NorthWestern Energy
Delivering a Bright Future

3/2/2026

Craig Henrikson, P.E.
Air Quality Bureau
Montana Department of Environmental Quality
PO Box 200901
Helena, MT 59620

Sent via email to: chenrikson@mt.gov

Re: Tax Certification of Air Pollution Control Equipment Application – SCR with Ammonia Injection and Oxidation Catalyst System

Dear Mr. Henrikson,

On January 30, 2026, NorthWestern Energy received your additional questions regarding our tax certification application to the Montana Department of Environmental Quality – Air Quality Bureau. Below, please see both your original question and our responses in blue.

1. DEQ was unable to find the complete information in the submittal required for item #10 for the CAB-2 Form. Specifically, #10 states:
   Provide a detailed itemization of capital and operating costs for each piece of equipment under consideration for certification in this application (ARM 17.80.103 (5) and ARM 17.8.103 (6)).
   DEQ acknowledges capital costs were provided for the project but did not find any estimate of operating costs for the equipment. Because ARM 17.80.103 (5) and (6) and CAB-2 item 10 require both capital and operating cost information for each piece of equipment proposed for certification, please include an estimate of monthly or annual operating costs for the SCR related equipment.
   Please see the chart below:

Annual Operating Costs for Pollution Control Equipment	
Ammonia Useage	$500,000
SCR Equipment Maintenance	$130,464
SCR Catalyst Cleaning per year	$97,200
SCR Catalyst Replacement	$286,998
Total	$1,014,662

2. Please provide an explanation and any supporting calculations showing how earthwork costs both in the Ammonia Area and SCR Area were delineated from site-wide earthwork costs. If these were scaled based on surface area versus total site construction footprint etc., please confirm for the record.
   a. They were not scaled based upon surface area versus total site construction. We have reviewed the Earthwork and Concrete costs for the project and have revised these line items. Costs, with the exception of the Exhaust Stack Foundations, were based upon 20% of the total project Earthwork costs. We attribute 10% of the Exhaust Stack Foundation costs to pollution control

equipment. Please see attached pdf titled, “YCGS Pollution Control Equipment – Capital Expense for DEQ Response 3.2.26”.

3. Please confirm that the line item ‘Fire Protection Systems’ reflects equipment and systems required due to the use and storage of aqueous ammonia for the SCR system, and that this system would not be required absent the SCR-related aqueous ammonia hazards.
    a. The $2,117,250 is a percentage of the entire fire system for the plant. The cost listed is only for the portion of the fire system affected by the presence of the aqueous ammonia system.
4. There are two identical cost entries ($221,196) for “aqueous ammonia module’ and aqueous ammonia pumps’, please confirm these entries and whether they represent per-unit costs or aggregated costs, and provide an explanation as necessary.
    a. The titles of the costs are based off FERC accounting requirements. Each account is a percentage of the total cost for the system, which was $2,913,486. The modules and the pumps are sub-accounts of the aggregated total for the system.
5. There are six identical cost entries ($1,034,509) related to Exhaust Gas items, please confirm these entries and whether they represent per-unit costs or aggregated costs, and provide an explanation as necessary.
    a. These entries are equal percentages of the aggregate costs for the 6 different components for all of the generating units. After further review of the components for the total of the system, we have adjusted the dollar costs based on the components that are specifically related to the proper operation of the SCR system. We have estimated these costs to be 30% of the total Exhaust Gas System costs.
6. Please provide a brief explanation of the role of Exhaust Gas Ventilation Valves and Exhaust Gas Ventilation Fans as it relates to the SCR system, including whether they are necessary to ensure proper operation of the SCR system.
    a. The titles of the costs are also FERC accounting requirements, and the titles are sub-accounts of the aggregate total of the system. Similarly to #5, we have adjusted the dollar costs based on the components that are specifically related to the proper operation of the SCR system.
7. Please provide an explanation of whether the two items titled Earthwork Exhaust Stack and Foundations Exhaust Stack account for the fact that exhaust stacks and associated foundations would have been required even without the SCR system. Under Montana law, pollution control equipment costs may include only that portion of identifiable property and the additional incremental costs attributable to the pollution control function, above the cost that otherwise would have been required.
    a. We have adjusted all the Earthwork line items to be 20% of the total Earthwork costs for the project. The costs for the Foundations (Exhaust Stack) attributable to the pollution control equipment was adjusted to reflect 10% of the total cost.

Thank you for your time and review of our application. If you have any further questions or concerns, please contact me at the number below.

Thank you,

Miranda Edwards
Project Manager/Energy Supply
Miranda.edwards@northwestern.com
C 406-223-9805

Enclosures (1)