

[←--back to story](#)

## Power options dwindle

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ESCANABA — As Escanaba continues to explore various options for supplying electricity, another idea was checked off the list Wednesday at the Electric Advisory Committee (EAC) meeting.

Because of an aging 50-year-old power plant, the city has been looking at different ways in which energy can be supplied to meet future demands of both residents and businesses.

Officials have been considering several options for supplying energy, including building a new plant. That idea was put aside last year after a potential partner bowed out.

Wednesday, the committee crossed another option off its list

— that of converting the plant to burn Powder River Basin (PRB) coal. The plant normally burns Eastern coal which recently became unavailable, so it's now burning Western coal that is more expensive compared to the PRB coal.

"It is clear that converting the Escanaba Generating Station to 100 percent PRB coal would be a substantial (expense) for the city of Escanaba," stated Electrical Superintendent Mike Furmanski in his report to the EAC.

The best-case scenario, using a typical PRB coal, would cost about \$2 million more than it would cost to buy power wholesale, he estimated. It could cost \$20-\$30 million — likely in the higher range — to convert the existing plant to the PRB coal, he added.

Following Furmanski's report on PRB coal, EAC members voted to recommend city council table a \$125,000 study on converting the power plant to this type of fuel. Earlier this year, requests for proposals were sought on the conversion.

In his next report to the EAC, Furmanski presented an update on the energy options the city has been exploring. He presented nine possibilities, including four options which are no longer being considered.

In addition to the PRB coal conversion, other ideas checked off the list to date include building a new plant, using wind energy and gasification.

Ideas which remain as energy supply options include operating the plant as is, improving the facility's efficiency, converting to biomass fuel such as wood chips or processed wood briquettes, purchasing energy wholesale and shutting down the plant, or purchasing energy wholesale and selling or leasing the plant.

Furmanski said the city will be receiving a cost estimate on processed wood briquettes from Renewafuel. The company plans to build a production facility at the former air base at K.I. Sawyer. The company uses timber-harvesting biomass, such as tree tops, to make the product. Minor modifications would be required on the local power plant to convert to the new fuel which has the same heating value as eastern coal.

Regarding the sale of the plant, committee member Glendon Brown said an incentive for a potential buyer of the plant could be annual energy tax credits amounting to nearly \$2 million.

The EAC plans to conduct a townhall meeting in August to inform the public and receive input on the energy options.

In other business, the EAC was informed administration is drafting a net metering policy to determine what type of credit to grant customers who use alternative energy.

City Manager Jim O'Toole informed the committee Upper Peninsula Power Co., which operates the power plant, has requested a new contract be negotiated to meet today's industry standards. (An editorial on the proposed new contract can be found on page 4A.)

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### Fact Box

Energy options for Escanaba:

- Operate the power plant as is
- Improve the power plant's efficiency
- Convert the plant to burn biomass such as wood
- Purchase energy wholesale and shut down the plant
- Purchase energy wholesale and sell or lease the plant