

achieving 0.005 lb/MMBtu.”<sup>49</sup> Indeed, based on Talen Montana's discussions with consultants and vendors, it may not be possible to guarantee anything under 0.010 lb/MMBtu depending on the configuration. As a result, EPA has grossly overestimated the emission reductions from Colstrip that, coupled with EPA's unjustified assumptions, renders its cost-benefit analysis flawed. For example, EPA estimates fPM emission reductions of 970.4 tons/yr from Colstrip assuming that Colstrip will achieve emission rates of 0.0020 lb/MMBtu fPM for Unit 3 and 0.0021 lb/MMBtu fPM for Unit 4 once controls are installed. However, as discussed below, Colstrip may only attain an emission rate of 0.010 lb/MMBtu fPM, which corresponds to a reduction of 538 tons/yr using EPA's “baseline.”

Second, EPA also underestimated the cost per ton of fPM reduced for Colstrip because EPA's cost effectiveness analysis fails to account for the impacts of the IRA. As EPA states in the Proposal, the Agency's estimates in the analysis “do not account for any future changes in the composition of the operational coal-fired EGU fleet that are likely to occur by 2028 as a result of other factors affecting the power sector, such as the Inflation Reduction Act (IRA), future regulatory actions, or changes in economic conditions.”<sup>50</sup> This is problematic because it means that EPA is assuming that Colstrip Units 3 and 4 will continue to operate as baseload units for the foreseeable future.<sup>51</sup> But such an assumption is contrary to EPA's post-IRA IPM model, which predicts that Colstrip will shift away from operating as baseload units and its utilization will decrease. Specifically, the post-IRA IPM model — which accounts for future changes that are likely to occur *only* as a result of the IRA and *not* other factors (e.g., Proposed Rule, Proposed GHG Rule) — assumes that Colstrip will:

- Through 2030, continue to operate as baseload units with an estimated combined heat input of 113 TBtu/year.<sup>52</sup>
- By 2040, reduce its utilization by 25% so that it is estimated to operate at a combined heat input of 85 TBtu/year.<sup>53</sup>
- By 2050, reduce its utilization by 88% so that it is estimated to operate at a combined heat input of 13 TBtu/year.<sup>54</sup>

As reflected in Attachment B, the cost effectiveness of installing new baghouses at Colstrip significantly decreases over time because of reduced utilization. Utilizing EPA's cost numbers (and presumed emission reductions), the cost effectiveness is estimated to be \$39,192/ton fPM reduction in 2030 assuming baseload operation (*i.e.*, 113 TBtu/year). However, the cost

<sup>49</sup> PM Incremental Improvement Memo at 9 (original underline omitted, italicized emphasis added). *See also id.* at 10 (“[S]uppliers *may* be willing to provide a filterable PM guarantee of 0.005 lb/MMBtu for new baghouses with PTFE bags.” (original underline omitted, italicized emphasis added)).

<sup>50</sup> 88 Fed. Reg. at 24,869-70.

<sup>51</sup> *See* Technical Memo at PDF p. 11.

<sup>52</sup> Post-IRA 2022 Reference Case, <https://www.epa.gov/power-sector-modeling/post-ira-2022-reference-case>.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*