

State of Oregon
Department of Environmental Quality

Memorandum

Date: January 26, 2009

To: Environmental Quality Commission
From: Brian Finneran, DEQ Air Quality Division
Subject: Presiding Officer's Report for Rulemaking Hearings

Title of Proposal: Adoption of 2008 Oregon Regional Haze Plan and
New Controls for PGE Boardman Power Plant

Hearing Dates and Time: January 6, 7, 8, 12, and 13, 2009. 6:00 p.m.

Hearing Locations: 1. Portland OR, DEQ Headquarters
2. Springfield OR, Lane Regional Air Pollution Authority
3. Medford OR, DEQ Regional Office
4. Hermiston OR, Conference Center
5. The Dalles OR, Columbia Gorge Community College

The Department held five public hearings on the proposed rulemaking at the locations noted above. The following is a summary of each of these hearings.

1. January 6, 2009, DEQ Headquarters, Room EQC-A, 811 SW 6th Ave, Portland. The hearing officer was Linda Hayes-Gorman from DEQ. Also present were Kenneth Williamson, Vice Chair of the Environmental Quality Commission (EQC), Commissioners Donald Dodson and Jane O'Keeffe, and DEQ Director Dick Pedersen. The hearing began at 6:07 p.m.

28 people signed the attendance list at the hearing. 11 people testified.

Linda Hayes-Gorman announced that she was serving as the hearing officer to this hearing. She introduced EQC Commissioner Ken Williamson who provided some introductory remarks. Ken informed the audience that the EQC was very interested to hear comments on this proposed rulemaking, and mentioned PGE submitted comments proposing "decision points" or options for shutting down the Boardman plan in the future. He said that to ensure the public had the opportunity to comment on the proposed rulemaking and PGE's proposal, the public comment period was extended by two weeks until January 30th. Ken added that the EQC would not be making any decisions tonight, just listening to the testimony. Linda introduced Brian Finneran from DEQ, who gave a presentation summarizing the proposed rulemaking. A question and answer period followed the presentation.

Linda then announced at 6:47 p.m. she would like to begin the formal hearing on the proposed rulemaking hearing. She informed people that the hearing would be recorded and that testimony

would become part of the public record for the rulemaking. Linda explained her role was to take testimony on behalf of the EQC and prepare a report summarizing the written and verbal comments. She asked that people interested in providing oral testimony fill out a witness registration form, and would call people to testify in the order they turned in the form. She stated that written comments would be given the same weight as oral comments.

Linda reminded the audience that the deadline date for receipt of written comments on the proposed rules is Friday, January 30th, 2009, at 5 p.m. She stated that after reviewing the comments, the department may consider revisions to the proposed rules. She added that the department's final recommendation for rule adoption will be made at the EQC meeting scheduled for April 23-24, 2009, in Portland Oregon, and that the EQC can use its own discretion in deciding whether to adopt all, part or none of the proposed rules, postpone adoption, or hold additional public hearings.

- Summary of Oral Testimony:

Eleven persons turned in witness registration forms, and testified in the following order.

Arya Behbehani-Divers, Portland Gas and Electric (PGE) Company

Arya stated that pending climate change legislation poses many uncertainties for PGE. She gave some background information on the PGE Boardman power plant, and how it fits into PGE resource mix. She said the proposed “decision points” being recommended by PGE in their December 17, 2009 comment letter represents a fine tuning of DEQ proposed Best Available Retrofit Technology (BART) rules, and ensures environmental protection, as well as addressing the uncertainty of upcoming climate change regulation. She said PGE agrees with DEQ proposed BART controls for nitrogen oxides (NOx), and controls for sulfur dioxide (SO₂), only if the plant operates beyond 2040. Arya added that PGE has significant concerns about the additional NOx controls for the Reasonable Progress determination, as this is a major cost that achieves minimal visibility benefit. She said that PGE proposed decision points for plant shutdown allow flexibility to achieve the best economic and environmental outcomes for its customers, meets the BART and Reasonable Progress regulatory requirements under the regional haze rule, and achieves visibility improvements as good or better than DEQ’s proposed controls. She said that cost of DEQ Phase 1 SO₂ controls proposed controls and Phase 2 NOx controls under the two closure options of 2020 and 2029 exceed the cost criteria for BART and Reasonable Progress requirements, respectively, and therefore these controls should not be required, as both would be too high to be considered cost-effective.

Bob Elliott, Southwest Clean Air Agency

Bob stated that air quality studies have shown that PGE Boardman plant emissions have a significant impact on the Columbia Gorge. He said his agency urges DEQ to deny PGE’s request for a compliance schedule delay proposal. He pointed out that PGE agrees with DEQ’s BART proposal, and that EPA approval of the emission limits being proposed for Boardman should not be a problem. Bob described successful efforts back in 1998 to reduce emissions from the TransAlta Centralia power plant in Washington, where similar SO₂ controls were

installed within 4 years. He said PGE' proposal would undermine efforts to develop a protection strategy in the Gorge, and have adverse and unacceptable impacts until at least 2020. In supporting DEQ proposed rules for PGE Boardman, he said his agency believes the compliance time period for installing controls should be shorter, and would be easy to do. The proposed Phase 1 NOx controls should be July of 2011, instead of 2012, and the proposed SO2 controls should be July of 2013, instead of 2014.

Jan Groh, citizen

Jan stated she supports closing the PGE Boardman plant as soon as possible, and that other technologies should be pursued for power generation. The costs for the proposed controls are very high, and because of upcoming global warming regulations, she would rather see Boardman shutdown by no later than 2020, and pursue instead new and environmentally friendly energy sources, such as solar and wind, and energy efficiency. Jan said we should move away from coal energy and that we have the technology to pursue these other sources. She also said she is opposed to importing liquefied natural gas, and that if the Boardman plant remains open, she supports using blue-green algae technologies to sequester carbon emissions.

David Rugar, citizen

David stated he supports ending reliance on coal as an energy source, and that the \$471 million for controls for Boardman would be better spent on clean energy and energy efficiency. He said this would go a long way in solving our air quality problems. He said if the only choice was between the \$471 million to keep Boardman in operation, or the PGE proposal, his choice would be the PGE proposal, as this would allow PGE to invest in the cleaner "green" technologies. He stated that as a rate payer he would rather pay cleaner air and shutdown the Boardman plant as soon as possible.

Michael Lang, Friends of the Columbia Gorge

Michael noted that his organization has about 5,000 members, and PGE Boardman is the largest stationary source of air pollution that affects the Columbia Gorge National Scenic Area. He said that even though the Gorge is not a Class I area, it is required under the Scenic Area Act to be protected. Michael noted that his organization supports the protection of Class I areas as well. He said that DEQ has been participating in a strategy to protect air quality in the Gorge, and it is clear that PGE Boardman is a major contributor. Michael said that DEQ has done a good job in proposing controls for PGE Boardman as a first step, but it does not go far enough. He supports new low NOx burners by 2011 which should be able to lower emission rates by 66%, and that the timeline for installing SO2 and NOx controls should be accelerated. He said the proposed control technologies should be able to reduce SO2 and NOx combined by over 90%. He added that 2011, not 2012, should be enough time for PGE to decide whether to shut down the plant. He said DEQ should require installation of mercury controls by 2012, and not extend by two years, as proposed by DEQ.

Alan T. Edwards, citizen, PGE customer

Alan stated that he has 30 years experience as a licensed engineer. He submitted some supporting materials from a trade magazine on boiler technology on alternative viable retrofit technology, called the “cloud chamber scrubber”. He said this multi-pollutant control technology has been shown to be very successful and cost-effective in removing particulate matter and soluble gases, using charged water droplets.

Gordon Fulks PhD, citizen

Gordon stated that he agrees with PGE that they should be not required to install expensive controls that could be scrapped in the near future, but disagrees that global warming is a real problem. He questioned DEQ’s use of the “deciview” measurement to show visibility improvements, as it is on a logarithmic scale, which compared to a linear scale, exaggerates the amount of improvement. He said that is it good to look at reducing man-made burning, such as field and slash burning, given that this burning takes place closer to Class I areas. He also supports better forest management plans to reduce the impact of forest fires. Gordon said DEQ should not pick on PGE Boardman just because they are an easy target, and that the contribution of forest fires and other factors need to be looked at, such as population growth, car emissions, and future power needs. He said he would like to see how the estimated emission reduction from DEQ’s proposed Boardman controls would translate into visibility improvement in deciview, and how must this would improve the total visibility in all Class I areas. He said coal plants are important to our future, and that alternative power sources are not enough. He supports all reasonable pollution controls, but strongly opposes forcing PGE to install any controls that will not have a reasonable life span to recoup the investment.

Aubrey Baldwin, Pacific Environmental Advocacy Center (PEAC)

Aubrey stated that she plans to submit additional detailed written comments during the public comment period in addition to tonight’s testimony. She said that it was 1977 when Congress identified visibility protection as important, 1999 since the federal regional haze rule was adopted, and a year since DEQ was to submit a regional haze plan for Oregon. She said now DEQ is proposing a rule that would give PGE another ten years to make visibility improvements. Aubrey said this adds up to 40 years since Congress first addressed visibility in 1977 to make any real improvements in visibility. She said that her coalition has a lawsuit against PGE for violations of the Clean Air Act, and that PGE Boardman plant has operated uncontrolled since 1980. She stated that her coalition does not disagree with DEQ’s technical determination of controls for Boardman, but does have serious concerns about the timeline and actual emission limitations being proposed. The timeline is much too long. The proposed control technology should be able to reduce total emissions by 90% at least. DEQ’s emission limits for NOx and SO2 are too lenient. She said other coal plants can achieve 90% SO2 emission reduction, and that SCR controls for NOx is should be able to achieve 93% reduction. Aubrey said her coalition supports July 2011 decision point for PGE to decide on plant shutdown, and for deciding on whether to install both SO2 controls and SCR controls. She said 2020 should be latest shutdown date, and does not support the proposed 2 year extension for mercury controls. She said PGE is

now at a crossroads to pour money in old, inefficient technologies, or provide leadership and embrace new technologies and take an environmental leadership role.

Andrew Hawley, Northwest Environmental Defense Center

Andrew stated that there should be no more delay, and DEQ should move quickly to finalize the Regional Haze Rule which is already a year overdue. He said adoption of clear and enforceable timelines and specific emission limits are needed which will result in actual emission reductions and improvement to air quality. He stated that coal-burning plants are the nations' largest sources of air pollution and global warming, and PGE Boardman is no exception. He said impacts on visibility and public health go hand in hand. Andrew pointed out the PGE Boardman plant is the largest stationary emission source for SO₂ and NO_x in Oregon. He said the plant contributes to acid rain and smog, and that carbon monoxide and mercury also poses threat to public health. Andrew said it is time for DEQ to move forward and take action to impose the required control technologies to protect the public and the environment by adopting BART and the regional haze regulations.

Tom Wood, Associated Oregon Industries

Tom said that he is the chair of the Energy and Environment Committee of AOI and it is in that capacity that he is offering testimony. He said that while DEQ did a good job on the BART determination, he questions the stringency of the Phase 2 controls being proposed for Reasonable Progress purposes. He said the PGE's decision points proposal is a creative approach that recognizes the current regulatory uncertainty we are in related to burning fossil fuels, and is a good way to bring in flexibility to the process, in order to make informed decisions and what makes sense for Oregon. He said he was confused by Bob Elliott's suggestion that PGE is requesting is an extension, when it is really two different BART options, each standing on their own merit. Tom said that PGE's presentation showed that the aggregate emissions associated with the different closure options, and DEQ proposed controls, are essentially the same. He added that he thinks it will take a longer time than 2 or 3 years to know what carbon regulations will require and cost. He concluded by saying EQC should adopt DEQ proposed rules with PGE's proposed decision points included.

Brian Pasko, Sierra Club

Brian stated that the PGE Boardman plant has operated for decades without any modern controls, causing adverse impacts on the Gorge and wilderness areas, affecting tourism, the economy, and public health. He said the Boardman plant is also the largest stationary source of greenhouse gas emissions in Oregon, and that the outcome of this regional haze rulemaking will have a substantial impact on Oregon's efforts to continue to lead in reducing the impacts of global warming, by investing in energy efficiency and renewable energy, and phasing out use of coal. He said the Sierra Club supports giving PGE regulatory flexibility options to make informed decisions on whether it would be more prudent close the plant ahead of schedule or to invest millions of dollars in controls that will not reduce global warming. Brian said PGE proposed shutdown dates would result in high emissions to continue for too long before closing. He said that global warming must be addressed now, and that it makes economic and environmental

sense to shut down the PGE Boardman plant in a shorter timeframe, and that PGE should make this decision by July 1, 2011.

There was no other testimony provided. The hearing was adjourned at 8:07 p.m.

2. January 7, 2009, Lane Regional Air Pollution Authority, LRAPA Meeting Room, 1010 Main Street, Springfield. The hearing officer was Brian Finneran from DEQ. The hearing began at 6:10 p.m.

5 people attended the hearing. 1 person testified.

Brian Finneran announced he would like to start by providing a presentation summarizing the proposed rulemaking. A brief question and answer period followed the presentation.

Brian began the formal hearing on the proposed rulemaking hearing at 6:36 p.m. He stated that the hearing was being recorded and testimony would become part of the public record for the rulemaking. He explained his role was to take testimony on behalf of the EQC and prepare a report summarizing the written and verbal comments. He asked that people interested in providing oral testimony fill out a witness registration form, and would call people to testify in the order they turned in the form. Brian stated that written comments would be given the same weight as oral comments.

Brian mentioned that the deadline date for receipt of written comments on the proposed rules is Friday, January 30th, 2009, at 5 p.m. He stated that after reviewing the comments, the department may consider revisions to the proposed rules. He added that the department's final recommendation for rule adoption will be made at the EQC meeting scheduled for April 23-24, 2009, in Portland Oregon, and that the EQC can use its own discretion in deciding whether to adopt all, part or none of the proposed rules, postpone adoption, or hold additional public hearings.

- Summary of Oral Testimony:

One person turned in a witness registration form.

Ray Hendricks from Portland Gas and Electric (PGE) Company

Ray provided highlights of the December 17, 2009 comment letter submitted to DEQ. He gave some background information on the PGE Boardman power plant, and how it fits into PGE resource mix. He mentioned that this coal plant is about a half to two-third cheaper to operate than a natural gas plant. He described Integrated Resource Planning process that goes to the Oregon Public Utilities Commission (PUC), and how this is different than DEQ's rulemaking process. He stated that pending climate change legislation poses many uncertainties for PGE. He said PGE agrees with DEQ proposed BART controls for nitrogen oxides (NOx), and controls for sulfur dioxide (SO2), only if the life operates beyond 2040. Ray added that PGE has significant concerns about the additional NOx controls for the Reasonable Progress determination, as this is a major cost that achieves minimal visibility benefit. He said PGE is

only recommending minor changes to the proposed controls requirements. He pointed out that each of PGE alternatives to DEQ's proposed rules meets the BART and Reasonable Progress regulatory requirements under the regional haze rule, and that with the proposed closure options, the controls proposed by DEQ exceed the cost-effectiveness range. He explained PGE's decision points proposal in detail, including how the future resource mix needs to have coal and natural gas as a mix. Ray added that PGE's proposal allows flexibility to achieve the best economic and environmental outcomes, and if looking at aggregate emissions or visibility improvement, PGE's decision points proposal is as good or better than DEQ's proposed controls.

There was no other testimony provided. The hearing was adjourned at 6:58 p.m.

3. January 8, 2009, DEQ Medford Office, Conference Room, Suite 201, 221 Stewart Avenue, Medford. The hearing officer was Tom Peterson from DEQ. Also present was EQC Commissioner Judy Uherbelau. The hearing began at 6:15 p.m.

4 people attended the hearing. 1 person testified.

Tom Peterson announced that Brian Finneran would be providing a presentation summarizing the proposed rulemaking. A brief question and answer period followed the presentation.

Tom began the formal hearing on the proposed rulemaking hearing at 7:10 p.m. He stated that the hearing was being recorded and testimony would become part of the public record for the rulemaking. He explained his role was to take testimony on behalf of the EQC and prepare a report summarizing the written and verbal comments. He asked that people interested in providing oral testimony fill out a witness registration form, and would call people to testify in the order they turned in the form. Tom stated that written comments would be given the same weight as oral comments.

Tom mentioned that the deadline date for receipt of written comments on the proposed rules is Friday, January 30th, 2009, at 5 p.m. He stated that after reviewing the comments, the department may consider revisions to the proposed rules. He added that the department's final recommendation for rule adoption will be made at the EQC meeting scheduled for April 23-24, 2009, in Portland Oregon, and that the EQC can use its own discretion in deciding whether to adopt all, part or none of the proposed rules, postpone adoption, or hold additional public hearings.

- Summary of Oral Testimony:

One person turned in a witness registration form.

Ray Hendricks from Portland Gas and Electric (PGE) Company

Ray provided highlights of the December 17, 2009 comment letter submitted to DEQ. He gave some background information on the PGE Boardman power plant, and how it fits into PGE resource mix. He mentioned that this coal plant is about a half to two-third cheaper to operate than a natural gas plant. He described Integrated Resource Planning process that goes to the Oregon Public Utilities Commission (PUC), and how this is different than DEQ's rulemaking process. He stated that pending climate change legislation poses many uncertainties for PGE. He said PGE agrees with DEQ proposed BART controls for nitrogen oxides (NO_x), and controls for sulfur dioxide (SO₂), only if the life operates beyond 2040. Ray added that PGE has significant concerns about the additional NO_x controls for the Reasonable Progress determination, as this is a major cost that achieves minimal visibility benefit. He said PGE is only recommending minor changes to the proposed controls requirements. He pointed out that each of PGE alternatives to DEQ's proposed rules meets the BART and Reasonable Progress regulatory requirements under the regional haze rule, and that with the proposed closure options, the controls proposed by DEQ exceed the cost-effectiveness range. He explained PGE's decision points proposal in detail, including how the future resource mix needs to have coal and natural gas as a mix. Ray added that PGE's proposal allows flexibility to achieve the best economic and environmental outcomes, and if looking at aggregate emissions or visibility improvement, PGE's decision points proposal is as good or better than DEQ's proposed controls.

4. January 12, 2009, Hermiston Conference Center, Rotary Altrusa Room, 415 S. Hwy 395, Hermiston. The hearing officer was Linda Hayes-Gorman from DEQ. The hearing began at 6:08 p.m.

28 people attended the hearing. 5 people testified.

Linda Hayes-Gorman announced that Brian Finneran would be providing a presentation summarizing the proposed rulemaking. A question and answer period followed the presentation.

Linda began the formal hearing on the proposed rulemaking hearing at 7:25 p.m. She stated that the hearing was being recorded and testimony would become part of the public record for the rulemaking. She explained his role was to take testimony on behalf of the EQC and prepare a report summarizing the written and verbal comments. She asked that people interested in providing oral testimony fill out a witness registration form, and would call people to testify in the order they turned in the form. Linda stated that written comments would be given the same weight as oral comments.

Linda mentioned that the deadline date for receipt of written comments on the proposed rules is Friday, January 30th, 2009, at 5 p.m. She stated that after reviewing the comments, the department may consider revisions to the proposed rules. She added that the department's final recommendation for rule adoption will be made at the EQC meeting scheduled for April 23-24, 2009, in Portland Oregon, and that the EQC can use its own discretion in deciding whether to adopt all, part or none of the proposed rules, postpone adoption, or hold additional public hearings.

- Summary of Oral Testimony:

Five persons turned in witness registration forms, and testified in the following order. **Ray Hendricks from Portland Gas and Electric (PGE) Company**

Ray provided highlights of the December 17, 2009 comment letter submitted to DEQ. He gave some background information on the PGE Boardman power plant, and how it fits into PGE resource mix. He mentioned that this coal plant is about a half to two-third cheaper to operate than a natural gas plant. He described Integrated Resource Planning process that goes to the Oregon Public Utilities Commission (PUC), and how this is different than DEQ's rulemaking process. He stated that pending climate change legislation poses many uncertainties for PGE. He said PGE agrees with DEQ proposed BART controls for nitrogen oxides (NOx), and controls for sulfur dioxide (SO2), only if the life operates beyond 2040. Ray added that PGE has significant concerns about the additional NOx controls for the Reasonable Progress determination, as this is a major cost that achieves minimal visibility benefit. He said PGE is only recommending minor changes to the proposed controls requirements. He pointed out that each of PGE alternatives to DEQ's proposed rules meets the BART and Reasonable Progress regulatory requirements under the regional haze rule, and that with the proposed closure options, the controls proposed by DEQ exceed the cost-effectiveness range. He explained PGE's decision points proposal in detail, including how the future resource mix needs to have coal and natural gas as a mix. Ray added that PGE's proposal allows flexibility to achieve the best economic and environmental outcomes, and if looking at aggregate emissions or visibility improvement, PGE's decision points proposal is as good or better than DEQ's proposed controls.

Tamra Mabbott, citizen

Tamra stated that DEQ needs to conduct a more thorough analysis of the fiscal impact, particularly in Morrow County. She said she strongly disagreed with DEQ's Fiscal Impact Report in Appendix B, page 12, that there would be no direct fiscal or economic impact on any local government from this rulemaking, if the PGE plant had to shutdown prematurely. She said she was surprised to learn that the State of Oregon does not have an energy supply plan and that this year the Oregon Department of Energy is requesting funding for such a plan. She said that if DEQ is proposing rules that could lead to a premature shutdown of the PGE Boardman plant, she questions where would the replacement power come from. Tamra said this raises the question whether the proposed controls for PGE Boardman would provide a measureable improvement in visibility. She stated that if EPA is requiring haze improvements by 2064, she is surprised at the haste in DEQ adopting these requirements now, and why the rules apply retroactively to sources, rather than looking at just new ones. She commented on the lack of full analysis of land use impacts, especially for replacement power should the plant shutdown. She encouraged DEQ to look at other precedents on how state and local governments can work together to achieve compliance with federal environmental regulations in a more comprehensive and balanced manner. Tamra added this is important rulemaking decision that requires a very thoughtful and comprehensive analysis, which includes looking at the unavoided and unintended consequences, such as increasing the rate base, the land use impacts, other environmental impacts, and the economic and social impacts.

Gary Neal, Port of Morrow

Gary stated that the Power of Morrow recognizes the PGE Boardman plant is an important part of the local economy. He said the Port supports DEQ's proposed BART controls for SO₂, NO_x, and particulate matter for the Boardman plant, however, they share PGE's concerns about NO_x SCR controls that go beyond the BART requirements. He said these additional controls for Reasonable Progress do not make economic or environmental sense when the visibility improvement would be so minor. Gary added that the Port supports amending DEQ's proposed rules to reflect PGE's decision points proposal, for the reasons PGE has provided.

Terry Tallman, Morrow County Judge

Terry stated that he supports much of the earlier testimony provided by Tamra and Gary. He said that he read that PGE has 814,000 rate payers and that the plant provides 250,000 homes in the Portland area with power, and if the plant had to shutdown, where would the replacement power come from. He added that this could affect economic development and have other consequences, and that the plant provides 2100 jobs. He agreed with Tamra's comments about the importance for state and local government consultation. Terry added that a major concern is the potential impact on PGE's rate payers, similar to what has happened to the public with gas and fuel prices, and there is concerned about unexpected consequences.

John Cox, Confederated Tribes of the Umatilla Indian Reservation

John stated that tribal people are very close the land, and respect the natural resources, including visibility, air and water quality. He said that tribal people have been on the land for a long time, may be more impacted by these decisions related to these rules for PGE Boardman, due to their traditional uses. John added that he will be providing some written comments by the end of the comment deadline.

There was no other testimony provided. The hearing was adjourned at 8:15 p.m.

5. January 13, 2009, Columbia Gorge Community College, Lecture Hall, Building Two, Room 2.384, 400 E. Scenic Drive, The Dalles. The hearing officer was Linda Hayes-Gorman from DEQ. The hearing began at 6:07 p.m.

46 people attended the hearing. 17 people testified.

Linda Hayes-Gorman announced that Brian Finneran would be providing a presentation summarizing the proposed rulemaking. A question and answer period followed the presentation.

Linda began the formal hearing on the proposed rulemaking hearing at 7:20 p.m. She stated that the hearing was being recorded and testimony would become part of the public record for the rulemaking. She explained his role was to take testimony on behalf of the EQC and prepare a report summarizing the written and verbal comments. She asked that people interested in providing oral testimony fill out a witness registration form, and would call people to testify in

the order they turned in the form. Linda stated that written comments would be given the same weight as oral comments.

Linda mentioned that the deadline date for receipt of written comments on the proposed rules is Friday, January 30th, 2009, at 5 p.m. She stated that after reviewing the comments, the department may consider revisions to the proposed rules. She added that the department's final recommendation for rule adoption will be made at the EQC meeting scheduled for April 23-24, 2009, in Portland Oregon, and that the EQC can use its own discretion in deciding whether to adopt all, part or none of the proposed rules, postpone adoption, or hold additional public hearings.

- **Summary of Oral Testimony:**

Seventeen persons turned in witness registration forms, and testified in the following order.

Ray Hendricks from Portland Gas and Electric (PGE) Company

Ray provided highlights of the December 17, 2009 comment letter submitted to DEQ. He gave some background information on the PGE Boardman power plant, and how it fits into PGE resource mix. He mentioned that this coal plant is about a half to two-third cheaper to operate than a natural gas plant. He described Integrated Resource Planning process that goes to the Oregon Public Utilities Commission (PUC), and how this is different than DEQ's rulemaking process. He stated that pending climate change legislation poses many uncertainties for PGE. He said PGE agrees with DEQ proposed BART controls for nitrogen oxides (NOx), and controls for sulfur dioxide (SO2), only if the life operates beyond 2040. Ray added that PGE has significant concerns about the additional NOx controls for the Reasonable Progress determination, as this is a major cost that achieves minimal visibility benefit. He said PGE is only recommending minor changes to the proposed controls requirements. He pointed out that each of PGE alternatives to DEQ's proposed rules meets the BART and Reasonable Progress regulatory requirements under the regional haze rule, and that with the proposed closure options, the controls proposed by DEQ exceed the cost-effectiveness range. He explained PGE's decision points proposal in detail, including how the future resource mix needs to have coal and natural gas as a mix. Ray added that PGE's proposal allows flexibility to achieve the best economic and environmental outcomes, and if looking at aggregate emissions or visibility improvement, PGE's decision points proposal is as good or better than DEQ's proposed controls.

Ray Hendricks from Portland Gas and Electric (PGE) Company

Joseph Kelsey, citizen

Joseph stated that the public health impacts from pollution from PGE Boardman should be specified, so that DEQ could show what benefits to health could be expected from the different levels of controls being proposed for the PGE Boardman plant.

Lauren Goldberg, Columbia Riverkeeper

Lauren stated the Columbia Riverkeeper is part of a coalition of environmental groups that has filed a federal lawsuit claiming PGE Boardman has been violating the law by not meeting the Clean Air Act. She said she's concerned about the impact of Boardman's SO₂ and NO_x emissions on aquatic systems. She commented that PGE's demand for regulatory flexibility must not interfere with achieving DEQ's regional haze and policy goals. She said DEQ should provide PGE with flexibility to cease emissions entirely instead of spending hundreds of millions on some pollutants, but PGE's proposed timeline allows them to continue to pollute for too long. She indicated under no circumstances should PGE be allowed to emit more under their proposal than under DEQ's, or weaken DEQ's proposed rules, which are already too lenient. Lauren said DEQ should give PGE until 2011 to decide whether install controls or cease operation by 2020.

Jurgen Hess, citizen

Jurgen stated that DEQ is proposing rules that only partially clean up PGE Boardman's air pollution. He said that PGE is seeking more time, which should not be granted. He said he mostly supported DEQ rules, but that they need to have shorter timelines and require the most stringent controls now. He said to set 2011 as the decision point to either close the plant or comply with new rules on an accelerated schedule, and require that carbon rules now be considered. Jurgen encouraged PGE to be visionary in looking at new resources and shut the plant now, as 2020 is too long. He added that DEQ should ensure a healthy and nurturing environment.

Rachael Pecore, Columbia Riverkeeper

Rachael stated that acid rain has been impacting rock images in the Gorge, and that a study has shown in November, the worst month for haze, 50% of the haze can be directly attributable to PGE Boardman. She encouraged DEQ to require that PGE Boardman comply with reasonable and technologically achievable limits. She added that the NO_x controls required by DEQ in 2011 should be able to achieve a 66% reduction, and that SO₂ controls should achieve a 90% reduction in 2014. Rachael stated that that PGE's demand for regulatory flexibility should not interfere with achieving DEQ's regional haze and policy goals.

Peter Cornelison, Hood River Valley Residents Committee

Peter stated that his organization supports more stringent regulation of PGE Boardman that what is being proposed. He read an Oregonian article which advocated plant shutdown, citing the fact that the plant emits 28,000 tons of air pollution, which causes acid rain, and which also emits mercury, and thus poses significant health risks. He encouraged adopting DEQ rules with an accelerated timeline in order to protect and enhance air quality in the Gorge and Class I areas, and with more stringent controls, or require early shutdown of the plant.

David Berger, Oregon Conservancy Foundation

David stated that PGE Boardman has been avoiding putting on controls for 30 years. He mentioned concerns about mercury emissions and acid rain. He that even with better controls on PGE Boardman, significant pollution will still be emitted, so the best solution is too shut the plant now and looking at renewable energy sources and increased conservation. He believes that “rate-based” conservation should be encouraged and supported. David believes wind generators and sources of renewable energy need to replace coal power.

Dan Richardson, citizen

Dan stated that he supports DEQ proposed controls for the Boardman plant, but that the timelines are too long, and the controls levels too lenient. He said the PGE Boardman has had 30 years of no controls, and their decision points proposal should not be accepted by DEQ. He added that DEQ should include more controls of non-point sources such as open burning in its regional haze plan.

Jodi Tepoel, Columbia Gorge Community College

Jodi stated that the money targeted for PGE Boardman controls would be better spent on solar panels and other alternatives. She pointed out that in the Columbia Gorge autism rates are high and she believes affected by PGE Boardman emissions, and that the health risks are important and should be considered along with this rulemaking.

John Carstensen, Idaho Power Company

John stated that Idaho Power agrees with PGE’s testimony in supporting the BART controls being proposed, but not the Reasonable Progress controls. He also supports PGE’s decision points proposal, given the uncertainty of future carbon regulations. He said he encourages DEQ to continue to use common sense and sound economic judgment in this rulemaking.

Jules Burton, Columbia Gorge Community College

Jules stated that DEQ needs to describe both the benefits to visibility and public health in its rulemaking. She commented that DEQ regional haze rules focus on high mountain areas which are sensitive areas with high biodiversity, which should be addressed along with the focus on visibility. She said that DEQ should be addressing the fact that PGE proposal for plant shutdown in 30 years is too long, and cited public health concerns.

Mark Nelson, citizen

Mark stated that it is well documented that the PGE Boardman plant is a detriment to public health and livability. He said the PGE wants to delay action until 2020 or 2040. He commented that foresight is needed in planning for the future, in terms of protecting air and human health. Mark said in the mix of power generated, PGE Boardman is only 15%, which is not that much.

He added that good decisions are needed, and to avoid being short-sighted in making these decisions.

Jessica Kinder, citizen

Jessica stated that she didn't understand why it's taken since 1977 when Congress set aside Class I areas to do something about visibility, and now she hears this might not occur until 2020. She said she thinks it's a health issue, and better solutions are needed.

Gary Neal, Port of Morrow

Gary stated that he agrees with PGE's request for decision points, and he is concerned about the economic impacts if the plant shuts down early, especially at the local level in Morrow County in terms of jobs and tax base. He said PGE has been a good corporate citizen for the state of Oregon, and urges DEQ to support PGE's request.

Rosemary Ross, citizen

Rosemary stated that she appreciates the visibility in the Gorge, and this is one of the reasons people live here. She said it's important to protect it, and that tourism and economic development are important. She added she supports clean energy and energy conservation. Rosemary said we should encourage PGE to make sound energy decisions but also be good stewards of the environment.

John Nelson, citizen

John stated that he moved to The Dalles 15 years ago, and in November every year there is an air inversion that worsens air quality and affects visibility. He said in the summer there are also visibility problems due to air pollution from the Portland area. John said he was concerned the Gorge is not a Class I area and not part of the regional haze plan. He encouraged DEQ to include the Gorge in the plan to protect visibility.

Joel Kabakov PhD, Columbia Gorge Community College

Joel stated that DEQ's focus is fragmentary, and should be more comprehensive in terms of looking beyond visibility to air quality and public health. He said that there is a history of environmental efforts that fail to look at the larger issue, and that there is a campaign by industry, both nuclear and coal power, to prevent this comprehensive look at energy and environmental protection. He added the haze that hangs over Crater Lake is minor compared to the concerns most citizens have about protecting the environment as a whole.

There was no other testimony provided. The hearing was adjourned at 8:30 p.m.