

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, February 27, 2025
Meeting to be held at 1700 Eaton Drive
6:00 PM

1. Call to Order / Roll Call / Excuse Absent Members
2. Approve Meeting Agenda (1) *
3. Pledge of Allegiance
4. Public Comment Period
5. Consent Agenda (1)
 - A. Approve Minutes
 1. January 16, 2025 Regular Meeting Minutes*
 - B. Receive and File: January Financial Statements, Power Supply & Retail Sales Dashboards *
 - C. Receive and File: January Key Performance Indicators (KPI) Dashboard *
 - D. Receive and File: MPPA ESP Resource Position Report (dated 1/31/2025) *
 - E. Approve Payment of Bills (\$5,366,554.60 in total)
 1. In the amount of \$5,198,826.56 from the Operation & Maintenance Fund
 2. In the amount of \$167,728.04 from the Renewal & Replacement Fund
 - F. Approve Confirming Purchase Orders (\$104,662 in total)
 1. PO #22241-4, COGH, \$21,257 (Harbor Island 2024 Hydrogeological Monitoring Plan CO#3)
 2. PO #23312, MMEA, \$24,114 (2025 Membership Dues)
 3. PO #23323, Futura, \$24,564 (2025 Mapping Software Subscription)
 4. PO #23332, DataVoice, \$34,727 (2025 OMS & Texting Subscription)
6. General Manager's Report *
 - A. Approve Purchase Orders (\$1,343,138 in total) (1)
 1. PO #23321, COGH, \$35,618 (Assessment of Corrective Measures Report)
 2. PO #23325, Power Line Supply, \$19,270 (Aluminum Street Light Poles x 14)
 3. PO #23326, Power Line Supply, \$23,992 (#2 15kV UG Wire for Aldi & BLP Stock)
 4. PO #23327, Dewitt Trenching, \$16,763 (Hayes Street Directional Bore)
 5. PO #23330, Power Line Supply, \$374,984 (Hendrix Material for CIP Projects)
 6. PO #23334, COGH, \$148,671 (Coal Yard Clean Up Project Management)
 7. PO #23335, COGH, \$673,269 (Coal Yard Clean Up Labor) *
 8. PO #23336, Western Tel-Com, \$50,571 (Aldi Directional Bore)
 - B. MPPA – 2024 Business & Credit Risk Assessment * (3)
 - C. MPPA – Energy Hedge Plan PPC * (1)
 - D. Low-Income Energy Assistance Fund Changes * (1)
7. Chairman's Report
 - A. Governance Training – Lessons 15 Discussion (3)
 - B. Board Self Evaluation & Development Plan * (1)
8. Other Business
9. Public Comment Period
10. Adjourn

Notes:

- (1) Board Action Required
- (2) Future Board Action
- * Information Enclosed

- (3) Information RE: Policy or Performance
- (4) General Information for Business or Education

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2025

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, January 16, 2025, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Webinar.

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

Present: Directors Crum, Knoth, Polyak, Welling, and Westbrook.

Absent: None.

Others Present: General Manager Rob Shelley, Secretary to the Board Danielle Martin, Operations and Power Supply Manager Erik Booth, and Distribution and Engineering Manager Austin Gagnon.

25-01A Director Welling, supported by Director Crum, moved to add item 7D "PA95 Update" to the agenda.

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.
Motion carried.

25-01B Director Welling, supported by Director Polyak, moved to approve the agenda as amended.

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.
Motion carried.

Pledge of Allegiance

Public Comment Period

Jim Hagen, 400 Lake Avenue, commented on a report he shared with the Board and other community leaders. Hagen feels there is an opportunity to reduce energy waste by improving the power factor on industrial motors.

Nancy O'Neil, 216 South Second Street, commented on the Community Energy Plan and thanked the Board for Erik Booth and Paul Cederquist attending meetings and providing information. O'Neil feels various groups can successfully work together even if their perspectives do not align perfectly.

Patti Nelson, 1820 Pine Court, submitted a written comment thanking the Board for allowing staff to participate in the Community Energy Plan meetings. Nelson hopes there can continue to be collaboration on energy waste reduction.

25-01C John Kinch and Brittany Goode gave a presentation on the Community Energy Plan. The Plan covers the BLP service territory and focuses on three pillars: Data, Community Engagement, and Pathways/Strategies. The data review process concluded that the region can be de-carbonized.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2025

Developing the capacity to pursue grant funding was identified as an opportunity. The intended next step is for the three local governments to adopt the plan and to begin applying for programs and funding that are available today.

No formal action taken.

25-01D Director Welling, supported by Director Crum, moved to approve the consent agenda. The consent agenda includes:

- Approve the minutes of the December 19, 2024 Regular Board Meeting
- Receive and File the December Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File the December Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 12/23/2024
- Approve payment of bills in the amount of \$2,297,348.28 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$326,764.00 from the Renewal & Replacement Fund
- Approve Purchase Order #23286 to Insight Public Sector in the amount of \$10,300 for the CY2025 Office 365 subscription
- Approve Purchase Order #23297 to ERSI in the amount of \$5,925 for the CY2025 GIS software subscription

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.
Motion carried.

24-01E Director Welling, supported by Director Knoth, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order #23298 to CDW in the amount of \$8,300 for FY2025 computer replacements of four laptops
- Purchase Order #23300 to Pleune in the amount of \$24,053 for a new HVAC rooftop unit for the Eaton Drive building

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.
Motion carried.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2025

25-01F Erik Booth provided an update of the Customer and Community Engagement strategic plan focus area. Five programs were developed to work towards meeting the outlined goals including a social media engagement program, a team member highlight campaign, an affordability and cost competitiveness education program, an outage response and restoration communications program, and an educational campaign focusing on how the utility balances affordability, sustainability, and reliability. As a part of this process, a new Crisis Communication Plan was developed. The BLP has won an APPA Customer Satisfaction Award for the past two years. 2025 customer satisfaction surveys will be conducted in the coming weeks.

No formal action taken.

25-01G Director Welling, supported by Director Knoth, moved to approve the Renewable Energy Plan.

Public Act 235 set new renewable energy standards for all utilities in the state. The Board is required to submit a renewable energy plan by February to the Michigan Public Service Commission and to review the plan every two years thereafter. The BLP's plan will be submitted by MPPA on our behalf.

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.
Motion carried.

25-01H The General Manager provided an update of Public Act 95. A new law was passed in December which modifies PA 95. The Board previously voted each June to opt in or out, but that decision is now due by April 1st each year. The law will take effect October 1, 2025. If the Board opts in, we must collect a state determined dollar amount per meter monthly and send the collected funds to the state to fund the energy assistance program. If the Board opts out, the BLP must establish a local program that mirrors the state program, including setting aside an equivalent amount of funding to use for electric or heating assistance for our customers. The Board can change its election annually. More information will be provided ahead of the Board's anticipated vote at its March meeting.

No formal action taken.

25-01I Governance Training Lesson 14 "Strategic Planning and the Role of the Governing Board" Discussion.

No formal action taken.

25-01J The Board will watch Governance Training Lesson 15 "What is the Board's Role in Stakeholder Engagement?" for discussion at the February meeting.

No formal action taken.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2025

Other Business

The General Manager reported all open positions have been filled and the BLP is fully staffed. He also shared an APPA Mutual Aid Commendation received for mutual aid work done in Florida this past fall.

Public Comment Period

Jean Madden, 1625 Gladys Circle, spoke on her experience with clean energy and owning an electric vehicle since 2018. Madden put in a full array of solar panels during a home re-model and is very happy with the financial consistency the panels provide as most months she only pays the service charge.

John Kinch, 1523 Pine Ridge Drive, commented on the State's MEAP program and how it can be used to help identify low income customers and target them for outreach programs. Kinch feels these programs are to solve immediate challenges, but energy efficiency is the pro-active way to go.

Jim Hagen, 400 Lake Avenue, encouraged the Board to set guaranteed dates for the net metering program to help calm potential fears associated with installing solar on homes. Hagen feels the former Sims coal site would be a good location for a community solar project.

Adjournment

At 7:31 PM by motion of Director Welling, supported by Director Knoth, the January 16, 2025 Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

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**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF NET POSITION
FOR THE MONTH ENDING JANUARY 2025**

5B

	<u>JANUARY 2025</u>	<u>JANUARY 2024</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$28,106,004	\$21,894,886
ACCOUNTS RECEIVABLE	4,340,416	4,170,141
PREPAID	2,581	2,803
	32,449,001	26,067,830
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	10,473,032	8,744,763
DEPOSITS HELD BY MPPA	2,500,000	2,500,000
ADVANCE TO CITY OF GRAND HAVEN	551,755	654,590
MITIGATION FUND	16,885,545	14,066,086
2021A BOND FUND	398,659	6,057,371
2021A BOND REDEMPTION FUND	273,427	251,647
	31,082,418	32,274,457
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	1,622,394	3,123,556
PROPERTY, PLANT AND EQUIPMENT	68,381,811	66,525,483
LESS ACCUMULATED DEPRECIATION	(31,283,118)	(31,541,700)
	38,721,087	38,107,339
TOTAL ASSETS	\$102,252,506	\$96,449,626
DEFERRED OUTFLOWS/(INFLOWS)		
PENSION/OPEB RELATED	3,736,804	4,681,112
	3,736,804	4,681,112
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	1,717,446	1,680,423
SERIES 2021A BOND CURRENT	2,423,568	2,426,728
ACCRUED PAYROLL LIABILITIES	220,015	246,082
CUSTOMER DEPOSITS	963,919	982,016
ACCRUED TRANSFER FUND	157,229	147,612
	5,482,177	5,482,861
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	17,216,980	16,806,027
ACCRUED SICK AND PTO	241,712	262,205
SERIES 2021A BOND	15,500,000	17,900,000
NET PENSION LIABILITIES	5,491,563	6,301,362
NET OTHER POST EMPLOYMENT BENEFIT	929,482	500,888
	39,379,737	41,770,482
TOTAL LIABILITIES	44,861,914	47,253,343
NET POSITION		
BEGINNING OF THE YEAR	56,080,669	48,794,255
YTD INCREASE IN NET ASSETS	5,046,727	5,083,140
NET POSITION	61,127,396	53,877,395
TOTAL LIABILITIES AND EQUITY	\$105,989,310	\$101,130,738

**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH OF JANUARY 2025**

	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	\$ 1,216,898	\$ 8,261,447	\$ 7,912,406	\$ 349,041	4.41%	\$ 1,082,109	\$ 7,911,241	\$ 350,206	4.43%
Commercial Sales	872,244	6,379,220	6,368,151	11,069	0.17%	809,226	6,210,593	168,627	2.72%
Industrial Sales	874,244	6,771,457	7,221,334	(449,877)	-6.23%	880,621	7,018,102	(246,645)	-3.51%
Municipal Sales	78,419	628,905	605,821	23,084	3.81%	78,046	609,331	19,574	3.21%
Total Charges for Services	3,041,805	22,041,029	22,107,712	(66,683)	-0.30%	2,850,002	21,749,267	291,762	1.34%
Street Lighting	28,113	196,501	196,000	501	0.26%	27,564	197,407	(906)	-0.46%
Other Revenue	64,230	444,306	174,766	269,540	154.23%	49,366	259,287	185,019	71.36%
Total Operating Revenue	3,134,148	22,681,836	22,478,478	203,358	0.90%	2,926,932	22,205,961	475,875	2.14%
Operating Expenses									
Net Purchased Power	1,898,874	11,939,898	12,180,084	(240,186)	-1.97%	1,933,912	11,264,728	675,170	5.99%
Distribution Operations	111,403	796,957	1,043,466	(246,509)	-23.62%	118,789	932,630	(135,673)	-14.55%
Distribution Maintenance	278,973	1,740,487	2,059,802	(319,315)	-15.50%	263,158	1,849,171	(108,684)	-5.88%
Energy Optimization	8,621	101,443	189,583	(88,140)	-46.49%	10,643	87,177	14,266	16.36%
Administration	273,039	1,718,911	1,821,480	(102,569)	-5.63%	246,593	1,679,858	39,053	2.32%
Legacy Pension Expense	15,317	92,153	291,666	(199,513)	-68.40%	42,513	288,449	(196,296)	-68.05%
Operating Expenses Before Depreciation	2,586,227	16,389,849	17,586,081	(1,196,232)	-6.80%	2,615,608	16,102,013	287,836	1.79%
Operating Changes Before Depreciation	547,921	6,291,987	4,892,397	1,399,590	28.61%	311,324	6,103,948	188,039	3.08%
Depreciation	184,227	1,294,991	1,272,140	22,851	1.80%	171,462	1,223,001	71,990	5.89%
Operating Changes	363,694	4,996,996	3,620,257	1,376,739	38.03%	139,862	4,880,947	116,049	2.38%
Nonoperating Revenue/(Expenses)	75,361	590,547	360,627	229,920	63.76%	87,080	626,769	(36,222)	-5.78%
Asset Retirement Expense	-	24,698	-	24,698	#DIV/0!	123,492	123,492	(98,794)	-80.00%
Environmental Surcharge	74,674	575,118	583,331	(8,213)	-1.41%	74,670	578,174	(3,056)	-0.53%
Non-Operating Revenue/(Expenses)	150,035	1,190,363	943,958	246,405	26.10%	285,242	1,328,435	(138,072)	-10.39%
Transfers to City of Grand Haven	(157,230)	(1,140,632)	(1,105,385)	(35,247)	3.19%	(147,612)	(1,126,242)	(14,390)	1.28%
Increase in Net Assets	\$ 356,499	\$ 5,046,727	\$ 3,458,830	\$ 1,587,897	45.91%	\$ 277,492	\$ 5,083,140	\$ (36,413)	-0.72%

**GRAND HAVEN BOARD OF LIGHT AND POWER
POWER SUPPLY DASHBOARD
FOR THE MONTH OF JANUARY 2025**

Power Supply for Month (kWh)	<u>FY2025</u>		<u>FY2024</u>	
Net Purchased (Sold) Power	18,008,781	74.96%	19,112,032	80.48%
Renewable Energy Purchases	6,015,092	25.04%	4,636,211	19.52%
Monthly Power Supply Total	24,023,873		23,748,243	
Days in Month	31		31	
Average Daily kWh Supply for Month	774,964		766,072	
% Change	1.16%			

Power Supply FYTD	<u>FY2025</u>		<u>FY2024</u>	
Net Purchased (Sold) Power	126,322,713	75.04%	131,850,737	78.16%
Renewable Energy Purchases	42,021,970	24.96%	36,845,796	21.84%
FYTD Power Supply Total	168,344,683		168,696,533	
FYTD Days (from 7/1)	215		215	
Average Daily kWh Supply FYTD	782,999		784,635	
% Change	-0.21%			

	<u>FY2025</u>	<u>FY2024</u>
Net Purchased Power Expenses	\$11,939,898	\$11,264,728
% Change	5.99%	
Net Energy Expenses per kWh Supplied to System FYTD	\$0.07093	\$0.06678
% Change	6.22%	

**GRAND HAVEN BOARD OF LIGHT AND POWER
SALES DASHBOARD
FOR THE MONTH OF JANUARY 2025**

<u>Monthly Retail Customers</u>	<u>FY2025</u>		<u>FY2024</u>	
Residential	13,260	87.52%	13,120	87.39%
Commercial	1,649	10.88%	1,651	11.00%
Industrial	127	0.84%	128	0.85%
Municipal	114	0.75%	115	0.77%
Total	15,150		15,014	
<u>Monthly Energy Sold (kWh)</u>				
Residential	7,935,836	37.08%	7,390,689	34.52%
Commercial	6,105,349	28.53%	5,945,364	27.77%
Industrial	6,675,172	31.19%	7,324,268	34.21%
Municipal	617,834	2.89%	671,729	3.14%
Retail Monthly Total	21,334,191	99.69%	21,332,050	99.65%
Street Lighting	66,752	0.31%	75,185	0.35%
Total Monthly Energy Sold	21,400,943		21,407,235	
Days in Primary Meter Cycle	31		31	
kWh Sold per Day	690,353		690,556	
% Change	-0.03%			

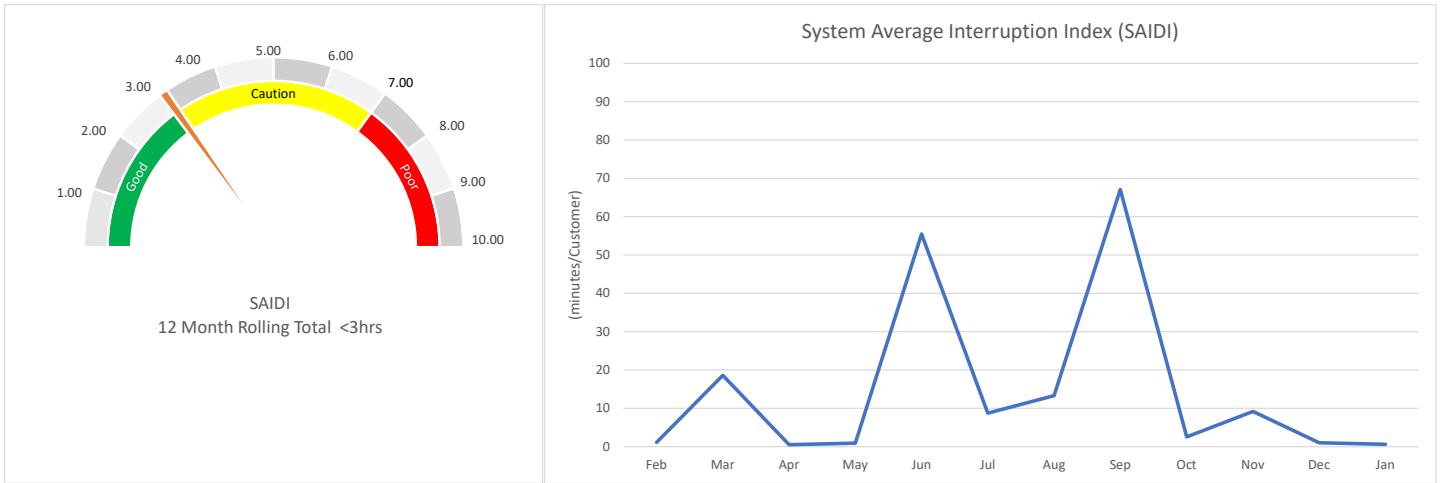
<u>Energy Sold (kWh) FYTD</u>	<u>FY2025</u>		<u>FY2024</u>	
Residential	56,060,024	34.01%	53,843,018	32.47%
Commercial	46,557,566	28.24%	45,590,233	27.50%
Industrial	56,542,347	34.30%	60,646,514	36.58%
Municipal	5,228,157	3.17%	5,135,498	3.10%
Retail Energy Sold Total FYTD	164,388,094	99.72%	165,215,263	99.65%
Street Lighting	465,573	0.28%	587,314	0.35%
Energy Sold FYTD	164,853,667		165,802,577	
Weighted Days in Meter Cycles FYTD	214		214	
kWh Sold per Day	770,344		774,778	
% Change	-0.57%			

<u>Sales Revenue FYTD net ERS</u>	<u>FY2025</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2024</u>	<u>Average Rate (\$/kWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$8,261,447	\$0.1474	\$7,911,241	\$0.1469	0.30%
Commercial	\$6,379,220	\$0.1370	\$6,210,593	\$0.1362	0.58%
Industrial	\$6,771,457	\$0.1198	\$7,018,102	\$0.1157	3.49%
Municipal	\$628,905	\$0.1203	\$609,331	\$0.1187	1.38%
Retail Sales Revenue FYTD	\$22,041,029	\$0.1341	\$21,749,267	\$0.1316	1.85%
Street Lighting	\$196,501		\$197,407		
Total Sales Revenue FYTD (Excl. Wholesale)	\$22,237,530	\$0.1349	\$21,946,674	\$0.1324	

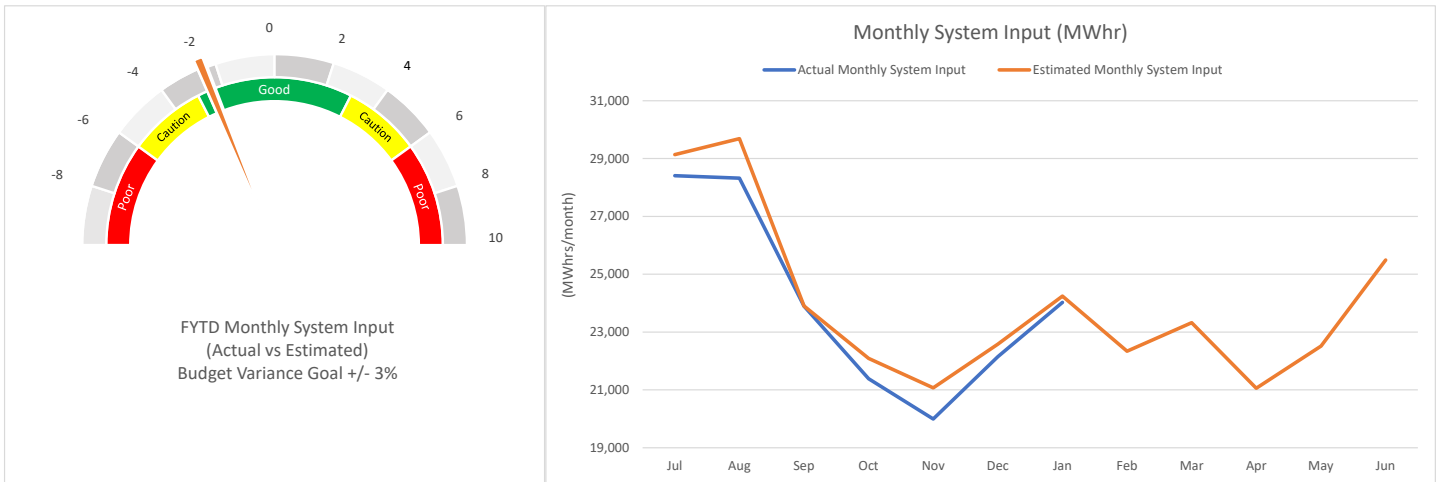
	<u>FY2025</u>	<u>FY2024</u>
Approx. Distribution Losses FYTD	1.62%	1.26%
Net Energy Expenses/kWh Sold FYTD	\$0.07207	\$0.06761
% Change	6.59%	

February 14, 2025

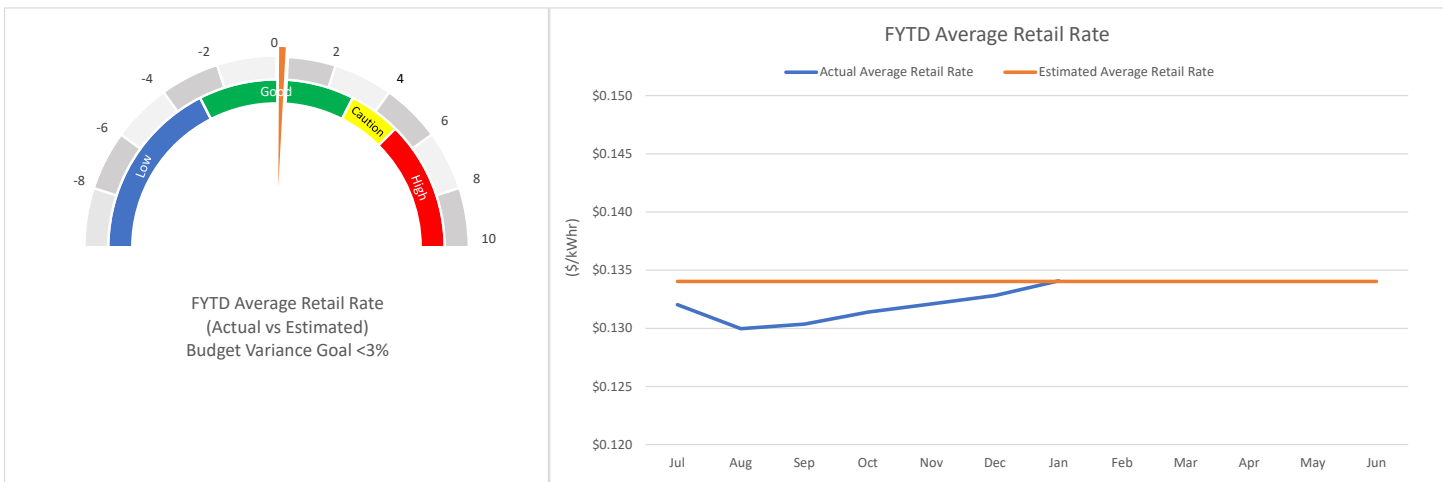
1) Reliability



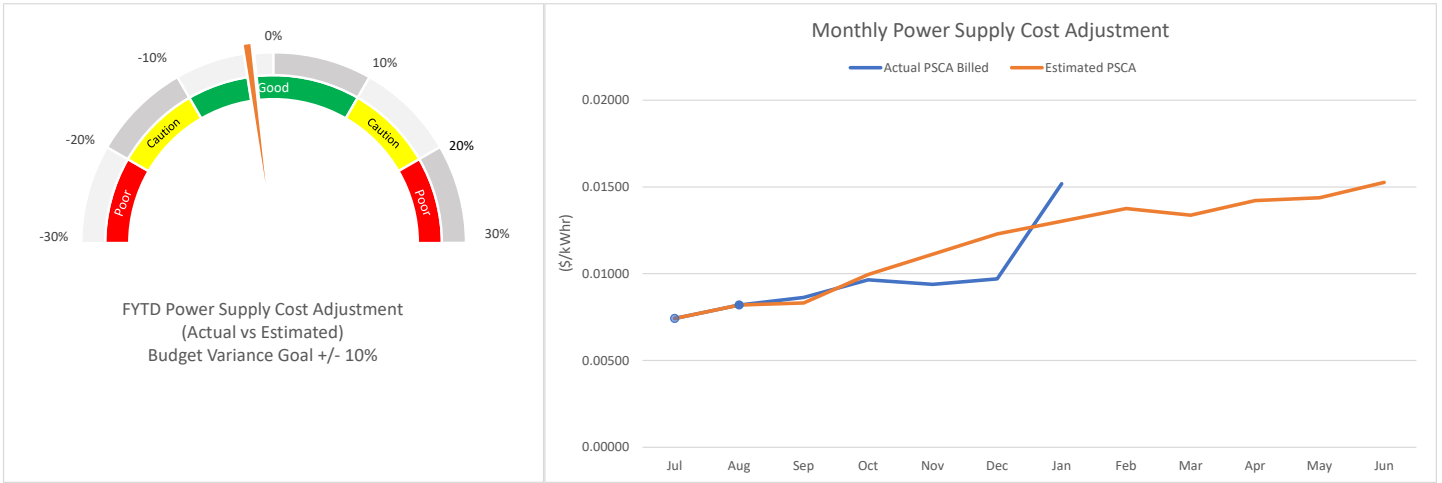
2) Power Supply



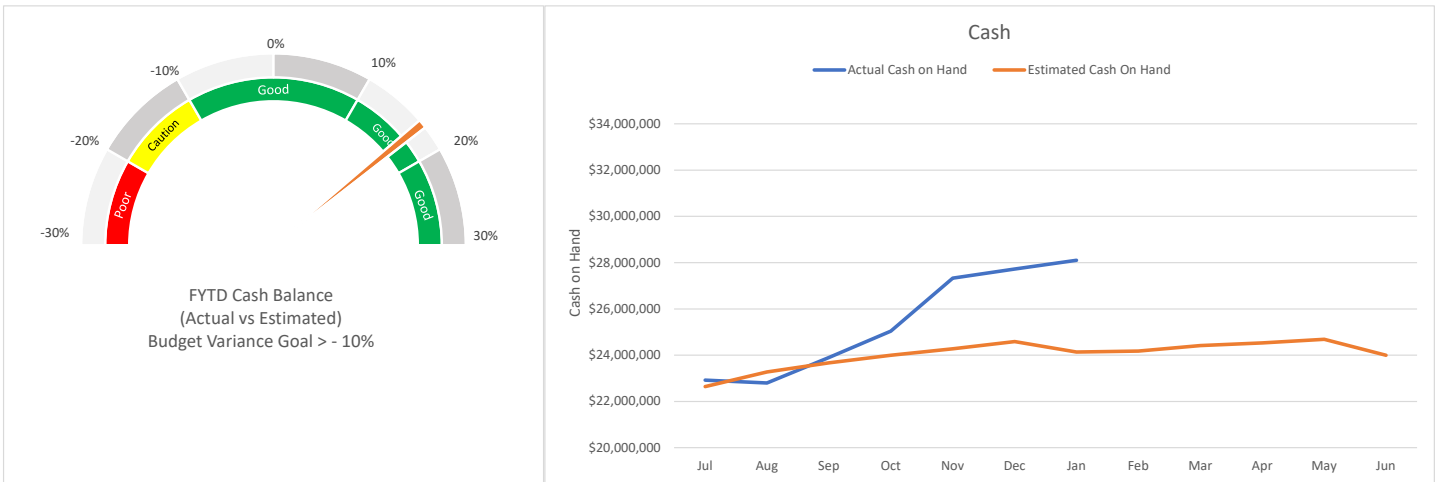
3) Average Retail Revenue per kWh



4) Rates/PSCA



5) Financial



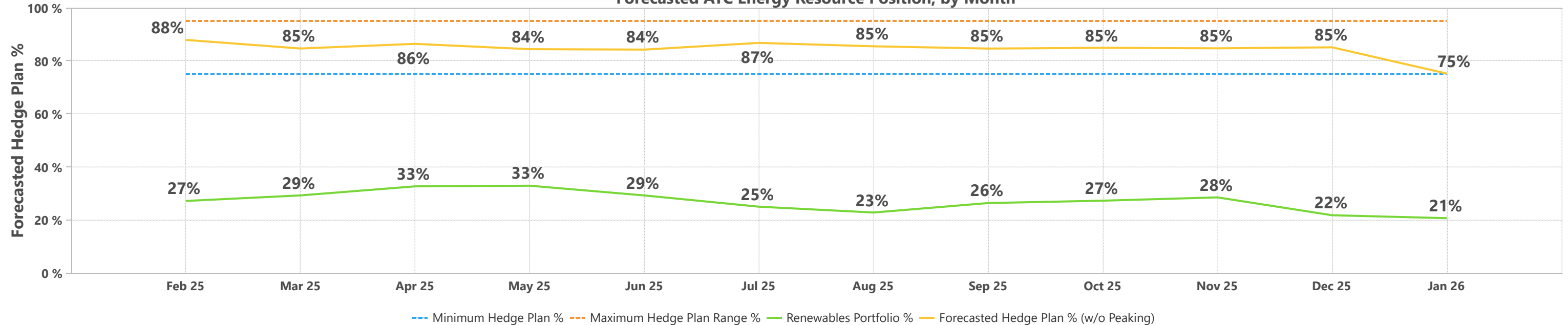
GRAN is forecasted to have an average of 84% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 27% towards load. Total Resources are forecasted to cost an average of \$50.96 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$45.12 per MWh. When including Locational Basis this results in a Total Forecasted Power Supply weighted average cost of \$50.79 over the upcoming 12 months.

Forecasted Prompt 12 Months Energy Resource Position for GRAN

Power Supply, MWh	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Total Resources, MWh	19,236	19,535	18,066	19,140	22,194	25,065	25,658	20,261	18,807	17,904	19,214	18,024
Project Assets	1,665	1,894	1,811	1,887	1,717	1,579	1,545	1,556	1,701	1,655	1,639	1,657
Landfill Project	1,665	1,894	1,811	1,887	1,717	1,579	1,545	1,556	1,701	1,655	1,639	1,657
Contracted Power Supply	17,572	17,641	16,256	17,252	20,477	23,485	24,113	18,705	17,106	16,250	17,575	16,367
Contracted ESP Renewable PPAs	4,269	4,847	5,011	5,567	5,977	5,628	5,283	4,747	4,327	4,360	3,266	3,285
Contracted Bilateral Energy Transactions	13,302	12,794	11,245	11,686	14,501	17,858	18,830	13,958	12,778	11,890	14,310	13,082

Total Power Supply	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Forecasted Hedge Plan % (w/o Peaking)	88%	85%	86%	84%	84%	87%	85%	85%	85%	85%	85%	75%
Minimum Hedge Plan %	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 %	27%	29%	33%	33%	29%	25%	23%	26%	27%	28%	22%	21%
Forecasted Load	(21,896)	(23,091)	(20,922)	(22,691)	(26,362)	(28,904)	(30,034)	(23,954)	(22,161)	(21,144)	(22,591)	(23,983)
Forecasted Market Balancing, MWh	(2,660)	(3,556)	(2,855)	(3,551)	(4,168)	(3,839)	(4,376)	(3,694)	(3,355)	(3,239)	(3,377)	(5,959)
Forecasted Hedge % (w/ Peaking)	88%	85%	86%	84%	84%	87%	85%	85%	85%	85%	85%	75%

Forecasted ATC Energy Resource Position, by Month

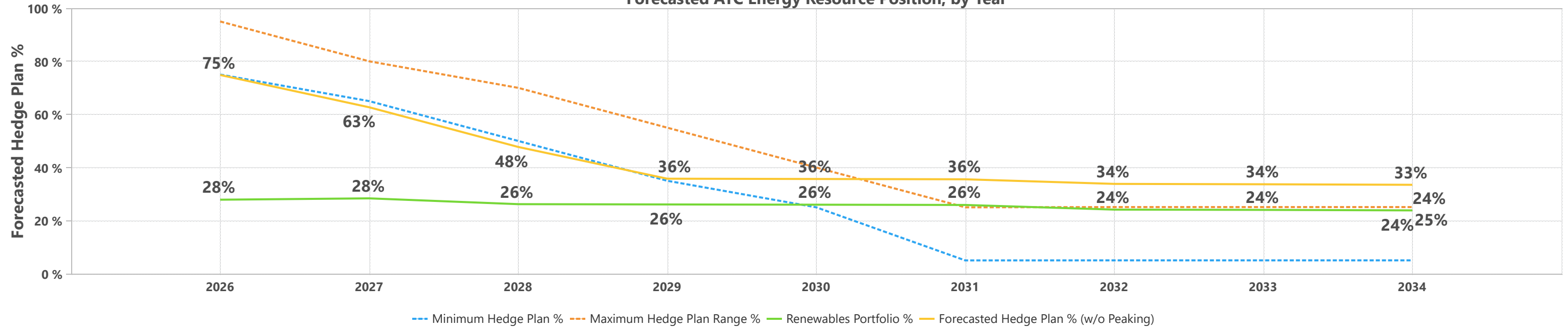


Forecasted Outer Years Energy Resource Position for GRAN

Power Supply, MWh	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Resources, MWh	215,667	180,793	137,834	103,445	103,261	103,069	98,163	97,876	97,422
Project Assets	19,325	13,564	7,493	7,493	7,493	7,490	2,654	2,654	2,382
Landfill Project	19,325	13,564	7,493	7,493	7,493	7,490	2,654	2,654	2,382
Contracted Power Supply	196,341	167,229	130,341	95,952	95,768	95,579	95,508	95,222	95,040
Contracted ESP Renewable PPAs	60,986	68,289	68,133	67,920	67,736	67,547	67,400	67,190	67,008
Contracted Bilateral Energy Transactions	135,355	98,940	62,208	28,032	28,032	28,032	28,109	28,032	28,032

Total Power Supply	2026	2027	2028	2029	2030	2031	2032	2033	2034
Forecasted Hedge Plan % (w/o Peaking)	75%	63%	48%	36%	36%	36%	34%	34%	33%
Minimum Hedge Plan %	75%	65%	50%	35%	25%	5%	5%	5%	5%
Maximum Hedge Plan Range %	95%	80%	70%	55%	40%	25%	25%	25%	25%
Renewables Portfolio %	28%	28%	26%	26%	26%	26%	24%	24%	24%
Forecasted Load	(288,143)	(288,437)	(288,741)	(289,106)	(289,477)	(289,840)	(290,197)	(290,576)	(290,961)
Forecasted Market Balancing, MWh	(72,476)	(107,644)	(150,907)	(185,661)	(186,216)	(186,771)	(192,034)	(192,699)	(193,539)
Forecasted Hedge % (w/ Peaking)	75%	63%	48%	36%	36%	36%	34%	34%	33%

Forecasted ATC Energy Resource Position, by Year



Forecasted Prompt 12 Months Energy Resource Cost for GRAN

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

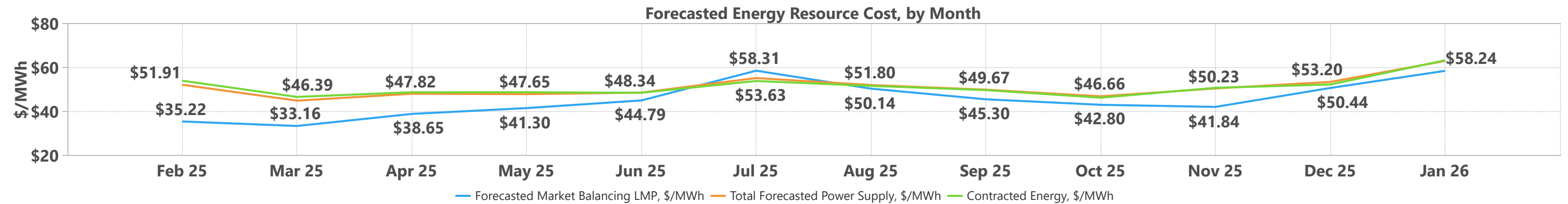
Power Supply \$'s	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Total Resources, \$'s	(\$1,034,191)	(\$906,289)	(\$876,488)	(\$928,688)	(\$1,071,247)	(\$1,344,115)	(\$1,318,997)	(\$1,002,686)	(\$865,656)	(\$904,602)	(\$999,642)	(\$1,136,173)
Project Assets	(\$187,405)	(\$150,771)	(\$203,833)	(\$213,218)	(\$192,646)	(\$195,899)	(\$180,738)	(\$182,027)	(\$137,671)	(\$194,173)	(\$191,977)	(\$196,648)
Landfill Project	(\$187,405)	(\$150,771)	(\$203,833)	(\$213,218)	(\$192,646)	(\$195,899)	(\$180,738)	(\$182,027)	(\$137,671)	(\$194,173)	(\$191,977)	(\$196,648)
Contracted Power Supply	(\$846,786)	(\$755,518)	(\$672,654)	(\$715,471)	(\$878,601)	(\$1,148,215)	(\$1,138,259)	(\$820,659)	(\$727,985)	(\$710,429)	(\$807,666)	(\$939,525)
Contracted ESP Renewable PPAs	(\$196,276)	(\$221,807)	(\$228,478)	(\$250,518)	(\$278,887)	(\$261,706)	(\$245,965)	(\$226,918)	(\$206,813)	(\$207,997)	(\$154,673)	(\$160,120)
Contracted Bilateral Energy Transactions	(\$650,510)	(\$533,711)	(\$444,177)	(\$464,952)	(\$599,713)	(\$886,509)	(\$892,294)	(\$593,741)	(\$521,172)	(\$502,432)	(\$652,993)	(\$779,405)

Locational Basis, \$'s	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Locational Basis (Projects)	(\$1,166)	(\$1,163)	(\$627)	(\$539)	(\$1,045)	(\$629)	(\$986)	(\$380)	\$350	(\$660)	\$755	(\$1,694)
Locational Basis (Contracted Power Supply)	(\$7,710)	(\$6,553)	(\$12,980)	(\$5,280)	(\$15,432)	(\$20,227)	(\$16,314)	(\$19,507)	(\$25,113)	(\$21,226)	(\$32,594)	(\$19,494)

Power Supply \$/MWh	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Power Supply \$/MWh												
Project Assets												
Landfill Project	\$112.57	\$79.61	\$112.58	\$112.97	\$112.22	\$124.06	\$116.98	\$117.00	\$80.94	\$117.35	\$117.16	\$118.70
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$45.97	\$45.76	\$45.59	\$45.00	\$46.66	\$46.50	\$46.56	\$47.81	\$47.79	\$47.70	\$47.36	\$48.74
Contracted Bilateral Energy Transactions	\$48.90	\$41.71	\$39.50	\$39.79	\$41.36	\$49.64	\$47.39	\$42.54	\$40.79	\$42.26	\$45.63	\$59.58

Locational Basis, \$/MWh	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Locational Basis (Projects)	\$0.70	\$0.61	\$0.35	\$0.29	\$0.61	\$0.40	\$0.64	\$0.24	(\$0.21)	\$0.40	(\$0.46)	\$1.02
Locational Basis (Contracted Power Supply)	\$0.44	\$0.37	\$0.80	\$0.31	\$0.75	\$0.86	\$0.68	\$1.04	\$1.47	\$1.31	\$1.85	\$1.19

Total Power Supply	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Forecasted Market Balancing LMP, \$/MWh	\$35.22	\$33.16	\$38.65	\$41.30	\$44.79	\$58.31	\$50.14	\$45.30	\$42.80	\$41.84	\$50.44	\$58.24
Forecasted Market Balancing LMP, \$'s	(\$93,687)	(\$117,916)	(\$110,359)	(\$146,679)	(\$186,679)	(\$223,871)	(\$219,398)	(\$167,332)	(\$143,585)	(\$135,550)	(\$170,366)	(\$347,009)
Total Forecasted Power Supply, \$/MWh	\$51.91	\$44.69	\$47.82	\$47.65	\$48.34	\$54.97	\$51.80	\$49.67	\$46.66	\$50.23	\$53.20	\$62.73
Total Forecasted Power Supply Costs, \$'s	(\$1,136,755)	(\$1,031,922)	(\$1,000,454)	(\$1,081,186)	(\$1,274,403)	(\$1,588,842)	(\$1,555,694)	(\$1,189,905)	(\$1,034,004)	(\$1,062,038)	(\$1,201,848)	(\$1,504,370)



Forecasted Outer Years Energy Resource Cost for GRAN

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

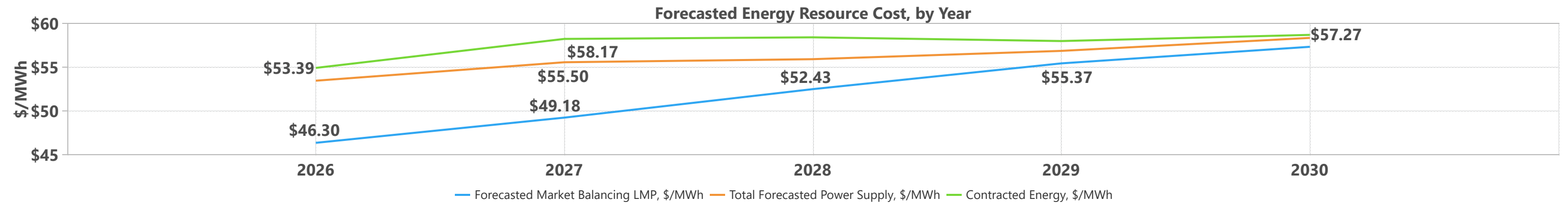
Power Supply \$'s	2026	2027	2028	2029	2030
Total Resources, \$'s	(\$11,830,797)	(\$10,516,692)	(\$8,042,692)	(\$5,992,082)	(\$6,054,201)
Project Assets	(\$2,121,355)	(\$1,492,827)	(\$862,621)	(\$884,885)	(\$907,489)
Landfill Project	(\$2,121,355)	(\$1,492,827)	(\$862,621)	(\$884,885)	(\$907,489)
Contracted Power Supply	(\$9,709,443)	(\$9,023,864)	(\$7,180,071)	(\$5,107,197)	(\$5,146,712)
Contracted ESP Renewable PPAs	(\$2,962,560)	(\$3,362,930)	(\$3,402,330)	(\$3,439,293)	(\$3,478,808)
Contracted Bilateral Energy Transactions	(\$6,746,882)	(\$5,660,934)	(\$3,777,742)	(\$1,667,904)	(\$1,667,904)

Locational Basis, \$'s	2026	2027	2028	2029	2030
Locational Basis (Projects)	(\$8,583)	(\$9,549)	(\$1,840)	(\$1,834)	(\$1,882)
Locational Basis (Contracted Power Supply)	(\$190,330)	(\$189,301)	(\$170,691)	(\$146,969)	(\$151,271)

Power Supply \$/MWh	2026	2027	2028	2029	2030
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$109.77	\$110.06	\$115.12	\$118.10	\$121.11
Contracted Power Supply					
Contracted ESP Renewable PPAs	\$48.58	\$49.25	\$49.94	\$50.64	\$51.36
Contracted Bilateral Energy Transactions	\$49.85	\$57.22	\$60.73	\$59.50	\$59.50

Locational Basis, \$/MWh	2026	2027	2028	2029	2030
Locational Basis (Projects)	\$0.44	\$0.70	\$0.25	\$0.24	\$0.25
Locational Basis (Contracted Power Supply)	\$0.97	\$1.13	\$1.31	\$1.53	\$1.58

Total Power Supply	2026	2027	2028	2029	2030
Forecasted Market Balancing LMP, \$/MWh	\$46.30	\$49.18	\$52.43	\$55.37	\$57.27
Forecasted Market Balancing LMP, \$'s	(\$3,355,380)	(\$5,293,418)	(\$7,912,208)	(\$10,280,803)	(\$10,664,366)
Total Forecasted Power Supply, \$/MWh	\$53.39	\$55.50	\$55.85	\$56.80	\$58.28
Total Forecasted Power Supply Costs, \$'s	(\$15,385,090)	(\$16,008,960)	(\$16,127,431)	(\$16,421,688)	(\$16,871,720)



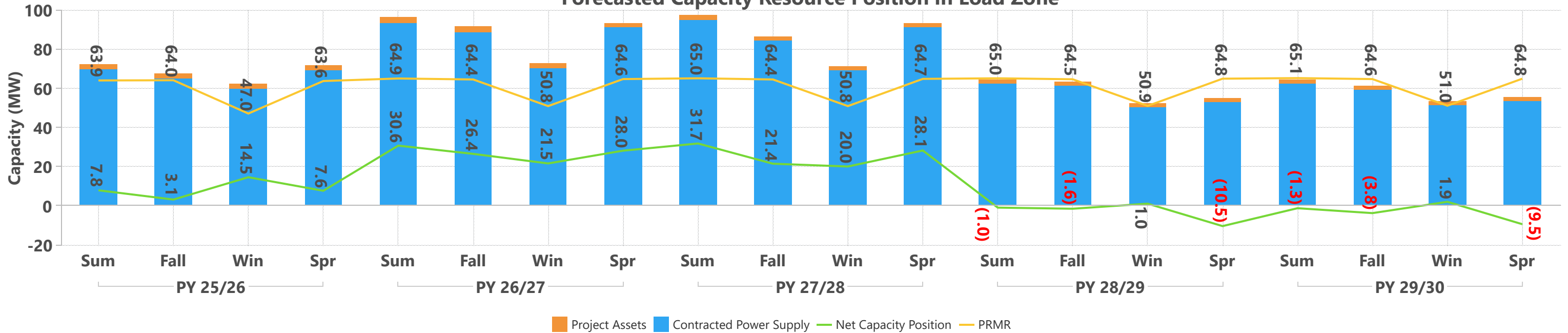
Forecasted Outer Years Capacity Resource Position for GRAN

Capacity Resources, MW	PY 25/26				PY 26/27				PY 27/28				PY 28/29				PY 29/30			
	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr
Net Capacity Position	7.8	3.1	14.5	7.6	30.6	26.4	21.5	28.0	31.7	21.4	20.0	28.1	(1.0)	(1.6)	1.0	(10.5)	(1.3)	(3.8)	1.9	(9.5)
Zone 7	7.8	3.1	14.5	7.6	30.6	26.4	21.5	28.0	31.7	21.4	20.0	28.1	(1.0)	(1.6)	1.0	(10.5)	(1.3)	(3.8)	1.9	(9.5)
Contracted Power Supply	69.9	65.2	59.7	69.3	93.5	88.8	70.3	91.2	95.2	84.3	69.3	91.4	62.5	61.4	50.4	52.8	62.3	59.3	51.5	53.8
Contracted Bilateral Capacity Transactions	57.2	57.2	57.2	57.2	78.4	77.3	67.2	77.3	79.7	74.1	66.5	77.5	55.0	54.3	48.7	50.1	55.6	54.0	50.0	51.3
Contracted ESP Renewable PPAs	12.7	8.0	2.5	12.1	15.1	11.5	3.1	13.9	15.5	10.2	2.8	13.9	7.5	7.2	1.7	2.8	6.7	5.3	1.5	2.6
Planning Reserve Margin Requirement	(63.9)	(64.0)	(47.0)	(63.6)	(64.9)	(64.4)	(50.8)	(64.6)	(65.0)	(64.4)	(50.8)	(64.7)	(65.0)	(64.5)	(50.9)	(64.8)	(65.1)	(64.6)	(51.0)	(64.8)
PRMR	(63.9)	(64.0)	(47.0)	(63.6)	(64.9)	(64.4)	(50.8)	(64.6)	(65.0)	(64.4)	(50.8)	(64.7)	(65.0)	(64.5)	(50.9)	(64.8)	(65.1)	(64.6)	(51.0)	(64.8)
Project Assets	1.8	1.9	1.8	1.9	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Landfill Project	1.8	1.9	1.8	1.9	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Net Contracted Bilateral Capacity	PY 25/26			PY 26/27			PY 27/28			PY 28/29			PY 29/30		
	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.
Total Net Capacity Bilats	(57.2)	(\$2,814,000)	\$4.10	(75.1)	(\$3,864,492)	\$4.29	(74.5)	(\$3,831,299)	\$4.29	(52.0)	(\$2,975,371)	\$4.77	(52.7)	(\$3,014,516)	\$4.77
Sum	(57.2)	(\$703,500)	\$4.10	(78.4)	(\$1,015,036)	\$4.32	(79.7)	(\$1,033,970)	\$4.32	(55.0)	(\$787,057)	\$4.77	(55.6)	(\$795,312)	\$4.77
Fall	(57.2)	(\$703,500)	\$4.10	(77.3)	(\$997,389)	\$4.30	(74.1)	(\$951,859)	\$4.28	(54.3)	(\$776,036)	\$4.77	(54.0)	(\$771,574)	\$4.77
Win	(57.2)	(\$703,500)	\$4.10	(67.2)	(\$852,918)	\$4.23	(66.5)	(\$843,277)	\$4.23	(48.7)	(\$695,997)	\$4.77	(50.0)	(\$714,426)	\$4.77
Spr	(57.2)	(\$703,500)	\$4.10	(77.3)	(\$999,148)	\$4.31	(77.5)	(\$1,002,193)	\$4.31	(50.1)	(\$716,281)	\$4.77	(51.3)	(\$733,203)	\$4.77

Net Capacity Position	PY 25/26			PY 26/27			PY 27/28			PY 28/29			PY 29/30		
	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s
Total Net Capacity Position	3.1	\$213,900	(\$2,600,100)	21.5	\$1,483,500	(\$2,380,992)	20.0	\$1,380,000	(\$2,451,299)	(10.5)	(\$749,700)	(\$3,725,071)	(9.5)	(\$678,300)	(\$3,692,816)
Sum	3.1	\$53,475	(\$650,025)	21.5	\$370,875	(\$644,161)	20.0	\$345,000	(\$688,970)	(10.5)	(\$187,425)	(\$974,482)	(9.5)	(\$169,575)	(\$964,887)
Fall	3.1	\$53,475	(\$650,025)	21.5	\$370,875	(\$626,514)	20.0	\$345,000	(\$606,859)	(10.5)	(\$187,425)	(\$963,461)	(9.5)	(\$169,575)	(\$941,149)
Win	3.1	\$53,475	(\$650,025)	21.5	\$370,875	(\$482,043)	20.0	\$345,000	(\$498,277)	(10.5)	(\$187,425)	(\$883,422)	(9.5)	(\$169,575)	(\$884,001)
Spr	3.1	\$53,475	(\$650,025)	21.5	\$370,875	(\$628,273)	20.0	\$345,000	(\$657,193)	(10.5)	(\$187,425)	(\$903,706)	(9.5)	(\$169,575)	(\$902,778)

Forecasted Capacity Resource Position in Load Zone



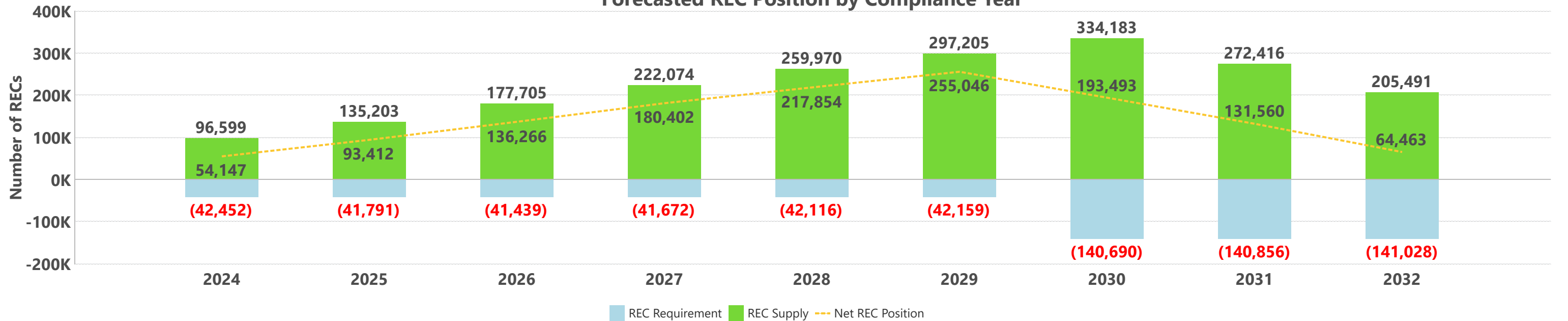
Forecasted Renewable Energy Credit (REC) Position for GRAN

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.

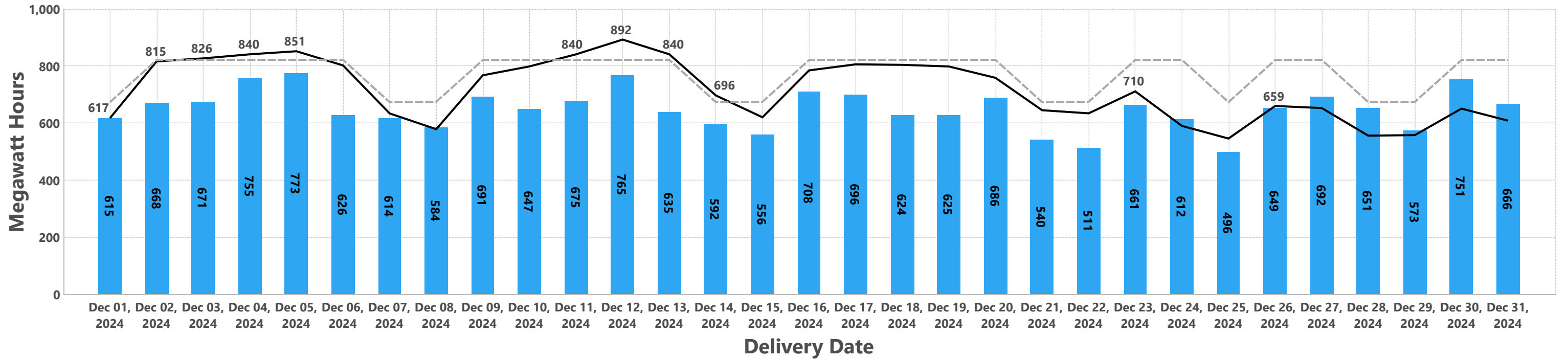
Compliance Year	2024	2025	2026	2027	2028	2029	2030	2031	2032
Net REC Position	54,147	93,412	136,266	180,402	217,854	255,046	193,493	131,560	64,463
Available Banked RECs	22,377	54,147	93,412	136,266	180,402	217,854	255,046	193,493	131,560
Hedge Policy REC Requirement	(42,452)	(41,791)	(41,439)	(41,672)	(42,116)	(42,159)	(140,690)	(140,856)	(141,028)
Assembly Solar	9,546	10,755	10,601	10,541	10,488	10,442	10,382	10,330	10,280
Assembly Solar Phase II	7,881	8,905	8,786	8,739	8,695	8,652	8,606	8,560	8,522
Beebe	5,747	5,995	5,800	5,802	5,800	5,802	5,804	5,802	5,802
Brandt Woods Solar		2,894	4,515	4,492	4,477	4,447	4,425	4,403	4,389
Hart Solar			161	7,628	7,618	7,582	7,559	7,537	7,527
Invenergy Calhoun Solar	10,454	13,695	13,760	13,714	13,671	13,629	13,585	13,541	13,506
Landfill Project (EDL)	17,778	15,676	14,460	8,701	2,638	2,643	2,643	2,643	2,638
Landfill Project (NANR)	5,171	4,780	4,839	4,839	4,839	4,839	4,839	4,836	4,836
Pegasus	17,646	17,602	17,547	17,548	17,548	17,548	17,546	17,542	17,548
White Tail Solar		755	3,824	3,805	3,794	3,767	3,748	3,729	3,719

Compliance Year	2024	2025	2026	2027	2028	2029	2030	2031	2032
3 Year Avg Retail Sales	(283,015)	(278,604)	(276,261)	(277,815)	(280,770)	(281,063)	(281,380)	(281,712)	(282,056)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	50.0%	50.0%	50.0%
Hedge Policy REC Requirement	(42,452)	(41,791)	(41,439)	(41,672)	(42,116)	(42,159)	(140,690)	(140,856)	(141,028)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0	0	0	0	0

Forecasted REC Position by Compliance Year

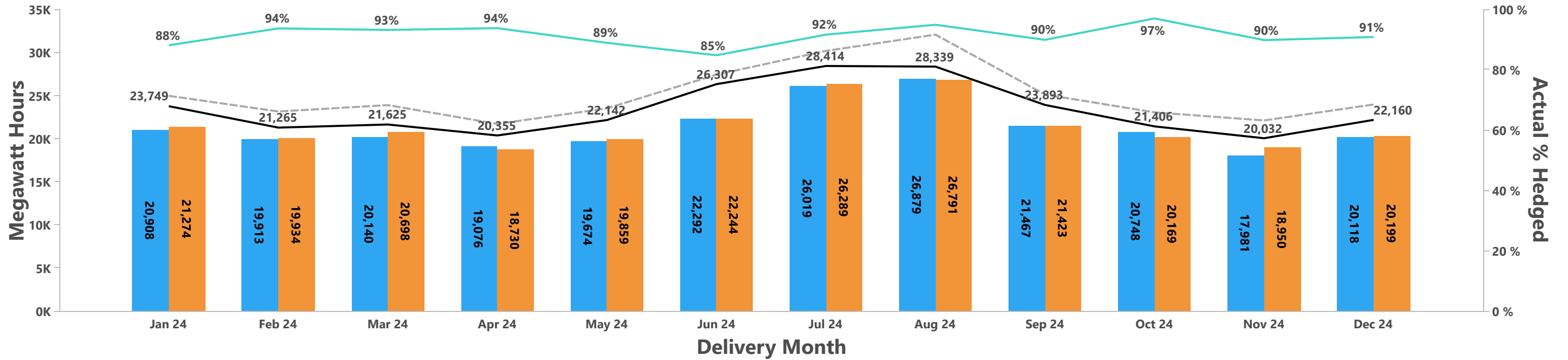


Daily Actual Lookback for GRAN



Actual Supply (w/o Peaking) — Actual Load — Avg Budgeted Load

Actual vs Budget Lookback for GRAN



Actual Supply (w/o Peaking) Budgeted Supply (w/o Peaking) — Actual Load — Budgeted Load — Actual % Hedged

GRAND HAVEN BOARD OF LIGHT AND POWER
 GENERAL MANAGER'S REPORT
 BOARD MEETING OF FEBRUARY 27, 2025

5. B. The BLP Financial Statements and Dashboards for the month ending January 31, 2025, are provided for your information. These financial statements represent the BLP's financial position through 58% of the fiscal year.

Income Statement Budget Variance	
	<u>over(under)</u>
Total Charges for Service	\$ (66,182)
Other Revenue	269,540
	203,358
Purchased Power	(240,186)
Departments Salary and Fringe	(332,579)
Departments Other	(335,815)
Other	(287,653)
	(1,196,233)
Depreciation	22,851
Non-Operating Revenue (Expenses)	246,405
Transfers to City of Grand Haven	35,247
Increase in Net Assets	\$ 1,587,897

INCOME STATEMENT

Operating Charge revenues are 59.91% of annual budgeted revenues. Industrial charges are below budget, yet Residential charges are above budget. One reason for the charge revenue variances is the timing of the budget compared to actual, although we are seeing an unexpected decrease in usage from our largest customer from the previous year. Over all rate classes, Year-to-Date Kwhs are now below budget by .34% and Sales per Kwh are very close to anticipated.

Retail Sales Budget Variance			
Kwh Over (Under) Budget	-0.34%	(562,003)	Kwh
Sales\$ per Kwh Over (Under) Budget	0.04%	\$ 0.00005	per Kwh
			\$ (75,321)
			\$ 8,638
			\$ (66,683)

GRAND HAVEN BOARD OF LIGHT AND POWER
 GENERAL MANAGER'S REPORT
 BOARD MEETING OF FEBRUARY 27, 2025

Operating expenses are 55% of annual budgeted operating expenses. All departments are under budget. Purchased Power expenses in total were under budget. Purchased power Kwh's purchased are still under budget but cost per Kwh is slightly over budget. Cost per Kwh purchased will increase slightly during the winter months due to an anticipated reduction in sales yet fixed costs remaining the same.

Purchased Power Budget Variance				
Kwh Over (Under) Budget	-2.52%	(4,360,303)	Kwh	\$ (307,512)
Cost Over (Under) Budget per Kwh	0.57%	\$ 0.39993	per Kwh	\$ 67,326
				\$ (240,186)

Year-to-Date **Renewable Energy Purchases equal 42,021,970 Kwh's, or 24.96%, of power purchases.**

The Increase in Net Position for the year is \$5,046,727.

BALANCE SHEET

Cash and Cash Equivalents are **\$28,106,004**. This is \$10,106,004 above the minimum cash reserve of \$18,000,000 and does not include funds set aside for remediation, bond funds and working capital held with MPIA and MPPA.

The **Capital Plan** approved for FY25 was \$5,747,500. As of January 31, 2025, 33% of the capital projects budget has been disbursed.

- 5. F. Confirm Purchase Orders – There are four (4) confirming Purchase Orders on the Consent Agenda this month of **\$104,662** for your confirmation.

Confirming Purchase Orders on the Consent Agenda are either routine expenses within approved budgeted parameters, with prequalified and approved contractors or vendors, services or supplies that may have required immediate attention, again using prequalified and approved contractors or vendors when possible or change orders under a previously approved PO (and we are seeking after the fact concurrence/confirmation of the expenditure by the Board).

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

All applicable purchasing policy provisions associated with these Purchase Orders were followed. Budgeted funds are available. Staff is recommending approval. (Board action is requested through the approval of the Consent Agenda).

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF FEBRUARY 27, 2025

I have one (1) PO for which I would like to give more detail.

PO #22241-4 – City of Grand Haven: This PO is to allow the BLP to reimburse the City for work performed by HDR. The scope of work was to develop a Hydrogeologic Monitoring Plan (HMP) to comply with Part 115 rules (coal ash). BLP and DPW Staff have been reviewing past invoices for the work on Harbor Island and this work was already completed in the summer of 2024. City Staff is recommending approval.

6. A. Approve Purchase Orders – There are eight (8) Purchases Order totaling **\$1,343,138** on the regular agenda.

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

I, or an appropriate staff member, can answer any further questions you may have regarding these items.

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

I have three (3) PO's for which I would like to give more detail.

PO #23321 – City of Grand Haven: This PO is to allow the BLP to reimburse the City for work performed by HDR. The scope of work was to develop a CCR Assessment of Corrective Measures Report. BLP and DPW Staff have been reviewing past invoices for the work on Harbor Island and this work was already completed in the summer of 2024. City Staff is recommending approval.

PO #23334 – City of Grand Haven: This PO is to allow the BLP to reimburse the City for work to be performed by HDR. The scope of work is to provide onsite construction oversight and project management for the upcoming Coal Yard Clean Up Project. Also included in the scope is that at the close of the project HDR will perform coal removal verification. This work is scheduled to start in spring of 2025. City Staff is recommending approval.

PO #23335 – City of Grand Haven: This PO is to allow the BLP to reimburse the City for work to be performed by TL Contracting. The scope of work is the labor/construction portion of the upcoming Coal Yard Clean Up Project. This work is scheduled to start in spring of 2025. Landfill fees will be invoiced separately. City Staff and HDR are recommending approval.

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF FEBRUARY 27, 2025

6. D. LIEAF/MEAP/PA95 – Recently, the State of Michigan has changed the program requirements around the Low-Income Energy Assistance Fund (LIEAF). For clarification, this program has been referred to in the past as the Michigan Energy Assistance Program (MEAP) and PA95. One of the new requirements is that every electric utility must report to the State annually by March 30 if the utility is participating in the State Program or administering a Local Program. Staff is requesting Board direction on participation in the State Program or creating a BLP Program.

RS/dm

Attachments 2/21/25

CITY OF GRAND HAVEN

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



TO: Ashley Latsch – City Manager

CC: Emily Greene – Finance Director
Eric Law – Water Filtration Plant Superintendent

FROM: Dana Kollewehr - Assistant City Manager *DK*

DATE: February 14, 2025

SUBJECT: Coal Removal Project Contract Award

City and HDR Staff were attempting to implement and complete the Coal Removal project as previously planned by former BLP consultant Golder. This plan was approved by EGLE on July 9, 2021. The approved plan was sound in principle, however, in light of the ongoing PFAS data collection and regulations of the compounds, the costs to contain and dispose of PFAS have increased exponentially to an unaffordable level. The increase in costs is due solely to PFAS containment and disposal.

As a result, City and HDR staff have reevaluated the plan and come up with an alternative. This alternative was informally presented to EGLE staff for preliminary/conceptual feedback and approval in June of 2024. The new plan is estimated to save between \$500,000 and \$1,200,000. This will be completed by containing the PFAS on site and allowing the coal spoils to dry out over a 3 to 12-month time period, which will significantly lower disposal costs as they are calculated by weight.

EGLE has formally approved the alternative Coal Removal Plan, and, with HDR's assistance, staff has issued an RFP to remove the coal pile. Four bids were received on February 12, 2025, and HDR reviewed them. The bid documents, tabulation results, and HDR's recommendation are attached. The low bid was not recommended, as outlined in the attached memo from HDR; however, TL Contracting Inc., based out of Lansing, Michigan, is the recommended, qualified bidder in the amount of \$673,268.75.

City staff recommends that the City Council award the Coal Removal Project contract to TL Contracting, Inc. in an amount not exceeding \$673,268.75 and authorize the Mayor and City Clerk to execute the necessary documents.



Memo

Date: Thursday, February 13, 2025

Project: Former J.B. Sims Generating Station - Coal Yard Closure Project

To: Derek Gajdos, Director of Public Works | City of Grand Haven

From: Bryce Burkett, P.E.

Subject: Coal Yard Closure Project Bid Review and Recommendation

HDR Recommendation: TL Contracting, Inc. based on the bid tab review. See HDR bid review comments below. Bid tabulation summary attached to this memo.

1. General Project Requirements:
 - Pricing seems reasonable and dependent on the specific Contractor.
2. Mobilization/Demobilization:
 - McCormick included a 630% higher mobilization/demobilization cost than TL/Catskill and does not appear valid considering the requirements for this item. Terra is also 300% higher cost than TL/Catskill.
3. Site Management:
 - McCormick included a rate of \$300/MO which will not cover the requirements of this item. Terra included a rate of \$15,500/MO which is high compared to TL/Catskill. TL/Catskill unit rates appear to be reasonable.
4. *Coal and Coal-Impacted Soil Excavation, Hauling, and Disposal:*
 - McCormick's unit rate is 64% lower than the average (\$42.05) of the other three bidders. Based on HDR experience, it does not seem feasible to excavate, haul, and dispose of material to the Waste Management Landfill in Autumn Hills (1.5-hour roundtrip, 60 miles roundtrip) for \$15.00/CY. Catskill provided the second lowest rate of \$37.38 for this item. TL/Catskill/Terra unit pricing seems reasonable.
5. Restoration:
 - Terra provided a rate 333% higher than that average of the other three contractors. McCormick/TL/Catskill rates are reasonable and dependent on the material price obtained for this item.
6. Maintenance of Seeded Areas:
 - Terra Contractors provided a rate 333% higher than that average of the other three contractors. McCormick included a \$250/MO rate which would not cover any maintenance services required. TL/Catskill unit pricing seems reasonable.



Item No.	Description	Estimated Quantity	Unit	McCormick Sand		TL Contracting		Catskill		Terra	
				Unit Price	Item Total	Unit Price	Item Total	Unit Price	Item Total	Unit Price	Item Total
1	General Project Requirements	1	LS	\$ 37,000.00	\$ 37,000.00	\$ 18,014.00	\$ 18,014.00	\$ 35,419.00	\$ 35,419.00	\$ 55,000.00	\$ 55,000.00
2	Mobilization and Demobilization	1	LS	\$ 182,000.00	\$ 182,000.00	\$ 28,813.00	\$ 28,813.00	\$ 28,299.00	\$ 28,299.00	\$ 85,000.00	\$ 85,000.00
3	Site Management	3	MO	\$ 300.00	\$ 900.00	\$ 3,039.70	\$ 9,119.10	\$ 4,041.42	\$ 12,124.26	\$ 15,500.00	\$ 46,500.00
4	Coal and Coal-Impacted Soil Excavation, Hauling, and Disposal	11,000	CY	\$ 15.00	\$ 165,000.00	\$ 43.78	\$ 481,580.00	\$ 37.38	\$ 411,180.00	\$ 45.00	\$ 495,000.00
5	Restoration	10.5	AC	\$ 5,000.00	\$ 52,500.00	\$ 10,988.10	\$ 115,375.05	\$ 19,260.63	\$ 202,236.62	\$ 39,000.00	\$ 409,500.00
6	Maintenance of Seeded Areas	12	MO	\$ 250.00	\$ 3,000.00	\$ 1,697.30	\$ 20,367.60	\$ 2,120.00	\$ 25,440.00	\$ 13,000.00	\$ 156,000.00
Total:				\$ 440,400.00	\$ 440,400.00	Total:	\$ 673,268.75	Total:	\$ 714,698.88	Total:	\$ 1,247,000.00



2024 BUSINESS AND CREDIT RISK ASSESSMENT EXECUTIVE SUMMARY REPORT



Introduction & Purpose

The electric utility industry is undergoing significant transformation due to decarbonization, decentralization, and consumerization, driven by technological innovation, that is changing how electricity is produced, delivered, and consumed. This transformation, along with changes in public policy, law, and consumer preferences, is leading to significant investment in clean energy.

Public power utilities and municipal power agencies – like MPPA and its Members – face various and serious risks in this transformation, including meeting future reliability requirements, changes in customer preferences, regulatory compliance, increased competition, load forecasting uncertainty, fuel price volatility, cybersecurity failures, and tax exemption issues, all of which could impact a utility’s financial and operational conditions.

Negative impacts to a utility’s financial and operational profile can result in many unfavorable outcomes, including the erosion of a utility’s financial stability and its ability to remain relevant and competitive in the electric industry. Among other things, this will lead to higher wholesale power supply costs (than could otherwise be attained by having a stronger financial profile) for the utility, and in turn, their customers. Staying on top of and addressing the previously identified risk factors, then, should be of critical importance and interest to every utility.

But where to start? Because what is not measured cannot be effectively managed or addressed, determining what should be assessed, and how, is the first step.

To solve for this, MPPA reviewed two risk-based assessments that it has produced annually for Members – a Financial Credit Report Card and a Business Model Risk Assessment – through the lens of S&P Global Ratings (“S&P”) (one of the big three global credit rating agencies) United States Municipal Retail Electric (and Gas) Utilities Methodology (“Methodology”). This Methodology, which is utilized to assess the risk profile of utilities for debt issuance credit rating purposes, has two components: The first, a “Financial Profile” analysis, which measures the financial strength of a utility; And the second, a “Enterprise Profile” review, which dives into the utility’s operations through the lens of broad electrical industry and organization specific factors. While many of an organization’s activities affect both the financial and enterprise profile, the approach clearly identifies the various ways that strategic and operational activities affect the organization. MPPA concluded that consolidating the two assessments it has historically produced into a single assessment / report (Business and Credit Risk Assessment (“Assessment”)), and basing it broadly on S&P’s Methodology, will provide Members with the key results and insights that they should be monitoring and, if necessary, addressing on a routine basis.

Your utility’s Assessment Scorecard, which contains the detailed results, can be found herein. A summary of those results, including those that will be of particular interest because of the risk(s) they pose (as reflected by their score) and the corresponding opportunity they present, are highlighted in the remaining sections of this Executive Summary Report.

This Assessment, when paired with MMEA’s Valuation Report, provides the foundation for each utility to make strategic decisions to ensure necessary policies are in place and investment is occurring so the utility continues to provide value to its customers by ensuring its financial and operational health.

**2024 BUSINESS AND CREDIT RISK ASSESSMENT
EXECUTIVE SUMMARY REPORT**

Assessment Score – Summary Results

Financial Profile Score (Weighted):		Enterprise Profile Score (Weighted):	
4.7 / 6.0	Strong	4.6 / 6.0	Strong

Total Score (50% Financial / 50% Enterprise):	
4.6 / 6.0	Strong

Assessment Items of Note

Financial Profile (FYE 6/30/23)

- **Days of Liquidity**
 - o Measures the ability of the utility's flexibility to address fluctuations in cash flows due to the volatility of operating expenses and timing of revenue collection.
 - Score: 6.0 / 6.0 – Extremely Strong
 - o The minimum target score for this metric should be 4.0 (i.e., “Strong”).

- **Available Reserves**
 - o Measures the ability of the utility's flexibility to address fluctuations in cash flows due to the volatility of operating expenses
 - Score: 3.0 / 6.0 – Adequate
 - o S&P’s rating scale does not consider the size of the utility (i.e., there is a “one size fits all approach”).
 - o Consequently, small-to-medium sized utilities, from an industry perspective, will almost always score on the lower end of the rating scale.

- **Overall Liquidity**
 - o The “Available Reserves” metric is analyzed in conjunction with the “Days Liquidity” metric to assess the utility’s overall liquidity health.
 - o When doing so, the result reflects a reasonable liquidity score for the utility as the Days of Liquidity is Extremely Strong.

Key Takeaways:

- MPPA offers no recommendations as the electric utility’s Financial Profile is Strong.

2024 BUSINESS AND CREDIT RISK ASSESSMENT EXECUTIVE SUMMARY REPORT

Enterprise Profile

- **Diversity of Sales and Service Area Demographics (“Customer Concentration Risk”)**
 - o Residential customer class as a percentage of total revenues
 - Score: 3.0 / 6.0 – Adequate
 - o Top 10 customers as a percentage of total revenues
 - Score: 3.0 / 6.0 – Adequate
 - o Top customer as a percentage of total revenues
 - Score: 3.0 / 6.0 – Adequate

Key Takeaways:

- It is common for municipal electric utilities to have at least some level of Customer Concentration Risk.
- While little can be done by the utility to materially change their customer make-up and load, at least in the short-term, this risk can be mitigated through a variety of actions taken by the utility.
- Consideration should be given to implementing, maintaining, and/or prioritizing all or a combination of the following:
 - o Key Customer Accounts Program (for larger end-users) containing value added solution options and information.
 - o Competitive retail rates compared to surrounding and competing electric utilities.
 - o Retail Rates: (1) Routinely reviewed updated; (2) Reflects cost of service; (3) Unbundled; (4) Established distributed energy resource rate; (5) Established standby rate.

Grand Haven Board Light & Power
 Business and Credit Risk Assessment Scorecard
 Fiscal Year End June 30, 2023



	<u>Metric</u>	<u>Score</u>	<u>Weight</u>	<u>Weighted Score</u>	<u>AAA 6 Extremely Strong</u>	<u>AA 5 Very Strong</u>	<u>A 4 Strong</u>	<u>BBB 3 Adequate</u>	<u>BB 2 Vulnerable</u>	<u>B or less 1 Highly Vulnerable</u>
Financial Profile Assessment										
Fixed Charge Coverage Ratio - Measures the ability of the utility to service its debt and debt like obligations (PPAs and PILOT)	1.46	5.0	55.0%	2.8	=> 1.6	1.4-1.59	1.2-1.39	1.1-1.19	1.0-1.09	< 1.0
Days Liquidity - Measures the ability of the utility's flexibility to address fluctuations in cash flows due to the volatility of operating expenses and timing of revenue collection	388	6.0	12.5%	0.8	=>270	150-270	91-150	45-90	15-44	<15
Available Reserves (\$ in millions) - Measures the ability of the utility's flexibility to address fluctuations in cash flows due to the volatility of operating expenses	\$32.6	3.0	12.5%	0.4	==>\$250.0	\$100.0-\$249.9	\$50.0-\$99.9	\$10.0-\$49.9	\$2.1-\$9.9	<=\$2.0
Debt to Capitalization - Measures the extent liabilities may affect a utility's debt servicing capability	31.75%	4.0	20.0%	<u>0.8</u>	<20%	20%-30%	30%-40%	40%-50%	50%-60%	==>60%
Financial Profile Weighted Score				<u>4.7</u>						
Enterprise Profile Assessment										
Diversity of Sales and Service Area Demographics - Residential customer class % of total revenues - Top 10 customers % of total revenues - Top customer % of total revenues	31.2% 31.0% 9.4%	3.0 3.0 3.0	30.0% 33.3% 33.3% 33.3%	0.3 0.3 0.3	>=75% <=10% <=2%	>=50% 10%-18% 2% - 4%	35% - 50% 18% - 25% 4% - 6%	20% - 35% 25% - 32% 6% - 10%	<=20% 32% - 45% 10% - 20%	<=10% =>45% => 20%
Industry Risk - S&P assessment of industry risk for municipal electric utilities as compared to all industry sectors	n/a	6.0	10.0%	0.6						
Electric Market Position - Measures a utility's revenue raising flexibility	85.5%	5.0	20.0%	1.0	<=80%	80% - 90%	90% - 100%	100% - 110%	110% - 120%	==> 120%
Operational Management - Evaluates the risks associated with the operations of the utility based on factors such as operational assets, environmental compliance, management, policies and planning, and rate-setting practices	n/a	5.2	40.0%	<u>2.1</u>						
Enterprise Profile Weighted Score				<u>4.6</u>						
Total Score - Weighted 50% Financial Profile Score, 50% Enterprise Profile Score				<u>4.6</u>						

The scorecard is largely based on the US Municipal Retail Electric and Gas Utilities Methodology as published by Standard & Poor's. Scoring is based on a scale of 6 (Extremely Strong) to 1 (Highly Vulnerable). The financial profile assessment measures the financial strength of the utility. The enterprise profile assessment captures the operating environment and incorporates broad industry factors as well as organization specific factors of the utility.



January 17, 2025

Subject: Power Purchase Commitment Authorization

The Grand Haven Board of Light & Power (“Grand Haven”), through its Member Authorized Representative, hereby authorizes the purchase of Energy by Michigan Public Power Agency (“MPPA”) on behalf of Grand Haven at the following Quantity, Term, Delivery Location and not to exceed price levels. These transactions, if executed by MPPA, are Power Purchase Commitments under the Energy Services Agreement between MPPA and Grand Haven.

Energy:

Delivery Period	ONPK (5x16)	OFFPK (5x8, 2x24)	ONPK (5x16)	OFFPK (5x8, 2x24)	ATC (7x24)	ATC (7x24)	
Term	2027	2027	2028	2028	2029	2030	Total
Max Monthly Quantity (MW)	9.4	6.4	10.4	8.7	9.5	4.4	
Total Quantity (MWh)	30,883.2	19,649.5	35,171.2	29,565.8	56,577.6	16,797.6	188,644.9
Total \$ (not to exceed)	\$2,213,320.00	\$1,034,449.10	\$2,622,809.60	\$1,676,591.40	\$3,953,155.20	\$1,232,733.60	\$12,733,058.90
Average Price, \$/MWh	\$71.67	\$52.65	\$74.57	\$56.71	\$69.87	\$73.39	\$67.50
% of Load	19.9%	14.7%	22.6%	22.2%	19.4%	5.7%	
Forecasted Hedge % After Transaction	80.3%	80.2%	70.0%	70.3%	55.2%	41.4%	

The transaction(s) above will be for Financially-Firm Energy with Physical delivery to the MISO Michigan Hub in the Day Ahead Market at or below the annual total dollar not to exceed limits.

The purchase transactions outlined above account for the identified percentages of Grand Haven’s forecasted energy requirements in the applicable forward calendar years. The sum of all purchases represents a maximum commitment of \$12,733,058.90.

MPPA will endeavor to wait to execute wholesale power transaction confirmations until it receives PPC Authorization from each Member Authorized Representative (“MAR”) unless a delay in execution by an individual MAR would result in power supply price risk that could prevent MPPA from complying with volume and dollar price approval limits.

Member Authorized Representative:

Printed

Signature

Date

PA95 Background Information

- Revised law was passed in late 2024 to be implemented for the 2026 Heating Season (November 1, 2025 – April 15, 2026)

Law Changes

- Only utilities with fewer than 45,000 meters are eligible to Opt-Out of the state program
- Utilities that Opt-Out must create a similar in-house program for their service territories
- Every electric utility must inform the State if the utility is Opt-In or Opt-Out of the state program and provide their meter counts by March 30, 2025
- The state program and in-house programs must be available for both electric and heating payment assistance
- Opt-Out utility customers will not be eligible for State program assistance
- Financial eligibility was raised from 150% FPL to 60% SMI (approx. 200% of FPL)

BLP Policy Changes

- Regardless of Opt-In or Opt-Out, the utility may perform disconnects during the Heating Season with certain protections:
 - Senior Citizen Protection
 - Winter Protection Payment Plan
 - Critical Care Medical Protection
- GHBLP will need to revise multiple policies (to be brought to the Board later for approval)

Funding Changes

- Regardless of Opt-In or Opt-Out, the utility must make the same amount of funds available for assistance as determined by the state
- 2026 State fee is set at \$1.25 per meter per month. This charge is on all meters regardless of rate or customer class.
 - BLP calculation $\$1.25 \times 15,000 \text{ meters} = \$18,750/\text{mo}$ or \$225,000 annually
- Salvation Army Info
 - 2024 need was ~ \$57,000 without admin costs
 - Noting roughly a 30% increase this year and reported a 20% increase the previous year
 - Hometown Helping Hand balance ~ \$150,000
 - Salvation Army currently administers both Hometown Helping Hand and the State Program in the Grand Haven Area

Opt In

Note

Your payment goes to the State; there is no guarantee it stays in your region.

Utility may decide to opt in or opt out each year, regardless of what they did the year prior, but any payments beyond the needs of your customers will not be returned.

By March 30, 2025

Report to MMEA your total # of retail billing meters (including commercial/industrial) and breakdown of meters per county. MMEA will file this with the state (e.g., 1000 total meters; 600 in county X and 400 in county Y or 1000 total meters; 1000 in county K).

May 1

MPSC establishes surcharge. Historically, the surcharge was less than \$1.00/meter. Now, MPSC may increase tariff by \$0.25/year; capped at \$2.00

Sept '25 Billing Cycle

Utility charges all customer classes* the monthly tariff for the year using a separate line item labeled "LIEAF surcharge". E.g., 1000 meters X \$1.50 tariff X 12 months=\$18,000

Utility remits check, monthly, to the state (e.g., 1000 meters X \$1.50 tariff = \$1,500 each month to the state)

Utility may shut off customers for non-payment.

Opt Out

Opting out ensures your customer's money stays in your service territory and is only used for your customers.

By March 30, 2025

Report to MMEA your total # of retail billing meters (including commercial/industrial) and breakdown of meters per county. MMEA will file this with the state (e.g., 1000 total meters; 600 in county X and 400 in county Y or 1000 total meters; 1000 in county K).

Program Requirements

Establish & Fund an energy assistance program for residential customers for **both electricity & heat**

Fund must aid all eligible customers. Not required to spend more than what the utility would have collected under the State. It's recommended, but not required, that a utility adopt the state's surcharge amount for their first year, and based on the first year's need, determines what's best for future years.

See *How to Run a Program* chart

Customers no longer qualify for MEAP beginning Oct. 1, 2025 (assistance is coming from utility's assistance fund).

- Any unspent dollars carry over into the next year
- May shut-off customers for non-payment

Utility may decide to opt in or opt out each year, regardless of what they did the year prior.

Reporting Requirements

Beginning October 1, 2025

Utility must notify customers of program availability. Notice must include the following:

- Description of Program
- Application Information
- Statement that utility assistance is offered instead of collecting under the state program
- Eligibility Guidelines
- Info Posted on Utility's Website

Beginning December 1, 2026

Submit an annual report to the Commission that includes the following:

- Total amount of funds available for energy assistance for utility's customers
- Total number of the utility's customers, by county, that received assistance
- Total number of utility's customers, by county, who applied for assistance through the program
- Total amount of assistance provided to the utility's customers, by county, including a description of the amount of assistance provided for each home heating commodity (see draft template on MMEA Hub)

How to Run Program*

Utility has the flexibility to determine which customer classes pay the surcharge. Charging a surcharge is optional, but utility must ensure there are funds available for eligible customers. The exact name of the surcharge and when it takes effect is up to the utility.

In-House

3rd Party

- Utility's staff administer program
- State MEAP Grantee
 - Bureau of Community Action and Economic Opportunity
 - Society of St. Vincent de Paul of the Archdiocese of Detroit
 - United Way Ventures LLC/United Way of South-Central MI
 - Superior Watershed Partnership (U.P. counties & Northern-Lower counties)
 - The Salvation Army
 - Barry County United Way
 - The Heat and Warmth Fund
 - TrueNorth Community Services
 - United Way for Southeastern Michigan
- Local Non-Profit

* Still waiting on state for some major implantation questions including mechanics of how utility verifies eligibility, vulnerable population prioritization, and administrative cost adjustment.

2025 LIEAF Estimated Surcharge Remittances from Electric Service Providers

OPT-IN Electric Providers	Estimated Remittance
Alger Delta Coop Elec	\$108,296.57
Alpena Power	\$172,149.89
City of Bay City	\$211,657.31
Village of Baraga	\$8,247.20
Consumers Energy	\$19,576,874.63
Croswell Light & Power Dept.	\$11,100.40
City of Crystal Falls	\$16,588.12
City of Dowagiac	\$28,792.31
DTE Energy	\$23,777,386.09
City of Gladstone	\$30,291.80
Great Lakes Energy Coop	\$1,292,321.68
City of Hart	\$11,235.77
Hillsdale Board of Public Utilities	\$63,520.10
Homeworks Tri-County Elec Coop	\$280,113.24
Indiana Michigan	\$1,365,942.52
Lansing Board of Water & Light	\$1,026,307.83
Marshall Electric Department	\$47,588.01
Midwest Energy Coop	\$348,277.60
Negunee Dept. of Public Works	\$21,065.76
Newberry Water & Light Board	\$15,463.50
Niles Utilities Dept.	\$65,602.73
NSP-Wisc (Xcel)	\$93,010.09
City of Norway	\$22,159.14
City of Petoskey	\$49,431.14
Presque Isle Elec & Coop	\$356,680.99
City of St. Louis	\$20,711.72
Thumb Electric Coop	\$124,218.25
Union City Electric Department	\$16,140.35
Upper Peninsula Power	\$555,936.26

OPT-OUT Electric Providers
Bayfield Elec Coop
City of Charlevoix
Chelsea Dept. of Electric & Water
Cherryland Elec Coop
Village of Clinton
Cloverland Electric Coop
Coldwater Board of Public Utilities
Daggett Electric Department
City of Eaton Rapids
City of Escanaba
Grand Haven Board of Light & Power
City of Harbor Springs
Holland Board of Public Works
Village of L'anse
Lowell Light & Power
Marquette Board of Light & Power
Ontonagon Co Rural Elen
Village of Paw Paw
City of Portland
City of Sebewaing
City of South Haven
City of Stevenson
City of Sturgis
Traverse City Light & Power
UMERC
City of Wakefield
Wyandotte Dept of Municipal Service
Zeeland Board of Public Works

Listing for Billing Cycles starting September 2024 thru August 2025



Memorandum

To: Board of Directors

From: Danielle Martin, Administrative Services Supervisor

Date: February 21, 2025

Subject: Board Self-Evaluation and Development Plan

The Human Resources focus area of the 2022-2026 Strategic Plan includes the goal to “Conduct annual Board self-evaluation and use results to implement a Board development plan”. I propose the following three options for the Board’s consideration to fulfill this goal. I will be happy to answer any questions you may have at your February 27th meeting.

Option #1 – In House

“Governing for Excellence” is a book published by the American Public Power Association and is included in the Board’s orientation binder. In the appendix of this book, a “Governing Board Self-Evaluation Survey” is provided. The process under this option would be for each Director to complete the self-evaluation form and submit it to the Board secretary. The Board secretary will summarize the results and present them to the Board. The Board would then work with staff to create a development plan to address any weaknesses identified by the evaluations. This option would have no initial cost.

Option #2 – Nonprofit Nav, LLC

Nonprofit Nav helps nonprofit organizations of all types build strategies and systems for growth and success. Nonprofit Nav’s proposal for services utilizes a three step process resulting in knowledge of best practices and recommendations for further growth. Step one is for each Board member to complete a self-evaluation and anonymous survey. Step two is to hold an in-person orientation to cover the duties of leadership and operational tools and techniques recognized as “best practices” for public entities. Step three includes a written report of recommendations for further development. The cost for this option is \$4,000.

Option #3 – Hometown Connections

Hometown Connections is a non-profit, public utility services organization supporting members of the American Public Power Association for over 20 years. The Hometown Connections process is conducted in six steps, including planning, designing an evaluation tool, conducting an evaluation, facilitating discussions, developing a Board development plan, and implementing & monitoring the plan. The cost for this option would be around \$13,000-\$14,000.