

III. REQUEST FOR EXEMPTION

In CAA Section 112(i)(4), Congress expressly provided the President *the discretion* to determine whether a technology is “not available” and whether exempting a stationary source would be in the “national security interests.” In exercising this discretion, the President should consider technological unavailability and national security broadly.

As set forth in the Executive Summary, the control technology for Colstrip to meet the standard is unavailable for the following reasons:

- ***The control technology is technologically unavailable.*** The application of new baghouses following wet venturi scrubbers is unproven and untested and comes with significant risks to the operation of Colstrip.
- ***The control technology is economically unavailable.*** Applying baghouse technology to Colstrip is prohibitively expensive. When the Rule was finalized, Talen Montana estimated the compliance cost to be around \$350 million. Currently the cost estimates exceed \$500 million, plus operation and maintenance costs of \$15 million annually. Market realities, such as difficulties in funding and rate recovery, make such a project uneconomic meaning that it is more likely that Colstrip will shut down.
- ***The control technology is unavailable from a timing standpoint.*** At a minimum, the technology to control emissions to the levels required within the statutory timelines simply does not exist. No control technology could be installed by July 6, 2027, the compliance date set by the 2024 MATS Rule. A significant risk remains that even a one-year extension would not be enough due to the unique financial and technological constraints Colstrip faces.

The President should account for the following in determining that exempting Colstrip from the Rule would advance national security interests.

- At least two Executive Orders have already declared that any emergency suspension of regulations hindering energy production would advance national security. *See* Executive Order 14154 & Executive Order 14156.
- Exempting Colstrip from the Rule falls squarely within advancing national interests because Colstrip is essential in providing much needed, reliable electricity in the western region of the United States, where there is an abundance of critical military infrastructure. Colstrip is also a core economic driver for Montana.