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June 17, 2026

Mr. Craig Henrikson
Environmental Engineer
Air Quality Bureau
PO Box 200901
Helena, MT 59620-0901

Sent: via email to: cherikson@mt.gov

RE: Talen Energy – Incompleteness Determination for Tax Certification of Air and Water Pollution Control Equipment – Unit #3

Dear Mr. Henrikson,

This letter is response to your letter dated May 5, 2026, dealing with Talen's application for classification of new equipment as Pollution Control Equipment.

The DEQ determined that our 2025 application was incomplete and requested additional information. Below are answers to those requests:

1.Unit 3 applicability only. Please confirm that the application is limited to only equipment associated with Unit 3, in contrast to the submitted Table titled Colstrip Unit 3 & 4 Air Pollution Control Costs.

This is to confirm that all equipment listed in the 2025 application is associated with Colstrip Steam Electric Station Unit #3.

2. CEMS replacement. For the line item titled, CEMS Monitor Replacement, please provide an explanation for how the CO_2 monitor is used for the purpose of managing the permit limits associated with criteria pollutants including SO_2 and NOx. Generally, DEQ looks for analyzer information to be used as feedback into the control system for ensuring permit compliance.

The readings from the CO2 analyzer are used in the equations that calculate SO2 and NOx Lb/MMBtu rates of emissions from the Units at Colstrip. These emissions rates are closely monitored by the Operations Personnel at Colstrip and Mitigation actions are implemented if these emissions rates approach the established permit limits. Control actions include, but are not limited to, adding lime to the process for SO2 reduction, addition of excess air to the boiler for NOx reduction, reducing unit load when other control measures are not reducing the emissions quickly enough, and other control measures as necessary to reduce the rates of these emissions. All emissions data from the analyzers are recorded in the Colstrip DAHS (Data Acquisition and Handling System), maintained on file, and reported to the State and Federal regulatory agencies as required by various regulations.

3. Opacity monitor. For the line item titled, Opacity Monitor, please provide an example of how the opacity monitor reading is used to respond to prevent non-compliance occurrences.

The installed Opacity Monitor, while being used for measuring the stack opacity in real time, is also part of a direct control loop that helps to reduce opacity that is realized in the stack as a result of scrubber sootblowing operations. The real time signal from the Opacity analyzer is fed into the DCS (Digital Control System). A control setpoint based on this Opacity reading automatically retracts the scrubber sootblowers whenever the stack opacity exceeds the setpoint. This control loop has been successful in reducing to overall number of opacity excesses realized by the Colstrip Units on a yearly basis.

4. Labor associated with capital costs. Do the capital costs shown include both actual capital costs, and the labor associated with installing the equipment? If so, please provide a break-out of these labor costs as an additional level of detail. DEQ does approve labor associated with the installation of capital equipment for pollution control.

Talen Internal Labor is not included in these figures.

Let me know if these responses are sufficient or if additional information is needed.

Sincerely,

Brian Sullivan
Sr Compliance Professional
Talen Montana, LLC