

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Work Session Meeting
Monday, May 11, 2015**

Pursuit to a special meeting notice posted April 28, 2015, the meeting was called to order by the Honorable Mayor Marc D. Tall at 12:13 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

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

Absent: None

Also Present: City Manager James V. O'Toole, City Department Heads, media, and members of the public.

ADJUSTMENTS TO THE AGENDA

Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

NEW BUSINESS

Discussion – Senate Bill 282 – Siting and Construction of Electric Transmission Lines – Senator Tom Casperson.

Senator Tom Casperson was present to discuss the intent and concept of Senate Bill 282, which was a bill to regulate the siting and construction of certain electric transmission lines; to prescribe powers and duties of certain state and local entities and officials; to create a board; to prescribe the board's powers and duties; and to provide certain fees for Michigan's long term electrical energy needs. During discussion, the following discussed topics included:

- Issue came to light during Upper Peninsula electrical rate discussions between Cliffs Natural Resources and Wisconsin-based energy company WE Energies, owner of the Presque Isle Power Plant;
- The Upper Peninsula rate issue was resolved when Cliffs Natural Resources agreed to purchase most of their power from Presque Isle Power Plant through 2020;
- The Upper Peninsula relies on Wisconsin Power, who govern the rates, which may not be a good idea. The bill addresses the Upper Peninsula's reliance of Wisconsin Power for transmission. Mr. Casperson suggested Michigan was better off with a Michigan solution;
- Senator Casperson advised talks with Michigan Lower Peninsula power providers have been positive, and stated costs would be spread out throughout

City Council Minutes
May 11, 2015 – cont.

the State;

- It was suggested there were many unknowns about SB 282, especially the financial impacts to the residents of Escanaba;
- City Administration questioned the benefit of eliminating ATC and WE Energies, and joining another zone short on capacity. City Administration suggested Wisconsin would be looking out for their best interest, not the Upper Peninsula;
- Costs would be a long term solution and needed to be discussed with a panel if SB 282 was approved;
- Discussed the MISO modeling that determined costs and who could bid on the project;
- Discussed EPA's decision to shut down coal fired power plants, lower and upper Michigan plants;
- Discussed technical difficulties and proposed new sites;
- Discussed the realistic talk of providing power to the Upper Peninsula from lower power companies;
- City still needed further discussions on purchase of power for the future, and asked if the City would be able to opt out of SB 282.

GENERAL PUBLIC COMMENT

City resident Glendon Brown, and City Electrical Advisory Committee member, stated the City's current electrical energy provider was Nextra. He wanted Senator Casperson to remember that the large megawatt electrical plant in Gaylord was a peaking unit plant, and Appleton Wisconsin anticipated to be adding a large full cycling power plant. Mr. Brown concluded by saying the City of Escanaba was well served by American Transmission Company (ATC), and ATC was currently constructing the last component of electrical transmission into central Upper Peninsula.

ANNOUNCEMENTS

Mayor Tall proclaimed May 15-16, 2015, American Association of University Women (AAUW) Above the Bridge Days, and further acknowledged the Escanaba, Iron Mountain-Kingsford and Marquette AAUW members for all the work they are doing in the Upper Peninsula of Michigan for improving the lives of women and girls.

Hearing no further public comment, the Council adjourned at 12:58 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor