

Summary of actions in response to the EPA ash pond inspection reports

Progress Energy
2010

On Sept. 14 and 15, 2009, the U.S. Environmental Protection Agency (EPA) provided final versions of its coal ash pond inspection reports. These reports, created by a contract inspector, included several recommendations and a request for comment within 14 days.

On Sept. 2, 2009, Progress Energy Carolinas submitted our response to the inspection reports. Below is a summary of our responses, with a focus on the Asheville and Cape Fear plants due to their ratings. Some recent news reports have mischaracterized our position to imply that we are not addressing the recommendations. This is simply not true.

Actions

- **We are addressing every recommendation made by the EPA.** Some recommendations could be completed quickly while others required further study and coordination with contractors.
- **We agreed to complete every recommendation made for our Asheville Plant.** Almost all of the items are already finished, such as the filling of animal burrows and sowing grass on a certain area. The remaining action is the slope-stability study, which is in its drafting stage.
- **We agreed to complete every recommendation made for the active ponds at our Cape Fear Plant.** Most of the items are already finished, such as the mowing of grass and removal of tree brush. The drainage improvements will be completed by the end of the second quarter 2010. The drainage improvements require getting permission from a neighboring landowner to access those areas.
- **We agreed to work with the N.C. Dam Safety Program to evaluate every recommendation for the inactive ponds at the Cape Fear Plant.** The inactive ponds no longer divert or retain water, are mostly in a solid state and are not at risk of breaching. If the N.C. Dam Safety Program considers them active dams, then we are committed to taking action on the recommendations. If they are not considered active dams, we will pursue their formal decommissioning. The 14-day response period was not enough time to make a final determination, since we don't yet have the classifications from the state.

Rating re-evaluation

- **We requested the EPA re-evaluate the ratings of our ponds after we complete the recommendations.** If the actions demonstrate that our ponds are structurally sound, we are requesting the EPA acknowledge that fact by changing the pond ratings to a "satisfactory."
For example, the Asheville Plant inspection report states:
"The facility is rated POOR for continued safe and reliable operation because critical studies or investigations are needed to identify potential dam safety deficiencies. A slope stability investigation, to identify potential structural deficiencies, is required to achieve a satisfactory rating." (Section 1.1.8)
- The recent physical inspection of the dam demonstrated that there are no safety issues. We will take action based on the slope-stability study and ultimately demonstrate the facility is structurally sound as well. When this process is complete, the EPA should change the rating to "satisfactory."

Future regulations

- **We noted that there are ongoing state and federal regulatory reviews of coal ash management that could change the way we manage our ash ponds.** This information was provided as a reason to carefully consider current actions to ensure they won't conflict with future regulations.