

## **GENERAL RELEASE AND SETTLEMENT AGREEMENT**

**RELEASORS:** Sierra Club, Montana Environmental Information Center

**RELEASEES:** PPL Montana, LLC, Montana Department of Environmental Quality

**DESCRIPTION OF EVENTS:** Challenge to PPLM's Air Quality Operating Permit (OP0513-08), Case No. BER 2013-01 AQ for the Colstrip Steam Electric Station, filed on January 3, 2013, and petition to EPA, AFS No. 030-087-0008A, filed on January 31, 2013

### **1. RELEASE**

The undersigned Releasors acknowledge receipt of the settlement terms below and forever release and discharge Releasees, Releasees' successors, assigns, agents, partners, employees and attorneys from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the described events.

### **2. PM CEMS AS A PARTICULATE CAM PLAN PERFORMANCE INDICATOR**

a. PPLM will add Particulate Matter Continuous Emission Monitoring ("PM CEMS") as another performance indicator to the Colstrip Particulate CAM Plan for Colstrip Units 1 and 3 within six months after the date of this executed settlement agreement and for Colstrip Units 2 and 4 within 12 months after the date of this executed settlement agreement.

b. PPLM will identify a Particulate CAM Plan performance indicator range for the PM CEMS at a level less than the corresponding PM emission limit identified by the operating permit for each unit. PPLM will report a CAM Plan excursion for any 30-day rolling average above the performance indicator range for the PM CEMS in quarterly reports to MDEQ.

c. PPLM will operate and maintain the PM CEMS as a Particulate CAM Plan performance indicator on Colstrip Units 1-4 as addressed below:

- i. Install PM CEMS according to the manufacturer's standards.
- ii. Establish initial calibration/correlation at three levels (zero, normal operations, and at scrubber operations that increase PM concentration, but do not put Title V requirements at risk) using three Reference Method 5 runs at the normal operations level and two Reference Method 5 runs at the higher PM concentration. Correlation means the primary mathematical relationship for correlating the output from your PM CEMS to a PM concentration, as determined by the PM reference method. The

correlation is expressed in the measurement units that are consistent with the measurement conditions (e.g., mg/dscm, mg/acm) of the PM CEMS.

- iii. Establish CAM Plan excursion limit in terms of mg/m<sup>3</sup>.
- iv. Perform daily zero and span checks using manufacturer's standards.
- v. On a quarterly basis, conduct one Reference Method 5 (one run) test to update the initial calibration/correlation until MATS compliance is required at which time three runs will be used for Reference Method 5 tests. If a result from one run (or the average of three runs after MATS compliance is required) differs from the initial correlation/calibration by 25% or more of the CAM Plan excursion limit, then the initial calibration/correlation will be repeated.
- vi. If a Particulate CAM Plan excursion is shown by the PM CEMS, a mandatory Reference Method 5 test (three runs) shall be conducted under conditions representative of the CAM Plan excursions.
- vii. MDEQ believes the correlation procedures in this agreement are adequate for the intended use of the monitors as a CAM Plan performance indicator.

d. PPLM will maintain records of its PM CEMS monitoring data and maintenance in accordance with the Title V operating permit requirements. Once PM CEMS has been added as another performance indicator to Colstrip's Particulate CAM Plan, PPLM agrees to provide to MDEQ, upon MDEQ's request, PM CEMS data for Colstrip. At a minimum, MDEQ will request and PPLM will submit PM CEMS data for each unit on a quarterly basis, with PM CEMS measurements in mg/m<sup>3</sup>, averaged daily.

e. This use of PM CEMS as a Particulate CAM Plan performance indicator shall not be subject to EPA Performance Specification 11 for PM CEMS.

f. MDEQ will amend the operating permit to include the terms of this agreement. Installation and use of PM CEMS as a Particulate CAM Plan performance indicator at Colstrip will be done for purposes of settlement of this matter, and such use is not required under Title 40 CFR or "pursuant to other authority under the Clean Air Act or state or local law," as addressed in 40 CFR § 64.3(d), and the permit will be amended to state that. This includes, but is not limited to, Montana Administrative Code Title 17, Chapter 8, subchapter 15. This shall not be construed as an admission by Releasors that PM CEMS are not required.

g. If MDEQ determines in connection with a future operating permit modification or renewal that the data generated from PM CEMS are no longer a useful component of the Colstrip CAM Plan, PPLM may propose a CAM Plan revision.

### **3. NO ADMISSION OF LIABILITY**

It is understood that the above-mentioned remedy is accepted as the sole consideration for full satisfaction and accord to compromise a disputed claim, and that neither the terms

addressed above, nor the negotiations for settlement shall be considered as an admission of against interest by any party.

**4. NO ADDITIONAL CLAIMS**

Releasors represent that no additional claims are contemplated against any other party potentially liable for the losses, damages, and injuries for which this Release is given.

**5. STIPULATION FOR DISMISSAL WITH PREJUDICE**

Releasors agree to move to dismiss their pending Colstrip Title V Permit Appeal, Case No. BER 2013-01 AQ and their pending petition to EPA, AFS No. 030-087-0008A, both with prejudice, as fully settled upon the merits. Each party shall pay their respective costs and attorneys' fees.

**6. DISCLAIMER**

The parties have carefully read the foregoing, discussed its legal effect with the parties' attorneys, understand the contents thereof, and sign the same of the parties' own free will and accord. This Release shall be binding upon the parties and their successors, and assigns.

**7. SEVERABILITY**

Should any provision of this Agreement be determined to be unenforceable, all remaining terms and clauses shall remain in force and shall be fully severable.

**8. CHOICE OF LAW**


The laws of the State of Montana shall apply to the interpretation of this Agreement.

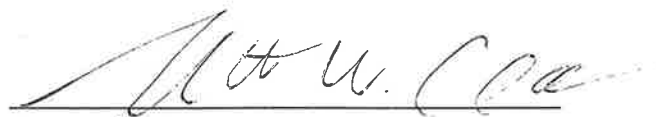
**9. FINAL AGREEMENT**

This written Agreement constitutes the final agreement between the parties and shall supersede any oral agreements to the contrary.

DATED this 12 day of February, 20 14.

CAUTION: READ BEFORE SIGNING!

  
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Montana Environmental Information Center

  
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Sierra Club

APPROVED BY:

Attorney for Releasors

By 



Montana Department of Environmental Quality

APPROVED BY:

Attorney for Montana Department of Environmental Quality

By 

  
PPL Montana, LLC

APPROVED BY:

Attorney for PPL Montana, LLC

By 