



State of Utah  
Department of Commerce  
Division of Public Utilities

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## MEMORANDUM

**To:** Public Service Commission

**From:** Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Matt Croft, Utility Analyst

**Date:** September 6, 2012

**Re:** Docket No. 12-035-92, Application of Rocky Mountain Power for approval of resource decision to construct selective catalytic reduction ("SCR") systems on Jim Bridger Units 3 and 4.

### RECOMMENDATION

The Division recommends that the Commission notice a scheduling conference in the referenced matter as soon as practicable.

### ISSUE AND DISCUSSION

On August 24, 2012, Rocky Mountain Power (Company) filed a voluntary application with the Public Service Commission (Commission) seeking approval to construct SCR systems on the Jim Bridger Units 3 and 4. The Company also requested the Commission notice a scheduling conference concerning this matter.

According to the Company, the SCR project is needed for three principal reasons. First, operation of the Jim Bridger Units 3 and 4 is necessary to provide baseload capacity that is adequate, safe, efficient and reliable. Second, if the two units are to continue in operation, and

be compliant with environmental regulation, modifications must be made by December 31, 2015 on Unit 3 and by December 31, 2016 on Unit 4. Third, the continued operation of the two units with the proposed SCR project is “is the least-cost compliance alternative (adjusted for risk and uncertainty) under a reasonable range of market conditions that have been evaluated.” In conducting its analyses, the Company has considered both existing and potential future environmental regulations.

The Company filed its application in accordance with Utah Code Ann. § 54-17-402. This statute allows an energy utility to request Commission approval of all or part of a resource decision.<sup>1</sup> Unless the Commission finds additional time is needed to analyze a resource decision and is in the public interest, the Commission shall issue an order with regards to that decision within 180 days<sup>2</sup>.

## **CONCLUSION**

Given the 180 day time period stated in the statute and the logistical complexities the Company faces in constructing the SCR projects, the Division recommends the Commission give notice of a scheduling conference as soon as practicable.

CC Dave Taylor, Rocky Mountain Power

Michele Beck, Office of Consumer Services

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<sup>1</sup> See Utah Code Ann. § 54-17-402(1).

<sup>2</sup> See Utah Code Ann. §54-17-402(6).