Creating a Win-Win CHP Strategy at Central Hudson

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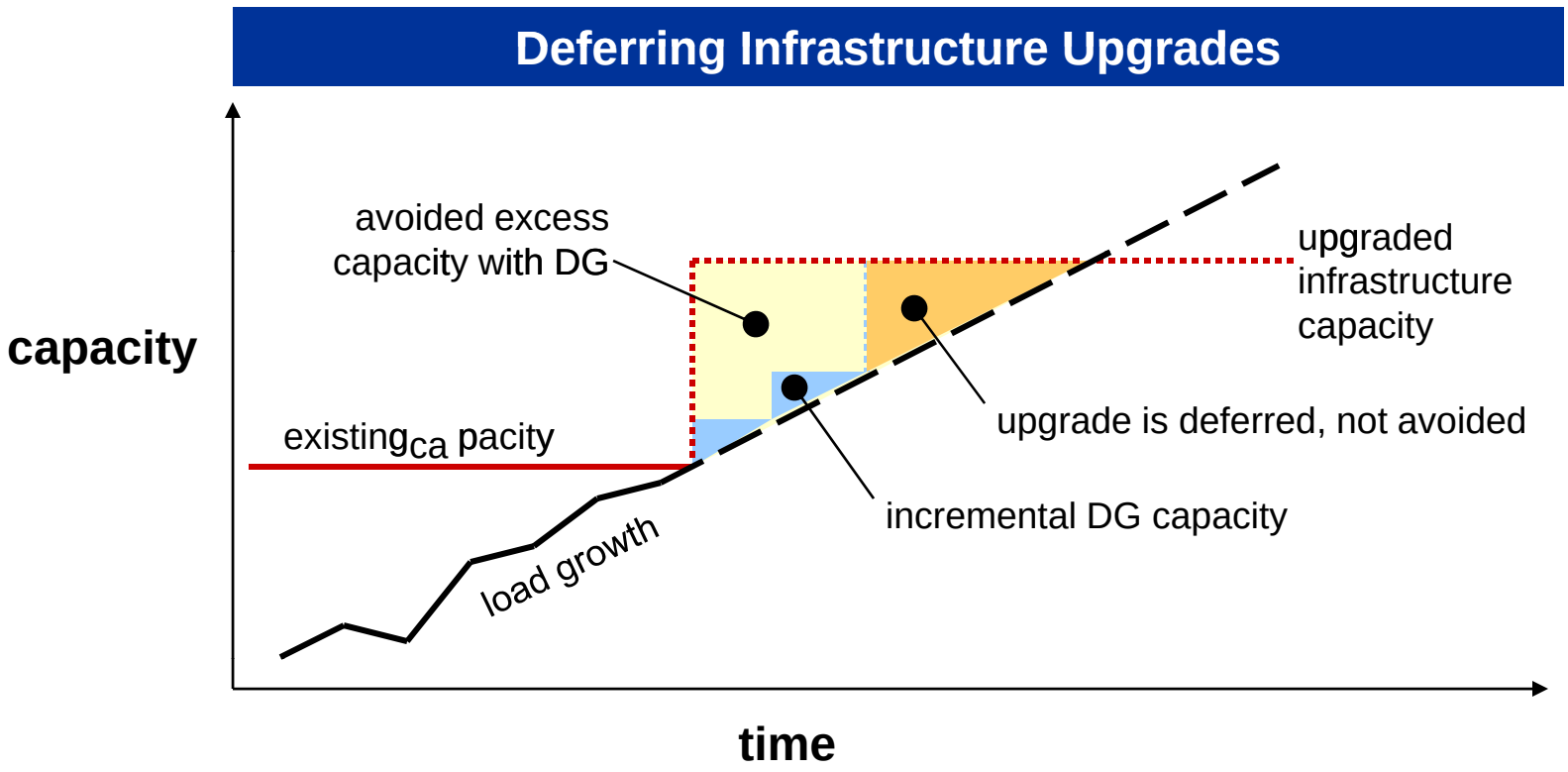
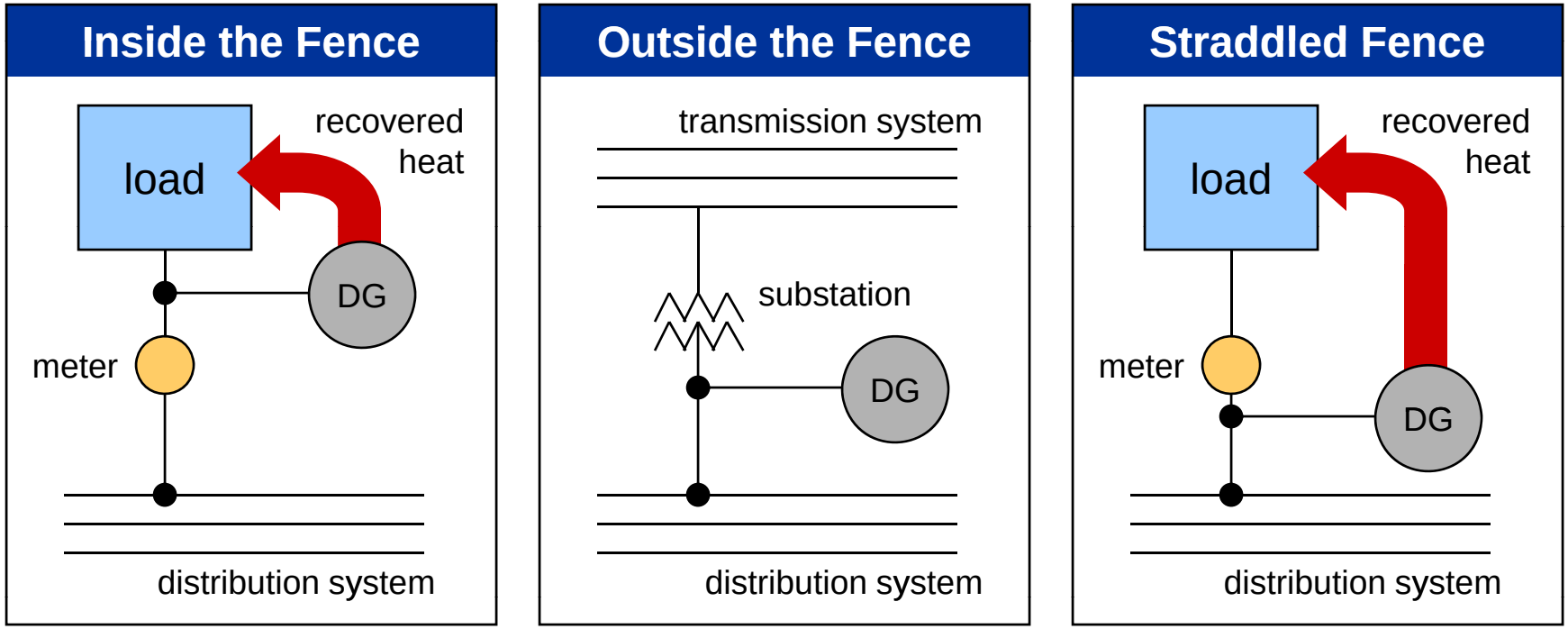
We see two primary utility benefits with DG/CHP

- 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

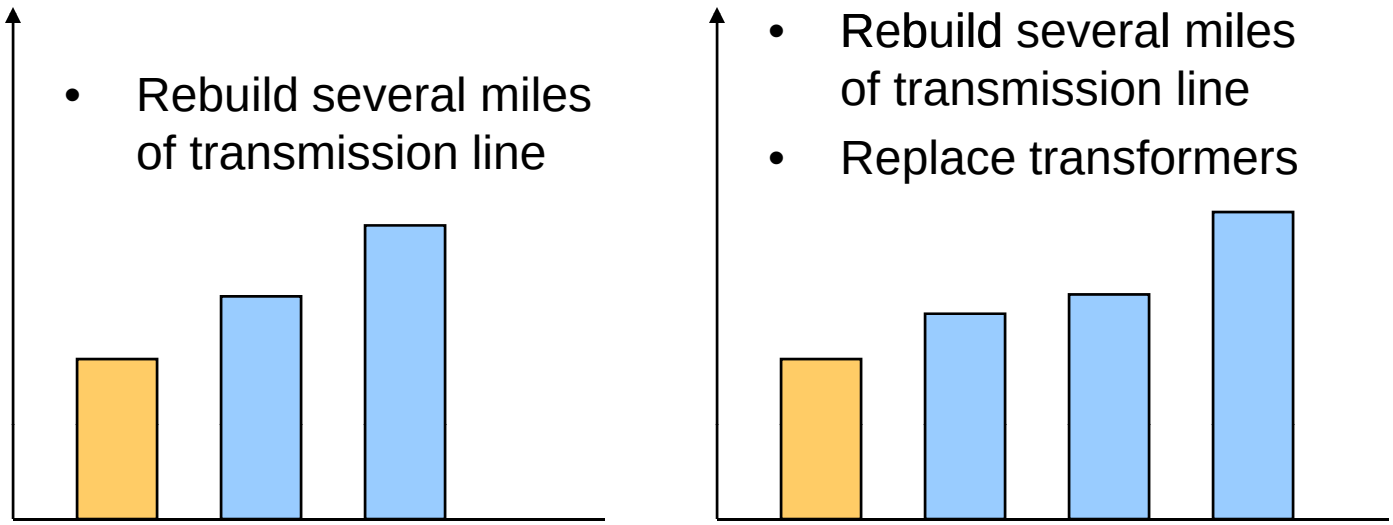


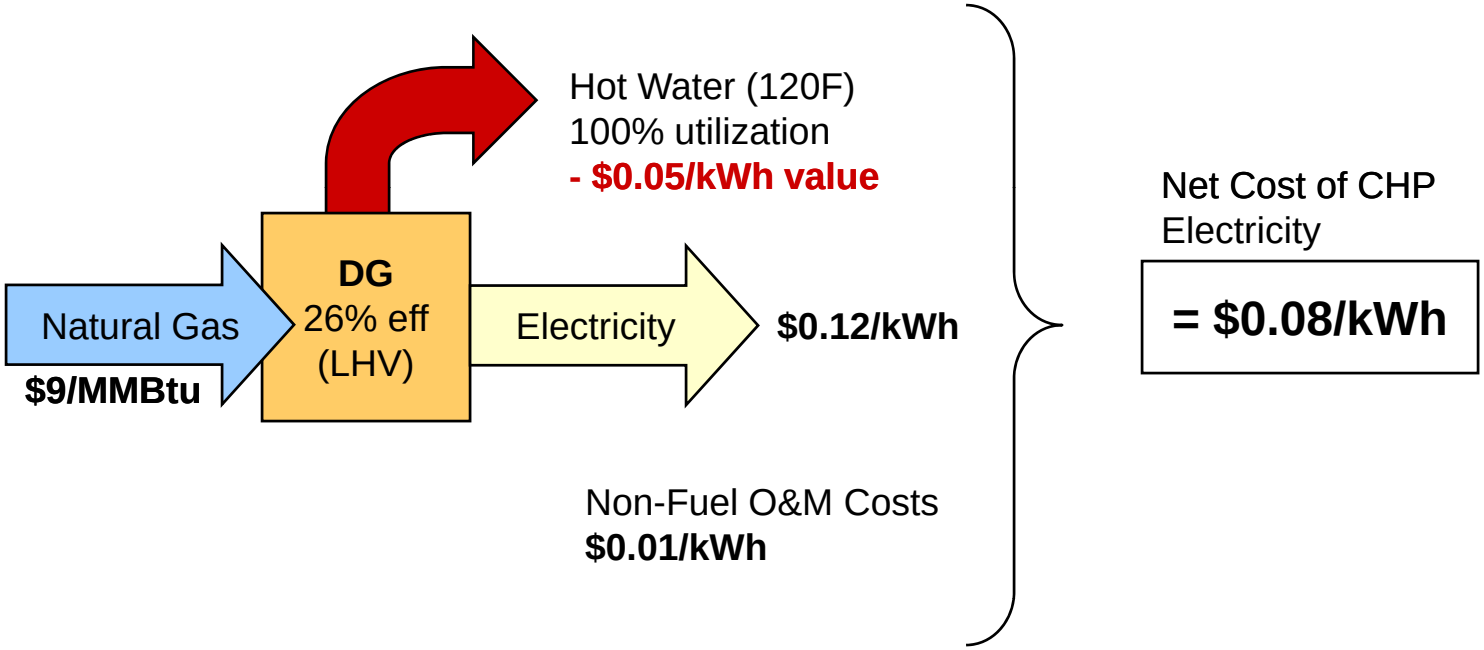
Our experience with the DG Pilot Program showed promise but did not yield any successful projects

- 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

Two Sites: No Economic Advantage for DG

50-year present value cost



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)