

October 22, 2010

Mr. Dick Pedersen
Executive Director
Oregon Department of Environmental Quality
811 SW 6th Avenue
Portland, OR 97204

Dear Mr. Pedersen:

The Citizens' Utility Board, Renewable Northwest Project, Angus Duncan, Oregon Environmental Council, and NW Energy Coalition (the "Group") hereby request that you, in your role as Director of the Department of Environmental Quality ("DEQ") and representative of the Oregon Environmental Quality Commission ("EQC"), re-open the Regional Haze Best Available Retrofit Technology ("BART") rulemaking record to consider the agreement between the Group and Portland General Electric Company ("PGE") reflected in the enclosed letters dated October 22, 2010.

Over the past month, the Group and PGE have engaged in significant stakeholder discussions around the cessation of coal-fired operations at the Boardman plant and the process for developing low-carbon portfolio scenarios that would satisfy PGE's resource requirements. As reflected in the enclosed letters, the Group has agreed to support a plan that ceases Boardman coal-fired operations no later than December 31, 2020 (but does not exclude other closure dates), as a part of a comprehensive plan that (1) makes significant emissions reductions under the Clean Air Act; (2) allows flexible emission limits—similar to the mercury rule—to accommodate the proposed control technology proposed by DEQ; (3) meets the least-cost/least-risk standard; and (4) is accompanied by meaningful commitments by PGE to develop IRP candidate resource portfolio options that achieve specific CO₂ reduction targets to be defined by the Group, in consultation with PGE.

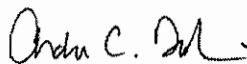
If such a plan can be finally approved by DEQ, the EQC and the Environmental Protection Agency, PGE will cease coal-fired operations at Boardman at least 20 years early and achieve significant emissions reductions in the interim. In all, Oregon will have achieved a significant environmental victory.

We appreciate you considering our request to enter this letter, and the two enclosed letters, into the record, and we thank you for your work on this matter over the past several years.

Sincerely,



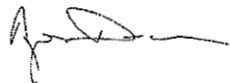
Bob Jenks, Citizens' Utility Board



Andrea Durbin, Oregon Environmental Council



Rachel Shimshak, Renewable Northwest Project



Angus Duncan



Sara Patton, NW Energy Coalition

October 22, 2010

Mr. Jim Lobdell
Vice President, Power Operations and Resource Strategy
Portland General Electric Company
121 SW Salmon Street
Portland, OR 97204

Dear Mr. Lobdell:

Certain members of the public interest community, including to date, the Citizens' Utility Board ("CUB"), the Renewable Northwest Project, Angus Duncan, Oregon Environmental Council, and the NW Energy Coalition (the "Group"), have been in discussions with Portland General Electric Company ("PGE") about PGE's method of constructing Boardman candidate replacement resource portfolio options to be considered in the Oregon Public Utility Commission's ("OPUC") Integrated Resource Planning process related to the cessation of Boardman coal-fired operations. The Group and PGE have also been discussing the Group's support for cessation of Boardman coal-fired operations at the Oregon Department of Environmental Quality ("DEQ"), the Environmental Quality Commission ("EQC") and the OPUC. This letter represents the Group's understanding of its role with respect to these discussions, and should be read in the context of the corresponding letter of the same date from Jim Lobdell, PGE, to Bob Jenks, CUB dated October 22, 2010 (the "PGE Letter").

The Group supports a plan that is similar to PGE's BART III proposal that would cease coal-fired operations at Boardman no later than December 31, 2020 as a part of a comprehensive plan (the "Plan") that satisfies the Clean Air Act ("CAA") and makes significant emissions reductions, meets the least-cost/least-risk standard, and is accompanied by commitments to a good faith process, within PGE's next IRP process and sanctioned by the OPUC, to develop a limited number of carbon reduction candidate resource portfolio options for replacing Boardman upon cessation of its coal-fired operations, and meeting the anticipated resource requirements of the utility's customers. The portfolios will be designed to achieve the best combination of expected costs and associated risks and uncertainties for PGE and its customers, and also reduce the carbon footprint of the company's resource portfolio over time. The Group agrees that it will, in consultation with PGE, define specific CO₂ reduction targets on which these portfolios can be based. Such portfolios will be evaluated against other constructed resource portfolios developed during the IRP process.

The Group strongly believes that greenhouse gas and criteria pollutant reductions consistent with Oregon's climate goals and Clean Air Act standards are compatible with safe, reliable and affordable utility electricity service, and that PGE, in its disposition of Boardman and in its next IRP, can serve as a leader in achieving these outcomes, and providing a clean energy future for Oregon. We invite PGE to embrace this leadership position and would assist the company in realizing this vision.

The DEQ 2018 and PGE BART III proposals now under consideration have many similarities, but differ in their treatment of operating flexibility. We encourage DEQ to develop appropriately flexible emission limits—similar to the mercury rule—to accommodate the proposed control technology recommendations, while achieving significant emissions reductions under the CAA.

All members of the Group, including individuals speaking on behalf of the Group, will immediately:


- Work in good faith with PGE for adoption and implementation of the Plan. Members of the Group remain free to advocate at any time and in any process (including at the OPUC) for elimination of a 2040 date, or any date later than 2020, for terminating coal-fired operations at Boardman.
- Advocate strongly for the Plan in comparison to other Boardman emission control options being considered in public and private forums and communications, including the following:
 - Department of Environmental Quality: Speak strongly in favor and/or file written comments at any additional hearings or comment periods prior to an EQC decision;
 - Environmental Quality Commission: Speak strongly in favor at hearings and public meetings where public comments on the Plan are taken and/or file written comments supportive of the Plan at the appropriate times;
 - Environmental Protection Agency: Speak strongly in favor at hearings and public meetings where public comments on the Plan (*i.e.*, Boardman BART State Implementation Plan approval) are taken and/or file written comments supportive of the Plan at the appropriate times;
 - Oregon Public Utility Commission: Speak strongly in favor and/or file written comments supportive of the Plan, including the Boardman replacement power process described in the PGE Letter at appropriate scheduled times. The Group's advocacy will include seeking OPUC acknowledgment of the Boardman replacement power process.

Members of the Group will comment in other public venues, including print and broadcast media, strongly in favor of the Plan and consistent with the content of this letter and the PGE Letter, including co-authorship with PGE of a joint opinion editorial by the Group that will generally reflect the content of these letters, including speaking to the importance of the Plan to cease coal-fired operations at Boardman and the replacement resource process that will enable PGE's transition to a cleaner, low-carbon resource portfolio, to be filed with the Oregonian and other relevant news outlets prior to the EQC decision on this matter.

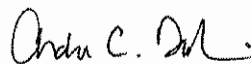
The Group commits to using its best efforts and to work in good faith and adhere to the OPUC's prevailing IRP guidelines and process.

Thank you for taking the time to engage in these discussions.

Sincerely,



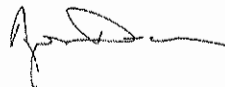
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