



Dynegy Inc. announces plans to retire Wood River Power Station

by Dan Brannan, Content Director
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Dynegy Inc. made an announcement today that it plans to retire its 465 megawatt (MW) **Wood River Power Station in Alton, Illinois in mid-2016**. The Wood River Power Station includes two coal-fueled units that entered commercial operation in 1954 and 1964, respectively.

The plant is located on the Mississippi River near Wood River Creek. The plant employs an estimated 90 people.

“Wood River has been an important part of the local community for many years providing safe, reliable, and cost effective power while also being a responsible corporate citizen,” said Robert C. Flexon, president and CEO of Dynegy.

“I would like to thank the men and women who have proudly and professionally served and safely operated the Wood River facility for decades,” said Flexon, president and CEO of Dynegy. “Wood River has been an important part of the local community for many years providing safe, reliable and cost effective power while also being a responsible corporate citizen.”

“Dynegy is committed to working with MISO, the state of Illinois, Union leadership and all stakeholders to redesign the MISO capacity market to one that properly functions and fairly compensates competitive generators or alternatively, to transition Illinois fully into PJM,” Flexon said. “Otherwise, all generating plants in the MISO portion of Illinois will face a future of financial challenge. If Wood River was located in the PJM market, like Dynegy’s Northern Illinois generating units, it is unlikely this retirement would be occurring.”

Flexon said the decision to retire the Wood River facility is due to its uneconomic operation stemming from a poorly designed wholesale capacity market in Central and Southern Illinois that does not allow competitive generators to recover costs.

"The current market design of the Midcontinent Independent System Operator, Inc. (MISO) capacity auction is flawed because it allows regulated utilities from surrounding states to bid their capacity into the auction at little to no cost as these regulated utilities receive higher guaranteed compensation from their respective state-regulated markets," the company said in a release. "Central and Southern Illinois market participants, on the other hand, operate in a state with a deregulated competitive framework and must rely on the MISO capacity auction for fair compensation, unlike their regulated counterparts. Mixing these two regulatory regimes together in the same capacity auction puts all generating units in Central and Southern Illinois at financial risk, regardless of fuel type, shifting jobs and the economic benefits of hosting generating plants from Central and Southern Illinois to neighboring states."

Dynegy expects to formally file a retirement notice with MISO by Dec. 1, 2015. This retirement notice will trigger a reliability review by MISO, which the Company expects to be completed in the first quarter of 2016. If MISO determines the plant is not needed for reliability, Dynegy expects the retirement to occur in mid-2016.

Dynegy will be developing plans to minimize the impact on the approximately 90 employees at Wood River where possible, and to terminate operations in a safe and environmentally responsible manner. The Company will work with all of the relevant state, local, and community stakeholders to address the impact of the retirement of Wood River.

About Dynegy

Dynegy has been a leader in the electricity sector. With nearly 26,000 megawatts of power generation capacity and two retail electricity companies, Dynegy is capable of supplying 21 million homes with safe, reliable and economic energy. Homefield Energy and Dynegy Energy Services are retail electricity providers serving businesses and residents in Illinois, Ohio and Pennsylvania.