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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the matter of:

**THE VOLUNTARY REQUEST OF
ROCKY MOUNTAIN POWER FOR
APPROVAL OF RESOURCE
DECISION TO CONSTRUCT
SELECTIVE CATALYTIC
REDUCTION SYSTEMS ON JIM
BRIDGER UNITS 3 AND 4**

Docket No. 12-035-92

**REQUEST FOR REVIEW OR
REHEARING OF WESTERN
RESOURCE ADVOCATES**

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, Western Resource Advocates (WRA) hereby requests that the Utah Public Service Commission (“Commission”) review or rehear the Report and Order in the above-styled docket, entered May 10, 2013, and in support thereof states as follows:

1. In its Brief in this docket, WRA argued:

Of particular importance in determining whether to grant prior approval in this expedited proceeding is the fact that the Company admittedly failed to investigate an obvious alternative that would likely be less costly, environmentally superior, and very promising in terms of EPA approval. This alternative, a gas-fired replacement of one of the facilities, along with significantly less expensive controls on the other, is identical to an outcome

tentatively agreed to by EPA for the San Juan Generating Station in New Mexico – an agreement entered into just prior to the commencement of hearings in this Utah docket. WRA Cross Exhibit 1.

PacifiCorp witness Teply testified that the Company never explored the possibility of an alternative involving a conversion to natural gas of one unit and installation of the less expensive, and less effective, selective non-catalytic reduction (SNCR) control technology at the second unit. According to Mr. Teply, SNCR technology would be 7 to 10 times less expensive than the SCR technology the Company suggests. The Company neglected to explore this alternative because of its view that such a combination of features would not be compliant with the Clean Air Act. Teply Tr. at 55-56. WRA Cross Exhibit 1 disputes that contention and makes it clear that EPA would consider a conversion of one unit and a lesser control technology at a second to be Clean Air Act compliant. WRA Cross Exhibit 1 depicts an EPA-State of New Mexico-PNM tentative agreement which was reached on February 15, 2013. Along with several less significant provisions, that Term Sheet provides that PNM will install SNCR technology on two units of the San Juan Generating Station, ¶1c, and retire the remaining two units by December 31, 2017. ¶1f. The two retired units would be replaced, at least in part, with a gas combustion turbine. ¶4.

If PacifiCorp proceeds to install SCR on the two Bridger units when a less expensive compliance path could be available to it, there is certainly a prudence issue associated with the project. The Commission would be remiss in preapproving a project that neglected to consider such an obvious alternative. In fact, to protect the public interest, WRA believes the Commission should instruct PacifiCorp to approach EPA and the State of Wyoming about exactly such an alternative compliance path.

2. The Commission, in its Report and Order, addressed this issue by summarily stating:

WRA, through its legal counsel, also introduced at hearing an agreement between the EPA, Public Service Company of New Mexico, and the state of New Mexico regarding the installation of selective non-catalytic reduction technology on the San Juan Generation Station's ("SJGS") Units 1 and 4 and the retirement of SJGS Units 2 and 3. WRA questions whether a similar approach would be applicable to Bridger units and whether the parties had enough time to investigate this option in the analysis. No WRA witness offered testimony regarding this option.

Report and Order at 21.

3. Recent events and developments, identified in the affidavit of Nancy Kelly accompanying this Request, appear to indicate that the Environmental Protection Agency would indeed be open to considering a SNCR/repowering alternative to installing expensive SCR controls at Bridger. Specifically:

a) In a March 9, 2013 press report in the Albuquerque Journal, EPA Region 6 Administrator Curry confirmed that EPA views the San Juan outcome as a collaborative model that it intends to develop and adopt elsewhere;

b) On June 6, 2013, in Arizona, EPA Region 9 confirmed that it will reconsider its SCR requirements at the Apache coal plant, and instead consider repowering one unit with natural gas and installing less expensive SNCR at the second unit;

c) Earlier today, WRA sent a letter to newly appointed EPA Region 8 Administrator Shaun McGrath asking him to confirm that EPA would consider an alternative for Bridger Station that included retirement or repowering, and SNCR controls. We are awaiting a reply to that request, and will immediately inform the Commission and parties when a reply is received.

4. Given these developments, WRA believes the public interest can only be served if the Commission reconsiders its May 10 decision, and denies pre-approval of PacifiCorp's request to install SCR controls at Bridger Units 3 & 4. Not only would a repowering/SNCR alternative at Bridger likely provide an environmentally superior outcome, it also has the potential to save Utah ratepayers millions of dollars. The benefits of such an approach have been recognized in New Mexico, Arizona and by the EPA. On

the other hand, it would be very unfortunate for PacifiCorp to go forward, with premature cost recovery guarantees, and install unnecessarily expensive controls on aging coal plants, that carry with them a great deal of future regulatory risk.

WHEREFORE, for the foregoing reasons, WRA requests that the Commission review and rehear its May 10, 2013 Report and Order in this docket, and deny PacifiCorp's Voluntary Request to install selective catalytic reduction controls at Jim Bridger Units 3 and 4.

Respectfully submitted,

WESTERN RESOURCE ADVOCATES



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