



Portland General Electric Company

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Stephen M. Quennoz

Vice President
Power Supply/Generation

October 22, 2010

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

RE: Request to re-open the record for Boardman BART

Dear Mr. Pedersen:

Portland General Electric Company ("PGE") is hereby requesting you, in your role as Director of the Department of Environmental Quality ("DEQ") and representative of the Oregon Environmental Quality Commission ("EQC"), to re-open the Regional Haze Best Available Retrofit Technology ("BART") rulemaking record to consider an acceptable Boardman BART approach. Our goal, throughout this process, has been to obtain the environmental benefit of transitioning Boardman away from coal 20 years ahead of schedule, while balancing the cost to customers and the reliability of our system. PGE makes this request based on significant stakeholder discussions over the past month, reviewing comments filed during the DEQ's comment period in September 2010, and additional considerations about the possible performance of certain technologies in later years of operation. We appreciate the DEQ's work on this matter over the past several years and we look forward to obtaining a workable rule from the EQC by the end of this year.

This approach would have the following elements:

- The July 1, 2011 NO_x BART control requirements remain as they are in the current BART rules adopted June 19, 2009 ("2009 BART Rules").
- The July 1, 2011 NO_x emission limit compliance date shall commence the later of July 1, 2011 or 90 days after DEQ issues the required permits to allow operation of PGE's low-NO_x burners.
- The July 1, 2017 NO_x Reasonable Progress control requirements would be removed from the 2009 BART rules.
- On and after July 1, 2014, Boardman shall meet an SO₂ emission limit of 0.4 lbs/MMBtu on a 30-day average.
- On and after July 1, 2018, Boardman shall meet an SO₂ emission limit of 0.3 lbs/MMBtu on a 30-day average.

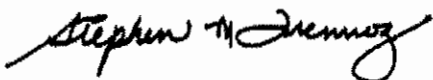
- Prior to each reduction in SO₂ emissions, PGE shall perform testing as necessary of the installed SO₂ control systems to confirm the applicable SO₂ emissions limit is achievable without causing an exceedance of PM₁₀ or PM_{2.5} ambient standards, preventing PGE from meeting mercury reduction goals, or causing significant operational issues. If the testing shows that Boardman is unable to meet the required SO₂ emission limits, DEQ shall set an alternative SO₂ emission limit that is achievable without installation of additional control equipment (e.g., bag house, scrubber).
- In the event of a delay of approval by the U.S. Environmental Protection Agency (“EPA”) beyond December 31, 2011 of Oregon’s State Implementation Plan that includes the BART elements contained in this letter (the “SIP”), the date for the emissions limits under the existing 2009 BART Rules shall be set at three years after EPA approves the State Implementation Plan incorporating the 2009 BART Rules.
- Boardman shall cease the use of coal to fire the plant’s boiler no later than December 31, 2020.

If the above elements are included in the BART rule and if the SIP incorporating these elements is finally approved by EPA and binding on Boardman, PGE agrees that DEQ should repeal the 2009 BART Rules that would otherwise allow full installation of controls and operation beyond 2040.

We understand that PGE or any other party has the right to petition the DEQ for future rule amendments and that EQC may approve or deny such petitions. Such petitions might be triggered by changes to federal law requirements or an order of a federal court that could fundamentally alter successful implementation of the BART approach contained herein.

PGE believes that the approach described herein, which includes significant and cost-effective interim emissions controls and ends coal firing no later than December 31, 2020, achieves the proper balance of environmental benefits, cost and risk to our customers. We are confident this approach provides a groundbreaking opportunity for Oregon that is capable of being approved as BART and incorporated into a new rule. Please do not hesitate to contact us if you need clarification or have questions.

Sincerely,



Stephen Quennoz
Vice President, Nuclear & Power Supply/Generation