COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR APPROVAL TO AMEND ITS ENVIROMENTAL COMPLIANCE PLAN AND RECOVER COSTS PURSUANT TO ITS ENVIROMENTAL SURCHARGE, AND FOR ISSUANCE OF CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND OTHER RELIEF	)	**CASE NO. 2023-00177**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Joe VonDerHaar, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Request for a Semi-Annual Update in the above-referenced case dated January 11, 2024, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Joseph VonDerHaar

Subscribed and sworn before me on this 20th day of June 2024.

Notary Public

GWYN M. WILLOUGHBY
Notary Public
Commonwealth of Kentucky
Commission Number KYNP38003
My Commission Expires Nov 30, 2025

EAST KENTUCKY POWER COOPERATIVE, INC.

CASE NO. 2023-00177

SEMI-ANNUAL REPORT

PURSUANT TO THE COMMISSION'S ORDER

DATED JANUARY 11, 2024

ORDER DATED JANUARY 11, 2024

ORDERING PARAGRAPH 6: REQUEST FOR SEMI-ANNUAL UPDATE

RESPONSIBLE PARTY: Joe VonDerHaar

Request. EKPC will provide a status update to the Commission on a semi-annual basis, as associated with the beneficial use of the Spurlock Station's fly ash, bottom ash and gypsum.

Response. EKPC does consider the beneficial reuse of coal combustion residuals at Spurlock Station. Spurlock Station fly ash from Units 1 and 2 is not a saleable product because wastewater from the ELG system is used to wet the fly ash and then transport it to a landfill. Spurlock fly ash from Units 3 and 4 is a comingled product of fly ash and gypsum that is produced in the dry scrubbing process that is required to reduce sulfur emissions. The Spurlock 3 and 4 bed ash is not suitable for sale due to the high lime content in the product. The bottom ash from Spurlock 1 and 2 would be useable in a beneficial reuse market such as for making CMU blocks or for use as anti-skid material for roadways. Bottom ash at Spurlock station only makes up approximately 40,000 tons per year.

There has been market interest in this product but nothing on a consistent long-term basis. EKPC uses bottom ash, which has a granular consistency for building roadways internal to our landfills, replacing the purchase of aggregates.

The wet flue gas desulfurization system on Spurlock 1 and 2 produces about 300,000 to 400,000 tons of gypsum annually. This is not wallboard quality gypsum. To make existing gypsum into wallboard grade quality and to install the material handling system is very expensive. A study performed in 2017 shows that the system required to make the wallboard quality gypsum with a material handling system would cost approximately $75 million. The limestone used in the scrubbing process is only 88% calcium oxide. Wallboard quality gypsum requires a 95% limestone product. The cost differential between the lower quality limestone and the higher quality limestone would be $15 to $ 20 per ton. The sale of wallboard quality gypsum does not support the investment cost and the increased operating cost.

EKPC has recently seen increased interest in the purchase of non-wallboard quality gypsum. EKPC issued a request for proposal and received offers from (3) companies interested in purchasing Spurlock gypsum on an as-is, where-is basis. We are in the process of evaluating these proposals and negotiating terms agreeable to EKPC and the purchaser. To date, EKPC has not entered into an agreement to sell Spurlock gypsum.