

Archived: Thursday, May 31, 2012 3:59:49 PM

From: [Mark Bailey](#)

Sent: Monday, October 10, 2011 10:57:02 AM

To: [Tom Shaw](#); [Albert Yockey](#); [John Talbert](#); [Bob Berry](#); [Eric M. Robeson](#); [Bill Blackburn](#); [Mark Hite](#); [Marty Littrel](#)

Subject: RE: Revisions to CSAPR

Importance: Normal

If the penalty provisions don't kick in until 2014, wouldn't that mean Big Rivers wouldn't have to reduce output until 2012 and 2013 which would positively impact our expected financial results? Thanks, Mark

From: Tom Shaw

Sent: Monday, October 10, 2011 10:32 AM

To: [Albert Yockey](#); [Mark Bailey](#); [John Talbert](#); [Bob Berry](#); [Eric M. Robeson](#)

Subject: Revisions to CSAPR

AI:

Several trade journals as well as NRECA have predicted changes to the CSAPR program which will potentially impact states differently and you asked I weigh in on the subject.

First, EPA is suggesting according to the trade journals there will be changes to the states budgets (allowances). My information suggests it will be primarily two states that had generation units planned but were not accounted for in those states budgets. Secondly, EPA is proposing to increase by 1% the budgets in 10 states (not Kentucky) based upon changes to information that was submitted to EPA. Thirdly, EPA is revisiting on a unit by unit bases in 6 states (Kentucky is included on this one) to compare the allocations given under CSAPR to earlier consent decrees to prevent issues with judicial actions. Finally, EPA will delay the implantation of the penalty provisions of exceeding variability limits until 2014. This will not have much if any impact to BREC since we need the relief in 2014 and not in the earlier years. This information is subject to change when EPA publishes the proposal in the federal register as they have demonstrated in the past with the publication of the CSAPR rule. Bottom line is I do not expect any relief for BREC with the anticipated changes to CSAPR. If you have additional questions please do not hesitate to ask.

Tom