



**MINUTES OF THE BOARD OF COMMISSIONERS MEETING
LANSING BOARD OF WATER AND LIGHT**

January 28, 2025

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, January 28, 2025. This meeting was publicly noticed for 5:30 p.m.

Chairperson David Price called the meeting to order at 5:30 p.m.

Chairperson Price introduced new Board of Water & Light At Large Commissioner Christopher Harkins.

Corporate Secretary, LaVella J. Todd, called the roll.

The following Commissioners were present: Chairperson David Price; Commissioners Beth Graham, Christopher Harkins, Semone James, DeShon Leek, and Tony Mullen. Also Present: Non-Voting Commissioner Robert Worthy (Delta Township)

Absent: Commissioners Dale Schrader, Sandra Zerkle, J. R. Beauboeuf (East Lansing) and Stuart Goodrich (Delhi Township)

The Corporate Secretary declared a quorum.

Chairperson David Price led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Semone James, **Seconded** by Commissioner Beth Graham, to approve the Regular Board Meeting minutes of November 19, 2024.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

COMMUNICATIONS

Electronic Mail received From Christen Harden re: 5G Meter Installation. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Kristina Brokenshire re: Rate Increases. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Shakiya Peters re: Rate Increases. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Ivy Herron re: Rate Increases. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Rebecca Geller re: Rate Increases. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Brittany Hartness re: Utility Service. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Scott Ciloski re: Utility Service. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Isabela Ovalle re: Rate Increases. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Shawn Brokenshire re: Rate Increases. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Betsy Calvert re: Renewable Energy Costs. *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Committee of the Whole Chairperson Semone James presented the Committee of the Whole Meeting Report:

COMMITTEE OF THE WHOLE

Meeting Minutes

January 14, 2025

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, January 14, 2025.

Committee Chairperson Semone James called the Committee of the Whole Meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Commissioner Robert Worthy (Delta Township)

Absent: Non-Voting Commissioner Stuart Goodrich (Delhi Township)

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Tracy Thomas to approve the Committee of the Whole Meeting minutes of November 7, 2024.

Action: Motion carried. The minutes were approved.

BWL's Renewable Energy Plan (REP)

General Manager Dick Peffley introduced General Counsel Mark Matus and Energy Planning & Decarbonization Manager Anna Munie, who presented BWL's draft Renewable Energy Plan. Mr. Matus gave a background of renewable and clean energy. BWL has already committed to the current legislative requirements of 50% renewable energy for utilities by 2030 and 60% renewable energy by 2035 which for BWL includes solar and wind energy. The legislation also includes the requirement of a renewable energy plan to be filed every year to the Michigan Public Service Commission. Mr. Matus added that there is also clean energy legislation to achieve 100 percent clean energy by 2040 which can include gas with at least 90% carbon capture. Ms. Munie explained BWL's plan for meeting the renewable energy goals. Ms. Munie noted that battery storage is not considered a renewable energy source but is a clean energy source under the legislation

Chairperson James asked Ms. Munie to define absence of numbers listed for megawatt hours sold from Michigan Nuclear Energy in the plan summary. Ms. Munie responded that BWL doesn't have any nuclear energy in its portfolio. Chairperson James asked if there were any plans for nuclear to go online. Ms. Munie responded that the Palisades nuclear plant in West Michigan is planned to be restarted but the energy to be supplied is already contracted.

Commissioner Schrader asked if the voluntary green pricing sales (VGP) are the LED lightbulbs and if those sales are part of the energy credits. Ms. Munie responded that the LED lightbulbs are under Energy Waste Reduction and Efficiency Programs (EWR) which is a separate legislation and are not part of the renewable energy credits. Ms. Munie added that the VGP program is BWL's GreenWise program and the matching of a customer's energy use with renewables.

Commissioner Price asked how the credits are tracked and managed. Ms. Munie responded the renewable energy credits are created and retired through the MiREC tracking system. The wind

and solar power purchase agreements are similar, production fluctuates year to year and the resources' annual production values are a projection. Ms. Munie responded that extra energy credits can be sold on the market. GM Peffley added that BWL is not in the market to sell now but there are companies are in production to sell.

Commissioner Mullen asked the percentage of total renewable production currently and whether 2023 legislation required utilities, including those not regulated by MPSC, to file renewable energy plans. Mr. Peffley responded that we are currently at 21%. Ms. Munie responded that all electric utilities are required to file.

Commissioner Price asked about the penalty for noncompliance and Ms. Munie responded that noncompliance is not an option.

Commissioner Schrader asked whether the 21% production and the accumulation of energy credits that can be used after 2030-2035 is another method that can be used to achieve the 50% requirement. Ms. Munie affirmed that any energy credits in exceedance of the 15% requirement, that are within the 5-year shelf life, are being banked. After 2035 all renewable energy credits must also include the energy and capacity associated with the renewable energy source.

Commissioner Worthy asked whether the 3-year average for retail sales in the portfolio that are put into the grid could be put into the purchase of more batteries. Ms. Munie responded that batteries are not included in renewables but are part of clean energy. Commissioner Worthy asked whether all extra energy has to be put in the grid. GM Peffley responded that production can be backed down but there is revenue on wholesale and providing for the need of other utilities.

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Beth Graham to forward the Resolution for BWL's 2024-2045 Renewable Energy Plan to the full Board for approval.

Action: Motion Carried.

Retirement Plan Committee Update

Assistant General Manager Heather Shawa presented the Retirement Plan Committee (RPC) updates. Notification of approved fund changes in the 401(a) and 457(b) Plans were sent to participants. DB participants were sent a letter in their paystub distributions regarding Northern Trust as a participant servicer and the transition of payment processing. A FY25 Q1 ASA reimbursement was approved and completed for the VEBA plan. A Nationwide contract amendment and extension was approved through December 31, 2026, with an option to extend for an additional two years. Legislative changes are being incorporated into the 401 and 457 plan documents as well as the change to the normal retirement age for the 457 plan, permitting withdrawals of up to \$1,000 for certain emergency expenses under Section 115 under Secure 2.0 was adopted by the RPC.

Other

Commissioner Price congratulated GM Peffley on ten years as General Manager.

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Beth Graham for an excused absence for Commissioner Stuart Goodrich.

Action: Motion Carried.

Adjourn

Chairperson James adjourned the meeting at 6:15 p.m.

Respectfully Submitted,
Semone James, Chairperson
Committee of the Whole

Finance Committee Chairperson Tony Mullen presented the Finance Committee Meeting Report:

FINANCE COMMITTEE Meeting Minutes January 14, 2025

Finance Committee: Tony Mullen, Committee Chairperson; Semone James; David Price; and Dale Schrader;
Alternates: Beth Graham, Sandra Zerkle; Non-Voting: Commissioners J. R. Beauboeuf, Stuart Goodrich, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, January 14, 2025.

Finance Committee Chairperson Tony Mullen called the meeting to order at 6:24 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Semone James, Tony Mullen, David Price, and Dale Schrader; Also, Present: Commissioners Beth Graham, DeShon Leek, Tracy Thomas, Sandra Zerkle; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Commissioner Robert Worthy (Delta Township)

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to approve the Finance Committee Meeting minutes of November 7, 2024.

Action: Motion Carried. The minutes were approved.

YTD Financial Summary

Assistant General Manager Heather Shawa presented the YTD Financial Summary. Days Cash on Hand is above the year-end target due to timing of spending on new energy projects and bond proceeds still being held. Wholesale revenue is low due to lower market pricing and a planned outage at DEP that went over. The wholesale forecast will be reviewed and updated quarterly.

Commissioner Worthy asked if the return on assets target was on track and Ms. Shawa responded that it is what is needed to be reinvested into the BWL system.

Commissioner Mullen asked how many customers have been helped with keeping their power on with the PA95 opt in. Ms. Shawa responded she could obtain and provide the information to the Commissioners. GM Peffley responded that an extra \$1.2 million in revenue was brought in and it is no longer an option for BWL to opt out of PA95.

In response to Commissioner Schrader, GM Peffley and Director of Internal Audit Elisha Franco stated that they will gather the information of customers helped and provide it to the Commissioners.

Commissioner Schrader commented on the wholesale market being down 44%, a decline in the PPAs and the offset between the two. Ms. Shawa responded that the PPAs have a fixed cost and can offset the wholesale market, but the major offset is excess generation and the lower price. GM Peffley added if wholesale is down, there is a corresponding reduction in natural gas fuel cost.

Internal Audit Findings & Recommendations

Director of Accounting, Finance & Planning Scott Taylor introduced Internal Control Analyst Cody Rochefort, who presented the internal audit findings & recommendations. Recommended additions and updates to the FY2024 Rules and Regulations were reviewed. Internal Audit recommends that Legal Affairs lead the Rules and Regulations review process, with the Finance Department being responsible for calculating, overseeing, and approving all fees and charges. Closed findings and recommendations were also reviewed.

Commissioner Mullen congratulated the Internal Audit team on the quick implementation of the findings and recommendations.

Internal Audit Status Report

Director of Internal Audit Elisha Franco presented the Internal Audit Status Report. The remittance/cash receipts audit began in November 2024 and is currently underway. All findings and recommendations with due dates of December 31, 2024, as identified by management, have been resolved. There are four remaining open findings and recommendations from the rules and regulations audit, which are scheduled to be completed by October 2025. A follow-up PA 95 Audit will be conducted April-June 2025, and a P-Card Audit is tentatively scheduled for March-May 2025. AuditBoard has successfully launched and is being used for the remittance/cash receipt audit. Plante Moran has been consulted to assist with support of

internal audit activities, internal audit assessment, gap analysis, and AuditBoard implementation support.

Other

There was no other business.

Adjourn

Chairperson Tony Mullen adjourned the meeting at 6:47 p.m.

Respectfully submitted,
Tony Mullen, Chairperson
Finance Committee

MANAGER'S RECOMMENDATIONS

There were no General Manager recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS

RESOLUTION 2025-01-01
2025-2045 RENEWABLE ENERGY PLAN

WHEREAS, the Clean and Renewable Energy and Energy Waste Reduction Act, 295 PA 2008 (PA 295), established Michigan's first renewable energy standard – 15% renewables, as a percentage of retail sales, by 2021; and

WHEREAS, PA 295 required municipal utilities to file annual renewable energy plans with the Michigan Public Service Commission (MPSC) until 2021; and

WHEREAS, PA 295 was amended by 2023 PA 235 (PA 235), which increased Michigan's renewable energy standards to 50% renewables, as a percentage of retail sales, beginning in 2030; 60% renewables, as a percentage of retail sales, beginning in 2035; and reinstated the requirement that municipal utilities file annual renewable energy plans with the MPSC beginning in 2025; and

WHEREAS, the Michigan Municipal Electric Association (MMEA) has offered to jointly file all renewable energy plans on behalf of Michigan municipal utilities on or before February 27, 2025

with the MPSC and recommended each municipal utility obtain governing body review and approval of the renewable energy plan before submission to MMEA; and

WHEREAS, the proposed 2025 – 2045 Renewable Energy Plan was presented by management to the Committee of the Whole on January 14, 2025, and the Committee voted to recommend approval by the Board at the next board meeting;

THEREFORE, it is:

RESOLVED, that the Board approves the 2025 - 2045 Renewable Energy Plan for submission to MMEA for inclusion in the joint filing with the MPSC to comply with PA 235 for 2025.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to approve the Resolution for 2025 - 2045 Renewable Energy Plan at a Board meeting held on January 28, 2025.

Action: Motion Carried.

MANAGER'S REMARKS

GM Peffley remarked on the following:

1. Commissioner Christopher Harkins was welcomed as Board of Water & Light At Large Commissioner.
2. In December, BWL received a Mutual Aid Commendation from the American Public Power Association (APPA) for our mutual aid work for southern utilities.
3. BWL's CMC Department hosted a Lunch-with-Santa event to raise funds for Christmas gifts for the Boys and Girls Club of Lansing. The event raised over \$8,000 and made this holiday season unforgettable for the kids.
4. Steve Serkaian's retirement party was held on January 23 at the REO Depot.
 - a. Thank you to those who were able to attend.
5. The Bright Ideas Series is being held as Customer Open Houses.
 - a. Today, January 28, 10AM-1PM at the Foster Community Center
 - b. February 5, 4PM-7PM at the Alfreda Schmidt Community Center
 - c. To help customers better understand their bills and consumption.
 - d. Customer Service Reps will be on site to help answer questions.
 - e. Hometown Energy Saves will be available for scheduling free home energy assessments.
6. We are presenting the FY24 Annual Audit at the City Council COW meeting on Monday, February 10 at 5:30 p.m. We will also present to the Council information about our smart meters and our shut-off policy.
 - a. Commissioners are welcome to attend.
7. BWL is working with APPA to determine qualification for the National Safety Award due to only one loss time accident.

COMMISSIONERS' REMARKS

Commissioner Mullen welcomed Commissioner Harkins to the Board of Water & Light. Commissioner Mullen acknowledged Commissioner Tracy Thomas' service to the Board of Water & Light and his commemoration of BWL staff for their achievements.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to excuse Commissioners Dale Schrader, Sandra Zerkle, J. R. Beauboeuf (East Lansing) and Stuart Goodrich (Delhi Township) from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

Linda Keefe, former Ingham County Commissioner, spoke about a customer being without utilities and power, and not receiving a helpful response to a customer service request. She also spoke about moratoriums and a set percentage for utility payments.

Olivia Vaden, Lansing, MI spoke regarding rate increases and reconnect fees and the policy affecting a certain class of people.

Ivy Herron, Lansing, MI spoke on having to work an additional job to pay utilities, the inability of some people to pay their utilities and helping those people.

Randy Dykhuis, Lansing, MI spoke regarding utility costs above 6% of household income being a burden, and that data can be obtained from two city departments to determine a possible resolution.

ADJOURNMENT

Chairperson Price adjourned the meeting at 5:53 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 01-30-25
Approved by the Board of Commissioners: 03-25-25
Official Minutes filed (electronically) with Lansing City Clerk: 03-26-25