



ARKANSAS RIVER POWER AUTHORITY | eNews | June 3, 2014

ARPA Board Re-Evaluating Power Plant Options

The Arkansas River Power Authority (ARPA) Board of Directors recently announced that it is re-evaluating the long-term options for the Lamar Repowering Project to determine how to best meet its members' future energy needs.

The boiler for the coal-fired power plant has not been able to comply with its air emissions guarantees, and the plant has been maintained off-line since late 2011. ARPA has been working with Babcock & Wilcox (B&W), the boiler manufacturer, to resolve issues related to the boiler's inability to meet air emissions guarantees. However, B&W has refused to fund the installation of its proposed modifications to the boiler, and could not guarantee that those modifications would resolve the emissions issues. In February ARPA filed a lawsuit for damages against B&W.

ARPA General Manager Rick Rigel said that, "Unless the boiler can operate within its emissions guarantees, we cannot operate the plant. After several attempts, B&W has failed to deliver a fully functioning boiler capable of meeting emission guarantees; therefore, the ARPA Board has been forced to re-evaluate its options with respect to the Lamar Repowering Project, including the potential for decommissioning the plant."

ARPA commissioned studies with third-party experts regarding the economics of the facility and how to best meet its members' long-term energy needs. These studies have shown that the cost of making the proposed modifications to the plant, with no guarantee that they would bring the plant into full compliance, would result in higher rates for the ARPA members over the next several years. Furthermore, the proposed modifications would increase the operating costs for the plant, making the power produced from it more expensive and less competitive, should the plant be placed back on-line in the future.

ARPA has scheduled a series of public meetings in Lamar to gather input from the public regarding the issue and the potential decommissioning. The first public meeting will be held on Wednesday, June 11 beginning at 10 a.m. in the Multi-Purpose Room at the Lamar Community Building located at 610 South 6th Street. Members of the public are invited to this meeting to provide comments to the ARPA Board. A business meeting of the Board will follow immediately after the public meeting.

Additional public meetings will be held on Wednesday, June 25 at 7 p.m. in the Multi-Purpose Room at the Lamar Community Building located at 610 South 6th Street, and on Monday, June 30 at 7 p.m. in the Cultural Events Center located at 102 East Parmenter in Lamar.

"Our goal is to bring rate stability to our members and the communities they serve," Rigel said. "We want to make sure the communities we serve are part of that dialogue."

ARPA provides wholesale electricity to its member communities of Holly, La Junta, Lamar, Las Animas, Springfield and Trinidad. ARPA owns the Lamar Repowering Project and contracts with Lamar Utilities Board/Lamar Light and Power to operate the plant.

ARPA | eNews is an electronic newsletter designed to keep member communities and the public up to date on developments associated with the Arkansas River Power Authority. Please forward it to anyone you think would be interested. Contact Arvenia Morris at amorris@arpapower.org to subscribe or unsubscribe.

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