

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. 32996
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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 sought authorization of 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.

On December 2, 2013, the Commission issued its final Order granting Idaho Power's request for a CPCN regarding its investment in Selective Catalytic Reduction (SCR) controls in Jim Bridger Units 3 and 4 but denying advance ratemaking treatment for the investment. Order No. 32929. On December 20, 2013, the Idaho Conservation League, Snake River Alliance and the Idaho Chapter of the Sierra Club filed a Petition for Clarification with the Commission. By this Order, the Commission grants clarification regarding the content of Idaho Power's quarterly reporting requirements and updates on its SCR investments.

THE PETITION

The Idaho Conservation League (ICL), Snake River Alliance (SRA) and Idaho Chapter of the Sierra Club (Sierra Club) (collectively, the Petitioners) filed a Petition asking the Commission to clarify the scope and contents of the quarterly reports that Idaho Power was directed to submit. The Petitioners also request that the Commission order Idaho Power to include in their report "updates on changing costs, permitting and construction timing, as well as any project scope changes that occur due to changing environmental regulations." Petition at 2. Petitioners further ask for additional information in the quarterly reports "to assist in the Commissions [sic] directive for Idaho Power 'to return to the Commission if viable alternatives to the Bridger Units 3 and 4 upgrades become available.'" *Id.*

The Petitioners included a detailed list of standards, timelines, options, costs, descriptions and analyses that they believe should be included in Idaho Power's reports. The Petitioners also suggest that Idaho Power be directed to report Bridger Units 3 and 4 separately and "limit the assertion of confidentiality" in order to foster public education and involvement. Petition at 4.

IDAHO POWER'S ANSWER

In response to the Petition for Clarification, Idaho Power filed an Answer and Cross-Petition for Clarification. Idaho Power maintains the Commission's directive for the Company to file quarterly reports is clear and that additional clarification is unnecessary. If, however, the Commission finds merit in clarifying the scope of the content of Idaho Power's quarterly reports, the Company cross-petitions on the basis of what it believes should be included. Idaho Power urges the Commission to deny the Petitioners' request to "unduly expand the scope of the quarterly report beyond what was envisioned in Order No. 32929." Answer at 4.

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. Specifically, the Commission has jurisdiction over this matter pursuant to Rule of Procedure 325. IDAPA 31.01.01.325.

As stated in our prior Order, the Commission determined that the proposed upgrades to Bridger Units 3 and 4 were necessary in order for Idaho Power to be able to continue to provide reliable, low-cost energy to its customers. Order No. 32929 at 11. However, the Commission also acknowledged the uncertain future of coal-fired generation and admonished the Company to stay abreast of environmental regulations that could negatively impact Idaho Power's investment in Bridger. *Id.* Due to the uncertainty of potential future environmental regulations, the Commission directed Idaho Power "to submit quarterly reports updating the Commission on any changes to environmental policy or regulations." Order No. 32929 at 11. The Commission explained that future environmental regulations adopted as the Bridger investment proceeds might make the upgrades uneconomic. Idaho Power was put on notice that it needs to remain vigilant about whether proceeding with the upgrades to Units 3 and 4 is the best alternative for customers and the Company.


To clarify and reiterate, we find that the present circumstances require the proposed Bridger upgrades in order for Idaho Power to be able to reliably and reasonably serve the Company's customers. The Commission's primary concern is the possibility of more stringent environmental regulations that could make the Bridger upgrades, and thus the Company's investment, uneconomic. Consequently, the Commission directed the Company to continuously consider the impact of changing environmental regulations on its upgrade project and "return to the Commission if viable alternatives to the Bridger Units 3 and 4 upgrades become available." *Id.* at 11. Idaho Power's quarterly reports are intended to update the Commission "on any changes to environmental policy or regulations until such time as the Bridger upgrades are installed and placed in service." *Id.* We decline the Petitioners request to expand the scope and content of Idaho Power's quarterly reports. The prudence of the Company's investment is appropriately scrutinized at such time as the Company seeks to recover its investment through customers' rates.

ORDER

IT IS HEREBY ORDERED that the Petition to Clarify is granted, as more fully described herein.

THIS IS A FINAL ORDER ON CLARIFICATION. Pursuant to Rule 325 of the Commission's Rules of Procedure, IDAPA 31.01.01.325, this Order does not suspend or toll the time for the filing of a petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of March 2014.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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