From: Ray Hendricks
To: INAHARA Jill
Subject: RE: PGE Comments on re-noticed GHG/PM2.5 rule
Date: Friday, January 14, 2011 4:40:13 PM

Does this work?

January 14, 2011
ES-027-2011
Gov Rel 9
General

BY EMAIL (Inahara.Jill@deq.state.or.us)
AND
Facsimile (503-229-5675)

Ms. Jill Inahara
Oregon DEQ, Air Quality Division
811 SW Sixth Avenue
Portland, OR 97204

Subject: Comments on Proposed $PM_{2.5}$ and Greenhouse Gas Regulations

Dear Ms. Inahara:

Portland General Electric Company ("PGE") appreciates the opportunity to comment on the re-noticed rules that propose changes to the New Source Review/Prevention of Significant Deterioration rules to add $PM_{2.5}$ and GHG to the regulations. Below are our comments to specific elements of the proposal.

GHG Baseline

In the initial proposed greenhouse gas rules proposed by DEQ, sources would choose between two options for calculating GHG baseline emissions. One option would be to use actual emissions during the baseline period while the second option allowed sources to calculate GHG emissions based on production rates used to calculate the netting basis of other combustion related pollutants. Under DEQ's re-noticed proposed rules, the only option available for calculating GHG baseline emissions is to use actual emissions during a 12-month period between 2000 and 2010.

As a regulated utility, PGE is required to maintain power generating reserves of a specific quantity. Currently, those reserves are met by including the total generating capacity that our plants are permitted to produce. As proposed, this rule has the potential to require PGE to significantly reduce the amount of power that we are permitted to generate for any plant that did not operate to its full capacity during a 12-month period between 2000 and 2010.

PGE requests the DEQ include the option to either calculate GHG baseline emission rates based on production rates used to calculate the netting basis of other combustion related pollutants or in the absence of combustion related pollutant netting basis, using actual GHG emissions during a 12-month period between 2000 and 2010. Additionally, sources that choose to calculate GHG baseline emission rate based on the same production rates used to calculate the netting basis of other combustion related pollutants that have previously gone through PSD for a combustion pollutant, should be allowed to set its GHG netting basis based on the production rates used in that PSD analysis.

PGE also requests DEQ clarify that sources that seek to establish a GHG PSEL that is greater than the significant emission rate over the netting basis but is a result of utilizing capacity that existed in the baseline year that GHG New Source Review does not apply.

Please contact me if you have any questions about these comments.

Respectfully,

Ray Hendricks
Portland General Electric

From: INAHARA Jill [mailto:INAHARA.Jill@deq.state.or.us]
Sent: Friday, January 14, 2011 4:38 PM
To: Ray Hendricks
Subject: RE: PGE Comments on re-noticed GHG/PM2.5 rule

Hi Ray,
Thanks for the comments. Is it possible to get a Word version before 5:00 today so I don't have to retype them in my response? Our server is going down for the long weekend and I need to work on them this weekend.
Thank you!
Jill

From: Ray Hendricks [mailto:Ray.Hendricks@pgn.com]
Sent: Friday, January 14, 2011 3:47 PM
To: INAHARA Jill
Subject: PGE Comments on re-noticed GHG/PM2.5 rule

Hi Jill,

Attached are our comments on the re-noticed GHG/PM2.5 rule.

Thank you!

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