



Summary of Feedback from the Presentation of the Power Supply Plan

BURNS  **MCDONNELL**TM

**Grand Haven Board of
Light & Power**

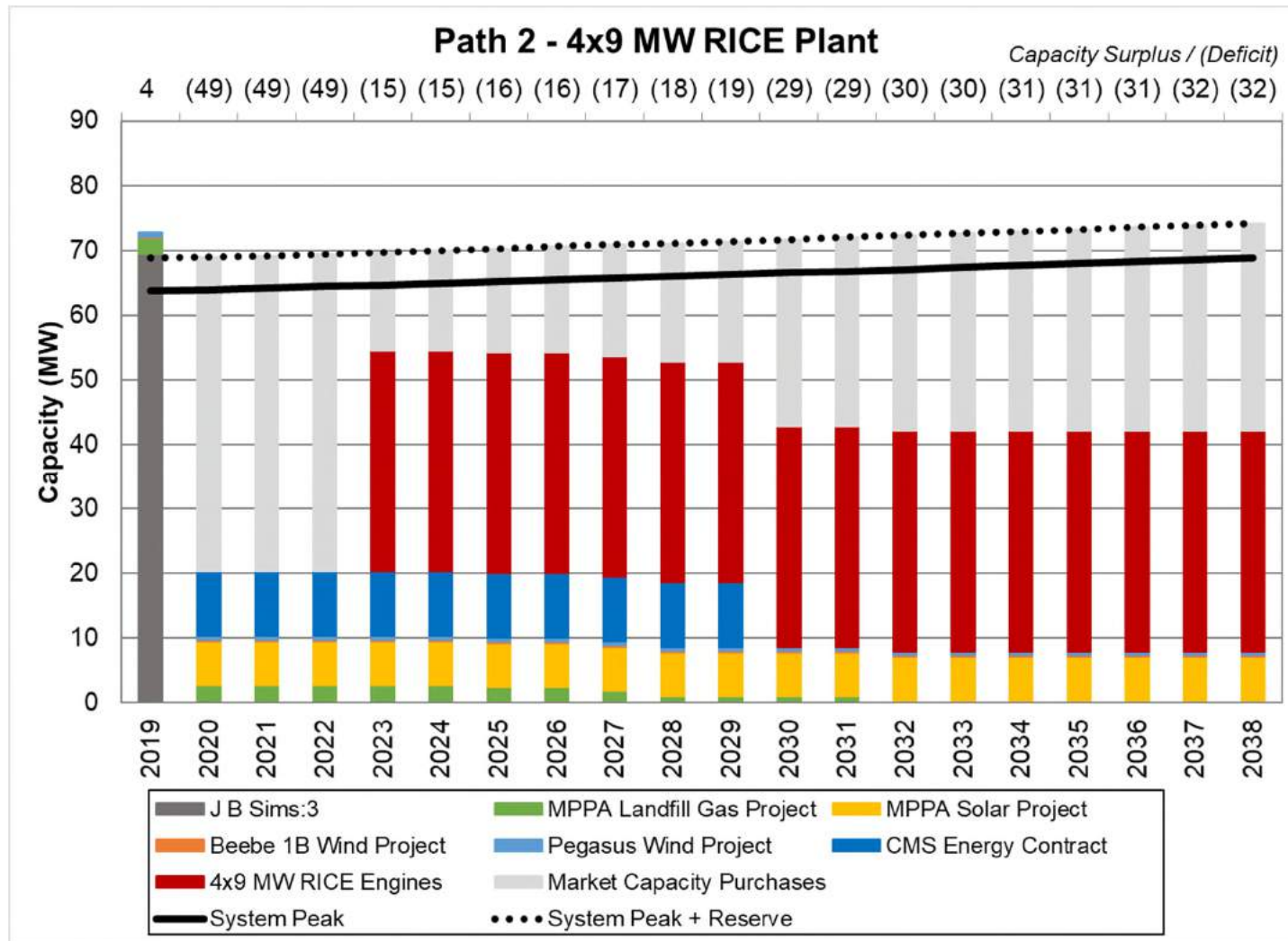
November 8, 2018



Feedback and Comments

- ▶ Move away from coal by retiring Sims Unit 3
- ▶ Re-use as much infrastructure as possible at Harbor Island
- ▶ Incorporate more renewables moving forward, especially local
- ▶ Try to incorporate distributed energy generation
- ▶ Electric rates need to be competitive
- ▶ Resiliency against terrorist threats
- ▶ Concerns around cost sharing for snowmelt between BLP, City, and DDA
- ▶ Future design of new plant: cost of CHP, dual fuel capability, and noise concerns with the plant
- ▶ More public access to waterfront on Harbor Island

Path 2 BLR – Retire Sims & Build 36 MW of Recips



This is Four Projects in One

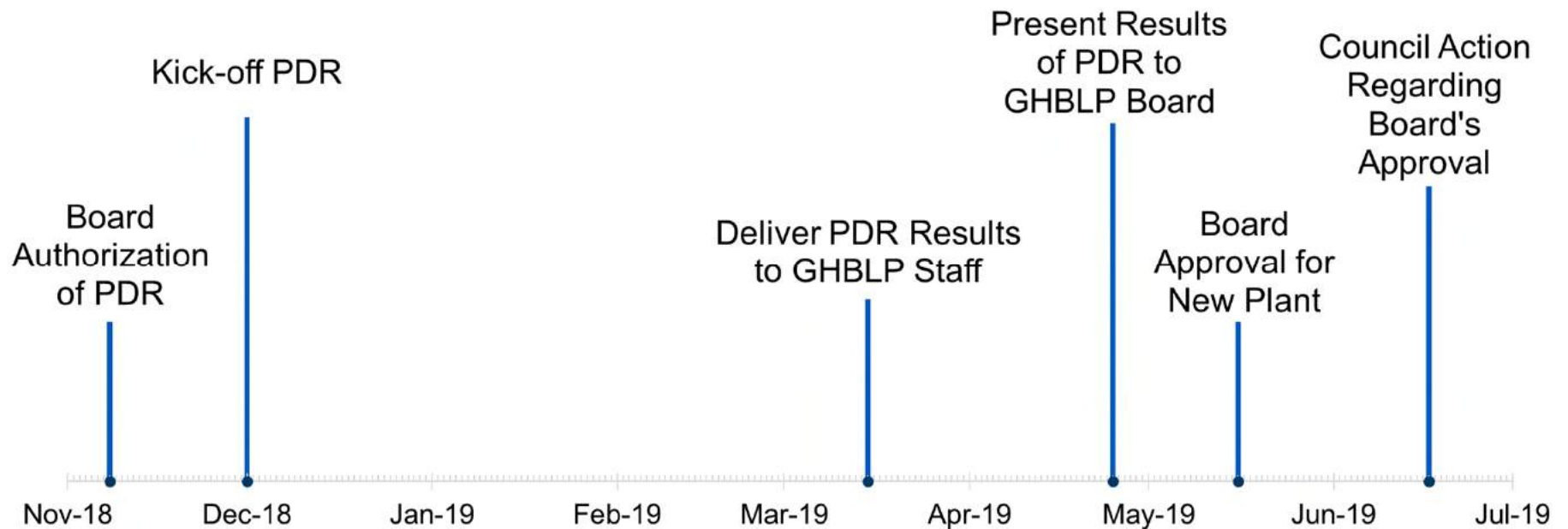
- ▶ Demolition and decommissioning of Sims Unit 3
- ▶ Remediation and mitigation of the site
- ▶ Design and construction of reciprocating engine plant
- ▶ Snowmelt (transition and permanent solutions)

General Project Execution Schedule

- ▶ Unit 3 retires: June 1, 2020
- ▶ Year 1: Snow melt transition, demolition and decommissioning
- ▶ Year 2: Mitigation/remediation of site, site preparation for construction
- ▶ Year 3: Build new recip engine plant
- ▶ New plant is operational: June 1, 2023

Short-term Timeline of Next Steps

**Schedule to support new plant
commercial operation date of June 1, 2023**



Action Plan

1. Address public input/feedback and present to the Board for review.
2. Finalize the power supply plan report
3. Move from planning to engineering phase
 - a. Conduct a Project Definition Report (PDR) for the new plant: includes demolition plan of existing site, preliminary engineering, site layout, cost estimates, interconnection studies, permitting, execution schedules
 - b. Engineer replacement for snow melt system both during the transition and permanently
 - c. The PDR will be needed to meet the requirements of the City Council's Resolution passed on September 4, 2018.
 - d. Develop remediation plans for Sims facility and coordinate with PDR execution schedules.
4. Secure short-term capacity and energy during the transition from Sims Unit 3 to the new plant
5. Begin building a long-term diversified portfolio, through the joint action agency, that will complement and supplement the new generating facility on Harbor Island that offers cost competitive power supply for electric customers.

Detailed Action Plan – Final Report

- ▶ We did not hear any feedback that would change the conclusions and recommendations of the report.
- ▶ We'll incorporate comments into the final report.
- ▶ Move to finalize the report in the coming weeks, but the results reflect the information presented this week.

Detailed Action Plan – Project Definition Report

- ▶ Start the Project Definition Report
 - This kicks-off preliminary engineering and defines the details for the demolition activities, snow melt, and new plant design
 - Two Phases, but need to be done in parallel
 - Evaluate local solar option on Harbor Island with the recip plant
- ▶ Phase I
 - Task 1: Project Design Basis Development
 - Task 2: Capital and O&M Cost Estimates
 - Task 3: Architectural Renderings
- ▶ Phase II
 - Task 4: Decommissioning/Demolition Plan and Cost Estimate
 - Task 5: Preliminary Air Permitting and Noise Assessments
- ▶ Remediation and mitigation studies in parallel with PDR

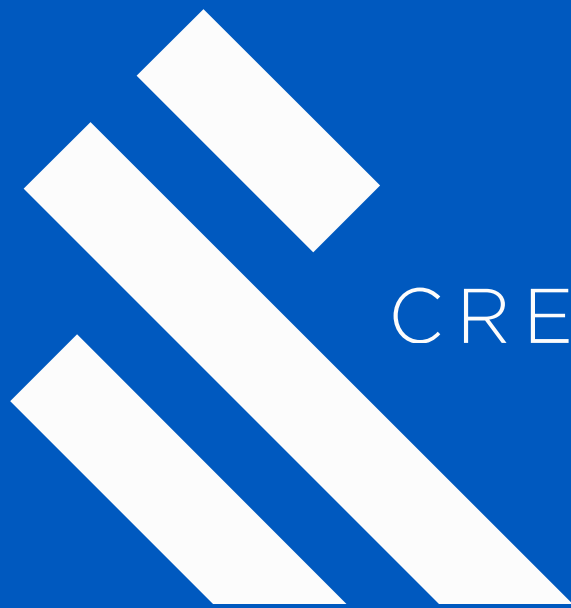
- ▶ Objective: Board will have the cost estimates, site layouts, renderings, and execution schedules to make a decision to move forward on the recip engine plant.

Detailed Action Plan

- ▶ Evaluate the impact to electric rates
- ▶ Begin securing short-term capacity and energy during the transition from Sims Unit 3 to the new plant.

Staff Recommendations

- ▶ Direct Burns & McDonnell to finalize the report with feedback received this week.
- ▶ Begin Project Definition Report to conduct preliminary engineering.
- ▶ Begin working with environmental consulting firm to determine costs associated with remediation (this will feed the PDR).
- ▶ Begin securing short-term capacity and energy to replace Sims during the transition.



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