

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

GREG GIANFORTE  
GOVERNOR



KRISTEN JURAS  
LT. GOVERNOR

June 21, 2023

The Honorable Michael S. Regan  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Ave., N.W.  
Washington, D.C. 20460

Re: National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review (RIN 2060-AV53)

Dear Administrator Regan:

On April 3, 2023, the Environmental Protection Agency (EPA) proposed to amend the National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review, commonly known as the Mercury and Air Toxics Standards (MATS) rule. This rule targets one power plant, located in Colstrip, Montana, and would seriously jeopardize the health and safety of the people of the State of Montana. This unjustified harm is a result of the rule's failure to fully consider the cost of achieving such standards and in doing so fails to fully consider the impact of the rule on access to reliable electricity in Montana and the region. The EPA should immediately rescind this proposal and work with states to identify cost-effective emission reduction measures that do not threaten the stability of the grid or the ability of Montanans to afford their utility bills.

Energy isn't a luxury in Montana; it's a necessity. Every year, harsh winter conditions remind us of the need for an all-of-the-above energy approach and reliable, baseload power. Colstrip generating units, which the EPA rule targets, account for a significant percentage of Montana's baseload electricity supply and consistently rank among the lowest-cost dispatchable power plants in the western United States. The current operations of the generating units already capture 99.6 percent of all filterable particulate matter and this rule, if finalized, will not significantly improve air quality by raising the threshold to 99.8 percent. The EPA appears to agree, as it declined to reverse the 2020 risk assessment that arrived at the same conclusion. Nevertheless, the EPA, through this rule, is willing to threaten the well-being and livelihoods of Montanans by undermining a critical supply of low-cost power.

The rule also imposes untenable financial burdens on Montanans. According to the most recent integrated resource plan submitted to the Montana Public Service Commission by Northwestern

Energy, the early retirement of Colstrip generating units would cost Montana customers an estimated \$1.1 billion dollars over the next 20 years.<sup>1</sup> This is an unacceptable burden on Montanans, especially as once-in-a-generation inflation and skyrocketing mortgage rates stretch their paychecks thinner and thinner. Furthermore, the cost impacts of the proposed amendments to the MATS rule reach far beyond an increase in rates. The Bureau of Business and Economic Research at the University of Montana estimates that the negative cascading impacts of Colstrip's early closure would equate to billions of dollars in lost revenues to state and local government and income for hardworking Montanans.<sup>2</sup>

Montana's energy reliability – and really access to reliable electricity for the region – is also at risk. This proposal is a significant piece of a larger package of EPA rules designed to remove fossil fuel generation from the national resource mix with no apparent regard for the impact on electric reliability.

In its 2022 Long-Term Reliability Assessment, the North American Electric Reliability Corporation (NERC) concluded that the Western Electricity Coordinating Council (WECC) balancing area, which includes Montana, faces elevated risk of outages in the coming years.<sup>3</sup> In addition, all four current Federal Energy Regulatory Commission (FERC) commissioners recently testified before Congress that coal power is necessary to maintain grid reliability.<sup>4</sup> What is true across the country is true here in Montana: premature closure of the coal-fired generating units threatens our economy and the stability of our grid. Look no further than the ongoing energy crises in Germany and throughout Europe to understand the far-reaching economic and social impacts of a reliability crisis. I am not convinced the EPA has adequately considered the impacts of this proposal on the nation and Montana specifically. The EPA must take these reliability warnings seriously and rethink the proposed amendments to the MATS rule from the ground up.

While coal-fired generation is critical to the stability of Montana's grid, Montana is open for investment in all types of energy. Wind, solar, natural gas, pumped storage, and coal, combined with carbon capture and sequestration, all hold significant promise in the state. Montana's hydropower and wind resources are second to none, and I recently signed legislation to help make nuclear energy a viable option in the future. Montana is embracing this new wave of energy technology and is positioned to continue as an important energy supplier to the region. However, these investments in energy must all be considered in relation to the end goal: reliable and cost-effective service for customers. Unfortunately, it appears the EPA does not share this goal. The proposed amendments to the MATS rule represent a heavy-handed proposal that

---

<sup>1</sup> Northwestern Energy's 2023 Integrated Resource Plan, available at:  
[https://www.northwesternenergy.com/docs/default-source/default-document-library/about-us/erp-irp/2023\\_montana\\_irp\\_final.pdf](https://www.northwesternenergy.com/docs/default-source/default-document-library/about-us/erp-irp/2023_montana_irp_final.pdf)

<sup>2</sup> The Economic Impact of the Early Retirement of Colstrip Units 2 and 4, Final Report, available at:  
<http://www.bber.umt.edu/pubs/econ/colstrip2018.pdf>

<sup>3</sup> NERC Long-Term Reliability Assessment, available at:  
[https://www.nerc.com/news/Headlines%20DL/2022\\_LTRA\\_Infographic.pdf](https://www.nerc.com/news/Headlines%20DL/2022_LTRA_Infographic.pdf)

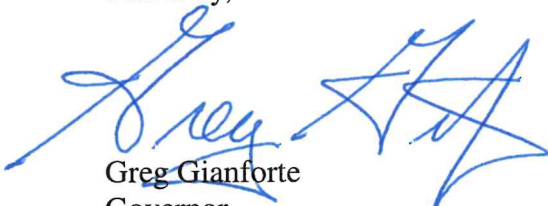
<sup>4</sup> Senate Energy and Natural Resources Committee Hearing, *Full Committee Hearing to Conduct Oversight of FERC*, May 4, 2023.

ignores warnings from reliability experts and will hurt the pocketbooks of hardworking Montanans.

I would like to note that the Montana Department of Environmental Quality will be submitting comments on this rule, but that the agency's efforts to analyze the impacts of the rule on Montana have been stymied by apparent discrepancies between the proposed rule and data sets underlying the proposed rule. These concerns will be outlined in the agency's comments submitted in the rulemaking docket.

I respectfully urge you to rescind and reconsider this ill-conceived proposed rule.

Sincerely,



Greg Gianforte  
Governor