

WHEREAS, Presque Isle Electric and Gas is currently charging members for development of a 600 MW coal-fired power plant near Rogers City, MI through a non-bypassable charge;

WHEREAS, a 600 MW coal-fired power plant will emit millions of tons of carbon dioxide and other greenhouse gases every year, as well as health-damaging pollutants like fine particulate matter, mercury and more than 50 other toxic chemicals;

WHEREAS, one independent financial analysis of the proposal has estimated the eventual cost of electricity from the proposed plant to be 17 – 18 cents per kilowatt hour¹, and Wolverine Power Cooperative has yet to show any other cost estimate for members to see and analyze;

WHEREAS, members have not been adequately informed about recent developments that increase the costs and risks for the cooperative of investing in new coal generation, including but not limited to:

- the cooperative's power supplier's increasing over-dependence on power from coal at an estimated 83% of supply compared to 57% for the state of Michigan and less than 50% nationally
- increasing construction costs for coal-fired power plants, which have nearly doubled in the last few years²
- increasing spot-market prices for Powder River Basin, Illinois, and Eastern coals, which have increased by nearly 50%, more than doubled, and nearly tripled respectively in the last 12 months³
- likely costs of future regulation, as most industry analysts expect new regulations on pollutants from coal-fired power plants including carbon dioxide and other greenhouse gases, fine particulate matter, and mercury
- increasing capital costs and decreasing energy demand projections from the current economic slowdown and corresponding tightness in the credit market
- recent state legislation that will have numerous impacts on the cooperative's finances and energy needs including but not limited to, energy efficiency programs, and renewable portfolio standards;

WHEREAS, increasing costs and risk factors will affect member rates for decades and pollution from the plant could affect our health, our family's health, the overall quality of life in our co-op service territory, and property values;

RESOLUTION #1

THEREFORE, BE IT RESOLVED, that the members of Presque Isle Electric and Gas be given an opportunity to vote on further participation in the proposed plant's development process and purchasing power from the proposed plant at the next annual meeting;

¹ Analysis conducted by TR Rose Associates

² Cambridge Energy Research Associates

³ Energy Information Administration Coal News and Markets

RESOLUTION #2

BE IT FURTHER RESOLVED, that a full assessment of future rate impacts for members, including but not limited to full cost and risk analysis of the factors laid out above, be made available to members as soon as possible and before proceeding further with development of the proposed plant;

RESOLUTION #3

BE IT FURTHER RESOLVED, that a full assessment of the potential, costs, and risks of meeting cooperative energy needs through a diversified portfolio including increased investment in energy efficiency, conservation, demand-side management, and cleaner energy resources such as wind power, solar power, sustainable biomass, geothermal, and natural gas be made available to members as soon as possible and before proceeding further with development of the proposed plant;

RESOLUTION #4

BE IT FINALLY RESOLVED, that notice of the reasons for non-bypassable charges that increase member rates be given to members at least 30 days prior to board approval of such charges.