

Planning for Prosperity in River Hydro Communities

Middle Au Sable River Group: Alcona

Kickoff Meeting

April 17, 2024 | 9:00 a.m.-12:00 p.m.

Glennie United Methodist Church
3264 South State Road
Glennie, MI

Attendees

- Anglers of the Au Sable
 - Curtis Township
 - Trout Unlimited
 - Huron Pines
 - Eagle Ridge Golf Course
 - State Senator Hoytenga's Office
 - Local Business Owners
 - Curtis Township Planning Commission
 - Alcona County Commissioner
 - Consumers Energy
 - Public Sector Consultants
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Overview of Consumers Energy River Hydro Engagement and Charge to the Group

Josh Burgett gave an overview of the issue: Consumers Energy's river hydroelectric facilities provide 1.1% of their total portfolio, and their average age is 107 years. Consumers has 13 river hydros, and their licenses begin to expire in 2034. Energy generated by the river hydros is 9 times more expensive than other sources of energy. Relicensing these facilities would take about \$1.5 billion; decommissioning would be about \$638 million. These costs are passed on to customers, 41 percent of which are low-income.

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Josh highlighted that any decision made will necessarily include regulatory agencies Michigan Public Service Commission (MPSC) and the Federal Energy Regulatory Commission (FERC). He reviewed the community engagement that Consumers did in 2022 and 2023, including public meetings and smaller stakeholder engagement meetings. Through this engagement, Consumers learned that community members are interested in understanding how Consumers' decision will impact the community from economic and environmental perspectives. Environmental studies will need to be done regardless of what decision is made, and Consumers has not done them yet, but Consumers did commission economic contribution and impact studies, which they shared with stakeholders.

Josh talked about the recent request for proposals that Consumers released to look for potential buyers for the river hydros. Consumers limited the RFP to entities that want to operate the hydros, not entities that want to buy them with intent to decommission or for real estate. Consumers received 15 offers to buy all 13 hydros and keep them in operation. They have moved forward to stage two of the process with multiple viable applications, after narrowing the applications to entities who could safely operate the facilities and complete the maintenance and improvements that need to be done. A decision on selling will probably not happen until 2025.

Josh then explained the charge to the group. Consumers is looking for community priorities if the river hydro is relicensed and priorities for if it is removed. Recognizing that each community is different, Consumers wants to know what the highest priorities are for each river hydro community. While meetings are planned through the end of 2024, Consumers expects these groups to continue beyond that date.

Introductions

Participants shared their names, affiliations, roles, and what a successful outcome of this convening looks like to them.

How Do You Want to Function as A Group?

Participants discussed group expectations and norms. These included:

- Attending meetings in person
- Attending all meetings when possible
- Making space for all opinions
- Asking questions
- Practicing both/and thinking

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Community Asset Mapping

Participants went through the community asset mapping exercise.

Participants reported that the economy and nature are highly integrated in their community. The area has a seasonal outdoor economy, and many seasonal residents and visitors use Glennie as a “base of operations.” Participants also cited the business district, restaurants, small cottage industries (many of which cater to seasonal residents), and farming as economic assets in the area. Several mentioned Alcona Park, which is located on the Alcona Dam impoundment, as a key economic and environmental asset. Other nature/environmental assets included the national forest, the nearby lakes (including Alcona Dam Pond) and the Au Sable River, and the rural character of the community. The community’s character and location were also mentioned as assets. The community is not far from metro Detroit and is centrally located for many recreational activities, both of which attract visitors. Other assets were the history of the area, multigenerational families, and involved residents, including many retirees, along with a host of civic and community organizations. Participants agreed that they did not want to maintain the community’s rural character.

Wrap Up and Next Steps

Facilitators informed the participants that future meetings are tentatively planned for June, September, and October/November and that a post-meeting survey will go out to inform the facilitators as to what dates and times are best for the group.