

Exh. JRT-18

WUTC DOCKET: UE-200900 UG-200901 UE-200894

EXHIBIT: JRT-18 (R)

ADMIT W/D REJECT

REDACTED

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-200900

DOCKET NO. UG-200901

DOCKET NO. UE-200894

(Consolidated)

EXH. JRT-18

JASON R. THACKSTON

REPRESENTING AVISTA CORPORATION

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/12/2021
CASE NO.:	UE-200900, UG-200901, UE-200894	WITNESS:	Jason R. Thackston
REQUESTER:	Sierra Club	RESPONDER:	Thomas C Dempsey
TYPE:	Data Request	DEPT:	GPSS
REQUEST NO.:	SC-004C Supplemental	TELEPHONE:	(509) 495-4960
		EMAIL:	tom.dempsey@avistacorp.com

REQUEST:

Please provide any and all analyses conducted by Avista, Talen, or other entity (prior to installing SmartBurn) on the expected costs and benefits of installing SmartBurn on Colstrip Units 3 & 4, including:

- a. Cost of installation of SmartBurn;
- b. Operating Costs of SmartBurn;
- c. Expected savings on SCR installation cost (from size reduction);
- d. Expected savings in operating costs of SCR due to SmartBurn installation (from reducing ammonia needs); and.
- e. Other expected costs and benefits.

RESPONSE:

- a. Please see Avista's response to Staff DR 132.
- b. Please see Avista's response to Staff DR 132
- c. Please see Avista's response to Staff DR 133. Although pricing for a reduce sized SCR was not obtained, based on the BACT analysis results (Avista is seeking permission to produce relevant information from this document), an SCR would have had to reduce approximately 50% more NOx if installed in isolation versus a scenario where it was installed in combination with SmartBurn: $0.17-0.04=0.13$ lb/MMBtu vs $0.125-0.04 = 0.085$ lb/MMBtu.
- d. Based on chemical rates shown in the BACT analysis, Avista estimated that SmartBurn would reduce annual chemical costs in the range of \$500,000-\$800,000 per year depending on specified SmartBurn performance.
- e. Based on catalyst costs in the BACT analysis, Avista estimated that SmartBurn would reduce such catalyst costs by approximately \$500,000 per year depending on the specified SmartBurn performance. Although the estimated combination of chemical cost savings and catalyst savings alone exceeded the expected annualized cost of SmartBurn, additional cost savings would reasonably be expected in annual maintenance, materials, and labor. Other benefits include the actual reduction in NOx emissions and the associated visibility improvements and health benefits. Please refer to the recently prepared Four Factor analysis submitted to MDEQ included as an attachment in pre-filed Thackston testimony, Exh. JRT-10 part 2.

SUPPLEMENTAL 04/12/2021

The response provided with SC-DR-004C Supplemental is **Confidential per Protective Order in UTC Dockets UE-200900 and UG-200901.**

Avista is providing further clarity with regards to Sierra Club requests SC-DR-004, SC-DR-016 and SC-DR-017, and Staff-DR-133C Supplemental 2. Although responses to data requests SC-016 and SC-017 appropriately reported back to SC-DR-004 and by extension Staff-DR-133, Avista had not yet obtained

permission to release the BACT report [TRC Document] that specifically addressed the questions raised in SC-DR-016 and SC-DR-017. By way of supplementation, we have recently provided a redacted copy of the BACT report in response to Staff-DR-133C Supplemental on 03/30/2021.

The purpose of this supplemental response is to summarize and explain the third-party BACT analysis for NOx controls at Colstrip 3&4, which was performed on behalf of all the owners at Colstrip. Most importantly, the supporting data, analysis, and conclusions that formed the foundation of our decision to support the installation of SmartBurn were included within this report.

In its response to SC-004, Avista summarized in a general way some of the results of the report in an attempt to be as responsive as possible while awaiting permission to release information. Now that we have been able to produce the actual report (see response to Staff-DR-133C Supplemental), the following explains in more detail how that report was relied upon by the owners:

- [REDACTED]
- [REDACTED]
- [REDACTED]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]