



1407 W. North Temple, Suite 210
Salt Lake City, UT 84116
(801) 220-4581
Fax (801) 220-4307

July 14, 2006

Mr. David A. Finley
Administrator, Wyoming DEQ/Air Quality Division
122 West 25th Street, Herschler Building, 2nd Floor
Cheyenne, WY 82002

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Terri A. Lorenzon, Director
Environmental Quality Council

RE: Comments Supporting Proposed Modification of PSD Program

Dear Mr. Finley:

PacifiCorp appreciates the opportunity to comment on the proposed modifications to the state's Prevention of Significant Deterioration (PSD) rules. PacifiCorp supports Wyoming's adoption of the 2002 federal New Source Review (NSR) Reform rule¹, the proposed modifications in the PSD rule, as well as the addition of the state-specific information in an effort to provide the regulated community with additional clarification.

PacifiCorp presented oral comments in support of the proposed changes at the Wyoming Air Quality Advisory Board hearing on December 8, 2005 and reiterates those comments by reference in this letter. In short, PacifiCorp's comments supported the proposed changes particularly the Plantwide Applicability Limits (PAL) portion of the rule which provides needed flexibility to emission sources, reduces the administrative work load for the Division of Air Quality and still protects air quality in the state of Wyoming.

As you know, PacifiCorp has committed to an aggressive \$812 million pollution control plan that will result in the installation of new equipment at its coal-fired units over the next several years, including most of our Wyoming units. Some projects already have been installed and permitting efforts are underway for the remaining units.

Against this backdrop, PacifiCorp strongly supports the voluntary PAL Program. The PAL Program allows sources such as coal-fueled power plants with multiple emissions sources to treat the entire plant as a single emissions source rather than manage each unit individually. Under the PAL Program, as long as plantwide emissions stay below required PAL levels, the plant has flexibility to make changes at individual units without the need for conducting a full PSD review and seeking a new PSD permit for each change. This approach saves both the regulated source and DEQ time and money which otherwise would be devoted to processing PSD permits for each change. This approach also protects air quality by assuring that the sum of plantwide changes never increases above required PAL levels. Using this approach, the extensive burden of permitting the

¹ 67 Federal Register 80186, December 31, 2002

emission reductions under PacifiCorp's reduction plan will be lessened, thus allowing the reductions to be implemented more efficiently, at less cost and with less chance for delay. This type of progressive approach to air quality management is exactly the type of program that state of Wyoming should implement.

PacifiCorp's emission reduction efforts demonstrate that the concerns by certain groups that the proposed changes will lead to environmental protection rollbacks, increased emissions, PSD review avoidance and rampant facility upgrades without installing state-of-the-art controls are unfounded. Indeed, PacifiCorp's emission reduction commitments, coupled with Wyoming's proposed BART rules and ongoing BART review program, will assure that significant emission reductions take place at most of PacifiCorp's coal-fueled units in the state of Wyoming, independent of the proposed rule changes.

Finally, we hope the state will act quickly to adopt these rules in order to facilitate the ongoing permitting process we have undertaken. These issues have already been argued by numerous parties on all sides of the issue during the public comment process concerning the 2002 federal NSR Reform Rule which forms the basis for the proposed state rule changes. Moreover, the legality of the proposed changes has been judged as valid by the United States Court of Appeals for the District of Columbia Circuit².

In conclusion, PacifiCorp supports the adoption of the modifications recommended by staff to *Chapter 6, Permitting Requirements, Section 4, Prevention of Significant Deterioration (PSD)* as outlined by staff within their summary.

Sincerely,



William K. Lawson
Manager Engineering/Environmental

cc: Kyle L. Davis

² *New York v. EPA*, 431 F.3d 3 (D.C. Cir. 2005)