

[←--back to story](#)

Plant's energy options discussed

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ESCANABA — As Escanaba explores ways to economically produce energy at its aging power plant, a study will be done on possibly converting the facility to burn a different type of coal that is more readily available and cheaper.

During a special meeting of city council and the Electric Advisory Committee Wednesday, members agreed the electric department seek requests for proposals (RFPs) on the feasibility and costs of converting the plant to burn Powder River Basin coal, otherwise known as PRB coal.

Earlier this month, Escanaba was forced to change from eastern coal to a more costly western coal because the mine where the eastern fuel was coming from was going bankrupt.

Officials were looking at purchasing the eastern coal at \$72.45 a ton for the 2008-09 fiscal year. Because of the bankruptcy, it's now ordering one boatload, or 16,000 tons, of western coal at \$95 a ton, to burn on a four-week test run.

If this type of coal does not perform properly in the power plant boilers, the city will not be required to buy any more coal from the supplier. If the coal does work, the city will be committed to buy 77,000 more tons.

The electrical department will create an RFP to send to engineering companies to bid on a study to convert the power plant to the PRB coal which costs much less than the western coal, said Mike Furmanski, electric superintendent.

The study will include any equipment changes the city's power plant would have to undergo to burn the PRB coal, he said. The report would also consider the fuel's heat rate, its efficiency, ash expenses and five-to-10-year cost estimates, among other factors.

The two groups also continued discussion on the possibility of the plant being converted to biofuel, such as wood chips. Officials have been meeting with two power suppliers which have bid to sell power wholesale to Escanaba and are also proposing biofuel options. The two biomass proposals are expected to be presented at the EAC meeting on April 9.

Wednesday's joint decision of the EAC and council members to pursue the study of converting the power plant to PRB coal, has eliminated the option to upgrade the efficiency of the existing facility, said City Manager Jim O'Toole.

Since officials began exploring what can be done to supply energy to meet future increasing demands, using an aging and inefficient power plant, other options have also been eliminated, O'Toole said Wednesday.

The city was looking into building a new power plant but that option was not economically feasible without one or more partners to share in the costs. Five power purchase proposals have been narrowed down to the two companies which expressed interest in biofuel, he added.

During public comment, John Schroeder, Escanaba, expressed concerns about the future of the city's power plant. He said he is not in favor of closing the facility but would be willing to pay higher electric rates to keep it open and keep jobs here.

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Escanaba City Council and the Electric Advisory Committee (EAC) discuss capital improvement plans for the electric department at a special meeting Wednesday. The two sides also discussed hiring engineers to do a study on converting the power plant to use a cheaper coal. From left are EAC Chairman Ron Beauchamp and council members Tom Warstler, Gilbert Cheves, Mayor Leo Evans, Brady Nelson and newly-appointed council member Patricia Baribeau. (Daily Press photo by Jenny Lancour)