

Oregon's Regional Haze Plan

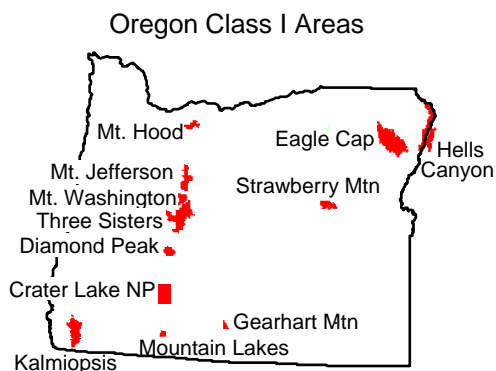
DEQ Proposes Adoption of the 2008 Oregon Regional Haze Plan and New Controls for PGE Boardman Power Plant

On Friday, June 19, 2009, DEQ will recommend adoption of the *2008 Oregon Regional Haze Plan and New Controls for PGE Boardman Power Plant* at the regularly scheduled meeting of the Environmental Quality Commission (EQC) in Portland. If adopted, this rulemaking would represent one of the strongest actions taken in the western U.S. to address the problem of regional haze in wilderness areas and national parks. The agenda for the June EQC Meeting can be found at

www.deq.state.or.us/about/eqc/EQCagendas.htm

Background

Air pollution in the form of haze can travel hundreds of miles, affecting visibility in scenic areas like Crater Lake National Park. The federal Clean Air Act contains requirements to protect and improve visibility in national parks and wilderness area in the country. In 1977 Congress designated certain national parks and wilderness areas "Class 1 areas," where visibility was identified as an important value. Currently there are 156 Class 1 areas in the country. Oregon has 12, including Crater Lake National Park.



To address the problem of regional haze, the Environmental Protection Agency adopted the *regional haze rule* in 1999. This rule requires states to adopt regional haze plans to incrementally improve visibility in all Class 1 areas, including Oregon's, over the next 60 years. It focuses on improving Class 1 area visibility on the haziest days (the worst 20 percent) and ensuring no degradation on the clearest days (the best 20 percent). *Best available retrofit technology (BART)* is a key part of the federal regional haze rule, and applies to certain older industrial facilities built before 1977 when federal prevention of significant deterioration rules were adopted to protect Class 1 areas. Under BART, these older facilities must now

evaluate their visibility impact in Class I areas, and if it is found to be significant, conduct an evaluation of new pollution controls, and install them in five years.

What is the objective of this rulemaking?

The objective of this rulemaking proposal is to meet the requirements of the federal regional haze rule, by adopting the 2008 Oregon Regional Haze Plan. Adoption of the plan demonstrates that Oregon will make reasonable progress toward meeting the rule's long term objectives. The plan includes BART requirements for the PGE Boardman coal-fired power plant, a second phase of NO_x controls for the Boardman plant, and emission limits at four other BART-eligible facilities.

What's in the Plan?

The 2008 Oregon Regional Haze Plan includes the following:

- History and regulatory background of the regional haze rule, and geographical description of each of Oregon's 12 Class I Areas. See Chapters 1 through 5.
- A comprehensive review and assessment of visibility conditions in each of Oregon's 12 Class I areas, showing major pollutants and source categories in Oregon and other states that cause haze, and a projection of visibility (considering growth along with previously-adopted and proposed emission-reduction strategies) by a required "milestone" date of 2018. See Chapters 6 through 9.
- DEQ's evaluation of ten "BART-eligible" sources, and proposed rules that will require retrofit controls on the PGE Boardman power plant, and reduce emissions at four other facilities. See Chapter 10.
- "Reasonable progress goals" established by DEQ for Oregon's 12 Class I areas, along with an assessment of progress toward the goals for the haziest and clearest 20 percent days by the 2018 milestone. See Chapter 11.
- A "long-term strategy" that describes the actions DEQ will take to address major sources of haze over the next 10 years, and commitments for future plan updates and revisions. See Chapter 12.
- A summary of DEQ's efforts to consult and



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The Department and the EQC have the statutory authority to address this issue under ORS 468.020 and 468A.025. These rules implement ORS 468A.025

coordinate with other states, Tribes, and federal land managers during the development of this plan. See Chapter 13.

- Associated with this rulemaking, DEQ is proposing to align the installation of mercury controls (adopted in 2006) for PGE Boardman with Phase 1 SO₂ controls described below, as these control technologies are integral to each other. This proposed rulemaking would retain the July 1, 2012 compliance date, but change the compliance extension contingency from 1 year to 2 years to encourage PGE Boardman to pursue an interim mercury control strategy using existing controls. This proposal would also add fly ash contamination as a contingency for granting an extension and align compliance reporting to the compliance date.
- Also part of this rulemaking proposal is the adoption of revisions made to the Oregon Smoke Management Plan by the Oregon Department of Forestry in 2007. These revisions include measures to protect visibility in Class I areas. DEQ is proposing to incorporate the Oregon Smoke Management Plan into the Oregon state implementation plan without any additional changes.

Why is this rulemaking needed?

This rulemaking is needed to improve and protect air quality and visibility in Oregon's Class I areas. Adopting this regional haze plan satisfies federal requirements. It will also help provide additional visibility benefits to the Columbia Gorge National Scenic Area, due to the proximity of the Gorge to Oregon's Class I areas, and inclusion of the Gorge in future plan updates.

What facilities may be affected?

This rulemaking proposal will affect five older industrial facilities covered by the federal BART rules.

PGE Boardman Power Plant

Of the ten "BART-eligible" industrial facilities evaluated by DEQ, the PGE Boardman power plant had the largest affect on visibility in Oregon's Class I areas. As a result, DEQ has proposed that PGE install emissions controls in two-phases. Phase 1 would require controls for sulfur dioxide (SO₂) and oxides of nitrogen (NO_x), and would reduce emissions by about 66 percent by 2014 at a cost of about \$280 million. These controls are intended to satisfy federal requirements for BART. Phase 2 requires more advanced controls for NO_x that would reduce

emissions by about 80 percent by 2018, at an additional cost of \$191 million. These controls are intended to satisfy federal requirements for reasonable progress. The total emissions reduced from both phases are about 21,000 tons per year, which will significantly improve visibility in 14 Class I areas in Oregon and Washington, as well as the Columbia Gorge National Scenic Area.

The total estimated cost of the PGE Boardman controls for both phases is about \$471 million dollars. As described in DEQ's Fiscal Impact Report, this may result in increased electricity rates of about three to four percent by the year 2018. Future rate increases are subject to the rate setting process governed by the Oregon Public Utility Commission, and will be contingent on PUC approval.

Other BART-eligible Sources:

In addition to PGE Boardman, DEQ found four other BART-eligible pollution sources with significant, but smaller visibility impacts on Class I areas. These sources will be subject to federally enforceable permit limits that will reduce their visibility impact to below the perceptible level which represents a significant impact.

The four sources are:

1. PGE Beaver power plant, Clatskanie Oregon.
2. International Paper (formerly Weyerhaeuser), Springfield Oregon.
3. Amalgamated Sugar, Nyssa Oregon (not currently operating).
4. Georgia Pacific, Wauna Mill, Clatskanie Oregon.

How was this proposal developed?

In developing this regional haze plan, Oregon has been actively involved in the Western Regional Air Partnership, which is a stakeholder-based organization charged with preparing the technical and policy work needed by states for developing regional haze plans. In addition to the Western Regional Air Partnership, DEQ developed this plan in consultation with other states, Tribes, federal land managers, EPA, environmental groups, industrial stakeholders, and the general public.

In October 2008, DEQ convened a fiscal advisory committee to review and comment on DEQ's draft fiscal and economic impact analysis, including the costs and benefits of the proposed controls for PGE Boardman and the

impact of proposed Regional Haze Plan. The committee also assessed the impact of the proposed rulemaking on small businesses and found no direct impact. However, they did find there would likely be an indirect impact from increased electricity rates to small businesses and other customers served by the Boardman facility.

For further Information

A summary of the proposed rulemaking can be found at DEQ's rulemaking website www.deq.state.or.us/regulations/proposedrules.htm.

The following documents are suggested for further information:

- May 1, 2009 Memorandum to the EQC from Dick Pedersen, Agenda Item X, Rule Adoption of 2008 Oregon Regional Haze Plan and New Controls for PGE Boardman.
- DEQ Summary of Public Comments and Agency Responses, April 27, 2009.
- DEQ Hearing Officer's Report on Public Hearings, January 26, 2009.
- Executive Summary from the 2008 Oregon Regional Haze Plan.
- DEQ Proposed 2008 Oregon Regional Haze Plan
- Proposed New Regional Haze/BART Rules
- Proposed Amendments to DEQ Mercury Rules
- DEQ's Fiscal Impact Report

The Public Comment Process

The public comment period began December 1, 2008, and closed January 30, 2009. This 60-day comment period was twice the length of most rulemakings conducted by DEQ. DEQ held five public hearings held in Portland, Eugene-Springfield, Medford, Hermiston, and The Dalles. A total of 111 persons attended the hearings, and 45 provided testimony. DEQ received over 1200 comments, mostly via email, with 61 written (letter) comments also submitted. As a result of the extensive public comments and additional time needed for review and evaluation of these comments, the proposal of this rulemaking was rescheduled from the April 2009 EQC meeting to the June 2009 EQC meeting.

While public forum is part of the agenda for June EQC meeting, no additional comments or testimony may be presented on rule adoption items for which the public comment period has closed.

Alternative formats/accommodations

Please notify DEQ of any special physical or language accommodations needed for the June 19th EQC Meeting as far in advance as possible. Alternative formats (Braille, large type) of this document can be made available. Contact DEQ's Office of Communications & Outreach, Portland, at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696.