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Energy Grid Update

Rio Rico to Harshaw 138kV Transmission Line Project

Newsletter #3 – August 2022



UniSource Seeks Public Input on New Potential Transmission Line Route Links

UNS Electric, Inc. (UNSE), a subsidiary of UniSource Energy Services, has identified new potential route segments, or "links," for a proposed transmission line in Santa Cruz County. The line will serve the Hermosa Project, a mine exploration project owned by Arizona Minerals Inc. (AMI), a subsidiary of South32, while improving service for residential and other electric customers in the San Rafael Valley, Washington Camp and Lochiel areas. UNSE's existing 13.2-kV distribution line is not adequate to support both the community's current and future energy needs and the Hermosa Project's anticipated energy requirements.

The Rio Rico-Harshaw 138-kilovolt (kV) Transmission Line Project will involve the construction of an approximately 20-30 mile, single-circuit transmission line that will interconnect UNSE's existing 138-kV transmission system to a proposed 138-kV switchyard in Rio Rico and the proposed Harshaw Substation located on private land at the end of Flux Canyon Road.

The transmission line would originate at a proposed switchyard located near Interstate 19 in the Rio Rico area and terminate at the Hermosa Project, located at the end of Flux Canyon Road on private property within the Coronado National Forest (CNF). The western portion of the line would be located on private land. UNSE is seeking approval from the U.S. Forest Service (USFS) for the majority of the eastern portion of the line, which would be located within the CNF.

UPDATE ON ROUTE LINKS

In May of 2021, UNSE held a second virtual public open house meeting and launched an interactive survey designed to gather public input about the proposed route links. Based on comments from residents, stakeholders, and additional studies, UNSE has eliminated some links from consideration while evaluating potential new links as described below.

Non-Federal Land Route Links

Previously proposed links located on private land to the south, east and west of the Nogales International Airport cannot be combined to form a viable

route alternative. UNSE is evaluating new alternative links located north and northwest of the Nogales International Airport. These route links could be combined in various ways to connect the proposed switchyard near Rio Rico to the preferred route in the Coronado National Forest. The two options for the location of the switchyard are shown on the map.

Coronado National Forest Route Links

UNSE's preferred route on USFS land, including previously proposed links located east and north of the Nogales International Airport, remains unchanged. Consistent with USFS policy, the preferred route generally follows existing utility and road corridors, including the El Paso Natural Gas Pipeline alignment and UNSE's existing 13.2-kV distribution line along Flux Canyon Road. Use of this route would minimize environmental impacts. UNSE recently submitted a Special Use Permit application to the CNF for permission to build along its preferred route on USFS land.

REQUIRED APPROVALS and TIMELINE

In conjunction with the Special Use Permit application, the CNF will conduct a comprehensive analysis of proposed line segments on National Forest System land to identify potential environmental effects. The analysis is required to comply with the National Environmental Policy Act and other applicable federal statutes. The analysis also will identify appropriate mitigation measures, if needed.

In addition to the Special Use Permit, UNSE must secure approval of a Certificate of Environmental Compatibility (CEC) from the Arizona Corporation Commission (ACC) in order to build the transmission line and the proposed switchyard. UNSE plans to file a CEC application in early 2023 with the Arizona Power Plant and Transmission Line Siting Committee, which will review the application in a public process that provides opportunities for neighbors and other stakeholders to comment. If the Line Siting Committee grants the CEC, it will be sent to the ACC for final review and approval.

UNSE is scheduling the Rio Rico-Harshaw 138-kV Transmission Line Project to be in service by late 2024.

HYBRID IN-PERSON/VIRTUAL PUBLIC OPEN HOUSE

UNSE invites members of the public to ask questions, submit comments and learn more about the project at a hybrid open house meeting on August 25, 2022. Residents, property owners and other stakeholders are encouraged to use the identifying numbers in the enclosed map to share thoughts or concerns about specific links. Details on how to participate are included on the cover of this newsletter.

OTHER WAYS TO COMMENT

UNSE encourages residents, property owners, and other stakeholders to share their input about the transmission line route by:

- Mailing the comment form or a letter with comments to:
UniSource Energy Services
ATTN: Rio Rico-Harshaw 138kV Project
P.O. Box 711
Mail Stop OH 131
Tucson, AZ 85702
- Sending comments to RR2Harshaw@uesaz.com
- Visiting uesaz.com/rio-rico-to-harshaw and filling out an online comment form
- Calling 1-833-783-0396 and leaving a voicemail message.

Previous newsletters are available on the project website or can be requested using the contact information above.

UNS Electric, Inc. (UNSE) una subsidiaria de UniSource Energy Services, ha identificado posibles segmentos nuevos de ruta, o "enlaces", para una línea de transmisión planificada en el condado de Santa Cruz. La línea servirá para un proyecto de exploración minera mientras mejora el servicio para los clientes residenciales en el área. UNSE organizará una reunión pública en persona y virtual el 25 de Agosto de 2022 de 6 a 8 p.m. Para conectarse a través de Zoom, visite uesaz.com/rio-rico-to-harshaw para obtener el enlace y la contraseña de la reunión. Para escuchar vía telefónica, llame a +1 669 444 9171 e ingrese el ID del seminario web 863 9504 2234 y contraseña 67697814. Si tiene preguntas o comentarios, no dude en contactarnos al 520-918-8399. Gracias por su interés en este proyecto

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Hybrid In-Person/Virtual Public Open House Meeting

August 25, 2022 | 6-8 p.m.

IN-PERSON:

Quality Hotel Americana Nogales-Olmec Room
639 N. Grand Ave., Nogales, AZ

VIA ZOOM:

Visit uesaz.com/rio-rico-to-harshaw for the meeting link and passcode. This meeting will be recorded and posted to the project website within one week of the open house meeting.

LISTEN VIA TELEPHONE:

Call: 1 669 444 9171 or 1 669 900 6833, or 1 253 215 8782
Webinar ID: 863 9504 2234
Passcode: 67697814

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