



improve industrial power quality. Ultimately, as CHA/UPA envision, these strides will support RMP's and Utah's safety, environmental, and economic interests together.

## **II. Background on CHA**

The CHA Incineration Facility in Grantsville, Utah ("CHA Facility") has experienced ongoing power quality and reliability issues over the past several years. With each interruption, voltage sag, surge, or momentary outage that occurs, CHA faces significant safety and environmental risks, as well as great financial impact.

In 2019, CHA experienced twenty-two (22) power interruptions resulting in upset conditions. The installation of power quality monitoring equipment in 2019 resulted in a better reliability review, the discovery of contributing issues, and the replacement of various cross arms and insulators. Notwithstanding these corrective measures, in 2020 CHA experienced twenty-five (25) power bumps or outages. In 2021 CHA experienced seventeen (17) events. To date in 2022, CHA has already experienced sixteen (16) events.

The CHA Facility, while served exclusively by RMP for power, is regulated by several agencies, including the Utah Division of Environmental Quality ("UDEQ") and the United States Environmental Protection Agency ("US EPA"), which oversee the facility's operating permits. During each power interruption, or voltage related disruption, CHA's emergency relief vent opens, which necessarily bypasses air quality controls. In accordance with applicable regulations and our operating permits, CHA is required to report any malfunctioning resulting in a release of pollutants to the UDEQ. The regulations require that, based on the findings of the investigative process, a list of corrective actions and preventative measures accompany each submitted report.

Beyond these commitments and environmental concerns, which CHA takes very seriously, the power quality and reliability issues pose acute safety concerns. In addition, the impacts of the

interruptions and the attendant required start-up of our facility causes significant lost production and opportunity costs to our business and excessive wear on our operating assets. Given the significance of these impacts, CHA wanted to raise this for the Commission's and the Division's consideration.

Although CHA is grateful for RMP's responsiveness in its communications and to be working in partnership with RMP to address these issues, CHA remains concerned about the persistence of the issues and is eager for corrective action. CHA recognizes that perfection is not the goal, but meaningful improvement in the frequency and impact of these events must be.

### **III. Background on UPA**

The UPA is a statewide oil and gas trade association established in 1958 representing companies involved in all aspects of Utah's oil and gas industry. UPA members range from independent producers to midstream and service providers, to major oil and natural gas companies widely recognized as industry leaders responsible for driving technology advancement resulting in environmental and efficiency gains. UPA member companies include five refineries, each of which is a RMP industrial customer, operating along the Northern Wasatch Front ("NWF") ozone nonattainment area. Thus, UPA member companies have a keen interest in power quality and reliability not only from a financial perspective but also in terms of air quality.

UPA's refinery members are among the largest power users in the state and have been actively engaged in the Division-led Workgroup. These refineries employ thousands of Utahns and have a multibillion-dollar economic impact to Utah's Gross Domestic Product ("GDP"). To operate optimally from an economic, environmental, and safety perspective, they need a reliable supply of energy. Refining operations (and many other industrial operations including mining, processing, and manufacturing) are 24-hour/365-day operations and any power outages can result in work cessations that can bring disruption, safety concerns, and significant economic loss. As a

highly regulated and scrutinized industry, such disruptions can have a direct bearing on UPA members' abilities to maintain their respective regulatory compliance requirements, and also negatively impact environmental, social, and governance ("ESG") metrics, even though such disruptions are often beyond the UPA member company's fence line and control.

UPA's refining member companies have faced significant impacts for many years, typically, with multiple power quality events annually. Those impacts are far reaching with the potential to result in not only significant business costs but also emission limit exceedances and material environmental impacts. Small power blips can and have resulted in a need to stabilize operations, necessitating flaring to ensure continued safe operations. The refineries have already undertaken significant capital investments to greatly reduce air emissions and reduce or, in some cases, nearly eliminate flaring, with the exception of safety-related needs.

Unfortunately for UPA members, power quality issues and instability in the provision of power directly results in a need to flare and increased air emissions, which has an impact on the broader population and environment. As an example, the US EPA allows Force Majeure for incidents outside of the refineries' control to be excused from stipulated penalties. One of UPA's refining members submitted a request to the US EPA for Force Majeure as a result of the August 3, 2019, RMP power blip resulting in a flaring event. In response, the US EPA took issue with the refinery's repeat power failure incidents and noted that future Force Majeure notifications should include an explanation of what is being done to improve reliability of the power supply. This threatens the Force Majeure allowance but leaves UPA member companies without meaningful ability to control the outcome, increasing risk of fines and potentially limited operation of the impacted refineries and industries.

Given the significant air quality challenges faced by the NWF, UPA's refining members have very significant and justifiable concerns about these impacts. So much so, that the refineries have jointly funded improvements to the RMP system, which serve to benefit *all* RMP customers served by these facilities, not just industrial customers or the affected UPA members. For example, the Woods Cross to North Salt Lake Project made improvements at the Woods Cross and North Salt Lake substations. This project was completed in January 2019 and cost well over \$200,000 dollars, funded by the refineries. The refineries have also funded the Woods Cross 46 kV Bus Protection Project totaling another nearly \$200,000. Beyond these investments, there are several other RMP infrastructure projects the refineries are evaluating funding, totaling \$1-2 million. These investments are all outside the refineries' fence line and made in addition to the significant investments already made to their respective facilities to improve their ride through capabilities and modernize their equipment.

Given these ongoing concerns and issues, the UPA has established an internal electrical reliability workgroup dedicated specifically to working with RMP to review and assess areas of critical infrastructure weakness and consider self-funding investments to improve RMP's infrastructure, such as the projects described above. While UPA appreciates that collaborative effort, UPA remains deeply concerned about significant air quality implications with broader public and environmental health impacts. UPA is also concerned about funding projects that are more appropriately borne by RMP's broader body of ratepayers, since the benefits of these investments inure to more than just UPA members. Given the importance of reliable power and the substantial investments in infrastructure improvements on the RMP system already borne by UPA's members, UPA believes a more thorough evaluation is warranted as to needed RMP

infrastructure maintenance and upgrades, power quality improvements, and consideration of appropriate cost allocation for a more reliable system.

#### **IV. CHA/UPA's Comments and Recommendations**

CHA/UPA recognize that RMP's PQ Report template provides a good starting point and suggests the following recommendations for the Division's consideration, ultimately, with the goal of improved power quality both in the near- and long-term.

*Transparency:* Access to reliable information is key to the ability to identify issues and design appropriate and feasible solutions. We recommend the Division require that RMP:

- Share all root cause analyses for power quality events for any known or reasonably expected to be affected RMP industrial customers.
- Invest in additional power quality meters to better track industrial power quality and assist in root cause analysis of events in order to support identification of priority areas for needed maintenance and updates.
- Include three to five years of backward-looking data in the annual PQ Reports, rather than forward-looking only. CHA/UPA recognizes there may not be three to five years of available data for each power quality meter, but still maintains there is value in identifying areas of the grid that need priority attention. Using only forward-looking data means that it may be several years before enough data is available to make reasonable decisions about what areas of the grid require improvement or upgrade.
- File its inspection and maintenance schedules and practices with the Commission in a Docket that enables access to the information for interested or affected parties subject to the Commission's rules governing confidentiality.

Partnership: CHA and UPA’s members take seriously their partnerships with RMP, and their responsibilities to do their part to keep their facilities running safely, optimally, and efficiently. CHA and UPA members continue to invest in their facilities, including ongoing ride-through capability. Although power quality issues are technical and electrically based occurrences, ongoing and clear communication is critical towards understanding and action.

- Formalize communication practices to ensure timely, and where possible, advance notice of any power quality events.
- Work with industrial customers to formalize record keeping and tracking of pertinent details of power quality events, to assist in identifying trends, causes, or affected infrastructure.
- Upon an affected customer’s request, designate an engineering team to work with the affected customer’s team to conduct site-specific audits and identify feasible solutions.
- As part of that site-specific audit, also identify any RMP facilities or assets that may be leading to power quality events, identify those assets to the customer and provide a reasonable action plan to address needed RMP infrastructure improvements.

Objectives and Implementation Plans:

Although the RMP PQ Report presents a template for providing data on power quality monitoring and voltage sag events and associated categories, the PQ Report begs the question of “now what?” Beyond identifying a sampling of event information, the PQ Report does not present any proposed remedies to resolve the issues, or a timeline for doing so. Identifying problems, without presenting proposed solutions and a commitment to resolution, does not go far enough. CHA/UPA accordingly recommend that the PQ Report template be modified and RMP be required to:

- Present proposed remedies to resolve identified issues, with a timeline for implementation.
- Annually identify proposed proactive measures intended to improve service quality and reliability, with a tracking mechanism to correlate what measures have been done to any improvements (or lack thereof) in power quality year over year.
- Annually identify any damaged or ill-functioning equipment, and any equipment approaching the end of its useful life, with a plan and timeline to repair or replace such equipment.

**V. Contact Information**

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**VI. Conclusion**

CHA/UPA welcomes the opportunity to participate further in this proceeding and any additional power quality related proceedings the Commission and the Division may entertain in the future. Ultimately, CHA/UPA appreciates the Workgroup's and Division's efforts, and the ongoing opportunity to partner with RMP towards supporting Utah's safety, environmental, and economic interests together.

Respectfully submitted this July 26, 2022.

**HOLLAND & HART LLP**

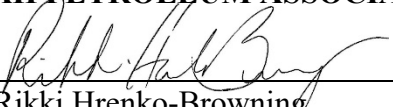
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CERTIFICATE OF SERVICE

I CERTIFY that on July 26, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

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