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Coal test set to go

By Jenny Lancour - jlancour@dailypress.net

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ESCANABA — A test run of a new type of coal at Escanaba's power plant will determine if the city will buy more of the same or seek another type of coal at a price that's anybody's guess, officials said.

The power plant typically burns coal from the Eastern United States. Due to a bankruptcy at the mine that was providing coal to the city, the city's coal purchasing agent, Wisconsin Public Service (WPS), was forced to purchase western coal for \$95 a ton.

The city was planning to purchase 93,000 tons of eastern coal at \$72.45 a ton for the 2008-09 fiscal year prior to the bankruptcy announcement.

The increase represents a 39 percent price hike. City Manager Jim O'Toole said the coal market's unprecedented market run-ups are worldwide.

About 16,000 tons of the western coal was shipped to the city Sunday, said Electric Superintendent Mike Furmanski. The city has 30 days to run a test on this type of coal.

"We're going to start burning it ... and see how it goes," Furmanski said Tuesday.

If the coal works at the plant, the city can buy 44,000 to 77,000 more tons at the \$95-a-ton price tag. If the coal doesn't work out, the city's purchasing agent will find another supplier of a different coal at "a price to be determined," Furmanski said.

Coal should be available to buy, but the cost may be higher with market prices on coal at a record high level Tuesday afternoon, he said.

During the test the city will monitor the fuel's heat rate, ash carryover and visible emissions, Furmanski said. Signs of "slagging" and "clinkers," or buildup of material in the boilers, will also be recorded. Some long-term results will have to be estimated. Ash disposal costs are another factor in the equation, he added.

Ash results will be determined the first day of the test burn. Employees can measure the amount of ash that either settles in the ash bed or is captured in the precipitator, or air filter, he said.

Western coal was tested at the plant in 2002, again due to market prices, Furmanski said.

"It burned and we made power with it, but the extra load on the precipitator wasn't worth the cost" he said.

After the two-week test run, the remaining supply of western coal was blended with eastern coal and burned, he said. Since then, minor changes have been made in the air path in the No. 1 boiler. Furmanski is hopeful the current test run will burn better this time because of the changes.

The power plant has approximately 25,000 tons of eastern coal remaining. The western coal test burns are slated to begin late tonight or Thursday morning, according to plant officials.

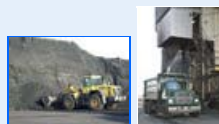
In a related matter, requests for proposals were sent out Monday seeking estimates for an engineering study on converting the power plant to burn a cheaper coal with a heat rate lower than the western coal, Furmanski said.

The city has been exploring its energy supply options because of an increasing demand for electricity, an aging power plant and the desire for competitive rates. Officials are currently reviewing two proposals to buy energy from power suppliers. Another option the city has considered is converting the plant to burn biofuel, such as wood chips.

Because of the recent price hike in western coal, the city is proposing to use \$1.7 million from the electric fund to pay for the price increase rather than raise electric rates 13 percent.

The coal test and the city's energy supply will be among topics discussed at a council work session April

Article Photos



Kevin King, coal handler, prepares to load some of the remainder of the eastern coal supply this morning at the Escanaba power plant. (Daily Press photo by Audrey LaFave)

24. Street improvements, water and wastewater will also be discussed.

Jenny Lancour, (906) 786-2021, ext. 143, jlancour@dailypress.net

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