

Lynn Dunaway  
Illinois Environmental Protection Agency  
1021 N. Grand Ave. East  
Springfield, IL 62702

RE: Waukegan Station Groundwater Samples

July 26, 2013

Dear Mr. Dunaway,

As you are aware, Midwest Generation Waukegan Station temporarily stores its coal ash within two high density polyethylene (HDPE) lined impoundments on the south side of the facility. Accumulated ash is routinely removed from the impoundments for subsequent beneficial reuse. Midwest Generation, in consultation with Illinois Environmental Protection Agency (IEPA), voluntarily installed five groundwater monitoring wells around the impoundments to assist in evaluating HDPE liner performance. Monitoring wells MW-1 through MW-4 were installed downgradient, relative to groundwater flow direction, of the impoundments and well MW-5 was installed upgradient of the impoundments. Groundwater monitoring consists of the collection of water levels and water samples on a quarterly basis from each well. The samples are analyzed for various inorganic and organic parameters to assist in evaluating whether the impoundment liners are performing in accordance with design and installation specifications. The water level and chemistry data from the initial six rounds of quarterly sampling indicated that the liners are performing properly and that there has been no release of ash constituents from the impoundments to groundwater. It was noted, however, that the upgradient monitoring well, MW-5, was detecting elevated levels of various ash constituents including, but not limited to, boron, manganese and sulfate.

To further investigate the noted upgradient impacts to groundwater, Midwest Generation, in consultation with IEPA, installed two additional monitoring wells, MW-6 and MW-7. Well MW-6 was installed upgradient of well MW-5 near the west property boundary, and well MW-7 was installed side-gradient of MW-5 near the south property boundary. These wells were added to the quarterly monitoring program. At the present time, three rounds of quarterly groundwater samples have been collected from the additional wells. This new data, in conjunction with the data from wells MW-1 through MW-5, is currently being analyzed by Midwest Generation and IEPA. The data verify previous conclusions that the lined ash impoundments are not leaking and indicate that the elevated impacts noted in upgradient well MW-5 are associated with a source other than the impoundments. Evaluating the chemical distribution of impacts within wells MW-5 through MW-7 suggest a potential historical/legacy source, some of which may be originating from off-site. Waukegan station is surrounded by historically industrial sites

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which are currently vacant, some of which are being remediated. It has been already established that there are impacts to Waukegan Station from these off-site properties.

At present, although the existing groundwater data from all of the monitoring wells is sufficient to rule out the existing ash impoundments as a source, Midwest Generation does not yet have sufficient groundwater and other data to determine the source of the elevated constituents detected in the initial sampling conducted from the two new groundwater wells. We have taken only three sets of samples from the new wells. Two out of the three sampling sets show elevated boron and manganese levels. There is not yet enough data to conduct a statistical analysis, but we intend to continue collecting quarterly samples in order to be able to do so. Also, Midwest Generation has initiated discussions with the property owner to the south to try to obtain additional information concerning groundwater conditions that will help in this investigation. It is Midwest Generation's intent to continue this investigation in order to determine the nature and extent of the groundwater impacts and to identify the source or sources. Once we have this information, we can determine how to address the groundwater impacts. Midwest Generation will continue to cooperate and work with IEPA on this issue, including providing future updates on the progress of the investigation.

Please don't hesitate to call with any questions.

Sincerely,

Maria L Race