

## 1 EXECUTIVE SUMMARY

This report documents the 2026 Integrated Resource Plan (“IRP”) developed for the Zeeland Board of Public Works (“BPW”). The IRP was developed to assist BPW to evaluate various resource options to meet its customer’s electric needs while balancing critical objectives, including system reliability, economics, regulatory compliance, and responsibly executing sustainability initiatives. Electric utility resource planning is an ongoing practice, and BPW may want to consider formal IRP updates as frequently as every three years, or as conditions warrant, supplemented by ongoing resource planning in the interim.

### 1.1 IRP Approach

The IRP considers BPW’s resource needs in order to reliably and economically meet the energy requirements of its customers under two different scenarios—one scenario that assumes that no state requirements pertaining to renewable or clean energy production are in effect throughout the Study Period (“Business-as-Usual” or “BAU”), and a second scenario that assumes the requirements of Michigan’s Renewable Energy Standard (“RES”) and Clean Energy Standard (“CES”) remain in effect over the Study Period (“PA 235”).<sup>1</sup> Within each scenario, multiple portfolio strategies were evaluated to reflect different approaches to meeting future resource need and reliability requirements. These portfolio strategies include: an economically optimized portfolio in which large-frame thermal resources are available beginning in 2030; a delayed large-frame portfolio in which large-frame resources are first available in 2035; and a local generation portfolio that limits resource additions to local generation and renewable PPA resources.

The resulting portfolios were simulated through a series of alternative assumptions for key variables to assess the sensitivity of portfolio power supply costs across the portfolio strategies. The scenarios, portfolio strategies, and sensitivities evaluated in this IRP are summarized as shown in Table 1-1. While the overall cost to serve BPW’s projected system energy requirements will vary based on the underlying assumptions reflected in each scenario, the focus of this IRP is not on the comparative economics of each resource plan within each scenario, but rather is on how resource decisions vary between scenarios.

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<sup>1</sup> <https://www.legislature.mi.gov/documents/2023-2024/publicact/pdf/2023-PA-0235.pdf>

**Table 1-1: IRP Scenarios, Portfolios, and Sensitivities**

Category	Case	Description
Scenario	Business As Usual ("BAU")	No State Requirements for PA 235
	Public Act 235 ("PA 235")	Compliance with PA 235
Portfolio Strategy	Economically Optimized	Large-frame thermal resource available as early as 2030
	Large Units Available 2035	Large-frame thermal resource available starting 2035
	Local Generation	Only local generation and renewable PPA resources available
Sensitivity	Low Load Growth	Assumes lower load growth
	High Load Growth	Assumes higher load growth
	Low Fuel Price	Assumes lower fuel prices
	High Fuel Price	Assumes higher fuel prices

## 1.2 Conclusions

The following presents a high-level summary of the conclusions based on the analysis and evaluations performed for and discussed throughout this IRP. Additional conclusions and supporting details related to the conclusions are included in Sections 11 and 13.

- BPW's current open capacity position provides flexibility to adapt to future resource strategies; however, optimum capacity builds under the resulting portfolio strategies show limited alignment in near-term resource additions across these scenarios, indicating that early investment decisions may differ significantly depending on the assumed regulatory future. Importantly, these near-term resource decisions may introduce path dependencies that impact long-term cost and resource outcomes if future regulatory conditions differ from expectations.
- Participation in larger, shared thermal generating resources is a key driver of economic value. Near-term planning decisions should prioritize preserving the ability to participate in future large generating units, even if full commitment occurs at a later date. Results of the IRP that support this conclusion include the following.
- Reliance exclusively on local generation is consistently identified as the higher-cost portfolio strategy. While local resources can provide operational and siting advantages,

limiting the portfolio to these options reduces economic efficiency and increases overall system costs over the study period.

- Power supply portfolios designed to fully meet the requirements of PA 235 result in higher costs relative to the BAU portfolios.
- Delaying an aggressive near-term buildout of renewable resources to meet PA 235 requirements results in the lowest incremental cost exposure. Given the uncertainty surrounding the regulatory compliance and the considerations related to the phase-out of the Inflation Reduction Act tax credits, BPW should plan to remain compliant while avoiding higher costs associated with early commitments that may prove misaligned with future regulatory outcomes.

### 1.3 Near-Term Actions

Table 1-2 provides a summary of the near-term actions that BPW may want to consider based on the analysis and evaluations performed for and discussed throughout this IRP.

**Table 1-2: Summary of Near-Term Actions**

Action	Description
Advance Local Generation Site Due Diligence	Continue environmental, permitting, interconnection, fuel supply, and constructability evaluations of potential BPW-owned generation sites and identify additional strategic locations.
Reduce Near-Term Capacity Market Exposure	Pursue interim capacity procurement strategies to mitigate BPW's open capacity position while long-term solutions are evaluated.
Evaluate New Generation Alternatives	Evaluate both locally owned and jointly owned generation resources using lifecycle cost, performance, financing, risk, and portfolio optimization criteria.
Coordinate with Michigan Public Power Agency (“MPPA”) Resource Development Initiatives	Maintain active participation in MPPA planning efforts and evaluate opportunities for economies of scale and shared development risk.