

The Rule will impose significant costs that would jeopardize the future use of lignite-fired units and imperil grid reliability. In the near term, the Coyote Station owners would need to expend approximately \$100,000 per month to conduct longer-term mercury testing. This testing would need to occur over multiple months to determine if compliance can be achieved – compounding the costs of this endeavor. The testing would need to occur later this year (2025) and continue in 2026. Granting this exemption would avoid these costs if EPA were to reconsider the MATS RTR and provide relief from the 1.2 lb/TBtu standard for lignite units. In addition, Coyote Station has budgeted to install mercury CEMS in 2026, at a cost of \$500,000, to monitor mercury with more real time data during the testing. Indeed, the MATS RTR does not account for these types of costs associated with mercury testing, monitoring, and the PAC supply chain deliveries necessary for increased sorbent injection.

Based on this information, Otter Tail and the Co-owners conclude that the technology to meet the mercury standard is not available. Therefore, the MATS RTR is potentially queued to directly impact the future availability of Coyote Station, a critical lignite asset. Accordingly, Coyote Station should be granted a two-year exemption.

IV. PM CEMS Are Not Technologically Able to Assure Compliance with the Revised PM Standard

The MATS RTR requires the installation of PM CEMS to demonstrate compliance with the revised 0.010 lb/MMBtu PM standard. Coyote Station has achieved LEE status under the current rule and complies with MATS using periodic PM stack testing. PM CEMS are not installed at Coyote Station. For the reasons identified below, CEMS are not a technology that is available due to inaccuracies and correlation challenges at low PM levels.

The accuracy of PM CEMS at low PM emissions levels is not proven. PM CEMS do not directly measure PM emissions. In other words, the instrument does not measure the mass of PM and the volume of flue gas from which that mass of PM was sampled. Instead, commercially available PM CEMS measure some property (i.e., light scatter or beta attenuation) that must be correlated to actual stack PM measurements.¹⁹ At lower emissions levels, PM CEMS have not been demonstrated to have the sensitivity needed to accurately account for lower emissions levels. Technological feasibility has not been proven at low PM emissions levels.²⁰

Due to the indirect measurements, PM CEMS correlation testing must ensure the measurements are true to the actual fPM emission rates.²¹ But the low PM standard in the Rule makes developing this correlation curve “virtually impossible.”²² Similarly, the Quality

¹⁹ The EPA statement at 88 Fed. Reg. at 24872, that a beta gauge “detector measures the amount of radiation emitted by the sample” is categorically incorrect and illustrative of several uninformed statements (e.g., cost estimates) about PM CEMS in the preamble to the proposed rule.

²⁰ See *PG&E Comments on EPA’s Proposed Rule: NESHA Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review*, Docket No. EPA-HQ-OAR-2018-0794-5994, at 22 (June 28, 2023) (PG&E Comments) (citing and attaching Ralph L. Roberson, *Technical Comments on EPA’s Proposed Rule: Mercury and Air Toxics Standards Risk and Technology Review*, at 3 (2023) (PM CEMS Technical Memo)).

²¹ *Id.*

²² *Id.*