

expenses, annualized costs would soar to approximately \$120 million under Talen's cost estimates.

15. NorthWestern cannot envision a scenario in which it could operate Colstrip beyond December 31, 2031, if the GHG Rule is not vacated. As stated in NorthWestern's GHG Rule Comments, CCUS is not sufficiently demonstrated to provide confidence that the required GHG control rates could be reliably achieved, and even if they were, the costs of compliance would be astronomical in relation to Colstrip's remaining useful life. In addition, even if NorthWestern were to propose implementing CCUS to extend the life of Colstrip beyond 2031, there is a high likelihood the MPSC would conclude the investment would be imprudent and deny cost recovery. For these reasons, in this Declaration I principally examine and contrast various MATS2 implementation scenarios through 2031.

16. Under the applicable Ownership and Operation Agreement for Colstrip Units 3 & 4 and the Avista Agreement, NorthWestern would bear 30% of the MATS2 compliance costs. Using Talen's cost estimates, this translates to \$36 million in new annualized costs for NorthWestern alone for the short period the fPM controls would be in use.

17. As explained in Talen's comments on the MATS2 Rule, the MATS2 Rule would result in extraordinary costs per ton of \$92,000/ton for fPM removal for a Reheat Fabric Filter operating from EPA's 0.0195 lb/MMbtu performance baseline. Per-ton compliance costs would more than double with a 2031 closure date. I further note that Montana has more stringent mercury emission standards than the MATS2 Rule, and Colstrip already complies with the Montana mercury standard. Consequently, the MATS2 Rule will provide no material benefit with regard to Colstrip's mercury emissions.

The MATS2 Rule will materially increase electricity-delivery costs in Montana, and it is uncertain whether those will be recoverable in electrical rates