
COMMUNITY NEWS

Grand Haven Board of Light and Power
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FOR IMMEDIATE RELEASE

HARBOR ISLAND SITE IMPROVEMENTS AND ROLLOUT OF ADVANCED METER INFRASTRUCTURE

Wednesday, March 25, 2020, Grand Haven – At last week’s Board of Directors meeting, the Board of Light and Power approved contracting with Catskill Remedial Contracting Services, Inc in the amount of \$2,064,061, contingent on receiving the necessary permit from the Michigan Department of Environment, Great Lakes & Energy (MDEGLE), to perform the clean closure of the coal combustion residuals impoundments on Harbor Island. Additionally, the Board approved the purchase of 1.85 acres of wetland credits in the amount of \$148,000 and set a 2020 Phase I project budget for this work at \$3,000,000 (including project contingency and landfill disposal charges).

MDEGLE had previously notified the BLP that the impoundments would need to be closed by December 2020 or the utility would need to submit an application for a 5-year operating license. Based on this information, a project schedule to clean close the impoundments by removal was moved ahead to 2020 to ensure this deadline would be met.

Gerald Witherell, Board Vice Chair stated, “Now that Sims is closed, this is the first step in remediation of the Sims site. BLP Staff, legal advisors, and environmental engineering consultants have recommended this initial remediation plan to ensure applicable MDEGLE requirements in these regards are met.”

David Walters, General Manager added, “This initial Coal Ash Remediation work is contingent on receiving the necessary permits from MDEGLE, expected in the next several weeks.” The cost of this work is to be reimbursed using BLP Electric Revenue Bonds to be issued under the Notice of Intent published in the Grand Haven Tribune on March 6, 2020. “The Board’s contract and budget approval ensures the utility is on track to meet the stringent deadlines set by

MDEGLE and is another step toward meeting our Strategic Plan initiative to transition the utility to a more sustainable, economical, and diversified power supply portfolio.”

Demolition of Sims is expected to be completed in mid-2021 at a cost of \$5.2 million. Other work scheduled to be concluded by 12/31/20 includes the installation of interim snowmelt equipment (\$0.8 million), Harbor Island Electrical Substation Reconstruction (\$4.0 million) and installation of Advanced Meter Infrastructure (\$2.0 million). This approved work has an estimated cost of approximately \$15 million dollars.

The BLP will begin its system wide installation of advanced meters in April 2020 with expected project completion by fall 2020. These installations and technology upgrades should be transparent and will not normally require any action by customers to complete the process; however, a brief power outage may be required during the meter installation process. BLP crews will attempt to contact residential customers immediately prior to installation to let those who are home know we will be changing the meter. If an outage is required for the BLP’s large commercial or industrial customers, the BLP will schedule the work in advance.

Grand Haven’s snowmelt system heat will be supplied by the Sims Plant’s auxiliary boiler for the remaining portion of the winter. An interim snow melt solution was approved at the Board’s February 20, 2020 meeting with expected completion in Fall 2020. This equipment will then be moved later into newly constructed facilities on the Sims site.

There are several components of the Harbor Island Redevelopment Project on the Sims Power Plant site that are further being discussed and evaluated but have not yet been approved by the Board. The BLP’s current estimates for potential improvements now being considered for 2021-2023 includes Coal Dock and Storage Yard Remediation (\$1.7 million), Coal Yard associated Wetlands Restoration (\$0.8 million), additional future potential Coal Ash Remediation (\$2.5 million), Non-generation Building and Facilities (\$8.0 million) including system control room, offices, large conference room, work and garage spaces, and final snowmelt heat source installation.

“There is a very high probability this work will be determined necessary by the BLP at some level in the coming months and will move forward,” Walters said. “These items total an additional \$13 million.”

The BLP is also continuing its evaluation of potential future power generation on the Sims site, while the size and configuration of the equipment being evaluated has been substantially reduced. Current considerations for this generation component include the installation of 10-22.5 MW of Reciprocating Internal Combustion Engine (RICE) driven and natural gas-fired generation, to be coupled with the new snowmelt equipment, at an additional estimated cost of

\$12-32 million. The amount of generation to be installed, if any, will be determined by the Board after this evaluation is completed, likely to occur in the next six months.

The BLP provides electricity for approximately 14,500 customers in Grand Haven and the surrounding area.

Harbor Island Redevelopment Project Summary

Approved components of work on the Sims site and AMI installations to occur in 2020 and 2021:

Sims Plant demolition	\$5.2 million budget
Snowmelt equipment installation	\$0.8 million budget
Coal Ash Remediation Phase I	\$3.0 million budget
Harbor Island Electrical Substation	\$4.0 million budget
AMI	\$2.0 million budget
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	\$15.0 million budget

Coal Ash Remediation work above contingent on receiving necessary permits from MDEGLE (expected in next several weeks):

Project Components being considered for 2021 and 2022:

Coal yard remediation	\$1.7 million budget
Coal yard wetlands restoration	\$0.8 million budget
Phase II/III potential Ash Remediation	\$2.5 million budget

Includes system control room, offices, large conference room, work and garage spaces, and final snowmelt heat source installation.

Non-generation Building and Facilities	\$8.0 million budget
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\$13.0 million budget

Very high probability this work will be determined "necessary" by the BLP at some level and will move forward.

Generation component being evaluated to be operational in 2023:

10 MW RICE generation and engine hall coupled with snowmelt (@ \$1,200/kW)	\$12.0 million budget
22.5 MW RICE generation and engine hall coupled with snowmelt (@ 1,356/kW plus \$1.5 million NG improvements)	\$32.0 million budget

Total Project:

0 MW Generation	\$28.0 million	(plus \$2.0 million contingency = \$30)
10 MW	\$40.0 million	(plus \$3.5 million contingency = \$43.5)
22.5 MW	\$60.0 million	(plus \$5.0 million contingency = \$65)