

Ownership, Operations and Maintenance of a Central Utility Plant

Pillowtex Corporation – Kannapolis, North Carolina

Client Benefits

Peregrine purchased the central steam facility from Pillowtex (formerly Fieldcrest Cannon) in February 1996 and implemented over \$8 million in capital improvements through a turnkey, design/build, own/operate structure. The new entity, Kannapolis Energy Partners, LLC, began selling steam to Pillowtex at the same steam cost that existed before the capital improvements were implemented.

The Opportunity

Due to an environmental agency compliance order, Pillowtex was facing significant capital expenditures to replace the particulate removal system in its coal-fired central steam/electric plant. Pillowtex wanted to find a way to preserve its capital for more strategic areas of its business and asked Peregrine to perform an evaluation and baseline cost study of the central steam plant; steaming capacity of 600,000 lbs/hr, 1200 psig @ 950° F and electric generation capacity of 23 MW.

The Solution

Peregrine purchased the facility, staffed it, and invested the required capital to implement new baghouses and other savings-related projects:

- Installation of a computer control system to replace the existing analog system
- Installation of a new coal handling system
- Reallocation of plant electric loads on two existing substations
- Negotiation of special electric utility tariffs to replace internal generation



Peregrine operated and maintained the facility and provided steam to Pillowtex under a long-term steam sales agreement.