

EXHIBIT: GS-1T

ADMIT W/D REJECT

Exhibit GS-1T

Dockets UE-200900/UG-200901/UE-200894

Witness: Greg Summers

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

) DOCKETS UE-200900, UG-200901,
) UE-200894 (*Consolidated*)

Complainant,

v.

AVISTA CORPORATION d/b/a
AVISTA UTILITIES

Respondent.

In the Matter of the Petition of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

For an Accounting Order Authorizing
Accounting and Ratemaking Treatment of
Costs Associated with the Company's
Wildfire Resiliency Plan.

RESPONSE TESTIMONY OF GREG SUMMERS

ON BEHALF OF

INLAND EMPIRE PAPER COMPANY

April 21, 2021

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Exhibit GS-2: Curriculum Vitae of Greg Summers

Confidential Exhibit GS-3C: Memorandum: Material Review Summary

1 **I. INTRODUCTION AND SUMMARY**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Greg Summers, and my business address is 6720 South Macadam Avenue,
4 Suite 125, Portland, OR 97219.

5 **Q. PLEASE STATE YOUR OCCUPATION AND ON WHOSE BEHALF YOU ARE**
6 **TESTIFYING.**

7 A. I am a Regulatory Specialist with Anchor QEA. Anchor QEA is an environmental
8 planning, science, and engineering consulting company specializing in regulatory
9 compliance. I am testifying on behalf of Inland Empire Paper Company (“IEP”).

10 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND WORK EXPERIENCE.**

11 A. My experience is detailed in Exhibit GS-2.

12 **Q. WHAT IS THE PURPOSE OF YOUR RESPONSE TESTIMONY?**

13 A. IEP is pursuing a natural gas-fired cogeneration facility (“CHP System”) at its paper mill
14 in Millwood, Washington. This facility forms the basis for an economic bypass rate
15 proposed in the special contract term sheet being negotiated between IEP and Avista,
16 which is discussed in more detail in the testimonies of Mr. Kevin Rasler and Dr. Lance
17 Kaufman. My testimony supports a memorandum I provided to IEP regarding the
18 permitting process for the cogeneration facility, including whether such a facility could
19 be permitted in Washington. This memorandum is attached to this testimony as
20 Confidential Exhibit GS-3C.

21 **Q. PLEASE SUMMARIZE YOUR CONCLUSION ON THIS MATTER.**

22 A. I conclude that the CHP System IEP proposes to construct is likely to receive all
23 necessary permits to operate in Washington.

II. SCOPE OF REVIEW

1
2 **Q. PLEASE DESCRIBE THE DOCUMENTS AND OTHER INFORMATION YOU**
3 **REVIEWED.**

4 A. I reviewed the Economic Bypass Study performed by Aegis Insight, Inc. and IEP's
5 existing water and air quality permits. I also communicated directly with IEP personnel
6 regarding the operations of the paper mill and received additional information on the
7 CHP System from Wartsila. Based on this information, I compiled a list of all state and
8 federal air and water quality permits the CHP System could potentially require. I then
9 identified which permits would not be required due to the location of the CHP System
10 and/or its characteristics. For example, the CHP System would not require any federal
11 permits because it would not impact any federal resources or receive any federal funding.
12 Additionally, the CHP System would not require any water discharge permits because no
13 water is needed for the CHP System. Table 1 in Exhibit GS-3C identifies all of the
14 permits that could potentially apply to the CHP System but do not apply in this case.

15 Table 2 of my memorandum identifies all of the permits that likely would be
16 required to construct the CHP System. These include an Air Operating Permit ("AOP"),
17 as the CHP System is likely to emit more than 100 tons per year of a regulated air
18 pollutant and/or more than 10 tons per year of a regulated hazardous air pollutant. As
19 part of the AOP, IEP likely would also need to prepare an environmental impact
20 statement ("EIS") under the State Environmental Policy Act ("SEPA"). It would also
21 need to obtain a Prevention of Significant Deterioration ("PSD") permit, which ensures
22 that the CHP System will not result in significant deterioration of the ambient air quality.
23 These permits are issued either by the Washington State Department of Ecology

1 (“Ecology”) or the Spokane Regional Clean Air Agency. Additional required permits are
2 listed in Table 2 of Exhibit GS-3C.

3 **Q. WHICH PERMITS WILL LIKELY BE THE MOST COMPLEX TO ACQUIRE?**

4 A. The AOP and PSD permits are likely to require the most time and effort and come with
5 the most significant conditions. Additionally, the SEPA review must be completed prior
6 to the issuance of any permits. Of particular importance is likely to be the greenhouse
7 gas (“GHG”) emissions from the CHP System. Due to the level of GHG emissions, I
8 have assumed that the SEPA lead agency will require a full EIS for the project, rather
9 than the more streamlined environmental assessment or checklist. Historically, GHG
10 impacts have been evaluated on a case-by-case basis during the EIS process. However,
11 Ecology is in the midst of drafting the Greenhouse Gas Assessment for Projects (“GAP”)
12 rule, which will make these analyses more uniform.

13 **Q. PLEASE PROVIDE ADDITIONAL INFORMATION ON THE GAP RULE.**

14 A. It is assumed that this project would be required to comply with the GAP rule and follow
15 the protocols being established under that rule. The GAP rule is currently undergoing
16 review after a public comment period in March. It is anticipated that the GAP rule will
17 go into effect in fall 2021. Consequently, it is assumed that this project would comply
18 with the GAP rule protocols.

19 As currently proposed, those protocols include an environmental assessment of
20 GHG emissions for the facility under operation and a full life-cycle analysis including
21 inputs and outputs. It is assumed the assessment would also require an energy analysis
22 for direct or indirect effects on energy supply, output, load, or other energy impacts
23 associated with the project.

1 The GAP rule will likely require mitigation that outlines the “methods,
2 procedures, protocols, criteria or standards for mitigation of greenhouse gas emissions, as
3 necessary to achieve a goal of no net increase in greenhouse gas emissions attributable to
4 the project” (Washington Administrative Code 173-445).

5 **Q. HOW HAS IEP PROPOSED TO ADDRESS POTENTIAL PERMITTING**
6 **REQUIREMENTS RELATED TO GHG EMISSIONS FROM THE CHP SYSTEM**
7 **UNDER THE GAP RULE OR OTHERWISE?**

8 A. IEP proposes to purchase offsets to cover 100% of the GHG emissions associated with
9 the CHP System.

10 **Q. BASED ON YOUR EXPERIENCE, WILL THE PURCHASE OF OFFSETS BE**
11 **SUFFICIENT TO MEET GHG REQUIREMENTS AND RECEIVE THE**
12 **NECESSARY AOP AND PSD PERMITS?**

13 A. Yes. By purchasing credits to offset 100% of emissions, this project should comply with
14 the upcoming GAP rule. Moreover, the ability to offset 100% of GHG emissions will
15 greatly improve the ability to permit the facility more generally because it would help the
16 State of Washington comply with its mission to reduce GHG emissions. Moreover, by
17 purchasing sufficient offsets to account for all of the CHP System’s GHG emissions, IEP
18 can make a credible claim that the project will result in a net reduction to GHG
19 emissions. This is because IEP will also be reducing electricity deliveries from Avista,
20 which itself contains a carbon emissions profile. This should be sufficient to address any
21 concerns the permitting agency has related to GHG emissions from the CHP System.

22 **Q. HOW LONG DO YOU EXPECT THE PERMITTING PROCESS FOR THE CHP**
23 **SYSTEM TO TAKE?**

24 A. I anticipate that it will take approximately 2 years to secure all required permits, though
25 the time could be longer or shorter depending on public interest in the project and the
26 complexity of the review.

1 **Q. ARE THERE ANY MATERIAL COSTS ASSOCIATED WITH THE**
2 **PERMITTING PROCESS OR LIKELY CONDITIONS IN APPROVED PERMITS**
3 **THAT WERE NOT CONSIDERED IN THE ECONOMIC BYPASS STUDY**
4 **PERFORMED BY AEGIS INSIGHT, BASED ON YOUR REVIEW?**

5 A. No. All material costs have been accounted for in this study.

6 **Q. IN YOUR OPINION, IS THE CHP SYSTEM LIKELY TO RECEIVE ALL**
7 **NECESSARY PERMITS TO BE CONSTRUCTED AND OPERATE IN**
8 **WASHINGTON?**

9 A. Yes.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes.