

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 57

In the Matter of)
)
PACIFICORP)
dba PACIFIC POWER)
)
2013 Integrated Resource Plan)

**SUPPLEMENTAL COMMENTS ON THE WYOMING FIP OF THE
CITIZENS' UTILITY BOARD OF OREGON**

January 17, 2014



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<u>2013 Integrated Resource Plan</u>)	THE CITIZENS' UTILITY BOARD
)	OF OREGON

I. Introduction

CUB appreciates the opportunity to file Supplemental Comments on the Wyoming Federal Implementation Plan (FIP).

II. Analysis

CUB notes that the Environmental Protection Agency (EPA) is approving most of the Wyoming State Implementation Plan (SIP), with the exception of a few items, including the state's NOx determinations for Dave Johnston Unit 3 and Wyodak Unit 1.

A. Dave Johnston

For Dave Johnston Unit 3, the EPA has provided PacifiCorp (the Company) with two pathways to comply with the FIP, one which involves the installation of LNBS/OFA and the closure of Dave Johnston Unit 3 by December 31, 2027:

We proposed to require PacifiCorp Dave Johnston Unit 3 to meet a FIP emission limit of 0.07 lb/MMBtu (30-day rolling average) for NOx BART (assumes the installation of LNBS/OFA plus SCR). Based on our revised costs of compliance and visibility impacts, we would still conclude that NOx BART is an emission limit of

0.07 lb/MMBtu (30-day rolling average). PacifiCorp submitted comments on our proposed rulemaking on August 26, 2013. In those comments, PacifiCorp indicated in various places (e.g., page 37) that instead of installing SCR, it would shut down Dave Johnston Unit 3 in 2027. Our regulatory language now provides PacifiCorp two alternative paths to compliance with the FIP. The first path includes a requirement for Dave Johnston Unit 3 to cease operation by December 31, 2027. For this path, we are requiring Dave Johnston Unit 3 to meet a FIP limit of 0.28 lb/MMBtu (30-day rolling average) no later than five years after the date of our final action. This emission limit assumes the installation of LNBs/OFA. The second compliance path gives PacifiCorp the option to instead meet a 0.07 lb/MMBtu emission limit (assumes installation of SCR) within five years of our final action with no requirement for shut down. EPA met with PacifiCorp on October 31, 2013, to clarify the comments submitted by PacifiCorp (see October 31, 2013 memo to docket). Specifically, EPA asked if, in lieu of a requirement for SCR, PacifiCorp was asking for EPA to include an enforceable requirement in the FIP for Dave Johnston Unit 3 to shut down in 2027, and for EPA to make a BART determination based on that limited remaining useful life. PacifiCorp confirmed that it did want EPA to include an enforceable requirement in the FIP for PacifiCorp to shut down Dave Johnston Unit 3 by December 31, 2027, and to make a BART determination accordingly. As detailed in the following section, we determined that if the unit shuts down by December 31, 2027, SCR would no longer be NOx BART.¹

The two pathways as noted above are: First, Dave Johnston Unit 3 could meet a FIP limit of 0.28 lb/MMBtu (30-day rolling average) no later than five years after the date of the EPA's final action if the Company agrees to a firm shut down date of December 31, 2027. Second is the alternative which would not require a shut down, where the Company could install an SCR and must then meet a 0.07 lb/MMBtu emission limit (this assumes installation of an SCR) within five years of the EPA's final action.

CUB is delighted to see that PacifiCorp is now seriously engaging with the EPA to see if phasing out the plant would reduce costs to customers – something CUB has advocated for over a long period of time.

¹Approval, Disapproval and Promulgation of Implementation Plans; State of Wyoming; Regional Haze State Implementation Plan; Federal Implementation Plan for Regional Haze, EPA-R08-OAR-2012-0026, FRL9905-42-R08 at 45 & 46 (proposed Jan. 10, 2014) (to be codified at 40 C.F.R. pt. 52). Accessed at: <http://www2.epa.gov/sites/production/files/2014-01/documents/wyoming-regional-haze-sip-fip-signed-1-10-2014-prepublication-version-2.pdf>

B. Wyodak

For Wyodak, the EPA reviewed its numbers for visibility and cost and is now stating that NO_x BART is a FIP emission limit of 0.07 lb/MMBtu (30-day rolling average). This assumes installing both an SCR and LNB/OFAs.²

III. Steps

PacifiCorp's modeling scenarios in this IRP did not include pollution control consistent with these EPA proposals for Wyodak and Dave Johnston. In its most stringent scenarios relating to clean air costs, PacifiCorp considered an SNCR at Dave Johnston 3, whereas the EPA is proposing either an SCR or a shutdown of the plant. For Wyodak, the most stringent scenario included an SNCR, but EPA is requiring an SCR. For these reasons, PacifiCorp should update its filing and include analysis of these requirements for Wyodak and Dave Johnston.

IV. Conclusion

CUB thanks the Commission for the opportunity to file these Supplemental Comments on the Wyoming FIP. In CUB's opinion, the EPA's decisions in the Wyoming FIP should inform all of PacifiCorp's future analysis and negotiations with state and federal governments. As noted above, CUB is delighted to see that PacifiCorp is now seriously engaging with the EPA in its negotiations. CUB respectfully requests that the Commission require PacifiCorp to update its original and supplemental LC 57

² Approval, Disapproval and Promulgation of Implementation Plans; State of Wyoming; Regional Haze State Implementation Plan; Federal Implementation Plan for Regional Haze, EPA-R08-OAR-2012-0026, FRL9905-42-R08 at 49 (proposed Jan. 10, 2014) (to be codified at 40 C.F.R. pt. 52). Accessed at: <http://www2.epa.gov/sites/production/files/2014-01/documents/wyoming-regional-haze-sip-fip-signed-1-10-2014-prepublication-version-2.pdf>

filings to include analysis of both Wyodak and Dave Johnston as set forth in section II above.

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Respectfully Submitted,
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LC 57 – CERTIFICATE OF SERVICE

I hereby certify that, on this 17th day of January 2014, I served the foregoing **SUPPLEMENTAL COMMENTS ON THE WYOMING FIP OF THE CITIZENS' UTILITY BOARD OF OREGON** in docket LC 57 upon each party listed in the LC 57 PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending one original and five copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

(W denotes waiver of paper service)

(C denotes service of Confidential material authorized)

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