

## City considers power options

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ESCANABA — Escanaba continues to explore its future power supply options as it plans to meet with one energy supplier today and another next week to discuss buying power for the city.

Project consultant Gilbert Cheves updated the city's Electric Advisory Committee (EAC) on the issue during its meeting at the Civic Center Wednesday. Building a new plant is still an option, as is upgrading the existing power plant, he said.

Escanaba has been looking into how to meet the city's increasing energy demands because its power plant is nearly 50 years old and is inefficient by today's standards. The facility is meeting present needs with its 40-megawatt capacity.

Escanaba and Wisconsin Public Power Inc. (WPPI), a regional power supplier, were considering partnering to build a 300-megawatt facility here. After evaluating a feasibility study on this option, WPPI recently decided against the report's recommendation because of pending energy regulations and because other power options became available to the nonprofit municipal electric utility.

Officials are now looking into either buying energy off the power grid to meet the city's needs or buy some energy wholesale and also make best use of its present facility, Cheves explained.

"We have very few options for power supply," Cheves said. "It appears now that full-service wholesale could be our best cost option...but best use of the plant could be more cost competitive."

Due to improved transmission lines in the region, the city now has a better opportunity to purchase power at a lower cost not previously available, he said.

Cheves added the power plant is also a viable asset to the city and could be better utilized and made more efficient. Continuing to use the power plant would retain the city's reliability of power and offer diversity of energy supply, he said.

The feasibility study analyzes the above options and compares energy costs, he said. Sargent & Lundy Inc. — the Chicago engineering firm hired to conduct the study — is expected to present its final version of the report to the city this week.

Meanwhile, city and committee representatives were scheduled to meet this morning with officials from Wisconsin Public Power (WPS), a regional power supplier. The Upper Peninsula Power Co. (UPPCO) currently operates the city's power plant and is a subsidiary of WPS.

Though no firm costs are expected to be decided at today's meeting, discussion will take place on purchasing energy wholesale and how to best use the power plant, Cheves said. Next week, the city plans to discuss the same issues with WPPI representatives. Other energy suppliers have also been approached, he said.

When the city and WPPI meet next week, officials will also bring closure to their agreement to share the costs of studies to date.

The pact required the feasibility study not be used for five years if the two parties did not enter into a partnership. The city does not have to wait the five years but agreed to offer WPPI the opportunity to participate in a new project, Cheves said.

If another company wants to use the study's information to develop a new facility, the city and WPPI would receive monetary reimbursement, he added.

The door is still open to build a new plant with a qualified company because the feasibility study is completed, the current power plant property is considered a good site and the "road map is in place," Cheves said. Calls have been received from interested parties, he added.

The option of retrofitting the power plant to be fueled by a less-expensive coal or biomass is also being considered, Cheves said. Long and short-term benefits would have to be weighed because such conversions would be costly, he added.

The EAC's goal is to have wholesale energy prices and costs of better utilizing the power plant to present a recommendation to city council in mid-July, Cheves said.