



ARIZONA CORPORATION COMMISSION

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Commission Approves Solana Solar Power Project

PHOENIX, AZ—The Arizona Corporation Commission today approved Arizona Public Service Corporation’s (APS) Solana project, a planned solar facility to be built by Arizona Solar One, a subsidiary of Abengoa. This approval by the Commission marks an important step in allowing the Solana project to move forward. The agreement passed unanimously.

APS plans to purchase the full output generated over a 30 year period by Solana, a 280 megawatt concentrating solar facility that will be built near Gila Bend. Solana is expected to have the capacity to provide electricity for approximately 70,000 homes in Arizona, and will include salt tanks that allow the facility to store power that can be put into use during peak hours.

The power produced by Solana will help APS meet the Commission’s Renewable Energy Standard rules that require public utility companies to generate 15 percent of their energy from renewable sources by the year 2025, with incremental increases required each year.

The project will later come under review by the Commission’s Line Siting Committee which will need to approve the location of the facility and the Commission will consider approval of a Purchased Power Agreement for the project.

Comments from Commissioners:

“This Commission and APS continue to demonstrate our commitment to increasing the amount of energy generated from renewable resources in Arizona,” said **Commissioner Bill Mundell**. “The Solana project is an important step forward in the diversification of electric generation in Arizona. As the costs of fossil fuels continue to rise, electricity generated by the sun, which has zero fuel costs and zero emissions, will lower or stabilize rates in the long run.”

“APS’s Solana solar energy project writes a new chapter in Arizona’s energy history,” said **Commissioner Jeff Hatch-Miller**. “It started with Salt River valley farmers building hydro-electric dams in the early days of the last century. Now, more than 100 years later, we leap forward and begin harvesting the power in sunlight. Our children and grandchildren will reap incredible benefits.”

“This is the biggest solar energy project in the history of Arizona and, if it comes to fruition, it will make our state a world leader in renewable energy,” **Commissioner Kris Mayes** said. “Solana shows that the sun is rising on a new generation of power plants in Arizona. Unlike coal, concentrating solar power is clean, cost-effective and creates energy independence. Today’s decision brings APS one step closer to meeting the 15% Renewable Energy Standard.”

“This decision does not establish prudence of the proposed project; it only confirms that Solana

would be an eligible renewable resource under the REST [Renewable Energy Standard and Tariff] rules,” said **Chairman Mike Gleason**.

“There is no “silver bullet” to resolving Arizona’s future energy needs. Solar is an essential component, along with nuclear and others, to provide the lowest cost, most reliable electricity to rate payers,” said **Commissioner Gary Pierce**.

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