

Holland Board of Public Works

Public Hearing

March 19, 2009  
PA Act 295

At approximately 4:00 p.m.

APPEARANCES:

Mr. Bryan Gras - Chairman

Mr. Richard Cook - Board member

Mr. James Storey - Board member

Mr. Loren Howard - General Manager

Mr. Dave Koster - Director of Operations

Mr. Daniel Nally - Business Services Director

Mr. Robert Mihos - Conservation Programs Manager

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1 Opening Remarks:

2 Mr. Gras..... 3

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4 Staff Comments:

5 Mr. Nally ..... 4

6 Mr. Mihos..... 6

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8 Public Comments:

9 Speakers..... 8

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1 Holland, Michigan

2 March 19, 2009

3 At about 4:00 p.m.

4 MR. GRAS: Good afternoon. My name is Bryan Gras  
5 and I am the Chairperson for the Holland Board of Public  
6 Works. I will be serving as the hearing officer for this  
7 public hearing regarding the Holland Board of Public Works  
8 plan in response to Public Act 295.

9 Seated with me, also, are fellow board members Rich  
10 Cook and Jim Storey. Staff members present are Loren Howard,  
11 our General Manager; Dan Nally, Director of Business Services;  
12 Bob Mihos, the Conservation Programs Manager; and Dave Koster,  
13 Director of Operations as well as a couple of other staff  
14 members.

15 Although questions will not be answered during the  
16 formal hearing, you may take the opportunity to see any staff  
17 person outside the hearing room to respond to your questions  
18 in person.

19 A little background information. The Clean, Renewable,  
20 and Efficient Energy Act of 2008 requires energy utilities,  
21 excuse me, electric utilities in Michigan to develop and  
22 implement plans to obtain at least 10 percent of the  
23 electricity furnished to retail customers from renewable  
24 energy resources by 2015, and to reduce consumption of energy  
25 by instituting energy optimization measures such as providing

1 incentives to customers to use more energy efficient equipment  
2 and devices and instituting other energy conservation  
3 measures.

4 The Holland Board of Public Works has developed a  
5 proposal, a proposed Renewable Energy Plan and proposed Energy  
6 Optimization Plan. Copies of these plans have been available  
7 at the HBPW Service Center right here on site or on our  
8 website, [www.hollandbpw.com](http://www.hollandbpw.com) since March 10, 2009.

9 To address the plan in a little bit more detail,  
10 Dan Nally will provide a few comments.

11 MR. NALLY: Thank you.

12 Holland BPW has actually been working on a  
13 renewable plan prior to the enactment of PA 295. In May of  
14 last year rates were put into place to collect moneys, 2 mill  
15 rate was put into place to collect funds to develop renewable  
16 sources, green sources. We have since that time entered into  
17 a one megawatt contract with Grayling Generating Station which  
18 actually started delivering power to Holland in December of  
19 2008 and we have entered into contractual arrangements with  
20 MPPA that has an overriding or over-arching agreement with  
21 Granger to provide up to four megawatts of bio-gas power to  
22 the Holland Board of Public Works.

23 We are in the process of developing several, I will  
24 call them wind farm opportunities from something as small as  
25 one or two wind generators potentially located in the Holland

1 area. We have committed to participating with the Wyandott  
2 Municipal business to, in their installation of between four  
3 and five turbines in Wyandott and we are currently collecting  
4 written data on a large parcel of land in the UP anticipating  
5 development of that area as a wind generating station.

6 These actions have actually put us in a position to  
7 have surplus Renewable Energy Credits (RECs) initially. Part  
8 of PA 295 allows us to bank those RECs to be used in the  
9 future years because we were early movers and the combination  
10 of those banked RECs and the RECs that we will generate with  
11 the plans that we have will allow us to meet the requirements  
12 of PA 295 and will also put us in a position to have surplus  
13 RECs that may be used for sale to other entity that need those  
14 RECs.

15 With the institution of the two mill rate last  
16 year, our incremental cost to do this actually is next to zero  
17 because it was in place. That is important. That wasn't on  
18 the website or detail because it is information that has come  
19 to us from the MPSC just recently. So in there it says the  
20 incremental cost is rated at a certain amount per meter, when  
21 in fact that is inaccurate because the definition of  
22 incremental cost. I want to make sure that is clear.

23 So, we are going forward collecting data. We have  
24 been collecting data with Windmill Island and at Stone  
25 Mountain in the UP for approximately three months now and

1 hopefully in eight to nine months we will have a good set of  
2 data and will be able to move forward with these assets.

3 Bryan.

4 MR. GRAS: Thanks, Dan. I believe Bob Mihos, our  
5 Conservation Programs Manager also has a few comments.

6 MR. MIHOS: Thank you, Bryan. Thanks Dan.

7 Another critical component of Public Act 295 is the  
8 energy optimization portion. There is essentially two  
9 different components, the renewable portfolio standard as Dan  
10 mentioned and the energy optimization section.

11 We are in the process of, have been in the process  
12 of developing that energy optimization program. Again that  
13 has been on our website and what we have done with respect to  
14 that program, we have modeled that program after best  
15 practices that have been established essentially throughout  
16 the United States, but more primarily throughout the Midwest  
17 with respect to programs that provide energy savings at the  
18 most cost effective price. So, all utilities across the State  
19 of Michigan essentially are using a very similar program. So,  
20 ours is modeled much like the Consumers Energy plan.  
21 Obviously our numbers are a lot different than the Consumers  
22 Energy plan, but essentially the programs are divided into two  
23 areas, one is residential and the second is business. So we  
24 will be focusing our residential both on low income and  
25 residential customers and then on the business side we have

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1 programs specifically for businesses that will be looking at  
2 saving their energy.

3 For 2009, the year that we are in right now, our  
4 objective and requirement is to save .3 percent of our energy  
5 this year which equates to about 3.2 million megawatt (sic)  
6 kilowatt hours of electricity. And our maximum spending for  
7 that is .75 of our revenue, .75 percent of our revenue which  
8 equates to about approximately \$480,000. So we will be  
9 spending about \$480,000 this year on implementing programs  
10 that will save approximately 3.2 million megawatt (sic)  
11 kilowatt hours of electricity.

12 The two components that have been on the website  
13 are attachments A and B. Those are the information that we  
14 had at that point in time. We are in the process of  
15 developing what is called the Filing. So essentially the  
16 Filing that will be submitted on April 3rd along with our  
17 Renewal Portfolio Standard is the document that we are in the  
18 process of completing now. Those two attachments are  
19 essentially the program and the quantities that will be  
20 summarized in the Filing itself. When the Filing is submitted  
21 to the MPSC on April 3rd it will have three components. The  
22 Filing itself, the attachment A and attachment B that has been  
23 on the website.

24 MR. NALLY: And the comments.

25 MR. MIHOS: And the comments. Correct. The

1 comments we receive at the meeting today and the comments we  
2 have received via email since March 10.

3 Thank you very much.

4 MR. GRAS: Thanks, Bob.

5 The public hearing that is now in session will  
6 receive comments on the proposed plans that Bob and Dan have  
7 just described. The BPW will submit the written comments  
8 received by the acting board clerk in a transcript of the oral  
9 comments presented at this hearing to the Michigan Public  
10 Service Commission.

11 Now for the purpose of today's hearing. The  
12 purpose of the hearing is to give anyone interested in the  
13 HBPW's plans an opportunity to provide information that the  
14 Michigan Public Service Commission will consider. During  
15 testimony questions will not be answered, however staff will  
16 be available to answer questions outside this hearing room.  
17 After resolving any issues raised during the public comment  
18 period and this hearing a final decision will be made to  
19 submit the plan. Please note that the proposed plans are  
20 brought to you today in draft form. They have not yet been  
21 submitted to the Michigan Public Service Commission. The  
22 plans are due on April 3rd, 2009.

23 Notice of this hearing was published in the Holland  
24 Sentinel on Wednesday, March 11th, 2009. It was published on  
25 the Holland Board of Public Works website since Tuesday, March

1 10th, 2009.

2 As you came in today you were given the opportunity  
3 to sign in and indicate if you wished to make any comments. I  
4 will use this list to call upon those who want to make a  
5 statement today. To ensure that the hearing is conducted in a  
6 fair manner we will follow these steps. First I will call on  
7 any elected officials who may wish to make a comment first.  
8 Second I will call on those who have indicated they would like  
9 to speak in the order that they signed in on the sheet.  
10 Third, when all have made their comments I will ask if anyone  
11 who has not yet spoken would like to address the Board of  
12 Directors. When your name is called, please stand, if able,  
13 and make your statement. If you have written comments or  
14 materials you would like to present, please hand them to me.  
15 Before beginning your comments, please state your name and any  
16 group or association you may represent. Each person who  
17 elects to speak will be allowed five minutes to make their  
18 comments. I will indicate when you have 30 seconds remaining.  
19 Please begin wrapping up your comments and end within the  
20 allotted time. If need be, I will indicate when your time has  
21 ended. Only one person should be speaking at a time. Please  
22 do not interrupt any speaker. I ask that we all be courteous  
23 and demonstrate respect for each other.

24 Are there any elected officials here that wish to  
25 make any comments? Not seeing any, we will go to the first

1 person on the list and that is Mr. Don Williams.

2 MR. WILLIAMS: I am Don Williams, 4727 Heritage  
3 Meadow Drive. I am not a city resident, but a BPW customer.  
4 I lived here for 40 years and address you as my friends and  
5 neighbors. Wanted to compliment you on your plan. They seem  
6 adequate to me. I have already written other suggests to you  
7 and you have met and answered them. So I want to thank you  
8 for your courtesy in that regard.

9 I wish you well in these plans and I wish you well  
10 in the modernization of the DeYoung plant because I know that  
11 would help us move to greater efficiency. That is all I have  
12 to say.

13 MR. GRAS: Thank you, Mr. Williams. Next we have  
14 Kevin Thayer.

15 MR. THAYER: I am Kevin Thayer, 904 Oakdale Court,  
16 Holland, Michigan. I am not a city resident, but I am also a  
17 customer of BPW.

18 I have chosen upon my own to run as the governor of  
19 Michigan in 2010 as an independent. But I also on the side  
20 sell LED light bulbs so I am somewhat torn on the subject  
21 because it is state mandated that the Holland Board of Public  
22 Works gives a less, I guess, a lesser rate to companies that  
23 convert over to my technology. So I stand to benefit from  
24 this. But on the other hand in order to do that, they must  
25 therefore raise the rates of everyone else. And I don't think

1 this is fair. Like I said, I stand to benefit from this, but  
2 I have been raised with morales unlike many of our politicians  
3 these days and this is why I have chosen to run as an  
4 independent.

5 So I am here today to voice the opinion of the  
6 people who are not here to say that, and I have got nothing  
7 against Holland Board of Public Works, they are following what  
8 they were mandated to do. My issue is with the state  
9 mandating them. Because not only can I walk into a customer  
10 and say I have these wonderful light bulbs that will cost you  
11 1/3 the energy that you are spending right now, but the  
12 government is going to let you write it off 100 percent for  
13 materials and labor to put my light bulbs in your building.  
14 So now you have got double savings and on top of that they are  
15 mandating that the energy companies give them a better rate  
16 than anyone else and to me that is just over the edge. So I  
17 wanted to make sure that you were all aware of that. Thank  
18 you.

19 MR. GRAS: Thank you. Sara Leeland.

20 MS. LEELAND: Thank you. I have copies of my  
21 statement.

22 MR. GRAS: Thank you.

23 MS. LEELAND: I am Sara Leeland and I am the  
24 legislative member of the League of Woman's voters in Holland.  
25 And so this testimony is a statement from the League, not

1 simply from me as an individual.

2 I have five points to make. First one is that the  
3 League of Women's Voters earlier this week joined a national  
4 call to action on global warming that calls for standards of  
5 energy efficiency that can cut global warming emissions by 25  
6 percent from 1990 levels by 2020 and by at least 80 percent  
7 below 1990 levels by 2050. That is a scientific projection of  
8 what we need to do, so it is science based. In short, we are  
9 calling for a much larger reduction in lowering of emission  
10 than does the state of Michigan. As a general principle we  
11 think that Holland Board of Public Works should aim at not  
12 simply meeting minimal requirements set by the state, but  
13 strive to respond to the very best of its ability to exceed  
14 state standards.

15 Two, the Michigan law requires that utilities  
16 reduce customer energy use by 5.5 percent by 2015. When I  
17 read the material online I could not tell clearly how the  
18 measures proposed in the Optimization plans meet that goal  
19 looking at them category by category. I looked at, and we  
20 were very interested in the attention given to lower income  
21 homes in the plan because the League calls strongly for  
22 attention to that category of energy users. But I couldn't  
23 see how a response to any of the categories, low income needs,  
24 business, other citizens, et cetera, would be measured. That  
25 is, who gets the outreach first? Is it size of use another

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1 category? How many homes and businesses are targeted for  
2 outreach in each specific year? There were blanks at the  
3 bottom of the pages where that data was asked for and it may  
4 be that you intend to fill them in, but I wanted you to know  
5 that as a reader and as a group we found that without that  
6 information the plan is incomplete.

7 The plans for energy optimization also lacks  
8 strength in outreach to all categories of customers. I have  
9 read a lot about fliers posted in business places and at HBPW  
10 building. But I think it is going to take more than that to  
11 really reach people who aren't into life at the coffee houses  
12 of Holland or to coming to HBPW meetings. So, reaching out  
13 through personal interactions, phone calls, getting some young  
14 intern students out on the street over the summer seems to me  
15 something that really should be included in the plan.

16 Four, energy auditors and inspectors also need to  
17 be trained in Holland to do the work that citizens and  
18 businesses need to determine how they can do their own energy  
19 efficiency. Granted, some Holland businesses are picking up  
20 on that, but nowhere -- this woman behind me searched for  
21 weeks to find out who she could get to do an analysis of her  
22 home energy usage and how to improve it. So we really need  
23 some help I think, or the League thinks, from the Board of  
24 Public Works either in terms of training these people or  
25 providing support and incentives for businesses to do that

1 work.

2 And five, the overall percentage of reductions in  
3 the current energy use by both renewable and energy  
4 optimization plans needs to be clearly related in this  
5 statement to a significant downsizing of the requested 78  
6 megawatts size of a new plant permit. If these two elements  
7 add up to a 15 percent reduction in energy use then it seems  
8 the reduction to a 63 megawatt plant is called for. The  
9 League in fact has called nationally, as you know, for a  
10 moratorium on the building of coal-fired power plants and the  
11 Holland League supports that. Assuming that Holland goes  
12 ahead with CO2 sequestration that our position would allow for  
13 an exception on that. But, let me read my own writing.

14 MR. GRAS: I will ask you to wrap it up too, if you  
15 could, please, Sara.

16 MS. LEELAND: But we expect the BPW to make public  
17 information on all the alternatives to building the proposed  
18 plant public well enough in times for citizens and groups in  
19 Holland to be able to respond to those alternatives, i.e. even  
20 a 63 megawatt plant is not the only way to go forward in the  
21 future.

22 So we thank you once again for providing these  
23 plans to the public. We support the steps you are taking. We  
24 would like to see more follow-up to them, more on the on the  
25 points I have mentioned and we would like to see clearly how

1 this is going to effect the current request for the permit for  
2 the power plant. Thank you.

3 MR. GRAS: Thank you, Sara. Patricia Jacobitz.

4 MS. JACOBITZ: I am passing.

5 MR. GRAS: Okay. Thank you. Mark Nienhuis.

6 MR. NIENHUIS: I don't care to say anything.

7 MR. GRAS: Okay. Marty.

8 MR. DUGAN: I will just hand this to you when I am  
9 done. I sent you, I sent an email out on March 12 and had not  
10 gotten any comment back from anybody so I thought I would  
11 enter that officially here. And the subject is HBPW  
12 renewable energy plan draft, HBPW Team.

13 First thanks to Andree for leaving me for my  
14 retrieval the information. I couldn't find it on the website.  
15 The website wasn't working that day. So, I couldn't still get  
16 a copy of it, so thanks.

17 Second, I applaud whomever put this plan together,  
18 I assume some team within HBPW. Perhaps with some  
19 consultative assistance. Had there had been such an effort  
20 initiated by HBPW even a couple years ago though a long range  
21 planning process and growing upcoming additional poor economy  
22 in West Michigan, then short term, long term energy and  
23 electricity needs would be much clearer than what is now final  
24 becoming very clear with actual data perspective, outside  
25 professional assistance being embraced. And had there been an

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1 annual long range planning process in place all long, a core  
 2 requirement in ever organization, not the first long range  
 3 plan in twenty-two years that I heard at the December HBPW  
 4 board meeting, then such conservation or such conservation and  
 5 efficiency or the word we now use, conficiency efforts would  
 6 already have been in place and the future needs would already  
 7 have been clearly less than what is being requested through  
 8 Michigan DEQ. The base load requirement for coal burning  
 9 would have been realized as far less than the 78 megawatts  
 10 expansion application amount. I think maybe picked out of the  
 11 air, confirmed in some meetings in December and January at  
 12 WEST.

13 Third, in reading through the drafts this evening,  
 14 there does remain much to complete in the study process to  
 15 build a truly honest accomplishable plan. And, Bob, you  
 16 addressed that in the final there will be some more statistics  
 17 which will be good to see. I assume that at the beginning of  
 18 the March 19th discussion will be someone providing some  
 19 updates and clarity. I appreciate you doing that.

20 Fourth, I am disappointed that I do not see Hope  
 21 College identified specifically as a partner with the City  
 22 Council and HBPW regarding electricity requirements,  
 23 conficiency embracement, community education participation and  
 24 a major electricity user working right now to determine  
 25 significant opportunity to use less and not just a closed set

1 of buildings like manufacturing and assembly become in west  
2 Michigan, but as an important way for the campus to control  
3 costs as best possible. I did see schools identified in the  
4 study, Hope College should be a specific partner.

5 Fifth, just as an example in the mid '90s,  
6 approaching 15 years ago, around the time HMI, Herman Miller  
7 had become a founding member of the US Green Building Council,  
8 HMI also started an internal group within my oversight with a  
9 goal of zero to landfill by 2010. Well, the company has moved  
10 the goal to 2020, but a difference of what goes in the  
11 landfill today versus in the '90 it was much bigger. Yes, I  
12 have heard a voice in Holland stating two percent less  
13 electricity per year over the next five years with a goal of  
14 10 percent less in five years and now with this draft I am now  
15 finally seeing something starting to happen with city council  
16 leadership focusing in very appropriate and needed fashion  
17 with your support.

18 Lastly, when John Fulenwider and I hatched the WEST  
19 idea more than two years ago in quite moments around our  
20 education support elementary and middle school kids volunteer  
21 efforts at Holland Boys and Girls Club plus our own  
22 perspectives about conficiency, our own less energy usage  
23 lifestyles, both of us for many years. Our consistent  
24 perspective of the struggling West Michigan economy getting  
25 worse and our initial understanding of an application for coal

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1 burning expansion by our locally owned utility already in  
2 place, we decided it is time to gather some local folks around  
3 this outlook. We are so pleased that conversation has been  
4 taking place, that the application process is still underway  
5 that opportunity for discussion and debate continues and that  
6 city council and HBPW are indeed adopting conficiency  
7 opportunities for the struggling West Michigan served by HBPW.  
8 I trust or I guess hope, question mark, this is not another  
9 voice, but indeed action oriented mostly due to the state  
10 finally requiring utilities to embrace conficiency, renewable,  
11 clean opportunities and needs. Yes, when you do grasp  
12 sustainability though the just starting up of the Community  
13 Sustainability Committee, the outcome and findings of the Hope  
14 College Sustainability Task Force and the up and running HBPW  
15 Conservation Program then you will be certain then that the 78  
16 megawatt coal burning suspension is far greater than what is  
17 truly needed for the next 50 plus years, the next DeYoung  
18 Plant chapter for base load need. Yes, portfolio research,  
19 discussion and realistic opportunities is still not complete.

20 Do I have a few seconds or am I done?

21 MR. GRAS: You have got about 40.

22 MR. DUGAN: We were at the one night sessions there  
23 has been so far at Holland Christian High School the other  
24 night with students, about 20, 25 students, very enthusiastic  
25 about this and they propose in their data that there is 130

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1 years of coal left for us to mess around with. They also  
2 talked a little about CCS, carbon capture sequestration, did  
3 not apply the 30 to 40 percent amount of coal burning  
4 necessary to capture and sequester, so if we just took the  
5 Holland Christian data from the other night and applied the  
6 cost of sequestration we are already into less than 100 years  
7 of coal left. So you are at a very critical moment with a 50  
8 year, 60 year plan in front of you to do something about it.  
9 And I appreciate that.

10 MR. GRAS: Thanks, Marty. Carol McGeehan.

11 MS. MC GEEHAN: My name is Carol McGeehan and I am a  
12 Holland resident. And I would like to thank BPW for this plan  
13 to improve on the use of alternative and renewal energy. But  
14 I would also like to encourage Holland BPW to do much more. I  
15 would like to see us be one of the most progressive cities in  
16 the nation. With the wind potential that we have according to  
17 some experts as fourth in the United States and on a day like  
18 today, proving that we do indeed have free wind potential. I  
19 would request that we try to raise the amount of wind energy  
20 in our portfolio with more aggressive conservation and  
21 efficiency and alternatives like wind. I really do think that  
22 we could reduce the amount of the projected need for new  
23 energy and thus reduce the size of the proposed coal plant.

24 My concerns are two-fold. One of course is what  
25 carbon dioxide does to our climate that is beyond the debate,

1 99 percent of planning globally say that it is happening  
2 faster than we thought, the climate will change and the CO2  
3 emissions do contribute to it.

4 My other concern is the health of Holland residents  
5 especially children. Many statistics from DEQ and EPA and  
6 studies done by Brigham Young University and others do show  
7 the relationship between the particulates in soot and coal  
8 pollution with lung cancer increases with asthma increases  
9 with repertory disease in the elderly. The person with  
10 respiratory disease, I can tell you it personally does effect  
11 me and anyone else in those categories, are at risk with  
12 continued reliance on coal. The Department of Energy has said  
13 that we now have about one percent of electricity from wind,  
14 but could meet 20 percent of our demand by 2030 and this is  
15 the U.S. Department of Energy saying that.

16 I traveled around the country recently to Colorado  
17 where one of their largest resorts uses totally wind energy to  
18 power an immense resort. In Maui, the island of Maui relies  
19 very heavily on wind. That is a tourist island which people  
20 go to for its beauty and they have a whole mountain side of  
21 beautiful wind mills. So, you know, it is done elsewhere. I  
22 think we are equally capable and should do more in the area of  
23 renewal then our current proposed portfolio.

24 So I would like to encourage you to do even more  
25 and let's be a national leader in wind energy and I thank you

1 for your time and for your efforts and I would encourage you  
2 to just do even more if you can to make this a healthier and  
3 cleaner place to live. Thank you.

4 MR. GRAS: Thanks, Carol. Jan O'Connell.

5 MS. O'CONNELL: Thank you. I think Marty had the  
6 best place to stand so people are not cranking their necks.

7 I am Jan O'Connell. I am the Energy Issues  
8 Organizer for the Sierra Club, Michigan Chapter in the west  
9 Michigan office. And I am very encouraged to see the Holland  
10 Board of Public Works hearing today regarding the devising of  
11 plans to implement the Renewable Energy Supply and Draft  
12 Energy Optimization plans for Holland. These are very  
13 important decisions for the Holland Board of Public Works, the  
14 Holland City Council, Holland residents and it effects  
15 citizens all across West Michigan and beyond.

16 I recommend Holland to adopt a more aggressive  
17 standard for both renewable energy and energy efficiency than  
18 is required in the current Michigan law. This would be no  
19 less than two percent energy efficiency per year by 2012  
20 instead of the one percent required in state law and in the  
21 RES at least 25 percent by 2025 versus the ten percent by  
22 2015. This would make it a very major priority by Holland to  
23 work on what I call a Plan B for its energy needs versus going  
24 with just the allowable minimum and expanding the existing  
25 coal plant. Holland needs to aggressively promote and utilize

1 weatherization and other energy efficiency programs to  
2 positively reduce its energy usage. Holland also needs to  
3 deploy renewable and distributive energy resources as well as  
4 a net metering program that is totally incentivized, so  
5 Holland residence can be intrigue, be an integral part in  
6 reducing Holland's energy usage.

7 Throughout the U.S. utilities are finding it  
8 increasingly difficult to justify either the expansion or the  
9 construction of a new conventional coal-fired power plant as a  
10 good investment of ratepayer funds. Right now we are  
11 especially looking at uncertain economic and investment  
12 conditions, escalating coal prices, and growing social  
13 movement that is very concerned about addressing climate  
14 change with a significantly reduced acceptance of coal as our  
15 dominant electric source for the future. We are also looking  
16 at a national global warming legislation that will be placing  
17 costs on carbon that is what Holland Board of Public Works  
18 will have to deal with.

19 Right here in Michigan we are especially seeing  
20 electric demands go down with Consumers Energy a five percent  
21 decline from 2008 to 2018. And on the national scene, the  
22 Wall Street Journal back in November of 2008 highlighted a  
23 large drop in electric demand across the U.S. which could be  
24 predicting a permanent shift in consumption. Coal plant  
25 construction costs across the board have escalated which will

1 double future rates. I also attached a chart from the Federal  
2 Energy Regulatory Commission which shows the cost of coal  
3 comparing to all other, nuclear, wind, solar, and so forth  
4 that I will hand to you. As an alternative to new coal  
5 leading utilities are trying to formulate balanced portfolios  
6 that include significant investments in energy efficiency and  
7 renewable energy.

8 Across the U.S. 96 coal plants have either been  
9 canceled or stopped since 2007. That is a major number.  
10 There have been many other federal and state actions recently  
11 made in this area as well. The U.S. EPA Environmental Appeals  
12 Panel, State of Kansas, Governor's Directive, Georgia Supreme  
13 Court, the Obama administration, Michigan Governor Granholm's  
14 directive. It has been proven that Holland is forward  
15 thinking and I was very excited to hear the many Holland  
16 voices this past Monday night at an Energy Week event held at  
17 Holland City Hall individually sponsored by the Holland League  
18 of Women Voters. Mayor McGeehan spoke of many sustainable  
19 projects the city has and is planning to undertake. Steven  
20 Hamstra from GMB told us how buildings can be designed to  
21 reduce the energy loads, recover wasted energy and also and  
22 reused wasted energy by considering innovative energy systems  
23 and renewals.

24 MR. GRAS: Thirty seconds.

25 MS. O'CONNELL: Mark Kornelis from Community Action

1 has an assistance program weathering homes of low income  
2 households.

3 MR. GRAS: Thirty seconds, Jan.

4 MS. O'CONNELL: Nicholas Wilkens an architect in  
5 Saugatuck stated that the greenest project is the one not  
6 built. Greg Maybury from Hope College talked about  
7 sustainability from the building on their campus to right down  
8 to reducing their paper usage. Think before you ink, is their  
9 slogan. Don Triezenberg, Education Chair from Holland West  
10 reviewed the many activities including energy week which is  
11 happening this week.

12 The future of Holland economically, environmentally  
13 and aesthetically as well as health concerns are at stake here  
14 for in the decisions Holland makes to put the best renewable  
15 energy supply and Draft Optimization Plans in place for the  
16 community. I encourage Holland to consider the sky as the  
17 limit.

18 MR. GRAS: Thank you, Jan. There is a question mark  
19 next to this next person. R. Orawitz?

20 MR. ORAWITZ: Yep

21 MR. GRAS: Did you want to speak sir?

22 MR. ORAWITZ: I think the comment, thank you for the  
23 meeting. I read through online the HBPW plan. You cover a  
24 lot of territory, conservation to active production, wind  
25 farm. One thing that was not referred to was any active use

1 of solar.

2 A lot of misconceptions on solar from, it can  
3 replace all the coal or nuclear, which is not true. Two, the  
4 other extreme, it does nothing. If someone wanted to know  
5 what you can do with residential size solar they can't. There  
6 is nowhere I know of, I am a bit involved in this, where  
7 someone can go and look at the actual production of a small  
8 solar facility. I think given all the other things that you  
9 are doing, which is a lot, that for example having a  
10 residential-size solar conversion device, for example a solar  
11 water heater or solar photovoltaic residential size, quite  
12 small on the roof of this building and then doing something  
13 that no one has done. Put it online live-time. So when  
14 someone says it can't do anything with solar, there is no  
15 sunlight. Well, that is not true. Or, you can do it all,  
16 that is not true. What does a small residential size solar  
17 plant, what does it do? Now, if someone were to go put this  
18 up in say, Detroit that doesn't mean anything because it has  
19 got to be localized. And there is no solar reference in your  
20 plan but that is a general idea.

21 The geography and meteorology here is kind of  
22 interesting. The wind resource in West Michigan, all of  
23 Michigan is superb. But that is really November into April.  
24 The wind dies off. The solar resource is quite good here from  
25 May into Indian Summer. The hybridization of wind which is a

1 subsidiary of solar, with the actual solar gives the full  
2 picture. So to say that solar just doesn't work here is not  
3 quite true or you wouldn't have tulips, blueberries, and  
4 Christmas trees. On the other hand, it is a very occluded  
5 climate here, about the third or fourth in the country.  
6 Seattle, Vancouver, the northwest coast of the United States,  
7 the upstate New York, Buffalo into New England the Atlantic  
8 coast. That however is a blessing because you don't get both.  
9 You don't usually get bright sunny days for seven or eight  
10 hours with a strong wind. You get the strong wind in the  
11 winter when you don't get the sunlight. They tend to be  
12 inverse.

13 So, in conclusion something you could do here that  
14 no one has done is to put a live, and this is easy to do, put  
15 a little solar power plant on your roof, residential size.  
16 Put the data stream live on the HBPW webpage so if someone  
17 would like to know what does it do or not do, when in November  
18 or June. That would be an enormous contribution for a small  
19 utility since the big players, Consumers, Detroit, whomever,  
20 there is no such resource anywhere in Michigan. Thank you.

21 MR. GRAS: You are welcome. I am not supposed to  
22 make any comments, but I would encourage you to look at our  
23 project at the civic center which will have exactly what you  
24 are talking about.

25 Next person, just a first initial S --

1 MS. AVSHARIEN: Me?

2 MR. GRAS: Yes. Okay.

3 MS. AVSHARIEN: First of all am I allowed to give my  
4 time to anyone to anybody else?

5 MR. GRAS: We will have time at the end if someone  
6 would like to --

7 MS. AVSHARIEN: I just wanted to know if Sara  
8 finished or if she had more. Because I was very interested in  
9 listening to the speakers so far and I --

10 MR. STORY: Could you introduce yourself?

11 MS. AVSHARIEN: Oh, sorry.

12 MR. STORY: Because we just had an S.

13 MS. AVSHARIEN: I am known as S. Otherwise known as  
14 Sylvia Avsharien. Nobody can pronounce my last name.

15 MR. STORY: Are you a resident of Holland or  
16 adjacent jurisdiction?

17 MS. AVSHARIEN: I am a resident, yes, of Jamestown.  
18 I am not a resident of Holland. Well, my mailing address is  
19 Holland. But I live in Park Township.

20 MR. GRAS: Okay. Thank you.

21 MR. AVSHARIEN: And I basically am here today  
22 because I am supportive of the people, the statements that  
23 have already been made, the concerns that have already been  
24 expressed very well by Marty, by Sara, by Carol and also by  
25 this gentleman here.

1                    Hopefully we can get more emphasis on renewables,  
2                    more emphasis on conservation and efficiency and less of the  
3                    financial resources and also the future health costs that are  
4                    going to be a liability with emphasis on the follow through  
5                    with the coal expansion, the plant, coal plant expansion. I  
6                    think the cost there are going to be enormous and more, much  
7                    more than has been expected because of the increases in cost  
8                    for the construction of the plant, increases in the cost of  
9                    coal, increases in the cost if you do go with the carbon  
10                    sequestration. And it is such a turning point as evidenced by  
11                    the changes in legislation that are happening very, very  
12                    quickly at this point for the State of Michigan and for the  
13                    whole country to encourage and incentify the use of wind and  
14                    solar and alternative renewable energy sources.

15                    It seems to me a very, very good idea to put more  
16                    of our resources, financial and otherwise, for Holland BPW to  
17                    put more of their resources into using their strategies to  
18                    implement the alternative to coal burning, whether they be  
19                    solar, whether they be -- you have got a lot of, already  
20                    things you have in the plan here about, you know, the  
21                    different wind and solar projects that you have ongoing that  
22                    you are collecting data and whatever. But, it is minimal and  
23                    to maximize that at this point I think we have demonstrated  
24                    that Holland really does have leadership abilities and can be  
25                    more of a leader for the whole state and maybe even for the

1 whole country. We are in a good position to do that and keep  
2 going in that direction would definitely be a more productive  
3 thing to do, instead of following the old path with this coal  
4 expansion. That is all I have.

5 MR. GRAS: Thank you. Mr. Buter, you have a maybe  
6 next to your name. Did you want to comment?

7 MR. BUTER: I wanted to hear what everybody else  
8 said before I made a decision.

9 MR. GRAS: Okay. Okay. Do you want some time to  
10 speak?

11 MR. BUTER: Sure.

12 MR. GRAS: Okay.

13 MR. BUTER: Do I have to stand? I am Jim Buter. I  
14 do live in the City of Holland. I am a tax payer in the City  
15 of Holland. I think that is important.

16 My wife and I have written both the Sentinel and  
17 the Grand Rapids Press as well as to the DEQ on our strong  
18 feelings of support of the BPW, what it has done for the City  
19 of Holland for many, many years. As someone who was raised  
20 here and moved away for a number of years for business  
21 purposes and then came back, we are very privileged in our  
22 belief to live a city where we have probably the lowest  
23 utility rate of any city of our size, that I know of, and  
24 certainly many other cities as well, not because of private  
25 industry which I would normally be very supportive of, but

1 because of what the BPW has done to hold down costs.

2 I am also a very strong proponent of recycling and  
3 of energy conservation. The last couple years I have led a  
4 group, I don't mean to get into my whole business side, but  
5 that sells energy reducing building materials and I feel very  
6 strongly about that.

7 That said, I really deeply resent people who don't  
8 live in the city, don't pay taxes and aren't going to be  
9 paying for our energy production facilities trying to tell the  
10 tax payers in the City of Holland what we should do. Whether  
11 that is the Sierra Club or whether that is people that live in  
12 other communities.

13 I am very strongly in support of the Board of  
14 Public Works. I believe they are doing the right thing and I  
15 have gone on record on a number of occasions stating that  
16 whatever they do has to be mindful of the environment, but  
17 most importantly has to be mindful of our pocket books. In  
18 today's economic environment we need to be thinking about the  
19 costs of what we do and to have a mandate that we reduce by  
20 some arbitrary percentage that is going to cost us a huge  
21 increase in taxes or in the rates for energy is irresponsible.  
22 If that kind of a decision is to be made it should be made by  
23 the residents and tax payers of the City of Holland.

24 MR. GRAS: Thanks, Jim. Virginia DeHaan has a maybe  
25 as well. Are you turning into a yes?

1 MS. DE HAAN: Yes.

2 MR. GRAS: Good.

3 MS. DE HAAN: I am a resident of Grand Rapids,  
4 Michigan. I was born and raised in Holland. I was living in  
5 Grand Rapids. I, my family receives the particulate matter  
6 that flies from the Holland plant and so therefore I urge the  
7 City of Holland to use the opportunities of today in 2009 and  
8 look towards the future to invest in clean, renewal energy  
9 technologies rather than old polluting technologies that we  
10 already recognize are based in the past.

11 Ultimately it is going to be much more cost  
12 effective to invest in renewable. And this is true in terms  
13 of not only money spent up-front, but in terms of citizen's  
14 health cost, their long-range health care and their suffering  
15 which you can't put a price tag on that and these are, and not  
16 only that, but the cost to our environment in terms of global  
17 warming. And in addition with the long-term inefficiency and  
18 what would eventually, you will eventually be involved in  
19 dismantling plants that are, might be put into place today  
20 because it is not going to be very long before we are going to  
21 recognize that what looks modern to us today in terms of coal  
22 burning is going to be extremely inefficient and we are just  
23 going to have to tear that down which isn't very efficient or  
24 cost effective. So, please look toward the future. Thank  
25 you.

1 MR. GRAS: Thank you. Please do state your name  
2 and then any organization you might be affiliated with. Last  
3 person that signed up on the list is Jill Henke.

4 MS. HENKE: Hi. I am Jill Henke. I live at 2179  
5 Brighton Street in Holland.

6 And Mr. Buter will probably be really appreciative  
7 of what I have done with the costs.

8 Energy Secretary Steven Chu is quoted in February  
9 8th, 2009 edition of the Wall Street Journal as believing that  
10 coal is his worst nightmare in terms of the creation of  
11 greenhouse gasses and global warming. Already you have  
12 applied for grants for carbon capture and sequestration as an  
13 apparent remedy for this problem from burning coal. Senator  
14 Corker a republican from Tennessee is quoted as saying, "it  
15 seems like when donkey's fly they will do it on a commercial  
16 basis," when referring to carbon sequestration. He is also  
17 opposed to the huge cost involved in the process along with  
18 the amount of the current water costs of carbon capture  
19 technology. Carl Bauer, Director of the Energy Department's  
20 National Energy Technology Lab said that in order to capture  
21 90 percent of the carbon emissions would more than double the  
22 amount of water used for unit of electricity generated. In  
23 addition currently the Department of Energy's office of fossil  
24 energy says the coal plants with carbon sequestration are very  
25 expensive, the total cost for this process including

1 geological storage in sealed underground sites is quite high,  
2 \$30 to \$80 per ton of carbon dioxide. That is on top of the  
3 250 million for the expansion of the James DeYoung plant.  
4 According to California PUC the cost of coal with carbon  
5 capture sequestration will be an additional 16.9 cents per  
6 kilowatt hour. Energy efficiency along with lots of low  
7 carbon generation sources beat that easily. Now you might say  
8 we have a grant to cover this that runs for three years. But  
9 then the consumer, which are you, would bear that burden, that  
10 is assuming that this unproven CCS even works. So, if it  
11 doesn't work then Holland is left with the dirty emissions  
12 spewing coal-fired plant for the next 30 to 50 years.

13 The next problem with the expansions is the cost of  
14 the coal itself. According to your figures, you are going to  
15 continue to use sub-bituminous coal which actually burns less  
16 efficiently than the Appalachian coal so it means you have to  
17 buy more to produce the same amount of heat. Buying more coal  
18 costs more money, in addition to the fact that the coal has to  
19 be transported which adds additional cost to the city. This  
20 year you bought natural gas and burned it instead of ordering  
21 new coal in the middle of the winter because natural gas was  
22 less expensive than coal at \$4 per cubic foot. And I got that  
23 from attending your meeting. Now, even if natural gas prices  
24 were to rise because natural gas emits far less greenhouse  
25 emissions you would not be subject to as many costs due to

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carbon caps expenses that are surely coming down the road.

On top of the carbon dioxide and the mercury and the issue of burning coal also puts nitrous oxide and sulfur oxide into the air and mercury into the waterways. The USA Today series on smokestack emissions sites your plant as producing toxic emissions that effects several schools in the area including: Waukazoo Elementary, Glerum Elementary, Lakeside Montessori, Longfellow Elementary, Holland Heights Elementary and East Middle School. So the health of our citizens in terms of cancers and respiratory problems loom large for the future. Mercury in our waterways is also due to be addressed in the upcoming Clean Water Act Renewal. We already have a high mercury content in the fish in Lake Macatawa and 45 inland lakes in the State of Michigan. So why contribute to the mercury problems when you don't have to?

The next topic I would like to address is the need for expanding the plant itself. Holland's population is falling. It is shown by the four public schools that are closing in the next academic year due to low enrollments and the number of foreclosed properties in Holland city. In addition the website of the State of Michigan forecasts a six percent decline in peak demand from 2006 to 2013. The new energy demand forecast to take the latest economic population energy efficiency and renewable energy mandates start construction costs, coal prices and job facts/trends into

1 consideration which would considerably add to the costs of the  
2 quote for the expansion of 250 million. Michigan has lost  
3 population for three years in a row and continues to  
4 experience a structural decline in our economy. It has the  
5 highest unemployment rate in the country. In addition the  
6 U.S. recession which forecasts additional job loss throughout  
7 2009 and 10. So why stress the consumers even more by  
8 spending so many millions of dollars on an expansion that is  
9 unneeded. Coal construction costs have increased dramatically  
10 due to plant proposals that use dated construction assumptions  
11 such as yours. Dynergy presented a skyrocketing in prices in  
12 September '08 along with the federal Energy Regulatory  
13 Commission --

14 MR. GRAS: Thirty seconds, Jill.

15 MS. HENKE: -- higher plant costs and interest rates  
16 demanded by the financial community -- Even Wayne Leonard,  
17 CEO of Entergy, a Fortune 500 power company said, "When you  
18 look at the risks around coal plants at this time it is hard  
19 to justify building new ones." According to a USA article  
20 today, March 9th, 2009.

21 So, I am asking why don't we look at newer green  
22 energy where construction of the new plant would mean  
23 transient jobs. Our plant only employs 45 full-time people  
24 now. Construction of that new plant then when we could aid  
25 Ottawa County and Holland by attracting new residents with

1 clean air, water and jobs, by responding with increased energy  
2 efficient measures and other climate change solutions  
3 including --

4 MR. GRAS: Time.

5 MS. HENKE: -- including builders to build green.

6 MR. GRAS: Thank you, Jill.

7 That is the end of the list of the folks who have  
8 signed up. Is there anyone else who is present who would like  
9 to address the public hearing?

10 Yes, sir. If you could state your name and if you  
11 are affiliated with any particular organization.

12 MR. VANDER PLOEG: My name is Mark VanderPloeg. I  
13 am a city planner with the City of Holland. And just wanted  
14 to make a brief comment in regards to the procedures and the  
15 planning that has gone into specifically the Energy  
16 Optimization Plan. And just want to compliment the board on  
17 some of the staffers that you have here, specifically Bob  
18 Mihos. He has been reaching out to me and to some of the  
19 people in city hall trying to get our input on the plan and  
20 genuinely looking for our ideas and so forth. We appreciate  
21 it a lot and I know the folks from city hall that I talk with  
22 on a daily basis really appreciate the relationship that is  
23 budding with that.

24 So, I just wanted to compliment you on the process  
25 with this. I know Bob was under the gun tremendously with

1 this thing, literally. And I think you have done a very good  
2 job with the plans. Sure, if you had more time there is  
3 probably some other things that you could look into and you  
4 know, say well next year maybe there are some things that can  
5 be tweaked and so forth. But I wanted to compliment you.  
6 Thank you.

7 MR. GRAS: Thank you very much. Appreciate the kind  
8 words. Anyone else that would like to address the public  
9 hearing?

10 MR. THAYER: Can I add a little more? I have  
11 already gone, but --

12 MR. GRAS: Sure.

13 MR. THAYER: After listening to everybody here. As  
14 I mentioned when I first spoke, I am running as a  
15 gubernatorial candidate for Michigan. That being said, I am  
16 not democrat. I am not a republican. In my opinion those two  
17 parties have destroyed this country.

18 I don't buy into the global warming scare. I look  
19 at people like Al Gore flying around in his multimillion  
20 dollar jet with his \$3000 a month light bill telling me how to  
21 live my life. These people are selling cheeseburgers and from  
22 what I understand you are asking them to sell vegiburgers.  
23 You know, they are doing what they can. Yes, a lot of it is  
24 state mandated and I really have a problem with that as well.  
25 But I would like to ask each one of you if you really want

1 change, why don't you get together and build your own solar  
2 plant, your own wind farm and put them out of business? That  
3 is what this country was founded on.

4 I got involved in LED lightbulbs because I lost my  
5 \$20 an hour job over a year ago and I am sitting around my  
6 house going, how am I going to pay mortgage? I got to  
7 thinking I have never seen a four-foot fluorescent LED bulb.  
8 And I know these things use a fraction of the energy. So what  
9 can I do? So I started researching to find out that there are  
10 companies out there that make these bulbs. You can't go to  
11 Lowe's or Home Depot and find them. You can only buy them via  
12 the Internet or a distributor like myself. So when I, and I  
13 stand to make a lot of money selling these bulbs because there  
14 is a huge market and I have people like you who have pushed  
15 this to thank for that. So, like I said before, I am kind of  
16 torn here. But that being said, the first thing on my list is  
17 to pay off my home. After my home is paid off the next thing  
18 I am doing is putting windows and solar panels in my backyard.  
19 So that I can put a supply system back to these people and get  
20 them off my list of bills. And then the next thing I am going  
21 to do is convert my whole home to electric so that I can tell  
22 the gas man that he can take his bill and stick it too.

23 So, you know, as you guys sit here and criticize  
24 that they haven't done enough, I think to myself, how many of  
25 you are eating by candle light every night? You know, are you

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1 really living what you are preaching? Because I am not doing  
2 it right now, but definitely because of lack of income. Once  
3 I have gotten that money my house will be converted and I will  
4 be living this way. And I am not living this way because I am  
5 fearful that we are going to destroy the earth. I am living  
6 this way because it is fattening my wallet and that is, you  
7 know, in the best interest for me. So, that being said any of  
8 you who are interested in knowing how to get LED light bulbs  
9 it will be interesting to me --

10 MR. GRAS: I remind you these are comments to be  
11 made about the, our organizational planning.

12 MR. THAYER: Okay. Yep. Thank you.

13 MR. GRAS: I gave you a little latitude there.  
14 Okay. Anyone else? Marty?

15 MR. DUGAN: I will sit right here. I didn't tell  
16 you before, I am 17 West 10th Street. I live right downtown  
17 Holland, right in the city.

18 When I hear these kinds of comments to my left, I  
19 was going to talk to him after, but I will just pass on that.

20 There has been lots of compliments thus far this  
21 evening for the work done. I am totally thrilled with the  
22 conservation program and I think the particular person you  
23 hired is fantastic. What Bob has done in 60 days has been  
24 phenomenal. I assume as I said in my comments there is a team  
25 of people, not just Bob, but Dan and others who have been

1 putting this plan together and I think the one thing that  
2 still just lays on the table is portfolio and how much  
3 baseload of coal is really my one question remaining otherwise  
4 there has been fabulous work done.

5 MR. GRAS: Thank you. Yes.

6 MS. AVSARIAN: Well, I would just like to add that  
7 also that even though I am not a resident of Holland if it is  
8 okay with everybody I would like to compliment the fact that  
9 we have been invited here to talk about what we think even  
10 though we may not live within the city limits, even though we  
11 may not be using Consumers -- yeah, I am -- using the power  
12 that comes from the Holland Board of Public Works. But I  
13 think that the surrounding community is interested and I  
14 really feel that you appreciate our interest as well and I  
15 thank you for that.

16 MR. GRAS: Certainly. Anyone else?

17 Thank you all for your comments and your  
18 cooperation. We appreciate your interest in these plans and  
19 the time dedicated to make your thoughts known.

20 The public hearing is now closed.

21 (Whereupon the hearing ended at about 5:00 p.m.)

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CERTIFICATION,

I, Laura M. Canaan, CER-3535, Notary Public duly commissioned and qualified in and for the County of Allegan, State of Michigan, do hereby certify that pursuant to notice of public meeting, there came before me on March 19, 2009 at the Holland Board of Public Works building, Holland, Michigan, the following proceeding, and it was transcribed by me or under my direction; that the transcription is a true record of the meeting.

I further certify that I am neither attorney nor counsel for, nor related to or employed by, any of the parties to the action in which this deposition is taken, and further that I am not a relative or employee of any attorney interested in the action.

My Commission expires \_\_\_\_\_

May 17, 2012

Laura M. Canaan, CER-3535