Mail Stop **514**

JAN 1 1978

E. J. Weathersbee
Administrator, Air Quality Division
Department of Environmental Quality
1234 S. W. Morrison Street
Portland, Oregon 97205

Re: Portland General Electric
Harborton, Oregon

Dear Mr. Weathersbee:

This letter is in response to your letter of December 1 and Mr. Patterson's letter of November 21 addressed to Mr. Gaulding.

A resumption of operation at this Portland General Electric plant would make it a new source subject to PSD (prevention of significant deterioration) and offset regulations. The fact that this major stationary source, once had a permit to operate does not exempt it from those requirements.

The purpose of the stringent new source review requirements is to assure that sources not factored Into the State Implementation Plan strategy will not interfere with attainment and maintenance of any ambient standard or contribute to a significant deterioration of air quality. This source was explicitly excluded from that strategy. Its temporary permit was conditioned on the fact that it would discontinue operation by mid-1975 when the ambient standards were to be attained.

The fact that the State's strategy for attainment of standards postulated no emissions from this source means that resumption of operation would automatically increase the amount of emissions above that which is allowed by the Implementation Plan. The discretionary authority referred to in section 129(a)(3) of the August 7, 1977 Clean Air Act Amendments (Congressional Record, August 3, 1977, H8526) can not be used to exempt this source from the offset procedure.

You ask whether the impact of intermittent operation would be permissible. The source has the burden of demonstrating that:

1. It will operate at the lowest achievable emission rate;

2. It has arranged for emission reductions from other sources in the surrounding non-attainment area more than offsetting its new emissions so as to represent reasonable progress toward attainment and maintenance of air quality standards; and

3. It will not cause a violation of the allowed increment under PSD respecting deterioration of air quality in neighboring attainment areas.

The source should call Ms. Dolores Cooper of my staff if it has any questions about how it would make those demonstrations.

Actual air quality on January 1, 1975 is used as the baseline for determining whether a major new source will contribute to significant deterioration. The fact that this source was operating at that time means that subsequent shutdown of the source increased the amount of new growth allowable in the area. However, a source that is shut down can not reserve that growth potential for itself. Applications for construction or modification under that program are considered in the order that applications are received.

If you have further questions, please call Mr. John Bookston, an attorney on my staff at (206) 442-1275.

Sincerely,

/s/ MR. REED

Lloyd A. Reed
Director, Enforcement Division

cc: Norm Edmisten, EPA