

## Consumers Energy plans to sell 13 hydropower projects, but at what cost to our communities?

Hydropower has played a vital role in providing clean, reliable electricity in the U.S. for decades. However, the majority of the country's hydropower infrastructure is aging, with many dams older than 100 years, particularly in the Midwest and Northeast. In response to this dilemma, Consumers Energy (Consumers) initiated strategic planning for the future of its 13 hydropower dams in 2022. In June, the company announced its plans to sell these dams. Other options that Consumers considered included retaining the projects or removing the dams.

Under the proposed plan, Consumers would sell the physical assets for each project for \$1 and enter into a 30-year power-purchase agreement (PPA) with the new owner to purchase all the power generated. Consumers would then, in turn, sell this power directly to its customers. It sounds like a good deal for all parties, right? Wrong. The Michigan Hydro Relicensing Coalition opposes this sale, and here's why:

Since the new owner would be selling the power to Consumers rather than the public, it will not be able to pass along costs through the Michigan Public Service Commission. This means the new owner will have no incentive to invest in necessary upgrades, including dam safety measures. There is a significant risk that profits could take precedence over dam safety. History has shown that new owners of older hydropower projects in Michigan may not be as committed to safety, as evidenced by the catastrophic dam failures of the Edenville and Sanford dams on the Tittabawassee River in 2020.

However, Consumers will be able to pass along the costs of power obtained through the PPA to its ratepayers. This situation is unfair to ratepayers, who will be responsible for funding an expensive renewable energy source for the next 30 years.

Consumers acknowledges that these hydropower projects are economically marginal. This begs the question: "If Consumers struggles to profit from these projects, how will another entity succeed, especially without a cost-recovery mechanism?"

Consumers' hydropower projects have played a vital role in the development and stability of numerous local communities *for over a century*. It is imperative for Consumers to embrace its responsibility as a neighbor, as divesting from these projects signifies a troubling detachment from the well-being of the communities that have relied on their support.

Let's get real. Six of the 13 hydropower projects do not meet water quality standards for temperature during the summer months, making future relicensing problematic. Now is the time for Consumers to honor its responsibility to Michigan communities and keep ownership of its hydropower projects, or collaborate with these communities to develop a long-term plan to surrender the hydropower licenses and remove the dams. The aging dams are nearing the end of their useful life, and selling them is simply kicking the can down the road and postponing the inevitable. At what cost is Consumers willing to accept this risk while potentially jeopardizing the safety of the local communities they serve?

*\*The Michigan Hydro Relicensing Coalition members include Michigan United Conservation Clubs (MUCC), Michigan Council of Trout Unlimited, Great Lakes Council of Fly Fishers International, Anglers of the Au Sable, and Michigan Steelhead and Salmon Fishermen's Association.*

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