

September 19, 2023

***VIA ELECTRONIC MAIL***

Public Utility Commission of Oregon  
Attention: Filing Center  
201 High St. SE, Suite 100  
Salem, Oregon 97301-3398

**Re: LC 62 and LC 67 – PacifiCorp’s Written Report on DSM IRP Acquisition Goals, Environmental Compliance and Transmission Investments – 2023 First Update**

PacifiCorp d/b/a Pacific Power provides the attached report in compliance with the following provision included in Order No. 14-252, as modified in Order No. 14-288, streamlined in Order No. 16-071, and clarified by the Public Utility Commission of Oregon (Commission) at the December 20, 2016 Public Meeting:

*Beginning in the fourth quarter of 2014, PacifiCorp will appear before the Commission to provide quarterly updates on coal plant compliance requirements, legal proceedings, pollution control investments, and other major capital expenditures on its coal plants or transmission projects. PacifiCorp may provide a written report and need not appear if there are no significant changes between the quarterly updates.<sup>1</sup>*

*We highlight the reporting requirement that the company continue to provide twice yearly updates on the status of DSM IRP acquisition goals at regular public meetings. Include in these updates information on future plant and transmission investment decisions, as a streamlined continuation of Order No. 14-288.<sup>2</sup>*

*If there’s not a lot of change from quarter to quarter you can submit a report rather than come in.<sup>3</sup>*

PacifiCorp is providing the attached written report for the period of January 1, 2023 through June 30, 2023. PacifiCorp can also provide a presentation of its update if the Commission has any questions or concerns with the information provided.

The report consists of two updated PowerPoint slide decks: the Semi-Annual DSM Update and the Environmental Compliance and Transmission Investment Update. The Semi-Annual DSM Update slide deck provides an update on the 2023 targeted energy savings forecast by state. The

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<sup>1</sup> LC 57, Order No. 14-288.

<sup>2</sup> LC 62, Order No. 16-071.

<sup>3</sup> Public Utility Commission of Oregon, December 20, 2016 Public Meeting, Archived Video at 1:44:26.

Public Utility Commission of Oregon

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Environmental Compliance and Transmission Investment Update slide deck includes updates throughout, building upon information provided in PacifiCorp's last update.

Please direct any questions regarding this report to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

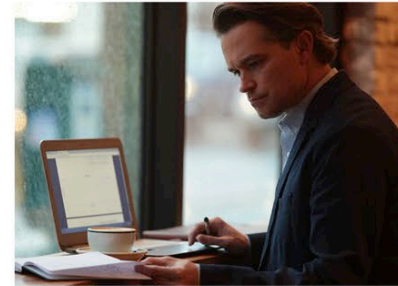
A handwritten signature in black ink, appearing to read 'Matthew McVee', written in a cursive style.

Matthew McVee  
Vice President, Regulatory Policy and Operations

Enclosures

# PacifiCorp Semi-Annual Demand Side Management Update

First Update for 2023



# Class 2 Energy Resource Acquisitions

State Wide Energy Savings Results (aMW)			
State	1/1/2023 - 06/30/2023		
	Actuals	Target	% of Target Achieved
CA	0.03	0.28	12%
ID	0.46	1.37	34%
OR	6.01	18.82	32%
UT	6.37	30.42	21%
WA	1.22	6.06	20%
WY	1.49	5.05	30%
<b>Total</b>	<b>15.59</b>	<b>62</b>	<b>25%</b>

*Note: The reported savings in the table above are preliminary for January – June 2023. The estimated savings results are at generation and are gross. The source of the 2023 targets is the energy efficiency and home energy report selections from the 2023 IRP preferred portfolio, converted from MWh to aMW.*

# Additional Information

Additional information on Class 2 energy resource acquisitions can be found on PacifiCorp's website under the "Reports and Program Evaluations by State" section at:

<https://www.pacificorp.com/environment/demand-side-management.html>



# PacifiCorp Semi-Annual Environmental Compliance and Transmission Investment Update

First Update for 2023



# Transmission Updates



- Western Energy Imbalance Market
- Extended Day Ahead Market
- Transmission Project Development
- Affordable Clean Energy Rule
- Paris Agreement
- Regional Haze
- National Ambient Air Quality Standards
- Coal Combustion Residuals
- Clean Water Act



# **Western Energy Imbalance Market (WEIM)**



# WEIM – Calculated Benefits

## 2023



BAA	Jan-Mar 2023	Apr-Jun 2023	Total 2023
ISO	\$67.86 M	\$70.47 M	\$138.33 M
PacifiCorp	\$28.94 M	\$37.49 M	\$66.43 M
NV Energy	\$47.19 M	\$46.16 M	\$93.35 M
Arizona Public Service	\$26.43 M	\$11.95 M	\$38.38 M
Puget Sound Energy	\$15.28 M	\$6.46 M	\$21.74 M
Portland General Electric	\$21.67 M	\$13.84 M	\$35.51 M
Idaho Power	\$13.31 M	\$31.52 M	\$44.83 M
Powerex	\$16.80 M	\$34.09 M	\$50.89 M
BANC/SMUD	\$44.63 M	\$17.72 M	\$62.35 M
Seattle City Light	\$4.20 M	\$5.14 M	\$9.34 M
Salt River Project	\$31.38 M	\$22.83 M	\$54.21 M
Turlock Irrigation District	\$3.01 M	\$1.72 M	\$4.73 M
Los Angeles Department of Water and Power	\$27.99 M	\$17.09 M	\$45.08 M
Public Service Company of New Mexico	\$22.40 M	\$7.29 M	\$29.69 M
Northwestern Energy	\$12.60 M	\$4.44 M	\$17.04 M
Avista Utilities	\$6.38 M	\$4.98 M	\$11.36 M
BPA	\$11.83 M	\$7.49 M	\$19.32 M
Tacoma Power	\$6.55 M	\$4.86 M	\$11.41 M
Tucson Electric Power	\$10.37 M	\$5.43 M	\$15.80 M
Avangrid		\$8.78 M	\$8.78 M
El Paso Electric		\$3.04 M	\$3.04 M
WAPA Desert Southwest		\$17.12 M	\$17.12 M
<b>Total</b>	<b>\$418.82 M</b>	<b>\$379.91 M</b>	<b>\$798.73 M</b>

# Total WEIM Benefits November 2014 – June 2023



BAA	Total
ISO	\$828.09 M
PacifiCorp	\$657.46 M
NV Energy	\$372.51 M
Arizona Public Service	\$375.29 M
Puget Sound Energy	\$128.49 M
Portland General	\$232.58 M
Idaho Power	\$222.81 M
Powerex	\$90.19 M
BANC/SMUD	\$519.83 M
Seattle City Light	\$44.78 M
Salt River Project	\$215.25 M
Turlock Irrigation District	\$20.66 M
Los Angeles Department of Water and Power	\$162.88 M
Public Service Company of New Mexico	\$76.81 M
Northwestern Energy	\$60.35 M
Avista Utilities	\$35.44 M
BPA	\$45.71 M
Tacoma Power	\$21.02 M
Tucson Electric Power	\$56.73 M
Avangrid	\$8.78 M
El Paso Electric	\$3.04 M
WAPA Desert Southwest	\$17.12 M
<b>Total</b>	<b>\$4.20 B</b>

# Prospects for WEIM Expansion



- PacifiCorp is supportive of broader market participation & coordination; CAISO approach/WEIM design is highly scalable for added participation.
- NV Energy WEIM implementation occurred December 2015, Puget Sound Energy and Arizona Public Service WEIM implementation occurred October 2016, Portland General Electric WEIM implementation occurred October 2017, Idaho Power Company and Powerex Corp WEIM implementation occurred April 2018, Balancing Authority of Northern California, with the Sacramento Municipal Utilities District WEIM implementation occurred April 2019, and Salt River Project and Seattle City Light WEIM implementation occurred April 2020. Public Service Company of New Mexico, the Los Angeles Department of Water and Power, Turlock Irrigation District, and Balancing Authority of Northern California Phase 2 joined the WEIM April 2021, and Northwestern Energy joined June 2021. Avista, Tacoma Power, Tucson Electric Power, and Bonneville Power Administration implemented the WEIM in spring 2022. El Paso Electric, Western Area Power Administration (WAPA) Desert Southwest, and Avangrid joined the WEIM in April 2023.
- The WEIM now represents nearly 80% of the demand for electricity in the Western Interconnection.



# **Extended Day Ahead Market (EDAM)**

# Extended Day Ahead Market



- Stakeholders from across the Western Interconnection began working with the California ISO (CAISO) on developing the EDAM in October 2019.
- Following the publication of the finalized market design, on December 8, 2022, PacifiCorp announced plans to join the EDAM to advance PacifiCorp's commitment to customers to provide reliable, affordable and clean power on demand.
- On February 1, 2023, the CAISO Board of Governors and WEIM Governing Body jointly approved the EDAM proposal.
- The CAISO and stakeholders have been engaged in drafting the CAISO tariff to accommodate the EDAM.
- The CAISO filed the EDAM tariff with the Federal Energy Regulatory Commission (FERC) on August 22, 2023. PacifiCorp plans to engage in the formal FERC tariff process as part of the stakeholder community.
- PacifiCorp has been working with CAISO on launching onboarding activities.



# Transmission Project Development

# Energy Gateway Program Status



Over \$11 billion total investment planned; \$2.96 billion placed in-service

- Gateway West
  - BLM record of decision on 8 of 10 segments November 2013
  - BLM record of decision on last 2 segments April 2018
  - Planned in-service 2026-2036
- Gateway South
  - BLM record of decision December 2016
  - Planned in-service 2024
- Boardman-to-Hemingway
  - BLM record of decision December 2017
  - Oregon Energy Facility Siting Council site certificate obtained March 2023
  - Planned in-service 2026
- **Segments In-Service**
  - Populus-to-Terminal November 2010
  - Mona-to-Oquirrh May 2013
  - Sigurd-to-Red Butte May 2015
  - Wallula to McNary January 2019
  - Aeolus-to-Jim Bridger/Anticline November 2020



This map is for general reference only and reflects current plans. It may not reflect the final routes, construction sequence or exact line configuration.



# Affordable Clean Energy (ACE) Rule



# Affordable Clean Energy Rule

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- Proposed ACE Rule published in the Federal Register on August 31, 2018.
- October 2018, PacifiCorp submitted comments on the ACE Rule in conjunction with Berkshire Hathaway Energy and its individual businesses.
- Final ACE Rule published in the Federal Register on July 8, 2019.
- ACE Rule changed the definition of “Best System of Emission Reduction” or “BSER” for CO<sub>2</sub> emissions.
  - BSER limited to specific Heat Rate Improvement (“HRI”) projects for coal-fired electric generating units, identified as “candidate technologies.”
- On January 19, 2021, the D.C. Circuit vacated and remanded the ACE rule to the EPA.
  - It was determined that the rule "rested critically on a mistaken reading of the Clean Air Act" that limited the BSER to actions taken at a facility.
- On October 29, 2021, the U.S. Supreme Court agreed to hear appeals from states and coal companies seeking limits on EPA’s ability to regulate carbon emissions under the CAA.
- The June 30, 2022, U.S. Supreme Court holding in *West Virginia v. EPA* reversed the D.C. Circuit Court ruling vacating the ACE rule and remanded that case for further proceedings.
- On May 23, 2023, EPA proposed to repeal and replace the ACE rule because the agency believes the emission guidelines established in ACE do not reflect the BSER for steam electric generating units and are inconsistent with section 111 of the CAA in other respects. EPA proposed carbon capture and hydrogen co-firing as BSER because the costs have decreased due to technology advancements and expansion of tax credits.



# Paris Agreement

# Paris Agreement

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- In December 2015, 197 nations and entities negotiated the Paris Agreement, a coordinated action on climate change under the United Nations Framework Convention on Climate Change.
  - The Paris Agreement became effective November 4, 2016.
- The Paris Agreement reaffirmed the goal of limiting global temperature increases to less than 2 degrees Celsius and established the following commitments by all parties:
  - Establish and report “nationally determined contributions” (NDCs) to reduce emissions and adapt to climate change.
  - Take stock of progress toward long-term goals based on five-year reporting cycle.
  - Establish NDCs based on progress toward long-term goals, allowing NDCs to reflect the appropriate level of ambition.
- The Paris Agreement obligates the United States to reduce greenhouse gas emissions by 26-28% from 2005 levels by 2025.

# Paris Agreement

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- Under the Trump administration, the United States announced its withdrawal from the Paris Agreement, a process which was completed on November 4, 2020.
- Under the Biden administration, the United States reaccepted the terms of the Paris Agreement and re-entered the agreement on February 19, 2021.
- At a climate leaders summit April 22-23, 2021, the United States announced new goals to reduce greenhouse gas emissions by 50 - 52% economy-wide by 2030 compared to 2005 levels, and to reach 100% carbon pollution-free electricity by 2035.
  - Additional details on how the United States will implement these goals have yet to be released.
  - Implementation of requirements arising under the Paris Agreement has the potential to impact PacifiCorp's operations and investment decisions
- The Inflation Reduction Act was signed into law on August 16, 2022. The law aims to invest in domestic energy production while promoting clean energy, among other infrastructure investments and is projected to bring the United States significantly closer to the goal of reducing greenhouse gases to 50% below 2005 levels by 2030.



# Regional Haze

# Utah Regional Haze Compliance

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- First Planning Period
  - July 2016 – EPA published its final action on the Utah Regional Haze SIP, requiring SCR on Hunter Units 1 and 2 and Huntington Units 1 and 2 within five years.
  - September 2016 – PacifiCorp and other parties filed a request for reconsideration and an administrative stay with EPA.
  - July 2017 – EPA sent letters to PacifiCorp and the state of Utah indicating its intent to reconsider its FIP; the agency also filed a motion with the Tenth Circuit Court of Appeals to hold the litigation in abeyance pending the rule’s reconsideration.
  - September 2017 – the Tenth Circuit granted the petition for stay and the request for abatement; the compliance deadline of the FIP and the litigation was stayed indefinitely pending EPA’s reconsideration.
  - January 2020 – EPA published its proposed approval of an alternative SIP submitted by Utah, which shows improved visibility through modeling, makes the shutdown of the Carbon plant federally enforceable and adopts NOx controls and emission limits on the Hunter and Huntington plants, including an additional non-BART (best available retrofit technology) unit at Hunter. The proposal withdraws the FIP requirements to install SCR on Hunter Units 1 and 2 and Huntington Units 1 and 2.
  - February 2020 – EPA held a public hearing on the proposed SIP approval in Price, Utah.

# Utah Regional Haze Compliance

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- First Planning Period (continued)

- November 27, 2020 – EPA published the final Utah SIP rule, which aligned with the proposed rule, and on January 11, 2021, the Tenth Circuit dismissed challenges to EPA’s 2014 FIP in light of the finalized Utah SIP replacement.
- January 20, 2021 – HEAL Utah and other environmental groups filed a petition for review in the Tenth Circuit of the Utah Regional Haze SIP. PacifiCorp and the state of Utah filed motions to intervene. EPA and HEAL agreed to a stay of litigation to allow mediation.
- The EPA and petitioner HEAL Utah notified the Tenth Circuit that mediation was not successful and proposed a briefing schedule on December 10, 2021. The court approved the state of Utah's, PacifiCorp's and the Hunter co-owners' motions to intervene and the briefing schedule.
- 2022 – The EPA, PacifiCorp, Utah, and environmental groups have submitted their briefs and reply briefs with the Tenth Circuit defending the Utah SIP revision.
- HEAL Utah's petition for reconsideration remains pending before the EPA, and the agency reported to the court that it continues to evaluate the petition for reconsideration and opportunities to resolve the matter administratively instead of through litigation.
- March 21, 2023 – Oral argument was held in the Tenth Circuit for *HEAL Utah vs. EPA*.
- August 14, 2023 – The court denied HEAL Utah’s petition to vacate Utah’s state plan. The court stated there was no basis to conclude the agency abused its discretion by relying on a small but measurable overall improvement in visibility when considering whether Utah’s best available retrofit technology alternative satisfied the rule. Utah’s regional haze plan for the first planning period will remain unchanged.

# Utah Regional Haze Compliance

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- Second Planning Period

- April 21, 2020 – PacifiCorp submitted a Reasonable Progress Analysis to the Utah Division of Air Quality (UDAQ) for the Huntington and Hunter plants for the regional haze second planning period.
- December 2021 – The UDAQ rejected PacifiCorp’s Reasonable Progress Analysis and instead submitted a draft SIP to the Federal Land Managers for a 60-day consultation that focused on a three-tier NOx emission reductions strategy at the Hunter and Huntington plants.
- April 6, 2022 – UDAQ voted in favor of the Utah SIP with provisions that solicited comment on further NOx reductions and inclusion of SO<sub>2</sub> limits. Utah revised the SIP to include an SO<sub>2</sub> rate-limit that the plants currently meet and revised annual NOx emission limits based on 2021 actual emissions, with reduced interim limits which become effective in 2025 and a further reduction occurring in 2028.
- May 31, 2022 – PacifiCorp submitted written comments in support of the revised SIP.
- July 6, 2022 – UDAQ approved the SIP, with NOx and SO<sub>2</sub> limits becoming effective immediately.
- August 2, 2022 – UDAQ submitted its second planning period SIP to the EPA. The EPA deemed the SIP complete on August 22, 2022, and has 12 months to make a determination on the SIP.



# Wyoming Regional Haze Compliance

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- First Planning Period
  - January 2014 – EPA issued a Regional Haze FIP partially approving the state of Wyoming’s SIP. The following SIP and FIP requirements were approved:
    - Jim Bridger Units 3&4: Install(ed) SCR in 2015 and 2016, respectively
    - Jim Bridger Units 1&2: Install SCR by 2022 and 2021, respectively
    - Naughton Unit 3: Remove from coal-fueled service in January 2019, with option to convert to gas (converted to gas in 2019)
    - Naughton Units 1&2: Install(ed) LNB and OFA (0.26 lb/MMBtu NOx rate)
    - Dave Johnston Unit 4: Install(ed) LNB and OFA (0.15 lb/MMBtu NOx rate)
    - Dave Johnston Unit 1&2: No new controls
    - Dave Johnston Unit 3: EPA offered two alternative compliance paths in the FIP – (1) install LNB and OFA and shut-down by 2027 or (2) install LNB and OFA and SCR. (PacifiCorp elected option 1)
    - Wyodak Unit 1: Install SCR within five years of the final rule (challenged by PacifiCorp)
  - April 2017 – As part of legal appeals and a stay granted by the Tenth Circuit Court of Appeals, EPA and Basin Electric negotiated a settlement agreement.

# Wyoming Regional Haze Compliance

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- First Planning Period (continued)
  - October 2019 – As part of mediation, PacifiCorp submitted a Request for Reconsideration of the EPA’s FIP to install SCR on Wyodak.
  - December 16, 2020 – EPA, Wyoming and PacifiCorp signed the Wyodak Settlement Agreement, and the rule was published in the Federal Register and subject to public comment.
  - July 13, 2021 – PacifiCorp was notified by the EPA that the agency would not finalize the Wyodak Settlement Agreement.
  - PacifiCorp, Wyoming, environmental groups and EPA continued mediation to resolve Wyoming Regional Haze compliance options through court mediation. However, in August of 2022, the parties ended mediation and recommenced litigation. PacifiCorp included a motion to dismiss claims about Naughton units 1 and 2 in its briefing due to a federal submission that commits the units to cease burning coal by the end of 2025.
  - May 16, 2023 – The Tenth Circuit held oral arguments for Wyoming regional haze first planning period determinations on Wyodak and Naughton units 1 and 2. Arguments focused on whether it was reasonable for the U.S. Environmental Protection Agency to approve Wyoming’s plan for Naughton and to disapprove the plan for Wyodak. PacifiCorp argued in favor of the Naughton approval and against the Wyodak disapproval. If the court holds in PacifiCorp’s favor, the Naughton approval would stand, and the Wyodak disapproval would likely be vacated and remanded to the agency for further review. A decision is expected by the end of 2023.

# Wyoming Regional Haze Compliance

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- First Planning Period – Bridger RP Reassessment
  - February 2019 – PacifiCorp submitted a Reasonable Progress Reassessment for the Jim Bridger plant to the Wyoming Division of Air Quality (WDAQ). The Reassessment is an innovative proposal that would implement new plant-wide emission limits at Jim Bridger, in lieu of the requirement to install SCR equipment on Jim Bridger Units 1 and 2 (currently required by the end of 2022 and 2021, respectively).
  - WDAQ issued the Jim Bridger Regional Haze Reassessment air permit May 5, 2020, and submitted a Regional Haze SIP revision approving the Reassessment to the EPA May 14, 2020.
  - EPA Region 8 informed PacifiCorp that it had approved the SIP revision in November 2020. However, the proposed approval was never published in the Federal Register or approved by EPA.
  - June 11, 2021 – PacifiCorp was contacted by the EPA and notified that the agency did not intend to approve Wyoming’s proposed SIP revision with the Jim Bridger Regional Haze Reassessment.
  - November 15, 2021 – The governor of Wyoming issued a 60-day notice letter to the EPA that Wyoming intended to file suit in Wyoming federal district court for the agency’s failure to make a final determination on the Regional Haze SIP revision. PacifiCorp also filed a 60-day notice letter to EPA on November 19, 2021.

# Wyoming Regional Haze Compliance

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- First Planning Period – Bridger RP Reassessment (continued)
  - November 16, 2021 – The Wyoming Public Service Commission initiated an investigation into impacts of the EPA’s failure to act on Wyoming’s Regional Haze SIP revision. The investigation was requested by the Governor in his letter giving notice to the EPA of Wyoming’s intent to sue over its failure to act.
  - December 27, 2021 – Using authority granted by the Clean Air Act, the Governor of Wyoming issued a temporary emergency order suspending the current SIP requirement for Jim Bridger Unit 2 to install SCR by December 31, 2021. The suspension was issued for the full four months allowed by the act due to the EPA’s failure to act on a plan revision submitted by Wyoming in 2020.
  - January 18, 2022 – The EPA published its proposed disapproval of the Reassessment SIP. PacifiCorp continued to engage with Wyoming and the EPA in settlement negotiations, with the goal of avoiding shutdown of Unit 2 and enabling the operation of Units 1 and 2 on coal until they are converted to natural gas in 2024.
  - February 14, 2022 – PacifiCorp entered into a consent decree with the State of Wyoming, which sets a compliance plan that allows for continued operation of Jim Bridger Units 1 and 2 on coal until they are converted to natural gas in 2024 and does not require penalties. The consent decree was approved the same day by the First Judicial District Court in Laramie County, Wyoming. The consent decree was submitted to the EPA for review, and filed with the Wyoming Public Service Commission on February 17, 2022.

# Wyoming Regional Haze Compliance

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- First Planning Period – Bridger RP Reassessment (continued)
  - June 9, 2022 – PacifiCorp negotiated an administrative compliance order on consent with EPA. The order required a SIP revision for conversion of Jim Bridger Units 1 and 2 to natural gas within one year.
  - May 23, 2022 – Wyoming submitted the proposed SIP revision with the natural gas conversion of Jim Bridger Units 1 and 2 in 2024 to the EPA for parallel processing. Parallel processing allows both the Wyoming Division of Air Quality and the EPA to review and take public comment on the proposed plan concurrently for purposes of expediting final approval of the plan.
  - September and October 2022 – Wyoming held public comment and public hearings on the Bridger SIP revision. PacifiCorp presented at the September public hearing and submitted written comments.
  - December 2022 – Wyoming’s Air Quality Division submitted the Bridger SIP revision to the EPA for approval. The Division also issued an air permit for the natural gas conversion of Jim Bridger Units 1 and 2.

# Wyoming Regional Haze Compliance



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- Second Planning Period
  - March 31, 2020 – PacifiCorp submitted a four-factor reasonable progress analysis for the Regional Haze second planning period to WDAQ which analyzed PacifiCorp's Naughton, Jim Bridger, Dave Johnston, and Wyodak plants.
  - WDAQ submitted a draft SIP to the Federal Land Managers in the fall of 2021 with a subsequent 60-day review period following submission. PacifiCorp responded to WDAQ requests for technical responses to Federal Land Managers' questions.
  - February 18, 2022 – WDAQ issued a proposed second planning period SIP for public comment. PacifiCorp submitted comments in support of the SIP as it meets regional haze requirements through existing control measures for PacifiCorp units in Wyoming and does not require additional emission controls.
  - August 10, 2022 – WDAQ submitted the second planning period SIP to the EPA. The EPA deemed the SIP complete and has 12 months to make a determination on the SIP.

# Non-Operated Plants Regional Haze Compliance



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- First Planning Period – Colorado
  - Tri-State’s environmental compliance staff and counsel negotiated an agreement in principle with EPA, CDPHE, WildEarth Guardians, and the National Parks Conservation Association on an alternate Regional Haze compliance strategy incorporating accelerated retirement for Craig Unit 1. The agreement will result in a year-end 2025 shutdown with certain interim NOx emission reduction commitments from the partner owners.
  - The state of Colorado’s Air Quality Board approved the agreement during a hearing held on December 15, 2016.
  - May 27, 2017 – CDPHE submitted SIP amendment documentation to EPA Region 8.
  - EPA approved Colorado’s Regional Haze SIP, effective August 6, 2018. Revisions to the SIP include source-specific revisions to the NOx best available retrofit technology (BART) determination for Craig Unit 1.
  - The state of Colorado Regional Haze SIP also required SCR controls at Craig Unit 2 and Hayden Units 1 and 2, in which PacifiCorp has ownership interests. Each of those Regional Haze compliance projects are already in service.

# Non-Operated Plants Regional Haze Compliance



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- Second Planning Period - Colorado
  - In 2020, the joint-owners of Craig Unit 2 and Hayden Units 1 and 2 agreed on retirement dates for the units. The state of Colorado's Regional Haze SIP for the second planning period was adopted by the Colorado Air Quality Control Commission in 2020 and 2021. The SIP includes voluntary retirements of Craig Unit 2 in 2028 and Hayden Units 1 and 2 by 2028 and 2027, respectively.





# National Ambient Air Quality Standards

# National Ambient Air Quality Standards

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## One-hour NO<sub>2</sub> & SO<sub>2</sub> Standards

- NO<sub>2</sub>: All areas of the country designated as unclassifiable/attainment.
- SO<sub>2</sub>: In January 2018, EPA published the Air Quality Designations for the 2010 SO<sub>2</sub> NAAQS Round 3.
- Counties of Emery, Campbell, Lincoln and Eastern Sweetwater were classified as attainment/unclassifiable.
- In April 2021 EPA classified Converse County as attainment/unclassifiable.

## Fine Particulate (PM<sub>2.5</sub>) Standard

- In May 2017, EPA reclassified Salt Lake City and Provo to Serious Nonattainment.
- In November 2020, EPA proposed to designate Salt Lake City and Provo as being in attainment with the PM<sub>2.5</sub> Standard. The public comment period ended May 2021.
- In October 2019, EPA approved a clean data determination for Salt Lake based on Utah's submission of monitoring data showing it had not exceeded the standard for three years. Utah is still required to implement the SIP for sources and the action did not constitute a re-designation to attainment.

# National Ambient Air Quality Standards



- Ozone Standard

- EPA finalized a lower ozone standard in October 2015.
- The EPA proposed a federal plan for the 2015 Ozone NAAQS cross-state transportation requirements on April 6, 2022. The proposed rule addresses 26 states' significant contribution to nonattainment, or interference with maintenance, of the 2015 ozone NAAQS in other states by establishing NOx emissions budgets requiring fossil-fueled power plants to participate in an allowance-based ozone season trading program beginning in 2023. Utah and Wyoming were included in the federal plan, which significantly reduces NOx emission allowances beginning in 2026.
- Later, the EPA proposed to deny the interstate transport portions of the Utah and Wyoming SIPs for the 2015 ozone standard on May 24, 2022. This disapproval subjects the states to the proposed FIP.
- PacifiCorp, under BHE, submitted comments in opposition of the proposed FIP on June 21, 2022, drawing attention to several concerns with the proposed rule.
- PacifiCorp submitted comments on July 25, 2022, in opposition to the EPA's proposed disapproval of both Utah and Wyoming's' SIPs for cross-state transport for the 2015 8-hour Ozone NAAQS.
- The EPA published its final disapproval of Utah's cross-state ozone transport SIP in the Federal Register on February 13, 2023. The agency deferred action on Wyoming's SIP to December 15, 2023.
- The EPA has indicated its intent to finalize by March 15, 2023.
- PacifiCorp is evaluating legal options related to EPA's disapproval of the OTR SIPs and expected finalization of the OTR FIP.

# National Ambient Air Quality Standards



- Ozone Standard - Utah

- In May 2018, the Northern Wasatch Front Area in Utah was designated as Marginal nonattainment for Ozone. The nonattainment area (NAA) was required to attain the ozone standard by August 3, 2021, for marginal classification. However, the Northern Wasatch Front NAA did not attain the ozone standard by the attainment date and was reclassified to moderate status on November 7, 2022. The Northern Wasatch Front NAA is required to attain the ozone standard by August 3, 2024, for moderate classification based on data from 2021, 2022, and 2023. The Gadsby power plant is a major source of ozone in the area.
- The Utah Department of Environmental Quality developed a state implementation plan for moderate ozone nonattainment which underwent a period of public comments ending in July 2023. The state implementation plan will be presented to EPA in September 2023. Although the Gadsby Power plant is included in the implementation plan, it is unaffected by any additional requirements.
- Recent monitoring data indicates that the Northern Wasatch Front NAA will not attain the standard and will be reclassified to serious status in February of 2025. Utah Department of Environmental Quality has asked all Major sources of ozone to submit reasonably available control technology (RACT) analyses to the state by January 2, 2024, in preparation of likely serious nonattainment reclassification. As a major source in the Northern Wasatch Front NAA, the Gadsby power plant is preparing a RACT analysis for submission by the deadline.



# **Coal Combustion Residuals (CCR)**

# Coal Combustion Residuals

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- PacifiCorp operates five impoundments and four landfills that are subject to the CCR rule.
  - Three additional impoundments have been closed according to the CCR regulations and two are currently in the process of being closed.
  - One new FGD impoundment is under construction and is planned to be completed by October 2023.
- Required groundwater monitoring established that four impoundments and two landfills have impacted groundwater and require remediation. PacifiCorp is preparing remedies for each site based on regulatory requirements and public input.
  - Remedies have been selected for the two landfills and two of the impoundments. Additional investigation is necessary before a remedy can be selected for the remaining two impoundments.
- Utah adopted the federal final rule as state law in September 2016. PacifiCorp is in compliance with all requirements.
- August 2017, EPA proposed permitting guidance on how states' CCR programs should comply with the requirements of the final rule.
- July 2019, Wyoming proposed adoption of a state CCR law, which was signed by the Governor and submitted to EPA for primacy approval in February 2023.

# Coal Combustion Residuals

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- It is anticipated that Utah will also submit an application to EPA for primacy approval, but the timing of the submission remains uncertain.
- UDEQ issued the draft permit for Huntington Power Plant CCR Landfill for PacifiCorp review on August 11, 2022.
- EPA published the final CCR Phase I Part A rule on August 28, 2020. The rule requires unlined CCR surface impoundments to cease receipt of waste and initiate closure as soon as technically feasible but no later than April 11, 2021. The rule establishes the requirements for alternative closure deadlines and other reporting and monitoring requirements.
- PacifiCorp submitted an alternative closure demonstration for the Naughton Plant on October 23, 2020. If approved by EPA, the demonstration will allow the South Ash Pond to continue to receive CCR and non-CCR wastestreams past April 11, 2021. To be eligible for the extension, the Naughton plant must cease operation of coal fired boilers and complete closure of the CCR surface impoundment by October 17, 2028. Under the CCR Rule, the April 11, 2021, deadline is tolled until EPA responds to the submission.
- The North Ash pond at Naughton ceased receiving waste on April 9, 2021 in compliance with the Part A rule.

# Coal Combustion Residuals



- PacifiCorp submitted an alternative closure demonstration for the FGD Pond 2 at the Jim Bridger Plant to EPA on November 5, 2020. If approved, the demonstration will allow continued receipt of coal combustion residuals and non-coal combustion residual wastestreams past April 11, 2021, until a replacement pond is built in 2023.
- EPA deemed both of PacifiCorp's demonstrations complete. However, EPA has yet to approve or deny the requests. EPA has announced decisions on several CCR Part A demonstrations and is expected to announce several additional decisions by end of 2022 and early 2023.
- EPA proposed a rule governing the disposal of CCR from electric utilities addressing legacy CCR surface impoundments and CCR management units on May, 18, 2023. The proposed rule establishes groundwater monitoring, corrective action, closure, and post closure care requirements for these units.





# Clean Water Act

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## Effluent Limit Guidelines (ELG)

- EPA published the final ELG for steam electric generating units in the *Federal Register* on November 3, 2015.
- September 2017, EPA postponed compliance dates for FGD and bottom ash transport water to “as soon as possible beginning” November 1, 2020, and announced its intent to conduct new rulemaking.
- October 2020, EPA finalized the ELG Reconsideration Rule, adjusting the “as soon as possible” deadline for compliance with bottom ash transport wastewater requirements to October 13, 2021, and the “no later than” deadline to December 31, 2025.
  - PacifiCorp operates one plant, the Dave Johnston Plant, that discharges bottom ash transport wastewater.
  - The plant submitted a notice of planned participation to the Wyoming Department of Environmental Quality for units ceasing coal combustion by December 31, 2028.
  - The notice included an option to install an ELG compliant technology at a later date if PacifiCorp determines it to be the best option.
  - A final permit incorporating ELG compliance options is anticipated in 2023.

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## 316(b) Cooling Water Intake Structure Rule

- PacifiCorp operates six plants subject to the 316(b) Rule, including Dave Johnston, Gadsby, Hunter, Huntington, Jim Bridger and Naughton.
- EPA published the final 316(b) Rule for steam electric generating units in the *Federal Register* on August 15, 2014.
- The rule requires submittal of Permit Application Requirements (PARs) for all six plants, which were timely submitted.
- May 2019, PacifiCorp submitted an application to renew the Dave Johnston Wyoming Pollutant Discharge Elimination System (WYPDES) wastewater discharge permit. Stakeholders, including PacifiCorp, submitted comments during three public comment periods (December 2019, August 2020, and April 2023). The Wyoming Division of Water Quality has not taken final action on the application, but a final permit is expected in 2023.