



## CITY COUNCIL/ELECTRICAL ADVISORY COMMITTEE

November 13, 2013 – 6:00 p.m.

Regular Meeting

### CITY COUNCIL

Leo Evans, Council Member  
Patricia Baribeau, Council Member  
Ronald Beauchamp, Council Member  
Marc Tall, Council Member  
Ralph Blasier, Council Member

### ADMINISTRATION

James V. O'Toole, City Manager  
Robert S. Richards, CMC, City Clerk  
Ralph B.K. Peterson, City Attorney  
Mike Furmanski, Electrical Superintendent  
Michael Dewar, City Controller

### ELECTRICAL ADVISORY COMMITTEE

Tim Wilson, Chairperson  
Ann Bissell, Vice Chairperson  
Larry Arkens, Committee Member  
Glendon Brown, Committee Member  
John Anthony, Committee Member

Escanaba City Council Chambers: 410 Ludington Street - Escanaba, MI 49829

### Meeting Agenda

Wednesday, November 13, 2013

CALL TO ORDER  
ROLL CALL  
APPROVAL/ADJUSTMENTS TO THE AGENDA  
CONFLICT OF INTEREST DECLARATION  
NEW BUSINESS

1. **Update - Electric Department –General Operations.**  
**Explanation:** Electrical Superintendent Mike Furmanski will update the City Council, Electrical Advisory Committee and Citizens of Escanaba on the current departmental activities.
2. **Update– Operation and Maintenance of Power Plant – Pro Energy Services, Inc.**  
**Explanation:** Pro Energy Services, Inc. will update the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the power plant.
3. **Update – Escanaba Power Supply Costs/U.P. Power Supply and Market Conditions.**  
**Explanation:** Administration will provide a high level overview of Escanaba's power supply costs in light of the current power supply developments in the U.P.
4. **Update – Energy Optimization Program.**  
**Explanation:** Administration will provide an update regarding energy optimization work that was recently performed by Orange Energy Solutions at a number of commercial establishments in the City of Escanaba as part of the Energy Optimization program.
5. **Update – City of Escanaba/Upper Peninsula Power Company Mediation.**  
**Explanation:** Administration will provide an update on the upcoming mediation between the City and UPPCO over disputes related to the terminated operating agreement.

**6. Update – Power Plant Purchase Agreement.**

**Explanation:** Administration will provide an update on the status of Power Plant Purchase Agreement between the City of Escanaba and Escanaba Green Energy, LLC.

GENERAL PUBLIC COMMENT

COMMISSION/STAFF COMMENT AND ANNOUNCEMENTS

ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling City Hall at (906) 786-9402.

Respectfully Submitted,



James V. O'Toole

City Manager

**OFFICIAL PROCEEDINGS**  
**CITY COUNCIL**  
**ELECTRICAL ADVISORY COMMITTEE**  
**CITY OF ESCANABA, MICHIGAN**  
**Special Joint Meeting**  
**Wednesday, October 9, 2013**

Pursuit to a meeting notice posted October 3, 2013, the meeting was called to order by the Mayor Leo J. Evans at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Leo J. Evans, Council Members, Walter A. "Pete" Baker, Ronald J. Beauchamp, and Marc D. Tall

Absent: Council Member Patricia A. Baribeau

Baker moved, Tall seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Baribeau.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Jon Anthony, Larry Arkens, Ann Bissell, and Glendon Brown.

Absent: Two vacancies, and Power Plant Liaison.

Also Present: City Attorney Ralph B.K. Peterson, Electric Superintendent Mike Furmanski, City Controller Mike Dewar, Jack Scott of Pro Energy Services, Charles DeTiege of Escanaba Green Energy (EGE), members of the public and media.

Tall moved, Baker seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as submitted.

**UNFINISHED BUSINESS – None**

**CONFLICT OF INTEREST – None**

**PUBLIC HEARING – None**

**NEW BUSINESS**

**Update - Electric Department –General Operations.**

Electrical Superintendent Mike Furmanski updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the current departmental activities.

- Auto Zone finished up;
- Started on O'Riley and Bell projects.

**Update– Operation and Maintenance of Power Plant – Pro Energy Services, Inc.**

Jack Scott of Pro Energy Services, Inc. updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the

Joint City Council & Electrical Advisory Minutes  
October 9, 2013 – cont.

Power Plant.

- Unit 1 ran 5 days in September;
- Combustion Turbine ran on September 10<sup>th</sup> and 13<sup>th</sup>;
- Updated on turning gear on Unit #1. After unit ran in September, a noise was heard in the unit. After investigation, the Unit #1 turning gear needed repair. Would report on findings and repair at next months meeting;
- No accidents to report.

**Approval – Transformer Purchase.**

Administration sought Council approval of a bid submitted by RESCO of Middlehurst, WI, for various sized transformers.

**NB-3** After discussion, Beauchamp moved, Tall seconded, to approve a bid submitted by RESCO of Middlehurst, WI, for various ERMCO sized transformers in the amount of \$44,008.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Tall, Baker, Evans  
Nays: None

**MOTION CARRIED.**

**Update – UPPCO Mediation.**

Administration provided an update regarding the mediation between the City of Escanaba and UPPCO related to the termination of UPPCO operating the plant.

City Attorney Peterson advised mediation was scheduled on the 24<sup>th</sup> of October. Due to health concerns of one of the UPPCO representatives, the date was being revised for an earlier time. Members would be apprised when the new date was known.

**Update – Power Plant Purchase Agreement.**

Charles DeTiege of Escanaba Green Energy (EGE) provided an update on the status of Power Plant Purchase Agreement between the City of Escanaba and Escanaba Green Energy, LLC. (See Attached Memo's).

- Discussed repairs to the turning gear and SSR agreement and if it would effect the purchase. After discussion, it was believed there would not be an issue. The repair amount was minimal.

Joint City Council & Electrical Advisory Minutes  
October 9, 2013 – cont.

**GENERAL PUBLIC COMMENT – None**

**COUNCIL/COMMITTEE, STAFF REPORTS - None**

**ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:17 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved:

\_\_\_\_\_  
Leo J. Evans, Mayor



AEM Ventures LLC

October 9, 2013

Jim O'Toole  
City Manager  
City of Escanaba, Michigan

Dear Mr. O'Toole:

AEM Ventures, LLC ("AEM") and Escanaba Green Energy, LLC ("EGE") reached an agreement in August by which AEM will provide the deposit (the "Deposit") that is required as part of the loan (the "Loan") that is being provided to EGE by Centurion ISG Europe Limited. This Loan is evidenced by a Project Funding Term Sheet executed by both Centurion and EGE on September 18, 2013. Currently, EGE and Centurion are finalizing the documentation of this Loan.

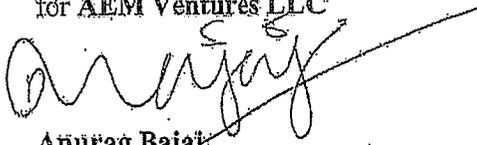
AEM and EGE are also finalizing the documentation that will control their relationship as AEM will become an equity holder in EGE.

A second component to the finalization of this Loan is the posting of the Deposit. AEM, EGE and Black Diamond, the entity which will hold the Deposit and which brought Centurion to the table, are reviewing the legal documentation provided by Black Diamond which governs the Deposit. When this review is complete - expected in a matter of days - the Deposit will quickly be posted and all the parties will be working to complete and close the Loan.

As the Managing Member of AEM, I am delighted to be part of this transaction and look forward to a long working relationship with the City of Escanaba. AEM is certainly aware that the closing of the purchase of the Escanaba Plant has taken much longer than either the City or EGE had originally anticipated. But with the cooperation of Centurion, Black Diamond, AEM and EGE that has been established over the past three weeks, we will get this transaction closed as soon as possible and move on to converting the Plant.

With best regards,

Sincerely,  
for AEM Ventures LLC



Anurag Bajaj  
Managing Member

ATTACHMENT --A



**INTERNATIONAL LENDING SERVICES**

Phone: +1. 916.302.4478

Email: [pat@nationallendingservices.net](mailto:pat@nationallendingservices.net)

October 8, 2013

Mr. Jim O'Toole  
City Manager  
City of Escanaba, Michigan

Dear Mr. O'Toole:

I have participated in several of the Wednesday evening Council meetings via conference line as Escanaba Green Energy ("EGE") has been completing the financing for the purchase and renovation of the Escanaba Generating Station. This is the current status of the financing. As EGE has explained to you, there are effectively three parts of this financing that EGE has been working to put together.

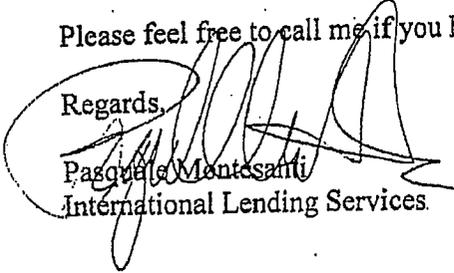
The first two parts are related to the deposit (the "Deposit") that is required by Black Diamond Investments and is a prerequisite to bring a lender forward to EGE. AEM, a company based out of Detroit has agreed to provide this Deposit. AEM has passed the required background check, and the account for the deposit has been created. I spoke with AEM's principals and AEM is currently reviewing documentation relevant to their deposit. I have been told that once this review is complete, AEM will post the required Capital Contribution for the project financing.

The last part of the transaction is the loan (the "Loan") from Centurion ISG Europe Limited ("Centurion"). While I discuss a variety of transactions with Centurion on a regular basis, the actual Loan process is solely driven by Centurion. I know that EGE and Centurion signed a Project Funding Term Sheet in mid-September. The completion of the Loan requires the posting of the Deposit and the completion of documentation. At the present time the project loan is in the final underwriting stage but final commitment will only commence after the Deposit is made.

As the arranger of this financing, International Lending Services remains committed to working with the parties to complete all steps necessary to conclude the transaction.

Please feel free to call me if you have questions, etc.

Regards,

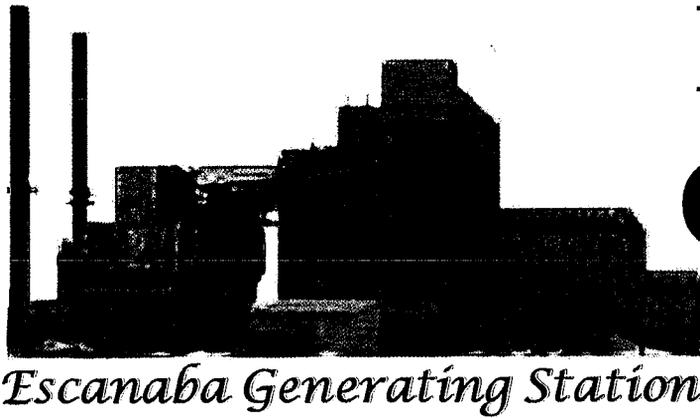
  
Pasquale Montesanti  
International Lending Services

PO Box 864, Southport, CT 06890

Digital Image provided by FreeDigitalPhotos.net

NB # 2  
CC/EAC  
11/13/13

Escanaba Operating Services  
Monthly Report  
October 2013



**Escanaba**  
**Operating**  
**Services**

## Executive Summary

The power plant was not called upon to operate during the month of October. Plant employees continued repairing and replacing existing equipment that has been in service well beyond its original design life.

There is **10,194** tons of coal on the dock. The OSHA incident, rate for October 2013 is 6.5.

## Key Performance Indicators (Note: This table is for the City's fiscal year July 2013 through June 2014.)

Measure	Unit of Measure	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	0	14002
Unit 1 Net Electrical Generation	MWH	0	6334
Unit 2 Net Electrical Generation	MWH	0	4850
Unit 1 Hours of Operation	Hours	0	1176.7
Unit 2 Hours of Operation	Hours	0	869
Coal Consumption	Tons	0	7893.9
Coal on Dock	Tons	10194	10194
Steam Plant Net Heat Rate	BTU/KWH	n/a	n/a
Plant Availability	%	62%	89%
Combustion Turbine Gross Electrical Generation	MWH	0	497
Combustion Turbine Station Service	MWH	14.8	255
Combustion Turbine Hours of Operation	Hours	0	72.6
Fuel Oil Consumption	Gallons	0	80436
Combustion Turbine Availability	%	100%	100%

## Operations Summary

### Unit Start-Ups and Shut Downs

Turbine-Generator Unit 1, Turbine-Generator Unit 2 and the Combustion Turbine Generator (CTG) were not operated during the month of October

Unit	Date	On-Line Time	Off-Line Time	Reason
1				
1				
2				
2				
CT				
CT				

### Unit Trips and Unplanned Outages

Unit	Date	Breaker Open Time	Unit Released	Duration (Hours)	Cause
1	None				
2	None				
CTG	None				

### Planned Outages

Unit	Start Date	Start Time	End Date	End Time	Cause
1	None				
2	None				
CTG	None				

### Forced Outages or Load Reduction Events

Turbine Generator No. 1 was taken out of service on September 17, 2013 due to damage of the No. 2 Turbine bearing. The bearing was repaired and the unit was released for service on October 24, 2013. The turbine was realigned during this outage.

Unit	Start Date	End Date	End Time	Load Limit	Cause
1	09/17/2013	10/24/2013	9:00 am	No Limit	Misalignment and #2 Turbine Bearing Damage.
2	None				
CTG	None				

## **Maintenance Activities**

### **Plant Maintenance Activities for October 2013**

#### Unit 1

Routine maintenance and equipment replacements occurred throughout the month.

#### Unit 2

Routine maintenance and equipment replacements occurred throughout the month.

#### Combustion Turbine

There were no repairs required on the Combustion Turbine/Generator.

#### Plant Outstanding Issues:

None

## Emissions Compliance Overview-Air/Water

- There were no Air Monitoring deviations in the month of October.

### Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Opacity Parameter	Cause
None					

### Water – NPDES Permit Deviations

- There were no NPDES violations during the month of October.

### Water – Groundwater

- There were no Groundwater deviations during the month of October.

### Water Monitoring Deviations

Start Date	End Date	Parameter	Cause
None			

# Occupational Safety and Health Overview

## OSHA Summary of Work Related Injuries and Illnesses

- 1) There were no OSHA work related injuries or illnesses during the month of October.

## EH&S Incidents – (Near Misses and/or Property Damage)

- 1) There were no lost time accidents, near misses or property damage during the month.

# Labor Statistics

Labor Statistics (Note: These statistics are for the 2013 calendar year from Jan 1 through December 31.)

Item	Month	Year to Date
Total Man-Hours Worked	3177	30909.25
Total Number of Standard Time (ST) Hours	2880	27358.6
Total Number of Overtime (OT) Hours	105	1164.5
Total Number of Double Time (DT) Hours	192	2385.75

NB # 3 / cc / ea c  
11/13/13

Mobile: mobile.miningjournal.net

Sign In | Create an Account | Subscribe | Submit News | Affiliated Sites | Home

**CREE® 9.5-WATT WARM WHITE LED LIGHT BULB**  **\$12.97**  **SHOP NOW**  **THE HOME DEPOT**  
Prices subject to change. U.S. only. See store for details: 1000003071. More saving. More doing.

News Sports Opinion Polls Features House To Home Sections Extras Ads Classifieds Jobs CU Services  
Contact Real Estate

News

/ News /

- News
- Sports
- Opinion
- Features
- Sections
- Extras
- Ads
- CU
- Services
- Service Directory
- Online Documents
- Real Estate

« Local group wants city to be... 'Invasive Species' presentat... »

## We Energies told it can't shut down Presque Isle Power Plant

October 23, 2013

JOHN PEPIN - Journal Staff Writer (jpepin@miningjournal.net) , The Mining Journal

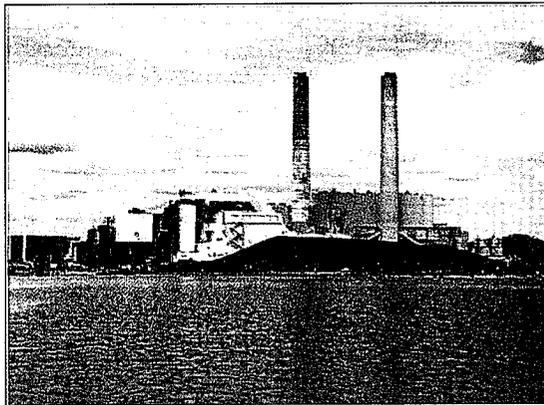
Save |

MARQUETTE - The Presque Isle Power Plant should remain operating through at least 2014 to maintain reliability of electric service in the Upper Peninsula.

That was the conclusion of the Midcontinent Independent System Operator Inc., which oversees the electrical grid in the Upper Midwest and part of Canada.

"MISO recently completed its reliability assessment related to the request to suspend operations of the Presque Isle Power Plant," MISO spokeswoman Jennifer June Lay said. "The assessment determined that a suspension of the plant would result in violations of applicable reliability criteria."

Article Photos



The entity overseeing the electricity grid in several Midwe...

The Presque Isle plant's largest customer, Cliffs Natural Resources, told Wisconsin Electric in July that the mining company was switching its electric provider service to Integrys Energy Services Inc. of Chicago effective Sept. 1.

State officials estimated the switch would save Cliffs roughly \$25 million annually, assuming a three-year deal. Cliffs spent about \$120 million with We Energies last year.

In September, in response to the Cliffs decision, We Energies filed a request with the MISO to suspend operations at the Presque Isle plant beginning in February.

Michigan's utility choice law allows customers to choose their energy provider, but the amount of departing customers is capped at 10 percent of a company's state retail sales. In 2008, Cliffs' mines were exempt from that cap.

Marquette, MI  **35°F** [Extended Forecast](#)  
[Find Another Location](#)  
Data provided by The Weather Channel

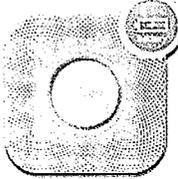
News, Blogs & Events

I am looking for:    
in:  News, Blogs & Events  Web

**FALL CRUISE SALE**  
Enjoy exclusive amenities and savings  
**Book Now** ▶  
Ends November 30, 2013  
Terms & Restrictions apply.  
**AMERICAN EXPRESS TRAVEL**

- Steam Turbine Power Plant   
[www.globalspec.com/electronics](http://www.globalspec.com/electronics)  
Search Thousands of Catalogs for Steam Turbine Power Plant
- Veteran Mortgage Loans   
[www.VeteransUnited.com](http://www.VeteransUnited.com)  
Veteran Mortgages for \$0 Down. Pre-qualify Now in Just 2 Minutes!
- Biomass Power Generation   
[quantum-energy-canada.com](http://quantum-energy-canada.com)  
Electricity/Incineration solutions using fluidized bed technology.

**NEST PROTECT SMOKE & CO ALARM AVAILABLE IN BATTERY AND HARDWIRED**



**\$129**  
**SHOP NOW**  
U.S. only. See store for details: 1000025625. 1000025626.



More saving. More doing.

Michigan Public Service Commission Chairman John Quackenbush said earlier this month that when Cliffs switched, We Energies' cap was filled and Cliffs was 75 percent of the company's Michigan load. Cliffs consumed 270 to 280 megawatts of power from the Presque Isle plant each day.

The MISO may now agree to offer "system support resource payments" to We Energies in exchange for keeping the plant operating.

"MISO will now begin a stakeholder process to determine whether any alternatives exist that would mitigate violations of the applicable reliability criteria. If no alternatives are identified, Presque Isle will be designated as a system support resource pursuant the MISO tariff," Lay said.

The long-term future of the power plant remains uncertain.

In October 2011, We Energies officials planning long-range to contend with federal environmental pollution regulations had said there was a likelihood the plant could be retired in 2017.

Last November, a deal was announced between We Energies and the Cadillac-based Wolverine Power Cooperative. Wolverine agreed to invest up to \$140 million in pollution control upgrades at the plant in exchange for a one-third interest in the facility. Ratepayers would not fund any of that cost.

The Cliffs' supplier switch has also prompted We Energies to rethink its contract with Wolverine. The utility said that unless changes to the agreement can be made, it may result in "the full or partial death of the plant."

With the MISO ruling now handed down, We Energies is expected to finalize its talks with Wolverine.

A Wolverine spokeswoman told the Platts financial trade publication the cooperative is weighing the possible purchase of the Presque Isle plant with a final decision expected before the end of the year.

Meanwhile, talks with We Energies continue.

In the long-term, MISO can't order We Energies to run the plant indefinitely and must provide an alternative, but MISO can't order generation solutions, only transmission solutions, according to state officials. All of the players involved have only limited authority to influence the issue and must work cooperatively if a satisfactory solution is to be found.

The Presque Isle plant employs 170 workers. The facility was built from 1955 to 1979, originally with nine operating units, five of which remain, producing a combined 431 megawatts of power.

John Pepin can be reached at 906-228-2500, ext. 206.

Save |

Be the first of your friends to recommend this.

 0

**Subscribe to The Mining Journal**

# Oil Water Separation

www.OilSkim.com

Our Oil Skimmers Assist in the Oil Water Separation of All Industries.

- News
- Sports
- Opinion
- Polls
- Features
- House To Home
- Sections
- Extras
- Ads
- Classifieds
- Jobs
- CU
- Services

## Editorial

- Editorial
- Letters To The Editor
- Polls
- Virtual Newsroom

/ Opinion / Editorial /

« NMU's ROTC program has prove... New tools should be used to... »

## Time grows short to find solution to power plant issue

Where we stand

October 13, 2013  
The Mining Journal

Save |

We support Gov. Rick Snyder in his quest for any solution that keeps the Presque Isle Power Plant operating and does not result in unaffordable rates for consumers.

We also agree with previous assessments by the Midcontinent Independent System Operator, Inc. that the plant, which employs 170 people, is important to the region's electric reliability.

"From the governor's perspective, we believe the plant coming down is the wrong choice," said Valerie Brader, deputy legal counsel and senior policy advisor to Snyder. "We think for the U.P., for all kinds of reasons -adaptability, reliability, affordability, protection of the environment- it's important that that plant remain up and we're ready to work with stakeholders to make that happen."

A closure of the plant could have severe impacts to Marquette tax revenue and per-pupil funding to the Marquette Area Public Schools district. The closure could also pose problems from an energy standpoint for the Marquette Board of Light and Power.

Under some scenarios, Wisconsin Electric Company ratepayers in the Upper Peninsula could see rate increases estimated at 71 percent.

A cooperative decision is needed soon and several entities including MISO, the Michigan and Wisconsin public service commissions, We Energies, the Wolverine Power Cooperative, the American Transmission Co. and others need to work together to find that solution.

"We think this problem has to get solved fast so that whatever the future is we have time to actually implement the solution before it turns into a reliability crisis or an affordability crisis," Brader said. "We don't have a lot of time, because again if you're looking at how long it takes to get transmission there, we're pretty much out of time. If you've got to get those pollution control devices installed, we basically need to start soon, like in a couple of months soon."

Like Brader and Snyder, we think the creativity of the entities involved can find a solution acceptable to everyone over the long-term. But the clock is ticking.

Save |

Recommend Be the first of your friends to recommend this.

+1 0

Subscribe to The Mining Journal

Marquette, MI  
 35°F  
[Extended Forecast](#)  
[Find Another Location](#)  
Data provided by The Weather Channel

## News, Blogs & Events

I am looking for:

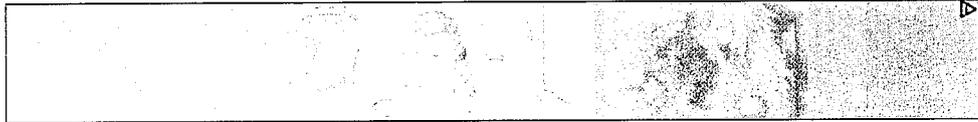
 

in:

News, Blogs & Events  Web

Get Paid To Buy Your Home

© HomeBuyerRebateGroup.com  
 Earn 1/2 Of Our Comm Using Us Works  
 With Builders & Existing Home



- News
- Sports
- Opinion
- Polls
- Features
- House To Home
- Sections
- Extras
- Ads
- Classifieds
- Jobs
- CU
- Services

News

/ News /

« Barbara Ann Collette

Ishpeming classes canceled t...»

- News
- Sports
- Opinion
- Features
- Sections
- Extras
- Ads
- CU
- Services
- Service Directory
- Online Documents
- Real Estate

Marquette, MI

 **35°F** [Extended Forecast](#)  
[Find Another Location](#)

Data provided by The Weather Channel

News, Blogs & Events

I am looking for:

in:

- News, Blogs & Events
- Web

## Gov. Snyder supports Presque Isle Power Plant operation, but other forces may conspire against it

October 11, 2013

JOHN PEPIN - Journal Staff Writer (jpepin@miningjournal.net), The Mining Journal

Save |

MARQUETTE - In trying to help resolve the multi-faceted, time-sensitive questions surrounding the future of the Presque Isle Power Plant, Gov. Rick Snyder will support any solution that keeps the plant operating and does not result in unaffordable rates for consumers.

Over the past several months, through several significant developments, the efforts to keep the Upper Peninsula's only major power generating source operating have taken several twists, which ultimately could result in dramatic rate increases of up to 71 percent for Michigan customers if alternatives are not discovered.

"From the governor's perspective, we believe the plant coming down is the wrong choice," said Valerie Brader, deputy legal counsel and senior policy advisor to Snyder. "We think for the U.P., for all kinds of reasons - adaptability, reliability, affordability, protection of the environment - it's important that that plant remain up and we're ready to work with stakeholders to make that happen."

Article Photos



Brader outlined the administration's perspective Thursday for attendees to the Upper Peninsula Energy Summit in Marquette, encouraging them to work creatively and cooperatively to help find answers to the complicated issue.

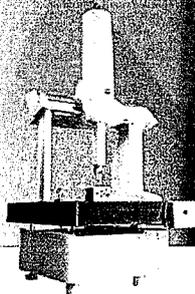
"We are looking for the best solution in both the short- and long-term for everybody," Brader said.

After a deal was announced last November between the Wisconsin Electric Power Co., which owns the plant, and the Cadillac-based Wolverine Power Cooperative, Snyder and other officials celebrated anticipated new life for the facility.

**WE ARE HIGH ACCURACY**

The Global Silver gives superior performance for your manufacturing needs

[More info](#)



**HEXAGON METROLOGY**

Proba1

[www.experian.com](http://www.experian.com)  
testing in a line second line testing

Get Paid To Buy Your Home

[HomeBuyerRebateGroup.com](http://HomeBuyerRebateGroup.com)  
Earn 1/2 Of Our Comm Using Us Works With Builders & Existing Home

1 Tip to Lose Belly Fat

[promo.puregce.com](http://promo.puregce.com)  
Cut pounds of stomach fat every week by using this 1 weird old tip.

In October 2011, We Energies officials planning long-range to contend with federal environmental pollution regulations had said there was a likelihood the plant could be retired in 2017.

The announcement set off shock waves throughout the region as local government officials, consumers, workers and others dependent on the plant began scrambling to determine the potential ramifications and possible solutions.

The Presque Isle plant employs 170 workers. The facility was built from 1955 to 1979, originally with nine operating units, five of which remain, producing a combined 431 megawatts of power.

With the November co-ownership deal, Wolverine agreed to invest up to \$140 million in pollution control upgrades at the plant in exchange for a one-third interest in the facility. Ratepayers would not fund any of that cost, Brader said.

Three months after the Wolverine deal was announced, the American Transmission Co. of Waukesha, Wis., scaled back its plans to extend 122 miles of power lines from Green Bay, Wis., into the U.P. to 45 miles.

The Midcontinent Independent System Operator, Inc., which oversees the electrical grid in the Upper Midwest and part of Canada, concluded that with the Presque Isle Power Plant operating, there was less need for new transmission lines into the region.

However, in July, the Presque Isle plant's largest customer, Cliffs Natural Resources, told Wisconsin Electric that as of Sept. 1 the mining company would switch its electric provider service to Integrys Energy Services Inc. of Chicago.

Brader estimated the switch would save Cliffs roughly \$25 million annually, assuming a three-year deal. Cliffs spent about \$120 million with We Energies last year.

Last month, in response to the Cliffs decision, We Energies filed a request with the MISO to suspend operations at the Presque Isle plant beginning in February 2014.

Michigan's utility choice law allows customers to choose their energy provider, but the amount of departing customers is capped at 10 percent of a company's state retail sales. In 2008, Cliffs' mines were exempt from that cap.

Michigan Public Service Commission Chairman John Quackenbush said when Cliffs switched, We Energies' cap was filled up and Cliffs was 75 percent of the company's Michigan load. Cliffs consumed 270 to 280 megawatts of power from the Presque Isle plant each day.

"It's kind of unprecedented to have 85 percent of their load go away," Quackenbush said. "They (MISO) are reviewing the request to suspend operations. They are going to provide an answer soon, I think."

The MISO could agree with the closure or allow a partial closure of the plant's five units. However, if it ultimately decides the plant is too vital to the stability and reliability of the regional electric grid, the organization may agree to offer "system support resource payments" to We Energies in exchange for keeping the plant operating.

Previous MISO studies have concluded the plant is important to regional reliability.

"If they come to that same conclusion, they would likely say that the plant has to stay open," Quackenbush said. "But then the question becomes if the company is not recovering the cost of generating electricity there, how do they get paid to keep it open?"

The Cliffs' supplier switch has also prompted We Energies to rethink its contract with Wolverine. The utility said that unless changes to the agreement can be made, it may result in "the full or partial death of the plant."

Quackenbush said We Energies will likely wait for MISO's decision on whether the plant should remain open before it finalizes its talks with Wolverine.

"They give the answer to the utility and it doesn't necessarily become public right away," Quackenbush said. "So there might be a little bit of lag before we know about it, but the company would get the answer and have some chance to formulate a response and then if it

does turn out that all or part of the plant can't be suspended in operations, then that would then kick off a process to determine the SSR payment amount."

Brader said that short-term compensation is for companies that don't want to be operating a plant, but have to. A rough We Energies analysis estimates 16 months of those payments, amortized over a decade, would cost Wisconsin and Michigan consumers a small rate increase of 0.1 to 0.2 percent, Brader said.

That percentage would climb to 2.4 to 4.1 percent if only Michigan customers were footing the bill.

For the longer term, state staff preliminary estimates of lost revenue contributions to fixed, embedded production costs - from the Tilden and Empire mines only - could translate into rate increases to remaining customers of 2.7 percent if spread according to tradition over Michigan and Wisconsin consumers.

"If it were to be given to the remaining Michigan customers only, again with a lot of assumptions, we're talking about a 47 percent rate increase for those remaining," Brader said.

A similar estimate for all Michigan choice customers lost could result in rate increases of 2 to 4 percent if spread over Michigan and Wisconsin ratepayers and 71 percent if only Michigan only was involved.

"We also believe it is essential that this does not make rates unaffordable for all customers, remaining customers, future customers and we think that any solution has to look at both the short- and the long-term impacts of rates," Brader said.

Brader said MISO can't order We Energies to run the plant indefinitely and must provide an alternative, but MISO can't order generation solutions, only transmission solutions. All of the players involved have only limited authority to influence the issue and must work cooperatively if a satisfactory solution is to be found, Brader said.

In addition, in the long term, an eventual plant closure could trigger a requirement to build \$250 million to \$750 million worth of transmission, which would have to be borne by Michigan and Wisconsin ratepayers.

"Beyond pure energy, we also believe that it is vital to keep that plant up for the continued economic health of both the city and the school district and the associated tax revenue," Brader said.

Local officials said the plant closure could result in a severe blow to Marquette's tax base, including impacts to the Marquette Area Public Schools, which would stand to lose state per-pupil funding from workers and their families leaving the area. The city receives just under \$1.5 million in tax revenue each year from the plant.

"We think this problem has to get solved fast so that whatever the future is we have time to actually implement the solution before it turns into a reliability crisis or an affordability crisis," Brader said. "We don't have a lot of time, because again if you're looking at how long it takes to get transmission there, we're pretty much out of time. If you've got to get those pollution control devices installed, we basically need to start soon, like in a couple of months soon."

On Aug. 29, the Michigan Public Service Commission granted We Energies accounting authority to defer "unrecovered" costs of implementing customer choice, subject to certain limitations. The measure is for accounting purposes only and will not affect current customer rates.

On Sept. 24, the commission ordered We Energies to switch customers immediately who have decided to move to Integrys. The order was made in response to a complaint by Integrys that We Energies was delaying switches for Dickinson County Memorial Hospital and Northern Star Industries, both located in Iron Mountain.

John Pepin can be reached at 906-228-2500, ext. 206.

Save |

Subscribe to The Mining Journal



NB #3  
CC/EAC 11/13/13  
PRINT THIS

# We Energies to request \$35 million to \$82 million to keep Upper Peninsula power plant open

## Utility customers in Wisconsin, upper Michigan would pay cost

By Thomas Content of the Journal Sentinel  
Nov. 1, 2013

We Energies will seek annual payments of \$35 million to \$82 million to keep its upper Michigan power plant running through mid-2015.

The Milwaukee utility no longer needs the power plant, after its largest customer left for a different power supplier, but the Midwest grid operator has told We Energies that the plant must remain open to keep the lights on in Upper Michigan.

As a result, We Energies is in discussions with the Midcontinent Independent System Operator to get compensated by other utilities to keep the plant running.

The ISO will review the costs sought by We Energies and then seek approval from federal energy regulators to have the Milwaukee utility compensated for running the plant.

Other utilities in Wisconsin and upper Michigan would be responsible for paying a share of the costs to run the plant, according to a preliminary determination by MISO.

At issue is the energy needed to supply the Empire and Tilden iron-ore mines in upper Michigan. Together they bought 7.6% of We Energies' electricity — and at least 80% of the electricity it sold in the U.P.

When We Energies lost its largest customer, it said the departure would not have an impact on its 2013 earnings.

The utility is now disclosing what the potential impact to earnings would be — had the utility not moved to recoup the operating costs in a different way.

The pretax potential loss associated with the upper Michigan situation would be \$50 million to \$54 million in 2014, Wisconsin Energy Corp. said in a securities filing.

"We have taken and will continue to take multiple steps to mitigate the losses for 2014 and beyond," said Gale Klappa, Wisconsin Energy chairman and chief executive, during an investor conference call this week.

The mines chose an alternate supplier because Michigan has opened up its monopoly utility business to competition. The switch took effect Sept. 1.

Cliffs Natural Resources Inc. cited the mines' switch to an alternate supplier this month as part of an array of cost-cutting moves that are also cutting mining labor and maintenance costs.

"We expect this strategic move to save us tens of millions of dollars in cost annually, and is the primary example of actions taken to reduce companywide cost," Cliffs chief financial officer Terrance Paradie told analysts and investors on a recent conference call.

We Energies is in talks with Wolverine Power Cooperative about the status of a joint venture that was designed to keep the plant operating and in compliance with federal air pollution standards.

We Energies had already forecast that it wouldn't need the entire Presque Isle power plant in Marquette, because Cliffs had announced plans to close the Empire mine at the end of next year.

Cliffs said last week it is still on track to close the mine, but added that demand for iron ore had picked up and that it was now forecasting a 10% increase in iron ore sales next year.

*Twitter: [twitter.com/plugged\\_in](https://twitter.com/plugged_in)*

**Find this article at:**

<http://www.jsonline.com/business/we-energies-to-request-35-million-to-82-million-to-keep-upper-peninsula-power-plant-open-b99133080z1-230293641.html>

Check the box to include the list of links referenced in the article.



# We Energies open to possible purchase of its Michigan power plant

By Thomas Content of the Journal Sentinel  
Oct. 28, 2013

A Michigan-based firm is reportedly considering the purchase of We Energies' coal-fired power plant in Marquette, Mich., and the Milwaukee utility is open to the idea.

Wolverine Power Cooperative of Cadillac, Mich., is considering the outright purchase of the Presque Isle power plant, a cooperative representative told Platts, an energy industry trade publication.

The potential purchase would resolve concerns from Wisconsin utilities that they would be forced to help pay to operate the power plant that We Energies says it no longer needs.

The state's largest utility has no need for the plant because its largest customer, Cliffs Resources Inc., switched to an alternate power supplier last month. Unlike the monopoly utility system in place in Wisconsin, switching power companies is allowed under Michigan's customer choice law.

Cliffs Resources operates two iron-ore mines in the Upper Peninsula. Following the mines' move, We Energies lost other business customers including two in Iron Mountain, Dickinson County Hospital and Northern Star Industries, a manufacturer of snow and ice removal equipment as well as telecommunications cabinets.

Like the mines, Northern Star and the hospital chose Integrys Energy Services of De Pere as their power supplier. Integrys is a sister company of the Green Bay utility Wisconsin Public Service Corp.

All told, We Energies has lost customers who used 85% of the power the company sold in Michigan last year.

We Energies is amenable to the sale of the plant, said utility spokesman Brian Manthey, adding that he could not discuss details of the discussions the company has held with Wolverine.

"We have been discussing a number of things with Wolverine regarding possible changes to the joint agreement," he said. "We're open to any alternatives that are beneficial to our owners and customers, including a sale of the entire facility."

We Energies executives are expected to address the U.P. power plant during a Wednesday investor conference call to discuss Wisconsin Energy Corp.'s third-quarter results.

The administration of Michigan Gov. Rick Snyder opposes a potential shutdown of the power plant, Marquette's largest employer and largest taxpayer.

At a forum this month, Valerie Brader of the governor's office told a U.P. television station, "We believe the plant coming down is the wrong choice. It's important that the plant remain up, and we're ready to work with stakeholders to make that happen."

We Energies had sought permission to suspend operations at the power plant beginning in February, but that proposal was rejected by the Midcontinent Independent System Operator — overseer of the Midwest power grid.

MISO determined that the U.P. would experience significant power reliability problems if the plant were shut down. The decision could result in other Wisconsin utilities chipping in to pay We Energies to keep Presque Isle running. A sale of the power plant would alleviate those concerns.

"A purchase by Wolverine could be very beneficial for Wisconsin customers, but we'll need to take a look at the details," said Kira Loehr of the Citizens Utility Board, a utility customer group based in Madison.

On Friday, the Public Service Commission of Wisconsin voted to take a second look at its decision authorizing We Energies and Wolverine to build pollution controls at the power plant in exchange for Wolverine owning a one-third stake in the generator. The project was estimated to cost \$130 million to \$140 million.

*Twitter: [twitter.com/plugged\\_in](https://twitter.com/plugged_in)*

**Find this article at:**

<http://www.jsonline.com/business/we-energies-open-to-possible-purchase-of-its-michigan-power-plant-b99130060z1-229629731.html>

Check the box to include the list of links referenced in the article.



# We Energies can't shut down Presque Isle power plant

By Thomas Content of the Journal Sentinel  
Oct. 21, 2013

In a decision that could affect electricity customers across Wisconsin, a transmission organization responsible for keeping the lights on says We Energies' power plant in Michigan's Upper Peninsula needs to keep running.

The Midcontinent Independent System Operator concluded that the Presque Isle coal-fired power plant must remain open for reliability reasons. The organization denied We Energies' bid to suspend operations at the plant beginning in February.

We Energies is now in discussions with MISO "to compensate the company for that continued operation," said utility spokesman Barry McNulty.

That, in turn, could shift an undetermined amount of those costs to utility customers across Wisconsin.

MISO determined that customers in the footprint of the American Transmission Co., a power line utility based in Pewaukee, are responsible for paying the operating costs of the power plant.

ATC's power line network serves eastern Wisconsin and upper Michigan.

We Energies sought to suspend the plant operations after losing its biggest customer, Cliffs Resources Inc., the operator of two iron ore mines.

Cliffs said it would pay less for its energy needs by buying power from another company, De Pere-based Integrys Energy Services Inc. Integrys is a retail energy supplier in states like Michigan that have opened up their electricity markets to competition.

The utility said it no longer needed to run the power plant to meet its own customers' needs for electricity. We Energies lost more than 85% of its total energy demand in Michigan when the mines and other customers left.

A group representing Wisconsin utility customers and another Wisconsin utility said they have serious concerns that the Presque Isle shift could drive up prices in Wisconsin.

"We believe that it's horribly unfair for Wisconsin customers to have to pay these costs, when it's because the mines switched utilities," said Kira Loehr, general counsel at the Citizens' Utility Board in Madison.

"We're monitoring the situation carefully," said Anne Rodriguez, spokeswoman for Sun Prairie-based WPPI Energy, which supplies power for municipal utilities across the Upper Midwest — including Cedarburg, Hartford and Slinger in southeastern Wisconsin.

"WPPI does have significant concerns about potential cost impacts for our member utilities and their customers," she said.

Exactly how much money will be paid to We Energies, and who would bear responsibility for paying for it, will be proposed by MISO in a filing with the Federal Energy Regulatory Commission.

In a prior case, the FERC ruled that utilities within the Wisconsin and upper Michigan area served by ATC must contribute to keep another power plant running.

That plant is a much smaller coal-fired power plant in Escanaba, Mich. The Escanaba plant generates 25 megawatts of power and ran on average two days a week last year, according to MISO.

The city sought to shut the plant down but instead is being paid \$3.7 million a year — plus a certain amount for each hour it's producing power.

The We Energies U.P. power plant is capable of generating 431 megawatts of electricity.

"No definitive solutions have been identified for serving the U.P., so the extent of the potential cost impacts isn't known at this point."

We Energies had discussed retiring the power plant several years ago, but changed its mind after Wolverine Power Cooperative of Michigan agreed to install pollution controls — and take an ownership stake in the plant.

The status of the joint venture between We Energies and Wolverine is up in the air.

"We'll continue our discussions with Wolverine, and it continues to remain unclear until we are able to reach changes to the joint agreement that would extend the life of the plant," McNulty said.

*Twitter: [twitter.com/plugged\\_in](https://twitter.com/plugged_in)*

**Find this article at:**

<http://www.jsonline.com/business/we-energies-cant-shut-down-presque-isle-power-plant-b99125069z1-228701441.html>

Check the box to include the list of links referenced in the article.

**Date:** 11/7/2013  
**To:** City Council, Jim O'Toole  
**Cc:** Mike Furmanski  
**From:** Joshua Krajniak  
**RE:** Orange Energy Solutions visit to commercial customers

Orange Energy Solutions (OES) was requested to visit business in the Escanaba area by Wisconsin Energy Conservation Corporation (WECC). The purpose of the visit was to identify and install refrigeration improvements at these businesses at no cost to the owner.

These visits included measures such as installing door gaskets, night covers, and strip curtains. OES The funds to cover these measures and to pay the contractor are taken from and completely covered by the commercial and industrial portion of the City's Energy Optimization plan.

The City was notified via e-mail on October 15<sup>th</sup> of the visits and OES conducted audits starting on October 16<sup>th</sup>. All audits were completed within the week and the installations took place the following week. Unfortunately not every business with significant refrigeration equipment could be or was audited based on time constraints with the contractor and the screening process for selecting businesses.

The following two attachments provide additional detail on the entire visit.

Regards,

Joshua Krajniak

jk

Attachments

Notice of OES visit from WECC (E-Mail)

Customer audit list (E-Mail)

Zimbra

jkrajniak@escanaba.org

---

**FW: Direct Install - Refrigeration Products by Orange Energizing Solutions**

---

**From** : Janet Lynch-Eisenhut <JLynch-Eisenhut@weccusa.org>

Tue, Oct 15, 2013 05:14 PM

📎 1 attachment

**Subject** : FW: Direct Install - Refrigeration Products by Orange Energizing Solutions**To** : 'jkrajniak@escanaba.org' <jkrajniak@escanaba.org>**Cc** : Lisa Pucelik <LPucelik@weccusa.org>, ATHayer@meca.coop, Andrew Kotila <AndrewK@weccusa.org>

Josh:

This is to inform you that we have requested Orange Energizing Solutions (OES), a contractor, to visit businesses in your utility area this week to begin a direct install effort of refrigeration products. It is an effort that is being expedited based on the availability of the contractor. OES has worked with utilities throughout the United States, and most recently with Efficiency United and DTE. OES will begin an initial visit to the business site to determine the opportunity, orders products, and return several weeks later to complete the installation. The products that are installed may be a combination of the following: strip curtains, night covers, and door gaskets. The targets are businesses with refrigeration equipment, including groceries, convenience stores, and restaurants. The contractor is provided with the business name and they make the initial contact.

The business site visits to City of Escanaba will begin on Wednesday morning and be completed by Saturday this week. Products will be ordered and should be installed in the beginning of November. This is an exciting effort that should bolster savings and increase awareness resulting in increased participation of other commercial incentives. There is no cost to the customer. OES will complete the application with the customer and submit the application with an itemized invoice for payment at the completion of the installation. The payment will be made to the contractor.

Please let me know if you have any specific concerns or whether you would like OES to provide the member with a utility contact if they want to verify this opportunity. We will make every effort to assure that customers are satisfied with their installation and the quality of work completed by OES meets expectations.

Regards,

Janet Lynch-Eisenhut  
*Sr. Program Manager*

***Prescriptive and Custom Programs***

Phone: 608-729-6822

Cell: 262-617-7424

Email: [jlynch-eisenhut@weccusa.org](mailto:jlynch-eisenhut@weccusa.org)

**WECC**

431 Charmany Drive | Madison, WI 53719

[www.weccusa.org](http://www.weccusa.org) | [www.energyfinancesolutions.com](http://www.energyfinancesolutions.com)

---

**WECC**

image001.png

6 KB

---

Zimbra

jkrajniak@escanaba.org

---

**City of Escanaba - Refrigeration Direct Installs this Week**


---

**From :** Janet Lynch-Eisenhut <JLynch-Eisenhut@weccusa.org>

Wed, Oct 23, 2013 06:04 PM

📎 1 attachment

**Subject :** City of Escanaba - Refrigeration Direct Installs this Week

**To :** jkrajniak@escanaba.org

**Cc :** Lisa Pucelik <LPucelik@weccusa.org>, AThayer@meca.coop, Andrew Kotila <AndrewK@weccusa.org>

Josh:

Based on my email on 10/15 alerting you to the audits that were being done in the City of Escanaba by Orange Energizing Solutions last week, I wanted to update you on the outcome. All work orders were reviewed and approved. Costs are covered by this direct install program.

These are the businesses that were audited and will be installed (of door gaskets, strip curtains, and/or night covers) beginning this Thursday (10/24):

Business	Address	City	Work Order Cost	KWH Savings
Bob's Family Store	E4619 M-35	Escanaba	\$379.55	3,253
Dobber's Pasties	827 N. Lincoln Road	Escanaba	\$2,664.61	32,770
Elmer's Cty Mkt	412 N. Lincoln Road	Escanaba	\$7,476.44	89,348
Hudson Classic Grill	201 N. Lincoln Road	Escanaba	\$1,134.32	12,697
Jade Garden Restaurant	2506 3 <sup>rd</sup> Avenue	Escanaba	\$1,240.78	14,145
Just Burgers & More	811 N. Lincoln Road	Escanaba	\$1,417.17	16,303
Michigan Meats & Processing	3708 19 <sup>th</sup> Avenue	Escanaba	\$1,549.96	13,117
Rosy's Diner	1313 Ludington Street	Escanaba	\$265.00	2,597
Sav More Foodliner	306 Steph Avenue	Escanaba	\$3,093.16	30,174
SuperOne Foods	501 N. Lincoln Road	Escanaba	\$5,920.44	65,369
Taco Bell	539 N. Lincoln Road	Escanaba	\$684.04	8,621
Viau's Market	1519 Sheridan	Escanaba	\$3,231.48	35,242
Crispigna's Foods LLC	1213 Ludington St.	Escanaba	\$1,353.71	14,163

We greatly appreciate any feedback that you may provide on this effort. We will be sending

someone out to the field to validate these installations at a later date.

Regards,

Janet Lynch-Eisenhut  
*Sr. Program Manager*  
***Prescriptive and Custom Programs***

Phone: 608-729-6822  
Cell: 262-617-7424  
Email: [jlynch-eisenhut@weccusa.org](mailto:jlynch-eisenhut@weccusa.org)

**WECC**

431 Charmany Drive | Madison, WI 53719  
[www.weccusa.org](http://www.weccusa.org) | [www.energyfinancesolutions.com](http://www.energyfinancesolutions.com)

---

**WECC**

image001.png  
6 KB

---



NB#5  
CC/EAC  
11/13/13

November 8, 2013

Dear Jim:

Here is our latest update.

AEM asked a slightly different structure regarding the \$1 million deposit and Black Diamond has come back with a structure that addresses the AEM concerns. Representatives of both sides are discussing this accommodation literally today and Friday. Assuming this structure is acceptable to AEM, AEM has indicated its willingness to make the deposit, kicking off the closing process.

As a precaution to the fact that perhaps AEM's concerns can not be addressed, Escanaba Green Energy has secured a second commitment for the \$1 million deposit and is prepared to shift depositors if an agreement with AEM cannot be reached by the end of this week.

All the other pieces of the transaction remain in place and we anticipate moving forward as soon as the deposit issue is resolved.

Regards.

(original signed)

Charles Detiege