

Permitting a Coal-Fired Power Plant



**Montana's Experience
with
Southern Montana Electric**

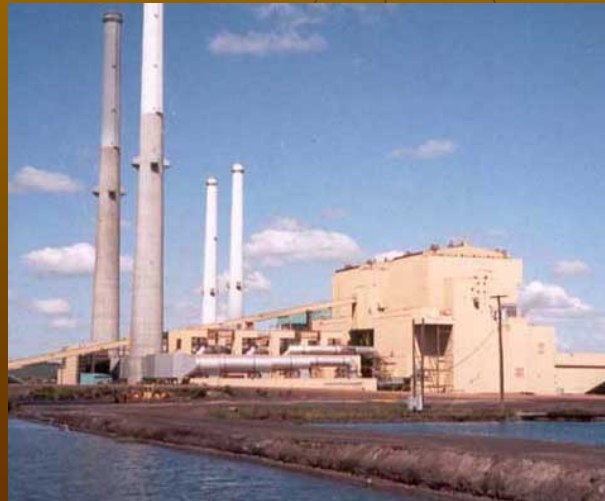
BACKGROUND



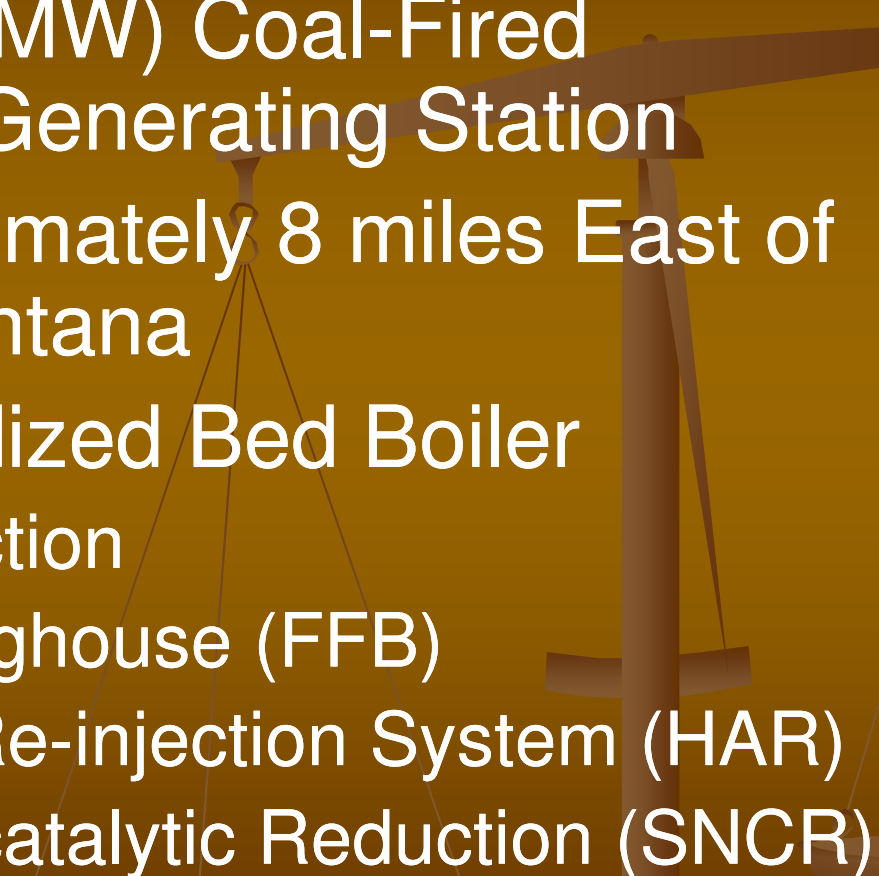
COAL MINING

**COAL and
ELECTRICITY
EXPORTER**

**CHEAP
HYDRO
POWER**



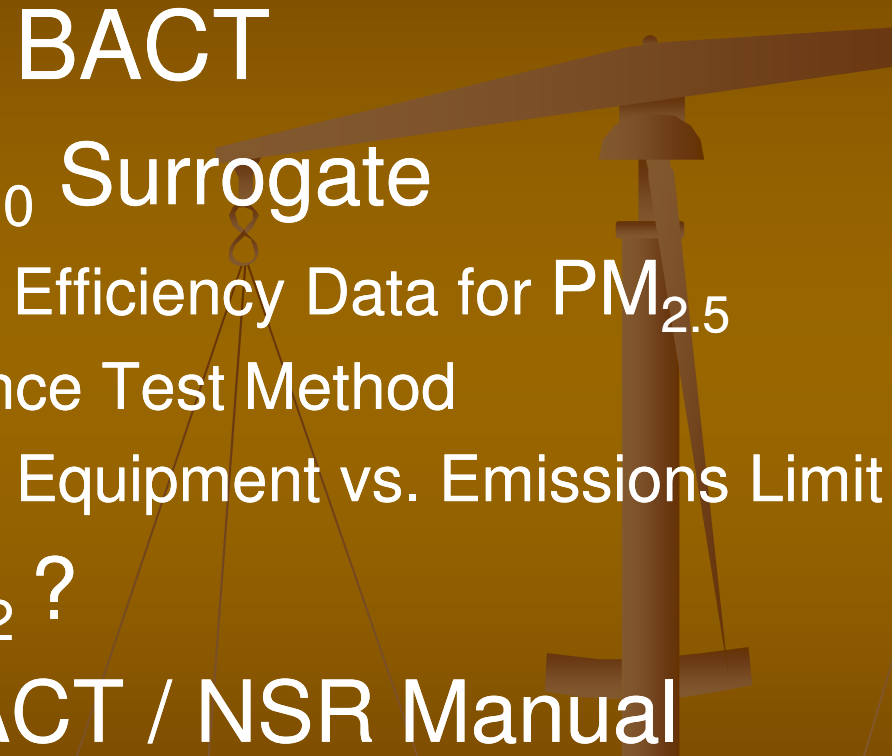
SOUTHERN MONTANA ELECTRIC (SME)

- 250-Megawatt (MW) Coal-Fired Steam/Electric Generating Station
 - Located approximately 8 miles East of Great Falls, Montana
 - Circulating Fluidized Bed Boiler
 - Limestone Injection
 - Fabric Filter Baghouse (FFB)
 - Hydrated Ash Re-injection System (HAR)
 - Selective Non-catalytic Reduction (SNCR)
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SME PERMIT TIMELINE

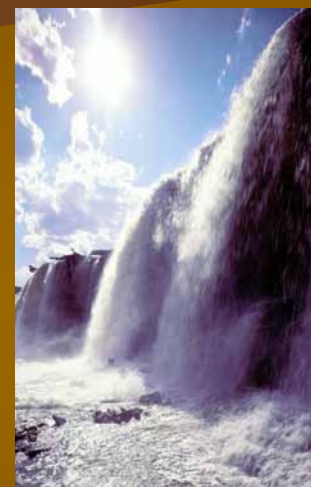
- Application Submitted - November 2005
 - Permit Issued 3423-00 - May 2007
 - Appealed - April 2007
 - BER Remanded Permit - May 2008
 - Associated Court Cases - Ongoing
 - Remanded Permit Issued November, 24 2008
 - Appealed - November, 25 2008
 - Application For A Gas-Fired Plant Submitted - April 2009
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APPEAL ISSUE

- BACT, BACT, BACT
 - PM_{2.5} vs. PM₁₀ Surrogate
 - Lack of Control Efficiency Data for PM_{2.5}
 - Lack of Reference Test Method
 - BACT - Control Equipment vs. Emissions Limit
 - BACT for CO₂ ?
 - Top-Down BACT / NSR Manual
- 



ISSUES



CAMR

CONSEQUENCES



- Programmatic
 - PM_{2.5} BACT Becomes Default
 - Significant Legal Costs Increase Focus on Permit Fees
- Local
 - Significant Power Cost Increase for Rural Electric Co-ops
- Legislative

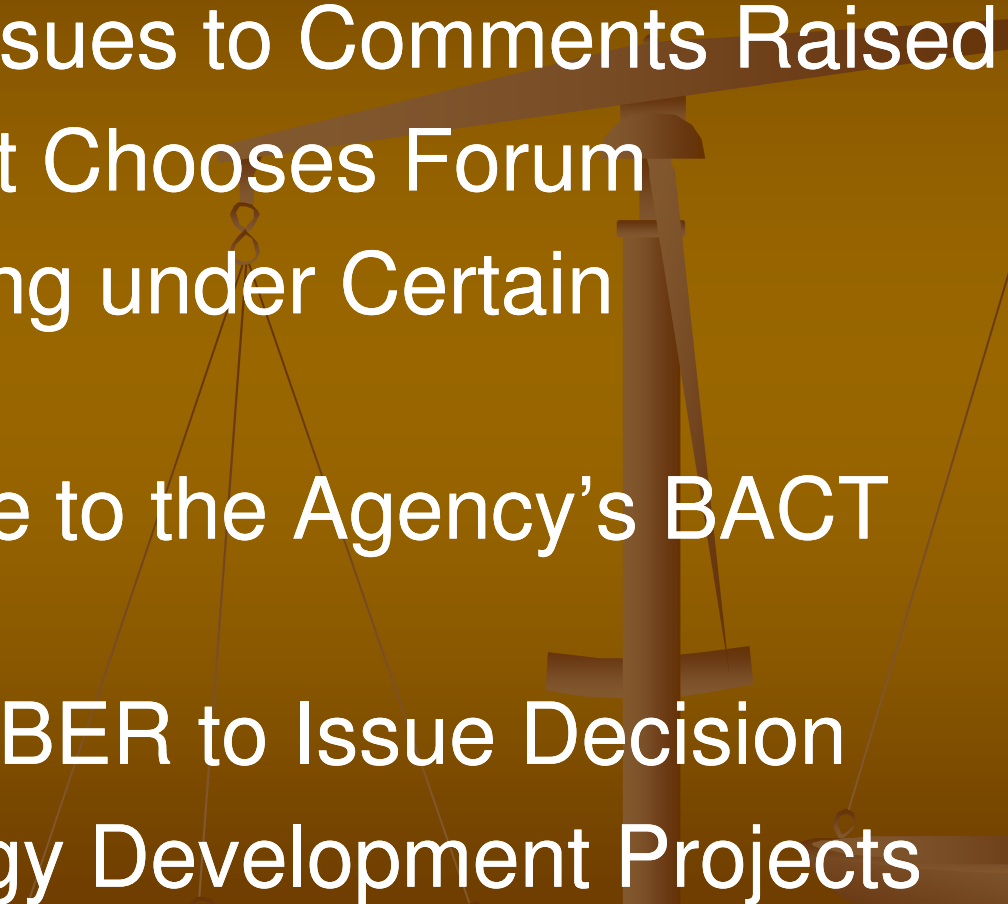
LEGISLATIVE RESPONSE



- 17 Proposed Bills
 - Legislative Control of Administrative Rules
 - Revise Montana Environmental Policy Act
 - Exempt AQ Permits from Review
 - Limit Permit Appeals
 - Abolish/Limit Board of Environmental Review
 - Environmental Impact Ombudsman
 - Office Economic Development

HB 483

APPEAL OF AQ PERMITS

- Limits Appeal Issues to Comments Raised
 - Permit Applicant Chooses Forum
 - Requires Bonding under Certain Circumstances
 - Gives Deference to the Agency's BACT Decision
 - Limit's Time for BER to Issue Decision
 - Applies to Energy Development Projects
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LESSONS LEARNED

- Permitting
 - Communication and Documentation
- Board of Environmental Review
 - Communication of Complex Issues
- Appeals Process Balance
 - Efficiency vs. Access to Government
- Involvement in Legislative Process

