

BART III: PGE's Boardman 2020 Plan

PGE wants to stop using coal at Boardman in 2020; our plan gets there

Under current regional haze rules, PGE can install pollution controls on our Boardman coal-fired plant and operate it to 2040 or beyond. At the urging of our stakeholders, PGE proposed an alternative plan – to stop the use of coal at Boardman in 2020 – that would achieve even greater environmental benefits, at lower cost to our customers. In June, the Environmental Quality Commission turned down PGE's plan.

PGE listened to DEQ's concerns and went back to the drawing board. Now, we have submitted a third plan which still would stop the use of coal in 2020, but goes even further than our previous 2020 plan in reducing emissions.

DEQ alternatives unworkable, making 2040 only practical option

The Department of Environmental Quality has proposed three alternatives. Unfortunately, all three alternatives are unworkable and would impose greater customer costs, price volatility and reliability risks.

DEQ's 2040 plan is the only practical option currently on the table.

PGE's proposal benefits the environment

- Cuts mercury emissions 90 percent and emissions of nitrogen oxides 50 percent.
- Cuts permitted sulfur dioxide emissions 50 percent. BART III includes testing Dry Sorbent Injection (DSI) technology to further reduce sulfur.
- Ends coal-fired operations in 2020, 20 years or more ahead of the plant's normal retirement.
- Meets EPA requirements.

It's better for the economy, and enjoys broad support among Oregonians.

- Dates before 2020 would increase customer costs by hundreds of millions of dollars.

It allows a reasonable timeframe for transition

- Gives PGE time to build or buy cost-effective and reliable replacement resources.
- Provides time to consider a broader range of replacement options, including renewable options that may emerge.
- Workers and the Boardman community need time to transition to other jobs and economic opportunities.

DEQ's options raise cost and risk, with marginal benefit

- DEQ's 2020 option would cost about \$249 million more than PGE's 2020 plan. The additional costs don't make sense without additional years of operation.
- DEQ's 2018 option would require installation of unproven DSI technology. Plus, it could increase particulate emissions, forcing PGE to spend another \$100 million in controls.
- DEQ's 2015/16 option is costly for customers, does not allow enough time for PGE to build or buy replacement resources, and does not provide adequate transition time for employees and the Boardman community.

Rate impact vs. 2040 without controls

	Control/closure options					
	PGE 2020 (BART II)	DEQ 2015 (Option 3)	DEQ 2018 (Option 2)	PGE 2020 BART III (Proposed)	DEQ 2020 (Option 1)	DEQ 2040 (BART 1)
Average Increase 2011-2021 (%)	1.6%	3.9%	3.2%	2.4%	4.6%	3.2%
Single Highest Year Increase (Year / %)	2021/ 5.4%	2016 / 7.4%	2019 / 6.8%	2021/ 5.4%	2017/ 6.7%	2017/ 5.1%
Cumulative Nominal Impact by 2021 (\$ millions)	\$345	\$824	\$677	\$516	\$958	\$667

