

OPEN HOUSE



Estill County Energy Partners, LLC

Where?

Upstairs Courtroom of the Estill County
Courthouse in Irvine, Kentucky

What?

An open house to answer questions about
the power plant proposed at the former
Southeast Coal wash plant near Irvine, KY

When?

Thursday, May 27 from 7 PM until 9 PM

Who?

All interested neighbors and public

Estill County Energy Partners, LLC

Q. Where will the Estill County Energy Partners, LLC power plant be located?

A. The Estill County Energy Partners, LLC (“ECEP”) power plant will be located on the site of a coal washing facility near Irvine, Kentucky. The coal washing facility was formerly known as the South East Coal facility. ECEP’s site is adjacent to the Estill County Industrial Development Authority area on Coal Wash Road between Highway 89 and the Kentucky River, about two miles northwest of Irvine.

Q. Who now owns the coal washing facility?

A. Fox Trot Properties, LLC, an affiliate of ECEP, owns the coal washing facility and site. Fox Trot will lease the property to ECEP and will dismantle the coal washing facility in preparation for construction of the ECEP power plant.

Q. How many new jobs will the ECEP power plant bring to Estill County and the region?

A. There are expected to be over 100 permanent new jobs resulting from operation of the ECEP power plant. ECEP will directly create 46 jobs in power plant operations, material handling and maintenance.

The Kentucky Cabinet for Economic Development, Division of Research, has estimated that ECEP will additionally create 20 new jobs in supporting industries. They have also estimated that the new household incomes provided by the new direct and supporting jobs will induce an additional 37 new jobs.

Q. Will temporary jobs be created during construction of the ECEP power plant?

A. Yes, construction of the ECEP power plant will take about 3 years and up to 400 persons will be directly employed at any one time by ECEP’s contractors and subcontractors during the construction period.

Q. What will the ECEP power plant burn?

A. ECEP will burn waste coal that was generated by beneficiation of raw coal at the coal washing facility. This waste coal has been placed for disposal on the 500-acre site since the mid-1950’s. ECEP expects to supplement on-site waste coal with about 5% off-site coal during a typical year.

Estill County Energy Partners, LLC

- Q. What size power plant will ECEP construct?
- A. ECEP's power plant will be rated at 110 megawatts ("MW").
- Q. How does the ECEP power plant compare to other regional electric generating facilities?
- A. ECEP's power plant will be much smaller. Kentucky Utilities' Brown Plant at Lake Herrington is rated at 1,428 MW, nearly 13 times larger than the ECEP power plant. East Kentucky Power Cooperative's William C. Dale and J. K. Smith Station Power Stations near Winchester are rated up to 842 MW, over 7 times larger than the ECEP power plant.
- Q. Why is the ECEP power plant sized at 110 MW?
- A. The ECEP power plant is designed to match the available site resources while minimizing any adverse impact on the local community.
- Q. What will be the appearance of the ECEP power plant?
- A. The ECEP power plant will replace an assortment of older heavy industrial structures with a well-organized and modern facility. Neutral colors will be used on structures to minimize visual impact. Surrounding hills will prevent the ECEP power plant from being seen from the majority of areas in and around Irvine, Kentucky.
- Q. How will ECEP burn the waste coal?
- A. The main component of ECEP's power plant will be a state-of-the-art circulating fluidized bed boiler ("CFB"). The CFB will mix and circulate waste coal and limestone during combustion to eliminate potential pollutants from its emissions.
- Q. What else will ECEP do to minimize air emissions?
- A. ECEP will use the best available emission control technologies to further scrub and filter potential pollutants from the CFB exhaust.

Estill County Energy Partners, LLC

- Q. How will ECEP know that all of the emission control equipment is operating properly?
- A. ECEP will install continuous air emission monitors to assure the optimum and reliable performance of each piece of emission control equipment and to verify our compliance with state and federal regulations and permits.
- Q. What will the ECEP power plant do to local air quality?
- A. Operation of the ECEP power plant will have no significant impact on local air quality.
- Q. Will there be any odors?
- A. No, operation of the ECEP power plant will not cause any odors.
- Q. Will there be visible emissions?
- A. In certain weather conditions water vapor from the exhaust stack and cooling tower may temporarily condense and be visible.
- Q. Will the ECEP power plant be noisy?
- A. Noise generated by the ECEP power plant will be equal to, or less than , noise levels produced by operation of the coal washing facility.
- Q. Where will ECEP obtain water to make steam and produce electricity?
- A. ECEP will draw raw water from the Kentucky River adjacent to the site. This raw water will be filtered to remove mud and other impurities and the cleaned water used as make-up in the plant cooling systems. Some cleaned water will be further purified and used as make-up in the steam generating cycle.
- Q. Will ECEP have water discharges back to the Kentucky River?
- A. Yes. ECEP will control and monitor storm water flow from the site to the river and will collect, treat and monitor plant wastewater to assure that all state and federal water quality standards are met prior to discharge.

Estill County Energy Partners, LLC

Q. How much water will ECEP use?

A. On an average day, ECEP will withdraw 4 million gallons per day (“MGD”) of raw water from, and will discharge 2 MGD of clean treated water back to the Kentucky River.

Q. What happens to the 2 MGD withdrawn and not returned?

A. This water is evaporated from the cooling tower during the power generation cycle.

Q. How does this quantity of water compare to other local water withdrawals from the Kentucky River?

A. The on-site coal washing facility which will be replaced by the ECEP power plant had been permitted to withdraw up to 1.6 MGD.

The City of Irvine is permitted to withdraw up to 2 MGD upstream of the ECEP power plant. Richmond Utilities is permitted to withdraw up to 9 MGD at a point 16 miles downstream of the ECEP power plant. There are no other permitted withdrawals from Pool 11 of the Kentucky River.

The Kentucky Department for Environmental Protection, Division of Water has evaluated the quantities available from the local pool of the Kentucky River and concluded that the existing permitted withdrawals represent approximately 10% of the safe yield above minimum river flow.

2 MGD also represents less than 0.06% of the 20-year daily average of flow recorded at Lock 10 of the Kentucky River.

Q. What will ECEP do with sanitary waste?

A. Sanitary waste will be separately collected and delivered to the existing sanitary sewer connection on Coal Wash Road.

Q. What will ECEP do with ash produced by operation of the power plant?

A. Ash will be placed for disposal at on-site areas where the waste coal was recovered. As the ash will have excellent properties as stable fill, this on-site disposal will develop additional areas which may be used for industrial development by the Estill County Industrial Development Authority. Granular bottom ash will also be available for use in local road construction or maintenance.

Estill County Energy Partners, LLC

- Q. How will the ECEP power plant be connected to the electrical grid?
- A. ECEP, the Midwest Independent System Operator and LG&E Energy have executed an Interconnection and Operating Agreement following LG&E Energy's study of the facilities required for ECEP's interconnection. ECEP will connect to Kentucky Utilities' West Irvine Substation.

The coal washing facility is now connected by a dedicated transmission line from the West Irvine Substation. ECEP has requested that LG&E Energy allow the power plant connection to replace the coal washing facility connection along the existing corridor to minimize local impacts.

- Q. When will ECEP submit an application to the Kentucky State Board on Electric Generation and Transmission Siting?
- A. ECEP is now making the official notices required prior to submittal of an application for a certificate to construct the ECEP power plant. ECEP will hold an open house at the Irvine Courthouse on Thursday, May 27, 2004 starting at 7 PM. ECEP representatives will be available at the open house to present, discuss and to answer questions about the power plant design and operation. The siting application will be submitted following the Irvine open house.

- Q. How can people contact ECEP?
- A. Questions, comments and suggestions can be sent to ECEP at:

Estill County Energy Partners, LLC
6000 Sulphur Well Road
Lexington, KY 40509

or can be emailed to ECEP at:

ecep-siting@earthlink.net

From Citizen Voice & Times 5/20/2004

Agency polling Bill enacted Motel tax passed

been deemed unconstitutional and removed from KRS.

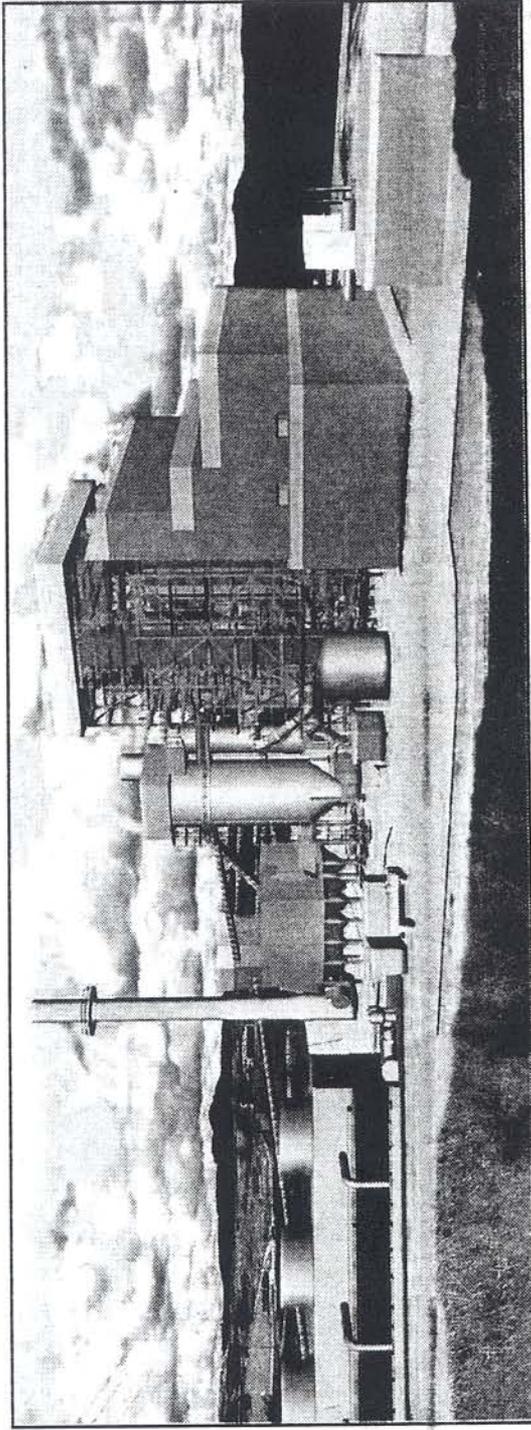
The court approved an ordinance which bans candidates from electioneering within 300 feet of polling places. It was necessary to give the ordinance emergency status due to Tuesday's primary so it could be enacted with only a first reading. Normally, ordinances require two readings and publication before they become effective.

The court also enacted an

See TAX, Page A3

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RISING FROM THE ASHES?



This is an artists' rendering of a proposed new power plant at the old Southeast Coal Company property.

Open house May 27 on proposed plant

Partners, LLC will reveal plans to build the power plant to burn waste coal left on the site by the previous occupants.

"This will rehabilitate the land and clean up the site. We plan to replace the rusting old buildings with a new modern plant," Mack said.

Underwood said there will be more than 100 permanent jobs once the plant is built and running and as many as 400 workers will be needed during the construction process.

Mack said the 110-megawatt power plant will not pollute the air or the water as the ash left from burning the coal will be re-introduced into the surrounding 500 acres of the property.

Estill County Energy Partners is in the process of preparing applications for permits for the construction and the project will take about three years to complete.

For more information, attend the meeting at the courthouse May 27.

by Rhonda Smyth
CV&T News Editor

A new power plant to be built on the former Southeast Coal Company site will be discussed at a question and answer open house in the large courtroom at the Estill County Courthouse on May 27 at 7 p.m.

Lisa Underwood and Gerard B. Mack of Estill County Energy

FROM ROYALTY



Proposed power plant will hold open house on Thursday, May 27

An open house has been scheduled for Thursday, May 27, 7 p.m. at the Estill County Courthouse by Estill County Energy Partners, LLC.

Estill County Energy Partners, LLC is proposing to build an electrical power plant at the former South East Coal Wash location.

Following the open house, ECEP plans to submit an application to the state to construct the power plant. ECEP states there will be over 100 permanent new jobs resulting from the power plant's operation. Forty-six jobs will be in power plant operations, material handling, and maintenance.

The state Cabinet for Economic Development estimates the ECEP will create 20 new jobs in supporting industries, and the new incomes will induce an additional 37 new jobs.

Temporary construction jobs are also expected during the construction phase, which will last about three years.

ECEP says they will burn the waste coal that was generated at the coal washing facility. The waste coal

has been on a 500-acre site since the mid-1950's. They will supplement the on-site waste coal with about 5 percent off-site coal during a typical year.

The power plant will be about 110 megawatts (MW). Kentucky Utilities Brown Plant at Lake Herrington is rated at 1,438 MW, nearly 13 times larger than the ECEP plant. East Kentucky's William C. Daie and J.K. Smith Power Stations in Clark County are rated up to 842 MW, over seven times larger than the ECEP power plant.

The ECEP plant will be designed at 110 MW to match the available site resources while minimizing the adverse impact on the local community.

ECEP will use emission control technologies to filter air pollutants. They say the power plant will have no significant impact on local air quality and the plant will be odorless.

In certain weather conditions, the plant's exhaust stack and cooling tower may temporarily condense and be visible. The noise of the power plant will be equal to or less than the noise levels

produced by the coal washing facility.

The power plant will draw four million gallons of raw water daily from the Kentucky River and will discharge two million gallons daily back into the river.

The two million not returned to the water stream evaporates.

The raw water will be filtered to remove mud and other impurities and the cleaned water is used in the plant cooling systems.

The city of Irvine is permitted to draw two million gallons of water daily from the Kentucky River. There are no other permitted withdrawals from the local pool of the Kentucky River.

The Division of Water has evaluated the quantities of water available from the local pool of the Kentucky River.

ECEP will produce ash, which will be disposed of at on-site areas where coal is recovered. Granular ash will be used for road construction or maintenance.

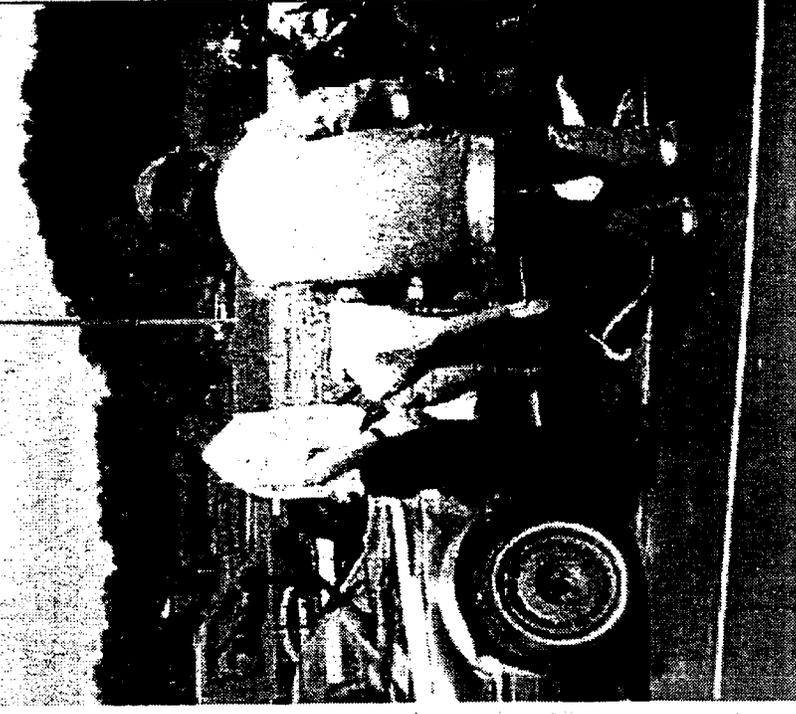
ECEP will be connected to the electrical grid at Kentucky Utilities' West Irvine substation.

Questions, comments, and suggestions can be sent to ECEP at: Estill Co. Energy Partners, LLC
6000 Sulphur Well Road
Lexington, KY 40509

or e-mailed to ECEP at: eccep-siting@earthlink.net

Police arrest suspect for Richmond murder

Kentucky State Police at Post #7 in Richmond, have arrested the suspect wanted in connection with the burglary 1st and tampering with physical evidence. He is lodged in the Madison County jail on a bond



ESTILL COUNTY TRIBUNE 5/19/04

"DON'T DRINK AND DRIVE!" was the message with her high school students received on Thursday. A EMS, tw mock disaster was conducted at the school in The eve which a female prom-goer was "killed" in a collision Destruct

Couple are arrested

An Estill County couple was arrested May 13 for allegedly smuggling pills into the Estill County Detention Center.

Sommer Louisiana Arvin, 23, and her husband, Russell F. Riddell, 25, both of 225 Red Lick Road, Irvine, were charged with promoting contraband in the first degree on May 13.

The couple were arrested on warrants obtained by Deputy Kevin Riddell states that she gave him the three pills while incarcerated in the Estill

Corporation plans to build power plant in Estill County

By Ryan Garrett/Register News Writer

IRVINE - A coal-washing facility on the Kentucky River will soon be transformed into a coal-fired power plant, should a request by the Lexington-based Estill County Energy Partners (ECEP) be approved by state and federal officials.

The company expects the plant to create 100 permanent jobs in the area. ECEP will directly create 46 jobs in power plant operations, material handling and maintenance.

The Kentucky Cabinet for Economic Development, Division of Research, has estimated that ECEP will create 20 new jobs in supporting industries, according to an ECEP press release. The division has also estimated the new household incomes provided by the direct and supporting jobs will induce an additional 37 jobs.

ECEP also expects up to 400 people to be employed by its contractors and subcontractors during the approximately three years it will take to build the plant.

Lisa Underwood, a lawyer for ECEP, said some of those employees might come from Madison County.

"I could see that during the construction phase in particular," she said.

Madison Judge-Executive Kent Clark said he does not expect the plant to have much economic impact on Madison County.

"(Estill County is) in need of jobs," Clark said. "I'm sure they're going to make every effort to use local people."

Local residents reacted positively to the project at an open house Thursday at the Irvine Courthouse, where they saw maps of the site, topographical maps and artists' renderings of the plant, Underwood said.

"A lot of people were very excited about the job opportunities," she said. "I think a lot of them were looking for jobs."

The relatively small plant - 110 MW - will burn waste coal that was generated by the processing of raw coal at the coal washing facility. Since the 1950s, waste coal has been placed on the 500-

acre site for disposal. ECEP expects to supplement the on-site waste coal with about 5 percent off-site coal during a typical year. The plant will eliminate potential pollutants from its emissions by mixing waste coal and limestone during combustion in a circulating fluidized bed boiler. ECEP will also use emission control technologies to further scrub and filter potential pollutants from the exhaust.

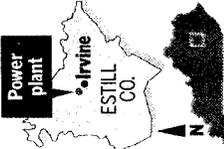
"I think people are always concerned about the environmental aspect," Underwood said. "But we're going to be using the best control technology available."

Power plant in Estill would burn waste coal

By Peter Mathews
CENTRAL KENTUCKY BUREAU

IRVINE — Estill County officials are excited about a proposed \$150 million power plant on the Kentucky River that they say could provide needed jobs and solve an environmental problem, too.

Estill County Energy Partners LLC wants to build the plant on the site of a former coal-washing facility operated by South East Coal and fuel it with waste coal already at the site. The 500-acre site surrounds Estill County's industrial

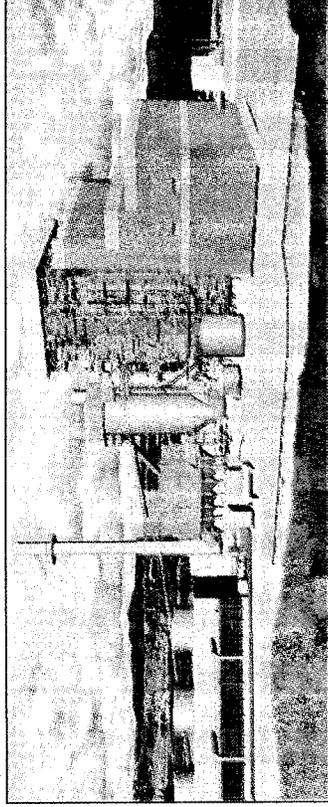


park, 2 miles northwest of downtown Irvine.

The plant would create 46 permanent jobs and dozens of others in supporting industries. It also would provide up to 400 jobs during the three years it would take to build.

Estill Judge-Executive Wallace Taylor sees the plant as a sign "that there is hope for Estill County, that things are looking up." Taylor said his county has been losing population since the 2000 census, though the causes are

See PLANT, B2



A drawing shows a power plant that Estill County Energy Partners LLC hopes to build near Irvine. It would generate electricity by burning coal left over from a former coal-washing plant at the site. The plant would also create 46 permanent jobs.

PLANT | Target date is 2008 for opening

From Page B1

not yet clear.

The plant, first proposed several years ago, would be privately financed, mostly through the sale of bonds.

The company plans to file an application with the state Board on Electric Generation and Transmission Siting after discussing the project with the public. An open house will be held at 7 p.m. Thursday at the Estill County courthouse.

Gerry Mack, the project manager, hopes to have the plant open in 2008.

The plant would burn the roughly 30 million tons of waste coal left over from the coal-washing operation. Some coal also would be brought in from other areas.

Not much else can be done with the waste coal, which started piling up in the late 1950s, Mack said.

At 110 megawatts, the plant would be small. A circulating fluidized bed boiler would be used to mix and circulate waste coal and limestone during combustion, to minimize pollutants from plant emissions.

It would withdraw 4 million gallons of water a day from the river, and return 2 million gallons of treated water to the river. The rest would evaporate in the plant's cooling towers, the company said.

The company said the plant's environmental impact would be minimal. The ash produced will be stored on the site and can be used in road construction or maintenance.

Although environmentalists have criticized so-called merchant plants, which produce pollution in Kentucky but sell power to other states, opposition is hard to find in Estill County.

"It's the answer to our prayers," said Verlon Prewitt, chairman of the Industrial Development Authority. Prewitt said the plant would clean up an eyesore and could provide land for more industrial development down the road.

South East was once Kentucky's largest family-owned mining company, employing 1,500 people in Estill, Letcher and Knott counties.

The company went bankrupt a decade ago after losing a lengthy legal battle over the price of coal in its contract with Kentucky Utilities.