

Village of Clinton
July 22, 2015

The meeting opened at 7:00 pm.

Members present were President Mowery, Carl Habrick, Larry Sines, Joe Orban, Bonnie Peters and Tim Waters. Doris Kemner was absent.

Motion was made by Peters and seconded by Orban to approve the July 6, 2015 council minutes. Motion carried unanimously.

Mr. Glen White, General Manager, Michigan South Central Power Agency (MSCPA), presented the Agency's Strategic Plan, future power supply and joint services. The Agency's 33 year old Endicott Generating Station is scheduled to retire in June 2016 because it is no longer cost effective to operate the small coal fired generator. The Agency is preparing a power supply plan to determine how to best replace that power.

The Village currently gets about 57 percent of its power from the Endicott Generating Station, 28 percent from the AMP Fremont Energy Center (a natural gas fired unit), 10 percent from hydroelectric, and 5 percent from the energy market. In the future the Village is projected to receive 44 percent of its power from the energy market or future ownership in a natural gas fired power plant, 29 percent from the AMP Fremont Energy Center, and 27 percent from hydroelectric.

The Village believes that even though the hydroelectric power is currently more costly than natural gas units, it would like to keep that source of power. The hydroelectric generators are more costly the first thirty-five years until debt service is paid off. After that they provide decades of affordable power without debt service or fuel costs. It would be advantageous to have the hydroelectric power if the federal government levies a carbon tax or the environmentalists continue to advocate against the use of natural gas generation.

The Village's 1963 electric generator is at the end of its useful life and will have to be replaced if the community wants to continue to have local generation. The problem is those units are expensive to purchase and operate. A replacement unit would therefore add significant costs to the Village's electric rates. The Village would like to have a local generating unit if the costs come back favorable.

After Mr. White has direction from the member communities (Clinton, Coldwater, Hillsdale, Marshall and Union City), he will be able to make some recommendations and prepare a cost estimates for communities to review.

Motion was made by Habrick and seconded by Peters to adjourn. Motion carried unanimously.

The meeting adjourned at 8:30 pm.

Kevin Cornish, Village Manager

Date