



BACKGROUND SHEET

Settlement of Edwards Lawsuit and MPS Update

Edwards Lawsuit History: In April 2013, environmental groups filed a Clean Air Act citizen suit in federal district court in Illinois alleging violations of opacity and particulate matter limits, beginning while under Ameren’s ownership, at the Edwards facility, now owned by Illinois Power Resources Generating, LLC, a subsidiary of Vistra Energy. In August 2016, the Court granted the plaintiffs’ motion for summary judgment on certain liability issues. A bench trial on remedy issues was scheduled for the end of September 2019. The parties, however, recently reached a proposed settlement, which is under review by the Department of Justice and will thereafter require approval from the Court.

Proposed Settlement of Edwards Lawsuit: The proposed settlement would allow the presently economically viable Edwards plant to continue to operate for the next three years—through the end of 2022—while also providing \$8.6 million for projects that provide environmental, health, and economic benefits to Peoria-area communities, including 20% specifically for job training/educational assistance. This proposed settlement resolves a long-running lawsuit and resolves the uncertainty created by the lawsuit for the more than 70 employees working at the Edwards plant. The three-year window for continued operations will allow Edwards the opportunity to operate economically (as long as market conditions do not deteriorate further) and provide reliable power to Illinois while supporting the communities where our employees live and work. In addition, announcing the settlement at this time provides a transition period for local taxing entities to plan for the plant closure and begin adjusting their budgets. Per the terms of the settlement, the Edwards plant was not allowed to be considered as part of the recently announced retirement of 2,000 megawatts of coal-fueled plants required under the Illinois Pollution Control Board’s Multi-Pollutant Standard rulemaking.

Upcoming Plant Closures: In addition to the announcement regarding Edwards, Vistra recently announced which plants it intends to retire to comply with the 2,000 megawatt retirement requirement set forth in the revised MPS rule. This list does not include any further closures that may be caused by the systemic failure of the MISO capacity market.

- By end of 2019 (subject to MISO and other regulatory approval):
 - Coffeen Power Plant, Coffeen, IL – 915 MW
 - Duck Creek Power Plant, Canton, IL – 425 MW
 - Havana Power Plant, Havana, IL – 434 MW
 - Hennepin Power Plant, Hennepin, IL – 294 MW
- By end of 2022 (subject to court and MISO and other regulatory approval):
 - Edwards Power Plant, Bartonville, IL – 585 MW

Historic Emissions Reductions: The MPS rule regulates emissions at eight power plants operated by Vistra subsidiaries. The newly revised rule calls for a reduction in annual mass caps for SO₂ and NO_x. In addition, the revised rule requires adjustments of these annual caps as additional power plant units are shut down or transferred. As a result:

- SO₂ and NO_x Reductions
 - By the end of 2019, the retirement of the four plants will further reduce annual allowable SO₂ and NO_x emissions in the MPS group of plants, driving total allowable emissions down by 57% and 61%, respectively, from that allowed under the former MPS rule.

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- By the end of 2022, the retirement of Edwards will further lower the annual mass caps reducing allowable emissions to 21,920 for SO₂ and 10,040 for NO_x, a reduction of *67% and 69%* from the former MPS rule.
- CO₂ Reductions
 - While not explicitly required by the MPS, the 2019 retirements will significantly reduce CO₂ emissions by 13 million tons, or approximately *40%*, relative to 2018 levels – a 13 million ton reduction is the equivalent of permanently removing the emissions generated by 2.7 million passenger cars over an entire year.
 - By the end of 2022, the retirement of Edwards will lead to a *51%* reduction in CO₂ emissions by from a 2018 baseline.

Vistra's Remaining MISO Footprint: Vistra will do everything it can to maintain ongoing operations at its existing downstate fleet, but its remaining plants face significant challenges. These plants (including Edwards) are responsible for the generation of reliable, affordable power to Illinois consumers and produce over \$725 million in annual economic activity. These plants face an uncertain future due to the flawed conditions in the MISO market.

Illinois Needs An Energy Policy For Downstate: Vistra believes that Illinois needs a new energy policy for its downstate MISO market and supports the Illinois Coal to Solar and Energy Storage Act as a comprehensive, responsible, and affordable transition plan for its downstate fleet. The program would facilitate up to \$450 million investment in new renewable energy and battery storage projects at existing coal plant sites (including those recently slated for closure), provide necessary transition support for many remaining coal plants to provide energy security and avoid scarcity pricing downstate through 2024, and establish an orderly transition and retirement plan for Vistra's remaining coal-fired plants.

It is estimated that the Coal to Solar and Energy Storage Act would facilitate the development of up to 500 MW of new utility-scale solar and battery storage, which could create 2,000 construction jobs and result in 1.2 million solar panels being installed at to-be-repurposed coal plants by 2022.

About Vistra Energy

Vistra Energy (NYSE: VST) is a premier, integrated energy company based in Irving, Texas, combining an innovative, customer-centric approach to retail with a focus on safe, reliable, and efficient power generation. Through its retail and generation businesses, Vistra operates in 20 states and the District of Columbia, and six of the seven competitive markets in the U.S., with about 5,400 employees. Vistra is one of the largest competitive residential electricity providers in the country, and its retail brands serve approximately 3.7 million residential, commercial, and industrial customers with electricity and gas. The company's generation fleet totals approximately 41,000 megawatts of highly efficient generation capacity, with a diverse portfolio of natural gas, nuclear, coal, solar, and battery storage facilities. The company is currently developing the largest battery energy storage system of its kind in the world – a 300-MW/1,200-MWh system in Moss Landing, California.