

meet a 90% removal rate on lignite. Note the table does not include or account for any costs associated with MRY 1 mercury system upgrades.

Example MRY Unit 2 Cost Underestimations Summary Table 3-1

Parameter	<u>EPA Example</u> Hypothetical 800 MW	<u>EPA</u> <u>Assumed</u> MRY U2 Costs 447 MW	<u>Est.</u> <u>Actual</u> MRY U2 Costs 447 MW
Current Hg Compliance (4.0 lb/TBtu) Cost ¹	\$2.6 M	\$0.3 M	\$1.9 M
Current Hg Removed	1,295 lb	77 lb	149 lb
Current C/E (\$ per lb Hg Removed)	2,004	3,845	12,754
Hg Control System Annualized Capital Cost	Not included	Not included	\$472k ²
BPAC Cost (@ 5 lb/MMacf)	\$7.5 M	\$0.6 M	\$1.3 M ³
M-Prove Cost	Not included	\$0.2 M	\$1.6 M ⁴
Future Hg Compliance (@ 5 lb/MMacf) Cost	\$7.5 M	\$0.8 M	\$3.4 M
Future Hg Removed (EPA Assumed @ 1.2 lb/TBtu)	1,447 lb ⁵	110 lb	216 lb
Future C/E (\$ per lb Hg Removed)	5,083	7,040	15,678
Incremental C/E (\$ per lb Hg Removed)	28,176	14,360	22,217

Note 1 – EPA example only based on sorbent. EPA assumed current compliance cost includes sorbent and chemical fuel additive. Est. actual cost based on 2023 MRY Unit 2 usage rate & pricing for both sorbent and chemical additive.

Note 2 – Cost of \$5.0 million dollars from S&I project database was annualized using a capital recovery factor – calculated based on annual interest rate of 7% (pre-tax marginal rate of return on private investment, EPA Cost Manual Section 5) and 20 year evaluation period (EPA Cost Manual Section 6).

Note 3 – Cost based on EPA assumed rate but using 2023 MRY BPAC pricing.

Note 4 – Cost based on 2023 MRY Unit 2 usage rate & pricing instead of assuming same as sorbent costs.

Note 5 – Based on calculated value for EPA example inlet Hg of 1,542 lbs (current Hg coal content) – 95 lbs (future emitted amount). However, the EPA example identifies 1,468 lb for the incremental cost effectiveness calculation.

43. Costs to comply with the New Mercury Limitation are exorbitant and damage Minnkota. Many costs may be passed along to its member cooperatives and end users who are harmed via higher electricity