

**FOR IMMEDIATE RELEASE**  
**Lamar Utilities Board**  
**Arkansas River Power Authority**  
**March 29, 2011**

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On March 24, 2011, the Arkansas River Power Authority ("ARPA") and the Lamar Utilities Board ("LUB") were advised that a new complaint had been filed against them in the U.S. District Court for the District of Colorado by WildEarth Guardians ("WEG"), a New Mexico-based environmental group. The Complaint, which was reported in the Pueblo Chieftain on March 25, 2011, asserts that the Lamar Repowering Project has violated the federal Clean Air Act on numerous occasions. According to Rick Rigel, Superintendent of LUB, the statements made by WEG's spokesperson appear intended to inflame passions and distort efforts being made by ARPA and LUB to comply with all applicable laws and regulations. "Statements like 'the plant is being operated in an irresponsible manner' or the plant 'is a dangerous coal-fired power plant' are completely unfounded and reckless. It seems they will say just about anything in their war against all coal-fired power generation."

This is the second lawsuit filed against ARPA and LUB by the environmental group and is but one of a number of lawsuits WEG has filed targeting coal-fired electric generation units. According to Rigel, statements from the WEG's web-site such as they are "preventing the construction of new coal mines in Colorado" and they are working to "transition away from this dirtiest of dirty fuels" leaves little doubt that their aim is to stop the use of coal for power production regardless of the new technologies that result in lower emissions and regardless of the economic impact to rate payers and job creation in Colorado. "WEG's efforts to shut down the Lamar Repowering Project have already cost the ratepayers in our communities hundreds of thousands of dollars in costs incurred to fight their exaggerated claims", said Rigel, "it is our ratepayers who are bearing this burden".

According to Rigel, WEG filed its first complaint before either the State or Federal regulators had an opportunity to make a determination on the permit for the Repowering Project to address changes in the law that occurred after ARPA and LUB obtained its original air permit. The new complaint alleges violations that have already been reported to state regulators by ARPA and LUB. All of the violations have either been addressed by state regulators or are currently under review by the regulators. "WEG is asking the court system to intervene in a regulatory process, instead of letting the regulators who have the knowledge and experience to handle such issues do their job. It appears to me that WildEarth wishes to insert their beliefs as to how the regulatory process ought to proceed rather than trust the judgment of the Colorado Department of Public Health and Environment".

ARPA and LUB are working diligently with their vendors and environmental regulatory agencies to make equipment modifications to meet all applicable environmental requirements. "The process has been harmed by WEG's constant sniping as they reveal their true intent – to permanently shut down the Repowering Project rather than assure its compliance with environmental law" said Rigel. "Evidently WEG either does not understand or does not care what the economic impacts of their actions have on the ARPA communities. The cost of litigation and exorbitant penalties are not absorbed by a nameless group of investors of large

utilities, but rather passed directly onto the citizens of the ARPA communities in southeast Colorado through electric rate increases”.

ARPA General Manager William Leung stated they will aggressively defend the allegations in the lawsuit, continue to work closely with the state and federal regulators to address all emissions issues in a reasonable and comprehensive manner, and assess the economic impact of the continued assault on their communities by the New Mexico based environmental group.