

**EXH. RJR-23  
DOCKET UE-22 \_\_\_/UG-22 \_\_\_  
2022 PSE GENERAL RATE CASE  
WITNESS: RONALD J. ROBERTS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-22 \_\_\_  
Docket UG-22 \_\_\_**

**TWENTY-SECOND EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**RONALD J. ROBERTS**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**



**Portland General Electric Company**  
121 SW Salmon Street, 1WTC 1301  
Portland, Oregon 97204



**Avista Corporation**  
Post Office Box 3727  
Spokane, Washington 99220



**PacifiCorp**  
825 NE Multnomah Street  
Portland, Oregon 97232



**Puget Sound Energy**  
355 110<sup>th</sup> Avenue Northeast  
Bellevue, Washington 98004

February 23, 2021

*Via Electronic Mail*

NorthWestern Energy  
Attn: Heather Grahame  
John Tabaracci  
1315 North Last Chance Gulch  
Helena, Montana 59601

RE: Colstrip Dry Ash Disposal

Dear Heather and John,

On February 19, 2021, each of the Colstrip Co-owners received the attached letter from Montana Environmental Information Center (MEIC), Sierra Club (SC), and National Wildlife Federation (NWF), offering, in exchange for firm closure dates for Colstrip Units 3 and 4, the opportunity to extend the timeline for the costly conversion to dry-ash disposal beyond the current deadline of July 1, 2022.

Re: Colstrip Dry Ash Disposal  
Page 2

Puget Sound Energy, Avista Corporation, PacifiCorp and Portland General Electric Company would like to engage with MEIC, SC, and NWF to explore their offer to exchange firm closure dates for each unit in exchange for an extension of the timeline for the costly conversion to dry-ash disposal. MEIC, SC, and NWF's letter further indicates that, if an agreement can be reached regarding closure of Colstrip Units 3 and 4, the conversion to dry-ash disposal may not be necessary.

The MEIC, SC, and NWF offer does not include important details, including a timeframe for closing Colstrip Units 3 and 4, that are necessary to evaluate their offer. Accordingly, further discussions with MEIC, SC, and NWF are necessary to better understand their offer so that it can be properly evaluated. Please let us know if you are willing to engage in these discussions. Given the need to begin construction on a solution to comply with the current settlement, we ask that you please respond no later than Thursday, February 25, 2021.

Thank you.

**PORTLAND GENERAL ELECTRIC  
COMPANY**

*Lisa A. Kaner*

Lisa A. Kaner (Feb 23, 2021 12:16 PST)

**Lisa Kaner**  
**General Counsel**

**AVISTA CORPORATION**

*Gregory C. Hesler*

Gregory C. Hesler (Feb 23, 2021 12:40 PST)

**Greg Hesler**  
**General Counsel**

**PACIFICORP**

*Richard J. Garlish*

Richard J. Garlish (Feb 23, 2021 14:19 MST)

**Richard Garlish**  
**General Counsel**

**PUGET SOUND ENERGY**

*Steve Secrist*

Steve Secrist (Feb 23, 2021 13:47 PST)

**Steve Secrist**  
**General Counsel**

cc: Talen Montana, LLC, Attn: Dale Lebsack and Damon Obie

February 19, 2021

Dear Colstrip Co-owners,

Montana Environmental Information Center (MEIC), Sierra Club (SC), and National Wildlife Federation (NWF) are writing to follow up on the dry-ash settlement involving Colstrip.

The 2016 settlement resolved litigation in Montana state court regarding the Colstrip owners' obligations to comply with the state's water quality and major facility siting laws. The settlement between MEIC, SC, and NWF and every Colstrip co-owner requires the Colstrip owners to convert to a "non-liquid" disposal system for coal combustion residual (CCR) material generated by Colstrip Units 3 and 4's scrubbers no later than July 1, 2022. The settlement further provides that the deadline for converting to dry-ash disposal "may be extended by mutual agreement of the parties for any reason." Montana Department of Environmental Quality approved, but is not a party to, the settlement.

In exchange for firm closure dates for Colstrip Units 3 and 4, we would like to discuss the possibility of an elongated timeline for the costly conversion to dry-ash disposal by July 1, 2022. Although we continue to believe that it is essential for the Colstrip owners to cease placement of liquid waste in Colstrip's impoundments, this outcome may be achieved by ending operation of Colstrip Units 3 and 4 altogether in lieu of dry-ash conversion. If we reach mutual agreement on such closure dates, near-term expenditures on costly new source control measures may not be wise or beneficial.

As you may know, we approached NorthWestern Energy with a similar suggestion in Fall 2020 in connection with the Colstrip Unit 4 acquisition proceeding in Montana. Termination of that proceeding negated further discussion, but we continue to believe that a settlement is possible that is both environmentally beneficial and advantageous for Colstrip owners and their customers.

We look forward to your response and any questions regarding this matter.

Sincerely,

Anne Hedges  
Director of Policy and Legislative Affairs  
Montana Environmental Information Center

Jessica Yarnall Loarie  
Senior Attorney  
Sierra Club

Sarah Bates  
Acting Regional Executive Director  
National Wildlife Federation