

**DECLARATION OF JERRY PURVIS**  
**EAST KENTUCKY POWER COOPERATIVE**  
**CLEAN POWER PLAN 2.0 LITIGATION**  
**U.S. COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA**

¶6. ***Demand for electricity is increasing in Kentucky.*** East Kentucky forecasts net total energy requirements to increase from 13.5 to 16.7 million MWh (“megawatt hours”), an average of 1.5 percent per year over the 2021 through 2035 period.

¶49. East Kentucky is highly concerned with the timelines to replace generating assets given regulatory requirements, timelines, and costs to replace 1,883 MW gross of coal-fired generation. ***The Final Rule prematurely retires existing generating assets while East Kentucky is facing increased demand for electricity*** in East Kentucky’s service area. [T]he Final Rule has the effect of usurping state authority over resource planning and ratemaking.

¶54. ***The Final Rule has the effect of frustrating East Kentucky’s ability to provide reliable and affordable power.***

¶66. ***A grid failure would cause damage to East Kentucky,*** its members, the economy, and the public health of end users in its service territory. Kentuckians rely on electricity to heat and cool their homes. Evidence from grid failures in other areas of the country in winter storms Uri and Elliott shows ***the documented health impacts*** and morbidity caused by those events. Further economic development in Kentucky is at risk without the ability to provide sufficient energy to support new factories, data centers, and other infrastructure necessary to attract industry, and, in turn, create new jobs. ***Reliability consequences are at stake prior to the resolution of this litigation due to the increased demand for power in Kentucky and the premature retirements and limitations on the construction of new generation imposed by this Final Rule.***

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¶21. ***Spurlock Station, East Kentucky’s flagship plant,*** is located near Maysville, Kentucky on the Ohio River. All four units at Spurlock have state- of-the-art NOx, SO2, PM, and Hg controls. In addition, East Kentucky has made substantial investments, to the tune of \$262.4 million dollars,

... to ensure the plant is fully compliant with Effluent Limitation Guidelines (“ELGs”) and the 2015 Coal Combustion Residuals (“CCR”) rule.

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¶22. Cooper Station is located near Burnside, Kentucky adjacent to Lake Cumberland. Cooper Station is *a critical generation asset* due to its location in rural, south-central Kentucky that serves a transmission-constrained area.

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¶23. *The remaining depreciable life of Cooper Station and Spurlock Station extends past 2045* due to debt associated with the addition of environmental controls.

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¶25-34. CCS is impracticable and infeasible at Spurlock or Cooper. The Final Rule allows affected EGUs to remain in operation beyond 2038 only if they can achieve 90% capture of carbon using CCS by 2032. *But this is impossible at Spurlock and Cooper...* CCS Projects are prohibitively expensive due to development, one-time capital costs, and ongoing operating costs. ...*The CCS capital project on its own would cost \$6.2 billion dollars* for all four Spurlock units, which would need to be financed.

¶38. Consequently, *East Kentucky must shoulder \$10.7 billion in costs* during project development and in the early years of CCS operation. A project of this magnitude would be impossible for East Kentucky to finance—even without long-term expenditures, such as carrying costs—because just the initial capital outlay far exceeds the cooperative’s entire balance sheet and ability to support this financing activity. After investing billions of dollars for CCS, East Kentucky will produce fewer megawatts of electrical generation than it produces now due to parasitic load.

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¶40. East Kentucky calculated the rate impact ... to a residential customer at the end of the line. On a monthly basis, an average residential bill would [see] a *67 – 96% increase to residential bills, solely based on adding CCS to Spurlock*. Such an increase is *staggering and not possible....*

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43. In summary, to treat all of the flue gas at Spurlock using CCS on a continuing basis, *the price tag would be \$10.7 billion*, including the capital cost, storage cost, transportation cost, project carrying cost, and operation & maintenance cost. *This price tag is unquestionably excessive, and CCS as a compliance strategy is unsustainable and dangerously naive.*

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