

FOR BOARD ACTION

Agenda Item # 9. a.

Meeting Date:

2/28/06

SUBJECT:

Declaration of Emergency
 Cascade Creek Unit 1 Gas Turbine Generator Fire

PREPARED BY:

Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

Cascade Creek Unit 1 Gas Turbine (CCGT1) suffered significant damage due to a fire in the generator section of the generating unit. The fire severely damaged the electrical windings and insulation to the point of rendering the unit inoperable until such time the major components are replaced or undergo major repairs.

The utility contacted our insurance carrier and they conducted a site visit and physical inspection, reviewed the condition assessment reports from the original equipment manufacture and they agree with staff on the assessment of the condition. Staff also contracted Siemens, the OEM to disassemble, test and evaluate the condition of the unit and they agree with the staff assessment.

The loss of this unit calls for immediate action to prevent a disaster from developing and creating a serious threat to the health and safety of people and may result in catastrophic loss if not immediately addressed.

The Declaration of Emergency is requested based on the following conditions.

- The CCGT1 unit is the only unit in the RPU system that has the ability to “black start” or generate electrical power under outage conditions. This means if there is a major outage of the Rochester electrical system such as occurred in 1998, there are not any options to restore power to our community in the RPU system. During the 1998 outage, surrounding communities were without power for days, RPU was able to restore within hours based on the availability of CCGT1.
- The RPU emergency restoration plan is centered on the ability of CCGT1 being available to restore power during a blackout.
- RPU has approximately 75 “life support” customers on our system that cannot tolerate extended electrical outages without endangering their health and safety.
- RPU has the Mayo system hospitals and the Olmstead County facilities on our system and with that comes significant responsibility to minimize outage time. During the 1998 outage, St. Mary’s Hospital was blacked out and unable to restore without outside assistance, endangering the health and welfare of the patients.
- An extended electrical outage would present significant public safety issues with the loss of street and security lighting, loss of traffic signals, loss of many public and private services,


 General Manager


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loss of supply of heat and/or air conditioning, potential loss of potable water and sanitary systems.

- An extended electrical outage would present significant economic impact to the citizens negatively affecting their welfare.
- An extended electrical outage would present significant potential of environmental damage due to loss of functionality of control devices such as oil separators, emission monitoring and control equipment, etc.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board requests that the Mayor issue a proclamation declaring an emergency due to the loss of CCGT1 and that the declaration of emergency be in effect until the return to service of the unit, and that the Council consent to the Mayor's proclamation.

General Manager

Date



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Mayor is requested to issue the attached proclamation declaring a local emergency, and that the Council consent to the Mayor's proclamation for:

Cascade Creek Unit 1 Gas Turbine Repair/Replacement

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of February, 2006.

President

Secretary

**MAYOR'S PROCLAMATION
DECLARING A LOCAL EMERGENCY**
(under Minn. Stat. §§12.29)

Whereas, the Mayor of the City of Rochester finds that the following situation exists:

Cascade Creek Unit 1 Gas Turbine (CCGT1) suffered significant damage due to a fire in the generator section of the generating unit. The unit is inoperable until such time the major components are replaced or undergo major repairs.

And Whereas, a Declaration of Emergency is requested based upon the following conditions:

- The CCGT1 unit is the only unit in the RPU system that has the ability to “black start” or generate electrical power under outage conditions. This means if there is a major outage of the Rochester electrical system such as occurred in 1998, there are not any options to restore power to our community in the RPU system. During the 1998 outage, surrounding communities were without power for days, RPU was able to restore within hours based on the availability of CCGT1.
- The RPU emergency restoration plan is centered on the ability of CCGT1 being available to restore power during a blackout.
- RPU has approximately 75 “life support” customers on our system that cannot tolerate extended electrical outages without endangering their health and safety.
- RPU has the Mayo system hospitals and the Olmstead County facilities on our system and with that comes significant responsibility to minimize outage time. During the 1998 outage, St. Mary’s Hospital was blacked out and unable to restore without outside assistance, endangering the health and welfare of the patients.
- An extended electrical outage would present significant public safety issues with the loss of street and security lighting, loss of traffic signals, loss of many public and private services, loss of supply of heat and/or air conditioning, potential loss of potable water and sanitary systems.
- An extended electrical outage would present significant economic impact to the citizens negatively affecting their welfare.
- An extended electrical outage would present significant potential of environmental damage due to loss of functionality of control devices such as oil separators, emission monitoring and control equipment, etc.

And Whereas, the Mayor finds that the situation is sudden and unforeseen and could not have been anticipated;

And Whereas, the Mayor finds that this situation threatens the health, safety, and welfare of the citizens of the community;

Now, therefore, the Mayor declares this situation to be a local emergency effective _____ until the unit is replaced or repaired.