

**Archived:** Thursday, May 31, 2012 3:40:47 PM  
**From:** Eric M. Robeson  
**Sent:** Wednesday, April 11, 2012 8:46:00 AM  
**To:** Kern, Rick  
**Subject:** RE: Big Rivers pursuing coal plant retrofits  
**Importance:** Normal

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Big Rivers would have between 3 and 7 interested individuals for your presentation

Week of May 14 and May 29 look good right now, but is subject to change

**From:** Kern, Rick [mailto:Richard.Kern@mpshq.com]  
**Sent:** Tuesday, April 10, 2012 5:56 AM  
**To:** Eric M. Robeson  
**Subject:** RE: Big Rivers pursuing coal plant retrofits

Eric,

Thank you for the reply. Are you ready for a visit and discussion on our technology? Will be with Bob McGinty, our Sr. Manager, Business Development guy for the SCR NOx Control Systems, next week in South Carolina. Bob has a 1 to 1½ hour presentation he can present on our SCR technology. We can present to you individually, or offer to pay for a Lunch & Learn session with you and your key members, or a larger quorum.

Please suggest some dates to visit you in Henderson, to meet individually and / or collectively, with a larger group. Will discuss your plans and dates next week with Bob McGinty. We'll be interested the hear your schedule or near term plans going forward.

Thank you again, for your reply. Look forward to meeting you.

Rick Kern  
Director, Sales & Marketing  
Mid-Atlantic and Eastern Midwest Regions  
Mitsubishi Power Systems Americas, Inc.  
Office: (630) 385-2054  
Mobile: (407) 970-6319  
Email: [rkern@mpshq.com](mailto:rkern@mpshq.com)

**From:** Eric M. Robeson [mailto:Eric.Robeson@bigrivers.com]  
**Sent:** Monday, April 09, 2012 9:35 PM  
**To:** Kern, Rick  
**Subject:** Re: Big Rivers pursuing coal plant retrofits

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](mailto: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](mailto: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.robeson@bigrivers.com](mailto:eric.robeson@bigrivers.com)

Eric,

Please excuse this interruption.

We received the below announcement about SCRs 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, SCRs, 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

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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 SO<sub>2</sub> 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<sub>x</sub> 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 SO<sub>2</sub> 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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