

40 CFR 257.103(f)(2) Alternative Closure Requirements Annual Alternative Capacity Update and Impoundment Closure Progress Report

> CLECO Power LLC Brame Energy Center Lena, LA

December 1, 2022 - November 30, 2023

Background

Cleco Power's (Cleco) Brame Energy Center (BEC) is located in Lena, Louisiana. There are three generating units at BEC: Nesbitt Unit 1, Rodemacher Unit 2, and Madison Unit 3. Nesbitt Unit 1 is fueled by natural gas, Rodemacher Unit 2 is fueled by sub-bituminous coal, and Madison Unit 3 is fueled by petroleum coke.

Currently, BEC utilizes the Bottom Ash Pond to manage CCR from Rodemacher 2. The Rodemacher 2 CCR wastestreams consist of bottom ash, economizer ash, and pyrite rejects. These wastestreams are sent to the Bottom Ash Pond via bottom ash sumps and sluice piping.

On August 28, 2020, EPA revised the CCR rule to require all unlined surface impoundments to cease receipt of waste and initiate closure by April 11, 2021. However, the CCR rule also includes site-specific alternative deadlines for surface impoundments to cease receipt of waste and initiate closure. One of these alternative closure provisions, 40 CFR 257.103(f)(2), provides a closure extension if a coal-fired boiler(s) at a facility will cease coal-fired operation by a date certain, but a surface impoundment must continue to be used due the lack of on-site and off-site alternative disposal capacity for CCR and non-CCR wastestreams. Surface impoundments that qualify for this extension and are larger than 40 acres must complete closure by October 17, 2028. Qualifying surface impoundments that are 40 acres or smaller must complete closure by October 17, 2023.

Cleco has elected to close the BEC Bottom Ash Pond under 40. CFR 257.103(f)(2). On November 25,2020, Cleco submitted a demonstration to EPA (Part A Demonstration) requesting approval to close under this alternative closure provision. In the demonstration, Cleco proposed that Rodemacher Unit 2 will cease generating coal-fired electricity by no later than October 17, 2028. In the interim, however, the Bottom Ash Pond must continue to receive bottom ash from Rodemacher Unit 2, economizer ash from Rodemacher Unit 2, and pyrite rejects given the lack of alternative on-site and off-site disposal capacity. Accordingly, Cleco requested a site-specific extension for the Bottom Ash Pond to cease receipt and initiate closure after April 11, 2021 and complete closure by no later than October 17, 2028. This demonstration has been deemed complete by the EPA and is pending final approval.

In accordance with 40 CFR 257.103(f)(2)(x), this progress report will provide an update on progress towards the closure of the CCR surface impoundments and outline the continued lack of alternative disposal capacity.

Purpose

As required by 40 CFR 257.103(f)(2)(x), this annual report will document the continued lack of alternative capacity and Cleco's progress towards the closure of the Bottom Ash Pond at BEC. This progress report is considered complete once the report has been placed in BEC's operating record as required by 40 CFR 257.105(i)(20).

This Progress report contains information covering the period from December 1, 2022, through November 30, 2023.

Alternative Capacity Update

The BEC Bottom Ash Pond currently receives the following CCR wastestreams from Rodemacher 2: bottom ash, economizer ash, and pyrite rejects. The Bottom Ash Pond is also permitted to receive other non-CCR wastestreams, which includes water plant resin beads, small amounts of fly ash, and neutralized wastes. However, alternative capacity has been made available for these non-CCR wastestreams.

The CCR wastestreams listed above, i.e. Bottom ash, economizer ash and pyrite rejects, are combined in the bottom ash sump under the Rodemacher 2 boiler and pumped through a common sluice piping network, which discharges into the Bottom Ash Pond. As stated in Cleco's Part A Demonstration, Cleco has considered several alternative disposal options for these CCR wastestreams. However, as EPA recognized in the preamble of the Part A final rule, the alternative disposal options for sluiced or wet handled CCR are greatly limited, and Cleco determined that none of the alternatives were viable.

Cleco also stated in the Part A Demonstration that despite efforts to obtain on-site and/or off-site alternative disposal capacity for the CCR wastestreams that are currently wet-sluiced in the Bottom Ash Pond, no other options are currently available. This statement is still accurate. As of November 30, 2023, there have been no modifications to the facility that would function as a viable alternative capacity option. Additionally, since Rodemacher Unit 2 will cease coal-fired energy generation by a date certain, the CCR rule does not require Cleco to create alternative disposal capacity for these CCR wastestreams.

Progress

While alternative capacity for the CCR wastestreams sluiced to the Bottom Ash Pond remains unviable, progress has been made towards Cleco's CCR compliance. In 2023, Cleco completed construction of a CCR landfill cell and began closure of the Fly Ash Pond in accordance with the facility's approved closure plan. The Fly Ash Pond closure activities have been completed, pending final LDEQ inspection and certification. While the Fly Ash Pond is not part of the Part A Demonstration, Cleco believes that this information is valuable to show progress towards the ultimate closure of the Bottom Ash Pond by October 17, 2028. A similar closure strategy will be implemented to close the Bottom Ash Pond, which is currently expected to commence in July 2027. However, this date should be considered tentative at this time and subject to change.

Summary

Overall, Cleco continues to make progress towards the cessation of coal-fired operation at Rodemacher 2 and the closure of the Bottom Ash Pond by October 17, 2028. While there are scenarios that have the potential to accelerate the closure activities associated with the Bottom Ash Pond, there are currently no indications that all milestones included in Cleco's Part A Demonstration will not be achieved, including closure of the Bottom Ash Pond by the Part A deadline. Cleco continues to ensure compliance with all applicable requirements of 40 CFR 257 Subpart D.