

To our Community,

For over 122 years the employees of the Board of Light and Power (Utility Workers Union of America Local 582) have faithfully served the Grand Haven community.

The Grand Haven Board of Light and Power is at a pivotal point on what to do with the Sims Power Plant. We have listened with great interests in the comments made by both the Board of Light and Power and the Grand Haven City Council. As employees that staff the plant 24 hours per day for 365 days per year we can attest that the Condition Assessment of the Sims Power Plant that was presented to the Board in February is accurate.

The utility, and the community, face the decision to either spend money on a 35 year old plant that is reaching the end of its useful life or begin transitioning the community to a future power supply plan that will increase reliability, cost our customer's less money in the future, provide some local generation for the next 30-40 years, and will be less carbon intensive. We agree with Management and the Board of Directors that it is time to retire the Sims Power Plant.

This does not mean that we do not care about this facility as we sacrifice a great deal to keep it operating on a daily basis. While we understand the financial commitment this community made almost 40 years ago, we also understand the amount of money that will be needed to extend the life of the plant in a safe and reliable manner along with the higher costs of continual operations of the plant. This does not mean that we will give up our community's energy independence or local control. It also does not mean that we will buy all our power needs off the Grid as some are suggesting.

Having direct knowledge of working in this industry we have clearly witnessed how drastically the utility world has changed in the last decade which is forcing utilities to change how they do business. Significant investments have been made to the modern electrical grid which has greatly improved reliability. Additionally, renewables along with low natural gas prices have flipped the economics of coal fired generation plants. This is why you are seeing so many coal plant retirements, some of which are not even as old as the Sims Plant. Our community needs to adapt and develop an energy plan that is flexible if we are to continue serving in our customer's best interest. Our smaller size will allow us to be more capable of handling the changes in the future which will make us more competitive than other electric suppliers. We need to work diligently to keep electric costs low so that the dollars stay in your pockets and your employer's pockets so that you can grow which in turn will help us grow.

We have appreciated the comments of concern by the governing bodies on the impacts of steam plant employees, as this new power supply plan will require a significantly reduced work force. Fortunately, the timing is perfect for this transition as the BLP is experiencing a significant amount of turnover due to the retirements in the next three to five years. This turnover will allow some plant employees to transition to a new power facility, which was recommended to the Board of Directors in February. This will also allow the remaining steam plant employees to take advantage of the turnover in the distribution, metering, and customer service departments.

A decision needs to be made on the Sims Power Plant so that direction can be set to plan, design, and engineer a new power supply plan. Management and Union are working closely and collaboratively to ensure that this transition can take place with minimal impact to employees. Our goal is to make this transition with no terminations of existing employees and we are well on our way.

While there are other issues that need to be taken into account such as the downtown snowmelt system, the financial contributions to the City from the utility, and the effects on the dredging of the harbor we have no doubt that solutions can be found with proper collaboration and leadership between the Board and City Council. These are issues that would need to ultimately be addressed at some point since the Sims Plant will not last forever. Now is the proper time to solve them.

We thank you for your support and want you to know that it is our pleasure to faithfully serve a community we hold so close to our hearts.

The members of The Utility Workers Union of America Local 582