











ARKANSAS RIVER POWER AUTHORITY | eNews January 25, 2012

Lamar, Colorado, January 25, 2012. Representatives of the Arkansas River Power Authority (ARPA) participated in a court-ordered settlement conference on January 23, 2012 in an effort to resolve WildEarth Guardians' pending lawsuit regarding alleged Clean Air Act violations at the Lamar Repowering Project. The conference did not result in a settlement.

"We had suggested the settlement conference because WildEarth Guardians told us their only interest was to ensure that the Repowering Project operates in compliance with its air permit," said ARPA General Manager, Rick Rigel. "After meeting with WildEarth Guardians' representatives, however, it is clear that their lawsuit is intended to permanently shut the plant down regardless of whether it complies with its permit." Rigel could not discuss the specifics of the negotiations due to the confidential nature of the settlement conference.

WildEarth Guardians commenced its lawsuit against ARPA and the plant's operating agent the Lamar Utilities Board (LUB) in March of 2011, alleging that the Lamar Repowering Project violated the terms of its air emissions permit. The permit violations were the result of problems with the original design of the boiler, and ARPA's boiler contractor, Babcock & Wilcox, is currently working on modifications to the boiler to address those issues.

The Colorado Department of Public Health and Environment previously brought an enforcement action to address the permit violations asserted by WildEarth Guardians. ARPA/LUB has paid administrative penalties to the State for these violations, and is prohibited from resuming commercial operation of the Repowering Project until it can demonstrate full compliance.

"We have already been penalized for the violations at the Repowering Project," Rigel said. "WildEarth Guardians is simply seeking to 'pile on' additional penalties through its lawsuit. Every dollar we are forced to spend on litigation diverts resources away from our goal of achieving full compliance at the earliest possible date. All WildEarth Guardians is achieving is increasing the costs to the rate payers who receive electricity through ARPA."

The Arkansas River Power Authority is a joint action agency formed in 1979 to provide reliable wholesale electricity to the Colorado communities of Holly, La Junta, Lamar, Las Animas, Springfield and Trinidad.

ARPA | eNews is an electronic newsletter designed to keep member communities and the public up to date on developments associated with the Arkansas River Power Authority. Please forward it to anyone you think would be interested. Contact Arvenia Morris at amorris@arpapower.org to subscribe or unsubscribe.

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