January 13, 2026
Project No. 16225004.00

Mr. Charles Brown
Industrial and Hazardous Waste Permits Section, MC-130
Coal Combustion Residuals Program
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Re: Sandy Creek Energy Station Coal Combustion Residual Waste Management Facility
TCEQ Registration No. CCR107
CN604335455/RN105905657
2025 Annual Inspection Report Notification

Dear Mr. Brown:

On the behalf Sandy Creek Services, LLC (Owner and Operator), SCS Engineers is providing this letter of the availability of the 2025 Annual Inspection Report per 40 CFR §257.84(b)(2) for the Sandy Creek Energy Station (Plant) Coal Combustion Residual (CCR) Waste Management Facility (Landfill), TCEQ Registration No. CCR107. This letter is being provided in accordance with 40 CFR §257.106(g)(7) (30 TAC §352.1311) to the Texas Commission on Environmental Quality (TCEQ). In accordance with 40 CFR §257.105(g)(9) and §257.107(g)(7), this report has been placed in the Site Operating Record and placed on the Plant's publicly accessible website (http://www.sandycreekpower.net). This letter is being provided to TCEQ within 30 days of placing the annual inspection in the Site Operating Record.

If you have any questions related to the above described information, please feel free to contact Mr. Eduardo Choquis, P.E. at 713-213-8299.

Sincerely,

Kevin Rodriguez, E.I.T.
Associate Staff Professional
SCS ENGINEERS
TBPE Registration No. F-3407

Eduardo Choquis, P.E.
Project Director
SCS ENGINEERS

cc: Luke Johnson – Sandy Creek Energy Station

January 13, 2026
SCS Project No. 16225004.00

Mr. Luke Johnson
Compliance Manager
NAES Corporation
2161 Rattlesnake Road
Riesel, Texas 76682

Sent via email

Subject: Sandy Creek Energy Station
Coal Combustion Residuals Waste Management Facility
TCEQ Registration No. CCR107
2025 Annual Inspection Report per 40 CFR §257.84(b)(2) (30 TAC §352.841)

Dear Mr. Johnson:

SCS Engineers (SCS) is pleased to provide this 2025 annual inspection report for compliance with Title 40 Code of Federal Regulations (CFR) §257.84(b)(2) (Title 30 Texas Administrative Code (TAC) §352.841) related to the annual inspection of a coal combustion residuals (CCR) Landfill by a qualified engineer.

The Sandy Creek Energy Station (Plant) CCR Waste Management Facility (Landfill) is located at 2161 Rattlesnake Road, Riesel, Texas 76682, and is currently registered with the Texas Commission on Environmental Quality (TCEQ) under TCEQ Registration No. CCR107.

BACKGROUND

The Landfill is currently comprised of three CCR disposal cells, inclusive of Cell 1, Cell 2, and a portion of Cell 3 (inclusive of Subcells 3A through 3D). Cells 1 and 2 are classified as an existing CCR Landfill as defined under §257.53 since they were constructed and commenced operation in 2010 and 2014, respectively (prior to October 14, 2015). Cell 3, including the portion constructed in 2021, is considered a lateral expansion. The approximate areas of the currently constructed cells are 10.0 (Cell 1), 14.3 (Cell 2) and 10.3 (Cell 3) acres.

The primary waste disposed in the Landfill are fly ash and bottom ash generated during the coal combustion process at the Plant. Additionally, other Class 2 and Class 3 nonhazardous industrial waste generated at the Plant are disposed of at the Landfill consistent with the Registration Application.

ANNUAL INSPECTION [§257.84(B)(1)]

An annual inspection of the Landfill was performed on December 10, 2025, by Eduardo Choquis, P.E., a Professional Engineer licensed in the State of Texas. An annual inspection checklist was prepared during the inspection, and is attached to this report. At the time of the inspection, the Landfill was not operational due to repairs being conducted at the Plant, and intermediate cover was installed from 6/24 to 8/18/2025 over inactive areas (Cells 1 and 2).

Although the items described below and on the attached checklist were observed during the inspection, there were no existing conditions or changes from the previous annual inspection that appeared to have the potential to disrupt the operation, safety, or stability of the Landfill [§257.84(b)(2)(iv)]. Additionally, during the inspection, no appearance of actual or potential structural weakness was observed [§257.84(b)(2)(ii)].

During the inspection, as noted in the attached checklist:

- Moderate vegetative growth was observed within Cell 3 (no waste has been placed within this cell at the time), appears to be adequately maintained. Sacrificial liner within Cell 3 and near intercell berms was exposed and visible from the surface.

- Minor erosion was observed on the top and side slopes of Cells 1 and 2 along portions of newly-installed intermediate cover and associated top deck access road, and also on a small section of the perimeter road at the southwest corner of the Landfill. Seeding applied on the intermediate cover following construction was unsuccessful, which resulted in limited vegetative growth. This allowed minor erosion rills to propagate along the surface of the unvegetated soil intermediate cover. The erosion damage was minor considering recent precipitation events, indicating maintenance is being performed frequently and as needed on inactive Cells 1 and 2.

- Minor vehicle ruts and animal burrows were observed along the vegetated (Final Cover) side slopes of the Landfill. Observed limited to no erosion on this portion of the Landfill.

- Stormwater retention pond appears heavily vegetated; trimming would help identify visible deformities, if any, in the structure of the pond. Minor vegetative growth was also observed within the leachate evaporation pond along and corresponding to the soil plug areas. Recommend continuing to monitor these aquatic vegetative growths for potential damage to liner system.

- Dust emissions were not observed during the inspection (Plant not actively producing ash and, therefore, no CCR being disposed of at Landfill). Additionally, it was evident that Plant personnel have been actively repairing minor erosion rills and animal burrows as they appear and maintaining vegetation (e.g., tree growth removal and mowing) throughout the year when observed and as site conditions allowed. Groundwater monitoring systems were observed to be functioning as designed.

- Cell 2 leachate collection system was inoperable at the time of the inspection due to a pump failure; however, replacement parts were on order at the time of inspection, and the pump has since been repaired and is now operational. The leachate evaporation pond underdrain system pipe outlet appeared to be functioning correctly (no blockage) and is well maintained and free of overgrown vegetation.

During the inspection, SCS also reviewed the weekly inspection reports prepared by a qualified person in accordance with §257.84(a). All required weekly and monthly inspections have been completed for calendar year 2025. Consistent with §257.84(b)(1)(i), SCS reviewed the 2025 weekly inspections and the prior 2024 annual inspection report. Items noted during the 2025 weekly inspections were similar to the items noted in the 2024 annual inspection report, which were primarily related to

ongoing challenges with erosion and vegetation establishment. In addition, items observed during the 2025 annual inspection will be corrected by Plant personnel in the near future (weather permitting). **Based on a review of these inspections, Plant personnel have routinely corrected or maintained the Landfill, as weather allowed, for items identified in the inspections and during Landfill operation. Additionally, no deficiencies were observed during the weekly or annual inspections that could result in harm to human health, the environment, or that had resulted in a release.**

Lastly, during the inspection, consistent with §257.84(b)(1)(i), SCS also reviewed all other documents in the Site Operating Record. All documents required to be in the Site Operating Record in accordance with 40 CFR §257.105 and 30 TAC §352.1301 were present during the inspection.

In summary, based on the above-described inspection and recommended improvement items and consistent with the previous annual inspection (dated 1/13/2025), in our opinion, the design, construction, operation, and maintenance of the Landfill (inclusive of the items inspected in the attached checklist) are being performed consistent with recognized and generally accepted good engineering standards.

VOLUME OF IN-PLACE WASTE [§257.84(B)(2)(ii)]

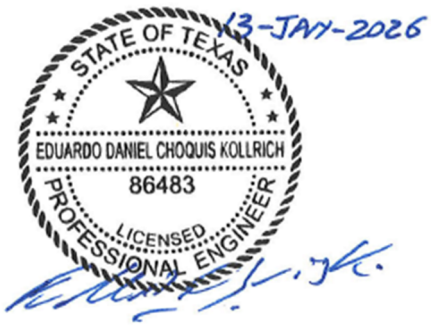
The approximate volume of CCR contained in the Landfill at the time of the inspection was estimated in accordance with §257.84(b)(2)(ii). The Landfill has been operational since early 2013 and inactive since June 2025.

Surveys of the Landfill have been conducted since April 2013, with the most recent survey being performed on August 18, 2025. Based on a comparison of the as-built top of liner grades and existing grades at the time of the surveys, the Landfill has approximately 1,568,753 cubic yards of CCR waste (including cover soils) as of August 18, 2025 (provided by Plant personnel). In addition, because the Plant shut down operations in June 2025 (Landfill last received waste prior to 8/18/25 survey), no CCR waste was disposed of in the Landfill between August 18, 2025 and December 10, 2025. **Therefore, as of the date of the annual inspection (December 10, 2025), it is estimated that the Landfill contained approximately 1,568,753 CY of CCR waste (including cover soils).**

CLOSING

SCS appreciates the opportunity to perform the 2025 annual inspection of Sandy Creek Energy Station Coal Combustion Residual Waste Management Facility. Should you have any questions or require additional information regarding this inspection, please contact Eduardo Choquis, P.E. at 713-213-8299.

Sincerely,



Kevin Rodriguez, E.I.T.
Associate Staff Professional
SCS ENGINEERS
TBPE Registration No. F-3407

Eduardo Choquis, P.E.
Project Director
SCS ENGINEERS

Attachments: Coal Combustion Residual Waste Management Facility Annual Inspection Checklist
Annual Site Operating Record Review

Sandy Creek Energy Station

Coal Combustion Residual Waste Management Facility Annual Inspection Checklist

40 CFR §257.84(b) - Requires inspections on an annual basis by a Qualified Professional Engineer

Date and Time of Inspection: December 10, 2025 at 9:00 a.m.

Professional Engineer's Name: Eduardo Choquis, P.E.

Weather Summary at time of Inspection: Clear, Sunny, Windy (12MPH from N-NW), 55˚F

Precipitation for the previous 7 days: 0.1 inch

1. Landfill Structure and Slope

Sloughing, Slumping, Sliding		Surface Cracking		Excessive Slope		Toe of Slope Moving		Inadequate Compaction	
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X		X

Inappropriate Vegetative Growth		Animal Burrows		Erosion Damage		Vehicle Damage	
Yes	No	Yes	No	Yes	No	Yes	No
	X[1]		X[2]	X[3]			X[4]

Additional Observations: 1. Vegetative seeding unsuccessful on north Cells 1 & 2 intermediate cover, causing limited vegetative growth. 2. Although no animal burrows were encountered, signs of wildlife were noted traversing the site. 3. Minor erosion was present around the Landfill sideslopes and unvegetated top deck, appears to be actively maintained. 4. Light vehicle tracks found on unvegetated top deck.

2. Landfill Cover

Qualifier	Intermediate Soil Cover		Final Soil Cover		Bottom Ash Cover		Alternative Cover	
	Yes	No	Yes	No	Yes	No	Yes	No
Installed	X		X			X		X
Erosion		X[1]		X	N/A[2]		N/A	
Location	Side & top slopes							

Additional Observations: 1. Unvegetated Intermediate cover exhibited minor erosion rills. 2. The landfill is currently inactive, thus, no ash was being utilized as cover.

3A. Run-on and Run-off Control System

Uncontaminated Surface Water Management System

Qualifier	Diversion Berms		Downchutes		Perimeter Drainage Channels		Culverts		Detention Basins	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Inspection	X			X	X		X		X	
Damage		X[1]	N/A			X		X		X
Type	Berms removed				N/A		N/A		N/A	
Location	Top of FC area									

Additional Observations: 1. Soil stockpiles from perimeter diversion berms (removed by contractor during intermediate cover installation) were noted at top deck of final cover area.

3B. Run-on and Run-off Control System

Contact Water Management System

Qualifier	Diversion Berms		Drainage at Perimeter Berm		Drainage at Separation Berm		Culvert		Ponding of Contact Water		Release of Contact Water	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Inspection		**X**		**X**		**X**		**X**	**X**			**X**
Damage	**N/A**		**N/A**		**N/A**		**N/A**			**X**	**N/A**	
Type									**N/A**			
Location												

Additional Observations: The landfill is not active and an intermediate cover has been installed, there should be no surface contact water being generated currently.

4. Exposed Liner and Leachate Collection and Removal System

Qualifier	Intercell Berm Sacrificial Plastic		LCRS Riser Pipes		Leachate Sump Pump/Controls		Leachate Evaporation Pond		
	Yes	No	Yes	No	Yes	No	Yes	No	Freeboard (ft)
Inspection	**X**		**X**		**X**		**X**		**5**
Damage		**X**		**X**		**X**[1]		**X**	
Type									
Location									

Qualifier	LCRS Ball Valve		Protective Cover		Exposed Geosynthetics	
	Yes	No	Yes	No	Yes	No
Inspection	**X**		**X**			**X**
Damage		**X**		**X**	**N/A**	
Type						
Location						

Additional Observations: 1. Pump control panel at Cell 2 leachate headwall inoperable at time of inspection due to a pump failure; however, replacement parts were on order at the time of inspection, and the pump has been repaired and is now operational.

5. Fugitive Dust

Landfill		Haul Trucks		Ash Silo	
Yes	No	Yes	No	Yes	No
	X		**X**		**X**

Additional Observations: Facility is currently inactive.

6. Leachate Evaporation Pond Underdrain System

Sediment		Vegetation		Debris		Water Flow	
Yes	No	Yes	No	Yes	No	Yes	No
	X	X[1]			X		X

Additional Observations: 1. Underdrain outlet pipe system looks to be in good condition, well maintained, and vegetation not overgrown.

7. Groundwater Monitoring System

Damage		Excess Vegetation		Lock Working		Housing Lid Functional		Insects in Housing		Housing Paint Peeling		Label Adequate	
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	X		X	X		X			X		X	X	

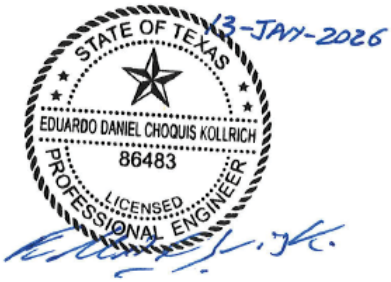
Additional Observations: Groundwater monitoring wells are in good condition, properly maintained and operational.

8. Document Review

Description	Yes	No
Weekly Inspection Checklists Reviewed:	X	
All Weekly Inspections Completed:	X	
Site Operating Record Reviewed:	X	
All necessary documents maintained in Site Operating Record: (see attached Annual Site Operating Record Review)	X	

Additional Observations:

Additional Comments/Observations/Recommendations:



Professional Engineer's Signature and Seal

1/13/2026
Date

SANDY CREEK ENERGY STATION
CCR WASTE MANAGEMENT FACILITY

ANNUAL SITE OPERATING RECORD REVIEW				Maintained in Operating Record		
Primary Citation	**Description**	**Deadline**	**Date Completed**	**Yes**	**No**	**NA**
§257.60(a) and §352.601	Documentation of compliance with location restrictions: aquifer	No later than date of initial reciept of CCR in any lateral expansion (e.g. Cell 3)	6/7/21 (Cell 3)	**X**		
§257.61(a) and §352.611	Documentation of compliance with location restrictions: wetland	No later than date of initial reciept of CCR in any lateral expansion (e.g. Cell 3)	6/7/21 (Cell 3)	**X**		
§256.63(a) and §352.631	Documentation of compliance with location restrictions: damage seismic impact zone	No later than date of initial reciept of CCR in any lateral expansion (e.g. Cell 3)	6/7/21 (Cell 3)	**X**		
§256.62(a) and §352.621	Documentation of compliance with location restrictions: damage zone near fault lines	No later than date of initial reciept of CCR in any lateral expansion (e.g. Cell 3)	6/7/21 (Cell 3)	**X**		
§257.64(a) and §352.641	Documentation of compliance with location restrictions: unstable areas	10/17/2018	10/1/2018 (Cells 1 & 2), 6/7/21 (Cell 3)	**X**		
§257.70(e) and §352.701	Liner Design Certification	60 days prior to construction of any lateral expansion (e.g. Cell 3)	6/7/21 (Cell 3)	**X**		
§257.70(f) and §352.701	Liner Construction Certification	No later than date of initial receipt of waste in any new waste unit	12/1/22 (Cell 3)	**X**		
§257.80(b) and §352.801	Fugitive Dust Control Plan	10/19/2015	10/18/2015, rev. 5/6/22	**X**		
§257.80(c) and §352.801	Fugitive Dust Control Plan Annual Report	1 year after previous report completion	12/16/16, 11/30/17, 12/18/18, 12/19, 12/20, 12/21, 12/22, 12/23, 12/24, 12/25	**X**		
§257.81(c) and §352.811	Initial and Periodic run-on and run-off control system plan	10/17/2016, and every 5 years after initial plan	10/14/2016, rev. 10/14/21 (Rev. 5/6/22)	**X**		
§257.84(a) and §352.841	Weekly Inspection Reports	Weekly in 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024	Weekly in 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, and 2025	**X**		
§257.84(b) and §352.841	Annual Inspections Report	Due 1/19/2016 and 1 year after previous report completion	1/13/16, 1/13/17, 1/13/18, 1/13/19, 1/13/21, 1/13/22, 1/13/23, 1/13/24, 1/13/25	**X**		
§257.84(b)(5) and §352.841(b)	Documentation of corrective measures for deficiency or release (based on annual report)	As soon as feasible	NA			**X**
§257.90(e) and §352.901	Annual groundwater monitoring and corrective action report	1/31/2018, and Annual Report due 1 year after previous report completion	1/30/18, 1/30/19, 1/30/20 and 1/29/21, 3/4/2022, 2/1/2023, 2/14/2024, 1/13/2025	**X**		
§257.91(e)(1) and §352.911	Documentation of design, installation, development, and decommissioning of GW Wells	10/17/2017	3/11/2016	**X**		
§257.91(f) and §352.911	Groundwater Monitoring System certification	10/17/2017	3/11/2016	**X**		
§257.93(f) and §352.931	Certification of selected statistical method for evaluating GW monitoring data	10/17/2017	3/2/2016, rev. 10/6/22 (Rev. 10/2/23)	**X**		
§257.94(e)(3) and §352.941	GW Assessment Monitoring Program establishment notification	30 days after plan establishment	NA			**X**
§257.95(d)(1) and §352.951	GW Assessment monitoring program sampling and results	90 days after results, and on at least semiannual basis thereafter	NA			**X**
§257.95(g) and §352.951(e)	Notification of GW constituent(s) being above protection standards	30 days after detection	NA			**X**

SANDY CREEK ENERGY STATION
CCR WASTE MANAGEMENT FACILITY

ANNUAL SITE OPERATING RECORD REVIEW				Maintained in Operating Record		
Primary Citation	**Description**	**Deadline**	**Date Completed**	**Yes**	**No**	**NA**
§257.96(d) and §352.961	Assessment of GW corrective measures	90 days after detection	NA			**X**
§257.96(e) and §352.961(c)	Documentation recording public meeting for GW corrective measures assessment	After meeting	NA			**X**
§257.97(a) and §352.971	Progress reports (Semiannually) for selecting and design remedy for GW corrective action	6 months after selection and design completion	NA			**X**
§257.98(e) and §352.981	Notification and certification of GW remedy completion	After 30 days of completion	NA			**X**
§257.102(b) and §352.1221	Closure Plan	10/17/2016	10/14/2016, rev 10/6/22	**X**		
§257.102(f)(2) and §352.1221	Closure time extension certification	After 30 days of certification	NA			**X**
§257.102(g) and §352.1221	Initial of closure notification	After 30 days of notification	NA			**X**
§257.102(h) and §352.1221	Closure completion notification	After 30 days of notification	NA			**X**
§257.102(i) and §352.1221	Closure notation on the deed	After 30 days of completion	NA			**X**
§257.104(d) and §352.1241	Post-Closure Plan	Initial Registration and any subsequent modification	10/14/2016, rev 10/6/22	**X**		
§257.104(e) and §352.1241	Post-closure care completion notification	After 30 days of notification	NA			**X**
§335.9(a)	Records of waste disposed onsite or sent offsite	Texas waste code will be recorded prior to disposal in the Landfill, volume of waste disposed in the Landfill will be conducted during the annual inspection in accordance with Section 3 of the SOP, and information for waste sent offsite will be recorded following removal from site.	Texas waste code: 1/19/22 (Initial TCEQ Registration), Volume of waste: 1/13/16, 1/13/17, 1/13/18, 1/13/19, 1/13/21, 1/13/22, 1/13/23, 1/13/24, 1/13/25. Waste sent offsite: Ongoing	**X**		
§257.105(h) and §352.1301(b)	Groundwater monitoring and associated groundwater surface elevations	30 days after of completion	1/30/18, 1/30/19, 1/30/20, 1/29/21, 3/4/2022, 2/1/2023, 2/14/2024, and 8/21/2024, and 6/30/2025	**X**		
§352.1321(c)	Post issued effective registration; all applications and revisions; registration public notice(s); TCEQ draft registration; TCEQ compliance summary; other documents regarding and/or summarizing the TCEQ's review of or initial decision on the Registration Application on publicly accessible website	Initial Registration and any subsequent modification	1/19/22 (Initial TCEQ Registration), 5/6/22 (NOD1 Response), 10/20/22 (NOD2 Response), 10/5/23 (NOD3 Response), 3/12/24 (Supplemental Information), and 11/21/2025 (Response to 11/14/2025 TCEQ request for additional information)	**X**		