

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 10, 2020

A special work session of the Grand Haven Board of Light and Power was held on Thursday, September 10, 2020 at 4:00 p.m. at the Board's office located 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Meeting.

The meeting was called to order at 4:00 p.m. by Chairperson Smart.

Present were Directors Crum, Kieft, Naser, Witherell and Smart.

Also present were David Walters, General Manager and Renee Molyneux, Administrative Services Manager and Secretary to the Board.

Director Witherell, supported by Director Kieft, moved to add item 2.A. Public Comment Period, reverse the order of discussion for items 3. and 4. and approve the amended agenda. The motion was unanimously approved.

Public Comment – A letter from Jon Jellema and Gail Ringelberg was read. Chairperson Smart thanked Mr. Jellema and Ms. Ringelberg for their comments.

Gail Ringelberg, BLP customer, stated she loves this City. She was biased in wanting to produce all the power we use locally and was originally against the retirement of Sims. She realizes her biases were based on emotions and now realizes decisions should not be based on biases. She supports an independent review of options that involves public input and asked the Board to pause.

Jon Jellema, BLP customer, agreed with Ms. Ringelberg's comments. He thanked Chairperson Smart for allowing public input at tonight's meeting. The group's goal is to help the Board reach the right decision. He asked the Board to pause and to get an outside firm to reevaluate.

Kent Bloom, BLP customer, thanked the Board for the opportunity to speak. He stated the BLP employs the best people. He appreciates their professionalism, expertise and customer relations. He feels community input is important. The citizens of Grand Haven want to know what the BLP is deciding for generation. A Citizen's Group asked City Council to designate a committee for input into BLP decisions. City Council denied their request and directed the group to work with the GHBLP.

Field Reichardt, BLP customer, stated he is concerned that the BLP is focused / working on one direction. He feels it would give more credibility to the Board if they offer alternative options for consideration.

Josh Brugger, BLP customer, asked why the General Manager first advised that the best thing for Grand Haven would be to build nothing and connect to the grid. Why did he feel that was the best direction for Grand Haven?

Andrea Hendrick, BLP customer, thanked the Board. She feels they were heard today. She appreciates that the Board is willing to have this conversation. She would like to see the scope of the Board's review expanded and is willing to help with the legwork.

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 10, 2020

Energy Discussion – Chairperson Smart reminded the Board five studies have been conducted and eleven Board Policy Statements have been approved since 2012, as well as the current strategic plan in 2016. The Board has a lot of information, which began in 2012, to base its decisions upon. He asked each Board member to share their thoughts regarding to this process.

Director Kieft agreed the Board has spent a lot of time since 2012 evaluating direction. He stated there have been a lot of changes in the market since that time.

The General Manager stated there are two elements to public outreach, 1) to keep customers informed and educated on Board matters, and 2) to seek public comment, input and feedback of the Board’s proposed actions. In response to the Board’s Strategic Plan Customer/Community Engagement objectives, BLP staff initiated annual customer satisfaction surveys, held public forums, large customer meetings, and expanded public outreach with very intentional communications to customers. He feels it is now obvious we have not done enough with communicating what the Board and Staff have done during its evaluation process. We need help.

The primary recommendation in our 2018 Integrated Resource Plan is to close Sims and replace it with “a diversified portfolio of supply resources,” primarily, if not exclusively, from outside the Grand Haven area. This recommendation has been somewhat lost in our public discussions. A secondary recommendation of the IRP was to supplement and compliment those purchases/projects located elsewhere with a much smaller (than Sims) more flexibly dispatched stand-by generation asset located on Harbor Island (the “center” of our existing distribution system). As part of developing that portfolio, the GHBLP is participating in the largest solar project in Michigan. We will get approximately 8% of our power supply portfolio from solar by 2022. Approximately 25% of our power supply portfolio will be provided with renewable energy by that time. Any suggestion that we are not looking at alternatives is not based in fact. The Board is now considering a revised local option to complement and supplement these projects/purchases located outside our area - the generation component (a smaller Combined Heat and Power RICE plant option) included in the Harbor Island Redevelopment project. This is how a “diversified” portfolio gets built, “one element at a time.” The question now is, why is this information not getting out into the public. There is an overemphasis on a very small local component that will produce less than 5% of our annual energy supply.

Director Naser feels we should push the pause button. He feels we need an unbiased consultant to moderate and educate the Board and the public on these issues. Director Naser suggests those issues include current water levels and rumors regarding changes to the 100 year flood plain; whether the site is appropriate from an environmental standpoint; if the best use for the site is to build BLP facilities; whether there are other local generation options available to consider; should we have local grid backup for the safety of the community; and should we evaluate relocation of Sims activities to Eaton Drive. Director Naser proposes the Board hold joint meetings with the public, moderated by an unbiased consultant, and schedule these meetings in the evening in a larger venue.

Director Witherell agrees with the General Manager and we should advance toward more outside purchases and projects; however, the City requested we also have some generation on the

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 10, 2020

island to support the system and provide heat to snowmelt. The initial intention was to build a 36 MW facility which was further evaluated during the 2019 Burns & McDonnell Project Definition Report. Through that evaluation, we learned Michigan Gas Utility's infrastructure through Grand Haven is not large enough to accommodate a plant of that size. This conclusion led the Board to evaluate a smaller facility. There is a lot of misinformation being shared out in the community. The Board needs to do a better job communicating its efforts.

Director Kieft added he supports Director Witherell's comments regarding communications. City Council did not like the idea of closing Sims. He does not feel we need a communications firm telling the community the project 'walks on water' but would agree we need to get the right information out to correct any misinformation out in the public. Director Kieft supports an independent firm to facilitate an open forum with the community. He suggested Roland Berger, who are facilitators, as one such firm. He feels there are other companies who may also want to provide a proposal.

Director Crum stated in 2018 when we realized Sims was going to close, two public forums were held. In November 2018, five more public forums were held. He believes the Board did a good job of communicating at that time the process it was involved in and the alternatives on the table. We are at a point now where the Board has spent a lot of money on these studies. How much more does the Board want to spend? He believes the silent majority is happy with the direction the Board is heading. The BLP has been on the island for a long time. The substation is on the island. Our interconnects to the regional grid are on the island. It makes sense to remain there. He disagrees with relocating. It would not be cost effective. Regarding relocating employees to the Service Center, there is not enough room for all employees to work out of the current location on Eaton. The City has office space located downtown, a wastewater treatment plant located on the east side, the department of public works on the east side, and the water plant in the City. He feels it is important to remain on the island. He also agrees with Director Witherell, we need to do a better job communicating our efforts and action to date.

Board Communications Strategy Discussion – The General Manager stated Director Witherell asked the Board at its July meeting to direct staff to seek an external communications firm to help simplify our message and answer the questions that are being raised from the studies we have already done. The BLP contacted the same firm Holland Board of Public works used as they did an excellent job for HBPW.

General Manager Walters suggested there are no new generation alternatives being built since our 2018 IRP was completed. The best consultants in the industry are the experts at MPPA; however, for some unknown reason the Board is reluctant to use them. The General Manager recommends bringing MPPA in to present and answer the questions of the Board and the public.

Director Witherell stated what is concerning to him is that we hear very little from our industrial customers. This is a big decision and we have not been rushing through the process. He recommends getting a firm to help get the message out to the public and correct the public mischaracterizations and misunderstandings we are hearing.

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 10, 2020

The General Manager reminded the Board that MPPA will be buying capacity four years out in October. Hitting the pause button is not really an option. If the Board does not make a decision to continue to move forward on a project by the October 2020 meeting, MPPA will be required buy that capacity on our behalf. It could potentially be sold later, but we would need to find a buyer who needs it at that time (when most are putting together their plans now for four years out).

Other Business - Chairperson Smart would like the Board to begin holding two regular Board meetings per month beginning in October 2020. This will be on the September 17 Agenda for consideration.

No formal action was taken during this Working Session.

At 5:24 p.m. by motion of Director Kieft, supported by Director Naser, the September 10, 2020 work session was adjourned.

Respectfully submitted,

Renee Molyneux  
Secretary to the Board

RM