

Print this Page

[←--back to story](#)

Companies may want to buy city power plant

By Jenny Lancour - jlancour@dailypress.net

POSTED: October 2, 2008

ESCANABA - Four companies have expressed interest in buying Escanaba's power plant if it goes on the selling block, according to city officials who reviewed letters of interest from the four Tuesday.

For the past few years, the city has been exploring several options to provide more economical and reliable energy. The existing plant, which is 50 years old and outdated, is fueled by coal, which has become difficult for the city to buy because of availability and cost.

Though the city is reviewing the purchase proposals, the city's power plant is currently not for sale, said Electrical Superintendent Mike Furmanski. He said interest is being sought to find out if there's anyone who may want to purchase the facility if the city decides to sell.

"It's to see if there is genuine interest, sincere interest, in the private sector buying the plant, if it's a feasible plan," Furmanski said Wednesday.

The four companies that submitted proposals of interest are: DTE Energy Service, Ann Arbor; PCI Energy Capital, Schaumburg, Ill.; Traxys North America and White Pine Electric Power, White Pine; and Weston Solutions of Michigan, Houghton.

The four purchase proposals will be reviewed by the Electrical Advisory Committee when it meets Wednesday, Furmanski said. Members will discuss whether or not more detailed proposals will be sought, he added.

Prior to requesting in-depth proposals, Furmanski recommends the city discuss the future of the diesel-fueled peak generator, employees' work status and the amount of land involved in any possible sale. The proposals should also include a detailed plan of how the facility will be used in the future, he said.

Officials from the four companies also listed additional information they would need if a more detailed proposal is requested by the city, Furmanski said. This included history of the plant, financial and operating records, electrical sales and environmental reports.

"As this shows, there is genuine interest from outside parties in acquiring the plant," he said. "It also shows that these companies will need some time to craft detailed proposals if requested to do so."

City Manager Jim O'Toole said the proposals in hand can be considered as "letters of interest" in buying the facility.

"They're one option to investigate the interest level in private industry in purchasing and operating the power plant," he said.

During a televised address on Charter Channel 21 scheduled for 6:45 tonight, O'Toole will present an update on current and future energy concerns, including difficulties the city has in securing and being able to afford coal for the power plant.

In addition to possibly selling the plant, another option still on the table is doing nothing and continuing to operate the plant as is, Furmanski said. The city is also considering buying power wholesale, which would be more cost-effective than upgrading the old plant to be more efficient, he said.

Other energy options explored but no longer being considered include building a new power plant or converting the facility to burn biomass or a cheaper coal. Wind energy was also researched but determined to be infeasible.

Fact Box

Four companies ex-pressing interest in buying Escanaba's power plant if it was ever offer-ed for sale:

DTE Energy Service, Ann Arbor

PCI Energy Capital, Schaumburg, Ill.

Traxys North America and White Pine Electric Power, White Pine

Weston Solutions of Michigan, Houghton

[Subscribe to Daily Press](#)