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By Jenny Lancour for the Daily Press

ESCANABA - The "Escanaba Energy Project" - which the city's proposed power plant has been dubbed - is moving along in a positive direction, according to the project consultant.

"I think it's going along very positively," said Gil Cheves Thursday following city council's hiring of an engineer to do a feasibility study on the proposed electric facility.

Sargent & Lundy, LLC, of Chicago, outscored other prospective engineering companies in evaluations conducted by the city's electrical advisory committee and Wisconsin Public Power Inc. (WPPI). WPPI is interested in being a partner in the new power plant, if a facility is constructed. WPPI has agreed to pay half the costs of necessary studies as Escanaba explores options in providing electricity to meet the city's growing power demands. The city's current plant, nearly 50 years old, is outdated and inefficient.

The feasibility study will cost \$500,000 with Escanaba paying \$250,000 and WPPI paying \$250,000, according to the cost-sharing agreement between the two parties, said Cheves.

"When the study is completed and an actual percentage of participation in the development is determined, a true-up of the cost allocation will be made," Cheves told council. "For example, if the facility is 300 megawatts and Escanaba participates with a 50 megawatt share, then Escanaba's final cost for the study would be \$83,000."

Cheves told council, other positives occurring include a study on upgrading the region's transmission system, now being done by the Midwestern Independent System Operator - which controls the transmission system - and the American Transmission Company - which owns the transmission lines in the area. The two companies are "very supportive" of Escanaba's project, he said.

Calls of interest have also been received from industries looking to possibly develop here if a new power plant could meet their needs, Cheves added. A new power plant would also provide more jobs locally, he said.

Now that an engineering firm has been hired, the feasibility study will get underway, looking at three different sized plants - a 60-megawatt plant, 150-megawatt plant, and a 300-megawatt plant, Cheves said. "We need to come up with the right mix of technology to make the program most economical," Cheves said, adding that the "best available technology" will be sought.

The feasibility study will include technology needed for each base load, a site evaluation and a preliminary design, stated Tom Longlais, a partner with Sargent & Lundy, attending Thursday's council meeting. Also included in the report will be a list of permits, the cost of the project and the project schedule, he added.

Sargent & Lundy has been in the business of serving electrical power companies for 115 years, Longlais said, adding that the firm is looking forward to working with the city and WPPI on the power plant project. Cheves said the feasibility study is the primary focus of the cost-sharing agreement entered into by the city and WPPI last July. The requests for proposals were sent to seven pre-qualified engineering firms on July 28 with responses received on September 15.

WPPI's executive committee approved hiring Sargent & Lundy on October 19. The city's electric advisory board endorsed the firm on October 25.

Mayor Judi Schwalbach commented this is an exciting time for the city as it looks into developing a new power plant. A new facility could use the latest technology in conjunction with environmental standards while also provide a large tax revenue for the city, she said.

Cheves said meetings to inform the public on the proposed power plant, will be held before the end of the year with more public forums to be conducted in 2007.