

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR A)	CASE NO. IPC-E-13-16
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY FOR THE INVESTMENT)	NOTICE OF APPLICATION
IN SELECTIVE CATALYTIC REDUCTION)	
CONTROLS ON JIM BRIDGER UNITS 3)	NOTICE OF
AND 4.)	INTERVENTION DEADLINE
)	
)	ORDER NO. 32857

provides highly valuable capacity during periods of peak demand, but also low cost and dispatchable baseload energy. *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power's Application requests that the Commission issue a CPCN authorizing the Company to invest in and construct SCR systems and associated ancillary equipment for Jim Bridger Units 3 and 4 (the Project). The Application explains that each SCR system would be comprised of two separate universal reactors, with multiple catalyst levels; inlet and outlet ductwork; a shared ammonia reagent system; an economizer upgrade; structural reinforcement of the boiler and flue gas path ductwork and equipment; and extension of the existing Plant distributed control system. *Id.* The Application states that an induced draft fan upgrade and an associated auxiliary power system variable frequency drive insertion are required on Unit 4 only. According to the Company, these emission control investments in SCR systems and associated ancillary equipment will result in the reduction of nitrogen oxide emissions in compliance with existing state and proposed federal emission requirements. *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power explains that the BART Appeal Settlement Agreement with the State of Wyoming and the Wyoming Regional Haze State Implementation Plan (SIP) require the installation of SCR on Unit 3 by the end of 2015 and on Unit 4 by the end of 2016. On May 23, 2013, the United States Environmental Protection Agency (EPA) recommended approval of the Wyoming Regional Haze SIP for installation of SCR on Units 3 and 4 in 2015 and 2016, respectively. The Application states that the EPA has indicated it will sign a notice of final rulemaking on November 21, 2013, making the emission reduction requirements on Units 3 and 4 federally enforceable. Consequently, if the environmental upgrades are not installed within the time frame given by the State of Wyoming or the EPA, Idaho Power maintains that it would be forced to stop generating from these units. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that Idaho Power prepared the Coal Unit Environmental Investment Analysis to determine the economic viability of installing the Jim Bridger Plant SCRs. The Coal Study analyzed the SCR investment at Jim Bridger Units 3 and 4 as part of a larger analysis conducted for all four units at the Plant and the two units at the North Valmy plant. The Coal Study supports upgrading Units 3 and 4 with emissions control

equipment to allow ongoing coal-fueled energy production as the least-cost, least risk outcome for customers. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Application identifies the total cost of the Project (before Allowance for Funds Used During Construction – AFUDC) as \$353,843,886. Idaho Power’s one-third share is \$117,947,962 (\$57,649,113 investment in Unit 3 and \$60,298,849 investment in Unit 4 – before AFUDC). The Company’s commitment estimate¹ for its portion of the Project is \$129,837,393 – which includes \$11,889,431 in AFUDC. Based on a high-level jurisdictional revenue requirement analysis and Idaho Power’s current jurisdictional allocation between Idaho and Oregon, Idaho Power estimates that Idaho’s addition to production plant would be approximately \$60.2 million for investments at Unit 3 and approximately \$64 million for investments at Unit 4. *Id.* at 8. The Application states that, at the Company’s currently authorized rate of return, the additional annual revenue requirement for SCR investments in Units 3 and 4 would be approximately \$9.1 million and \$9.7 million, respectively. *Id.*

YOU ARE FURTHER NOTIFIED that, pursuant to *Idaho Code* § 61-541, Idaho Power requests that the Commission provide authorization and a binding commitment to provide rate base treatment for the Company’s capital investment in SCRs at Jim Bridger’s Units 3 and 4 in the amount of \$129,837,393.

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

¹ The Application states that the Company’s commitment estimate is a good faith estimate of Idaho Power’s total capital cost, including AFUDC, and additional costs the Company anticipates it will incur but cannot quantify with precision at this time. Application at 7.

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YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-526 through 61-528 and 61-541. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate must file a Petition to Intervene **no later than fourteen (14) days from the service date of this Order**. Persons desiring to present their views without parties' rights of participation and cross-examination at hearing are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, the Staff counsel will convene an informal prehearing conference for the purpose of discussing a schedule to process this case, the service of discovery, and other issues raised by the parties.

ORDER

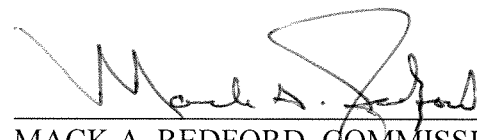
IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

IT IS FURTHER ORDERED that the Commission Secretary issue a Notice of Parties after the deadline for intervention has passed.

IT IS FURTHER ORDERED that, once the Notice of Parties is issued, Staff counsel convene an informal prehearing conference to discuss the processing of this case.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th day of July 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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