Algonquin Power Windsor Locks
Windsor Locks, CT

History of the Facility

- Commissioned April 14, 1990, as Dexter Cogeneration Facility
- PPA with CL&P for 38-39 MW for 20 yrs.
- Supply electric and steam for adjacent Dexter/Ahlstrom Paper Mill
- Mill electric demand is 8-13 MW
- Steam demand is 40-100 Klbs/hr

History of the Facility

- 2000 – Dexter Corporation liquidated/sold company to Ahlstrom Fiber Composites
- 2003 – Ahlstrom sold the Cogen plant to Algonquin Power Income Trust of Canada
- Presently known as Algonquin Power Windsor Locks, LLC
- Historical plant availability on-peak is >99% and off-peak ~ 94%

Benefits of the Facility

- The design of a Gas Turbine combined cycle provides a more efficient use of our fuel (~ 50% Thermal eff. vs. ~ 35% conventional fossil plant)
- The Ahlstrom mill benefits by having lower energy costs so that they can be more competitive in their markets
- Societal benefits include the efficient use of our resources with the least environmental impact and minimal cost to CT ratepayers

Host Relationship

- Plant owned by the host
- Plant owned by a third party
- Coordinating plant/mill outages, operating schedules, interfacing systems (water, waste streams, site environmental responsibilities)

End of PPA

- The PPA with CL&P ends on April 13, 2010
- CL&P not interested in extending or renewing the PPA
- CL&P no longer in the power business

Post PPA Operations

- Being forced to enter the electric market introduces the complexity of having to meet a base load commitment (Mill) with a plant that now is dispatchable to the grid intermittently
- Cost impact to both Mill and APWL
- Will run the plant dramatically less efficient to satisfy the above scenario

Effects of Deregulated policies on DG incentives

- Without a PPA with the utility, an existing PURPA unit such as APWL is forced to alter its operations to adapt to market rules which can run counter to operating efficiently and reliably and can negatively impact the host.
- Complexities include: fuel purchasing, power prices, market compliance management w/ a limited staff on-site

Effects of Deregulated policies on DG incentives

- As a third party operator, dramatically increases the business risk to both parties
- The mill (host) and the Cogen, both rely on each other to exist in business
- With the utility being indifferent to maintaining a relationship with a concept that was developed by PURPA, places at risk the two companies future and the negative economic impact it will create to the local economy & the state

Thank you for your attention
Question ?