

October 10, 2024

VIA E-MAIL

Mr. Scott Jackson
Industrial Section Chief
Alabama Department of Environmental Management
Water Division
P.O. Box 301463
Montgomery, AL 36130-1463

Re: **Annual Progress Report for Units 1-5 of the Ernest C. Gaston Electric
Generating Plant (NPDES Permit No. AL0003140)**

Dear Mr. Jackson:

In accordance with 40 C.F.R. § 423.19(g) (2024), this constitutes the “Annual Progress Report” of Alabama Power Company (“Alabama Power” or the “Company”) regarding the interim milestones listed in Alabama Power’s Notice of Planned Participation (“NOPP”) for Units 1-5 of the Ernest C. Gaston Electric Generating Plant (“Plant Gaston”), as submitted to the Alabama Department of Environmental Management on October 13, 2021.¹

Alabama Power’s NOPP for Plant Gaston Units 1-5 indicated an intent to comply with EPA’s 2020 ELG Rule² by complying with the Rule’s provisions relating to “unit[s] that will achieve permanent cessation of coal combustion by December 31, 2028.”³ Any facility that submits a NOPP for the permanent cessation category is required to submit an Annual Progress Report on the interim milestones provided in the NOPP.⁴ The “Annual Progress

¹ As stated in the October 13, 2021 NOPP, Plant Gaston Units 1-4 are owned by Southern Electric Generating Company (“SEGCO”), which itself is owned equally by Alabama Power and its affiliate Georgia Power Company. Alabama Power owns Plant Gaston Unit 5. Alabama Power is the designated operator for all five units and serves as agent for SEGCO. Alabama Power submits this Annual Progress Report (and all such reports) pertaining to Units 1-4 with explicit permission from and as agent for SEGCO.

² EPA, *Steam Electric Reconsideration Rule*, 85 Fed. Reg. 64,650 (Oct. 13, 2020) (codified at 40 C.F.R. Part 423).

³ 40 C.F.R. § 423.19(g) (2024).

⁴ *Id.* § 423.19(g)(3).

Report shall detail the completion of any interim milestones listed in the [NOPP] since the previous progress report, provide a narrative discussion of any completed, missed, or delayed milestones, and provide updated milestones.”⁵ EPA’s 2024 ELG Rule⁶ also added a new provision that requires a participant to include one of the following in Annual Progress Reports:

- A copy of the official suspension filing (or equivalent filing) made to the facility's reliability authority detailing the conversion to a fuel source other than coal;
- A copy of the official retirement filing (or equivalent filing) made to the facility's reliability authority which must include a waiver of rescission rights; or
- An initial certification, or recertification for subsequent annual progress reports, containing a statement that the facility will make one of the above-referenced filings.⁷

In the remaining portions of this Annual Progress Report, Alabama Power discusses the interim milestones for Plant Gaston Units 1-5, as well as the new reliability authority filing requirement.

Interim Milestones

Units 1-4

Alabama Power’s Plant Gaston NOPP listed the following interim milestones for Units 1-4.

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|--|--|
| 1 st Quarter 2022: | File Updated Georgia Power Company Integrated Resource Plan with the Georgia Public Service Commission |
| 3 rd /4 th Quarter 2022: | Submit the latest (2022) Integrated Resource Plan (“IRP”) information to the Alabama Public Service Commission (“APSC”), typically as part of a triennial submission |
| December 31, 2028: | Permanent cessation of coal combustion |

Alabama Power’s October 13, 2022 and October 13, 2023 Annual Progress Reports explained that the first two interim milestones were previously and timely completed.

⁵ *Id.* § 423.19(g)(4).

⁶ EPA, Supplemental Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category, 89 Fed. Reg. 40,198 (May 9, 2024) (codified at 40 C.F.R. Part 423).

⁷ See 40 C.F.R. § 423.19(g)(4)(i)-(iii) (2024).

In light of prevailing system operating conditions and the need to meet the ever-changing demand for power, the Company continues to review and assess whether continued operation of Gaston Units 1-4 beyond December 31, 2028 would be appropriate. A NOPP for the transfer of Gaston Units 1-4 to another authorized compliance option would be filed only after final decisions have been made.

Unit 5

Alabama Power's Plant Gaston NOPP listed the following interim milestones for Unit 5.

3rd/4th Quarter 2022: Submit the latest (2022) IRP information to the APSC, typically as part of a triennial submission

December 31, 2028: Permanent cessation of coal combustion

Alabama Power's October 13, 2022 and October 13, 2023 Annual Progress Reports explained that the first interim milestone was previously and timely completed.

The Company still currently plans to transition Gaston Unit 5 to operate solely on natural gas by December 31, 2028. In connection with this transition to natural gas, Transcontinental Gas Pipe Line Company, LLC ("Transco") filed on August 22, 2022 for a certificate of public convenience and necessity with the Federal Energy Regulatory Commission ("FERC") authorizing Transco to construct and operate its Southeast Energy Connector Project.⁸ As explained in the application, the Southeast Energy Connector Project will enable Transco to provide an additional 150,000 dekatherms per day of firm transportation capacity to support power production at Gaston Unit 5 using only natural gas. FERC issued the certificate on November 16, 2023, and construction is now underway. The project remains on schedule for a targeted in-service date of prior to the 2025-2026 winter season.

Alabama Power does not have any updated milestones to share at this time for Gaston Units 1-4 and/or Unit 5.

Reliability Filing Requirement

Alabama Power does not have a reliability authority for which the referenced filings are required. Alabama Power has reported its plans for permanent cessation of coal combustion by December 31, 2028 at Plant Gaston in its 2022 IRP Summary Report and in its most recent Environmental Compliance Plan, which was filed with the APSC in Docket Nos. 18117 and 18416 on December 12, 2023.

⁸ See *In re Transcontinental Gas Pipe Line Company, LLC*, FERC Docket No. CP22-501-000.

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If you have any questions regarding this Annual Progress Report, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Mike Godfrey".

Mike Godfrey
Environmental Affairs General Manager