

# COGENERATION FACILITY OWNER RECOVERS SUBSTANTIAL AWARD IN LITIGATION AGAINST MECHANICAL CONTRACTOR

**Client Type:** Privately held

Hodgson Russ represented the owner and operator of a cogeneration power plant facility in Western New York. The facility generated electricity through a steam turbine and generator. Waste steam from the turbine was captured and piped to a greenhouse facility. As part of its maintenance program, our client initiated a planned major outage to overhaul its steam turbine and related equipment. When the turbine was restarted after the overhaul, it exhibited high levels of vibration and poor operational efficiency. These problems forced an unscheduled outage and another teardown and internal inspection of the turbine. That inspection revealed that the mechanical contractor made numerous technical, engineering, and mechanical errors while rebuilding the turbine, which resulted in internal rubbing of components, vibration, and damage to newly installed or rebuilt parts. We sued the case on behalf of our client to recover the rebuild costs and other actual and consequential damages that resulted from our client's inability to generate electricity during the unscheduled outage and the secondary impact upon the greenhouse operation. As the trial date became imminent in the court, the parties agreed to submit the matter to binding arbitration. Our client prevailed in arbitration and recovered a substantial award from the mechanical contractor.

## Practices & Industries

Business Litigation

Environmental

