

**Exh. DCG-10CC
Docket UE-190882
Witness: David C. Gomez
REDACTED VERSION**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UE-190882

**EXHIBIT TO
TESTIMONY OF**

David C. Gomez

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Avista's Confidential Response to UTC Staff Data Request No. 8

January 10, 2020

**COMPANY-CONFIDENTIAL PER PROTECTIVE ORDER – REDACTED
VERSION**

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	Washington	DATE PREPARED:	05/22/2019
DOCKET NO.:	190222	WITNESS:	Thomas C. Dempsey
REQUESTER:	UTC Staff	RESPONDER:	Thomas C. Dempsey
TYPE:	Data Request	DEPT:	GPSS
REQUEST NO.:	Staff – 008C	TELEPHONE:	(509) 495-4960
		EMAIL:	tom.dempsey@avistacorp.com

REQUEST:

Background Section for SUBPARTS A through D below

According to Mr. Dempsey, Talen currently performs compliance assurance stack testing for Colstrip on a quarterly basis to meet the MATS site-wide limitation for Particulate Matter (PM) emissions (0.03 lbs./MMBtu).¹ He went on to say that on September 4, 2018, Unit 4 demonstrated compliance with MATS Standard with a PM emission rate of 0.021 lb./mmbtu, and that on September 11, 2018, Unit 3 demonstrated compliance with MATS Standard with a PM emission rate of 0.024 lb./mmbtu.²

Mr. Dempsey also said that Talen contracted with a third-party vendor to review potential causes of the outage and derate. He stated that this report has yet to be completed and, if it is finalized during the pendency of the ERM review, that the Company will supplement its testimony.³

SUBPART A: Provide the *site-wide* and *unit level* PM emission rates (lb./mmbtu) for the Colstrip Generating Station since 2015. Include the most current rates for 2019.

SUBPART B: Identify the third-party vendor referred to by Mr. Dempsey in his testimony, and state when Avista and/or Talen expects that the report of the third-party vendor will be completed.

SUBPART C: When Avista ultimately files the third-party vendor report, does it plan to supplement the prefiled direct testimony of any of its witnesses? Will Avista introduce any new witnesses and testimony to this docket (Docket UE-190222)?

SUBPART D: Provide all drafts, reports, analysis, documents, work product, correspondence (including, but not limited to, email communications), generated by the third-party vendor identified above in SUBPART B as part of its contract with Talen.

SUBPART E: According to Mr. Dempsey, Talen will be the subject of MDEQ enforcement action (including fines) as a result of violating its air permit in 2018. He said that enforcement actions are in the discussion phases.⁴

- Identify all of the parties involved in any such enforcement actions and/or related discussions, and describe their role in such actions or discussions, the root cause of the PM exceedance, any corrective action, and any penalties and/or fines that resulted from Talen violating its air permit.

¹ Exhibit No. TCD-1T, Page 3:3-4.

² Exhibit No. TCD-1T, Page 5:13-16.

³ Exhibit No. TCD-1T, Page 5:23 to 6:4.

⁴ Exhibit No. TCD-1T, Page 6:5-15.

- Specify the timeline, as you best understand it, for pending enforcement actions against Talen for violating its air permit.
- Provide all reports, analysis, drafts, documents, work product, correspondence (including, but not limited to, email communications) related to Talen/MDEQ agreement for future MATS compliance assurance, any discussions of enforcement, corrective action, and any penalties and/or fines that resulted from Talen violating its air permit.

SUBPART F: Mr. Dempsey states that Colstrip’s “plant owners are evaluating the specific actions taken by Talen for potential improvements and implementation.”⁵

- Which plant owners was Mr. Dempsey referring to, and what “specific actions” was Mr. Dempsey referring to?
- Provide all drafts, reports, analysis, documents, work product, correspondence (including, but not limited to, email communications) relating to Mr. Dempsey’s statement referenced above in this SUBPART.

SUBPART G: Mr. Dempsey referred to Talen’s “daily conference call with all internal stakeholders.” He also indicated that Company representatives from Avista and other owners were periodically on-site during the 2018 outage and derate of Units 3 and 4 to aid in “evaluation” and confirm progress toward compliance.

- Provide the dates on which Talen’s daily conference calls started and the date they ended (if the daily conference calls are ongoing, then so respond).
- List all participants in any of Talen’s daily conference calls referenced above. What does Mr. Dempsey mean by “internal stakeholders”?
- List all Avista personnel who were on-site at Colstrip during the 2018 outage and derate of Units 3 and 4, including the dates they were on site. Provide all drafts, reports, analysis, documents, work product, correspondence (including, but not limited to, email communications) relating to Avista personnel on site visits during the 2018 outage and derate of Units 3 and 4 mentioned by Mr. Dempsey.

RESPONSE:

Confidential per WAC 480-07-160

Avista provides the following Attachment Index for the SUBPARTS below:

Staff_DR_008 **Attachment A** Colstrip PM 09082016 – 05092019.xls

Staff_DR_008 **Attachment B** MDEQ MATS PM Colstrip Information Request 08_31_2018.pdf

Staff_DR_008 **Attachment C** Response to MDEQ Colstrip MATS Information Request 9_17_18.pdf

⁵ Exhibit No. TCD-1T, Page 7:12-15.

Staff_DR_008C Confidential **Attachment D** CONFIDENTIAL SETTLEMENT DISCUSSIONS
MRE 408 - 20181214 Letter to Norman J. Mullen.pdf

Staff_DR_008C Confidential **Attachment E** CONFIDENTIAL SETTLEMENT DISCUSSIONS
MRE 408 - 20190322 Letter to Norman J. Mullen.pdf

Staff_DR_008C Confidential **Attachment F** CONFIDENTIAL SETTLEMENT DISCUSSIONS
MRE 408 – MDEQ Response Email

Staff_DR_008C Confidential **Attachment G** CONFIDENTIAL SETTLEMENT
DISCUSSIONS MRE 408 – DRAFT Complaint.docx

Staff_DR_008C Confidential **Attachment H** CONFIDENTIAL SETTLEMENT
DISCUSSIONS MRE 408 - DRAFT Requested Injunctive Relief.docx

Staff_DR_008C Confidential **Attachment I** CONFIDENTIAL SETTLEMENT DISCUSSIONS
MRE 408 - DRAFT Penalty Factors Violation 1.docx

Staff_DR_008C Confidential **Attachment J** CONFIDENTIAL SETTLEMENT DISCUSSIONS
MRE 408 - DRAFT Talen_draft_pencalc.xlsx

SUBPART A

According to the operator of Colstrip Units 3 & 4, under the MATS rule, Colstrip was required to start reporting compliance on September 8, 2016. Please see Staff_DR_008 Attachment A.

SUBPART B

The third party vendor is Sologic. Avista now expects the final report to be issued around the first week of June, 2019.

SUBPART C

As of the date of the response to this data request, Avista has not yet determined if it will produce any new witnesses or testimony in this docket.

SUBPART D

Avista does not have any documents generated by the third party vendor (Sologic).

SUBPART E

Bullet Point 1-

Mr. Dempsey's statement concerning a potential enforcement action is taken from the MDEQ information request on August 31, 2018 (Attachment B) that states "Test results indicated, and the Source Test Report submitted by CSES confirmed, that CSES was operating in excess of the applicable emission limit contained in Title 40 Code of Federal

Regulations Part 63 (40 CFR 63) Subpart UUUUU, also referred to as the Mercury & Air Toxics Standard (MATS)."

The Plant owners (Talen, NorthWestern Energy, Puget Sound Energy, PacifiCorp, Portland General Electric, and Avista) are each involved in the referenced enforcement action as owners. In addition, Talen is involved in the potential enforcement action as the Operator of Colstrip Units 3 and 4. MDEQ is the Montana State agency involved in the potential enforcement action.

Discussions regarding the enforcement action have generally been between MDEQ and Talen as the Operator of CSES. The other CSES owners have not been involved in those discussions, but have been informed on the progress of those discussions:

- Talen responded to the information request on September 17, 2018 (Attachment C).
- Subsequent discussions have taken place between these parties; Talen (as the operator and permittee) and MDEQ (representative for the State of Montana).
- The Attachments D-J represent communications between the parties.

With regard to the root cause of the PM exceedance, see response to Subpart B of this data request noting that Avista anticipates that it will receive the report from the third-party vendor sometime around the first week of June, 2019.

With regard to any corrective action, see response to Subpart F of this data request.

The enforcement action has not yet concluded and, therefore, to date no penalties and/or fines have been assessed.

Bullet Point 2-

This list of correspondence (see Attachments) represent a timeline of discussions between parties; Avista cannot speculate on the timeline for an outcome at this time.

Bullet Point 3-

See Attachments B - J

SUBPART F

Bullet Point 1-

“Plant owners” include Talen, NorthWestern Energy, Puget Sound Energy, PacifiCorp, Portland General Electric, & Avista.

Specific actions include any number of steps taken by Talen to help remain compliant with MATS regulations going forward. Examples of certain activities evaluated include:

- installing the perforation plates to balance the flow through the scrubbers
- increased attention to boiler tuning
- reinstallation of soot blowers to give operators better control over exit gas temperatures
- use of quartz filters that are less reactive in SO₂ environments

Bullet Point 2-

Avista cannot speak for, nor provide materials for any of the other Colstrip owners. Avista communications and evaluation of Talen's actions with respect to potential improvements and implementation took place during conference calls with the owners and in-person communication with Talen and other Colstrip owners.

SUBPART G

Bullet Point 1-

Avista does not have a record of the exact dates the calls took place. Talen estimates that they began in July and ended in early September.

Bullet Point 2-

Avista cannot identify who attended each call as we did not write down each participants name for each call. Generally, the calls were attended by representatives of all of the owners identified in Subparts E and F above. Talen identified Neil Dennehy and Gordon Criswell as indicated in Attachment B.

In referring to "internal stakeholders", Mr. Dempsey was referring to employees of Talen, Northwestern, Avista, PGE, Puget, and PacifiCorp who are engaged in Colstrip 3&4 matters.

Bullet Point 3-

Thomas Dempsey was onsite the following dates in 2018: June 20th, July 18th, September 5th, and 19th. Darrell Soyars was on site September 5th and 19th. Greg Frohn was on site August 15th. These attendance dates were associated with regular owner meetings and were not specifically part of the troubleshooting efforts under way. Accordingly, there are no documents responsive to this request.

Attachment I to Exhibit DCG-10CC

Is Redacted in its Entirety