

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE INVESTMENT IN SELECTIVE CATALYTIC REDUCTION CONTROLS ON JIM BRIDGER UNITS 3 AND 4.)))))))	CASE NO. IPC-E-13-16 ORDER NO. 32929
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On June 28, 2013, Idaho Power Company filed an Application with the Commission for a Certificate of Public Convenience and Necessity (CPCN) pursuant to *Idaho Code* §§ 61-526 through 528 and 61-541. The Company seeks authorization of its investment in Selective Catalytic Reduction (SCR) controls in Jim Bridger Units 3 and 4 and inclusion of the investment in Idaho Power's rate base once the SCR controls are installed and operational. The Company requests that the Commission issue an Order approving the CPCN no later than November 29, 2013.

Based upon our review of the Application, the direct and rebuttal testimony of the parties, legal briefs, and public participation through testimony and comments, the Commission grants in part and denies in part the Application of Idaho Power for a Certificate of Convenience and Necessity regarding its investment in Selective Catalytic Reduction (SCR) controls in Jim Bridger Units 3 and 4 as set out in greater detail below.

BACKGROUND

A. The Company's Application

The Company's Application states that it owns one-third of the Jim Bridger coal-fired power plant (Jim Bridger Plant) located near Rock Springs, Wyoming. PacifiCorp owns the remaining two-thirds and is the operator of the Jim Bridger Plant. The Application explains that the Plant consists of four generating units and is adjacent to the co-owned Jim Bridger Coal Company Mine, that supplies approximately six million tons per year of sub-bituminous coal to the Plant. Application at 2. Idaho Power further states that the Plant currently employs approximately 350 personnel.

Idaho Power maintains that the Jim Bridger Plant is the "workhorse" of Idaho Power's thermal fleet. *Id.* at 3. The Application states that, after adjustment for scheduled

maintenance periods and estimated forced outages, the annual energy generating capability of Idaho Power's share of the Jim Bridger Plant is approximately 625 average megawatts. The Company further asserts that this Plant has the lowest dispatch cost and the lowest installed cost of nameplate capacity to operate of any other project in Idaho Power's thermal generation fleet. Idaho Power stresses that the Jim Bridger Plant not only provides highly valuable capacity during periods of peak demand, but also low-cost and dispatchable baseload energy. *Id.*

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.*

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.¹ 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.

¹ At hearing, Idaho Power updated the Commission that the EPA has requested a delay regarding the issuance of its notice of final rulemaking. A notice now may be issued as late as January 2014. It is the Company's position that EPA delay should not impact a decision by this Commission regarding the Bridger upgrades because Idaho Power is still bound by the compliance dates per its settlement agreement with the State of Wyoming.

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.

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 estimate² 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.*

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.

B. The Parties

In its Notice of Application dated July 19, 2013, the Commission established a deadline for intervention. The Commission subsequently granted intervention to three parties. The parties in this case and their respective representatives are listed below:

Idaho Power Company:	Lisa Nordstrom Jennifer M. Reinhardt-Tessmer
Commission Staff:	Kristine A. Sasser Deputy Attorney General
Idaho Conservation League:	Benjamin J. Otto

² 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.

Industrial Customers of Idaho Power:

Peter J. Richardson
Gregory M. Adams
Richardson Adams PLLC

Snake River Alliance:

Dean J. Miller
McDevitt & Miller LLP

C. Course of Proceedings

In its Notice of Application, the Commission directed Staff to convene an informal prehearing conference after the deadline for intervention had passed. The Idaho Conservation League (ICL), Industrial Customers of Idaho Power (ICIP, Industrial Customers) and Snake River Alliance (SRA, Alliance) petitioned for, and were granted, intervention. Order No. 32859. A Notice of Parties was issued on August 6, 2013. The parties proposed, and the Commission adopted, a procedural schedule for processing this case. Order Nos. 32884 and 32912.

Direct testimony was filed by Staff, ICL, ICIP and SRA on October 11, 2013. Idaho Power filed rebuttal testimony on October 29, 2013. A technical hearing was conducted on November 7, 2013, and legal briefs were submitted by the parties on November 15, 2013. ICL's witness was unable to attend the technical hearing. Consequently, the testimony of Ms. Courtney White was entered into the record as a public comment. Tr. at 357. A public hearing was held on November 25, 2013. Twenty-six people testified before the Commission.

THE HEARINGS

A. Technical Hearing

All parties entered appearances at the technical hearing held on November 7, 2013. Idaho Power, Commission Staff, ICIP and SRA presented witnesses for testimony and cross-examination.

1. Commission Staff. Staff's analysis of the Company's Application focused on whether Idaho Power's decision to invest in emission controls is necessary and whether the project is the least cost and least risk for customers into the future when compared to other alternatives. Tr. at 291. Staff also considered whether and to what extent the Company's investments should be pre-approved for binding ratemaking treatment pursuant to *Idaho Code* § 61-541.

Staff explained that the Wyoming Department of Environmental Quality, in compliance with Clean Air Act Regional Haze rules, requires that Idaho Power either install selective catalytic reduction (SCR) emission controls by December 2015 on Jim Bridger Unit 3 and December 2016 for Unit 4 to limit nitrogen oxide (NOX) emissions or discontinue operation of the units. Staff stated that

The Company relies on 174 MW and 177 MW of net dependable baseload capacity from Units 3 and 4, respectively. This represents approximately 10% of Idaho Power's total system generation capacity and approximately 19% of the Company's baseload capacity. The Company would need to maintain at least an equivalent amount of baseload capacity to continue to reliably and economically meet customer's [sic] electricity needs. Therefore, permanently halting operation of Bridger Units 3 and 4 without replacing its generation capacity is not an option.

Tr. at 293. Consequently, Staff maintained that alternative resources were only feasible if the resources were dispatchable and reliable year round. The cost of alternative considerations also needed to "reasonably compete with an SCR equipped Bridger unit" in order to minimize the rate impact on Idaho Power's customers. Tr. at 297. Alternatives also needed to be compliant with environmental regulations and constructed/operational by the time the Bridger units would need to cease operation.

Ultimately, Staff determined that, even with the possibility of additional costs to comply with potential future environmental regulations, Idaho Power's decision to upgrade Bridger Units 3 and 4 was the least cost, least risk alternative. Staff recommended, however, that the Commission limit the pre-approval permitted under *Idaho Code* § 61-541 to those costs that are already known and measureable. Staff further recommended that pre-approval be granted on a cost category basis – as opposed to pre-approval on a total project basis. Staff explained that "excluding uncertain amounts [of project costs] incents the Company to continue to find cost-effective ways of implementing a project once it is underway." Tr. at 308. Staff asserted that this approach would "assure costs are reasonably incurred in all cost item categories throughout project development." *Id.* Based on its analysis, Staff recommended that the Commission pre-approve \$81,378,000.

2. ICIP. ICIP did not advocate for a denial of Idaho Power's proposed upgrades to Bridger Units 3 and 4. ICIP's testimony focused on the prudence of granting binding ratemaking treatment pursuant to *Idaho Code* § 61-541. The Industrial Customers maintain that "a review of

part of the investment in this docket and part of the investment at a later unspecified time is simply not prudent.” Tr. at 344. ICIP further stated that no compelling reason exists for the Commission to pre-approve Idaho Power’s investments in Bridger.

ICIP asserted that binding ratemaking treatment “is not only bad public policy but is based on questionable legal foundations.” ICIP Legal Brief at 2. The Industrial Customers are concerned that if Idaho Power’s coal plants become obsolete prior to the expected useful life of the Company’s investment, ratepayers will be left paying the costs of a plant that is no longer providing energy. ICIP argued that pre-approval of costs inappropriately shifts the risk of Idaho Power’s investment from its shareholders to its ratepayers. ICIP contended that a traditional Certificate of Public Convenience and Necessity (CPCN) granted pursuant to *Idaho Code* § 61-526 “provides the Company with more than adequate assurance of recovery while still affording a modicum of protection to the ratepayers in the form of a prudence review when the plant enters service to the public.” *Id.* at 4.

ICIP testified that, although Idaho Power’s coal studies indicate that SCR upgrades are the Company’s lowest cost option, scenarios exist that could make the upgrades uneconomic. Tr. at 348. Consequently, ICIP argued that it would be “good regulatory policy” to evaluate the level of Idaho Power’s expenditures in the Bridger Units 3 and 4 upgrades at the time that Company asks for the costs to be included in customers rates. Alternatively, ICIP argues that, if the Commission decides to pre-approve Idaho Power’s investment, the Company only be permitted to earn a fraction of its overall rate of return because of the diminished risk regarding the investment. Tr. at 350.

3. SRA. SRA recommended that the Commission not only deny binding ratemaking treatment, but also deny Idaho Power’s request for a CPCN under *Idaho Code* § 61-526. The Alliance questioned the “environmental and economic sustainability” of coal and testified that it is not in the best interest of ratepayers to invest in coal-fired generation “in light of the current uncertain regulatory climate. . . .” Tr. at 86.

Given the magnitude of the investments sought by Idaho Power here, there is a risk that approval of these investments will place utility customers on an irreversible course toward future investments of unknown size, as Idaho Power clearly intends to extend the life of these coal plants as long as possible.

Tr. at 88. SRA further maintained that Idaho Power did not adequately consider alternatives such as energy efficiency and renewable energy resources.

SRA argued that *Idaho Code* § 61-541 is intended to reduce a utility's financial risk in major investments – not insulate utilities from regulatory or political risk. SRA asserted that the legislative history associated with the enactment of Section 61-541 “makes it clear that the central purpose of the act was to facilitate financing of major transmission or generation projects” at times when financial markets are risk averse. SRA Brief at 4. The Alliance stated that binding ratemaking treatment is not required for Idaho Power to obtain financing for its proposed Bridger upgrades. SRA Brief at 2. SRA noted that Idaho Power admitted that favorable financing terms were not the primary reason for the Company to seek pre-approval – “the current social and regulatory risk associated with coal-fired investments is.” Tr. at 242. Because financing is not an issue, the Alliance maintains that it would be inappropriate for the Commission to “irrevocably and prematurely shift these regulatory risks away from the utility and onto ratepayers.” SRA Brief at 6. Furthermore, SRA argued that Idaho Power has not met the burden required by statute to obtain binding ratemaking treatment.

4. Idaho Power's Rebuttal. On rebuttal, the Company took exception to Staff's recommendation that only known and measurable costs be pre-approved. Idaho Power stated that “[w]hile the cost magnitude of necessary expense categories that are yet to be incurred may not be easily quantifiable, uncertainty does not negate the necessity of those items as part of the installation cost of the SCRs.” Tr. at 233-234. Idaho Power suggested that, for categories where expenses were reasonably certain but not definitively quantifiable, it would be reasonable for the Commission to pre-approve 50% of the estimated costs. The Company noted that this was the method recommended by Staff and adopted by the Commission for the Langley Gulch CPCN. *Id.* at 234.

Idaho Power also disputed ICIP's assertion that the circumstances of this case did not present a compelling basis for pre-approved ratemaking treatment. *Id.* at 237.

This CPCN filing allows interested parties to fully vet the controversial issues prior to the Commission making a decision. It is important to the Company that customers and stakeholders have an opportunity to participate in the public process before the Company undertakes a significant investment like that required for these SCRs. It is also important for the Company to receive assurance from the Commission that its continued investment in coal-fired generation will obtain rate base treatment prior to proceeding with such large

expenditures. By filing its Application, the Company intended to provide the Commission with the ability to evaluate whether this investment is economically, socially, and politically prudent, and in the best interest of the Company and its customers, before the investment is made.

Id. at 238. Idaho Power further argued that regulatory pre-approval does not make the investment less risky for the utility such that the Company's return on equity should be reduced.

Id. at 240. The Company maintained that its actual expenditures would still be subject to thorough review and audit when Idaho Power asked that the amounts be included in customers rates.

Idaho Power emphasized that Commission authorization for binding ratemaking treatment "demonstrates ongoing regulatory support to the rating agencies and to the external financial community, thereby reducing the risk of unfavorable financing costs not only for the SCR controls, but also for Idaho Power's total construction program." *Id.* at 241. Finally, Idaho Power agreed the future of coal regulation is uncertain, but "[w]aiting for perfect knowledge before taking action is not an option that will ensure reliable service to customers." *Id.* at 148.

B. Comments and Public Testimony

More than 200 public comments were received by the Commission. Many comments were filed by customers of other electric utilities who are concerned Idaho citizens. Comments were received from citizens as far east as Ithaca, New York and as far west as Los Angeles, California. Many public comments supported Idaho Power's Application as the least cost and most reliable alternative. The overwhelming majority of commenters opposed any investment in coal. Almost half of the total public comments received support the development of renewable technologies in lieu of upgrading an aging coal plant. Several comments suggested that the State should consider nuclear power.

Organizations such as the Idaho Association of Commerce and Industry, Magic Valley Builders Association, Boise Metro Chamber of Commerce, Lemhi County Economic Development Association, Twin Falls County Board of Commissioners and the Greater Pocatello Chamber of Commerce filed comments in support of Idaho Power's Application. These organizations, and several private citizens, support investment in upgrades that will bring Bridger Units 3 and 4 into compliance with new emissions standards and still allow the Company to provide low cost, reliable electric service.

Of those opposing Idaho Power's Application, many declared that a decision in the Company's favor would result in a benefit to the Company's shareholders and a detriment to the Company's ratepayers. Commenters claimed that investment in upgrades at Bridger was just "the tip of the iceberg" and that future investment to meet anticipated environmental and regulatory regulations was sure to follow. Commenters urged the Commission to consider new technologies and renewable resources as replacements for an old coal plant that is bad for the environment and harmful to future generations. One heartfelt comment was submitted by an 11-year-old who is not only worried about the effects coal generation has on the environment but also the physical health of those working in the coal mines. She maintained that coal is "an outdated and unreliable source of energy."

A public hearing was held on November 25, 2013. More than 110 people were in attendance. Organizations such as the Sierra Club and League of Women Voters had representatives in attendance to present testimony. A total of twenty-six people testified as to whether the Commission should grant Idaho Power's request for a CPCN and request for binding ratemaking treatment. Many of those who testified also submitted comments online. All of those who testified opposed binding ratemaking treatment for Idaho Power's investment in Bridger Units 3 and 4. One individual testified that, although the facts may presently support the issuance of a CPCN, pre-approval of the Company's investment would not be prudent.

Idaho Power customers classified the proposed upgrades as "bad business" and contrary to the State's energy policy. Many of those who testified asserted that they would be willing to pay higher energy costs in exchange for cleaner energy. Several people questioned whether coal is indeed a "low cost fuel" after all of the upgrades, mandates, regulations and "hidden costs" are met. Public testifiers declared this proceeding as a "monumental time" and "opportune moment" for the Commission to direct Idaho Power away from coal-fired generation. Several people who testified were both ratepayers and shareholders of Idaho Power. They claimed to be "deeply disturbed" by decisions being made by the Company's upper-management and encouraged the Commission to make shareholders responsible for the risk of the Bridger upgrades.

FINDINGS AND CONCLUSIONS

Idaho Power is an electric corporation and public utility pursuant to *Idaho Code* §§ 61-119 and 61-129. The Commission has jurisdiction over this matter pursuant to Title 61 of the

Idaho Code and the Commission's Rules of Procedure. IDAPA 31.01.01.000 *et seq.* The Commission has jurisdiction over the specific issues presented in Case No. IPC-E-13-16 pursuant to *Idaho Code* §§ 61-526 (Certificate of Convenience and Necessity) and 61-541 (Binding Ratemaking Treatment).

We find the future public convenience and necessity requires the proposed upgrades to Idaho Power's Bridger Units 3 and 4. Idaho Power describes the Bridger plant as "the workhorse of Idaho Power's thermal fleet." Application at 3. Commission Staff confirmed that Bridger Units 3 and 4 provide approximately 10% of Idaho Power's total system generation capacity and approximately 19% of the Company's baseload capacity. Tr. at 293. The Bridger Plant is a source of low-cost and dispatchable baseload energy that provides reliable capacity during peak customer demand. The suggestion by intervenors that renewable resources and energy efficiency could somehow replace Bridger's ability to reliably provide energy and capacity is simply not realistic in the near term. Generation facilities such as Bridger and Langley Gulch are the plants that help Idaho Power to balance the intermittent generation provided by renewable resources such as wind and solar. These plants are also critical to the reliable operation of the high voltage transmission system in that they provide voltage and frequency support.

In considering an application for a Certificate of Convenience and Necessity, "[t]he public interest is the paramount consideration of the commission. . . ." *Application of Kootenai Natural Gas Co.*, 78 Idaho 621, 627, 308 P.2d 593, 596 (1957). We find the services and operations resulting from the proposed upgrades to Bridger Units 3 and 4 are necessary for the continued provision of adequate and reliable electric service in the near term. Without upgrades to meet the Clear Air Act's Regional Haze rules, Units 3 and 4 would be forced to cease operation by December 2015 and December 2016, respectively. Cost-effective replacement resources that are dispatchable and reliable year-round do not presently exist nor could they be brought on line before the required dates. We find, therefore, that the upgrades are in the public interest.

We acknowledge the public's concerns about unnecessarily extending the life of the Bridger coal plant. The detrimental effects of long-term coal use on human health, the climate, wildlife, land, and water are well-documented. However, Idaho Power's analysis presented, and Staff's investigation confirmed, that an investment in selective catalytic reduction controls is

presently the least-cost, least-risk alternative to both reduce environmental effects and allow reliable electric service to continue. ICL and SRA argued about the risk of future environmental regulations, but neither organization outlined a viable alternative that could reasonably and timely replace the value of energy and capacity that Bridger provides. “The commission cannot speculate . . . upon the future availability of [a resource], but must confine its determinations to facts susceptible of demonstration within reasonable limits.” *Applications of Intermountain Gas Co.*, 77 Idaho 188, 199 289 P.2d 933, 940 (1955). Short-term reliability concerns make the issuance of a CPCN the prudent decision at this point in time.

While we find that present circumstances require the proposed upgrades to allow Bridger Units 3 and 4 to continue providing reliable energy to Idaho Power’s customers, we recognize that the future of coal-fired generation in the United States is uncertain at best. We admonish the Company to stay abreast of potential future environmental regulations that could negatively impact its investment in the Bridger upgrade. To that end, we direct the Company, as a condition of its CPCN (*Idaho Code* § 61-528), to submit quarterly reports updating the Commission on any changes to environmental policy or regulations as the Bridger upgrades are installed and placed in service.

By approving the issuance of a CPCN pursuant to *Idaho Code* § 61-526, this Commission indicates its acceptance of Idaho Power’s proposal to upgrade Bridger Units 3 and 4. In determining whether the public convenience and necessity requires the upgrade, we have considered the facts as they exist today. As we have already stated, upgrades to Bridger Units 3 and 4 are necessary in order for Idaho Power to continue providing reliable power to its customers. However, all parties, including Idaho Power, acknowledge that the future of coal is uncertain. Additional future environmental regulations are likely. It is not inconceivable that, during the installation of the SCRs, a tipping point could be reached making them uneconomic. It is in the best interest of the customers, the Company, and the Company’s shareholders for Idaho Power to be continuously analyzing the impact of changing environmental regulations on its upgrade project. As the project moves toward completion over the next several years, we direct Idaho Power to return to the Commission if viable alternatives to the Bridger Units 3 and 4 upgrades become available.

We find that the Company has not established a compelling case for binding ratemaking treatment pursuant to *Idaho Code* § 61-541. The statute provides that “[t]he

commission may accept, deny or modify a proposed ratemaking treatment requested by the utility. In determining the proposed ratemaking treatments, the commission shall maintain a fair, just and reasonable balance of interests between the requesting utility and the utility's ratepayers." *Idaho Code* § 61-541(4). Because of the uncertain future of coal-fired generation, we find it unreasonable to prematurely commit ratepayer dollars to support Idaho Power's investment.

As noted by several parties, Idaho Power's investment in its Langley Gulch plant is the only other circumstance where pre-approval of a utility's investment pursuant to *Idaho Code* § 61-541 has been considered. The issuance of a CPCN and grant of binding ratemaking treatment for Idaho Power's investment in Langley Gulch is entirely distinguishable from the present case. First, the economy and financial markets were risk averse to large investments when Idaho Power was attempting to raise capital to build Langley Gulch. Second, the investment required for Langley Gulch was exponentially larger than what is required for the Bridger upgrades. Finally, the balance of interests weighed in favor of partial pre-approval because, in addition to the assurances that pre-approval provided for the Company, favorable financing terms ultimately inured to the benefit of the ratepayers. In the present case, the Company was vague about how much outside financing would be utilized for this project. Moreover, Idaho Power has already entered into construction contracts without a decision about its request for binding ratemaking treatment. We are not persuaded that the Company's ability to finance the Bridger upgrades is at risk if binding ratemaking treatment is not approved.

Approval of binding ratemaking treatment for the upgrades to Bridger Units 3 and 4 would provide the Company with the economic, social and political assurance that it seeks while the ratepayers bear the risk of the environmental uncertainties. Consequently, we decline to pre-approve any portion of Idaho Power's investment in the proposed Bridger upgrades. We find that granting a CPCN pursuant to *Idaho Code* § 61-526 and denying binding ratemaking treatment pursuant to *Idaho Code* § 61-541 maintains a fair, just and reasonable balance of interests between the Company and the Company's ratepayers.

ORDER

IT IS HEREBY ORDERED that Idaho Power's request for a Certificate of Public Convenience and Necessity pursuant to *Idaho Code* § 61-526 for SCR upgrades to Bridger Units 3 and 4 is granted. A Certificate shall be issued as a separate document.

IT IS FURTHER ORDERED that the Company submit quarterly reports updating the Commission on any changes to environmental policy or regulations until such time as the Bridger upgrades are installed and placed in service.

IT IS FURTHER ORDERED that the Company return to the Commission if viable alternatives to the Bridger Units 3 and 4 upgrades become available.

IT IS FURTHER ORDERED that the Company's request for binding ratemaking treatment pursuant to *Idaho Code* § 61-541 is denied.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

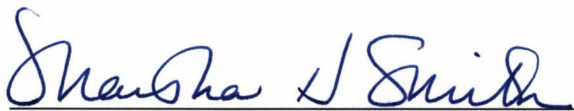
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2nd day of December 2013.



PAUL KJELLANDER, PRESIDENT

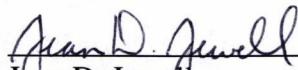


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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