

# **LG&E and KU's dry storage projects on time and under budget**

## **Utilities committed to protecting our community's drinking water**

(LOUISVILLE, Ky.) – Louisville Gas and Electric Company and Kentucky Utilities Company are pleased to announce they got ahead of the curve and are currently on track to fully convert next year to dry storage for coal combustion residuals — eliminating the use of ash ponds and other storage impoundments at their four coal-fired power plants.

In fact, LG&E and KU first launched plans to convert to dry storage about a decade ago, well before the EPA's Coal Combustion Residual Rule became final and established more stringent standards in 2015. Projects of this scope and size require years for planning; contracting; local, state and federal regulatory permitting; and construction.

"We embraced the idea of dry storage for our coal byproducts in 2008," said Lonnie Bellar, senior vice president of Operations for LG&E and KU. "We saw this, along with our beneficial reuse programs, as a more environmentally friendly approach to handle the materials that result from burning coal to create energy."

Already, LG&E and KU's E.W. Brown, Ghent and Mill Creek power plants operate using dry storage, and a new dry storage facility is under construction at Trimble County power plant. LG&E and KU are also at various stages of closing their coal combustion residual ponds throughout the state with approximately one-fourth already closed and half under contract for closure.

Once processed, the dry materials will be stored on site at the power plants or beneficially reused for materials such as concrete, wallboard or fertilizer.

## **Protecting our community's drinking water**

In addition, under our existing permits, we have monitored the groundwater at some of our plants since the 1980s. The data which is reported to the Kentucky Department of Environmental Protection demonstrates water quality surrounding our power plants has remained, and continues to remain, safe for recreational use and does not indicate any threat to drinking water supplies. Water quality is also monitored, tested and affirmed by each respective local water utility that provides service to the nearby areas.

LG&E and KU installed last year additional groundwater monitoring wells along the immediate perimeter of the utilities' impoundments. While there are indications that levels of certain metals at these locations do not meet the tightened standards under the CCR Rule, this was not surprising to the utilities and is, in part, why the utilities launched plans to move toward dry storage years ago, as well as closing the impoundments as filed with the Kentucky Public Service Commission in January 2016.

"We manage our business, not to just meet stricter regulations, but to ensure that we are being mindful of the environment, and, in this case, that our operations are not negatively impacting the water quality for drinking or recreational activities," said Bellar. "Our procedures and the move to dry storage at our power plants are a large part of that."

As a result of the more stringent CCR Rule standards, LG&E and KU, along with other utilities across the country, launched aggressive projects to systematically close out all of their remaining wet storage facilities – also referred to as ash ponds and surface impoundments. In some instances, this includes building new treatment and dry storage facilities. Currently, LG&E and KU's CCR Rule Program and dry storage projects are on time and under budget.

## **About the cap-and-closure projects**

LG&E and KU received approval from the Kentucky Public Service Commission in 2016 to cap and close the

utilities' remaining ash ponds and surface impoundments at their active and now-retired power plants across Kentucky. The nearly \$1 billion program is progressing on time and under the original estimates.

"We're making significant progress – on pace and currently trending under budget – to meet new water quality standards established by Kentucky and more stringent standards under the EPA's 2015 Coal Combustion Residuals Rule," said Bellar. "It's an incredible feat to initiate construction projects of this magnitude while safely operating our power plants around the clock to reliably meet our customers' energy needs."

- LG&E and KU have already closed and capped the ash pond, smaller process ponds and landfill at the now-retired coal-fired Cane Run power plant, and have closed one pond at Mill Creek.
- Closure construction projects are underway at Ghent and the now-retired Green River power plants, as well as at Mill Creek. Closure projects are under contract for the retired Pineville and Tyrone power plants.
- Engineering and construction are in progress on new removal and treatment facilities for coal combustion residual materials at Trimble County and Mill Creek power plants, while Ghent and Brown's were completed over the last three years.
- New process-water treatment systems will be constructed at Ghent, Mill Creek, Trimble County and E.W. Brown to treat waters that come in contact with CCR materials prior to the ash ponds being closed. The new systems are expected to be complete in 2019.
- Lastly, LG&E and KU also recently announced plans to reduce the size of its landfill at E.W. Brown by a third, eliminating an entire section that's no longer needed. The utilities will be retiring the plant's coal-fired units 1 and 2 in February 2019, making it no longer necessary to construct all three landfill phases.

Visit [lge-ku.com/online-report](http://lge-ku.com/online-report) to learn more about LG&E and KU's plans to move to dry storage at their power plants and commitment to our community.

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Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve nearly 1.3 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 324,000 natural gas and 407,000 electric customers in Louisville and 16 surrounding counties. KU serves 549,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at [www.lge-ku.com](http://www.lge-ku.com) and [www.pplweb.com](http://www.pplweb.com).

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