

Aug. 5, 2005

By Jenny Lancour for the Daily Press

ESCANABA - Escanaba City is once again looking into either adding onto the city's power plant or building a new facility. During its meeting Thursday, Council gave the go-ahead for an environmental impact study to be conducted.

In a 3-1 vote, Council gave approval for RTP Environmental Associates, Inc. to conduct an Environmental Fatal Flaw Analysis (EFFA) to expand or replace the city's coal-fired power plant. The study would measure the environmental effects of three different sized proposed plants.

Council members James Berthiaume, Leo Evans and Wayne Heikkila voted in favor of hiring RTP. Mayor Judi Schwalbach voted against the motion. Mayor Pro Tem David Moyle was absent from the meeting. Schwalbach opposed the motion because of a letter of agreement yet to be worked out with Wisconsin Public Power Inc. (WPPI) to help pay for the study. Schwalbach, who supports moving ahead on a new power plant, said she was hesitant to go ahead with the environmental study without WPPI on board. Schwalbach also cast a no vote because she didn't want to breach the trust with the city's Electrical Advisory Committee which supported the RTP and WPPI items if all the details discussed at the committee level were settled.

There was still an ownership issue to be worked out between the city and WPPI, said Electric Superintendent Robert Headden who recommended the environmental study be approved despite not having a final agreement with WPPI.

Headden said WPPI has a strong interest in participating in the power plant project and is expected to reach an agreement with the city. The agreement calls for WPPI to help pay for consultant work in exchange for the right to own a share of the new power plant, at WPPI's option. A complete agreement between the city and WPPI is expected later this month, he said.

Issues yet to be ironed out include how energy capacity would be shared between the two parties and if the city would have an option to buy WPPI's share if it decides to sell, Headden said. In the meantime, RTP will begin preliminary work including meeting with city officials to discuss the study, Headden said. RTP is a subcontractor for the engineering firm awarded the bid for a preliminary design of a new power plant.

The environmental study is expected to cost \$50,000 and will take about four months to complete, Headden said. The analysis would look at three plants of different megawatt levels and provide detailed information for preliminary designs of a new facility in Escanaba. The EFFA also would offer recommendations on

building a new power plant or seeking another alternative to provide the city's power.

The city has been discussing replacing its power plant for several years, said City Manager Doug Terry. The existing facility was built in 1956 and went into service the following year. Due to increased electrical consumption demands, the city anticipates the need for a greater energy producing facility in the future, Terry said. He added the current plant is in excellent shape and is expected to provide power for several years but may not meet future consumer needs.

"We're at a point where we need to proceed with construction of a new facility," Terry said, adding the city is looking at spending more than \$2 million on a new power plant. Terry said he also expects WPPI to reach an agreement with the city.