



Phil Morris
Kincaid Generation, LLC
Luminant
1500 Eastport Plaza Drive
Collinsville, IL 62234

June 21, 2023

Illinois Environmental Protection Agency
DWPC – Permits MC #15
Attn: Part 845 Coal Combustion Residual Rule Submittal
1021 North Grand Avenue, East
Springfield, IL 62794-9276

Re: Annual Cost Estimate Adjustment for Inflation for Closure, Post-Closure, and Preliminary Corrective Action at the Kincaid Power Plant Ash Pond (W0218140002-01)

Pursuant to 35 I.A.C. 845.940, Kincaid Generation, LLC submits this annual adjustment for inflation to the expected remaining costs for (1) closure and post-closure care and (2) the preliminary corrective action costs for the Ash Pond located at the Kincaid Power Plant. Kincaid Generation, LLC is providing the estimated “total cost for closure and post-closure care” that remain to be incurred under Part 845 along with a preliminary corrective cost estimate “that is equal to 25% of the costs” that remain to be incurred for closure and post-closure care. 35 I.A.C. 845.930(b), (c). This cost estimate takes into account the proposed closure method as reflected in the construction permit application submitted to IEPA on July 28, 2022. The inflation adjustment was derived by “by using an inflation factor derived from the annual Implicit Price Deflator for Gross National Product (Deflator) as published by the U.S. Department of Commerce in its Survey of Current Business (Table 1.1.9).” 35 I.A.C. 845.940(a).

Taking into account the requirements of 35 I.A.C. 845.930(b) and 845.950(c)(1)—including the use of “prevailing wages” (845.930(b)(3)); the exclusion of any zero costs for CCR that might have an economic value (845.930(b)(5)); and the exclusion of any salvage value of the facility, structures, or equipment (845.930(b)(4))—Kincaid Generation, LLC estimates that the remaining closure and post-closure care cost is \$58,403,453 for the Ash Pond. The requirements of Part 845 result in the cost estimate overstating the actual expected future costs. Thus, this is not a reasonably probable cost that is reasonably estimable at this time.

In accordance with 35 I.A.C. 845.930(c)(1), Kincaid Generation, LLC’s preliminary corrective action cost estimate for the Ash Pond is \$14,600,863.

The closure and post-closure estimate was developed to comply with Part 845 and derived based on the construction process and items detailed below.

A professional engineering firm has been retained to complete the Ash Pond closure design and preparation of the construction bid documents, and those designs are reflected in the construction permit application submitted to IEPA on July 28, 2022. A contractor will be selected to complete the closure and final cover construction. Construction management

("CM") and construction quality assurance ("CQA") will be performed during Ash Pond closure by qualified CM and CQA companies/engineering firms.

Free liquids will be eliminated by removing the liquid waste from the Ash Pond to facilitate closure by leaving the coal combustion residuals ("CCR") in place. Water removed from the Ash Pond will be discharged through the NPDES-permitted outfall. The removal of free liquids will result in the stabilization of the remaining CCR to provide a stable subgrade base for the final cover system.

The CCR in the Ash Pond will be consolidated, shaped, and graded to the design subgrade limits and elevations. The soils for the final cover system will be placed on top of a low permeability geomembrane layer which will overlay the subgrade layer achieve final cover design grades.

The final cover system construction will be initiated upon the mobilization of the construction contractor to the Ash Pond. The existing Ash Pond and necessary surrounding areas will be cleared of vegetation and structures (removal or abandonment) to allow for the construction of the CCR subgrade.

In accordance with 40 C.F.R. Part 257 and the process in 35 I.A.C. 845.750(c) that allows IEPA to approve an alternative cover, the final cover will include:

- A low permeability layer consisting of a linear low-density polyethylene (LLDPE) geomembrane that is at least 40-mil in thickness, placed on a smooth CCR subgrade;
- A drainage layer; and
- A final protective layer consisting of 18 inches of protective cover soil with a 6-inch layer of topsoil capable of supporting vegetation.

The final cover surface will be seeded and vegetated. The final cover system will include necessary storm water management system components to promote positive drainage and to minimize erosion. Technical information supporting the alternative cover demonstration is included in the construction permit application documents. Access roads will be constructed as part of the final cover system to provide access to the closed Ash Pond. Upon completion of the Ash Pond closure construction, the contractor will demobilize from the project site.

Post-closure care for the Ash Pond will be performed for the duration of the specified post-closure care timeframe. Groundwater monitoring will be performed at the required frequency, and the groundwater monitoring system will be inspected and maintained on a routine basis. Throughout the post-closure care period, periodic visual observations of the final cover system and stormwater management system will be performed. If repairs are required, the repair activities may include, but are not limited to, replacing and compacting soil cover, repairing eroded drainage channels, filling in depressions with soil, regrading, and reseeding repaired and existing vegetated areas as necessary.

The scope of any groundwater corrective action is not known at this time, and therefore the preliminary corrective action cost estimate is based on 25% of the closure and post-closure care cost.

If you have any questions regarding this submittal, please contact Phil Morris at 618-343-7794 or phil.morris@vistracorp.com.

Sincerely,



Phil Morris
Senior Environmental Director