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New Coal Plant Will Hurt Michigan Wallets, Jobs, Health

Granholm Administration's decision to OK Bay City plant will kill jobs; won't protect families

LANSING – Clean energy and environmental groups today criticized Michigan's Department of Environmental Quality for giving the green light to a controversial coal plant project in Bay City, and outlined the true costs of how the plant will drive up utility bills and hurt families and job creation.

"Consumers Energy is hiding the full and true cost of building a coal plant Michigan doesn't need, that will saddle ratepayers with bigger bills and continue a dangerous legacy of harmful pollution," Sierra Club Michigan Chapter Director Anne Woiwode said. "This air permit breaks Governor Granholm's promise to our families to move us toward a clean energy economy. Thousands of people committed to Michigan's future are rallying to fight this badly flawed decision because our jobs, our health and our future are at stake."

The installed cost for the Consumers Energy coal plant has skyrocketed recently. In June 2007, total construction and financing costs were estimated at approximately \$1.88 billion. In January 2009, Consumers Energy said the total installed cost for the coal plant would be \$3.58 billion, which is a 90-percent spike in costs from its original estimates in less than two years. Publicly, however, Consumers has been citing a lower \$2.72 billion construction cost, which is "deflated" to reflect an assumption that the plant commenced operation in 2009 as opposed to the actual proposed date of 2017. The Bay City coal plant's hidden cost increases are typical of price over-runs in projects across the nation, which would be paid for by Consumers' ratepayers if the plant moves forward.

"Consumers Energy is making a bad energy decision and sticking ratepayers like me with the tab for its mistake," said Terry Miller, a Bay City ratepayer and member of the Lone Tree Council. "Michigan families should not be made to pay, in dollars and with our health, for a coal plant nobody wants or needs. This decision is a complete failure of leadership and a slap in the face to Michigan families who want a strong energy future."

To get the new Bay City plant, Consumers has agreed to retire at least five older plants. But those plants have all been cited by the U.S. EPA for violating the Clean Air Act for decades and would almost certainly be shutdown in the near future. As such, the retirement deal allows Consumers to continue illegally polluting the air for the next almost eight years from a number of aging plants, and locks Michigan into thousands of tons of additional air pollution, and approximately seven million tons of additional carbon dioxide emissions, annually for the next 40 or more years. The deal also leaves Michigan with a number of aging dirty coal plants, including up to seven units that lack scrubbers to control sulfur dioxide or bag houses to limit particulate matter emissions, and up to four units that lack nitrogen oxide controls.

"Consumers Energy is playing a shell game with the health and future of Michigan families at a time when it should come clean and build a clean energy future," said Shannon Fisk of the Natural Resources Defense Council. "Michigan will still pay a high price because of the many dirty coal plants that will remain in place. Consumers' continued pursuit of the dirty coal energy of the past will saddle Michigan families with higher health costs and energy bills for generations to come."

The groups called for investments in clean energy, which is one of the few bright spots in the tough economy. Clean energy investments are already creating thousands of jobs in Michigan today, and will create up to 42,000 jobs in Michigan and as many as 1.9 million jobs nationally by 2020, according to an October 2009 study by researchers at the University of Illinois, Yale University and the University of California-Berkeley. In addition, these investments would increase annual household income in Michigan by \$667 to \$750 per year and boost GDP by \$2 billion to \$2.4 billion, the study says. Other studies have also shown that clean energy creates jobs at a faster rate than coal.

“Michigan had an opportunity to create clean energy jobs instead of joining the coal rush to an economic dead-end,” said Susan Harley of Clean Water Action. “Study after study shows that clean Michigan energy creates good-paying Michigan jobs at a faster rate and over a longer period of time. Michigan citizens deserve more 21st century jobs, not more job-killing coal plants.”

Resource: See the Natural Resources Defense Council Fact Sheet "**The Proposed Consumers Coal Plant: An Unnecessary Economic and Public Health Risk**" January 2010 (http://www.michigan.sierraclub.org/pdfs/Consumers-FactSheet_Jan2010.pdf)