

Archived: Thursday, May 31, 2012 3:40:41 PM
From: [Bob Berry](#)
Sent: Wednesday, August 03, 2011 10:12:37 PM
To: [Albert Yockey](#)
Subject: FW: Reid allowances
Response requested: No
Importance: Normal

Al, I will be on vacation the week of August 8 through August 12. Can we schedule this at a time that I am available?

Bob

From: Mark Bailey
Sent: Friday, July 29, 2011 3:40 PM
To: Bob Berry; Eric M. Robeson; Bill Blackburn; Albert Yockey
Subject: RE: Reid allowances

Al, Please ask Lindsay to schedule a Strategic Planning session with the Senior Staff and the Environmental Team to discuss at a convenient time - no hurry. Thanks, Mark

Sent from my Windows Phone

From: Bob Berry
Sent: Friday, July 29, 2011 4:11 PM
To: Eric M. Robeson; Mark Bailey; Bill Blackburn
Subject: RE: Reid allowances

I suggest we consider operating Reid each year long enough to keep our permit and our allowances intact which is approximately 1 week per year. We can leave it up to the marketing group to tell us when to run the unit based on when the margins would be the largest, which I suspect could be July or August. I also suggest we consider converting R-1 to natural gas which will reduce our emission during the time period in which we operate it. We should be able to permit the unit for NG and do the maintenance required to operate it on NG for approximately \$120k to \$130k. This would allow us to bank some allowances until we can get control equipment installed on the other units.

Bob

From: Eric M. Robeson
Sent: Friday, July 29, 2011 9:16 AM
To: Mark Bailey; Bill Blackburn; Bob Berry
Subject: Reid allowances

What happens to allowances if a unit does not operate, is in reserve shutdown or is retired?

Per the CSAPR write-up, a unit that “does not operate” for 2 consecutive years will lose those allowances after year 4.

As an example, if Reid 1 shuts down December 31 this year, we would receive allowances thru 2015, but not after that year.

It does not address situations where units may run a very limited amount of time each year. I think we should run Reid 1 in January, then put it in reserve shutdown until we determine our long term approach