

# Fiscal Responsibility Benefits Our Customers and Our Community

## A Decade of Savings

The Grand Haven Board of Light and Power (BLP) has reached a significant milestone in savings for our customers. Our residents are currently paying almost the same costs (slightly less) on their BLP bill today than they did for the same electrical usage in 2016.

### Residential Energy Rates per kWh energy sold

Fiscal Year 2016 Rate = 15.29 cents per kWh  
Fiscal Year 2025 Rate = 15.18 cents per kWh\*

\*Average cost fiscal year to date

## The BLP achieved this by:

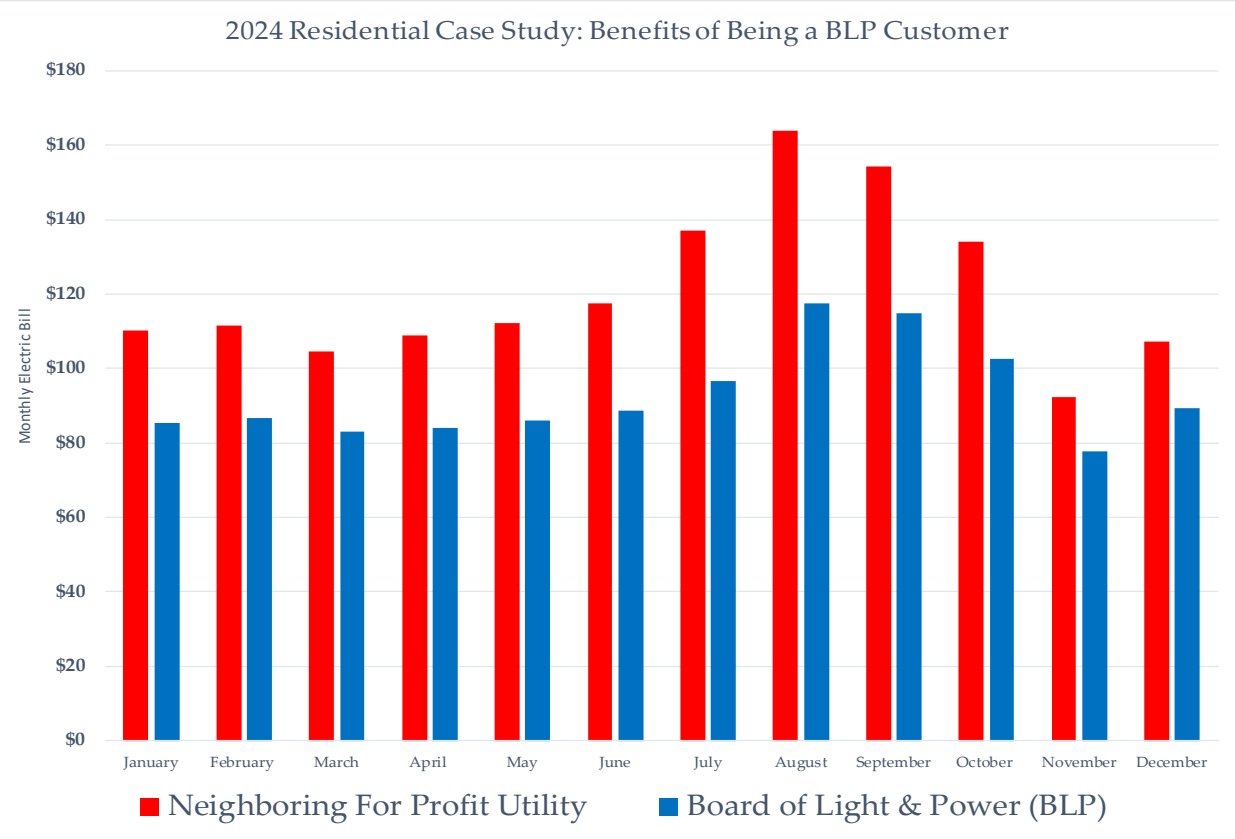
- ✓ Moving to a diversified power supply portfolio
  - ✓ Financially planning for the future
- While simultaneously investing in:
- Rebuilding our transmission and distribution systems
  - Converting to advanced metering infrastructure
  - Proactively funding the past liabilities for utility worker pensions and environmental cleanup of the former Sims Power Plant site

Over the past decade, the BLP has restructured our operations and our utility. Our customers, our locally owned utility, and the communities we service have all benefited greatly as a result.

## Keeping Your Electric Costs Affordable

There have been revolutionary changes in the power industry over just the last five years with even greater changes on the horizon. The BLP has followed a strategic approach of adapting and evolving with these changing industry trends. This is why in 2020, the BLP retired the coal-fired Sims Power Plant and developed a diversified power supply portfolio with increased renewable energy purchases. This enabled the BLP to lower costs, resulting in the lower rates our residents are paying today compared to what they were paying a decade ago.

Currently, the BLP is approximately 30% cheaper in residential rates than our neighbors served by a for-profit electric utility. This keeps your hard-earned money in your pocket. The following chart is a case study of being a BLP customer in comparison to our neighbors who are served by a for-profit electric utility. The results are astounding and verify that our customers are saving money every month by being served by a locally owned and locally controlled municipal electric utility.



## Fiscal Year Budget Approval

The voter-elected Board of Directors recently approved a revenue-neutral budget for the fiscal year beginning on July 1, 2025. The total annual revenue used for utility operations and capital improvements of the Board of Light and Power are budgeted at \$36.47 million per year. The largest portion of the budget, over 50%, is power supply costs, which currently require nearly \$20 million annually. Power supply is made up of energy (actual megawatts used), capacity (the ability to generate energy), and transmission costs. Distribution operations and maintenance require 15% of the budget for all ongoing distribution and metering service and repairs. Administration makes up 8.7%, depreciation accounts for 6.3% and transfers to the City's General Fund accounts for 5%.

The board also approved a five-year capital plan for \$26.5 million. Capital spending is investing back into the electrical system, which is how the BLP maintains long-term reliability. Of the total budget, the BLP is planning for \$6.152 million in capital investments for this fiscal year, which includes circuit rebuilds, linemen fleet vehicles, electrical line undergrounding, and renovations to the Eaton Drive facility. The utility will be funding a portion of the capital projects with reserve funds that have been built over a period of many years. Using proactive financial planning principles is how the BLP is able to keep rates stable while also making necessary investments into the electrical system.

## Saving for Environmental Remediation

For the last several years, the BLP has been setting aside necessary funding for environmental cleanup on the former Sims Site of Harbor Island. A small monthly environmental remediation charge has helped establish a remediation fund that now totals approximately \$17 million. Planning and collecting necessary revenues over time allows the utility to pay for these expenses without large rate increases in customers monthly electric bills.

The City of Grand Haven is managing the cleanup on Harbor Island due to the complexity of contamination from legacy PFAS chemicals from the former city dump, both at the BLP site and in other parts of the island. The City's consultant, HDR, has provided preliminary estimates that indicate the BLP is collecting the appropriate amounts to pay for the utility's costs for coal and coal ash cleanup on Harbor Island.



Cleanup of former coal yard (June 2025)

## Upcoming State of Michigan Surcharges

The State of Michigan has set new requirements that will begin showing up on customers' bills later this year.

The first is a requirement to collect for a low-income energy assistance fund (LIEAF). All electric customers will be required, by the State of Michigan, to pay a monthly charge for heating and electric assistance programs. This will add a charge of \$0.41 per month, and the money collected will go directly to this state required program for low-income assistance for both electric and heating bills.

The second charge will be for the state mandated energy waste reduction (EWR) program. A long-standing program from 2008 ended for municipal utilities in 2021. However, the Michigan legislature has voted to bring back a similar program with higher compliance requirements beginning in January 2026. The Board is currently evaluating options to meet this state requirement in a manner that is in the best interests of our customers. This state program will result in monthly charges on all residential, commercial, and industrial customer bills starting in late 2025. None of the money collected for these State of Michigan required programs, will be used for BLP operations, and will be set aside for only these programs.



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& click on the yellow plug



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24 hour Emergency Service  
616-846-6250



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**PLUGGED IN**



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