Transmitted via e-mail: AQFeb2011Rules@deq.state.or.us

November 24, 2010

Ms. Jill Inahara

Air Quality Division

Department of Environmental Quality

811 SW Sixth Avenue

Portland, OR 97204

**RE**: New Source Review, Particulate Matter and Greenhouse Gas Permitting Requirements and Other Permitting Rule Updates

Dear Ms. Inahara:

Thank you for your work on this important issue, holding and the opportunity to provide public comment on the New Source Review, Particulate Matter and Greenhouse Gas Permitting Requirements and Other Permitting Rule Updates administrative rule making on behalf of the Northwest Pulp and Paper Association (NWPPA). We consider this to be a precedent setting rule revision that will shape Oregon’s air permitting program for the next decade.

NWPPA is a 54-year old regional trade association representing pulp and paper manufacturing sites in the Pacific Northwest on environmental and energy public policy issues. NWPPA routinely comments on public policy matters before government advisory committees, administrative rule makings at state agencies, permitting matters and legislation under consideration in state legislatures. Our members hold environmental permits issued by the DEQ. On behalf of NWPPA, I have participated in the summer 2010 stakeholder workshops and provided advisory comment on the emergency rule making on a portion of these rules.

**Overarching Policy Comments**

Federal versus Sate Air Program for Greenhouse Gas

NWPPA strongly supports Oregon’s retaining authority to regulate greenhouse gas (GHG) rather than adopting the federal program for PSD in 40 CFR 52.21.

NWPPA supports retaining the Oregon way of approaching air permitting and supports the Department adopting regulations for GHG consistent with how other regulated air pollutants are treated in Oregon administrative rules.

*Discussion*: NWPPA believes retaining Oregon regulatory authority for GHG will: provide regulatory consistency, reduce regulatory burden, reduce permit holder confusion, and maximize agency resources because DEQ will not have to implement a different regulatory approach for a portion of regulated pollutants. NWPPA also is gravely concerned that the federal approach creates disincentives for voluntary early pollutant reductions – an action that NWPPA has always supported as a matter of policy across all environmental regulatory programs.

PM2.5 Baseline Emission Rate

NWPPA supports the Associated Oregon Industries (AOI) position in their November 24, 2010 comment letter on calculating baseline for PM 2.5 – that the Department allow dual options – specifically a source should have the option of either taking the proportionate share of its PM10 netting basis or the actual PM2.5 emissions from the baseline period.

PM2.5 Precursor Baseline

NWPPA supports the AOI position for an additional rule provision that address precursors that insofar as NOx and SO2 serve as PM2.5 precursors, there should be a separate netting basis established that is consistent with the PM2.5 netting basis procedures.

GHG Baseline

NWPPA supports the AOI positions and suggestions on all aspects of calculating baseline emission rates for GHGs and alignment between federal and state programs if the federal program were to be delayed.

**NWPPA Supports All AOI Rule Comments dated November 24, 2010**

NWPPA wholeheartedly supports the comment letter of AOI, dated November 24, 2010, on the proposed PM2.5 and greenhouse gas regulations.

*Discussion*: NWPPA and AOI share members who hold Title V air operating permits and who will be regulated by the proposed rules. All NWPPA’s Oregon members are in accord with the AOI policy positions and suggested revisions to the proposed administrative rules.

NWPPA appreciates the Department’s extensive work on these important air regulations and thanks the Department for the opportunity to provide comment. I can be contacted at 503-844-9540 to answer any questions.

Sincerely,

Kathryn VanNatta

Northwest Pulp and Paper Association

cc: NWPPA Membership

AOI