

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Investigation of AVISTA CORPORATION d/b/a AVISTA
UTILITIES, PUGET SOUND ENERGY, and PACIFIC POWER LIGHT COMPANY
Regarding Prudency of Outage and Replacement Power Costs

DOCKET UE-190882

AVI ALLISON ON BEHALF OF PUBLIC COUNSEL UNIT

EXHIBIT AA-10

Avista Response to Staff Data Request No. 5
(Docket UE-190222)

January 10, 2020

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

JURISDICTION:	Washington	DATE PREPARED:	05/15/2019
DOCKET NO.:	190222	WITNESS:	Thomas C Dempsey
REQUESTER:	UTC Staff	RESPONDER:	Thomas C Dempsey
TYPE:	Data Request	DEPT:	GPSS
REQUEST NO.:	Staff – 005	TELEPHONE:	(509) 495-4960
		EMAIL:	tom.dempsey@avistacorp.com

REQUEST:

In his pre-filed direct testimony, Mr. Dempsey states that “Talen submitted a Final testing report confirming the non-compliance with MATS to the MDEQ on August 20, 2018. Talen proposed that limited operation of Unit #3 and Unit #4 for the evaluation of a corrective action and/or data gathering related to potential corrective action was a prudent approach to addressing the issue.”

SUBPART A: Provide the “Final testing report” referred to by Mr. Dempsey above. Include all presentations, notes, minutes, correspondence (including emails) between Talen, MDEQ and Avista relating to: the Colstrip Outage and Derate to Units 3 & 4, the Final Testing Report and Talen’s proposal for limited operation of Units 3 & 4 for the purposes Mr. Dempsey describes above.

SUBPART B: Mr. Dempsey states that Colstrip Unit 3 was taken out of service by Talen on June 28, 2018 and Unit 4 on June 29, 2018. He also states that Talen detected its violation of its Air Permit (#0513-14) on June 21, 2018 for Unit 3 and Unit 4 on June 28, 2018.

- Describe the actions taken by Avista and/or Talen to immediately address the violation of the air permit (including replacement power) in the seven-days between when the violation was detected and when Talen informed MDEQ.

SUBPART C: Provide the evidence Mr. Dempsey relied on to arrive at his conclusion that Talen’s submittal of a proposal to MDEQ to take Units 3 & 4 out of service for the purposes of investigating the cause of the violation of its air permit was prudent?

Background for SUBPART D below

The methodology for determining Colstrip’s compliance to the Mercury Air Toxics Standard (“MATS”) is measured by averaging the emissions of all four units at the facility for a 30-boiler operating day rolling average. The MDEQ, who administers compliance to MATS, approved of this methodology in 2015. Colstrip began meeting the MATS requirements starting in September of 2016 and was meeting those requirements until June of 2018 (start of the 2018 outage and derate of Colstrip).

In the first quarter of 2018, Talen detected an increase in particulate matter levels and even though Colstrip remained in compliance to MATS, it decided to conduct an investigation into why this was happening. In Q4 of 2017, particulate matter levels had been below normal.

SUBPART D: Provide all of the correspondence (including emails), documents, reports and analysis relating to Talen’s investigation into increase particulate matter levels in Q1 of 2018 referred to above.

SUBPART E: Provide all presentations, notes, minutes, emails and any other documentation provided to Avista's management and/or Board of Directors concerning the Q1 2018 investigation into increased particulate matter (referred to in SUBPART D above), the 2018 outage and derate of Colstrip Units 3 & 4. Include also all documentation, transcripts, notes, letters, correspondence memorializing decisions made by Avista's management and/or Board of Directors concerning the Q1 2018 investigation into increased particulate matter (referred to in SUBPART D above) and the 2018 outage and derate of Units 3 & 4 (including decisions related to capital costs, expense, coal fuel supply and costs, and possible retirement of both units). If Avista's management and/or Board of Directors made any decisions regarding the Q1 2018 investigation into increased particulate matter (referred to in SUBPART D above) and the 2018 Unit 3 & 4 outage and derate without memorializing them in a discoverable record, explain why.

RESPONSE:

Please see Staff_DR_005C for the confidential attachment.

SUBPART A-

Please see Staff_DR_005 Attachments A and Staff_DR_005C Confidential Attachment A for the requested information. Please also see the Company's response to Staff_DR_007 Attachment A.

SUBPART B –

As described in the attached emails, Avista first learned of the Colstrip potential deviation on June 27th, 2018 at approximately 2:00 PM. At that time, Avista was informed that Colstrip #3 would undergo diagnostic testing on 6/28/2019 and be removed from service at 6/28/2019 2359 MDT and Colstrip #4 would undergo diagnostic testing on 6/29/2019 and be removed from service on 6/29/2019 at 2359MDT. Talen first notified MDEQ of a potential deviation on June 28th, 2018 therefore, Avista is not aware of the specific actions that Talen may have taken in the seven-day prior to June 27, 2018. Accordingly, Avista did not take any actions to address a potential deviation of the air permit (including replacement power) in the seven-days prior to June 27, 2018.

SUBPART C

Under the Colstrip Ownership & Operation Agreement (provided in the Company's response to Staff_DR_006 Attachment A), Talen as operator is required to operate the plant in accordance with Prudent Utility Practice, including compliance with all applicable laws, regulations, and permits.

In compliance with contractual obligations, Talen notified MDEQ immediately of a potential MATS deviation and took actions to investigate including limited operation of the units to minimize emissions.

SUBPART D

Avista does not recall Talen's investigation into the increase in particulate matters in Q1 2018, primarily because of the fact Colstrip was not otherwise out of compliance. Avista does not have any documentation dating back to Q1 of 2018 related to this question. However, we are aware of Puget Sound Energy, witness Mr. Roberts who states in his testimony, JRJ-1T, at p. 4 ln 9-13 in Docket No. UE-190324:

“There was an elevation in the results for the first quarter of 2018; however, the facility remained in compliance. Investigation following the first quarter 2018 testing period showed no operational issues that would indicate further increase in particulate matter levels”

SUBPART E

With respect to a Q1 investigation, please see the response to Subpart D.

With respect to the 2018 MATS violation itself and the limited operation of units 3&4, please see Staff_DR_005 Attachment B.

With respect to “decisions” being made by Avista management relating to the 2018 MATS violation itself and the limited operation of units 3&4, Avista and all of the Colstrip partners were in full agreement that the plant operate only for the purposes of troubleshooting and effecting repair of the units.