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June 19, 2025

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 Vermilion Power Plant Old East/North Ash Pond System (W1838000002-01/03) and New East Pond Cell 1 & 2 (W1838000002-04)

Pursuant to 35 I.A.C. 845.940, Dynergy Midwest Generation, LLC (“DMG”) 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 Old East/North Ash Pond System and New East Ash Pond located at the Vermilion Power Plant. DMG 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 January 31, 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)—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))—DMG estimates that the remaining costs for closure and post-closure care are \$130,300,938 for the Old East/North Ash Pond System and for the New East Ash Pond.¹ 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), DMG’s preliminary corrective action cost estimate is \$20,262,733 for the Old East/North Ash Pond System and the New East Ash Pond.

¹ These costs include the demolition of the plant and the construction of an onsite landfill, which are not directly tied to the closure of the impoundments but are included in the amount covered by the financial assurance instrument.

The closure and post-closure estimates were 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 Old East/North Ash Pond System, and New East 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 January 31, 2022. A contractor will be selected to complete the closure construction. Construction management ("CM") and construction quality assurance ("CQA") will be performed during Old East/North Ash Pond System, and New East Ash Pond closure by qualified CM and CQA companies/engineering firms.

The Old East/North Ash Pond System, and New East Ash Pond will be dewatered as necessary to facilitate closure by removing the coal combustion residuals ("CCR"). Water removed from the Old East/North Ash Pond System and New East Ash Pond will be discharged through the NPDES-permitted outfalls. Dewatering will be performed to the extent needed to allow CCR removal activities to be completed.

The closure construction will be initiated upon the mobilization of the construction contractor to the Old East/North Ash Pond System and New East Ash Pond. The existing Old East/North Ash Pond System and New East Ash Pond and necessary surrounding areas will be cleared of vegetation and structures (removal or abandonment) to allow for the removal of the CCR.

CCR will be removed from the Old East/North Ash Pond System and New East Ash Pond. The CCR will be hauled to an onsite landfill that will be constructed following plant demolition. The former Old East/North Ash Pond System and New East Ash Pond areas will be restored by regrading and placement of soil fill materials as needed.

The former Old East/North Ash Pond System and New East Ash Pond areas will be vegetated wet to mesic plants appropriate to final hydrology following excavation of the CCR, and will include necessary storm water management system components to promote positive drainage and to minimize erosion. Upon completion of the Old East/North Ash Pond System and New East Ash Pond closure construction, the contractor will demobilize from the project site.

Upon completion of closure by removal for the Old East/North Ash Pond System and New East Ash Pond, groundwater monitoring will be continued as per 35 I.A.C. 845.740(b). Groundwater monitoring will be performed at the required frequency, and the groundwater monitoring system will be inspected and maintained on a routine basis.

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 revised closure and post-closure care cost. The preliminary corrective action cost estimate, however, is not based on the costs associated with plant demolition and construction of a new onsite landfill.

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

Sincerely,



Dianna Tickner
Director Decommissioning & Demolition