

[←--back to story](#)

Residents presented historical perspective

By Jenny Lancour - jlancour@dailypress.net

POSTED: January 31, 2008

ESCANABA — Background on Escanaba's electric plant, as well as a forecast for the city's future power needs, were presented at a townhall meeting Wednesday at city hall.

Electric Superintendent Mike Furmanski began his PowerPoint presentation with answers to the question "Why do we need a new energy supply plan?"

His first answer was Escanaba is facing high electric costs associated with high fuel costs. The city is also facing costs to maintain an aging power plant, 50 years old this year. In addition, Escanaba must plan for future growth. The city also needs to provide competitive and reliable electricity to its customers, Furmanski said.

There are two coal-fired 12.5-megawatt generator units at the power plant. A fuel oil-fired combustion turbine, also known as the "CT," has a capacity of 15 megawatts.

Furmanski said, though the CT is expensive to run, it has been a "moneymaker" for the city, generating about \$190,000 a year. Power produced by the peaking unit is sold on the Midwest Independent Systems Operator (MISO) market, he said.

Employees with the Upper Peninsula Power Co., which operates the plant, sell and buy energy on the MISO market. When demands make the price right, power from the CT is sold, he said.

Furmanski said the city hired an engineering company in 2002 to conduct a load forecast, alternative energy supply study, and an economic evaluation of supply options. The reports showed a need for more long-term electric generation capacity for the city. The studies also determined coal is the most economic fuel source and the existing plant site be considered for a new plant.

In 2004, a 60-megawatt facility was researched, assuming the city could sell excess capacity. At that time, other utilities in the region were looking for long-term power purchase agreements but no offers were made due to transmission line limitations, he said.

In 2004-05, the city began evaluating the possibility of building a new power plant. In 2006, an Environmental Fatal Flaw Analysis showed a 250-megawatt plant could be built on the existing site.

In late 2006, the city partnered with Wisconsin Public Power (WPPI) on a study of building a base load power plant. The following spring, a draft report revealed a new 300-megawatt plant would cost \$785 million. WPPI opted out of this option because of the high costs, potential new regulations and other energy opportunities that arose.

The city had to consider other alternatives and hired an engineering company to analyze long-term power purchase proposals, narrowing the field to three major power suppliers.

"All three were less expensive than self-generation," Furmanski said.

In the meantime, the city is also looking into plant modifications to improve the facility's efficiency, Furmanski said.

Following his presentation, members of the public expressed their concerns regarding the city's power plant and energy supply options. (See related story.)

Article Photos



Escanaba Electric Superintendent Mike Furmanski shows fluctuating power prices throughout the region to those attending a townhall meeting on the city's electric facility and power supply needs Wednesday. (Daily Press photo by Jenny Lancour)

[Subscribe to Daily Press](#)