year period.

Q. Right. And you need the step up regardless, it's just a matter of where it's actually located, is that right?

A. Correct. Yeah.

Q. Let's move on to the BESS design. And I think we have Slide 10 here. Could you just describe what's on the slide?

A. Yes. So what we're seeing here is an image of the Tesla Megapack 2 product. They're grouped in groupings of two back to back in a series of rows and columns.

Q. Okay. And let's move on to Slide 11, which I think has the -- is essentially the same thing with the outside exterior cover removed.

Do we have that up or can you pull that up? Thank you.

A. Yes. So this is an image of a single Megapack from the front essentially with the doors taken off. So you can see the inside of the Megapack with modules and switch gear and other components.

Q. Okay. And how will the BESS interconnect

into the existing electrical grid?

A. The BESS -- the AC output from the BESS connects to the project substation, where it's stepped up to 230 kV, which is the voltage of the existing Corbell Substation. And the energy travels from there, through the Gen-Tie line, and into the Corbell Substation.

Q. And how will the BESS be operated?

A. The BESS is intended to be operated fully by SRP. They will operate that system remotely and make decisions about when to charge, when to discharge, et cetera. There is the ability to operate the system locally via an HMI, which will probably only happen for O&M purposes. Under regular operating scenarios, SRP will operate the system fully remotely.

Q. Describe the battery manufacturer that you expect to contract with.

A. The battery manufacturer is Tesla.

Q. And what considerations went into selecting the technology for the current design, Tesla's Megapack 2XL?

A. Yeah. We selected the Megapack 2XL for safety, reliability, quality. We find that that product offers excellent qualities in all three of those measures. The product also has all the

applicable UL certifications we've described before. We find that they also -- Tesla also provides an appropriate level of design and engineering support not only beginning of life, but also, you know, through O&M and beyond.

Q. And will the project require future augmentation? If so, please describe that.

A. Yeah, it will. The space for future augmentation has been provided within the existing proposed footprint of the BESS energy storage system. Similar to other batteries, these batteries lose capacity over time. So in order to meet our capacity requirement in our contract, we will be adding additional augmentation units. No further changes to footprint or the Gen-Tie line will be required for augmentation.

Q. How will the BESS be secured, in terms of security fence, security cameras, et cetera?

A. An 8-foot block wall will be installed around the perimeter of the entire facility. Also, cameras will be installed capable of monitoring the entire BESS area, as well as the substation, and any egress points, gates on the east and southwest corner.

Q. And so those access routes for ingress and egress, and I can't remember if Ms. Marton touched on

these, but briefly describe those.

A. The main entrance gate, located on the east side of the facility along North Ithica Street, a 20-foot-wide gate which leads into the BESS facility. There's a secondary access point in the southwest corner of the site along West Commerce Ave.

Q. And I know we heard about this issue -- or, potential issue earlier this week from Mr. Banerjee, but discuss whether leaks could be a possibility and what could be done in the event of a leak.

A. Yeah. Leaks to an electrolyte -- an electrolyte system -- in this system are deemed to be a very low-probability event. Electrolyte is contained within a series of nested containers within the Tesla Megapack 2 system itself, so any leak would be contained within those containers. Leaks are generally considered to be a very low-likelihood event.

Q. Understood. And I also believe that you completed -- you evaluated potential noise and interference as part of this project, is that correct?

A. Correct.

Q. And describe the anticipated noise emission levels from the project, if any.

A. Yeah. Noise -- audible noise from systems like this, 230 kV, are generally considered to be about

what you would expect in a normal conversation in terms of decibel level. Considering the existing substation that's already there, the noise created from any corona discharge would be basically the same as background.

Q. So indistinguishable from the background really?

A. Correct.

Q. And what about the results of the EMF study that was prepared for the project, could you describe those?

A. Yes. Similarly to the noise, in this case an EMF study was done by Burns and McDonnell for the project. It was found that EMF generated by the Gen-Tie would be basically the same as what exists already due to the existing substation and other transmission lines and generally can be considered negligible and background -- similar to background existing conditions.

Q. And do you anticipate any radio or television interference?

A. No. That interference typically would come from EMF as well. So with low levels of EMF, there were no expected interference for television or radio.

Q. Thank you. Does that conclude your testimony?

A. It does.

MS. DRIGGS: Any questions from the Committee?

CHMN. KATZ: Any questions from the Committee?

(No response.)

CHMN. KATZ: What I think we will do -- I expected that this might have taken a little bit longer than it did. But I believe there's one more witness, if I'm not mistaken.

MS. DRIGGS: That's correct.

CHMN. KATZ: Our fire and safety expert, who we heard from yesterday, but we will gladly hear from again today. I don't recall how long that testimony will take, but I'm assuming it's probably no more than an hour.

MS. DRIGGS: I would assume, depending on questions. He would be happy to entertain questions if there are any.

CHMN. KATZ: Sure. Let me just ask the Committee Members. It's just a couple minutes before 12:00. We can take an hour break or we could break longer, but any way we look at it we're going to end up having to wait a couple of hours before the public comment session that we can't reschedule,

unfortunately. And at the time we conducted our prehearing conference, there was no way of gauging exactly how long things would take, except we needed to be done before the Friday holiday.

Any thoughts from our Committee Members? And I do know that Mr. -- or, Member Grinnell may have a meeting that he rescheduled. What time do you need to be away from us, Mr. Grinnell?

MEMBER GRINNELL: If I leave now, my meeting is 20 minutes away, it's an hour to an hour and a half. So I would ask, if it's appropriate and fair to the other Members -- I can be back by no later than 2:30. I mean, do we have enough people here to be able to satisfy --

CHMN. KATZ: Yes, we do, but -- yeah. I mean, I think we want to be starting either by 1:00 or 1:30. I don't know if our -- any of the other Committee Members have any preference.

MEMBER PALMER: Doesn't matter to me.

MEMBER FRENCH: No preference.

MEMBER HAMWAY: I prefer to get started and get done. I mean, I've got things I need to do this afternoon, so that's my preference.

MEMBER GRINNELL: Don't we have to be back at 5:30 for the public hearing?

CHMN. KATZ: Yes, we do. But I don't mind getting started at 1:00. And you've heard most of the testimony. You heard from the fire safety expert in a prior hearing, and it will be substantially the same, at least that's my expectation.

MS. DRIGGS: That's our expectation as well.

CHMN. KATZ: We're going to recess until about 1:00. And if you can't join us until later, Mr. Grinnell, we have enough folks, as long as Member Little and Member Hamway rejoin us at 1:00 and everybody that is physically present here today stays healthy.

And we did get a report. Jack talked with Jim Palmer, and he -- I don't know how he's specifically feeling, but they ran a whole battery of tests and Jack hadn't received a report back yet. But I don't think there's anything seriously wrong with him; it's probably an inner ear issue. But we'll report back to you as we hear. And his wife is coming down to pick him up whenever he's discharged.

So that's about it. We'll stand in recess until 1:00.

(Off the record from 12:00 p.m. to 1:03 p.m.)

CHMN. KATZ: Good afternoon. We are continuing our hearing in the Plus Power Superstition

Project, CEC 210. And I believe that we have a sufficient number of folks. I believe Member Little will be joining us shortly, and Member Hamway and Member Grinnell are logged in. I can at least see Member Grinnell.

So you can feel free to call, I believe, our last witness in these proceedings.

MR. THOMAS: Thank you, Mr. Chairman. We will get to Mr. Rogers in a minute; but before we do that, I'd like to have Lucy Marton testify briefly about the issue of potential transfer of a portion of the --

CHMN. KATZ: That's fine.

MS. MARTON: Yes, thank you.

So in regards to the transfer of the CEC, I just wanted to be clear, this entire area you see here in yellow, that all will be CEC-1, and that will be transferred to SRP. The project substation that we were referring to before is in the Superstition Energy Storage Project. That will be CEC-2, and that will be assigned -- well, that will be Plus Power's or Superstition Energy Storage, LLC's.

MR. THOMAS: And so the project substation would not be included in the transfer to SRP in the future?

MS. MARTON: That is correct.
MR. THOMAS: Okay. Thank you. Nothing further from me.
Any questions?
CHMN. KATZ: Again, let me just understand that one more time. CEC-1 is for the power line?
MS. MARTON: Correct.
MR. THOMAS: Yes.
CHMN. KATZ: And CEC-2, that CEC is for what?
MS. MARTON: CEC-2 is for the project substation.
CHMN. KATZ: Okay. The project substation.
MS. MARTON: Within the Superstition Energy Storage, yes.
CHMN. KATZ: And that's the one that could, in the future, be transferred to SRP?
MS. MARTON: No. The Gen-Tie line, the entire corridor you see here will be -- the entire corridor you see here will be transferred to SRP.
CHMN. KATZ: So we're doing it a little bit differently than on the other matter, correct?
MS. DRIGGS: It's just like the other matter.
CHMN. KATZ: Okay. It's just like the other matter. That's fine.
You may proceed.

MR. THOMAS: Okay. If there's nothing further for Ms. Marton, then we'd like to call Paul Rogers. You need to raise your right hand and be sworn.

CHMN. KATZ: Do you prefer the oath or affirmation?

MR. ROGERS: I'll take the oath, please.

(Paul Rogers was duly sworn by the Chairman.)

CHMN. KATZ: You may proceed with questioning, Counsel.

MR. THOMAS: Thank you.

PAUL ROGERS,

called as a witness on behalf of Applicant, having been previously sworn by the Chairman to speak the truth and nothing but the truth, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. THOMAS:

Q. Afternoon. Tell us your name for the record, please.

A. My name is Paul Rogers.

Q. Where do you work?

A. I work at Energy Safety Response Group.

Q. What is Energy Safety Response Group?
A. Energy Safety Response Group is a consultant company that looks at installation of -- installation and design of energy storage systems and other energy sources. We're made up of a group of firefighters and engineers looking primarily at safety.
Q. How long have you been there?
A. Been there for three years now.
Q. Were you among the co-founders?
A. I was one of the co-founders, yes.
Q. Your office is in Glen Head, New York?
A. My office is in Glen Head, New York, yes.
Q. Are you also a former firefighter?
A. I am. I'm a former firefighter, retired from the New York City Fire Department.
Q. What was your rank when you retired?
A. I retired as a lieutenant working in our hazardous material unit.
Q. Did that include battery storage safety issues?
A. Yeah. During my time in the fire department, I was transferred to our Bureau of Fire Prevention to look at battery energy storage systems that were coming into New York City in the built environment.
Q. What years were you at the fire department?

A. I was in the fire department from 1993 to 2018, a total of 25 years.

Q. Did the department develop some standards for battery storage units while you were there?

A. Yes. During my time there, when we were first looking at battery energy storage coming into New York City into high-rise buildings, the standards that were currently available were not up to -- were not up to par, for lack of a better term. And we started to create our own guidelines, and it eventually rolled into what we call a rule, sort of like an executive order, that needs to be satisfied before people could install and get the permission from the fire department for an operating permit.

Q. What was that name of that code?

A. The name of the rule was 608, FDNY Rule 608.

Q. Did you play some role in the promulgation of that rule?

A. I did. I was involved with safety from the firefighter point of view, also looked at some of the designs and other aspects that touch safety.

Q. When you were with the fire department, did you play any role in standards set by other standard-setting organizations?

A. Yes. During that time when I was with the

fire department, NFPA, National Fire Protection Association, established a new standard, NFPA 855, which looked at the construction, design, commissioning, decommissioning, maintenance, and operations of energy storage systems going into the built environment.

Q. And you participated in the creation of 855?

A. Yes. I currently still sit on the Committee. At that time when I first was involved, I was with the New York City Fire Department as a representative. And then after retirement, I was picked up by the International Association of Firefighters representing firefighters throughout the United States.

Q. Is the committee that created 855 still active?

A. The committee that -- yes, the committee that created 855 is still active.

Q. Okay. And you're still serving on it?

A. I'm still serving on it, yes.

Q. Is 855 the current standard for battery storage safety?

A. 855 would be what we call the model code, where local jurisdictions around the world can actually adopt as their code. So they would be able to adopt this as the code for energy storage systems being --

stationary energy storage systems being installed within their built environment.

Q. What sorts of things are required by the code?

A. So they look at a lot of different things in regards to the site itself, operation and maintenance, decommissioning, commissioning of the systems, listing of the batteries and the enclosures, and numerous other aspects in regards to the battery system itself.

Q. Are there any competing or similar codes that are generally used?

A. There is another code out there called the International Fire Code, and that's part of this whole conglomerate of codes known as the "I codes." For instance, there will be an International Building Code, International Fire Code, International Plumbing Code, International Electric Code, and on and on and on. But they have a code that is in parallel with 855, and that is the 2021 International Fire Code, Chapter 12.

Q. Are you familiar with that code as well?

A. I am familiar with that code, and I was involved with helping create that also.

Q. When you were with the Department or subsequently?

A. When I was with the Department, and even upon

retirement I continued to stay active in the Fire Code Action Committee for Chapter 12 of the International Fire Code.

Q. So back to ESRG. What sorts of clients does your firm assist?

A. So we would deal with integrators and installers. We also deal with people that are looking to test their batteries, destructive testing of their batteries. We do response to emergencies that -- where there may have been failures, where people may need assistance, in regards to helping them mitigate or understand the failure modes itself.

Q. Do you also do any training in program development work?

A. Yes. When the -- when we're working with an integrator -- or, excuse me. When we're working with an installer, we will bring the project from the beginning, when they start to design it -- and then after the design is sort of complete, we'll start to build out an emergency response plan and a hazards mitigation analysis that would go to the local jurisdiction for their approval. Once it is approved, we'll take that emergency response plan and we'll put it into a training session. So we'll have site-specific training for the local fire department.

Q. What do you mean by "installer"?
A. So an installer would be someone like Plus Power where they'll buy the batteries from a company. In this case, they're using a Tesla system; they would be the integrator who is making the actual enclosure. They'll buy those enclosures and then they will install those enclosures into their location, wherever that may be.
Q. How many companies developing battery storage facilities would you say your company has assisted?
A. Companies -- we're probably about 40 companies with over a hundred projects.
Q. How about you personally?
A. I probably was involved with 50-plus projects.
Q. In what locations?
A. New York -- the New England area, New York, Massachusetts, Pennsylvania, Ohio, Arizona, Nevada, California, Texas. They're the ones that just come to mind right now.
Q. Now, we talked a couple days about the Sierra Estrella project obviously you worked on here in Arizona, correct?
A. Yes.
Q. What's the nature of other work you've done

here?

A. What's the nature of -- can you please --

Q. Yeah. What else have you done in Arizona? You mentioned it's a place you've done -- you just meant Sierra Estrella or there's something else you've done down here?

A. No. I meant the Estrella -- the Plus Power.

And I do want to clarify that our company as a whole has done other work down here for the Salt River Project and APS. I was not involved in that type of work, but there were other people that were doing it. They did some training too.

Q. Okay. Gotcha. Are you familiar with the safety design features of the Superstition Energy Storage Project?

A. I am.

Q. What are they?

A. Well, first of all, are you -- just to be clear, you're talking about the actual energy storage system itself, right?

Q. Correct.

A. Yeah. So the energy storage system that you see up on the board right now is a Tesla system. They have to comply to everything that is in NFPA 855 or the International Fire Code, if they're using those codes,

and they would be the best codes up to date right now. But this particular Tesla system that you see on the board is compliant to all the listings that are needed. And just so you know, a listing would be a set of criteria that the batteries need to go through in order to make sure that they have the right performance and then they'll get the listing. That is done by a national recognized testing laboratory in order to get that listing.

They also do destructive testing, something that is required in NFPA 855 and the International Fire Code, Chapter 12. Destructive testing, what they call a large-scale fire testing, where they'll actually put the -- they'll put the system into what is considered a worst-case scenario in order to see how it would react if there was a worst-case scenario and what type of hazards would be presented as a result of that.

Q. Have you evaluated whether the Superstition system will comply with the IFC and NFPA codes?

A. Yes. All the -- all of the requirements for NFPA 855 and the IFC 2021 version, Chapter 12, this particular energy storage system does comply with all of that.

Q. Now, the Tesla Megapack 2XL system that Superstition is using is newer technology than was used

in other areas previously, is that correct?

A. That is correct. Are you referring to their first generation Megapack?

Q. Yes.

A. Yeah, the first generation Megapack and the Megapack 2 -- we'll call the 1 Megapack 1 and then Megapack 2. Even though they do call it Megapack, just for the sake of the Committee we'll refer to that as Megapack 1. There is a big difference between Megapack 1 and Megapack 2.

Q. And for those of us who were poli sci majors, can you dumb down the major distinctions between the Megapack 1 and the Megapack 2XL?

A. Sure. If we can refer to, I think it's SE-8.

Q. Yes. SES-8, the Fisher report?

A. That is correct, of the Fisher report. I see they have it up there right now. If we take a look at the unit level test results, we can see a dramatic difference between the testing results for the Megapack 1 and the Megapack 2. They look almost exactly the same, as far as the outside is concerned, but on the inside they have a different chemistry and a different cell format. And as a result of that, you can see how the testing results have dramatically changed and are a lot different.

We'll go down line by line. On the UL 9540A unit level testing results, the Megapack 1, they heated the cells internally, which led to what they -- a spread or cascading thermal runaway of all the cells. So inside the module itself, there's a group of cells. When they put those cells into what is known as thermal runaway, or a failure, the failure actually -- the heat from that failure transferred to the adjoining cells, and then so on and so on and so on in a domino effect that put the whole module on fire and then eventually the whole enclosure was on fire. But that was by design. That's exactly what Tesla wanted to happen, and it actually did happen.

What we see now is the Megapack 2, where they had put those cells on -- into thermal runaway, failure, and it led to only one additional cell. So the spread was limited significantly from what we saw in the Megapack 1.

CHMN. KATZ: Let me just ask you for clarification. When we talk about a cell, is that with three units in it? In other words, there are -- one, two, three, four, five, six -- seven, I think, lines. I just wanted to get a cell distinct from an individual battery.

MR. ROGERS: Yeah, great question. If we can

go back to the picture of the actual enclosure itself, I may be able to explain it for the Committee a little bit better. And I think last time we had a picture -- a magnified version of the module on the other screen; I'm going to probably need that too.

So if you see where the green dot is right here --

CHMN. KATZ: Right.

MR. ROGERS: -- this is what UL, or the people that are testing it, would be considered a module.

CHMN. KATZ: Okay.

MR. ROGERS: So inside of this module is numerous cells. Those cells would be put into a thermal runaway. Just to give you a general idea on what a cell -- kind of like the scale of what a cell would be, take a look at my wallet. My wallet would be like the size of the cell that we're dealing with.

So there would be numerous cells inside of that module, and what they would do is they would put a cell into thermal runaway. The heat that's generated, they were trying to have that heat transferred to the adjoining cell to put that into what they call propagation, or spread, to put it into failure.

So you can see on the other side here, we

have -- what page are we on? I can't see.

CHMN. KATZ: Looks like it's Page 10.

MR. ROGERS: Thank you. I thought it was 10; I wasn't sure.

Okay. So this would be magnified of the module that we mentioned before. So this is -- inside of here, this is where we have a group of cells here. They had to -- in order to satisfy the test, you have to actually have a cell or more cells to transfer the heat to get another cell into propagation, or spread. That is what is required for the test itself.

In this situation, they had to put six cells into failure simultaneously in order for the heat to transfer to the seventh cell in the middle, which is a lighter shade of red. After that took place, there was no other activity and no other spread that took place from there, which shows the resiliency of this particular model, that Megapack 2 that Tesla put together.

CHMN. KATZ: And when we're looking at this --

MR. ROGERS: This here?

CHMN. KATZ: -- each module has several cells in it. And there are essentially three modules that are -- how would you define the three modules that are

in that compartment? Because it appears to be three compartments stacked on top of each other.

MR. ROGERS: Yeah, that's a great question. And I was trying to simplify it for the Committee, but this is where --

CHMN. KATZ: We don't need to get too technical. I just think we all want to understand.

MR. ROGERS: Yeah. Yeah. Well, just to be clear, in UL 9540A they do different testing. They do a cell level test, then they do a module level test, and then they do a unit level test. And finally, they could, if you don't pass the unit level, do into an installation. So there's four stages that you possibly can go through. The first two stages are the cell and module. Now, technically, Tesla considers this a module. But UL, or the national recognized testing laboratory, does not consider that a module. They would consider this a module. So that's what they needed to test.

Does that make sense? Am I bringing everyone up to speed on that?

CHMN. KATZ: And there are three modules within -- would you call that a unit? Whatever. The three modules are separated from the adjacent three modules?

MR. ROGERS: Yes. Yes. There is a barrier in between it, yes. Very good.

So this here is magnified into this section here. So, again, is there any further explanation on how this goes into failure?

BY MR. THOMAS:

Q. So I have a question. So the picture on the left showing the cells is a blown-up version of one of the single modules over there, is that correct?

A. That is correct.

Q. And the -- so on the left, the test involved heating up a total of six cells in order to prompt failure in a seventh?

A. Yes. So the heat generated from the failure of the six cells simultaneously transferred to the middle cell in there sandwiched in between in order to get that one to go into failure, or a thermal runaway.

Q. Okay. And what does thermal runaway mean in that context?

A. Yeah. So thermal runaway is where there is heat being generated and it cannot dissipate the heat quick enough inside the cell, that it will go into failure. Now, thermal runaway doesn't always necessarily mean it will go on fire, and that's important for everyone to understand that.

Q. Okay. So -- and who did this test?
A. So this test was performed by a national recognized testing laboratory known as TUV.
Q. And they're independent from Tesla, correct?
A. They are considered a third-party national recognized testing laboratory.
Q. And Fisher wrote a report on the testing that was done by TUV?
A. That is correct. So Fisher -- so this test is generating a tremendous amount of data, and that data is produced on all levels, from the cell to the module to the unit. And all of that data is collected. And then that raw data, instead of them giving that to the AHJ for them to interpret, Tesla took that raw data, gave it to Fisher, and Fisher put it into a narrative so they could understand what took place during the testing.
Q. Okay. So Fisher didn't do the testing, TUV did?
A. That is correct.
Q. And theoretically, Fisher's job was to make the testing results understandable to mere mortals?
A. That's correct.
Q. So in this test example, the thermal runaway for that seventh cell in the middle, that didn't

involve an actual fire, did it?

A. There was no fire that was observed during the -- during the testing. Just behind you, you know, we had -- all the doors were closed here, but there was no fire that was observed during that testing.

Q. And then did the -- was there any spread from this single module to the two adjacent modules as well?

A. There was no spread even within the module itself, within the cell to cell, except for that one that we see here. All these other cells were still fine, they did not have any type of failure within. And this module that would be considered about here -- I think this was the target module, it may have been this one or this one -- this did not have enough heat to transfer to this one to make that go into a thermal runaway like a chain reaction and so on and so on and so on.

Q. And presumably, then, the entire unit was not affected as well?

A. That is correct.

CHMN. KATZ: And we don't need to get into the Arizona failure, that one big failure that we had here. You're familiar with that, correct?

MR. ROGERS: Surprise, is that the one you're referring to?

CHMN. KATZ: Yes.

MR. ROGERS: Yes, I'm familiar.

CHMN. KATZ: Because wasn't there an explosion? And was that because of a flammable gas or was it just because of the heat and no room to expand?

MR. ROGERS: That's a great question. The incident that took place in Surprise, Arizona, where the firefighters were pushed back approximately 75 feet, that was an explosion that took place. So when the cells went into failure, they continued to spread, or propagate. And they released a clean agent, which is -- for lack of a better term, retards the fire triangle from actually taking place. And during that failure, gases were produced that were flammable. And then when the firefighters tried to make entry -- actually, let me clarify that. The firefighters did not try to make entry. All they did was just open the door and they were trying to ventilate the actual enclosure. So -- but there's a big difference from what we saw there to what we see today. If you need, I will explain that to the Committee.

CHMN. KATZ: I'm assuming that without a fire, we're not going to have those gases released?

MR. ROGERS: No, we still will have those gases released, but those gases weren't enough to

actually go on fire. So when you're dealing with any type of gas, you have what they call a lower explosive limit and an upper explosive limit, things are too lean to burn or too rich to burn. And at this particular point, it was too lean to burn, is just the assumption, because there wasn't enough gas buildup to actually go on fire.

BY MR. THOMAS:

Q. So in the -- have you spoken with any of the firefighters involved in the Surprise incident?

A. Yes, actually. I have spoken with the actual firefighter that was -- was affected by the explosion who was hospitalized for many months.

Q. And so you understand pretty well what happened in that incident?

A. Yeah. We had some pretty deep conversations about the operational challenges.

Q. Is that sort of incident something that can happen with the Tesla Megapack 2XL to be used at Superstition, based on this sampling that's been conducted?

A. Based on what we see here, that can't. But I want to make sure that everyone knows that the incident that took place in Surprise, the firefighters were not trained, they did not have an emergency response plan,

they did not have the codes and standards that are relative today, they weren't even close to having them. They also had a dedicated use building where someone could actually walk into, where this one here you cannot walk into it. And they had no type of ventilation that they were able to pull the gases out from a remote spot. So all of that stuff has now been included in NFPA 855. And as I said before, Tesla actually complies with all of those requirements for their energy storage system.

Q. And the Surprise incident was April 2019, is that right?

A. Yes, it was April. Yes.

Q. And so that predated the 855 code that we comply with, right?

A. Yes. And remember, when you're designing an energy storage system or an installation, there's many -- it takes a couple of years in order for you to get permitted and then to actual construction and then operation. So even though it happened in 2019, I think it was running for a couple of years. I don't remember how long it was running. But the codes that they looked at during that time were just not relative. As a matter of fact, I think the codes that were relative, they were above the code standards at that particular

time, which is pretty ironic that we had firefighters hurt even though they were above.

Q. Will you or your company have a continuing role on safety issues at this project?

A. We will. We will be training the fire department, or anyone else that needs any type of training in the area, to make sure that they are familiar with the site itself, the site specific itself, and making sure that they are -- the operation considerations will be there. And we'll be working hand in hand with them to make sure that they are familiar with the actual location. We'll even do a walk-through for them during the training.

Q. Will there be any sort of contingency or emergency response plan developed?

A. There will. That emergency response plan will be developed and then it will be put into a training mode, and that will be delivered to the actual firefighters. You know, we'll do a couple of sessions, and if they need more, I'm sure we'll be able to bring in as much as they need as far as safety is concerned.

Q. Do you recall submitting some prefiled direct testimony here in this proceeding, the written testimony?

A. I do.

Q. Does that remain accurate, as best you recall, or anything in there that needs to be corrected?

A. Not at this time, no. Everything that is in here is accurate.

MR. THOMAS: Mr. Chairman, I don't have any further questions for Mr. Rogers.

But, Paul, stay put. The Committee Members may have some for you.

CHMN. KATZ: Do any of our Committee Members have any questions for Mr. Rogers?

(No response.)

CHMN. KATZ: Hearing silence, are we done with our evidentiary presentation, subject to you offering Exhibits 1 through 9?

MR. THOMAS: Yes. And I would offer Exhibits 1 through 9.

CHMN. KATZ: And they will all be admitted.

(Exhibits SES-1 through SES-9 were admitted into evidence.)

CHMN. KATZ: And we need to make sure that our court reporter gets copies of all those; she may already have them.

I guess we have no choice but to be recessed for the next four hours or slightly short thereof. I'm

not expecting any public comments, but we have to be safe and allow the public to participate if they wish to do so.

MR. THOMAS: You know, I'd be happy to give a four-hour closing statement if you'd like, Mr. Chairman.

CHMN. KATZ: Most of us don't have a hotel room, so we're not going to take a nap, and it's getting a little bit too windy and nasty outside to take a walk. But we do stand in recess, and I hope everybody can join us, even though it will be probably a very short session.

And tomorrow are we planning to start at 9:00 and probably have about an hour or so of time to just approve the two CECs or edit them?

MR. THOMAS: Yes, 9:00 is fine, and hopefully less than that. I think the only suggestion we'll have will be the same Paragraph 16 "as may be a necessary" edit.

CHMN. KATZ: Right. And we probably will have to go, at least on the first CEC 210-1, we'll have to probably go through all of the conditions again and the findings and conclusions. But for the second one, we'll just note the different description and the elimination of Section -- or, modification of Section

16, okay?

MR. THOMAS: Okay.

CHMN. KATZ: And even though we all have been there as of yesterday, we need to make sure we have a good record for both the public and the Arizona Corporation Commission, because I'm sure we don't want to get together again to hear this a second time.

We do stand in recess.

(Off the record from 1:36 p.m. to 5:30 p.m.)

CHMN. KATZ: It is now 5:30, the time for public comment. And I'm looking around the room, and it's all familiar faces. We don't have any members of the public that are in our hearing suite.

And I'll ask our IT people, do we have anybody that is on the computer virtually?

MR. PENCA: Mr. Chairman, we do not.

CHMN. KATZ: There's nobody virtually. We'll wait another two or three minutes, since we've been this patient, but I doubt we're going to go any further.

And Mary indicated she wouldn't be present this afternoon, but I appreciate Toby and Rick tuning back in with us. And we're going to start tomorrow morning at 9:00 a.m.

MEMBER LITTLE: Rick, are you hearing

anything? Have they started?

CHMN. KATZ: What? What was that, Toby?

(No response.)

CHMN. KATZ: Oh, okay. It was someone that called in, I guess.

MR. PENCA: It was Toby Little. You were muted on the Zoom since we didn't go on the record, but you can speak to her now.

CHMN. KATZ: What was that you said, Toby? Rick and Toby, can either of you hear me?

MEMBER GRINNELL: I can hear you, sir. Hello.

CHMN. KATZ: Yeah, I can hear you.

Member Little, can you hear me?

MEMBER LITTLE: Yes, I can.

CHMN. KATZ: Good enough. We're going to resume tomorrow morning at 9:00. I think it should take us about at most an hour, hour and 20 minutes to review the CECs, which will be nearly identical to the ones that we just went through earlier in the week, but for obviously a different project.

There's still nobody here virtually or in person. I'm going to call a recess. I appreciate very much everybody's patience with having to wait about four hours for this session that turned into much of

nothing, but I'd rather be safe than sorry and have a member of the public complaining that they didn't have a chance to support or object to the project.

Anyway, we'll see you all tomorrow morning. If you're driving anywhere, do it safely. And if you're at home, relax and enjoy yourselves. We do stand in recess until 9:00 tomorrow.

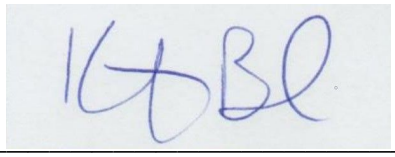
(The hearing recessed at 5:33 p.m.)

STATE OF ARIZONA)
) ss.
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, this 14th day of November, 2022.



KATHRYN A. BLACKWELDER
Certified Reporter
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I CERTIFY that Glennie Reporting Services, LLC, has complied with the ethical obligations set forth in ACJA 7-206(J)(1)(g)(1) through (6).

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