

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
NOTICE OF PROPOSED RULEMAKING, HEARING**

A Statement of Need and Fiscal Impact accompanies this form.

Department of Environmental Quality  
Agency and Division

OAR Chapter 340  
Administrative Rules Chapter Number

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**RULE CAPTION**

**Proposed Revisions to DEQ Regional Haze/BART rules  
for the PGE Boardman Power Plant**

**PUBLIC HEARINGS**

<u>September 21, 2010</u> Hearing Date	<u>6:00 pm</u> Time	<u>Metro Regional Center Council Chambers 600 NE Grand Ave Portland, OR</u> Location	<u>DEQ employee</u> Hearings Officer
<u>September 23, 2010</u> Hearing Date	<u>6:00 pm</u> Time	<u>Eugene State Office Building Willamette Conference Room 165 East 7<sup>th</sup> Avenue Eugene, OR</u> Location	<u>DEQ employee</u> Hearings Officer
<u>September 28, 2010</u> Hearing Date	<u>6:00 pm</u> Time	<u>Hermiston Conference Center 415 S. Hwy 395 Hermiston, OR</u> Location	<u>DEQ employee</u> Hearings Officer
<u>September 29, 2010</u> Hearing Date	<u>6:00 pm</u> Time	<u>DEQ Medford Office Conference Room Suite 201 221 Stewart Avenue Medford, OR</u> Location	<u>DEQ employee</u> Hearings Officer
<u>September 30, 2010</u> Hearing Date	<u>6:00 pm</u> Time	<u>Columbia Gorge Community College Health Sciences Building Building Three, Room 3.203 400 E. Scenic Drive The Dalles, OR</u> Location	<u>DEQ employee</u> Hearings Officer

Auxiliary aids for persons with disabilities are available at hearings upon advance request.

**RULEMAKING ACTION**

**ADOPT:** OAR 340-223-0060, 340-223-0070, 340-223-0080, 340-223-0090

**AMEND:** OAR 340-200-0040, 340-223-0010, 340-223-0020, 340-223-0030, 340-223-0040, 340-223-0050

**REPEAL:** NA

**RENUMBER:** NA

**AMEND AND RENUMBER:** NA

## RULE SUMMARY

This rulemaking will amend the Oregon Department of Environmental Quality's (DEQ) 2009 regional haze rules adopted for the PGE Boardman coal-fired power plant, as part of a regional haze plan to improve visibility and reduce air pollution in Oregon's Class I wilderness areas and national parks. On June 17, the Environmental Quality Commission voted to deny a petition submitted by Portland General Electric (PGE) to reduce the stringency of these rules, based on a proposal to close the plant by 2020, and directed DEQ to begin rulemaking and examine a wide range of pollution control options, consistent with an early shutdown of the plant.

DEQ is seeking public comment on three early closure options, which each establish regional haze pollution reduction requirements that meet federal Best Available Retrofit Technology (BART) requirements considering the early shutdown dates in each of the three options. If adopted, these options would be added to the current regional haze rules that apply to the Boardman plant. DEQ is proposing to adopt all three options and allow PGE to select the option that matches the closure date the owners select for the plant. To use one of the early closure options, PGE would have to notify DEQ of its intent to do so before July 1, 2014, the date when sulfur dioxide (SO<sub>2</sub>) limits would otherwise go into effect under the current regional haze rules that were adopted in 2009. If PGE selects none of these early closure options, the current regional haze rules adopted in 2009 would apply. Those rules would allow PGE to run the plant indefinitely and do not contain any closure deadline.

DEQ followed EPA guidance for determining BART for each option. DEQ is seeking comment on its evaluation of the BART criteria, including but not limited to:

- The technical feasibility of control options;
- The control effectiveness of each control options; and
- The cost effectiveness of each option.

Additionally, DEQ is seeking comment on its use of \$7,300/ton for reducing emissions as a cost effectiveness threshold. This selected threshold is based on the high end of the range used by other states, based on significant visibility impacts in 14 national parks and wilderness areas (Class I areas) in Oregon and Washington from the PGE Boardman plant.

**The current rules.** The 2009 regional haze rules adopted for the Boardman plant require a 46% reduction of nitrogen oxide (NO<sub>x</sub>) emissions in 2011, an 80 percent reduction of sulfur dioxide (SO<sub>2</sub>) emissions in 2014, and an additional 36 percent reduction of NO<sub>x</sub> emissions in 2017. The estimated cost of the required pollution controls is approximately \$498 million.

**Option 1 - 2020 shutdown.** This option would require the same NO<sub>x</sub> reduction in 2011, the same SO<sub>2</sub> reduction in 2014, but not the additional NO<sub>x</sub> reduction in 2017. Under a 2020 shutdown, the additional pollution controls for NO<sub>x</sub> in 2017 would be replaced by less expensive additional NO<sub>x</sub> controls in 2014. This option has the same 2020 shutdown date as proposed by PGE, but unlike their petition, would still require an 80 percent reduction in SO<sub>2</sub> by 2014. The estimated cost of these pollution controls is approximately \$320 million.

**Option 2 - 2018 shutdown.** This option would require the same NO<sub>x</sub> reduction in 2011, and a 40% reduction in SO<sub>2</sub> emissions in 2014 by installing less expensive SO<sub>2</sub> pollution controls. Like Option 1, the additional pollution controls for NO<sub>x</sub> in 2017 would be replaced by less expensive additional NO<sub>x</sub> controls in 2014. To meet federal BART requirements, this option establishes a shutdown date in 2018. The estimated cost of these pollution controls is approximately \$103 million.

**Option 3 - 2015/2016 shutdown.** This option would require the same NO<sub>x</sub> reduction in 2011, and no other pollution controls after this date. The shutdown date under this option is based on the requirement to install BART pollution controls within five years of federal approval of a state regional haze plan. Since Oregon's 2009 Regional Haze Plan is expected to be approved by late 2010 or early 2011, this option establishes a shutdown date in five years, or by 2015 or 2016. The estimated cost of these pollution controls is approximately \$36 million.

Note: All three options still require the Boardman plant to comply in 2012 with DEQ's current mercury regulations.

DEQ is also seeking comment on an alternative proposed by PGE that would be similar to Option 2, but would allow the plant to operate until 2020. For more information on PGE's proposal, see PGE's July 30, 2010 letter "PGE Comments on DEQ's Proposed Revisions to its Regional Haze Rules" at [DEQ's PGE Boardman website](#) or go to [www.deq.state.or.us/aq/haze/shutdown.htm](http://www.deq.state.or.us/aq/haze/shutdown.htm).

This proposed rulemaking includes amending parts of the 2009 Oregon Regional Haze Plan that pertain to the PGE Boardman plant, and then submitting all rule and plan changes to the Environmental Protection Agency as a revision to the Oregon State Implementation Plan under OAR 340-200-0040.

The proposed rulemaking is different from, or in addition to, applicable federal requirements because it is more specific than the federal requirements. Oregon is required by the federal Clean Air Act to establish BART regional haze pollution controls for the PGE Boardman plant, pursuant to rules and guidelines established by the United States Environmental Protection Agency (EPA). However, while Oregon follows EPA rules and guidelines in establishing BART, the determination of what controls satisfy BART is made by Oregon. Also, applicable federal requirements do not require Oregon to establish multiple options for BART based upon potential early closure dates that PGE may choose, but because PGE has requested early closure options, DEQ is proposing options that are different from and are in addition to the minimum federal requirement to establish BART for the remaining useful life of the facility. Additional information on the relationship of the proposed rules to applicable federal requirements may be found online at [DEQ's PGE Boardman website](#) under the Relationship to Federal Requirements document, or go to [www.deq.state.or.us/aq/haze/shutdown.htm](http://www.deq.state.or.us/aq/haze/shutdown.htm).

To request additional information regarding this rulemaking, please contact:

Brian Finneran at the Department of Environmental Quality, call toll free in Oregon 800-452-4011 or local (503) 229-6278.

You may also visit DEQ's at [DEQ's PGE Boardman website](#) at [www.deq.state.or.us/aq/haze/shutdown.htm](http://www.deq.state.or.us/aq/haze/shutdown.htm) or see DEQ's proposed administrative rules webpage at [www.deq.state.or.us/regulations/proposedrules.htm](http://www.deq.state.or.us/regulations/proposedrules.htm)


To comment on this rulemaking, submit your comments to:

Brian Finneran, Oregon Department of Environmental Quality, 811 SW Sixth Ave.  
Portland, Oregon 97204, or by fax to (503) 229-5675, or by email to [NewBART4PGE@deq.state.or.us](mailto:NewBART4PGE@deq.state.or.us) (if you do not receive an auto response to your emailed comments, contact staff listed above)

Friday, October 1, 2010, 5 p.m.

Last day to receive public comments

**ORS 183.335(2)(b)(G), The Department of Environmental Quality requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.**

 8/13/2010  
Signature and Date  
KERRI NELSON  
DEQ MANAGEMENT SERVICES ADMINISTRATOR

Maggie Vandehey  
Printed name

The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or legal holiday when Notice forms are accepted until 5:00pm on the preceding workday.