

Archived: Thursday, May 31, 2012 3:40:47 PM
From: [Eric M. Robeson](#)
Sent: Monday, April 09, 2012 9:35:24 PM
To: [Kern, Rick](#)
Subject: Re: Big Rivers pursuing coal plant retrofits
Importance: Normal

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Rick. I am the one to contact regarding these projects. 270-744-6185

On Apr 9, 2012, at 12:42 PM, "Kern, Rick" <Richard.Kern@mpshq.com> wrote:

Eric,

Neglected to add my full contact details. (see below)

Can you please confirm back your full contact details?

Rick.

From: Kern, Rick
Sent: Monday, April 09, 2012 12:40 PM
To: Eric Robeson (eric.robeson@bigrivers.com)
Cc: Drake, Rand; McGinty, Robert; Wunder, Gregory
Subject: FW: Big Rivers pursuing coal plant retrofits

To:

Eric Robeson

Vice President Environmental Services and Construction

Big Rivers Electric Corp.

201 Third Street

Henderson, KY 42420

eric.roberson@bigrivers.com

Eric,

Please excuse this interruption.

We received the below announcement about SCR's and environmental equipment from a colleague. Am trying to reach the correct person within Big Rivers Electric Corp. to introduce myself and Mitsubishi Power Systems Americas (MPSA) to. Saw in the attached announcement, that Al Yockey transferred the Environmental Services Section of Big Rivers to you on 2/07/2012. Congratulations.

Would like to introduce myself as a representative Mitsubishi Power Systems America (MPSA) for the supply of new power plant equipment. Mitsubishi supplies various power plant equipment such as **Steam Turbine Generators, Gas Turbine Generators, Super Critical Pulverized Coal Boilers, SCR's, Wind Turbines, Natural Gas/Diesel Recip. Engines for Power Generation, Combined Heat & Power, Rapid Starting or Back-up Power and Lithium Ion Battery Energy Storage Systems** in North America. We support the electric generation market through Utilities, Biomass facilities, Developers, AE firms, EPC Firms and Institutions.

With these announcements in mind, we would like to advise Big Rivers that Mitsubishi SCR group is located in Newport Beach, CA. We have recently been selected as the successful supplier of an SCR for the Xcel Energy, unit at Alan S. King plant (Bayport, MN), and at this time, they are looking to install more units in Colorado, which we continue to pursue. Mitsubishi is the original developer and licensor of our proprietary SCR catalysts. That expertise – coupled with extensive experience across the spectrum of emissions-control applications – enables us to precisely optimize the catalyst formulation, pitch and volume for maximum performance in the customer's specific gas path environment. Please see our web site link at:

<http://www.mpsaq.com/products/scr/index.html>

We also want to point out, MPSA is the majority owner of Cormetech Catalyst company. Please see the link to the Cormetech site. The name Cormetech stands for Corning and Mitsubishi Environment Technologies.

<http://www.cormetech.com/companyoverview.htm>

Can you please confirm you are the correct contact, or point us to the correct person to introduce our SCR product line to within Big Rivers.

Thank you for your time.

Rick Kern

Director, Sales & Marketing

Mid-Atlantic and Eastern Midwest Regions

<image001.gif> Mitsubishi Power Systems Americas, Inc.

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*** Big Rivers pursuing coal plant retrofits

A Kentucky generation and transmission co-op with longstanding ties to the aluminum industry will pursue

a nearly \$300 million environmental retrofit of its coal-fired power plants that could have dire consequences

for at least one large aluminum smelter.

Big Rivers Electric, in a filing this week with the Public Service Commission, said its decision to

seek recovery of \$283.4 million under the state's two-decade-old environmental surcharge law was made

after it considered, but rejected, other alternatives such as long-term power purchases. Switching the

plants to natural gas was not seriously evaluated.

The surcharge law, the first of its kind in the country when it was approved by the General Assembly

in the early 1990s following passage of the Clean Air Act Amendments by Congress, is aimed at encouraging

the commonwealth's electric utilities to continue burning Kentucky coal.

Installing advanced pollution controls on the plants will enable Big Rivers to comply with new Environmental

Protection Agency rules, the co-op said, in particular the Mercury and Air Toxics Standards Rule and

the Cross-State Air Pollution Rule, whose implementation has been stayed by a federal court.

All baseload coal plants owned and operated by Big Rivers, except one, already are fitted with controls

to reduce sulfur dioxide, nitrogen oxide and particulate emissions.

But, Robert Berry, Big Rivers vice president of production, told the PSC, "If operating at its projected

capacity (above 80% net capacity factor), the Big Rivers fleet will not be capable of meeting the requirements

of CSAPR and MATS without significant capital investment in additional emissions reduction equipment."

Unless emission removal efficiencies are improved, he said, generation "will need to be curtailed by

27% from historic levels in Phase 2 of CSAPR."

Because Big Rivers deems such a scenario unacceptable, "it is imperative that Big Rivers invest in

the pollution control technologies contained in the 2012 plan," he said.

Berry declined to comment on the plan Wednesday, referring all questions to the co-op's spokesman,

Marty Littrell, who was unavailable. Mark Bailey, Big Rivers president and CEO, is traveling this week

and could not be reached.

Big Rivers is proposing to install a new scrubber on the 417-MW D.B. Wilson plant to increase SO₂ removal

efficiency from 91% to 99%. It plans to install selective catalytic reduction equipment on Unit 2 at

the 454-MW Green plant to boost NO_x removal efficiency from 50% to 85%, and it wants to modify the scrubbers

on Units 1 and 2 at Henderson Municipal Power & Light's 310-MW Station Two plant to improve SO₂ removal

from 93.5% to 97%. Big Rivers operates the plant under a contract with the city of Henderson.

Also, Big Rivers plans to install carbon injection equipment for mercury removal, dry sorbent injection

equipment for acid gas removal and continuous emission monitors on all units of the co-op's 443-MW Coleman

plant.

All of the work would be completed by 2016.

Berry estimated the retrofits would add nearly 7% to an average customer's monthly bill. Big Rivers

serves about 120,000 customers in 22 western Kentucky counties. Its two largest customers, smelters owned

by Rio Tinto Alcan and Century Aluminum at Sebree and Hawesville, respectively, account for about 850

MW, or roughly two-thirds, of its total load.

Electricity represents about a third of a smelter's operating costs, and in recent years both Alcan

and Century have complained rising power rates could force them to shutter the plants.

According to the Kentucky Industrial Utility Customers, a trade group, rates for Alcan and Century

were among the highest in the US prior to a Big Rivers rate increase approved by the PSC late last year.

This year, rates for the two smelters are expected to be in the range of \$50/MWh. The US smelter average

is \$37.57/MWh while the global average, excluding the US and China, is \$26.28/MWh.

A source familiar with Big Rivers and the smelters said Century's Hawesville smelter is teetering on

the edge, and any increase resulting from the pollution control project "might push them over." Century

officials could not be reached for comment Wednesday afternoon.

Big Rivers was created in the early 1960s largely to supply power to a burgeoning aluminum industry

in western Kentucky led at the time by Southwire. The co-op and smelters since have enjoyed a symbiotic

relationship.

Mark Hite, Big Rivers vice president of accounting and interim CFO, said the co-op plans to borrow

the money, excluding the portion for the HMP&L project. Big Rivers is discussing a potential term loan

from the federal Rural Utilities Service. Aided by Goldman Sachs, it also intends to meet with potential

private investors in New York and Boston soon.

Big Rivers is asking the PSC for a final order on the surcharge by November 5.

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