



## CITY OF SPRINGFIELD, ILLINOIS

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# Plant Retirement/Retainment Considerations

## Retain Unit 4 & Combustion Turbines

- Unit 4
  - ✓ Most efficient and economical
  - ✓ Lowers Risk
- Combustion Turbine Units
  - ✓ Factory, Reynolds & Interstate
  - ✓ Cover Peak if needed

## Retire Dallman 31 & 32

- Avoid \$40M in Costs in next 5 years
  - ✓ Coal Ash Regulations
  - ✓ Boiler Repairs
  - ✓ Turbine Overhauls
  - ✓ Major Maintenance
- Avoid \$10-12M/year loss vs Market
- Decommissioning cost \$700k
  - ✓ Lube Oil, Cleaning, Building Heat
- 15 employees would be transitioned. Attrition and not filling vacancies has lowered the impact from 25 total positions

## Retain Dallman 33

- Incur \$29M in Costs over next 5 years
  - ✓ Coal Ash Regulations
  - ✓ Boiler Repairs
  - ✓ Major Maintenance
  - ✓ Excludes \$ for ELG FGD Blowdown
- \$13-16M/year loss vs Market
- Retain Jobs
- Start Dry Fly Ash Engineering
- Start New FGD Blowdown Treatment Facility Engineering
- Provides backup to Unit 4 but at large cost

## Retire Dallman 33

- Avoid \$ 29M in Costs in next 5 years
  - ✓ Coal Ash Regulations
  - ✓ Boiler Repairs
  - ✓ Major Maintenance
- Avoid \$13-16M/year loss vs Market
- Decommissioning cost \$2M
  - ✓ Transmission Upgrades, Lube Oil and Cleaning
- 50 employees would be transitioned. Attrition can lower the impact.
- No Earlier Retirement than Fall of 2021
- No Later Retirement than Fall of 2023

# Reliability, Risk & Other Financial Considerations

Aside from avoiding environmental compliance costs and other major capital expenses for repairs and major maintenance, if Dallman Units 31, 32 & 33 retired, consider:

- CWLP customer load is covered with Unit 4 and combustion turbines almost 100% of the time.
- Transmission upgrades will improve ability to import power when additional capacity needed.
- CWLP Energy & Capacity Revenue keeps decreasing
  - ✓ Energy Prices need to double in order to make Dallman 31, 32 and 33 viable.
  - ✓ Capacity Prices need to triple in order to make Dallman 31, 32 and 33 viable.
  - ✓ Units are running 30% less and revenues are \$2M less than expected through October FY20.
- CWLP can seek Energy & Capacity Purchases
  - ✓ Lowest Cost is the market
  - ✓ Purchase Power Agreements, Bi-lateral Transactions, Real Time/Day Ahead
- Demolition of Dallman Units 31, 32 and 33 is a sunk cost (\$7.5M-\$10M) and not recommended since complex is still used for offices and inventory space.