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IDAHO PUBLIC

UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO INCREASE ITS RATES FOR ELECTRIC SERVICE TO RECOVER COSTS ASSOCIATED WITH THE JIM BRIDGER POWER PLANT CASE NO. IPC-E-21-17

IDAHO CONSERVATION LEAGUE AND SIERRA CLUB RESPONSE TO JOINT MOTION TO SUSPEND SCHEDULE

The Idaho Conservation League (ICL) and Sierra Club submit this Response to the Joint Motion to Suspend Procedural Schedule (Joint Motion). Idaho Power and Staff request to suspend responses to discovery requests and further processing of this docket to address "new developments," namely PacifiCorp's proposal to convert Bridger Units 1 and 2 from burning coal to burning gas and the ongoing negotiation over the Wyoming State Implementation Plan (Wyoming SIP).¹ ICL and Sierra Club recommend that the Commission require IPC to work with parties to develop a procedural schedule for this docket that reflects resolving these uncertainties by the end of 2021 instead of allowing IPC to indefinitely suspend the proceeding.

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¹ Joint Motion to Suspend Procedural Schedule, Case No. IPC-E-21-17, p. 4 (Oct. 1, 2021).

In addition, ICL and Sierra Club recommend that the Commission condition the suspension of this docket on Idaho Power submitting monthly status updates on the Wyoming SIP process, continuing to respond to discovery requests that address coal-related costs at Jim Bridger, and independently assessing the options for Jim Bridger that benefit Idaho Power customers.

I. IPC Should Work with Parties to Develop a Procedural Schedule for 2022

Although we acknowledge there are uncertainties regarding the future of the Jim Bridger plant, including the ongoing discussion related to regional haze compliance and the potential gas conversion of the plant, we do not agree that these uncertainties should indefinitely delay the current Jim Bridger depreciation proceeding. First, it is likely that ongoing negotiations regarding regional haze compliance will resolve before the end of 2021. The Joint Motion correctly notes that Wyoming has submitted a regional haze SIP revision to the U.S.

Environmental Protection Agency (EPA), which the Agency has not acted upon.² Because PacifiCorp's request to amend the Wyoming SIP and Wyoming's corresponding regional haze SIP revision has not been approved, the federal requirements to install Selective Catalytic Reduction (SCR) controls on Bridger Units 1 and 2 by the 2021 and 2022 remain in effect.³

Unless EPA approves the amendment to the Wyoming SIP, PacifiCorp installs SCRs on Bridger 1 by the end of December 2021, or the parties come to some other negotiated resolution, continued operation of Jim Bridger Unit 1 will constitute a violation of the Clean Air Act beginning January 1, 2022. As a result, and in light of the fact that negotiations are currently

² *Id.* at 3.

 $^{^3}$ Id

ongoing,⁴ we expect there to be a resolution to the regional haze compliance issue before the end of the year.⁵

Second, Idaho Power is required to file its 2021 IRP by December 2021.⁶ Idaho Power is fully capable of assessing a variety of Bridger options in the IRP, including whether to exit all units or follow PacifiCorp's desire to convert Units 1 and 2 to gas. Idaho Power has performed similar analyses several times, namely for Valmy and the co-owner NV Energy as well as for Bridger in the 2019 IRP and the beginning of the 2021 IRP. Therefore, the uncertainty of whether gas conversion is in the best interest of Idaho Power customers will be resolved, or at least the analysis will be available, by the end of 2021.

Given that the regional haze compliance and gas conversion issues should be resolved, or largely resolved, by the end of 2021, IPC will be able to move forward on the Bridger proceeding in early 2022. As a result, we request that the Commission require IPC to work with parties in 2021 to set a firm schedule for the Bridger docket for early 2022.

II. IPC Should Continue to Respond to Bridger Coal-Related Discovery

ICL and Sierra Club recommend that the Commission move forward with the coal-related cost portions of this docket in order to resolve issues that are independent of the Wyoming SIP process or a possible gas conversion at Units 1 and 2. Even if Wyoming and the EPA agree to PacifiCorp's proposal to convert Bridger units to gas, this Commission will need to address Idaho Power's request here to recover past spending at Bridger and any remediation costs such

⁴ *Id*.

⁵ Sierra Club is a party to the ongoing negotiations concerning regional haze compliance at Jim Bridger. However, Sierra Club's representation that a resolution is likely to be achieved by the end of the year is based solely on publicly available information: namely, that federal requirements mandate that SCRs be installed on Jim Bridger Unit 1 no later than December 31, 2021, PacifiCorp has taken no action to install SCRs on Unit 1, and the parties are currently negotiating a resolution to this issue. No inference regarding the status or substance of the ongoing negotiations should be assumed based on this representation.

⁶ Final Order, Case No. IPC-E-21-06, p. 3 (May 27, 2021).

as coal-ash containment and decommissioning of the coal related infrastructure at the Bridger site. By addressing these coal-related costs now, the Commission can establish cost recovery processes that avoid intergenerational equity issues of having future Idaho Power customers pay for legacy coal-related costs. ICL and Sierra Club recommend the Commission direct Idaho Power to continue to respond to discovery requests that address coal-related costs at the Bridger plant.

III. IPC Should Continue to Assess Bridger Options for IPC customers

ICL and Sierra Club also recommend that the Commission require IPC to assess independently whether converting the Bridger plant to natural gas is the best option for IPC customers. Idaho Power customers remain unrepresented in the Wyoming SIP negotiation process because IPC is not a party to the SIP revision discussion and negotiation. And, while PacifiCorp has filed a new IRP that proposes to convert Bridger units to gas, that analysis is only relevant to PacifiCorp and there is no indication in the record in this case that PacifiCorp's desire is in the best interest of Idaho Power's customers. As this Commission saw in dealing with the Valmy coal plant, Idaho Power has the ability to make resource decisions independent of a coowner who has different objectives. The Commission should give little weight to Idaho Power and Staff's reason to suspend this docket due to PacifiCorp's new plan to convert Bridger to gas—a plan yet to be reviewed by any of the six states that oversee PacifiCorp or approved as a revision to the existing Wyoming SIP. Rather, ICL and Sierra Club recommend that the

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⁸ See Order No. 33771, Case No. IPC-E-16-24 (May 31, 2017).

⁷ *Id.* (IPC states that "[d]iscussions between EPA, Wyoming, and PacifiCorp regarding the SIP revision and regional haze compliance at Jim Bridger are ongoing" indicating that Idaho Power is not a party to the negotiations)

Commission direct Idaho Power to continue assessing the optimal path forward for Idaho Power customers regarding Bridger in the IRP process.⁹

IV. Conclusion

Given that the uncertainties surrounding PacifiCorp's proposal to amend the existing Wyoming SIP and Idaho Power's independent analysis of whether to change plans from exiting Bridger will likely be resolved by the end of 2021, ICL and Sierra Club are not opposed to a short delay in the Bridger depreciation proceedings. However, delaying the proceeding until "more information is known" is unreasonably vague and fails to provide IPC customers with certainty regarding the future of the Bridger plant and any associated rate changes. ICL and Sierra Club request that the Commission order Idaho Power to:

- Work with parties to establish a procedural schedule that reflects the likely resolution of the Wyoming SIP process and Idaho Power's resource planning by the end of 2021.
- 2. Continue to respond discovery requests about coal-related costs at Bridger
- 3. File monthly updates on the Wyoming SIP negotiations and Idaho Power's independent assessment of the options for Bridger.

ICL and Sierra Club respectfully submit this Response to the Joint Motion to Suspend the Procedural Schedule.

DATED this 1st day of October, 2021.

⁹ ICL and Sierra Club acknowledge this docket is about Bridger depreciation and not directly about the IRP. However, these processes are intertwined as the IRP provides the analytical basis to determine the optimal path forward for IPC's share of the Bridger plant.

¹⁰ Joint Motion, *supra* at 4.

Respectfully submitted,
/s/
Benjamin J. Otto
Idaho Conservation League
/s/
Rose Monahan
Sierra Club

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of October 2021, I delivered true and correct copies of the foregoing RESPONSE TO JOINT MOTION to the following persons via the method of service noted:

_____/s/ Rose Monahan Sierra Club

Electronic mail only (see Order 35058)

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