



CITY OF LUNA PIER

NEWS RELEASE

**CITY OF LUNA PIER RECIEVES NOTICE OF
CONSUMERS ENERGY AIR PERMIT APPROVAL**

Decisions may impact the J.R. Whiting Power Plant Units

Contact:

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LUNA PIER, Mich., Dec. 29, 2009 – Luna Pier’s city administration was informed in a meeting with representatives from Consumer’s Energy this afternoon at City Hall that key air permits were approved for a clean coal plant project contingent on Consumer’s ceasing operations at a minimum of five of its less efficient coal burning units.

While the City has been preparing for a decision regarding the Consumer’s Energy J.R. Whiting plant, today’s meeting marks the first official announcement from Consumer’s that it has cleared the first hurdle of several required under the State’s regulatory reform.

As part of the permitting process, Consumer’s committed to retire up to seven of its older, less efficient coal units after the new plant begins operating at the company’s Karn/Weadock Generating Complex, near Bay City in the year 2017. Consumer’s indicated that two older units may remain operational depending on geographic service needs.

At this point, Consumer’s has not indicated specifically what units will be closing, nor have they indicated a timeframe for the decision. However, clearing the air permit hurdle puts Consumer’s in a position to apply for the next step in the process submitting an application for a “Certificate of Necessity” from the Michigan Public Service Commission. This is a process that will define consumer supply and service needs through a variety of studies, as well as stakeholder input.

Anticipating that any changes to the operations at the J.R. Whiting facility would have an effect on the City’s tax base, the City’s Council, Administration, and Planning Commission partnered to establish a Master Plan for the City focusing on revenue replacement measures in terms of new business development and recreational tourism.



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The Plan, created by Poggemeyer Design Group with community and Council input, and adopted at a joint Planning/Council meeting in November, lays out a redevelopment project and initiatives schedule focusing on the City's downtown area, beachfront and pier areas and park facilities.

"The City will need to qualify for grant monies or attract commercial developers in order to implement the larger infrastructure changes that the Master Plan calls for, however, there are many tasks such as signage, marketing, zoning, and general appearance activities that can be started in the short term," stated Mayor Liske.

"The City remains optimistic that today's meeting with Consumer's will be the first of many, setting the stage for a transition plan that would lessen the impact on the City's economy should the Whiting plant cease operations in the future," stated City Administrator Greg Stewart.

There is a special meeting of the City Council planned for December 30, 2009 at 7:00PM to discuss the details of today's announcement by Consumer's. This is an open meeting to inform the City Council of the meeting with Consumer's and allay rumors that the J.R. Whiting Power Plant would close in the near future.

To keep the citizens informed of the status of the Consumer's announcement and pending Whiting Plant closure, the City has created a News and Press Link on its website www.cityoflunapier.com

The City of Luna Pier, incorporated in 1963, and located off of I-75 at Exit 6, is a lake front community featuring a sandy public beach, and a fishing pier on the shores of Lake Erie with a population of approximately 1,500 people and 650 households. The City's tax base is a mix of residential and light industrial business.

For more information about the City, visit our website at www.cityoflunapier.com

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