

Arkansas River Power Authority
Lamar Utilities Board
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FOR IMMEDIATE RELEASE

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Lamar, Colo. – The Lamar Utilities Board and the Colorado Department of Public Health and Environment (CDPHE) have agreed to the terms of a Compliance Order to resolve all outstanding air quality permit violations at the Lamar Repowering Project, a coal-fired power plant operated by the Lamar Utilities Board on behalf of the Arkansas River Power Authority (ARPA). The Compliance Order spells out the environmental compliance criteria and operational requirements for the Lamar plant to restart operations and lays out a plan to resolve the plant's air quality permit violations.

The agreement comes after ARPA and the Lamar Utilities Board (LUB) suspended plant operations in December 2010. ARPA and the LUB had identified and self-reported exceedences for nitrogen oxide, sulfur dioxide and particulates to CDPHE. In negotiating the Compliance Order, ARPA and the Lamar Utilities Board worked closely with CDPHE to provide necessary data and to address all air quality violations at the plant.

“Providing reliable power in an environmentally responsible manner is paramount to our operations,” said Bill Leung, general manager for ARPA. “Our boiler contractor is undertaking modifications and technical upgrades to our facility to ensure that, when restarted, the Lamar Repowering Project reliably, consistently generates electricity while keeping our air and water clean.”

The Lamar Utilities Board agreed to pay \$86,800 as part of the consent order. The funds will likely be contributed to a project to benefit environmental projects in the region. The consent order notes the LUB's extensive efforts to correct technical and design problems with the plan, as well as its good faith effort to comply with the permit and its full and prompt cooperation with CDPHE.

“We worked closely with the CDPHE throughout the whole process. We kept them informed on our continuing effort to bring the plant emissions into compliance, every step along the way,” said Rick Rigel, the Superintendent of LUB and the Project Manager.

Plant operations are currently suspended while the LUB and the boiler manufacturer make engineering and design adjustments to the boiler in order to bring emissions into compliance. ARPA expects to have these adjustments completed in June of 2011.

About the Arkansas River Power Authority

The Arkansas River Power Authority (ARPA) is a wholesale electric service provider in Southeastern Colorado that supplies power to the communities of Holly, La Junta, Lamar, Las Animas, Springfield and Trinidad. Unlike larger, investor-owned utilities, ARPA was formed and is owned by the communities it serves. Electricity supplied by ARPA powers customers in a geographic area spanning five southeastern Colorado counties. Each of ARPA's municipal members owns and operates an electric system that distributes electricity to residential, commercial and industrial customers. Also known as a not-for-profit utility corporation, ARPA is governed by a 12-person board with two board representatives appointed by each member community.

Lamar Utilities Board

The Utilities Board of the City of Lamar was created in 1962 by the adoption of the Home Rule Charter of the City of Lamar to be responsible for the development, production, purchase, and distribution of all electricity. The Board has the power and duty to operate, maintain, enlarge, extend, preserve and promote an orderly, economic and businesslike administration of the electric utility system. The Board operates as a separate unit of City government. The Board consists of five members who are appointed by the City Council for five year terms and until their successors are appointed.