

**Exh. DCG-11**  
**Dockets UE-190529/UG-190530 and**  
**UE-190274/UG-190275 (*consolidated*)**  
**Witness: David C. Gomez**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-190529  
and UG-190530 (*consolidated*)**

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**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferral  
Accounting and Ratemaking Treatment  
for Short-life UT/Technology Investment**

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**DOCKETS UE-190274 and  
UG-190275 (*consolidated*)**

**EXHIBIT TO TESTIMONY OF**

**David C. Gomez**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Testimony Exhibit, Mark Taylor; Talen SB 252*

**November 22, 2019**

## FACT SHEET: SB 252

EXHIBIT 1  
DATE 03/13/19  
SB 252

- Talen Montana operates the Colstrip Steam Electric Station in Colstrip, MT.
- Units 3 and 4 at the station operate under a Montana Major Facility Siting Act (“MFSA”) Certificate that requires use of coal exclusively from the Rosebud seam at the Colstrip mine (“Rosebud Mine”).
- When the original MFSA Certificate was issued, both the Rosebud Mine and the Colstrip Steam Electric Station were owned by the same company, ensuring alignment of their interests. Since that time, both the Rosebud Mine and the Colstrip Steam Electric Station have changed owners and are now under different ownership.
- Recent events have demonstrated that access to economically viable coal is vital to ensuring the long-term viability of Colstrip Units 3 and 4. Hence, the Units cannot continue to be constrained to coal from only one mine.
- As a result, Talen requested a Montana Air Quality Permit (MAQP) which would allow the use of coal sourced from other mines. This would provide greater operational flexibility by allowing use of coal from other sources. Montana Department of Environmental Quality (“MDEQ”) issued a preliminary permit on February 1. The final permit was issued March 13, 2019.
- The new permit will not affect the current coal quality requirements established in the existing air permits and the facility’s MFSA certificate. The only emissions impact will be from coal delivery methods, which is being addressed. Talen Montana has evaluated 14 mines’ coal quality and compared them to the Rosebud Mine’s characteristics. It was determined that the use of coal from these other sources would have no negative impact on Colstrip’s Units 3 and 4 boiler emissions. The coal from alternate mines being considered is the same quality or better for emissions related purposes to what is currently used to fuel Units 3 and 4. Findings were submitted as part of the related MAQP application.
- Despite already receiving a permit from MDEQ, under current regulations, Talen Montana must now file an amendment to the existing MFSA certificate, as a second step to obtain permissions to utilize non-Rosebud seam coal. This additional step requires additional time and is a duplicative effort at a point where it is critical to move quickly to ensure a reliable supply of coal to the Colstrip Station.
- As a result, Talen Montana is asking for the process to be changed so that it can move forward without having to amend the MFSA. Given the fact that MDEQ has already reviewed Talen’s proposal for a new air quality permit and issued a permit couple, coupled with the fact that the quality coal being proposed is of same or better quality as Rosebud seam coal, Talen believes that the necessary safeguards have been taken to protect public health and the environment.
- While Montana recognizes the impact that using other sources of coal may have on the Rosebud Mine, it must also consider the approximately 350 employees of the Colstrip Steam Electric Station. Talen’s focus by requesting the MAQP is to ensure the economic operation of Colstrip for many years to come.