

# Planning for Prosperity in River Hydro Communities

## Lower Au Sable River Group: Cooke, Foote, Loud, and Five Channels

# Meeting One

April 15, 2024 | 5:02 PM

Warrior Pavilion  
6288 F41  
Oscoda, MI 48750

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## Attendees

- Iosco County
  - Oscoda Township
  - Charter Township of Au Sable
  - Plainfield Township
  - Michigan DNR Tawas Point Office
  - Oscoda Township Parks and Recreation
  - Old Orchard Park
  - State Senator Hoytenga's Office
  - Seven Mile Hill Homeowners Association
  - Wildcat Gulley Homeowners Association
  - Save the Dams
  - Pine Acres
  - Iosco Conservation District
  - Michigan Hydro Relicensing Coalition
  - Oscoda Press
  - Great Lakes Fishery Commission
  - Bissonette Landing Homeowners Association
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## Welcome

- Consumers Energy started to hold stakeholder and public meetings two years ago for the four dams in Iosco County. February 2024 was the first prosperity group meeting and is an extension of the stakeholder meetings.
- Jamie Carruthers-Soboleski, County Controller/Finance Director, is facilitating the prosperity group meetings and Richard Castle, Consumers Energy, is moderating. The

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goal is to have the stakeholders lead the meetings and Consumers Energy listen to the discussion. They will bring relevant updates to the group.

## Overview of Consumers Energy River Hydro Engagement and Charge to the Group

- The 13 dams generate about 1.1% of Consumers Energy total electricity generation. The hydro power is nine times more expensive than Consumers Energy's other sources of generation. Once coal is eliminated as a generation source, hydro power will be about 15 times more expensive than their other sources of generation.
- Michigan Public Service Commission (MPSC) and the Federal Energy Regulatory Commission (FERC) dictates what work is needed to remain in compliance with the dams.
- It will cost Consumers Energy about \$1.5 billion to relicense and about \$638 million to decommission all 13 dams. This would cost customers approximately \$898 million more to relicense than to decommission the dams. This equates to residential properties in Michigan paying on average \$3.60 per month, which equals to \$43.20 per year. Small businesses would pay on average \$13.80 per month or \$165.60 per year and large businesses would pay on average \$1,040.00 per month or \$12,480.00 per year.
- Consumers Energy contracted with Public Sector Consultants (PSC) to help lead the 2022 and 2023 Community Engagement. Consumers Energy received good information and feedback from these meetings.
- Consumers Energy prepared a Request for Proposals (RFP) to receive bids for the purchase of the dams. The RFP was released in February 2024 and Phase 1 proposals were due March 2024. The RFP was developed in a way that only those interested in owning and operating the dams could apply. The RFP was set up through a Power Purchase Agreement. This means that the company that may eventually purchase the dams will lease the dams for at least 30 years and could choose to sell the energy generated to Consumers Energy. This ensured that no companies would purchase the dams with the intent of parceling off the property and selling it as real estate.
- With these parameters, Consumers Energy received 50 interested parties. 28 of the interested parties signed the Non-Disclosure Agreement (NDA) that Consumers Energy needed them to sign in order to bid on the purchase of the dams. Only 15 of the proposals that were received were viable. All of the companies that picked up the bid specifications are from North America. Consumers Energy will vet each of the applications, which will take three to six months to accomplish.
- Companies may be interested in purchasing the dams for two reasons. Federal guidelines state that 50% of the energy produced by energy companies needs to be

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green energy by 2040. This means that some companies will purchase the dams for the green energy credit that they would receive. Another reason is that the company may specialize in the hydro industry and can operate the dams more efficiently than Consumers Energy can.

- Any company that purchases the dams will be under the same requirements as Consumers Energy is under FERC. Consumers Energy's license would be transferred over. This means that any lease or activity, such as fish restock, erosion prevention, etc., under the current license would be taken over by the company that may purchase the dams.
- Consumers Energy is partnering with local communities to develop community prosperity plans and community priorities. The local communities will not have the final decision on what Consumers Energy ultimately decides. However, the community prosperity groups can set priorities for if Consumers Energy or another entity decide to renew their operational license or if Consumers Energy decides to exit the hydro business and start the decommissioning process. If they decide to decommission the dams, Consumers Energy will not be decommissioning all of the dams at once; it will be a 10-to-12-year process and a timeline will be given to the communities.

## How Do You Want To Function As A Group

- Consumers Energy suggests that those invited to the meeting attend all of the meetings, which will be in person. The Iosco AuSable Prosperity Group is small to encourage conversation.
- The group as a whole decided that once the group is finished, a public meeting will be held. However, the public can go on to Consumers Energy website to read the minutes from the meetings or contact any individual that attended meetings to ask questions. Iosco County will place a link to Consumers Energy website where the minutes will be held.

## Community Asset Mapping

- The group was broken up into three separate groups for the Community Asset Mapping activity. The three sections were People, Nature, Economy. Each group presented assets currently present in each of the different sections. This activity was to inventory the assets in the community are.
- The following were identified by the group as assets currently present in our community in regards to its people, nature, and economy.

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### People

- Diverse Opportunities . Good quality of life . Friendly/small town feel (strong sense of community) . Experienced based population (senior, veterans) . Pride in community/respect . Skilled forest management . Large seasonal population . Nonprofit groups/community service groups . Business stewardship . Young entrepreneurs . Alpena Community College . School system . Retirement community . Safety . Relationship with nature . Resilience . Something for all ages

### Nature

- Forests, wildlife, clean water . Peaceful environment/tranquility . Rustic camping . Views . Trails – bike, ORV, snowmobile, horse . Fishing . Boating . Paddling sports . Beaches/shoreline . 4-season sports and recreation . Birding . Listed species including great lakes species. Great lakes fish. Inland/lake fishing . Agriculture . Indigenous grains . Dark skies for stargazing/northern lights . High gradient cold-water trout streams . Endangered bats and birds . Lumbermen’s Monument . Champlain Hill . Iargo Springs

### Economy

- Old Orchard Park . Footsite and other parks . Tourism . Recreation trails . Hunting . Boating rentals . summer camps . Bait shops . Kaleta Air . Consumers Energy . Restaurants/lodging . Birding . Automotive suppliers . Hospital . Golf courses . Industrial parks . Business . Education . Airports . Diverse and growing economy . Marinas . Commercial fisheries . Lighthouse . Nonprofits . Airbnbs . Speedway . Art fairs . Street dances . Property values . DNR launches/mouth of river . DNR Forest Service . Grocery/party stores . Forest products/timber sales . AuSable canoe marathon . Oscoda Wurtsmith Airbase . Blue Horizon

### Connection

- Natural assets bring the tourists and drive the diverse economy

## What’s Next

- A survey will be sent out to determine the next meeting. The tentative schedule is as follows:
- Meeting Two – June 2024
  - Build on the community assets map and identify opportunities
  - Presentations on priority learning topics
- Meeting Three – September 2024

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- Describe the community both with and without a dam and identify what are needed to get there
- Presentations on priority learning topics
- Meeting Four – October/November 2024
  - Set priorities for how we get there
  - Presentations on priority learning topics