



INDIANA-KENTUCKY ELECTRIC CORPORATION

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WRITER'S DIRECT DIAL NO:
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March 1, 2022

Electronic Submittal

U.S. Environmental Protection Agency
Office of Resource Conservation & Recovery (ORCR)
Materials Recovery & Waste Management Division (MRWMD)
Washington, DC
Attn: Ms. Kirsten Hillyer, Environmental Engineer

**RE: Ohio Valley Electric Corporation
Kyger Creek Station – CCR Part A Demonstration
Request for Additional Information**

Dear Ms. Hillyer:

On February 14, 2022, the Ohio Valley Electric Corporation (OVEC) received an email from you requesting additional information on the status of the Kyger Creek Station's progress in meeting the date(s) to cease receipt of waste requested in the Kyger Creek Station Demonstration for a Site-Specific Alternative to Initiation of Closure Deadline, submitted on November 30, 2020. The email correspondence identified that EPA is taking longer than expected to issue proposed determinations on Demonstrations filed, and that EPA is requesting additional information as provided under 40 C.F.R Section 257.103(f)(3)(ii), to complete its review of the demonstration. Specifically, EPA asked the Kyger Creek Station to submit a narrative response to the following submittal requests.

1. A narrative explaining the progress made and current activities and phase/step at the facility to achieve alternative capacity.
2. A discussion of the issues that led to the delay (if a delay has occurred) to the requested date to cease receipt of waste.
3. An updated requested date to cease receipt of waste (if the original date requested has changed).
4. An updated narrative justifying the new date to cease receipt of waste (if the original date requested has changed).

OVEC's responses to each are contained as Attachment I.

If you have any questions regarding this response please contact me at (740) 289-7299 or via email at mbrown@ovec.com.

Sincerely,

A handwritten signature in cursive script that reads "J. Michael Brown".

Environmental, Safety & Health Director

JMB

Attachment

ATTACHMENT I

**Ohio Valley Electric Corporation
Kyger Creek Station
CCR Part A Demonstration Reply to
USEPA's February 14, 2022
Request for Additional Information**

March 1, 2022

Introduction: On February 14, 2022, the Ohio Valley Electric Corporation (OVEC), received an email from USEPA requesting additional information regarding the Kyger Creek Station’s progress in meeting its proposed dates to cease receipt of waste as requested in the CCR Part A Demonstration the facility filed on November 30, 2020, for two surface impoundments. That email request specifically asked OVEC to provide updates on four specific items. Each of those items and OVEC’s corresponding response are provided below. OVEC also notes that the items USEPA is seeking updates on are generally the same items that a facility that has received approval of a Demonstration would need to provide to USEPA in the form of a semi-annual progress report consistent with requirements in 40 C.F.R Section 257.103(f)(1)(x). Given the fact that the Kyger Creek Station has not yet received a determination decision from USEPA, combined with the two-week period from receipt of this request and the deadline for submittal, OVEC’s expectation is that USEPA is looking for a high-level narrative summarizing the status of its progress as provided below.

1. A narrative explaining the progress made and current activities and phase/step at the facility to achieve alternative capacity.

Reply: As stated in the Kyger Creek Power Station Alternative Closure Demonstration, OVEC elected to install a system of multiple technologies to cease routing flow to the CCR surface impoundments, including a dry fly ash handling system, concrete settling tanks for boiler slag, and a new lined non-CCR low volume wastewater treatment system for the water balance flows. The following milestone dates were included for the installation of these items in the demonstration with the current status of each shown:

Scheduled Date	Current Status	Milestone Description
2020	Completed	Selection of ash handling solution and preparation of request for alternative site-specific deadline for initiation of closure of the CCR Surface Impoundments
2020	Completed	FEED study and detailed scope development, award primary dry fly ash equipment and silo, and award EPC or detailed design contracts
April 30, 2021	Completed	Dry fly ash equipment submittals approved, dry fly ash construction awarded, fly ash deep foundation construction underway, BSHS/LVWTS equipment procurement packages issued for bid, BSHS site prep construction package awarded
October 31, 2021	Completed	Fly ash foundations installed; BSHS site prep construction completed
April 30, 2022	Partially Completed / On Hold	BSHS/LVWTS construction package bid/awarded and construction underway
July 22, 2022	On Schedule	Dry fly ash conversion is scheduled to be completed
October 31, 2022	On Hold	BSHS operational
April 30, 2023	On Hold	LVWTS berm and liner system installation underway
September 22, 2023	On Hold	LVWTS operational

Detailed design has been completed, permits and licenses have been secured from multiple regulatory agencies, contracts have been awarded, and OVEC's contractors have completed over 80,000 construction manhours in the field. Work through January 11, 2022, was completed on plan as indicated in the attached markup of the detailed schedule originally provided with the demonstration. All work associated with the dry fly ash project continues as planned with a scheduled date to cease sluicing fly ash by the July 22, 2022, date targeted in the facility's Part A demonstration. The installation of the concrete settling tanks and lined non-CCR low volume wastewater treatment system was on schedule to complete on or before the dates shown in the demonstration prior to January 11, 2022, when the work was put partially on hold due to USEPA's proposed decisions for the Clifty Creek site and the resulting impacts to OVEC's plans for similar units at the Kyger Creek Station. As of January 11, 2022, the concrete settling tanks were approximately 40% complete with over 1,750 cubic yards of concrete poured.

2. A discussion of the issues that led to the delay (if a delay has occurred) to the requested date to cease receipt of waste.

Reply: On January 11, 2022, OVEC received a proposed denial for its Clifty Creek Station Alternative Closure Demonstration raising a number of different issues. Many of the USEPA's proposed reasons for denying the Clifty Creek Demonstration apply directly to the Kyger Creek Station Demonstration, including technical compliance issues concerning the construction of concrete settling tanks for the management of boiler slag and the construction of a new lined non-CCR low volume wastewater treatment system for the water balance flows. As a result, these portions of the Kyger Creek Station project have been placed on hold until OVEC completes its evaluation of USEPA's comments and determines a path forward. OVEC reached out to the USEPA soon after receiving the Clifty Creek proposed denial to further understand the reasons for the proposed denial and to provide a detailed explanation of why OVEC does not agree with many of the reasons provided by the USEPA. OVEC has diligently continued discussions with the USEPA in a good faith effort to come to a technical agreement on the development of alternative disposal capacity in order to determine a mutually agreeable path forward on the projects. While these efforts continue today, final resolution has yet not been reached. Because the technical questions raised in the proposed denial of the Clifty Creek Demonstration are directly applicable to the Kyger Creek Station plans to construct concrete settling tanks for the management of boiler slag and a new lined non-CCR low volume wastewater treatment system, the Station has necessarily put these elements of its work plan on hold until resolution of these technical issues is reached.

3. An updated requested date to cease receipt of waste (if the original date requested has changed).

Reply: Presently, OVEC is not in a position to propose a new date for ceasing receipt of waste. As explained above, the Kyger Creek Station has necessarily put elements of its work plan on hold until OVEC completes its evaluation of USEPA's comments and determines the appropriateness of moving forward with important elements of that plan, including the construction of concrete settling tanks for the management of boiler slag and the construction of a new lined non-CCR low volume wastewater treatment system. Assuming the current design in the Station's Part A Demonstration is retained and construction resumes by mid-March 2022, the concrete settling tanks could be operational approximately eight weeks beyond the date shown in the demonstration or approximately January 13,

2023. The low volume wastewater treatment system operational date of September 22, 2023, can still likely be achieved assuming that construction resumes by the middle of March 2022, and that the approach set forth for the low volume wastewater treatment system in the Part A Demonstration is acceptable.

4. An updated narrative justifying the new date to cease receipt of waste (if the original date requested has changed).

Reply: OVEC proactively moved forward with the submitted plan to cease flows to the CCR impoundments and was successfully executing that plan up until January 11, 2022. OVEC developed the plan at Kyger Creek Station in consultation not only with multiple nationally recognized and highly respected consulting firms, but also with the USEPA itself. OVEC had no indication until January 11, 2022, that there was any concern with the design and plan being executed, despite several conversations with USEPA staff prior to and after submitting its Demonstration. After receiving the USEPA's proposed denial on the Clifty Creek Demonstration, OVEC has had to, for the reasons discussed above, put on hold similar elements of its work plan at Kyger Creek. Therefore, any new "cease receipt date" at Kyger Creek Station is necessarily tied to resolution of the technical issues raised at Clifty Creek with respect to the construction of concrete settling tanks for the management of boiler slag and the construction of a new lined non-CCR low volume wastewater treatment system.

A byproduct of working on the fastest technically feasible schedule, as required per 40 CFR 257.103(f)(1)(iv)(A)(1)(iii) and 40 CFR 257.103(f)(1)(iv)(A)(2), is any delay in the overall project schedule is certain to cause a delay in the projected cease receipt deadline. During the approximate 14 months that the Kyger Creek Station demonstration was under review by USEPA, the Agency did not provide any feedback nor ask for any additional information regarding the facility's proposed plans for developing alternative capacity. OVEC did not plan for the proposed denial of its compliance strategy this late in the process and must be provided appropriate time to review USEPA's concerns, reevaluate, as necessary, the solutions for the Kyger Creek Station, and determine the impacts of any changes. USEPA cannot compel the impossible, so appropriate schedule relief and mutual pursuit of an approved compliance solution must be provided.