

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, August 17, 2023

Meeting to be held at 1700 Eaton Drive

6:00 PM

1. Call to Order / Roll Call / Excuse Absent Members
2. Approve Meeting Agenda
3. Public Comment Period
4. Consent Agenda
 - A. Approve Minutes of the July 20, 2023, Board Meeting and the August 1, 2023, Board Work Session
 - B. Receive and File: July Financial Statements, Power Supply and Retail Sales Dashboards
 - C. Receive and File: July Key Performance Indicator (KPI) Dashboard (provided at meeting)
 - D. Receive and File: MPPA Energy Services Project Resource Position Report (dated 07/28/2023)
 - E. Receive and File: Constellation Energy Market Update Graphs (dated 8/08/2023)
 - F. Receive and File: Walters Public Comments at 8/07/2023 City Council Meeting
 - G. Approve Payment of Bills (\$4,814,566.75 in total)
 1. In the amount of \$3,969,478.11 from the Operation & Maintenance Fund
 2. In the amount of \$845,088.64 from the Renewal & Replacement Fund
5. General Manager's Report
 - A. Approve Purchase Orders (\$136,740 in total)
 1. PO #22740, Power Line Supply Company, \$58,130 (LED street lighting fixtures)
 2. PO #22749, Power Line Supply Company, \$11,960 (Tri-plex wire to replenish stock)
 3. PO #22754, Premier Line Services, LLC, \$45,867 (Annual switchgear cleaning maintenance services)
 4. PO #22756, Brown Wood Preserving Company, Inc., \$20,783 (26 wood distribution poles to replenish stock)
 - B. Authorize Revised Power Purchase Commitment for Savion Calhoun Solar Project
 - C. "Reviewing the Record" Presentation (Erik Booth)
 - D. Approve Board Resolution Regarding General Employee Benefits
6. Chairman's Report
 - A. Report of Meeting with Ferrysburg Mayor/City Manager
7. Other Business
8. Public Comment
9. Adjourn

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF AUGUST 17, 2023

4. B. The BLP Financial Statements and Dashboards for the month ending July 31, 2023, are provided for your information. These financial statements represent the BLP's financial position following the first month of fiscal year 2024 (i.e. a single month, therefore the "Current Period" actuals on the Income Statement equal the "YTD" numbers).

Current Assets total \$22,602,539, showing a year-over-year decrease of \$12,508,172, a reduction of 35.6%, primarily the result of the Board's action in May to restrict approximately \$15.9 million by fiscal year's end for the purpose of environmental remediation and mitigation of BLP contamination of the Sims Power Plant site on Harbor Island (pay for the associated liabilities on our balance sheet). Unrestricted Cash and Cash Equivalents remain at \$17,755,942, down \$13,006,678, or 42.3%, from July 31, 2022. **This amount is \$244,058 below the \$18,000,000 minimum unrestricted cash reserve threshold established by the Board in May.**

Remaining 2021 electric revenue bond proceeds and accumulating bond redemption funds (**Non-Current Assets**) have now decreased to \$8,787,345 (from \$12,493,380 on July 31, 2022), **\$7,355,207** of which remains in the "2021A Bond Construction/Mitigation Fund" to pay costs associated with the defined "Project" described in Bond documents. The Bond redemption fund is used to accumulate monthly the required annual principal and interest debt service payments for the Bonds. The next principal payment of \$2,400,000 will be made on January 1, 2024.

Non-Current Assets in both years include an "Advance to City of Grand Haven" for snowmelt heating equipment installed in 2020 using electric utility revenue Bond Anticipation Notes (BANs). This advance will be reduced monthly by the City returning an amount to the BLP equal to 5% of PSCA revenues the City receives in transfers. The balance of the advance/loan now totals \$708,685. The BLP also assumed 25% of the snowmelt equipment costs directly and will be crediting 100% of the incremental monthly service fee increase collected from BLP customers to offset this portion of these costs (that have now been "prepaid" to the City).

Total Cash (including non-current restricted amounts in the Bond Construction, Bond Redemption, and Mitigation Funds) decreased 7.2% (or \$3,108,739) year-over-year to \$40,147,261 (again, \$22,391,319 is restricted cash in various funds for environmental remediation, bonded capital projects, and the payment of debt service).

Accumulated **Construction In-Progress** now stands at \$1,308,633. The net result of capital additions, deletions, and amortized depreciation over the last twelve months reflects an increase of **\$2,858,078**, or 8.2%, in the value of the BLP's **Capital Assets** (book value) year-over-year. That Capital Asset balance now stands at \$37,340,193 (as compared to

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\$34,482,115 on July 31, 2022). This amount now represents 39.5% of the BLP's current Total Assets. The book value of these Capital Assets is now approximately 46% depreciated (the approximate average depreciation life of the system is 32 years, with current average age of system equal to about 19 years assuming straight line depreciation).

The net combined unfunded Pension/OPEB liability now stands at \$2,121,138 (net of Deferred Outfalls). The fiscal year-end 2023 adjustments were based on the December 31, 2022, actuarial report and do not reflect any accrued investment earnings (or loss) during calendar year 2023.

Additional liabilities for "Asset Retirement Obligations (and Environmental Mitigation)" now total \$16,889,005, up \$756,804 (+4.7%) year-over-year, as a result of adding an \$1,000,000 estimated increased liability in June, that will be collected from the Environmental Remediation Surcharge, and placed in the restricted Mitigation Fund, during FY 2024.

Total Assets at are now \$94,522,182, an increase of 2.3% (\$2,100,983) year-over-year. Retained Earnings are up 11.3% year-over-year (+\$5,034,303).

The July 2023 Statement of Revenues and Expenses shows Total Charges for Services for the month were 0.48% below budget and 6.71% above last fiscal year. The Sales Dashboard shows **the annual average retail customer revenue per kWh – (total retail charges divided by total retail sales) – is up to \$0.1333 per kWh or a 9.24% increase compared to FY 2022.**

Sales volume (including street lighting) for the month was down 2.29% as compared to July 2022, industrial sales were down by 2.01%, commercial sales were down 1.80%, municipal sales were down 5.81% – **net July commercial/industrial/municipal kWh sales volume then decreased by 2.13%** (the percentage of total sales increased to 65.31%). **Residential sales volume was down 2.66%** (34.35% of sales). Street lighting remained a small portion of the entire system load at 0.34%.

The Power Supply Cost Adjustment was reinstated in September 2022 after 26 months with zero adjustment in base charges to recover changes in wholesale power supply costs. As a result, the system average revenue per kWh has increased each month since. This metric is now expected to remain relatively constant through FY 2024 (as was displayed in our FY 2024 budget presentation).

Total Operating Expenses (before depreciation and legacy pension expenses) for the month were \$74,587, or 2.68%, below budget, and \$367,768, or 11.39%, below July 2022. **Total power supply expenses were down \$297,994 in July 2023 below July 2022**

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GENERAL MANAGER'S REPORT
BOARD MEETING OF AUGUST 17, 2023

(-11.5%). All other expenses, excluding Legacy Pension Expenses, were down \$69,774 (or down 10.9%).

Renewable purchases increased 9.7% in July 2023 over July 2022 to 21.0% of total energy volume, primarily the result of increased solar purchases.

4. C. KPI Dashboard will be provided at our meeting.
4. E. Constellation Energy Market Update Graphs – Calendar years 2024-2026 MISO Michigan Hub Annual Round-the-Clock (24 x 365) Forward Power Prices now range from \$46 to \$50/MWh, and with these years trading approximately 72% above their “All-Time Contract Lows.” The remainder of calendar year 2023 RTC transactions are trading well below previous calendar year-end (2022) hedges. In late 2022, Annual Calendar 2024 RTC was trading above Calendar Years 2025-2027 (displaying downward pressures in future years on energy prices). Over the last eight months this inverted forward curve has corrected itself, with all years, particularly 2024-2025 showing relative stability since June 1, 2023.
4. Confirm Purchase Orders – There are no (0) confirming Purchase Orders on the Consent Agenda this month.
5. A. Approve Purchase Orders – There are four (4) additional Purchase Orders totaling **\$136,740** on the regular agenda.

The PO number, contractor name, associated dollar value, and short description of these items are listed on the agenda.


I, or an appropriate staff member, can answer any further questions you may have in these regards at our meeting.

All applicable purchasing policy provisions associated with these Purchase Orders were followed. Capital planning or budgeted funds are available. Staff is recommending approval of these items in total as listed. (Board action is requested).

5. B. Authorize Revised Power Purchase Commitment for Savion Calhoun Solar Project – Please see attached ESP Amended and Restated Power Purchase Commitment Authorization from MPPA and Erik’s recommendation memo to me. Staff is recommending Board authorization to allow myself as MAR to sign the authorization form.
5. C. “Reviewing the Record” Presentation – Erik is planning a presentation to “review the record,” to correct some mischaracterizations being made during the campaign season. The presentation is not yet complete. No action is being requested of the Board.

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GENERAL MANAGER'S REPORT
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5. D. Approve Board Resolution Regarding General Employee Benefits – During our discussion last month regarding severance pay for executive staff who may have their jobs substantially altered or eliminated by the Charter Amendment, the question was raised “why don’t we do this for all employees.” The attached resolution accomplishes this without providing contracts to all employees. Staff is recommending approval of the resolution.

DW/dm 

Attachments

08/14/23

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JULY 20, 2023

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, July 20, 2023, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Meeting.

The meeting was called to order at 6:00 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Witherell and Westbrook.

Absent: None.

Others Present: General Manager David Walters, Secretary to the Board Danielle Martin, Finance Manager Lynn Diffell, Operations & Power Supply Manager Erik Booth, and Distribution & Engineering Manager Rob Shelley. Attending remotely were representatives from HDR.

Motion: Director Crum, supported by Director Knoth, moved to approve the meeting agenda.

23-11A Chairperson Westbrook, supported by Director Witherell, moved to amend the meeting agenda by adding items 4I Receive and File Information Submitted by Former Mayor Geri McCaleb and 9A Schedule a Work Session August 1, 2023 to Review with Truscott Rossman Potential Information Materials Regarding the BLPCCC Amendment.

Roll Call Vote:

In favor: Directors Crum, Knoth, Witherell and Westbrook; Opposed: Director Hendrick.
Motion carried.

23-11B Director Crum, supported by Director Knoth, moved to approve the meeting agenda as amended.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

Public Comment Period:

Mike Fritz, 225 Clinton Avenue, commented on electric vehicle charging stations and asked the Board to work with City officials and businesses on this item. He thanked Board directors for the work they do as elected officials.

Jeff Miller, 1120 S. Harbor Drive, commented on the advisory committee created at the Board's June meeting and offered to lend his experience. He stated elected officials engaging with the public is a good thing.

Mike Welling, 1226 Fulton Avenue, commented on the Harbor Island soccer field. He stated former dump materials are below the field and that fact seems overlooked in the HDR presentation.

GRAND HAVEN BOARD OF LIGHT AND POWER
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23-11C Director Knoth, supported by Director Witherell, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the June 29, 2023, Board meeting
- Accept and file the June Financial Statements, Power Supply and Retail Sales Dashboards
- Accept and file the June Key Performance Indicator (KPI) Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report (dated 06/30/2023)
- Accept and file the Constellation Energy Market Update Graphs (dated 7/11/2023)
- Accept and file the MERS Annual Actuarial Valuation Report for GHBLP (dated 12/31/2022)
- Approve paying bills in the amount of \$2,556,684.66 from the Operation & Maintenance Fund
- Approve paying bills in the amount of \$747,926.48 from the Renewal & Replacement Fund
- Confirm Purchase Order 22715 in the amount of \$24,000.00 to Zervas Facility Maintenance for annual cleaning services
- Receive and File Information Submitted by Former Mayor Geri McCaleb

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

23-11D Representatives from HDR provided an update on the Harbor Island project. Background monitoring is nearing completion, and the next steps will begin in the fall/winter. The General Manager requested a process be established for the Board and staff to receive new data to be able to accurately respond to inquiries from the public. No overall cost estimates are currently available. HDR will be at the Board's September 28, 2023 meeting with another update.

No formal action taken.

23-11E Director Crum, supported by Director Knoth, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order 22717 in the amount of \$60,000.00 to GRP Engineering for design engineering and C/A for Morford substation upgrades

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- Purchase Order 22719 in the amount of \$6,000.00 to Tri-Cities Broadcasting Foundation (WAWL) for FY24 community outreach and PSAs
- Purchase Order 22723 in the amount of \$8,347.50 to WGHN radio station for FY24 community outreach and PSAs
- Purchase Order 22724 in the amount of \$45,000.00 to Boileau Communications for FY24 customer communications and education assistance

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

23-11F Rob Shelley provided a distribution and capital projects update. The presentation highlighted six projects that have been in progress over the past twelve months. Overall, projects are being completed on time and under budget. We have had difficulties with vehicle replacements, which are increasing in both price and lead time.

No formal action taken.

23-11G The General Manager provided an initial fiscal year-end budget to actual review. June's monthly income statement provided in the Board package shows a preliminary year-end summary without year-end adjustments. Operating revenue was only 1.53% below budget, indicating good planning and implementation by Staff. Four-year balance sheet and income statement comparisons were also provided. Construction of a power supply portfolio through MPPA following the decommissioning of the Sims power plant was a big task. Besides cash flow, which has been impacted by Harbor Island project delays, we have met all Strategic Plan financial goals for the past year.

No formal action taken.

23-11H Erik Booth provided a renewable energy progress report. Our sustainability program includes three components: Energy Optimization & Waste Reduction, Renewable Energy, and the Green Energy Program. These three programs focus on the balance between sustainability, affordability, and reliability.

The BLP's goal is to have 30% renewables in our portfolio by 2030. We are experiencing delays and increased costs associated with planned solar projects. Landfill gas will phase out of our portfolio in 2026-2027 and will need to be replaced with solar. The BLP does not own any property suitable for local solar installations. If the community desires local solar installations, a site must be identified and the BLP can then install the necessary equipment.

The Green Energy Rider provision is available to any BLP customer who desires to support green energy purchases. Customers can enroll through a simple process at ghblp.org.

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No formal action taken.

23-11I Director Westbrook, supported by Director Crum, moved authorize the Chair and General Manager to present what the Board found to ratepayers in Ferrysburg.

Service to municipalities outside of the City of Grand Haven is granted by individual franchise agreements. The BLP is a franchised provider in five jurisdictions. The franchise agreements are perpetual, but revocable at will. The BLP makes payments in lieu of taxes to all municipalities it serves.

Chairman Westbrook would like to respond to the letter received from the City of Ferrysburg via an in-person discussion.

Roll Call Vote:

In favor: Directors Crum, Witherell and Westbrook; Opposed: Directors Knoth and Hendrick.

Motion carried.

23-11J Director Hendrick, supported by Director Knoth, moved to authorize the General Manager to execute short-term contracts for identified employees pending a legal review.

The proposed charter change amendment reduces department head positions from three to one. If approved, the short-term contracts would allow department heads to receive severance pay if they are not offered an equivalent position with the city should the amendment pass.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.

Motion carried.

Other Business

By consensus, a Board Work Session was scheduled for Tuesday, August 1, 2023 at 6:00pm to receive an update on the work being done by Truscott Rossman.

The General Manager provided further information regarding electric vehicle charging stations. The city has the authority and responsibility to determine where stations should be installed and install them downtown as the city owns the parking spots. The BLP would have the authority and responsibility to extend our system to these stations. We could also own and operate them in our own parking lot. The BLP would establish service to the charging station and sell power to the city, not the end user, at a set rate for any electricity used.

Public Comment Period

Chairman Westbrook read a comment received July 14, 2023 from Winnie Canavan, 15871 Mercury Drive, stating she loves our service and the people that work here. She feels that

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people that have this service should have the right to vote to keep the Board of Light and Power, not just city residents.

Adjournment

At 9:48 PM by motion of Director Hendrick, supported by Director Knoth, the July 20, 2023 Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER
WORK SESSION MINUTES
AUGUST 1, 2023

A work session of the Grand Haven Board of Light and Power was held on Tuesday, August 1, 2023, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Meeting.

The work session was called to order at 6:00 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Witherell and Westbrook.

Absent: None.

Others Present: General Manager David Walters, Secretary to the Board Danielle Martin, Operations & Power Supply Manager Erik Booth, and Distribution & Engineering Manager Rob Shelley. Attending remotely were representatives from Truscott Rossman.

23-12A Director Hendrick, supported by Director Knoth, moved to approve the meeting agenda.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

Public Comment Period: No comments were heard.

23-12B John Truscott, Truscott Rossman, presented the Community Communication Plan.

The goal of the plan is to disseminate factual information in a clear and concise way concerning the issues that are relevant to the overall public. The messaging will be based on the key pillars of reliability, affordability, and sustainability. General strategy and tactics were discussed. An editorial calendar is being developed.

No formal action taken.

Adjournment

At 6:52 PM by motion of Director Hendrick, supported by Director Knoth, the August 1, 2023 Board work session was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

DM

**GRAND HAVEN BOARD OF LIGHT AND POWER
BALANCE SHEET
FOR THE MONTH ENDING JULY 2023**

	<u>JULY 2023</u>	<u>JULY 2022</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$17,755,942	\$30,762,620
ACCOUNTS RECEIVABLE	4,667,126	4,338,659
PREPAID	179,471	9,432
	22,602,539	35,110,711
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	8,978,982	6,693,217
DEPOSITS HELD BY MPPA	2,500,000	2,500,000
HEALTH BENEFIT FUND	464	104,625
ADVANCE TO CITY OF GRAND HAVEN	708,685	1,037,151
MITIGATION FUND	13,603,974	0
2021A BOND MITIGATION FUND	2,372,184	0
2021A BOND CONSTRUCTION FUND	4,983,023	11,118,065
2021A BOND REDEMPTION FUND	1,432,138	1,375,315
	34,579,450	22,828,373
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	1,308,633	555,753
PROPERTY, PLANT AND EQUIPMENT	66,525,483	63,458,603
LESS ACCUMULATED DEPRECIATION	(30,493,923)	(29,532,241)
	37,340,193	34,482,115
TOTAL ASSETS	\$94,522,182	\$92,421,199
DEFERRED OUTFLOWS/(INFLOWS)		
PENSION/OPEB RELATED	4,681,112	(1,711,125)
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	1,741,361	1,591,534
SERIES 2021A BOND CURRENT	2,429,888	2,332,917
ACCRUED PAYROLL LIABILITIES	193,986	422,280
CUSTOMER DEPOSITS	975,127	858,825
ACCRUED TRANSFER FUND	180,668	165,089
	5,521,030	5,370,645
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	16,889,005	16,132,201
ACCRUED SICK AND PTO	285,391	310,394
SERIES 2021A BOND	20,300,000	22,700,000
NET PENSION LIABILITIES	6,301,362	1,186,594
NET OTHER POST EMPLOYMENT BENEFIT	500,888	638,925
	44,276,646	40,968,114
TOTAL LIABILITIES	49,797,676	46,338,759
RETAINED EARNINGS		
BEGINNING OF THE YEAR	48,939,348	44,505,093
YTD NET INCOME	466,270	(133,778)
RETAINED EARNINGS	49,405,618	44,371,315
TOTAL LIABILITIES AND EQUITY	\$99,203,294	\$90,710,074

**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF JULY 2023**

	Current Period Actual	YTD Actual	YTD Budget	Variance Over (Under)	Percent Variance Actual vs Budget	Previous Year Current Period	Previous Year YTD	Variance Over (Under)	Percent Variance Actual vs Last Year
Operating Revenue									
Residential Sales	\$ 1,311,825	\$ 1,311,825	\$ 1,224,078	\$ 87,747	7.17%	\$ 1,246,305	\$ 1,246,305	\$ 65,520	5.26%
Commercial Sales	980,999	980,999	975,124	5,875	0.60%	921,918	921,918	59,081	6.41%
Industrial Sales	1,092,917	1,092,917	1,214,610	(121,693)	-10.02%	1,003,560	1,003,560	89,357	8.90%
Municipal Sales	107,335	107,335	96,088	11,247	11.70%	101,752	101,752	5,583	5.49%
Total Charges for Services	3,493,076	3,493,076	3,509,900	(16,824)	-0.48%	3,273,535	3,273,535	219,541	6.71%
Street Lighting	28,537	28,537	27,917	620	2.22%	28,238	28,238	299	1.06%
Other Revenue	13,518	13,518	14,523	(1,005)	-6.92%	19,429	19,429	(5,911)	-30.42%
Total Operating Revenue	3,535,131	3,535,131	3,552,340	(17,209)	-0.48%	3,321,202	3,321,202	213,929	6.44%
Operating Expenses									
Net Purchased Power	2,291,760	2,291,760	2,043,725	248,035	12.14%	2,589,754	2,589,754	(297,994)	-11.51%
Distribution Operations	130,834	130,834	161,900	(31,066)	-19.19%	171,542	171,542	(40,708)	-23.73%
Distribution Maintenance	232,165	232,165	296,657	(64,492)	-21.74%	255,386	255,386	(23,221)	-9.09%
Energy Optimization	8,800	8,800	22,917	(14,117)	-61.60%	12,150	12,150	(3,350)	-27.57%
Administration	198,126	198,126	261,899	(63,773)	-24.35%	200,621	200,621	(2,495)	-1.24%
Legacy Pension Expense	43,068	43,068	41,536	1,532	3.69%	53,551	53,551	(10,483)	-
Operating Expenses Before Depreciation	2,904,753	2,904,753	2,828,634	76,119	2.69%	3,283,004	3,283,004	(378,251)	-11.52%
Operating Net Income Before Depreciation	630,378	630,378	723,706	(93,328)	-12.90%	38,198	38,198	592,180	1550.29%
Depreciation	175,224	175,224	168,666	6,558	3.89%	167,043	167,043	8,181	4.90%
Operating Net Income	455,154	455,154	555,040	(99,886)	-18.00%	(128,845)	(128,845)	583,999	-453.26%
Nonoperating Revenue/(Expenses)	100,044	100,044	50,858	49,186	96.71%	160,156	160,156	(60,112)	-37.53%
Asset Retirement Expense	-	-	(83,333)	83,333	-100.00%	-	-	-	#DIV/0!
Environmental Surcharge	91,740	91,740	83,333	8,407	10.09%	-	-	91,740	#DIV/0!
Non-Operating Revenue/(Expenses)	191,784	191,784	50,858	140,926	277.10%	160,156	160,156	31,628	19.75%
Transfers to City of Grand Haven	(180,668)	(180,668)	(159,729)	(20,939)	13.11%	(165,089)	(165,089)	(15,579)	9.44%
Increase in Net Assets	\$ 466,270	\$ 466,270	\$ 446,169	\$ 20,101	4.51%	\$ (133,778)	\$ (133,778)	\$ 600,048	-448.54%

**GRAND HAVEN BOARD OF LIGHT AND POWER
POWER SUPPLY DASHBOARD
FOR THE MONTH OF JULY 2023**

Power Supply for Month (kWh)	<u>FY2024</u>		<u>FY2023</u>	
Net Purchased (Sold) Power	22,552,551	78.99%	24,302,289	81.64%
Renewable Energy Purchases	5,997,900	21.01%	5,466,438	18.36%
Monthly Power Supply Total	28,550,451		29,768,727	
Days in Month	31		31	
Average Daily kWh Supply for Month	920,982		960,282	
% Change	-4.09%			

Power Supply FYTD	<u>FY2024</u>		<u>FY2023</u>	
Net Purchased (Sold) Power	22,552,551	78.99%	24,302,289	81.64%
Renewable Energy Purchases	5,997,900	21.01%	5,466,438	18.36%
FYTD Power Supply Total	28,550,451		29,768,727	
FYTD Days (from 7/1)	31		31	
Average Daily kWh Supply FYTD	920,982		960,282	
% Change	-4.09%			

	<u>FY2024</u>		<u>FY2023</u>	
Net Purchased Power Expenses	\$2,291,760		\$2,589,754	
% Change	-11.51%			
Net Energy Expenses per kWh Supplied to System FYTD	\$0.08027		\$0.08700	
% Change	-7.73%			

**GRAND HAVEN BOARD OF LIGHT AND POWER
SALES DASHBOARD
FOR THE MONTH OF JULY 2023**

<u>Monthly Retail Customers</u>	<u>FY2024</u>		<u>FY2023</u>	
Residential	13,074	87.40%	13,027	87.52%
Commercial	1,642	10.98%	1,613	10.84%
Industrial	127	0.85%	128	0.86%
Municipal	116	0.78%	117	0.79%
Total	14,959		14,885	
<u>Monthly Energy Sold (kWh)</u>				
Residential	9,034,065	34.35%	9,281,234	34.48%
Commercial	7,185,857	27.33%	7,317,439	27.19%
Industrial	9,086,936	34.56%	9,273,695	34.46%
Municipal	901,129	3.43%	956,702	3.55%
Retail Monthly Total	26,207,987	99.66%	26,829,070	99.68%
Street Lighting	89,009	0.34%	85,119	0.32%
Total Monthly Energy Sold	26,296,996		26,914,189	
Days in Primary Meter Cycle	30		30	
kWh Sold per Day	876,567		897,140	
% Change	-2.29%			

<u>Energy Sold (kWh) FYTD</u>	<u>FY2024</u>		<u>FY2023</u>	
Residential	9,034,065	34.35%	9,281,234	34.48%
Commercial	7,185,857	27.33%	7,317,439	27.19%
Industrial	9,086,936	34.56%	9,273,695	34.46%
Municipal	901,129	3.43%	956,702	3.55%
Retail Energy Sold Total FYTD	26,207,987	99.66%	26,829,070	99.68%
Street Lighting	89,009	0.34%	85,119	0.32%
Energy Sold FYTD	26,296,996		26,914,189	
Weighted Days in Meter Cycles FYTD	30		30	
kWh Sold per Day	876,567		897,140	
% Change	-2.29%			

<u>Sales Revenue FYTD</u>	<u>FY2024</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2023</u>	<u>Average Rate (\$/KWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$1,311,825	\$0.1452	\$1,246,305	\$0.1343	8.14%
Commercial	\$980,999	\$0.1365	\$921,918	\$0.1260	8.36%
Industrial	\$1,092,917	\$0.1203	\$1,003,560	\$0.1082	11.14%
Municipal	\$107,335	\$0.1191	\$101,751	\$0.1064	11.99%
Retail Sales Revenue FYTD	\$3,493,075	\$0.1333	\$3,273,534	\$0.1220	9.24%
Street Lighting	\$28,537		\$28,238		
Total Sales Revenue FYTD (Excl. Wholesale)	\$3,521,612	\$0.1339	\$3,301,772	\$0.1227	

	<u>FY2024</u>	<u>FY2023</u>
Approx. Distribution Losses FYTD	4.82%	6.58%
Net Energy Expenses/kWh Sold FYTD	\$0.08414	\$0.09272
% Change	-9.25%	

GRAN is forecasted to have an average of 83% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 25% towards load. Total Resources are forecasted to cost an average of \$47.93 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$45.29 per MWh. This results in a Total Forecasted Power Supply weighted average cost of \$48.06 over the upcoming 12 months.

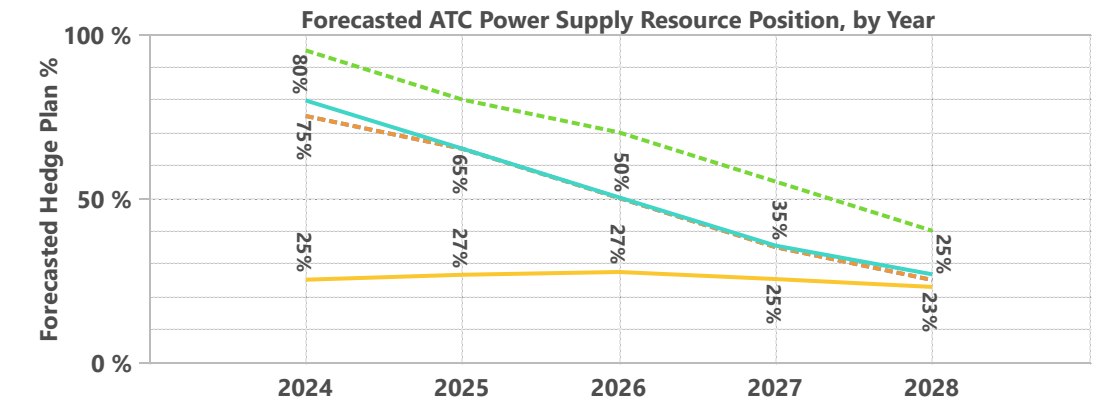
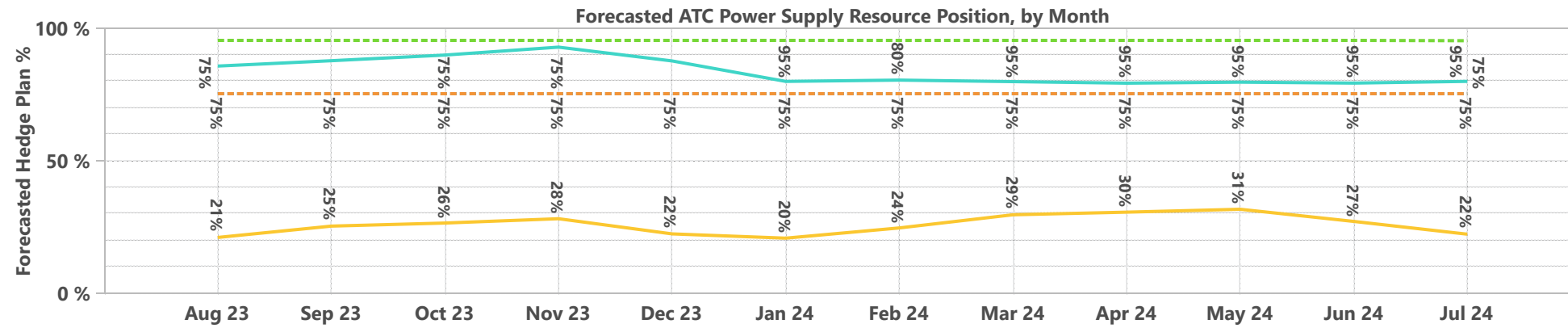
Forecasted Power Supply Resource Position for GRAN

Power Supply, MWh	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Total Resources, MWh	26,555	21,622	20,745	20,233	20,292	20,003	18,697	19,357	17,302	18,275	20,693	24,611
Project Assets	1,823	1,849	1,956	1,892	1,898	2,025	1,832	1,965	1,986	1,990	1,823	1,800
Landfill Project	1,823	1,849	1,956	1,892	1,898	2,025	1,832	1,965	1,986	1,990	1,823	1,800
Contracted Power Supply	24,732	19,773	18,789	18,341	18,394	17,978	16,865	17,392	15,316	16,284	18,870	22,811
Contracted ESP Renewable PPAs	4,628	4,341	4,110	4,190	3,235	3,120	3,849	5,166	4,652	5,240	5,198	4,993
Contracted Bilateral Energy Transactions	20,104	15,432	14,679	14,150	15,159	14,858	13,015	12,226	10,664	11,045	13,672	17,818

Power Supply, MWh	2024	2025	2026	2027	2028
Total Resources, MWh	240,097	196,193	151,571	107,291	80,917
Project Assets	22,839	22,314	21,581	15,224	8,113
Landfill Project	22,839	22,314	21,581	15,224	8,113
Contracted Power Supply	217,258	173,879	129,990	92,067	72,804
Contracted ESP Renewable PPAs	52,710	57,894	61,308	61,246	61,184
Contracted Bilateral Energy Transactions	164,547	115,985	68,682	30,821	11,621

	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Forecasted Hedge Plan % (w/o Peaking)	85%	87%	90%	93%	87%	80%	80%	80%	79%	79%	79%	80%
Minimum Hedge Plan %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Target Hedge %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Maximum Hedge Plan Range %	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Renewables Portfolio %	21%	25%	26%	28%	22%	20%	24%	29%	30%	31%	27%	22%
Forecasted Load	(31,084)	(24,725)	(23,157)	(21,855)	(23,226)	(25,113)	(23,332)	(24,328)	(21,907)	(23,028)	(26,192)	(30,893)
Forecasted Market Balancing, MWh	(4,529)	(3,103)	(2,411)	(1,622)	(2,934)	(5,110)	(4,635)	(4,971)	(4,605)	(4,753)	(5,499)	(6,282)
Forecasted Hedge % (w/ Peaking)	85%	87%	90%	93%	87%	80%	80%	80%	79%	79%	79%	80%

	2024	2025	2026	2027	2028
Forecasted Hedge Plan % (w/o Peaking)	80%	65%	50%	35%	27%
Minimum Hedge Plan %	75%	65%	50%	35%	25%
Target Hedge %	75%	65%	50%	35%	25%
Maximum Hedge Plan Range %	95%	80%	70%	55%	40%
Renewables Portfolio %	25%	27%	27%	25%	23%
Forecasted Load	(301,114)	(301,590)	(302,031)	(302,440)	(302,782)
Forecasted Market Balancing, MWh	(61,017)	(105,397)	(150,460)	(195,149)	(221,865)
Forecasted Hedge % (w/ Peaking)	80%	65%	50%	35%	27%



--- Minimum Hedge Plan % --- Target Hedge % --- Maximum Hedge Plan Range % — Renewables Portfolio % — Forecasted Hedge Plan % (w/o Peaking)

Project Asset Costs are as forecasted in the MPPA Financial Plan, including fixed costs and all other anticipated costs in addition to Energy costs.

Power Supply \$'s	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Total Resources, \$'s	(\$1,323,341)	(\$953,491)	(\$890,184)	(\$863,895)	(\$900,218)	(\$1,196,638)	(\$1,037,007)	(\$833,879)	(\$798,487)	(\$847,958)	(\$947,782)	(\$1,311,448)
Project Assets	(\$213,100)	(\$206,287)	(\$213,100)	(\$207,950)	(\$213,835)	(\$221,452)	(\$200,212)	(\$113,622)	(\$214,372)	(\$221,459)	(\$214,372)	(\$222,216)
Landfill Project	(\$213,100)	(\$206,287)	(\$213,100)	(\$207,950)	(\$213,835)	(\$221,452)	(\$200,212)	(\$113,622)	(\$214,372)	(\$221,459)	(\$214,372)	(\$222,216)
Contracted Power Supply	(\$1,110,241)	(\$747,205)	(\$677,084)	(\$655,945)	(\$686,384)	(\$975,186)	(\$836,795)	(\$720,256)	(\$584,115)	(\$626,499)	(\$733,409)	(\$1,089,232)
Contracted ESP Renewable PPAs	(\$199,089)	(\$189,001)	(\$181,069)	(\$187,160)	(\$145,309)	(\$141,542)	(\$174,055)	(\$231,023)	(\$206,885)	(\$232,621)	(\$229,079)	(\$218,842)
Contracted Bilateral Energy Transactions	(\$911,152)	(\$558,203)	(\$496,015)	(\$468,785)	(\$541,075)	(\$833,644)	(\$662,739)	(\$489,233)	(\$377,230)	(\$393,878)	(\$504,331)	(\$870,390)

Power Supply \$'s	2024	2025	2026	2027	2028
Total Resources, \$'s	(\$11,892,994)	(\$10,260,668)	(\$8,904,320)	(\$6,578,465)	(\$4,728,873)
Project Assets	(\$2,503,299)	(\$2,497,970)	(\$2,557,919)	(\$1,836,474)	(\$1,009,081)
Landfill Project	(\$2,503,299)	(\$2,497,970)	(\$2,557,919)	(\$1,836,474)	(\$1,009,081)
Contracted Power Supply	(\$9,389,694)	(\$7,762,698)	(\$6,346,401)	(\$4,741,991)	(\$3,719,792)
Contracted ESP Renewable PPAs	(\$2,352,201)	(\$2,648,790)	(\$2,860,469)	(\$2,904,383)	(\$2,949,048)
Contracted Bilateral Energy Transactions	(\$7,037,494)	(\$5,113,908)	(\$3,485,932)	(\$1,837,608)	(\$770,743)

Locational Basis, \$'s	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Locational Basis (Projects)	(\$807)	(\$762)	(\$531)	(\$1,296)	\$1,152	(\$1,449)	(\$3,491)	(\$1,190)	(\$492)	(\$887)	(\$144)	\$23
Locational Basis (Contracted Power Supply)	(\$13,969)	(\$17,517)	(\$17,952)	(\$10,072)	(\$24,334)	(\$21,593)	(\$3,784)	(\$14,865)	(\$18,623)	(\$6,804)	(\$11,453)	(\$2,849)

Locational Basis, \$'s	2024	2025	2026	2027	2028
Locational Basis (Projects)	(\$10,412)	(\$10,523)	(\$10,614)	(\$12,103)	(\$2,332)
Locational Basis (Contracted Power Supply)	(\$166,343)	(\$162,087)	(\$145,951)	(\$127,159)	(\$115,334)

Power Supply \$/MWh	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Power Supply \$/MWh												
Project Assets												
Landfill Project	\$116.88	\$111.57	\$108.95	\$109.91	\$112.67	\$109.35	\$109.29	\$57.81	\$107.96	\$111.27	\$117.60	\$123.47
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$43.02	\$43.54	\$44.06	\$44.67	\$44.92	\$45.36	\$45.22	\$44.72	\$44.47	\$44.40	\$44.07	\$43.83
Contracted Bilateral Energy Transactions	\$45.32	\$36.17	\$33.79	\$33.13	\$35.69	\$56.11	\$50.92	\$40.02	\$35.37	\$35.66	\$36.89	\$48.85

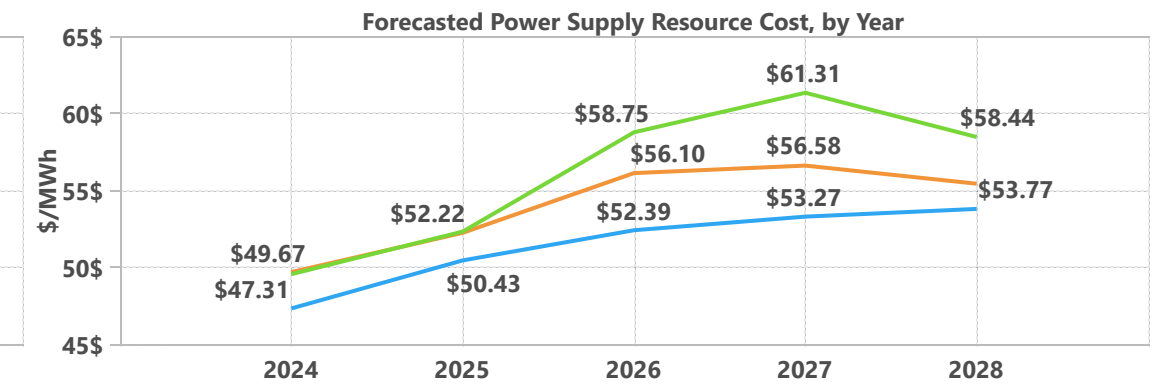
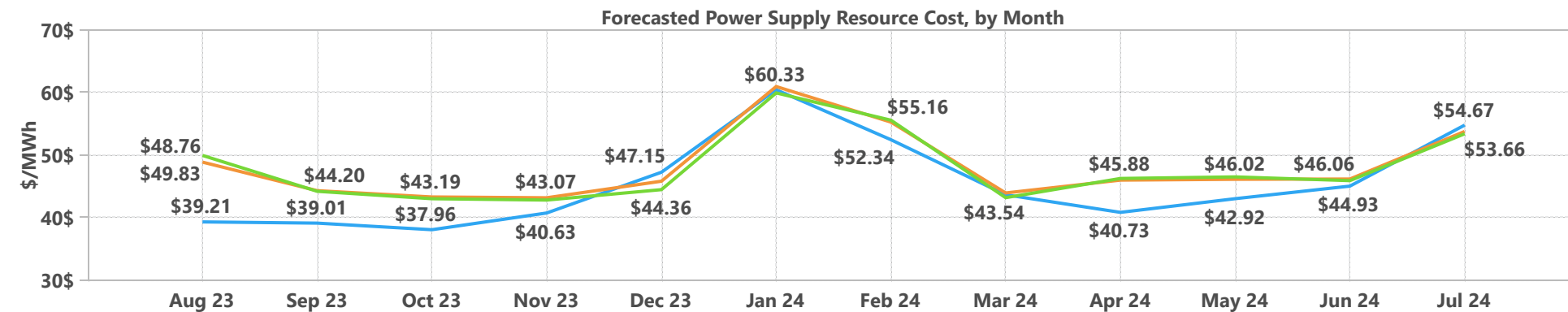
Power Supply \$/MWh	2024	2025	2026	2027	2028
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$109.61	\$111.95	\$118.53	\$120.63	\$124.38
Contracted Power Supply					
Contracted ESP Renewable PPAs	\$44.62	\$45.75	\$46.66	\$47.42	\$48.20
Contracted Bilateral Energy Transactions	\$42.77	\$44.09	\$50.75	\$59.62	\$66.32

Locational Basis, \$/MWh	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Locational Basis (Projects)	\$0.44	\$0.41	\$0.27	\$0.68	(\$0.61)	\$0.72	\$1.91	\$0.61	\$0.25	\$0.45	\$0.08	(\$0.01)
Locational Basis (Contracted Power Supply)	\$0.56	\$0.89	\$0.96	\$0.55	\$1.32	\$1.20	\$0.22	\$0.85	\$1.22	\$0.42	\$0.61	\$0.12

Locational Basis, \$/MWh	2024	2025	2026	2027	2028
Locational Basis (Projects)	\$0.46	\$0.47	\$0.49	\$0.79	\$0.29
Locational Basis (Contracted Power Supply)	\$0.77	\$0.93	\$1.12	\$1.38	\$1.58

	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24
Forecasted Market Balancing LMP, \$/MWh	\$39.21	\$39.01	\$37.96	\$40.63	\$47.15	\$60.33	\$52.34	\$43.54	\$40.73	\$42.92	\$44.93	\$54.67
Forecasted Market Balancing LMP, \$'s	(\$177,548)	(\$121,038)	(\$91,531)	(\$65,915)	(\$138,331)	(\$308,272)	(\$242,618)	(\$216,463)	(\$187,563)	(\$204,009)	(\$247,040)	(\$343,450)
Total Forecasted Power Supply, \$/MWh	\$48.76	\$44.20	\$43.19	\$43.07	\$45.71	\$60.84	\$55.16	\$43.83	\$45.88	\$46.02	\$46.06	\$53.66
Total Forecasted Power Supply Costs, \$'s	(\$1,515,666)	(\$1,092,809)	(\$1,000,197)	(\$941,177)	(\$1,061,731)	(\$1,527,953)	(\$1,286,900)	(\$1,066,398)	(\$1,005,165)	(\$1,059,658)	(\$1,206,418)	(\$1,657,723)

	2024	2025	2026	2027	2028
Forecasted Market Balancing LMP, \$/MWh	\$47.31	\$50.43	\$52.39	\$53.27	\$53.77
Forecasted Market Balancing LMP, \$'s	(\$2,886,643)	(\$5,314,951)	(\$7,882,161)	(\$10,395,777)	(\$11,930,007)
Total Forecasted Power Supply, \$/MWh	\$49.67	\$52.22	\$56.10	\$56.58	\$55.41
Total Forecasted Power Supply Costs, \$'s	(\$14,956,391)	(\$15,748,228)	(\$16,943,047)	(\$17,113,504)	(\$16,776,546)



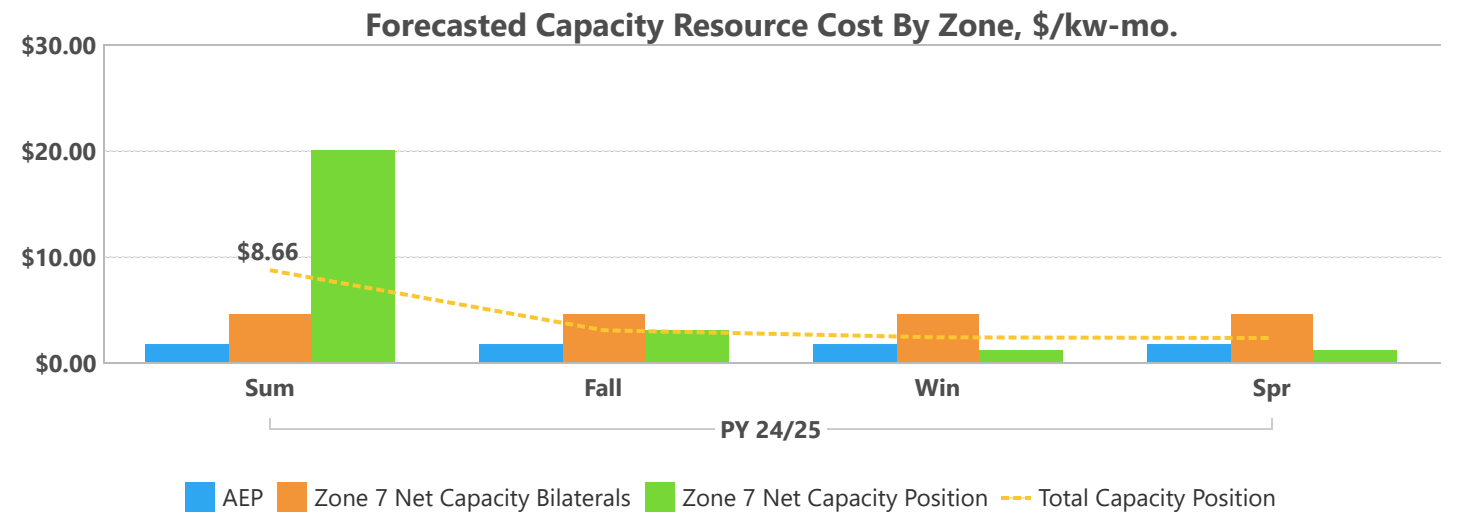
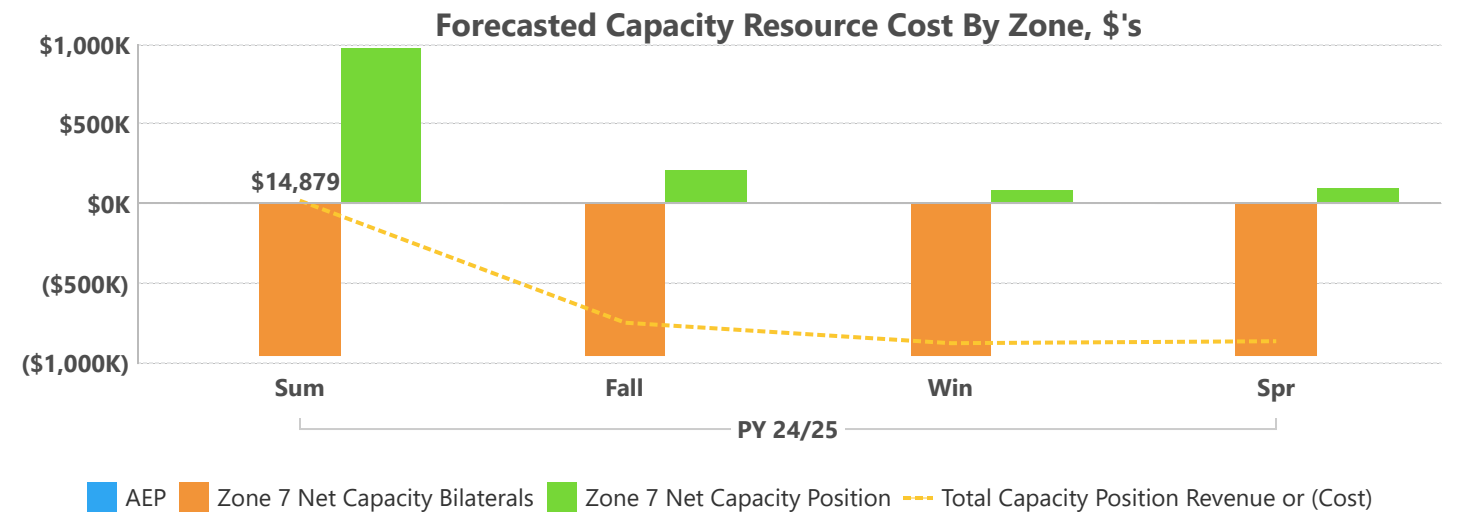
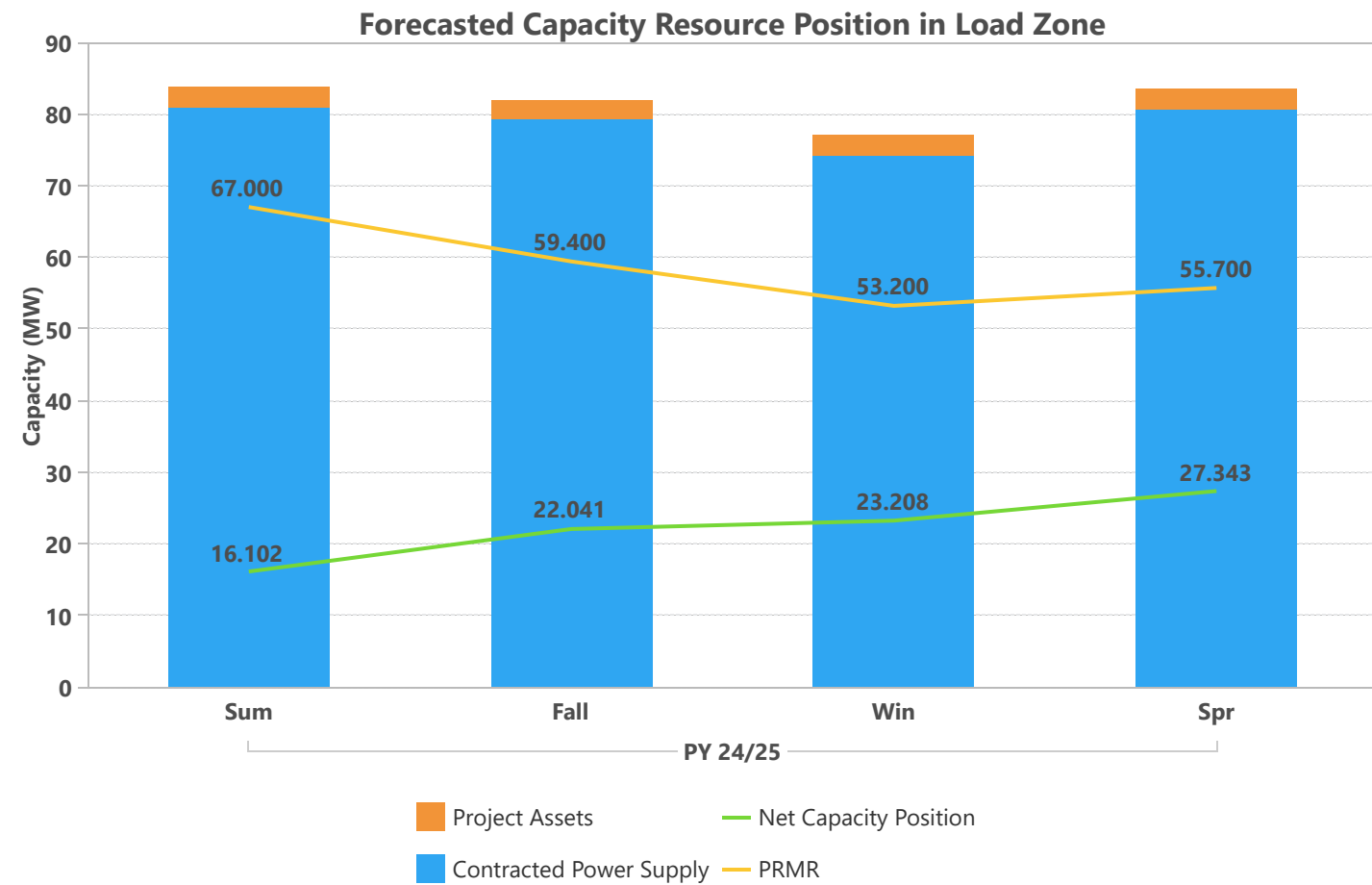
— Forecasted Market Balancing LMP, \$/MWh — Total Forecasted Power Supply, \$/MWh — Contracted Energy, \$/MWh

Capacity Resources, MW	PY 24/25			
	Sum	Fall	Win	Spr
Zone 7	16.102	22.041	23.208	27.343
Contracted Power Supply	81.053	79.344	74.213	80.831
Contracted ESP Renewable PPAs	9.753	8.044	2.913	9.531
Contracted Bilateral Capacity Transactions	71.300	71.300	71.300	71.300
Planning Reserve Margin Requirement	(67.000)	(59.400)	(53.200)	(55.700)
PRMR	(67.000)	(59.400)	(53.200)	(55.700)
Project Assets	2.049	2.098	2.195	2.211
Landfill Project	2.049	2.098	2.195	2.211
AEP	0.472	0.472	0.472	0.472
Project Assets	0.472	0.472	0.472	0.472
Landfill Project	0.472	0.472	0.472	0.472

Capacity Resources, \$'s	PY 24/25			
	Sum	Fall	Win	Spr
Zone 7				
Net Capacity Position				
\$	\$966,120.00	\$198,369.00	\$69,624.00	\$82,029.00
\$/kw-mo.	\$20.00	\$3.00	\$1.00	\$1.00
Net Capacity Bilaterals				
\$	(\$953,391.00)	(\$953,391.00)	(\$953,391.00)	(\$953,391.00)
\$/kw-mo.	\$4.46	\$4.46	\$4.46	\$4.46
AEP				
Net Capacity Position				
\$	\$2,150.36	\$2,150.36	\$2,150.36	\$2,150.36
\$/kw-mo.	\$1.52	\$1.52	\$1.52	\$1.52

Total Capacity Position Revenue or (Cost)	PY 24/25			
	Sum	Fall	Win	Spr
\$	\$14,879	(\$752,872)	(\$881,617)	(\$869,212)

Total Capacity Position	PY 24/25			
	Sum	Fall	Win	Spr
\$/kw-mo.	\$8.66	\$2.99	\$2.33	\$2.33

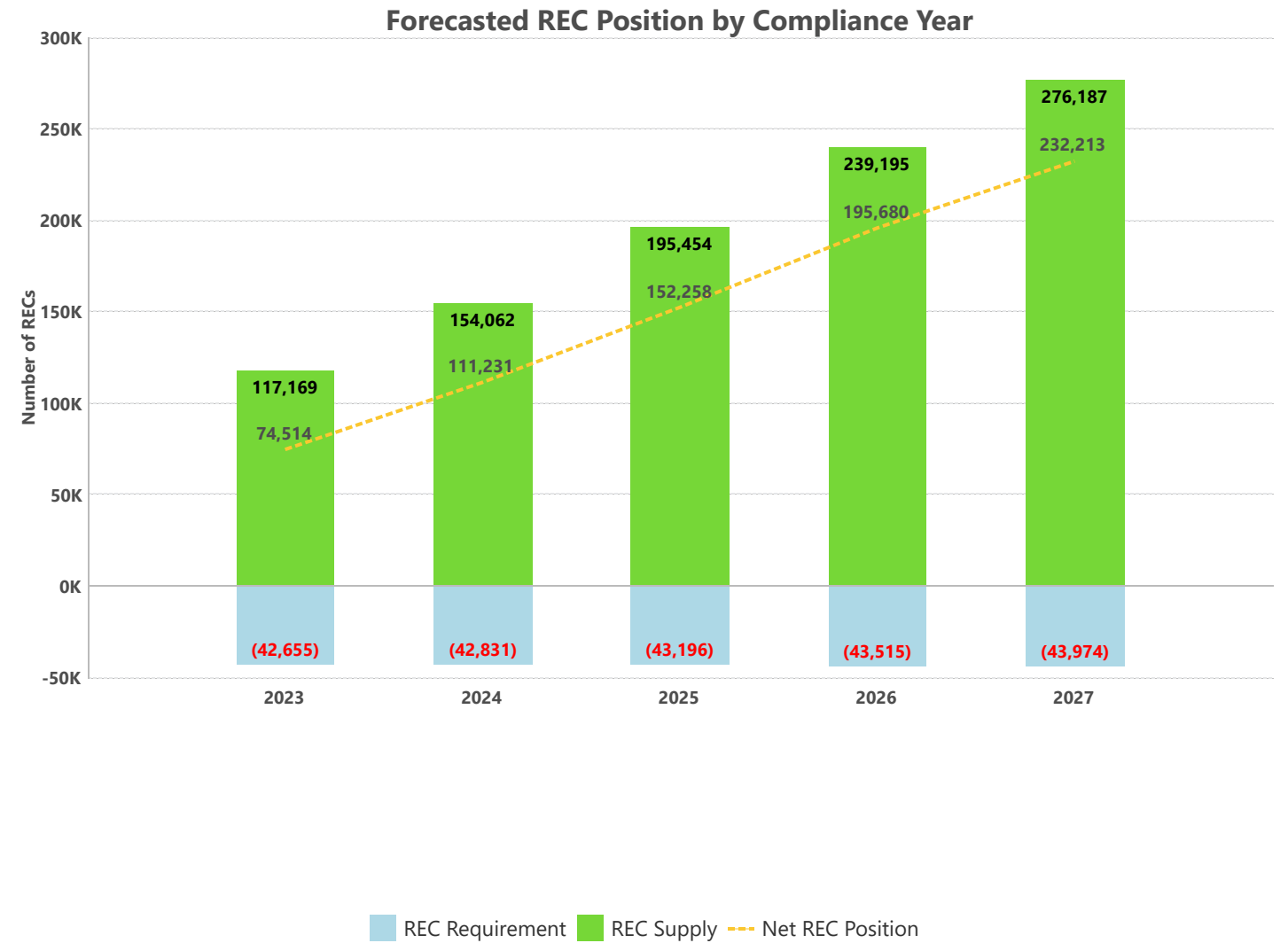


Forecasted Renewable Energy Credit (REC) Position for GRAN

Forecasted REC volumes are based on actual meter data when available and use the latest modeled generation for future timeframes.
Available Banked RECs in a compliance year reflect the forecasted Net REC Position at the end of the previous year.

Compliance Year	2023	2024	2025	2026	2027
Net REC Position	74,514	111,231	152,258	195,680	232,213
Available Banked RECs	43,647	74,514	111,231	152,258	195,680
Hedge Policy REC Requirement	(42,655)	(42,831)	(43,196)	(43,515)	(43,974)
Assembly Solar	10,255	10,804	10,802	10,814	10,804
Assembly Solar Phase II	8,540	8,928	8,925	8,935	8,929
Beebe	5,781	6,179	6,178	6,179	6,179
Hart Solar			5,220	8,670	8,644
Invenergy Calhoun Solar	11,511	13,825	13,775	13,749	13,701
Landfill Project (EDL)	16,341	17,567	17,077	16,347	10,007
Landfill Project (NANR)	4,754	5,234	5,234	5,234	5,234
Pegasus	16,340	17,011	17,012	17,009	17,009

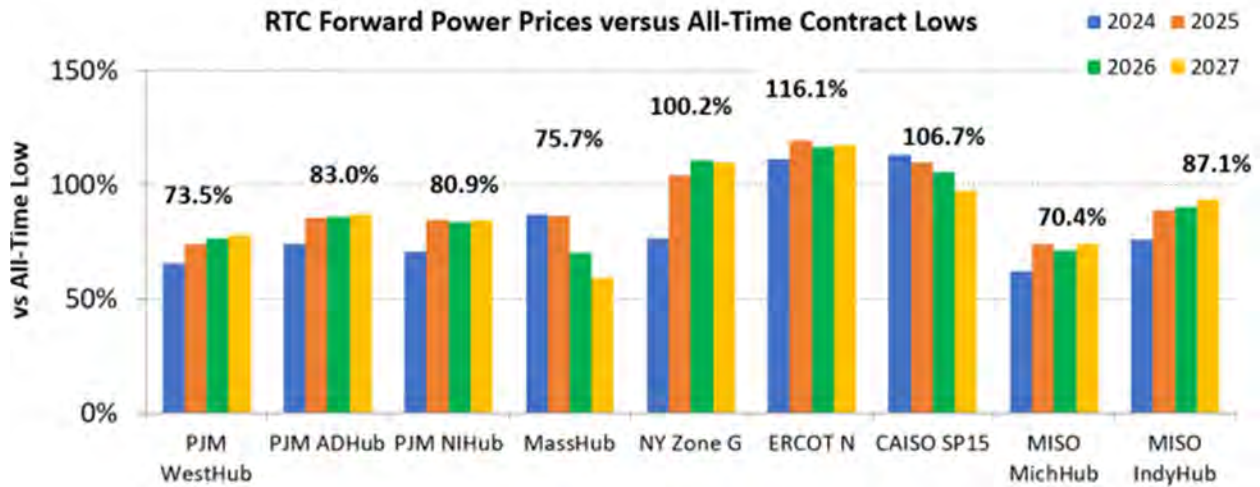
Compliance Year	2023	2024	2025	2026	2027
3 Year Avg Retail Sales	(284,367)	(285,540)	(287,970)	(290,101)	(293,160)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%
Hedge Policy REC Requirement	(42,655)	(42,831)	(43,196)	(43,515)	(43,974)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0



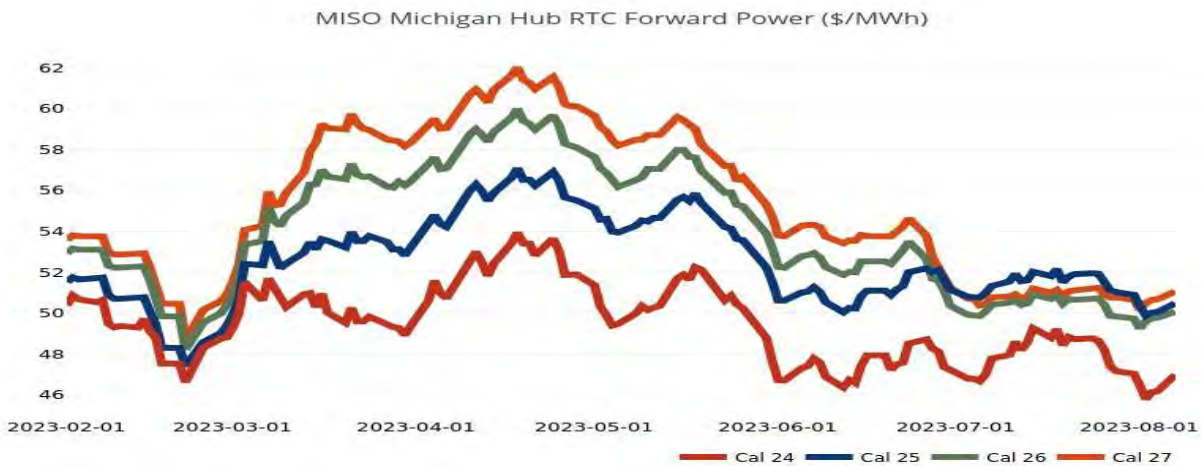
Charts/Graphs from Constellation Energy Market Update dated 8/8/2023

Week Ending	RTC Day-Ahead Index Prices				RTC Forward Calendar Strip Prices ¹			
	8/4/2023	(\$/MWh)			(\$/MWh)			
Electric Hub	ISO	Min	Max	Avg	2023	2024	2025	2026
Indiana Hub	MISO	\$17.54	\$64.88	\$32.61	\$40.79	\$47.28	\$51.04	\$52.01
Michigan Hub	MISO	\$17.65	\$64.48	\$32.50	\$39.22	\$46.18	\$50.05	\$49.77
PJM West Hub	PJM	\$13.41	\$59.61	\$28.90	\$38.41	\$44.70	\$47.45	\$48.32
AEP-Dayton Hub	PJM	\$13.58	\$59.37	\$29.36	\$37.85	\$43.16	\$45.64	\$46.23
N. Illinois Hub	PJM	\$13.18	\$60.68	\$29.36	\$32.13	\$37.56	\$39.97	\$40.31
Mass Hub	ISO-NE	\$16.56	\$43.90	\$27.34	\$52.57	\$69.52	\$71.11	\$65.58
NYZ J	NYISO	\$18.04	\$47.90	\$27.84	\$48.04	\$61.43	\$70.20	\$72.51
ERCOT N ²	ERCOT	\$13.72	\$2,511.15	\$115.62	\$59.23	\$46.64	\$45.96	\$44.76
SP15	CAISO	\$31.52	\$258.53	\$80.53	\$93.58	\$71.96	\$70.71	\$70.80

¹ These prices are an indicative, non-transactable snapshot of the wholesale market as of close of business on Friday of the report week. Actual price on contract is contingent upon customer's load, product and market prices at time of execution. ² ERCOT index prices are from Real-Time market.



Notes: 0% implies forward prices are currently trading at all-time, life-of-contract lows. All prices are indicative wholesale marks.



CITY OF GRAND HAVEN
519 Washington Ave
Grand Haven, MI 49417
Phone: (616) 847-4888



TO: City Council

FROM: Ryan Cummins

DATE: 8 / 1 / 2 3

SUBJECT: Waterfront Zoning District Text Amendment

In 2021, after considerable community feedback, plans for a new natural gas peaking plant on Harbor Island were cancelled. Despite this, on March 16, 2023, in a split vote, the Board of Light and Power voted to extend a permit for this project:

23-05G Director Witherell, supported by Director Crum, moved to request an extension for the Permit to Install a Combined Heat and Power Plant on Harbor Island.

In a roll call vote of the Board, those in favor: Directors Crum, Witherell and Westbrook; those absent: none; those opposed: Directors Hendrick and Knoth. Motion passed.

Harbor Island is currently in the Waterfront zoning district. Power generating facilities are a special land use in this district. Power generating facilities has a broad definition of the types of facilities that, under the current zoning ordinance, could be placed on the City's waterfront:

Power generating facility: A facility designed and used for the production of electrical energy primarily for the purpose of commercial sale to wholesale and retail customers connected to electrical transmission grid. Such facilities include geothermal, hydro, solar, coal, diesel, fuel oil, nuclear, natural gas combustion as well as solid waste incinerators.

The City recently underwent an update to the land use master plan. This included an update to the future land use map. The unanimously approved future land use map indicates that Harbor Island should no longer be industrial as it was historically, but should be natural area/open space. At the time of approval, the City Council also discussed that mixed use may be appropriate as well.

I am proposing that the City Council direct the Planning Commission to review our zoning ordinance and provide a recommendation on a text amendment to remove certain types of power generating facilities from being a permitted or special land use in the entire Waterfront zoning district. For example, solar may still be appropriate, but many other types including coal, diesel, fuel oil, natural gas, and solid waste incineration are likely not desired by the community and don't align with the recently approved master plan.

Public Comment

My name is David Walters, General Manager of the Board of Light and Power, however, I am not speaking tonight in any official capacity as the Board's administrative agent. I am speaking as a Board employee, as other Board employees have recently done. As they have said already, we all have worked, professionally, competently, and very successfully, by all measures, under recent Board control, that has been **subject to the "general direction" of council**. Recent governance practices, however, used by some on the Board and Council to provide such control and direction to the city's electric utility department management and staff are the subject of my comments tonight.

Myself, and those that work for me, are concerned by those in public office and those campaigning for office, which have **mischaracterized** the utility's documented historical activities and **misstated** the clear and transparent established public record. This should not come as a surprise to anyone. I am wondering if proposed actions tonight, and the supporting materials provided, are just another cheap shot, attempting to gain political points at our expense, without allowing us an opportunity to respond in the "open and transparent" manner, you all espouse, without limiting our time to three minutes?

I am referring specifically to item 11. F. that was apparently placed on your agenda tonight by one candidate running for public office, to cast a positive light on two others running for office, while displaying other elected officials currently on the Board in a more negative manner. I am asking why would anyone call for such **unnecessary and meaningless** reviews by the Planning Commission at this point, the night before a primary election, misconstruing the Board's documented discussion and action in the process?

Accordingly, during your discussion tonight on this agenda item, I am asking the council to consider my further written comments below that more specifically review the premise of the Cummins support memo to council (page 142 of your meeting materials) and compare it to the public record of the Board meeting discussions and actions referenced therein (and other documented actions of the Board and Council relating to this issue). I am pleased to provide these further comments, and supporting documents and recordings, to anyone else in the public interested in them.

I would recommend the Council table consideration of this clearly unnecessary recommendation and action at this point, if the Council doesn't have time to consider this further "clarifying" information at tonight's meeting.

Further written comments for Council's consideration

David Walters written comments regarding the Ryan Cummins Memo to City Council dated 8/1/23 in support of item 11.F. on council's August 7, 2023, agenda (page 142 of the meeting materials):

- (1) As directly quoted in the memo from its meeting minutes, the Board resolution of concern approves an extension request for the permit to install a "**Combined Heat and Power Plant,**" not a "**natural gas peaking plant.**" In other words, the permitted facility was never to serve **only** as a "power generating facility" within the district, but **also** a "heat generating facility" for the city's downtown snowmelt system, which required it to be near the downtown snowmelt system within the waterfront zoning district.

- (2) The recording of the discussion on March 16, 2023, **does not** contain any suggestion or desire by any on **the Board** (or its employees) to reinitiate the planning or construction of the permitted facility unless there is an established “groundswell” of support within community to do so.
- (a) Director Hendrick appropriately points out “the Board no longer controls (the redevelopment) of this site.” As you know, Council does.
 - (b) The Board discussed their interest in keeping “the community’s” options open, and all Board members that voted in favor of the resolution stated very clearly, they have no plans or hidden agenda to act further to use the permit if the request is granted by EGLE (as it now has been).
 - (c) Both Directors Hendrick and Knoth stated our community has spoken “very, very, clearly” and “loudly” against this action by the Board, when in fact the grassroots organization they, and a majority now on council, were affiliated with, clearly states in their written petition presented to council, their goal was to “**pause**” the pursuit of the plant, to allow for further “**independent study,**” and to gain additional community input on the project.
 - The implication here by Councilman Cummins in this memo, and by Directors Hendrick and Knoth at this Board meeting, suggest the permitted Combined Heat and Power Plant had been pursued by the BLP, over the objections of the community and Council, when in fact, the record clearly shows the Board was directed by Council in November, 2018 (in response to earlier community concerns on shutting down Sims without a replacement snowmelt heat source) to construct a much larger Combined Heat and Power Plant **and “partner” it with the City’s snowmelt system.**
- (3) As the recording of this meeting also shows, I was not involved at all in this discussion, but I did comment immediately after the Board action suggesting, “I didn’t want staff to provide a recommendation as this is 100% a board decision, and I didn’t want to hear this action being played out later, as the staff somehow hiding a plan to reinitiate these facilities,” contrary to the community’s desires and interests, at which point I was interrupted by Director Hendrick saying, “**I don’t think anyone will do that, I get it, I get it” let’s move on.** Isn’t this now exactly what is being suggested by the Board in this memo - that the Board will try to move forward with using the now extended permit if the Planning Commission doesn’t act promptly to prevent it?

I do not believe another utility scale (>10 MW) “power generating facility,” of any type, will ever again be constructed within the city limits, that includes the waterfront district. The required existing snowmelt “heat generation facility” will then almost certainly remain uncoupled to an electric generator, a “partnering” the snowmelt system was most efficiently designed to utilize. It would now seem appropriate for council to focus its efforts with the planning commission during its redevelopment efforts on this site to find a more suitable permanent location and funding for the on-site “industrial sized” heat generating facilities, now housed in an old power plant intake structure above the Grand River, that was planned to be temporary (until this equipment was relocated into the proposed CHP plant), than to waste time further reviewing potential utility scale “power generating facilities” that too would not likely be built at this juncture, particularly on this site given the future land use map indicating it should be “natural area/open space,” which would also not include these remaining plant facilities.



Memorandum

To: David Walters, General Manager
From: Erik Booth, Operations & Power Supply Manager
cc: Board of Light & Power, City Manager and City Council
Date: August 14, 2023
Subject: Authorization to MPPA for Calhoun County Solar Project Power Purchase Commitment

On September 15, 2022, the Grand Haven Board of Light and Power (GHBLP) Board of Directors were updated on the various solar energy Power Purchase Commitments (PPC) that the GHBLP has made with the Michigan Public Power Agency (MPPA) through its Energy Services Project (ESP). Contracted solar projects currently being developed and those that are planned for development are facing challenges due to international trade disputes, covid related supply chain delays, and large material and labor cost increases over the past two years. Staff informed the Board that MPPA was in the process of negotiating revised contractual terms with the various counterparties to keep the three solar energy projects viable.

MPPA has now finalized revised contract terms with Calhoun County Solar Project, LLC, **of which MPPA's contracted installed capacity from this project is 25 Megawatts (MW). MPPA's Board of Commissioners approved the contract revisions during their meeting on August 9, 2023. Individual Member Authorized Representatives (MARs) of applicable member utilities, under their Energy Services Agreement (ESA) with MPPA, must now authorize corresponding modifications to each member's respective PPCs. In other words, applicable MPPA members, through their MAR, must agree/authorize to reimburse MPPA the cost associated with a pro-rata portion, entitlement, or commitment from MPPA's contracted capacity under terms of MPPA's approved ESA with that member. If MPPA does not receive member PPC authorizations adequate to fulfill MPPA's contracted obligations, the revised Calhoun County Solar Project agreement does not become effective.** It should be noted that there remains a large demand for this product, at this price, time, and location as every MPPA member is working to increase their percentage of renewable energy in their respective power supply portfolios. While costs have increased, the new price remains competitive with the current market alternatives in Michigan.

On August 10, 2023, MPPA provided GHBLP for its execution the *Amended and Restated Power Purchase Commitment Authorization* which would obligate GHBLP to purchase and pay for a percentage of the energy, capacity, **environmental attributes (Michigan Renewable Energy Credits or MiRECS), and reactive power services from MPPA's approved revised agreement with Calhoun County Solar Project, LLC. GHBLP's PPC from MPPA under** its ESA would be 8.8% of the total project capacity (or approximately 2.2 MWs), which is forecasted to provide an average of 4,537 MW-hrs/year. This volume represents a forecasted annual average commitment of approximately \$281,294/year.



The original power purchase commitment was entered into on June 15, 2021, and was presented to the Board of Directors during their May 20, 2021, meeting. It should be noted that neither the Board's nor City Council's confirmation or concurrence of the PPC represent an approval of a "contract." The revised Calhoun County Solar Project contract has been approved by MPPA's Board of Directors (and does not require approval from its member local units of government). GHBLP's contract with MPPA, under which this PPC is being authorized, was approved by the Board and City Council in 2011. MPPA is currently under contract to supply all GHBLP's power supply needs through the Energy Services Agreement and will purchase replacement energy from other sources, if necessary. This authorization designated that GHBLP is committing to this specific transaction under the ESA and is not a new contract with MPPA nor is it a contract directly with Calhoun County Solar Project, LLC.

The major revisions in MPPA's Calhoun County Solar Project agreement, and accordingly GHBLP's PPC under the ESA, is the Commercial Operation Date (COD), which has been changed from fourth quarter 2023 to no later than May 30, 2025, and the Contract Price, which was originally \$42.65/MW-hr fixed has been revised to \$62.00/MW-hr fixed (an increase of approximately 45%) over the 20 year term of the agreement. This will increase the amount of renewable energy in the GHBLP's power supply portfolio by 1.5%.

BLP staff is recommending Board authorization, in accordance with the GHBLP's Energy Risk Management (ERM) Policy and City Council concurrence with the attached *Amended and Restated Power Purchase Commitment Authorization*, which would allow for MAR authorization. As noted above, the price of this transaction remains more competitive than replacing equal volumes of energy, capacity, and MiRECs from the current market. The PPC also remains consistent with GHBLP's strategic direction to maintain a sustainable, economical, and diversified power supply portfolio, in accordance with proven and approved energy risk management practices.



ENERGY SERVICES PROJECT Amended and Restated Power Purchase Commitment Authorization

This Amended and Restated Power Purchase Commitment Authorization (“Authorization”) is made and entered into as of _____, 2023, by and between MICHIGAN PUBLIC POWER AGENCY (“MPPA”), a public body corporate and politic of the State of Michigan, created pursuant to 1976 PA 448 and the Grand Haven Board of Light and Power (the “Participant”).

WHEREAS, MPPA and the Participant previously executed a Power Purchase Commitment (“PPC”) that entitled the Participant to receive and pay for a percentage share of the Products from the 25 MW Calhoun County Solar Project Power Purchase Agreement (“Calhoun PPA” or “PPA”) executed between MPPA and Calhoun County Solar Project, LLC, a Delaware limited liability company (“Calhoun”); and

WHEREAS, MPPA and Calhoun mutually negotiated a Second Amendment to the PPA (“Amended PPA”) to resolve potential disputes under the PPA associated with delays to the Commercial Operation Date (“COD”) and a new Contract Rate driven by increased costs of solar modules caused by international trade disputes and Engineering, Procurement and Construction (“EPC”) arrangements; and

WHEREAS, the MPPA Board of Commissioners passed a Resolution approving the Amended PPA at its August 9, 2023 Board of Commissioner’s Meeting; and

WHEREAS, the Amended PPA changes the Contract Rate and COD in the previously executed PPC between MPPA and the Participant; and

WHEREAS, this Authorization is being executed by the Participant as a PPC between the Participant and MPPA for the Amended PPA, including the modification of the Contract Rate and COD from the previously executed PPC.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, it is agreed by and between MPPA and the Participant hereto as follows:

Section 1. Calhoun County Solar Project Power Purchase Agreement

The Amended PPA between MPPA and Calhoun is 25 MW. The Participant is entitled to its Percentage Share (as described in Section 4 of this Authorization) of MPPA’s rights and obligations contained in the Amended PPA.

Section 2. Delivery Point

The delivery point for the Products from the solar electric generation facility will be located at interconnection point(s) with the transmission system as described in the Amended PPA.

Section 3. Term

The term of the PPC will begin upon the declared COD, currently scheduled by Calhoun to occur on March 1, 2025, but no later than May 30, 2025, and shall continue for 20 years thereafter.

Section 4. Participant Share Percentage

The Participant is allocated the following percentage share of the Products from the Amended PPA:

Participant Share Percentage
8.80%

Section 5. Products

Delivered Energy, the Environmental Attributes associated with the Delivered Energy, any benefits from the Ancillary Services associated with the Solar Project, and the Capacity Rights in an amount equal to the total capacity accredited to the Solar Project.

Section 6. Payment

The Participant will pay to MPPA 100% of its Participant Share Percentage of the cost for the Products, calculated by taking the product of the delivered MWhs to MPPA and the Contract Rate in Exhibit A, allocated to the Participant.

Section 7. Energy Services Agreement

This Authorization is subject to the terms and provisions of the Energy Services Agreement (“ESA”) between MPPA and the Participant. In the event the terms of this Authorization conflict with the ESA, the ESA shall control.

Section 8. Evidence

Authority of the Participant's Member Authorized Representative to execute this Authorization is evidenced through the Participant resolution passed appropriately by the Participant's governing body or through the meeting minutes of the Participant's governing body where approval was granted to the Member Authorized Representative to execute this Authorization.

Section 9. Effectiveness

This Authorization is not effective until MPPA has received executed Amended and Restated PPC authorizations from all other MPPA members who have their own PPC for the Amended PPA or upon MPPA's waiver of the effectiveness provision in the Amended PPA.

Member Authorized Representative

By: _____

Its: _____

Dated: _____

**EXHIBIT A
CONTRACT RATE**

Contract Year	Contract Rate (\$/MWh)
Years 1 - 20	\$62.00

RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER

**TO EXTEND A SEVERANCE AND HEALTH CARE PROVISION TO NON-CONTRACT EMPLOYEES OF THE
GRAND HAVEN BOARD OF LIGHT AND POWER**

WHEREAS A PROPOSED GRAND HAVEN CITY CHARTER AMENDMENT TO DISSOLVE THE BOARD OF LIGHT AND POWER WILL APPEAR ON THE NOVEMBER 2023 ELECTION BALLOT, AND

WHEREAS SHOULD THE AMENDMENT PASS, LIMITED DIRECTION FOR THE TRANSFER OF NON-CONTRACT BOARD OF LIGHT AND POWER EMPLOYEES TO THE CITY OF GRAND HAVEN IS PROVIDED BY THE PROPOSAL, AND

WHEREAS THE BOARD DESIRES TO RETAIN THESE NON-CONTRACT EMPLOYEES DURING THIS PERIOD OF UNCERTAINTY.

NOW THEREFORE BE IT RESOLVED THE BOARD OF LIGHT AND POWER, OR ITS SUCCESSORS AND ASSIGNED, RESOLVES TO PAY NON-CONTRACT EMPLOYEES SIX MONTHS' SEVERANCE PAY AND SIX MONTHS OF HEALTH CARE, CONSISTENT WITH THAT PROVIDED TO OTHER EMPLOYEES DURING THE SIX-MONTH PERIOD, IF THEY EXPERIENCE A SUBSTANTIAL CHANGE IN BENEFITS OR PAY AS A RESULTS OF THE PROPOSED CHARTER CHANGE AMENDMENT BECOMING EFFECTIVE JANUARY 1, 2024.

BE IT FURTER RESOLVED THAT THIS SEVERANCE AND HEALTH CARE PROVISION OPTION SHALL TERMINATE JUNE 30, 2024.

RESOLUTION DECLARED ADOPTED

August 17, 2023

BOARD OF LIGHT AND POWER

By: _____

Its: Board Secretary