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FUELING UTAH'S GROWTH & PROSPERITY

May 17, 2024

VIA ELECTRONIC FILING TO PSC@UTAH.GOV

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84114

Attn: Michael J. Hammer, Presiding Officer, michaelhammer@utah.gov
Gary L. Widerburg, PSC Secretary, gwiderburg@utah.gov

Re: Docket No. 24-506-01 - Application of Deseret Generation and Transmission Co-Operative for a Certificate of Public Convenience and Necessity Authorizing the Acquisition of Electric Utility Plant and Equipment

Utah Petroleum Association Comments

The Utah Petroleum Association (UPA) appreciates the opportunity to engage with the Public Service Commission of Utah ("Commission") regarding Deseret Generation and Transmission Cooperative's ("Deseret") application for a Certificate of Public Convenience and Necessity ("Certificate" or "CPCN") for installation of a system of Selective Catalytic Reduction ("SCR" or "Project") for NOx control at the Bonanza Unit 1 ("Bonanza"). UPA fully supports Deseret's application for the CPCN for this Project for the reasons noted below.

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 the largest crude oil producers in the state, representing approximately 90% of the state's oil production, with operations predominantly in eastern Utah and in Deseret's service territory.

We believe this Project is a prudent upgrade to meet emission reduction goals and requirements while maintaining much needed dispatchable power. Deseret has noted that by adding SCR, Bonanza's emissions would be low enough to comply with the federal Ozone Transport Rule (OTR rule). Additionally, reducing NOx emissions, which are a precursor in the formation of ozone, is particularly impactful in the Uinta Basin, which is a federally designated non-attainment area for ozone. The oil and gas industry has made considerable investments and operational changes to reduce ozone precursor emissions and we support Deseret similarly making this investment to reduce ozone precursor emissions.

Oil and gas producers in the Uinta Basin are currently navigating a number of new federal regulatory requirements to reduce emissions. One such new requirement will be to electrify operations. Today, due to the remote and dispersed nature of the basin's oil and gas operations, many sites do not have power available. As such, pumps, compressors, engines and the like have traditionally been run using the co-produced gas which, by the nature of their operations, have an emission signature. Electrifying these sites, as now required by EPA, is an opportunity for further emission reductions, but will increase the power load in the very near term.

Additionally, production in the Uinta Basin has grown significantly over the recent years, with 2022 and 2023 breaking state production records and growth continuing on a stable trajectory. That growth in oil and gas production will also result in a growth in power demand. UPA and its members are in regular communications with Deseret about this growing power need and support efforts and investments by Deseret to ensure adequate baseload generation will continue to be available not only to service today's load and the growth of the Uinta Basin communities, but also the growing industry power needs.

Again, we support Deseret's Project and appreciate the opportunity to provide this comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Rikki Hrenko-Browning". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Rikki Hrenko-Browning
President
Utah Petroleum Association

CERTIFICATE OF SERVICE

I CERTIFY that on May 17, 2024, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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Rikki Hrenko-Browning
President