



# CITY COUNCIL/ELECTRICAL ADVISORY COMMITTEE

February 11, 2015 – 6:00 p.m.  
Regular Meeting

## CITY COUNCIL

Marc Tall, Mayor  
Ronald Beauchamp, Mayor Pro-Tem  
Patricia Baribeau, Council Member  
Michael Sattem, 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  
Vacant Seat  
Vacant Seat

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

### Meeting Agenda

Wednesday, February 11, 2015

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– Substation Repair/Replacement/Restoration Project.**  
**Explanation:** Administration will be presenting an update to the City Council and Electrical Advisory Committee on the progress of the substation repair, replacement and restoration project associated with the substation damage of February 2, 2015.

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, January 14, 2015**

Pursuit to a meeting notice posted January 7, 2015, the meeting was called to order by the Mayor Marc D. Tall at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, and Michael R. Sattem.

Absent: Council Member Ralph B. Blasier.

Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Blasier.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, John Anthony, and Ann Bissell.

Absent: Electrical Advisory Committee (EAC) Members Larry Arkens, and Glendon Brown, Two vacancies, and Power Plant Liaison.

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Michael Dewar, City Attorney Ralph B. K. Peterson, Pro Energy Services, Inc. Representative Jack Scott, members of the public and media.

**ADJUSTMENTS TO THE AGENDA**

Sattem moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to approve the Joint City Council & Electrical Advisory Committee Agenda as submitted.

**CONFLICT OF INTEREST** – 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 following current departmental activities:

- Pole repairs ongoing but should be completed soon. 30 poles were scheduled to be replaced per the contract;
- Contractors trimming trees around City power lines;
- Breezy Point line was repaired;
- Reviewed new services;
- Provided a Power Energy NextEra Update;

- Energy Optimization update.

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

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

- Power Plant was available 97% of the month, which was good for the age of the power plant. Also reviewed startups of Units 1 & 2, and Combustion Turbine;
- No unit trips or unplanned outages during the month;
- There were no planned outages during the month;
- One forced outage on Unit 1 due to a hand hole leak;
- Reviewed Major Maintenance Activities for December;
- No major maintenance required for the Combustion Turbine during the month;
- No Air Monitoring deviations in the month of December;
- No NPDES violations or groundwater deviations during the month;
- No OSHA work related injuries, no lost time accidents for December.

### **Approval – MISO Attachment Y Submission – Retirement.**

On December 12, 2014, the City of Escanaba submitted an Attachment Y asking for an additional year of plant suspension once the current SSR was suspended by MISO. Administration updated the City Council and Electrical Advisory Committee on the MISO response which stated the City had used up all 36 months possible for suspension over a 5 year period, therefore, another suspension was not authorized. As a result of this ruling, Administration sought City Council approval to file retirement paperwork with MISO. (See Attachment – A) It was further advised, in order to seek Power Plant retirement, the City needed to first terminate the Asset Purchase Agreement with Escanaba Green Energy (EGE). Under the Agreement, EGE would have five business days to come up with funds to purchase the Escanaba Power Plant.

Members of the Public in attendance were offered time to speak on this issue. None were heard.

After further discussion, the following motions were made by Council:

**NB-3a** Baribeau moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve termination of the EGE Asset Purchase agreement.

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

Ayes: Baribeau, Beauchamp, Sattem, Tall  
Nays: None

**NB-3b** Beauchamp moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to approve to file the MISO Attachment Y Submission – Retirement of the Escanaba Power Plant, effective this upcoming June 2015.

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

Ayes: Beauchamp, Baribeau, Sattem, Tall  
Nays: None

### **Approval – Transformer Purchase.**

Administration sought Council approval to purchase transformers of various sizes. Invitations were sent out to 6 sources, with 5 suppliers submitting bids. All bidders were informed that the transformer bid would be evaluated for initial cost and operating cost. After evaluating the bids, Administration recommended acceptance of the bid from RESCO of Middleton, WI for the Ermco transformers in the amount of \$53,284.00.

**NB-4** Sattem moved, Beauchamp seconded, to purchase transformers of various sizes from RESCO of Middleton, WI for the Ermco transformers in the amount of \$53,284.00.

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

Ayes: Sattem, Beauchamp, Baribeau, Tall  
Nays: None

**MOTION CARRIED.**

### **Update – Power Plant Purchase Agreement/Sale.**

No update on the sale of the Power Plant was provided.

Manager O'Toole briefly reviewed information regarding the Upper Peninsula Energy solutions regarding the Presque Isle Power Plant.

**GENERAL PUBLIC COMMENT – None**

### **COUNCIL/COMMITTEE, STAFF REPORTS**

Council Member Baribeau thanked Charles DeTiege of Escanaba Green Energy for all he had done trying to purchase the Escanaba Power Plant. Mr. DeTiege stated he would pick up the pieces and continue to try and purchase the Escanaba Power Plant.

Electric Superintendent Mike Furmanski commented on joining the UP Power Pool and would provide information in the future for Council.

**ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:30 p.m.

Respectfully submitted,

Robert S. Richards  
City Clerk

Approved: \_\_\_\_\_  
Marc D. Tall, Mayor

MEMORANDUM

January 8, 2015

To: James V. O'Toole, City Manager  
Escanaba City Council  
Electrical Advisory Committee

From: Mike Furmanski, Electrical Superintendent

SUBJ: Attachment Y submission

On December 12, 2014, the City submitted an Attachment Y to MISO asking for another year of suspension for the 2 steam units. On December 18, 2014, MISO informed the City that generating units are limited to 36 months of suspension during any 5 year period. Because we will hit the 36 month maximum in June, 2015, I believe we have 2 general options. These are: (1) operate the plant as a network generator and (2) ask MISO for permission to retire the plant.

If we choose option (1), the City would be responsible for all plant costs. These costs are estimated to be \$4.5M annually. Within that \$4.5M figure is \$700,000 for plant depreciation and \$100,000 for CT operations. The \$3.7M directly attributable to the steam plant is what we have been receiving from MISO through our SSR agreement. The \$3.7M attributable to the steam plant would be reduced somewhat by capacity sales and by energy sales. The profits from these sales are not expected to come close to covering the \$3.7M.

Additionally, not having the plant headed for a retirement would likely make it more appealing to a potential buyer.

If we choose option (2), there are 2 possible outcomes. The first outcome is that MISO allows the plant to be retired. There may be some costs associated with closing the plant down, but these would be one-time costs. Our annual costs going forward would be \$0. The second outcome is that MISO does not allow the plant to be retired. This is the more likely outcome, based on the fact that when our suspension request was studied, it was determined that the Holmes to Old Mead Road transmission line would have to be in service before the Escanaba plant could be suspended. This transmission line is not in service yet. It is expected to be in service in late 2016. If our retirement request is denied, we would negotiate a new SSR agreement with MISO.

Escanaba Operating Services  
Monthly Report  
January 2015



*Escanaba Generating Station*

**Escanaba  
Operating  
Services**

## Executive Summary

The power plant operating statistics for the month of January 2015 are described in the tables below.

## Key Performance Indicators

Measure	Unit of Measure	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	6714	6714
Unit 1 Net Electrical Generation	MWH	3026	3026
Unit 2 Net Electrical Generation	MWH	3074	3074
Unit 1 Hours of Operation	Hours	484	484
Unit 2 Hours of Operation	Hours	454	454
Coal Consumption	Tons	3627.01	3627.01
Coal on Dock	Tons	1513.39	1837.2
Steam Plant Net Heat Rate	BTU/KWH	13800	13800
Plant Availability	%	96%	96%
Combustion Turbine Gross Electrical Generation	MWH	0	0
Combustion Turbine Station Service	MWH	52	52
Combustion Turbine Hours of Operation	Hours	0	0
Fuel Oil Consumption	Gallons	1159	81903
Combustion Turbine Availability	%	0%	0%

## Operations Summary

### Unit Starts

Unit 1 was started three times during the month of January. Unit 1 was forced out of service on January 29<sup>th</sup> due to a back wall tube leak.

Unit 2 was started three times during the month of January. Unit 2 was forced out of service on January 27<sup>th</sup> due to tube leaks on the front and side wall.

The CTG was in outage due to burnt out oil heaters and a frozen water injection pump which is currently being rebuilt.

Unit	Date	On-Line Time	Off-Line Time	Reason
1	1-5	0105		MISO Request
1	1-7		0352	MISO Request
1	1-12	0525		MISO Request
1	1-29		0609	Tube Leak Back Wall
1	1-30	0307		MISO Request
1	1-31		0306	MISO Request
2	1-5	0508		MISO Request
2	1-7		0025	MISO Request
2	1-12	0015		MISO Request

2	1-27		1409	Tube Leak Front and Side Walls
2	1-29	0413		MISO Request
2	1-30		1705	MISO Request
CT	NA			

### Unit Trips and Unplanned Outages

There were no Unit trips or unplanned outages.

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

### Planned Outages

There were no planned outages during the month.

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

### Forced Outages /Load Limitations

There was one forced outage on Unit 1 and Unit #2 due to a tube leaks in the boiler.

Unit	Start Date	End Date	End Time	Load Limit	Cause
1	1-29	1-30	0306	NA	Tube Leak on Back Wall
2	1-27	1-29	1409	NA	Tube Leak on Front and Side Wall
CTG	1-1	1-31		NA	Oil Heaters and Water Injection Pump repairs

## Maintenance Activities

### Plant Major Maintenance Activities for January 2015.

#### Unit 1 and 2

One Boiler Tube leak was repaired on Unit #1 on the back wall and Boiler Tube leak on Unit #2 were repaired.

#### Combustion Turbine

There was major maintenance required for the Combustion Turbine during the month which includes the immersion oil heaters and rebuilding of the water injection pump.

#### Balance of Plant Outstanding Issues

There are no outstanding issues as of the date of this report.

## Emissions Compliance Overview-Air/Water

- There were one Air Monitoring deviations in the month of January.

### Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Opacity Parameter	Cause
12/10	12:54	12/10	13:00	54%	Unit #1 – Occurred when ID Fans were turned on.

### Water – NPDES Permit Deviations

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

### Water – Groundwater

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

### 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 January.

### 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 2015 calendar year from Jan 1 through December 31.)

Item	Month	Year to Date
Total Man-Hours Worked	3387	3387
Total Number of Standard Time (ST) Hours	2582.5	2582.5
Total Number of Overtime (OT) Hours	455.5	455.5
Total Number of Double Time (DT) Hours	349	349