

Update on Illinois Environmental Matter

Fall 2018

Earlier this year, Vistra Energy completed its merger with Dynegy, and now owns Dynegy Midwest Generation, LLC (DMG). DMG continues to own the retired Dynegy Vermilion Power Station.

We are committed to environmental stewardship and innovation that result in cleaner air, water, and land at all our sites, regardless of our assets' fuel source or operational status.

The Vermilion River Regulatory Process

The company has been clear in its belief that work is needed—work that has stalled for too long without resolution or action. We are ready, willing, and able to move forward with environmental protections at the site. However, we must receive the approval of state and federal agencies, and we are working diligently to obtain those approvals.

The company has submitted its recommendation to the Illinois Environmental Protection Agency for plans to permanently close the surface impoundments at the retired Vermilion plant site. Once approvals are received, we believe we can complete the recommended closure plan within a timeframe of three to five years.

First and foremost, we believe the company's recommended closure plan will be effective for the long term. This plan includes work to stabilize the riverbank and permanently close the surface impoundments in a way that complies with all applicable laws and is protective of the adjacent Middle Fork of the Vermilion River. Given the unique situation on the site and the proximity to the river, this plan goes well beyond precedent closures and includes removing ash from one of the existing impoundments to another impoundment that is farther away from the river as well as installing a slurry wall to provide additional groundwater protection.

Key Points of Recommended Closure Plan to Address the Unique Situation at the Vermilion Site

- Stabilize approximately 1950 feet of riverbank proximate to Old East Ash Pond and North Ash Pond.
- Old East Ash Pond: Remove the contents of the Old East Ash Pond and relocate to the New East Ash Pond which is farther away from the river.
- New East Ash Pond: Pull back the border of the impoundment and consolidate with the contents from Old East Ash Pond, then cap with a geosynthetic cap system. Closure of this lined impoundment with a geosynthetic cap system will provide similar groundwater protections as if the ash was removed.

- North Ash Pond: Cap with a geosynthetic cap system and add a slurry wall around the impoundment which will provide similar groundwater protections as if the ash was removed.
- This plan achieves closure more quickly and with less environmental and community impacts than removal. Removal would take between five and 10 years, whereas this option is expected to take between three and five years. Truck traffic associated with removal would be significant. This plan reduces the greenhouse gas footprint of the project, and impacts on roadways and the local community.

Our Environmental Commitment

In our meetings with environmental agencies, we have expressed our sincere interest in resolving Vermilion issues effectively, comprehensively, and as expeditiously as possible. Contrary to some reports, we are complying with the statutory and regulatory authorization process and have not sought any exemptions from any applicable laws or regulations.

While we wait for agency approvals, it is important to point out that we believe the river bank stabilization work could be completed in the course of a year with the surface impoundment closures to follow. The start date is impacted by the timing of regulatory approvals.

We are committed to environmental stewardship at all our sites. The company traces its roots back more than 130 years. Over that time and continuing today, we are committed to doing the right thing. We are proud of our environmental record and strong record of exemplary environmental compliance while meeting or exceeding our obligations. We look forward to demonstrating our commitment to our fellow citizens of Illinois.