

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE**

FROM: NIKKI KARPAVICH

DATE: FEBRUARY 6, 2013

**RE: ROCKY MOUNTAIN POWER'S PETITION TO EXTEND THE 2013 IRP
FILING DATE; CASE NO. PAC-E-13-01**

BACKGROUND

On January 10, 2013, PacifiCorp, dba Rocky Mountain Power (RMP), submitted a petition to extend the biennial filing of their 2013 Integrated Resource Plan (IRP). Pursuant to Order No. 30262, PAC-E-07-03, RMP is mandated to file its IRP by the last business day of March on a biennial basis. (Order No. 22299, Case No. U-1500-165, orders each electric utility to biennially file an IRP with the Commission.)

PETITION

Rocky Mountain Power requests a one-month extension to file its 2013 IRP from March 29, 2013 to April 30, 2013. The Company claims that recent EPA (Environmental Protection Agency) actions have altered the IRP's modeling process and a one-month extension would provide IRP stakeholders a better opportunity to review the new modeling. Specifically, the Company cites EPA delays in the approval process for the Wyoming and Arizona Regional Haze SIP (State Implementation Plan), a component of the Clean Air Act.

The Company anticipated an EPA ruling on the Wyoming Regional Haze SIP by October 15, 2012. The consent Decree's deadline was subsequently postponed to December 14, 2012. The Company opted to suspend its IRP modeling until the EPA issued its final action in order to allow sufficient time to analyze the impacts of the ruling. However, on December 10, 2012, the EPA requested, and was granted by the U.S. District Court of Colorado, to further postpone the

ruling in order to evaluate new cost and visibility analyses for several PacifiCorp plant units and to allow time for public comment. EPA will now re-propose a Regional Haze Implementation Plan compliance rule on March 29, 2013, with a final action on the rule by September 27, 2013. In light of this extended timeframe, RMP has opted to re-engage its IRP modeling using data from EPA's previously proposed action on the Wyoming SIP.

Additionally, the Company cites an EPA final notice in the July 20, 2012 Federal Register regarding the Arizona Regional Haze SIP. While the Arizona Regional Haze SIP proposed to use low-nitrogen oxide burners at the Cholla Unit 4 coal plant, the EPA instead proposed selective catalytic reduction at an emission rate of 0.05 pounds per million Btu. However, on December 5, 2012, the EPA issued a revision and set the emission limit at 0.055 pounds per million Btu. PacifiCorp will incorporate EPA's final action of the Cholla Unit 4 into its IRP modeling.

The Company also states it will incorporate the September 2012 official forward price curve (as opposed to the June 2012 price curve) and will incorporate the most current projections of high and low natural gas prices and coal costs.

STAFF RECOMMENDATION

Staff verified the Company's claim and does not oppose the Company's petition for extension. Staff recommends that the Commission approve the Company's request for a one-month extension to file the 2013 IRP until April 30, 2013.

COMMISSION DECISION

Does the Commission wish to approve the Company's petition to extend the 2013 IRP filing by one-month to April 30, 2013?


Nikki Karpavich