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By Jenny Lancour for the Daily Press

ESCANABA - Escanaba City Council gave its nod of approval Thursday to work with Wisconsin Public Power, Inc. (WPPI) and jointly pay for a feasibility study on the possibility of developing a power plant here. During its regular meeting, council unanimously agreed to share the study's costs with WPPI.

The agreement will be presented to WPPI's executive committee for approval on July 27.

The two parties have already been working together as the city explores options for meeting the city's increasing power needs. The city and WPPI both paid for an Environmental Fatal Flaw Analysis which determined a new facility would not be an environmental problem. This was necessary to proceed on to the next step, the feasibility study.

"The study will provide the city with options to enhance or replace its current generation and determine whether a larger, regional project can be developed at the city's site," said Gilbert Cheves, project consultant, and president of Construction Consultants of Michigan, Inc. "The main purpose of the study is to determine the most appropriate technology and size of the plant to match our site...and regional needs," he added. "Part of the study will determine what all the costs will be associated with this."

Once the size and costs of a new power plant are known, the results will determine what percentage the city and WPPI would each be paying for, depending on each party's power needs, if the city decides to build a new plant, Cheves said. Other partners may also be considered to share in the development of a new facility, he added. Or, Escanaba may decide to stand alone, he said.

"I think things are moving along very well," Cheves said following the council meeting.

Once WPPI signs the cost-sharing agreement next week, requests for proposals for the feasibility study will go out on July 28. A decision is expected to be made by Oct. 1 on who will do the study, anticipated to be completed by May 1, Cheves said. "Once we have the feasibility study, Escanaba will know what all the options are and present that to the community," he said. "The study will provide all the tools to make a decision on whether or not to move ahead with a power plant."

If Escanaba decides to construct a new plant, the city and WPPI would enter into a project development agreement, Cheves said. WPPI is being considered as a partner in a new power plant because a new facility would generate more electricity than the city needs, Cheves said. WPPI is a regional power company

that serves 43 municipalities operating electric utilities, supplying power to more than 160,000 customers in Michigan, Wisconsin and Iowa. "WPPI's primary objective is to control member power supply costs," Cheves said. "WPPI is active in the Upper Michigan municipal power supply market and has an interest in developing power generation assets in the area."

Escanaba needs a new plant because its existing 25-megawatt plant is not very efficient and is getting old. Since the facility went into service in 1958, the city has grown considerably and so has its power needs. During the past few years, the power plant has exceeded its plant capacity to meet demands.

"The community will have to make a decision because the power plant is at its maximum a lot of times," said Mayor Judi Schwalbach, encouraging continued movement on the project.