

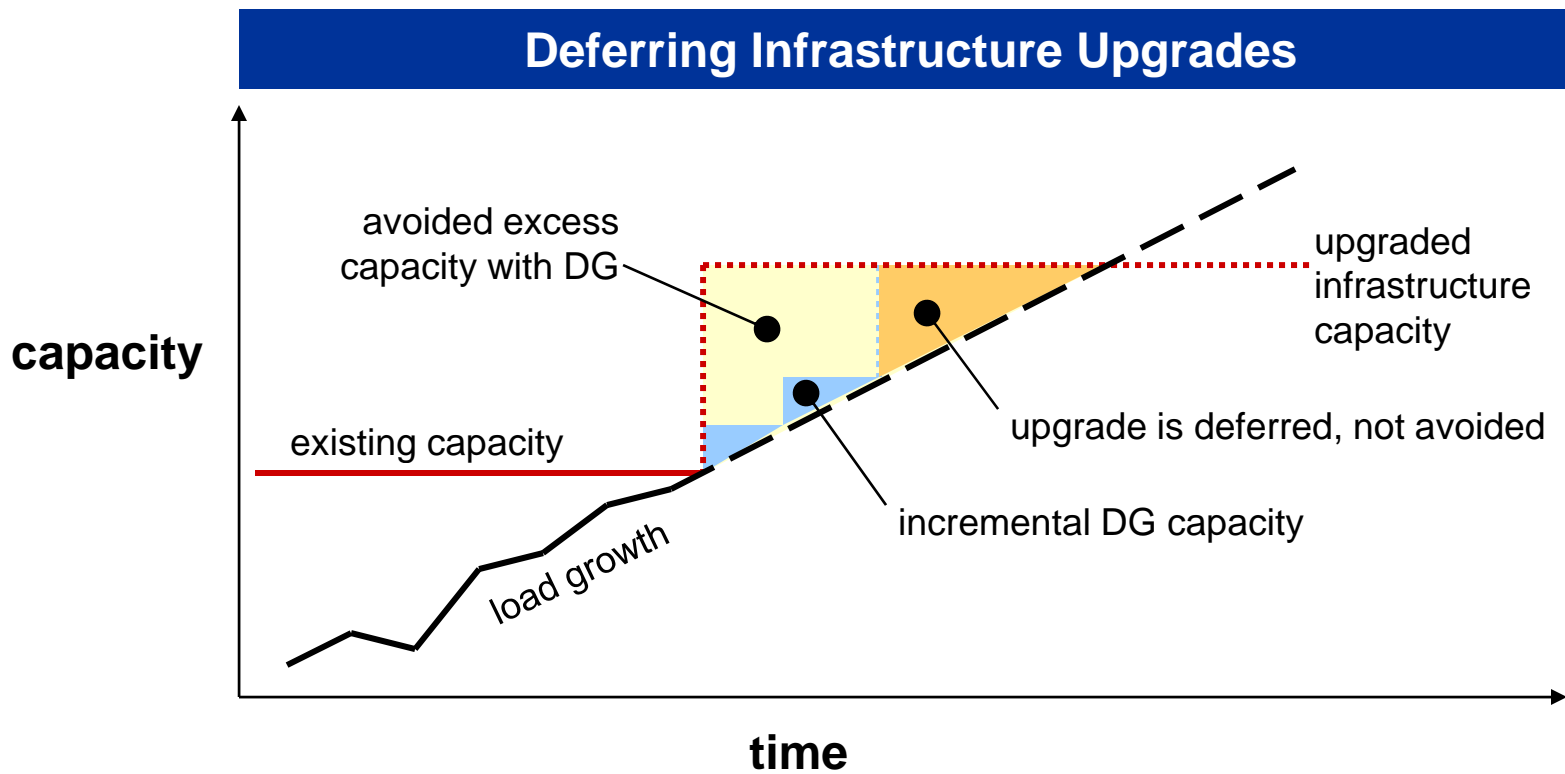
Creating a Win-Win CHP Strategy at Central Hudson

NYSERDA CHP Conference
June 23-25, 2004

S. D. Hamilton
Central Hudson Gas & Electric
Poughkeepsie, New York

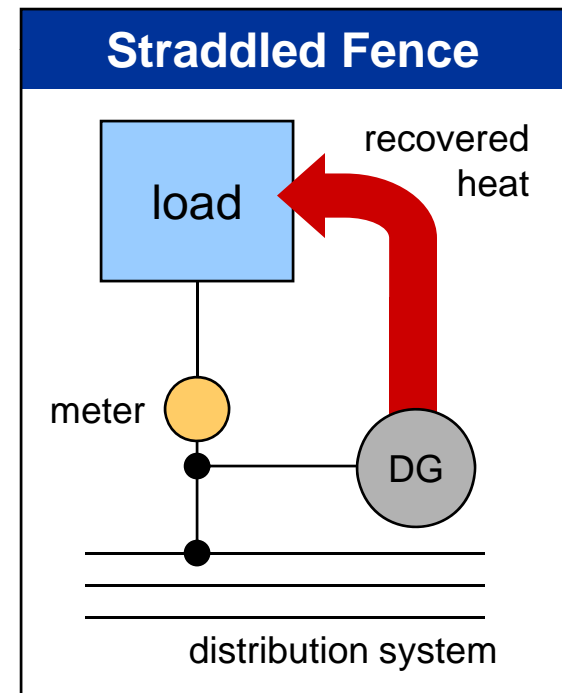
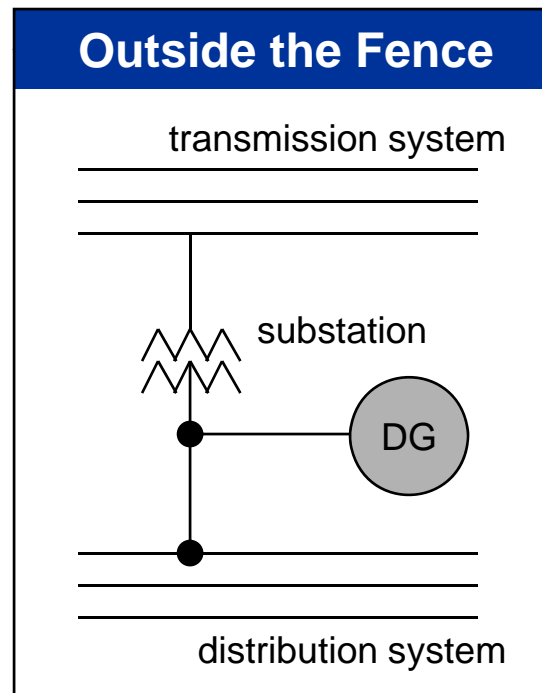
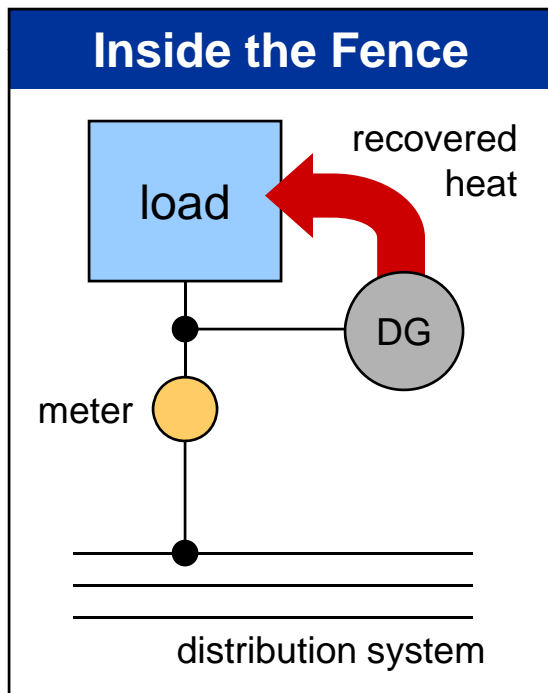
We see two primary utility benefits with DG/CHP

- Use strategically located DG to defer costly infrastructure upgrades
- Incorporate DG/CHP into supplemental “enhanced” energy services



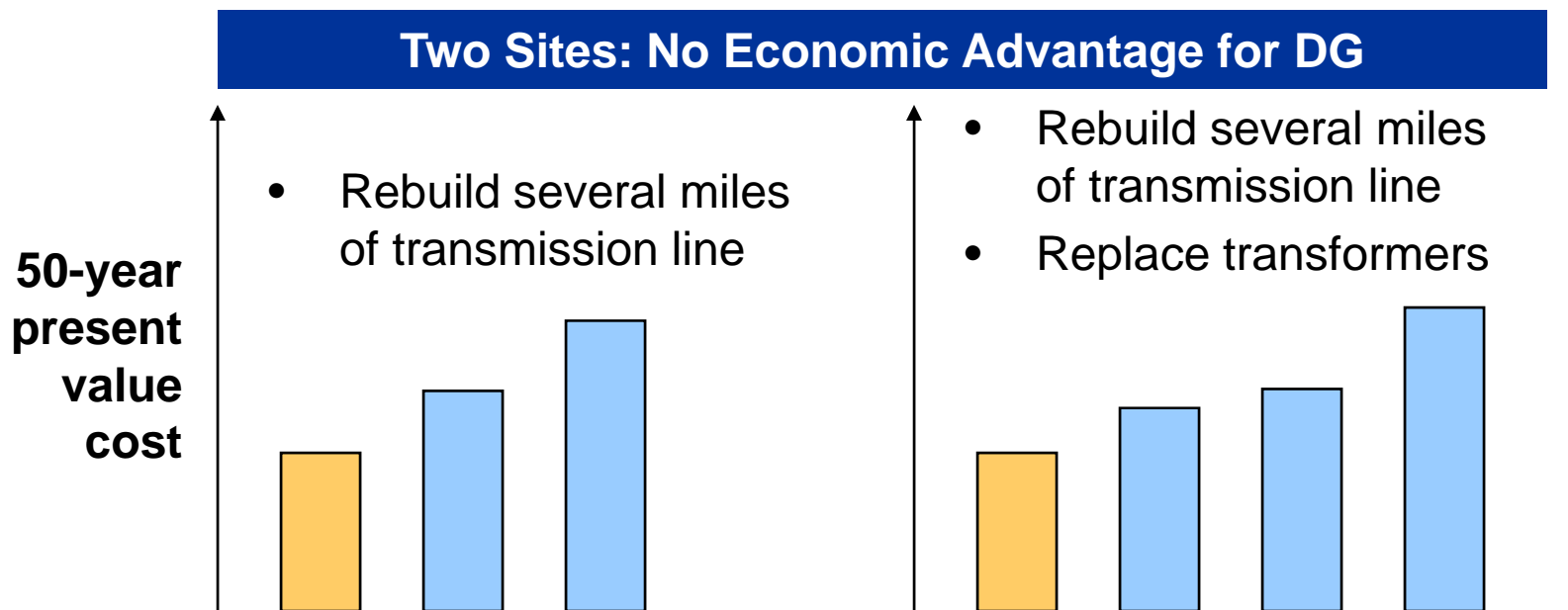
We see the greatest win-win potential with a “Straddled Fence” model

- Inside the fence model means lost revenue to utilities
- Outside the fence model makes heat-recovery and economics difficult



Our experience with the DG Pilot Program showed promise but did not yield any successful projects

- No bids in the first year
- Refined the RFP and received five bids the second year (two sites)
- In all cases, the DG bids were more expensive than the traditional infrastructure upgrades



Current economics of on-site CHP at Central Hudson

- Approximately \$0.067/kWh electric (demand-metered commercial)
- Approximately \$9/MMBtu for natural gas (firm commercial)

