



February 19, 2021

Dear Colstrip Co-owners,

Montana Environmental Information Center (MEIC), Sierra Club (SC), and National Wildlife Federation (NWF) are writing to follow up on the dry-ash settlement involving Colstrip.

The 2016 settlement resolved litigation in Montana state court regarding the Colstrip owners' obligations to comply with the state's water quality and major facility siting laws. The settlement between MEIC, SC, and NWF and every Colstrip co-owner requires the Colstrip owners to convert to a "non-liquid" disposal system for coal combustion residual (CCR) material generated by Colstrip Units 3 and 4's scrubbers no later than July 1, 2022. The settlement further provides that the deadline for converting to dry-ash disposal "may be extended by mutual agreement of the parties for any reason." Montana Department of Environmental Quality approved, but is not a party to, the settlement.

In exchange for firm closure dates for Colstrip Units 3 and 4, we would like to discuss the possibility of an elongated timeline for the costly conversion to dry-ash disposal by July 1, 2022. Although we continue to believe that it is essential for the Colstrip owners to cease placement of liquid waste in Colstrip's impoundments, this outcome may be achieved by ending operation of Colstrip Units 3 and 4 altogether in lieu of dry-ash conversion. If we reach mutual agreement on such closure dates, near-term expenditures on costly new source control measures may not be wise or beneficial.

As you may know, we approached NorthWestern Energy with a similar suggestion in Fall 2020 in connection with the Colstrip Unit 4 acquisition proceeding in Montana. Termination of that proceeding negated further discussion, but we continue to believe that a settlement is possible that is both environmentally beneficial and advantageous for Colstrip owners and their customers.

We look forward to your response and any questions regarding this matter.

Sincerely,

Anne Hedges  
Director of Policy and Legislative Affairs  
Montana Environmental Information Center

Jessica Yarnall Loarie  
Senior Attorney  
Sierra Club

Sarah Bates  
Acting Regional Executive Director  
National Wildlife Federation