

## Phase I Trimble County Landfill & CCRT Project

### Quarterly Report – Update #25

April 29, 2022

#### Executive Summary

This report covers LG&E and KU's ("Companies") progress on the Phase I Trimble County Landfill and CCRT<sup>1</sup> Project through the first quarter of 2022.

Safety performance to date remains excellent with an Inception-to-Date OSHA Recordable Incident Rate of 0.55 compared to the industry average of 3.2, and 0.55 as reported for the project in the last report. The 2022 Year-to-Date Rate is 0.00.

As reported last quarter, the project's total forecasted cost remains \$314.6 million (net)<sup>2</sup>, compared to \$321.9 million (net) as provided in Case No. 2015-00194. The forecast reflects that all major contracts have been awarded, accounts for spend and progress to date on construction, incorporates resolution on cost and schedule from impacts due to geotechnical quantity differences, as well as the delays attributed to the record precipitation experienced to date on the project. Total spend-to-date has increased from \$308.5 million (net) to \$310.4 million (net) through March 31, 2022.

As previously reported, all necessary permits to construct the Project have been received. Project background information (i.e., scope, contract awards, conceptual design layouts, and permitting status) are located in the Appendix.

With regards to the CCRT subprojects, all subprojects (i.e., Unit 1 bottom ash, dry fly ash, gypsum dewatering, and pipe conveyor systems) are in commercial operation and have achieved final completion. The remaining activities on the CCRT subprojects are associated with project closeout and addressing minor warranty items.

Construction on the landfill subproject scope continues by Charah LLC ("Charah"), a local company. Charah continues maintaining site erosion control measures, addressing punch list items, restoring borrow site areas, and work areas outside of the CCR storage boundary (landfill footprint). Charah completed construction of the landfill footprint in late December 2021. The Companies are in discussions with the one remaining property owner adjacent to the landfill, as it relates to providing additional buffer areas between the landfill and nearby residents.

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<sup>1</sup> The Coal Combustion Residuals Treatment ("CCRT") subproject scope is described in detail in the Appendix found on page 6.

<sup>2</sup> Co-Owners of the Trimble County plant: Illinois Municipal Electric Agency (IMEA) and Indiana Municipal Power Agency (IMPA) are responsible for 25%. IMEA owns 12.12% and IMPA owns 12.88%. Co-owner shares are not included in the costs provided in this report.

## CCRT & Transport Quarterly Status Update

The procurement and construction status for the CCRT subprojects are summarized in the table below:

Equipment	Awarded Contractor	Status
Unit 1 Bottom Ash Submerged Chain Conveyor	United Conveyor Corporation	Placed into Commercial Operation in November 2017
Fly Ash Conditioner and Conveying System	United Conveyor Corporation	Placed into Commercial Operation in April 2019
Gypsum Dewatering Vacuum Belt Filter System	FLSmidth	Placed into Commercial Operation in April 2019
Gypsum Portal Scraper Reclaimer	Ameco (same vendor as Ghent's portal reclaimer commissioned in December 2014)	Placed into Commercial Operation in April 2019
Pipe Conveyor	Beumer Group (same vendor as Ghent's pipe conveyor commissioned in December 2014)	Placed into Commercial Operation in January 2020

## Landfill Quarterly Status Update

During the first quarter 2022, Charah completed constructing the remaining access roads around the perimeter of the landfill footprint, addressing punch list items, restoration of borrow sites, and addressing scope items outside of the landfill footprint (final grading, restoration of haul roads, seeding, etc.). Charah is on schedule to achieve Substantial Completion on April 30, 2022 as well as Final Completion in the second quarter of 2022.

AMEC Foster Wheeler Environment & Infrastructure's ("AMEC") construction quality assurance activities for the landfill this quarter included visual inspections, attending meetings, and compiling testing data to be incorporated into a construction progress report.

GAI Consultants ("GAI") Owner Engineer activities for the landfill this quarter included reviewing as built information, updated design drawings, and development of the Construction Progress Report ("CPR") (operating permit).



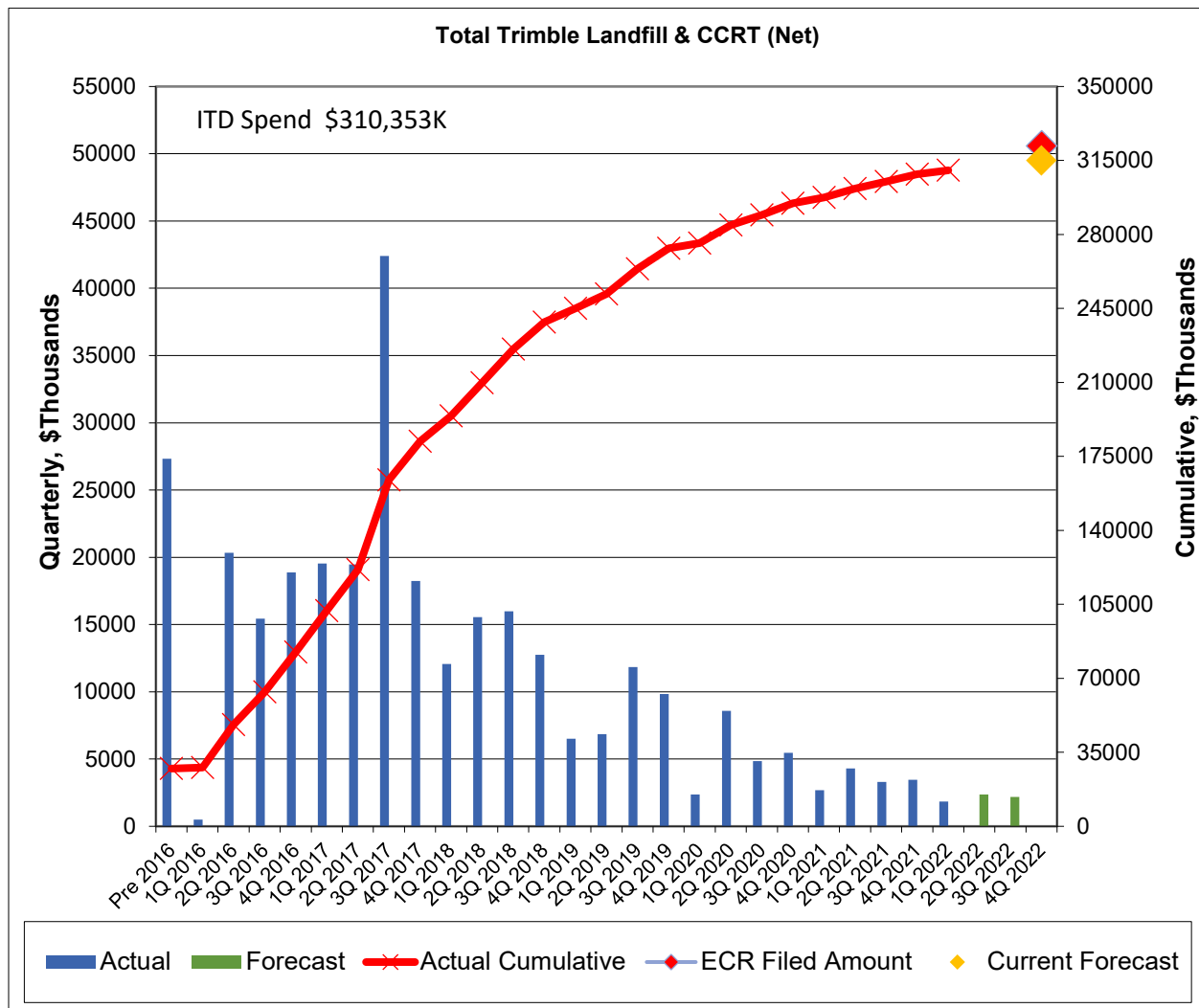
*CCR Landfill Overview – View Looking North January 2022*



*CCR Landfill Overview – View Looking North April 2022*

## Financials

As reported in the last quarter, the project's total forecasted cost remains \$314.6 million (net), which is a reduction from \$321.9 million (net) as provided in Case No. 2015-00194. The forecast reflects all major contracts that have been awarded, as well as spend and progress to date on construction, including all impacts from the record rainfall over the project construction period to date. Total spend-to-date has increased from \$308.5 million (net) to \$310.4 million (net) through March 31, 2022. Notes for the graph below: (1) includes a symbol (◆) to show the current forecast to completion, (2) Inception-to-Date ("ITD") Spend is shown in the upper left corner, and (3) the cash flow now incorporates the delays from weather events and differences in geotechnical "as found" conditions to bid geotechnical data.



## **Planned Activities for Next Quarter**

### **CCRT**

AMEC continues to address minor warranty items.

### **Transport**

AMEC continues to address minor warranty items.

### **Landfill**

Charah is on schedule to achieve Substantial and Final Completion on the Landfill Phase I project. Project Engineering will bid and award several small Balance of Plant (“BOP”) projects that are outside of Charah’s Landfill Phase I scope of work. The BOP projects will address minor scope issues identified during execution of the work.

## APPENDIX

### Scope

The Trimble County Landfill and CCRT Project scopes include: CCR Treatment facilities, CCR Transport system, and Phase I of a dry CCR landfill.

The CCR Treatment facilities include the Unit 1 bottom ash dewatering system, conversion of station Fly Ash Transport from wet to dry conveyance, Fly Ash storage and treatment equipment and the station Gypsum Dewatering System and associated Gypsum storage/reclaim system. The CCR Transport system includes a pipe conveyor (approximately 1.5 miles) from the CCR Treatment area to the landfill location, a bridge over KY 1838, and a road from the station to the new dry CCR landfill. The CCR landfill includes Phase I of a new dry CCR landfill that is designed to receive and manage CCR generated over approximately 37 years. The landfill will be developed in multiple phases with each fully integrated as an extension of the adjacent landfill phase or cell. Only Phase I is included in the CCRT and Landfill project. The certificate of public convenience and necessity for this project was awarded in Case Nos. 2009-00197 and 2009-00198 and affirmed in Case No. 2015-00194.

### Previously Reported Contract Awards

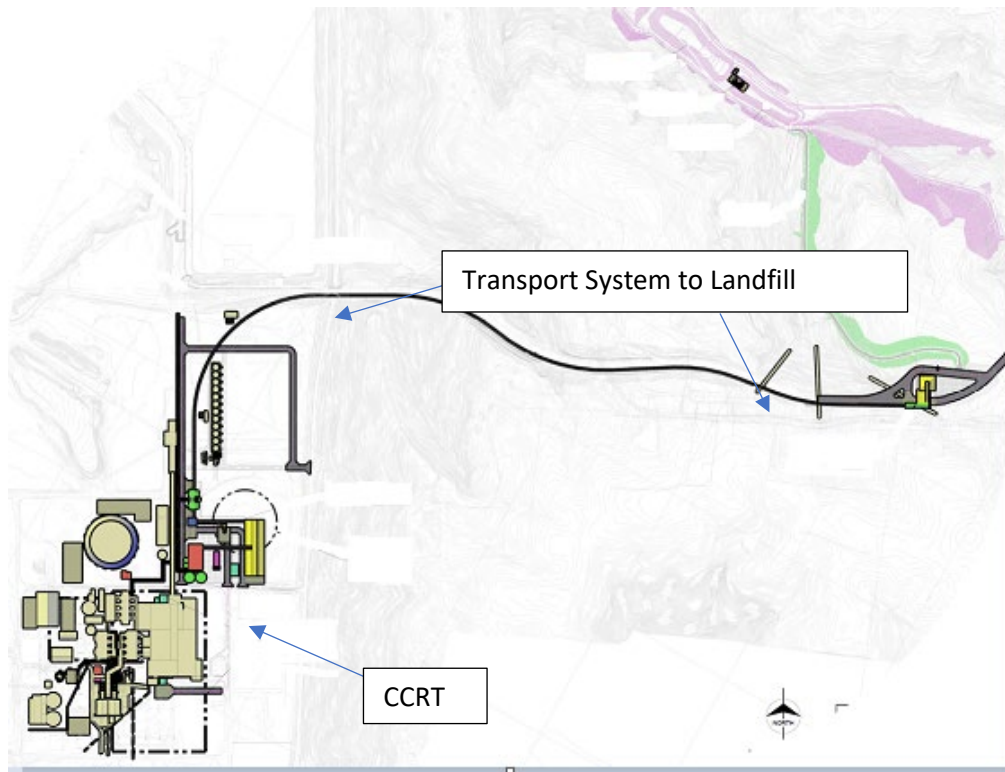
The CCRT Owner's Engineer contract was awarded to B&McD. B&McD has supported various projects for LG&E and KU, and recently supported the Trimble County Unit 1 PJFF capital project. B&McD assisted in the specification development for the CCRT and bottom ash scopes of work and assisted in the bid evaluations and EPC finalization.

The Landfill Owner's Engineer contract was awarded to GAI. GAI has been the Engineer of Record through the permitting and landfill design phases, as well as the engineering firm that developed the specifications for the road and bridge work.

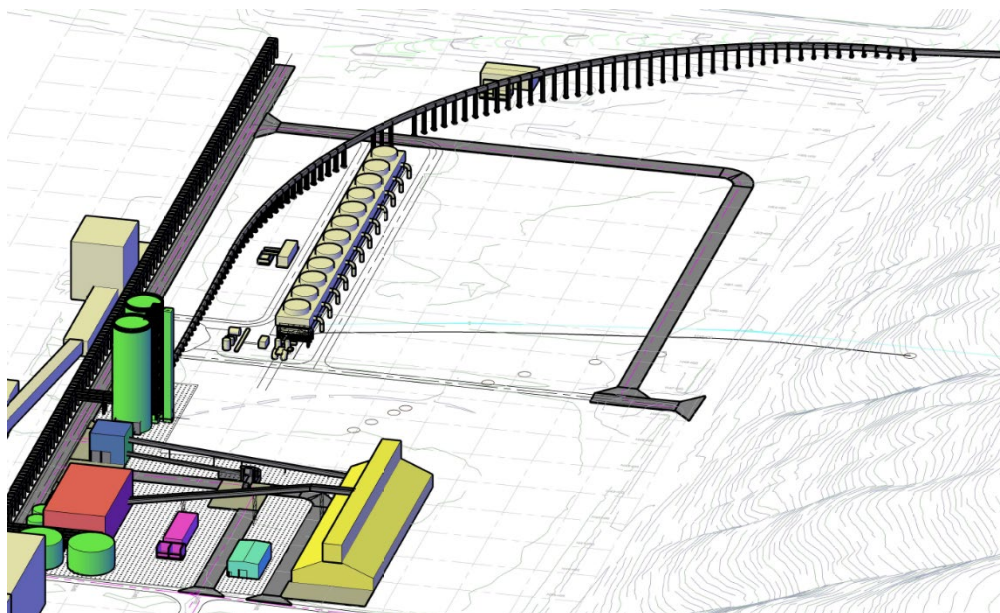
The CCRT and Transport portion of the project was awarded to AMEC. An EPC was executed with AMEC on April 7, 2016. AMEC has performed very well for the Companies in the recent past with completion of the E.W. Brown Unit 3 and Trimble County Unit 1 baghouse projects. AMEC was also awarded the CCR Rule Process Water System projects for Trimble County and Mill Creek generating stations.

The Phase I Landfill portion of the project was awarded to Charah. Charah has previously completed successful projects for the Companies, such as the Ghent and E.W. Brown Landfill Phase I projects.

## Conceptual Site Layout Graphics



Graphic 1 - Conceptual Layout of the CCRT and Transport System



Graphic 2 - Conceptual 3D Site Layout of the CCRT

**Table 1 - Landfill Permitting Status**

<b><u>Required Regulatory Permit</u></b>	<b><u>Submitted</u></b>	<b><u>Date Submitted</u></b>	<b><u>Date Received</u></b>
Kentucky Division of Waste Management Landfill Permit	Yes	January 3, 2014	<u>February 2017</u>
US Army Corps of Engineers 404 Permit	Yes	April 25, 2014	<u>June 28, 2017</u>
US Army Corps of Engineers Nationwide Permit (Monitoring Wells)	Yes	September 9, 2013	September 2014
Kentucky Division of Water 401 Water Quality Certificate	Yes	April 25, 2014	<u>October 24, 2016</u>
Kentucky Division of Water Dam Safety Permit	Yes	<u>February 15, 2016</u>	<u>August 2016</u>
Kentucky Transportation Cabinet Bridge Permit	Yes	January 30, 2014	February 2015
Kentucky Division for Air Quality Title V Revised Air Permit	Yes	<u>October 12, 2015</u>	<u>December 2015</u>

Note: The underlined dates reflect updates from Application Exhibit 3 in Case No. 2015-00156 filed on May 22, 2015, which the Commission, by order, later consolidated into Case No. 2015-00194.