MONTANA PUBLIC SERVICE COMMISSION

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April 23, 2013

Gina McCarthy
USEPA Headquarters
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 6101A
Washington, DC 20460

Docket EPA-HQ-OAR-2011-0660

Dear Ms. McCarthy:

As members of the regulatory body responsible for ensuring that Montanans have access to a safe, reliable, and affordable energy supply, we have grave concerns about your agency's proposed rules for New Source Performance Standards (NSPS) in the above-numbered docket.

Coal remains an extremely important fuel source and ensures that Montana's and other states' electric supply portfolios have a sufficiently diverse mix to hedge against price spikes in other fuels, such as natural gas. Yet, the NSPS would make it impracticable to construct any new coal-fired electrical generation in the United States.

Considerable progress has been made to making coal-fired generation more efficient and cleaner. Incremental progress is important, and a total transformation of coal-fired technology cannot be achieved overnight. By establishing standards such as those envisioned by the NSPS, we worry that virtually all investment in further refining coal technologies will evaporate.

Building new generators also allows our country to be at the forefront of developing new technology to build power plants that are cleaner and more efficient. If the NSPS standards move forward as proposed, we lose that opportunity to develop new technology through new construction.

The proposed NSPS rules would set emission standards for coal-fired generators at the same level as gas-fired generators. These rules do not take into consideration the variations in different types of coal, different types of coal generators and the different emissions profiles for each of them. As such, the rule is unworkable.

The NSPS rule would likely have the effect of putting American consumers in the economically volatile position of relying solely on electricity produced from natural gas. While Montana has benefited from the surge in natural gas production, both in terms of job creation and low-cost energy, we are concerned about relying on a single form of energy for the base-load generating needs of the public we serve.

Montana has among the largest coal reserves in the country, and has more at stake in these rules than most states do. We urge reconsideration of the proposed NSPS rule to allow more flexibility in different types of coal generation plants.

We are pleased the EPA has delayed issuing its final rule in order to consider the millions of comments it has received on this matter. The Montana Public Service Commission remains unconvinced that any additional regulation in this area is necessary, and would urge that the proposed rule be withdrawn at this time.

Sincerely,

W. A. GALLAGHER, Chairman

BOB LAKE, Vice Chair

KIRK BUSHMAN, Commissioner

TRAVIS KAVULLA, Commissioner

ROGER KOOPMAN, Commissioner