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January 22, 2009

Mr. Allen Fiksdal, Manager
Energy Facility Site Evaluation Council
P.O. Box 43172
Olympia, WA 98504-3172

**Re: Certification of Compliance with the Emissions Performance Standard
Chehalis Generating Plant**

Dear Mr. Fiksdal:

We are writing on behalf of PacifiCorp, d.b.a. Pacific Power ("Company"), to request a certification from the Energy Facility Site Evaluation Council that its Chehalis natural gas-fired generation plant located in Chehalis, Washington ("Chehalis Plant") complies with the greenhouse gas emissions performance standard ("EPS") established in RCW 80.80.040. The staff of the Washington Utility and Transportation Commission has asked the Company to obtain such a certification from the Council.

RCW 80.80.040(1) indicates that beginning on July 1, 2008, electric utilities, such as the Company, may not enter into "long-term financial commitments" for "baseload generation" unless the long-term financial commitment complies with the EPS. Further, RCW 80.80.040(1) establishes the EPS for all baseload electric generation as "the lower of one thousand one hundred pounds of greenhouse gases per megawatt-hour or the average available greenhouse gases emissions output as determined under RCW 80.80.050."

With this letter, we are providing Attachment A, PacifiCorp's calculations, as based on 2007 operating data, and Attachment B, a copy of the facility's fifth annual CO₂ emissions report (2007) that was submitted previously. These materials demonstrate that the Chehalis Generation Facility emits greenhouse gases at a rate lower than the EPS.

Source testing to develop facility-specific methane ("CH₄") and nitrous oxide ("N₂O") emissions factors began during the fourth quarter of 2008. As required, the first year testing will be conducted at varying loads once a quarter for four quarters. Until the testing is completed, the

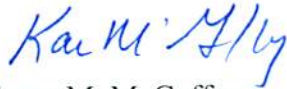
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CH₄ and N₂O calculations found in Attachment A rely on the appropriate AP-42 emissions factor published by the Environmental Protection Agency. Attachment A also provides estimates for CO₂ emissions using both reported Continuous Emissions Monitoring System ("CEMS") data, as well as a CO₂ emissions calculation that relied on the appropriate AP-42 emissions factor. Whether relying on a combination of CEMS and fuel calculations or only fuel calculations, the facility complies with the EPS of 1,100 pounds of greenhouse gases per megawatt-hour.

Please feel free to contact me if there are any questions.

Regards,



Karen M. McGaffey

cc: Kyle L. Davis, PacifiCorp
Jeff Erb, PacifiCorp

Attachment A

Chehalis Generation Facility	Natural Gas (mscf)	Natural Gas HHV (mmBtu) ⁽¹⁾	Carbon Dioxide (CO ₂) AP-42 Emission Factor ⁽²⁾ lb/MMBtu	Total CO ₂ Emissions (tons/year)	MWHrs	CO ₂ lbs/MWhr	CO _{2E} lbs/MWhr
2007 Chehalis Generation Facility Actual Performance using CEMs	N/A	N/A	N/A	838,645	1,864,191	900	900
2007 Chehalis Generation Facility Actual Performance using the "calculation method"	13,005,660	13,364,578	110	735,052	1,864,191	789	789

Chehalis Generation Facility	Methane (CH ₄) AP-42 Emission Factor ⁽³⁾ lb/MMBtu	Total CH ₄ Emissions (tons/year)	MWHrs	CH ₄ lbs/MWhr	CO _{2E} lbs/MWhr
2007 Chehalis Generation Facility Actual Performance using the "calculation method"	0.0086	57	1,864,191	0.062	1,233

Chehalis Generation Facility	Nitrous Oxide (N ₂ O) AP-42 Emission Factor ⁽⁴⁾ lb/MMBtu	Total N ₂ O Emissions (tons/year)	MWHrs	N ₂ O lbs/MWhr	CO _{2E} lbs/MWhr
2007 Chehalis Generation Facility Actual Performance using the "calculation method"	0.003	20	1,864,191	0.022	6,667

Notes:		Total GHG lbs/MWhr	Total CO _{2E} lbs/MWhr
"calculation method"		789	797

- (1) Average 2007 natural gas heating value 1,027,5971 Btu/scf
- (2) AP-42 emissions factor = Natural Gas 110 lbs/MMBtu
- (3) AP-42 Table 3.1-2a
- (4) AP-42 Table 3.1-2a

Attachment B



CHEHALIS POWER GENERATING L. L. C.

Michael E. Mills
Energy Facility Site Evaluation Council
905 Plum Street S.E.
P.O. Box 43172
Olympia, WA 98504-3172

**VIA E-MAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

February 6, 2008

REF: CHEHALIS GENERATION FACILITY
SCA, Article VI. D., and Greenhouse Gas Offset Strategy and Plan

Gentlemen:

Chehalis Power is hereby submitting the facility's fifth annual CO2 emissions report. The report and calculations indicate that no offsets are required for 2007. The facility was in commercial operation throughout the year, utilizing natural gas as fuel. No fuel oil (diesel) was burned in 2007. The emissions were calculated per the guidelines set out in the Greenhouse Gas plan, on page 7.

In response to the reporting requirements set forth on page 8, we submit the following:

- a. Calculation of previous year's emissions subject to offset: All calculations and results may be seen on the enclosed spreadsheet.
- b. Financial report on offset expenditures and obligations: N/A
- c. Progress of past and current projects: N/A
- d. Calculations necessary when seeking EFSEC approval of a local project: N/A

It was not necessary this year to select an independent expert, since no offset projects are required. An independent consultant shall be engaged in future years if conditions warrant.

Please contact me if you have any questions, comments or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Smith', is written over a horizontal line.

Robert Smith
Plant Manager

Cc: Charles Davis, SEGNA Houston (via e-mail)
Carl Carlsson, SEGNA Houston (via e-mail)
Clint Lamoreaux, SWCAA (via e-mail)

Attachment B

CHEHALIS
POWER PLANT

1. TOTAL CO2 EMISSIONS IN 2007 BY THE CALCULATION METHOD

Facility Baseline = 1.8 million tons

MONTH	NATURAL GAS (NG)				FUEL OIL (FO)			TOTAL	
	Natural Gas fuel consumption (mcsf) (1)	Natural Gas fuel consumption HHV (mmBtu) (1)	NatGas GHV (1) (Btu/scf)	Natural Gas fuel consumption HHV (mmBtu)(Calc'd)	CO2 Emissions (Tons, NG, Calc'd, AP-42 factor)	Diesel Fuel (gal/mo)	Total MMBtu Consumed, FO		CO2 Emissions (Tons, FO, Calc'd, AP-42 factor)
January	379,641	389,520	1,026	389,525	21,424	0	0	0	21,424
February	862,079	884,529	1,026	884,545	48,650	0	0	0	48,650
March	350	359	1,026	359	20	0	0	0	20
April	66,518	68,249	1,026	68,250	3,754	0	0	0	3,754
May	108,446	111,276	1,026	111,270	6,120	0	0	0	6,120
June	458,487	471,449	1,032	473,302	26,032	0	0	0	26,032
July	1,576,188	1,616,865	1,026	1,616,402	88,902	0	0	0	88,902
August	1,895,531	1,943,948	1,026	1,944,173	106,930	0	0	0	106,930
September	2,268,592	2,329,027	1,027	2,329,080	128,099	0	0	0	128,099
October	2,414,721	2,480,781	1,027	2,480,759	136,442	0	0	0	136,442
November	1,640,254	1,691,277	1,031	1,691,014	93,006	0	0	0	93,006
December	1,334,854	1,376,445	1,031	1,375,898	75,674	0	0	0	75,674
TOTALS:	13,005,660	13,363,724	1,027	13,364,578	735,052	0	0	0	735,052

(1) Data source: P:\Reports\Houston Reporting\Merchant Reports 2007\2007 Monthly Report-Master

AP-42 Emissions factor, NG: 110 lbs/MMBtu
 AP-42 Emissions factor, FO: 157 lbs/MMBtu

Total Tons of CO2 produced, 2007: 735,052

NG Heating value: 1,027 Btu/scf (average)

Million Tons CO2 from NG: 0.735

Heating value of fuel oil: N/A Btu/gal

Facility Baseline (million tons): 1.8

TONS REQUIRING OFFSET: 0

NOTES: Fuel & MMBTU consumption numbers are from facility operations reports; emissions factors are EPA AP-42. AP-42 factors for stationary internal combustion sources are in lbs. CO2 per MMBtu.

Total CO2, Annual, 2007

Attachment B

CHEHALIS POWER PLANT

2. TOTAL CO2 EMISSIONS IN 2007 PER DAHS/CEMS REPORTS

CT1--Total CO2 tons, 2007	
Year	CO2 tons
----- 2007	----- 417,849.7

CT2--Total CO2 tons, 2006	
Year	CO2 tons
----- 2007	----- 420,796.2

PLANT TOTAL: 838,645.9 tons

or: 0.839 millions Tons
Less Facility Baseline: 1.8 million Tons
Equals: -1.0 million Tons
0 offsets required

Attachment B

CHEHALIS
POWER PLANT

2007 CO2 Emissions DAHS Data

CT1 Emissions	
Date	CO2 ton/hr
January	12151.0
February	27365.9
March	44.7
April	4186.0
May	5353.4
June	15980.2
July	54727.8
August	62263.6
September	71198.3
October	77603.7
November	52217.5
December	34757.6
Total TPY	417849.7

CT2 Emissions	
Date	CO2 ton/hr
January	12355.8
February	28216.2
March	48.5
April	82.3
May	1653.0
June	19407.0
July	47986.1
August	58793.2
September	72928.4
October	76193.2
November	51595.9
December	51536.6
Total TPY	420796.2

FACILITY TOTAL CO2 EMISSIONS:			
CT1	417,849.7	(tons)	
CT2	420,796.2	(tons)	
Total	838,645.9	(tons)	
Total	0.8386459	Million Tons	

Total CO2, Annual, 2007