

Planning for Prosperity in River Hydro Communities Upper Au Sable River Group: Mio

Kickoff Meeting

April 15, 2024 | 12:30-3:30 p.m.

Big Creek Township Hall
1175 Ryno Road
Luzerne, MI

Attendees

- Big Creek Township
 - Oscoda County Chamber of Commerce
 - Anglers of the Au Sable
 - Huron Pines
 - State Senator Hoytenga's Office
 - Huron Pines
 - Hinchman Acre
 - Trout Unlimited
 - Save the Dams
 - 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.

Josh highlighted that any decision made will necessarily include regulatory agencies Michigan Public Service Commission (MPSC) and the Federal Energy Regulatory

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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
- Extending respect to all participants and opinions
- Listening for understanding
- Asking questions

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Community Asset Mapping

Participants completed a community asset mapping exercise.

Participants reflected that, in their community, the economy, people, and nature are inextricably linked. The economy is centered around nature-based tourism, including boating, fishing, snowmobiling, and paddling. The large amount of public land in this area is considered an asset, as are the river and the impoundment. Participants estimated that the county is about 50 percent public land, which makes the river and the lakes more scenic than if they were lined with cottages and noted that many buyers seek out land that is adjacent to state or national land. Participants also mentioned that local groups are trying to redevelop a dark sky park, and that the cold-water streams are an asset because they draw trout anglers.

As for assets related to the local economy, participants noted that summer is their busy season, as most of their annual income is earned in about 100 days of summer. They stated that the economy is relatively precarious, and that “everyone is one bad year away from unemployment.” Most of the homes in the community are second homes, and most of the businesses are small and family owned. Even the manufacturing businesses are locally owned and have fewer than fifty employees. Participants thought that the diversity of outdoor activities in their community is what drives the outdoor economy, stating that there is something for everyone to do.

As for assets related to the people, they highlighted the multigenerational tourists and part-time residents in the area, saying that some families have been vacationing in the area for generations. Participants thought that most of the people in the area are transplants or retirees, with an increasing number of remote workers. They noted a shortage of affordable and quality housing for young families. They also stated that Mio is the hub of the county, hosting the county seat, the Forest Service station, the sheriff's office, and the courthouse. The Forest Service is a major employer, but many residents of the area are independent contractors or others who commute a long distance to work.

Wrap Up and Next Steps

Facilitators stated that the asset maps produced at this meeting will be used at the next meeting, at which participants will be asked to think more about the effects of the river hydros and how they are connected to community assets. They stated that a survey will be distributed asking about dates and times when the group can meet again, and areas that participants want to learn more about. Facilitators thanked everyone for their time, and the meeting adjourned.