



## Environmental Quality Commission Gives Final Approval to DEQ Recommendation for Boardman Power Plant

*2020 framework allows time to develop replacement resources*

PORLAND, Ore.--(BUSINESS WIRE)-- The Oregon Environmental Quality Commission today approved new rules that allow the Boardman Power Plant, southwest of Boardman, Ore. to meet state and federal environmental requirements with emission control retrofits for sulfur dioxide and oxides of nitrogen over the next ten years and the cessation of coal-fired operations no later than December 31, 2020. The Boardman Plant is operated by Portland General Electric (NYSE: POR).

"These are tough new rules that put Oregon at the forefront of national efforts to reduce emissions from coal-fired power generation," said Jim Piro, PGE president and CEO. "We've worked hard with a broad coalition of Oregon citizens and organizations to gain public support and regulatory approval for an environmentally responsible, workable, cost-effective emissions control strategy and timeline for the Boardman Plant. Implementing these rules won't be easy or inexpensive, but it strikes a good balance of costs and benefits for our state and our customers."

The new controls are expected to reduce NO<sub>X</sub> emissions by about 50 percent and permitted levels of SO<sub>2</sub> emissions by 75 percent. A separate set of rules also requires controls to reduce the plant's mercury emissions by 90 percent. All coal-related emissions from the Boardman facility will be reduced to zero with the end of coal-fired operations in 2020. The combined capital cost of the required controls is currently estimated at about \$60 million.

The new rules were recommended by staff at the Oregon Department of Environmental Quality, following an extensive public process with two formal comment periods and seven public hearings. The agency also convened a fiscal advisory committee last summer to review the economic impact of various control options. The new rules will be implemented with the following measures:

- Installation of new low-NO<sub>X</sub> burners and modified overfire air ports in July 2011 to comply with Best Available Retrofit Technology (BART) standards for oxides of nitrogen.
- Installation of a dry sorbent injection system in July 2014 to comply with BART standards for sulfur dioxide.
- Pilot studies for the DSI system to verify that set SO<sub>2</sub> limits for 2014 and 2018 are achievable.
- Repeal of DEQ's 2009 BART rule, which would have allowed continued operation of the Boardman Plant through at least 2040 with installation of a much more expensive suite of emissions controls.
- Permanent cessation of coal-fired operation no later than December 31, 2020.

DEQ will now incorporate the EQC decision into its state implementation plan for regional haze, which will be forwarded to the federal Environmental Protection Agency for approval.

As operator and majority owner of the plant, PGE will proceed with acquisition and installation of the necessary controls, beginning with the low-NO<sub>X</sub> burners and mercury controls in July 2011. The company will also engage stakeholders in a comprehensive analysis of potential options to replace the power from the Boardman Plant — or convert the existing plant to a different fuel — as part of its next integrated resource planning cycle.

Adoption of the new rules completes a process that began when PGE volunteered in 2006 to have the Boardman Plant to be the first Oregon facility evaluated under BART guidelines. The utility then submitted an initial analysis and control plan to DEQ in 2007. After DEQ adopted its first BART rule in 2009, PGE incorporated the rule's emissions control requirements into the company's long-term resource plan, but also responded to stakeholder requests for further analysis of an alternative strategy based on a 2020 timeline.

In January 2010, PGE announced that it would pursue a 2020 alternative and then in April submitted an initial 2020 plan to DEQ. The company also modified its integrated resource plan as submitted to the Oregon Public Utility Commission. PGE then updated and strengthened the 2020 plan in August and October, incorporating new technologies and further tightening proposed emissions and operational restrictions to address concerns of regulators and stakeholders.

The OPUC acknowledged the revised 2020 plan in November, noting that earlier closure dates would not allow enough time for

the company to secure reliable replacement power.

PGE owns 65 percent of the Boardman Plant. Co-owners include Bank of America Leasing LLC, with 15 percent, Idaho Power, with 10 percent, and Power Resources Cooperative, with 10 percent.

### **About Portland General Electric Company**

Portland General Electric Company is a vertically integrated electric utility that serves approximately 822,000 residential, commercial and industrial customers in the Portland/Salem metropolitan area of Oregon. The Company's headquarters are located at 121 SW Salmon Street, Portland, Oregon 97204. Visit our website at [www.PortlandGeneral.com](http://www.PortlandGeneral.com).

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### **Source: Portland General Electric Company**

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