



**40 CFR 257.103(f)(2) Alternative Closure Requirements
Annual Alternative Capacity Update
and
Impoundment Closure Progress Report**

**CLECO Cajun LLC
Big Cajun II Power Plant
New Roads, LA**

December 1, 2020 - November 30, 2021

Background

Cleco Cajun's (Cleco) Big Cajun II (BCII) is located in New Roads, Louisiana. There are three generating units at BCII. Units 1 and 3 are solid fuel units, which burn sub-bituminous coal. Unit 2 is fueled by natural gas.

Currently, BCII utilizes the Bottom Ash Pond to manage CCR from Unit 1 and non-CCR from all three generating units. Unit 1 bottom ash is sent to the Bottom Ash Pond via bottom ash sumps and sluice piping. Bottom ash from Unit 3 and fly ash from Units 1 and 3 are dry hauled to an offsite landfill if not sold for beneficial use. Non-CCR wastestreams consists of clarifier/softener underflow from all three units. These non-CCR wastestreams are combined in a single pipe that leads from the Clarifiers, which are located near the on-site water treatment plant, to the Bottom Ash Pond.

On August 28, 2020, EPA revised the CCR rule to require all unlined surface impoundments to cease receipt of waste and initiate closure by April 11, 2021. However, the CCR rule also includes site-specific alternative deadlines for surface impoundments to cease receipt of waste and initiate closure. One of these alternative closure provisions, 40 CFR 257.103(f)(2), provides a closure extension if a coal-fired boiler(s) at a facility will cease coal-fired operation by a date certain, but a surface impoundment must continue to be used due the lack of on-site and off-site alternative disposal capacity for CCR and non-CCR wastestreams. Surface impoundments that qualify for this extension and are larger than 40 acres must complete closure by October 17, 2028. Qualifying surface impoundments that are 40 acres or smaller must complete closure by October 17, 2023.

Cleco has elected to close the BCII Bottom Ash Pond under 40. CFR 257.103(f)(2). On November 30, 2020, Cleco submitted a demonstration to EPA (Part A Demonstration) requesting approval to close under this alternative closure provision. In the demonstration, Cleco proposed that BCII Unit 1 will cease generating coal-fired electricity by no later than April 1, 2025, in accordance with a Consent Decree entered into by EPA, LDEQ, US Department of Justice, and Louisiana Generating LLC (Consent Decree). In the interim, however, the Bottom Ash Pond must continue to receive bottom ash from BCII Unit 1 and the above-mentioned non-CCR wastestreams, given the lack of alternative on-site and off-site disposal capacity. Accordingly, Cleco requested a site-specific extension for the Bottom Ash Pond to cease receipt and initiate closure after April 11, 2021 and complete closure by no later than October 17, 2028. This demonstration has been deemed complete by the EPA and is pending final approval.

In accordance with 40 CFR 257.103(f)(2)(x), this progress report will provide an update on progress towards the closure of the CCR surface impoundments and outline the continued lack of alternative disposal capacity.

Purpose

As required by 40 CFR 257.103(f)(2)(x), this annual report will document the continued lack of alternative capacity and Cleco's progress towards the closure of the Bottom Ash Pond at BCII.

This progress report is considered complete once the report has been placed in BCII's operating record as required by 40 CFR 257.105(i)(20).

This Progress report contains information covering the period from December 1, 2020 through November 30th 2021.

Alternative Capacity Update

The BCII Bottom Ash Pond currently receives bottom ash from BCII Unit 1 and clarifier/softener underflow from Units 1, 2, and 3.

Unit 1 bottom ash is collected in the bottom ash sump under the BCII Unit 1 boiler and pumped through a sluice piping network, which discharges into the Bottom Ash Pond. As stated in Cleco's Part A Demonstration, Cleco has considered several alternative disposal options for this CCR wastestream. However, as EPA recognized in the preamble of the Part A final rule, the alternative disposal options for sluiced or wet handled CCR are greatly limited, and Cleco determined that none of the alternatives were viable.

Cleco also considered other disposal options for the clarifier/softener underflow. However, Cleco was not able to identify a viable alternate for this wastestream. Similarities between the bottom ash transport system and the clarifier underflow system, such as piping networks, the lack of a dewatering system, and inadequate tank availability onsite, were key factors in Cleco's determination.

Cleco also stated in the Part A Demonstration that despite efforts to obtain on-site and/or off-site alternative disposal capacity for the CCR and non-CCR wastestreams that are currently placed in the Bottom Ash Pond, no other options are currently available. This statement is still accurate. As of November 30, 2021, there have been no modifications to the facility that would function as a viable alternative capacity option. Additionally, since BCII Unit 1 will cease coal-fired energy generation by a date certain, the CCR rule does not require Cleco to create alternative disposal capacity for these wastestreams.

Progress

While alternative capacity for these wastestreams remains unviable, progress has been made towards Cleco's CCR compliance. In 2021, Cleco conducted a closure feasibility study to determine the most efficient closure mechanism for the Fly Ash Pond and Bottom Ash Pond. Upon completion of this study, a Notice of Intent to Close the Fly Ash Pond was placed in the facility's operating record and uploaded to Cleco's CCR website. Cleco has since engaged engineering consultants to begin designing the final closure plans, which included a geotechnical investigation of the area surrounding the ash ponds. This work continued through the end of 2021 and will be completed during the first quarter 2022. Finally, Cleco reached agreement with Joint Owner, Entergy, of the future of the impoundments on the site. While the Fly Ash Pond is not part of the Part A Demonstration, Cleco believes that this information is valuable to show progress towards the ultimate closure of the Bottom Ash Pond by October 17, 2028.

Summary

Overall, Cleco continues to make progress towards the cessation of coal-fired operation at BCII Unit 1 and the closure of the Bottom Ash Pond by October 17, 2028. Cleco is required by the Consent Decree to make a declaration surrounding Unit 1's future by December 31, 2022. There are scenarios resulting from this declaration that have the potential to accelerate the closure activities associated with the Bottom Ash Pond, but there are currently no indications that all milestones included in Cleco's Part A Demonstration will not be achieved. Cleco continues to ensure compliance with all applicable requirements of 40 CFR 257 Subpart D.