



Resourcing the world

# Infrastructure Revitalization Program for Electric Utility

## The Challenge

Vineland Municipal Electric Utility (“VMEU”) has produced and delivered reliable, low cost electricity to 40,000 customers since 1898. By the mid-2000s, the utility was experiencing what seemed to be insurmountable problems; EPA emission limits caused the utility to shutter its Landmark H.M. Down coal fired plant, increased costs were pressuring the utility to reduce its financial support of the city and raise electricity rates, and system stability was challenged by a rapid expansion of solar PV in its territory. The City was faced with a decision to either exit the electric utility business, or invest in the future with a major program for infrastructure revitalization. The city chose investment, enlisting Veolia for consulting and guidance.

VMEU planned to leverage low-cost energy from the PJM wholesale market when prices were low; protect the utility from market volatility when costs are high, leverage the low-cost availability of 20MW of installed Solar-PV generation, and stabilize its distribution network with a new Supervisory Control & Data Acquisition System (SCADA).

## Veolia’s Solution

VMEU initiated the plan in 2009 by constructing a 64MW peaking plant that provided the needed hedge against wholesale market costs H.M. Down Unit 11 went online in June of 2016, on schedule, on budget, and with high quality. Phase I of the plan was a success. With Success came Phase II.

Phase II implemented the refurbishment of West Station, installed the SCADA system, and the constructed the Clayville 1, sister plant to Phase 1’s H.M. Down Unit 11. By October 2015, Mission Accomplished. Veolia was a partner in these efforts providing consulting and guidance around plant design and drawings, oversaw engineering and successful permitting, and provided technical support during construction.

## Benefits and Value Created

These four discrete projects combined to enable VMEU to avoid the volatility of the PJM market, leverage the large-scale solar deployments, and decrease energy costs for their customers. The Citizens of Vineland continue to enjoy one of the lowest priced sources of electricity in the Northeast, and the City continues to gain significant financial benefit from the ownership of the utility. For executing this ambitious strategic vision, with Veolia’s technical support, Vineland Municipal Utilities Director, Joseph Isabella, was named CEO of the year in the small utility division by Electric Light & Power Magazine.

30% lower electric costs compared to NJ-based investor-owned utilities

\$150 million invested

Two New 64 MW peaking generating plants

One Refurbished 26MW Peaking Plant emissions (SCR) upgrade

SCADA System upgrade

Location: Vineland, NJ

