

ASH POND NEWSLETTER



April 2021

The following is a collection of ash pond news from the month of April 2021. The intent of the newsletter is to summarize news regarding ash pond closure activities, lawsuits filed against utilities relating to their ash ponds, as well as regulatory changes impacting ash pond operations or closures. This newsletter is distributed on a monthly basis.

RENEWABLE ENERGY

Xcel Energy, Colorado's largest energy provider, is closing all their Colorado coal-fired power plants by 2040 to reach their goal of 80% renewable energy generation in 2030 and 100% carbon-neutral electricity by 2050. The closures are anticipated to cost the residential and commercial customers \$1.4 billion over the coming decades. **Xcel Energy** has stated that retail customers would incur 100% of the costs for paying interest, servicing bonds, and administrative fees. **Xcel Energy** is expected to increase renewables and storage by adding 5,600 MW of capacity from wind power, large-scale solar projects, community solar projects, and battery storage. **Xcel's** plan to move to renewable energy will play a major role in reaching the Colorado goals set under House Bill 1261 of 50% reduction in emissions over 2005 levels by 2030 and 90% by 2050.



Colowyo Coal Company which supplies coal to Craig Station in Moffat Co, CO.

<https://coloradosun.com/02/25>

As coal plants are decommissioning due to competition from cheap natural gas and falling costs for renewable power, opportunities are arising for reuse of the coal-fired power plants as sites for small nuclear reactors. Former coal plants are prime locations for nuclear energy because they have readily available water resources and existing power grid connections. **Tennessee Valley Authority** plans to phase out coal power by 2035 with similar ideas on the horizon.

<https://www.timesfreepress.com/news/business/>

<https://www.reuters.com/business/energy>

LEGAL AND REGULATORY

North Carolina energy provider **Duke Energy** has been approved for a rate increase by the North Carolina Utilities Commission. After conducting settlements with various groups, **Duke Energy** has provided an updated increase rate of 1.3% for customers. Additionally, the North Carolina Utilities Commission has approved a January settlement between **Duke Energy**, the North Carolina State Attorney General's Office, and the Sierra Club. The settlement has reduced **Duke Energy's** request to charge customers approximately \$342 million for 2018 and 2020 cleanups up to \$118 million. **Duke** is working on closing all 31 coal ash ponds in the state over the next decade, and the settlement requires **Duke** to transfer any money received from its insurance companies in ongoing lawsuits for coal ash cleanups to their customers. Through 2030, the settlement has reduced what **Duke Energy** can charge customers for cleanups by \$108 million.

<https://www.thestokesnews.com/news/>

Alabama Power's Gaston Steam Plant in Wilsonville, Alabama was a 952 MW coal-fired power station until it was converted to burn natural gas in 2015. Now, residents of Shelby County have been given opportunities by the Alabama Department of Environmental Management (ADEM) to publicly speak up about the fate of coal ash leftover from the plant's coal-burning days. ADEM representatives are hearing concerns from residents about the two main options for the coal ash—cap it in place, or move it completely off-site.

Georgia is estimated to have 92 million tons of coal ash, almost all created by **Georgia Power's** plants. Although the total cleanup estimates are in excess of \$7 billion, the Georgia Court of Appeals is negotiating with just a fraction of that, \$525 million, which **Georgia Power** believes should be paid by its customers. The Georgia Public Service Commission (PSC) supports **Georgia Power's** claims, while the Sierra Club claims there is no evidence to support that the costs were just, reasonable, or prudent. While the battle continues in court appeals, the Sierra Club has begun a "persuasion campaign" in the form of a three-part documentary series. At the state Capitol, two bills related to coal ash await lawmakers for the 2022 session.



Plant Hammond in Rome, GA.

<https://saportareport.com/>

US Representative Steve Cohen of Tennessee has introduced the Safe Disposal of Coal Ash Act, which aims to reduce carbon dioxide emissions, and includes language for speeding up coal ash cleanup with additional standards. This bill will potentially have ramifications for coal-fired power plants in Memphis, and power companies which supply Memphis and Tennessee, such as the **Tennessee Valley Authority**. This act will strengthen protections outlined in the 2015 Coal Ash Rule.

CLOSURES AND MODIFICATIONS



Lewis and Clark Generating Station in Montana.

Lewis and Clark Generating Station of **Montana Dakota Utilities** has shut down as of March 31, 2021. This is the third coal-fired unit to close in Montana in the last 15 months, following Colstrip Units 1 and 2 from **Talen Energy** and **Puget Sound Energy**. At 44 megawatts, the Lewis and Clark Generating Station was no longer able to compete with gas-fired generation. The demolition of the plant is scheduled to start on July 1, 2021 and is expected to take up to 15 months, although it will take longer to retire the scrubber ponds at the plant site. The decommissioning of this plant affects the fate of the Savage Mine, which produced most of its 300,000 annual tons of coal for Lewis and Clark.

<https://billingsgazette.com/news/>

Vistra Energy has announced the closure of the Joppa Power Plant in Massac County, Illinois for September 1, 2022, which is three years earlier than previously projected. The new closing date is part of an agreement between **Vistra** and The Sierra Club over allegations of environmental exceedances prior to **Vistra's** ownership. As part of the closure, **Vistra** has announced a \$550 million reinvestment plan to transform coal plant sites into renewable energy centers as a part of the Illinois Coal to Solar and Energy Storage Act. **Vistra** plans to create a 45-MW battery energy storage facility at the Joppa Power Plant, which will provide enough electricity storage to power 22,500 homes, support more than 100 local jobs, and create an economic output of \$10 million to Massac County. Within the next 6 years, **Vistra Energy** also plans to close the Edwards Power Plant in Bartonville, The Baldwin Power Plant near Baldwin, The Kincaid Power Plant in Kincaid, and the Newton Power Plant in Newton.

Indiana Michigan Power already had plans to close half of the Rockport Coal Plant in Spencer County, Indiana. **Indiana Michigan Power's** parent company, **American Electric Power**, is now making an offer to purchase the other half of the plant, which will set a retirement date of both coal units by 2028. **Indiana Michigan Power** plans to add 1,700 MW of wind, solar, and battery storage in Indiana in a new 20-year plan.

Southern Company's Mississippi Power subsidiary will close the last of its coal-fired power plants, Plant Daniel in Jackson County, Mississippi, as well as aging, inefficient natural gas plants, as part of its first-ever comprehensive long-term energy plan.

<https://www.eenews.net/energywire/stories/> (Requires Subscription)



Meramec Energy Center in St Louis County, MO.

The Illinois Pollution Control Board has finalized regulations for the detection and cleanup of coal ash contamination from groundwater. The development of these regulations was a collective effort with input from various environmental groups: Earthjustice, the Environmental Law & Policy Center, Little Village Environmental Justice Organization, Prairie Rivers Network, Sierra Club, and members of the public. The regulations provide more stringent guidelines for the closure of more than 70 ash ponds across the state.

These new regulations provide transparency and allow residents in communities with ash ponds to share their thoughts on closure plans with the energy company. Companies

are required to host at least two public meetings about the proposed closure and provide the merits of different closure methods by ensuring public availability of permitting documents. Through these new regulations, the Illinois Environmental Protection Agency (IEPA) is required to host public hearings during cases of significant public interest in ash pond closure. In addition to greater public transparency, the new regulations require the analysis of groundwater impacts prior to closure, restrictions on coal ash pond location within floodplains, and state that cost alone cannot be used in the support or opposition of cleanup methods.

<https://news.stlpublicradio.org/>

BENEFICIAL REUSE

New technologies developed by Dr. Linda Wang at Purdue University for the extraction of rare earth metals from coal ash may help alleviate coal ash pollution issues in Indiana, as it is a greener method than traditional solvent-based separation methods. The American Resources Corporation of Fishers, Indiana, has recently licensed this purification technology.

Currently, China controls more than 80% of the world's rare earth metals, and although the metals are not rare, the facilities that process them are. The technology developed by Dr. Linda Wang provides an environmentally safe method to process these elements, and may help the US to become more self-sufficient. American Resources has a goal to establish a sustainable chain of rare earth elements by the recycling and reprocessing of their feedstocks. In doing so, they will provide an environmental benefit by both reducing coal ash in the environment and helping to clean up environmental liabilities left by the coal industry.

Contact Us

Roux

1200 Harger Rd., Suite 800

Oak Brook, IL 60523

(630) 572-3300

palvey@rouxinc.com

www.rouxinc.com

