SPACEX

November 24, 2026

VIA EMAIL

Chairman Kim DePew and Members of the Commission
Cochise County Planning and Zoning Commission
c/o Cochise County Development Services
1415 W. Melody Lane, Building F
Bisbee, Arizona 85603

Re: Special Use Authorization SU26-22 (US Hwy 191 Data Center Campus) — Response to the Attorney General's Letter of November 19, 2026

Dear Chairman DePew and Members of the Commission:

Space Exploration Technologies Corp. (SpaceX) respectfully asks the Commission to keep the December 9 public hearing on the calendar and consider SU26-22 on its merits.

SpaceX has followed the County's established process, engaged with residents and local officials, and put the entire proposed campus before the Commission in one application. The public record already answers many of the questions raised in the Attorney General's November 19 letter. The Commission should decide this case on what SpaceX has proposed, and on the commitments we're prepared to make enforceable conditions, not on assumptions described in the Attorney General's letter about facilities that aren't part of this application.

SpaceX asks the Commission to apply the same procedures and standards it applies to every applicant. The December 9 hearing is where Cochise County residents can question SpaceX directly and where the Commission can consider the full project and any appropriate land-use conditions. Holding the hearing as scheduled preserves the separate reviews of electric service, highway access, environmental compliance and construction. Each agency should make the decision entrusted to it on its own record.

The applicant of record, Tombstone Resources LLC, is a wholly owned subsidiary of SpaceX. SpaceX will build, own and operate the campus. The application covers both properties, all four phases, up to nine computing buildings and up to six gigawatts at full buildout. A Special Use Authorization decides whether, where and on what conditions the campus may be built; it does not energize it.

No retail electric service can begin until the Arizona Corporation Commission (ACC) approves the Electric Energy Services Agreement among Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC), Arizona Electric Power Cooperative, Inc. (AEPCO) and Tombstone Resources LLC. No clearing or grading can begin until the County issues a land-clearing permit, accepts a certified drainage report and issues any required floodplain permit, the Arizona Department of

Transportation (ADOT) permits the construction access on U.S. 191, and the Arizona Department of Environmental Quality (ADEQ) dust notice and Arizona Pollutant Discharge Elimination System (AZPDES) stormwater coverage are in place. No buildings can rise until the County issues building permits. Those reviews follow a land-use decision. Delaying the hearing would not produce them sooner; it would only push them later.

In place of delay, SpaceX offers enforceable conditions that tie each stage of the project to the approval that governs it (Section 8), and it will continue meeting with residents, including in Willcox (Section 1).

1. Public Engagement

The Attorney General's letter recommends additional public meetings. SpaceX welcomes them and has already gone beyond the County's notice and citizen-review requirements. Engagement to date includes:

- a project website with information, FAQs and a direct way for residents to submit questions (spacex.com/sites/cochise-county);
- a pre-application meeting with Development Services staff (October 13);
- written notice to property owners within one mile and to the Sunsites-Pearce Fire District (October 16);
- a community town hall at Cochise Elementary School (November 4);
- a presentation to, and public review by, the County's Local Emergency Planning Committee (November 12);
- a contractor and local business briefing attended by approximately 80 members of the local business community, covering the project scope and phasing, the construction schedule, and how local firms can prequalify and bid (November 17);
- postcards describing the project and informing citizens how to get involved, mailed to every resident in Cochise County, nearly 51,000 addresses (November 23); and
- discussion of the project on local radio with stakeholders and answers to questions submitted by the local community (November 23).

The Commission's December 9 hearing is the formal opportunity for every resident to be heard.

2. Energy Supply, Ratepayer Protections and Renewables

The Attorney General's letter uses Apache Generating Station's roughly 625 megawatts of capacity to question whether the cooperatives can serve the first 1,500 megawatts or the proposed 6,000 megawatts at full buildout. Apache Station's generating capacity is not directly contracted to serve the SpaceX facility. Under the proposed electric service arrangement, SpaceX will work with AEPCO to procure wholesale power from across the Western Interconnection market, and AEPCO will deliver it through its transmission system, with SSVEC providing retail service. Whether each phase can be served depends on the availability of power,

the capacity of the transmission system, and the upgrades in service at the time. The cooperatives will determine when the system is ready to serve each phase.

The proposed agreement calls for SpaceX to pay for its electricity and related service costs, prepay the network upgrades required to serve the campus, and post financial security before receiving power. **This will ensure that no existing customer subsidizes SpaceX**. The cooperatives would track project costs separately. Those protections are designed to keep the costs of this project with SpaceX, including if the campus is delayed, built at a smaller scale, or never built. The Arizona Corporation Commission will review the proposed agreement in its own public proceeding.

$3.6 billion in grid upgrades paid for by SpaceX. The application identifies about $3.6 billion of transmission and substation improvements, about $0.5 billion of it in Phase 1, all paid for by SpaceX and built and owned by the cooperatives (Application p. 49). The work falls in three categories:

- **Advanced reconductoring.** Existing transmission lines serving the area are restrung with high-capacity conductors, raising their capacity about two and a half times on existing structures and rights-of-way.
- **New equipment on existing infrastructure.** New transformer banks, breakers and switchyards at the cooperatives' existing substations, and a new utility-owned substation on the campus.
- **New transmission.** New transmission reaching the Apache area is well advanced. Regional high-voltage transmission lines that will terminate beside this site have been in development for nearly a decade. Their environmental reviews, state siting approvals, and federal financing commitments are in place, and the lines are far enough along that construction can begin very soon. This application does not propose any new transmission corridors, and these lines were planned independently of it to move power across southern Arizona and New Mexico.

These upgrades remain in Cochise County, serving the region, for the life of the system.

Renewable energy. The Desert Southwest region has robust renewable resource availability that, when paired with resource availability in adjacent markets such as CAISO and the broader WECC, can provide ample energy to serve the load and charge the battery system. On many days, solar and wind output in Arizona, California, Nevada and New Mexico exceeds what the existing transmission system can export to markets and deliver to customers, and the surplus is curtailed due to congestion. The conductor, switchyard, and transformer connectivity upgrades of AEPCO's existing system, along with new transmission in the Desert Southwest region, can significantly alleviate this congestion and not only allow existing resources facing transmission congestion to deliver energy to market, but also allow new resources to be built that would otherwise face deliverability constraints. The flexible load and the co-located battery give these resources a market and make the entire region more efficient. The new

transmission and substation capacity, paid for by SpaceX, can also open new points of interconnection for renewable projects on AEPCO's system.

Batteries strengthen reliability. The campus includes about 24 gigawatt-hours of battery storage, which is about four hours at full load. As Appendix J explains, the campus is a "flexible, curtailable, and interruptible" load from the grid's perspective (Application p. 48). It can step back when the grid is tight and carry itself through disturbances. The battery storage system also contributes to transmission system reliability across the entire Desert Southwest region. With the battery co-located with the load and synchronized with the transmission system, the battery can not only provide capacity for the load, but also provide real-time frequency response, inject reactive power to feed local faults instead of those faults damaging infrastructure, dampen system perturbations locally, regionally, and inter-regionally, and mitigate sub-synchronous oscillations on the system that might otherwise harm existing infrastructure.

3. No Gas-Fired Power Plant; Closed-Loop Cooling and Water

SpaceX is not seeking approval to build a gas-fired power plant as part of this project. The campus would receive its operating power from the grid. The application proposes only standby generators for critical loads, approximately 10 megawatts per computing building, for outages and testing that will be permitted through ADEQ.

The Attorney General's letter estimates how much water a hypothetical one-gigawatt natural gas plant might use. That estimate has no bearing on the water use of the campus before the Commission. The application estimates annual water use of 7 to 10 acre-feet, primarily for drinking water and restrooms. The campus would use dry, closed-loop cooling, with no cooling towers or routine evaporative cooling. SpaceX proposes no new production well in the Willcox Active Management Area for industrial use of groundwater. The initial fill of the cooling loops and other nonpotable needs would be met with treated wastewater from the adjoining station or trucked water, without new pumping from the Willcox basin. SpaceX supports making these commitments enforceable and specifying how compliance will be verified for the life of the facility. (Application pp. 1–2, 9 and Appendix F.)

4. Fire Protection and Emergency Response

The site lies outside a fire district, and battery incidents call for specific equipment and training. The application addresses both (Appendices G and H). On-site protection includes:

- a dedicated fire-water tank with redundant fire pumps and a private hydrant loop;
- wet-pipe sprinklers and voice/strobe alarms in each building;
- clean-agent suppression, pre-action sprinklers and aspirating smoke detection in every computing hall; and
- hydrant protection at the battery yards.

The battery containers are UL 9540-listed units, spaced according to NFPA 855 and the product's UL 9540A large-scale fire-test data. Their built-in detection, gas monitoring and thermal management are monitored around the clock (Application pp. 2, 36, 39).

At the Local Emergency Planning Committee's special public meeting on November 12, SpaceX representatives committed that:

- the battery system will follow NFPA 855;
- SpaceX will provide fire-suppression equipment and personnel for the operation;
- SpaceX will pursue a subscription and automatic-aid agreement and is open to funding training and equipment for local departments;
- SpaceX can fund the hazard-specific emergency plan and capability assessment the LEPC requested; and
- SpaceX will comply with Tier II chemical-inventory reporting.

The LEPC then adopted six recommendations:

- a capability assessment of first-responder needs;
- additional information on the battery system;
- a hazard-specific emergency plan;
- a fire subscription with a nearby district;
- site access for the LEPC and the fire district; and
- facility-specific training.

SpaceX accepts all six as conditions of approval, at its own expense.

This is the County's process working as intended. The local officials who will respond to this site reviewed the project in a public meeting, identified what they need and put it on the record, and SpaceX has agreed to meet it. Those requirements are best set and enforced by the County and the local responders who know this ground.

5. Roads and Traffic

The Attorney General's letter asks for a third-party traffic study and for upgrades to be in place before construction. The application already calls for a traffic impact analysis for ADOT review, ADOT access permits for the U.S. 191 driveways, and turn, acceleration and deceleration lanes as ADOT requires (Application pp. 8–9, 28). It also commits to worker shuttles from off-site park-and-ride lots from the first phase, staggered shifts, and an all-hours construction traffic management plan. In addition, SpaceX will fund an independent review of the traffic impact analysis and work with ADOT and the County to identify the improvements needed and when each must be in place.

6. Wildlife, the Willcox Playa and Eco-Tourism

The application was designed with the Wilcox Playa and its wintering sandhill cranes in mind (Application pp. 2, 25–29, Appendix E § 14). Its commitments include:

- dry cooling with no cooling towers, ponds or open process water;
- low metal buildings with minimal, bird-safe glazing;
- fully shielded, warm-spectrum, downward lighting with no uplighting;
- bird flight diverters on new applicant-controlled overhead lines;
- stormwater basins that drain within 24 hours and have wildlife escape ramps; and
- wildlife-friendly fencing with no barbed wire.

The cranes winter today beside a generating station that has operated since 1964 and alongside existing 230 kV and 345 kV lines. The campus adds no plumes, no open water and minimal light.

7. Fort Huachuca and the Electronic Proving Ground

The campus consumes electricity; it does not transmit. It proposes no communications towers other than building-mounted antennas for security and operations (Application p. 50). Its computing equipment sits inside metal buildings next to an existing generating station and existing high-voltage lines. SpaceX respects the Army's testing mission at the Willcox Playa. It will consult Fort Huachuca and the Electronic Proving Ground and address any written concerns before the first building permit.

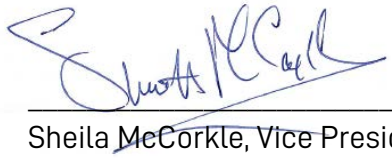
8. Job Impact

At full buildout, the application estimates approximately 5,500 construction jobs at peak and approximately 1,000 ongoing on-site jobs, including contractor roles. Cochise County residents should have the opportunity to weigh that economic opportunity alongside the project's impacts and the conditions the County can impose.

****

SpaceX is ready to answer questions at the December 9 hearing and welcomes a meeting with the Attorney General's office. Speculation about facilities no one has proposed should carry no weight in a land-use decision. The Commission has the full application before it, residents have a hearing on the calendar, and the agencies responsible for later approvals have their own proceedings. We respectfully ask the Commission to keep the December 9 hearing as scheduled, include this letter in the public record, and decide SU26-22 on its merits under the same standards it applies to every applicant.

Respectfully,
SPACE EXPLORATION TECHNOLOGIES CORP.



Sheila McCorkle, Vice President, Starship Legal

cc:

- The Honorable Kris K. Mayes, Attorney General, State of Arizona
- Supervisors Tom Crosby, Kathleen Gomez and Frank Antenori, Cochise County Board of Supervisors
- Chairman Nick Myers, Vice Chair Rachel Walden, and Commissioners Kevin Thompson, Lea Márquez Peterson and René Lopez, Arizona Corporation Commission
- Christine McLachlan, AICP, Director, Cochise County Development Services
- Matthew Taylor, Case Planner, Cochise County Development Services
- Mayor Greg Hancock, City of Willcox