



News from Alaska Power Association

February 2008

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Lighting Alaska's energy vision

Nearly 100 Alaska Power Association members gathered in Juneau last week to meet with policymakers and advocate for issues of importance to electric utility consumers.



The theme of the conference was "Lighting the Energy Vision for Alaska" and electric energy issues were at the forefront of the House, Senate and Administration panel discussions. The time is right for developing a long-term and sustainable energy vision and APA is moving forward with its energy policy project.

The association's legislative priorities are:

Statewide Energy Policy and Plan

Alaska Power Association is working on and will seek legislative support for statewide energy policies in the areas of energy supply, deliverability, sustainability, and planning. A comprehensive energy plan would conceivably address the following issues currently being addressed by the Legislature:

Economic relief from high fuel prices: The impact of the unprecedented increase in the cost of oil is a significant economic hardship to all Alaskans. Alaska Power Association supports relief funding from the State's oil tax windfall to offset a portion of these stifling fuel prices and to help sustain local economies.

Industry Links

Alaska Power Association

Energy Information Administration

National Rural Electric Cooperative Association

Northwest Public Power Association

Renewable Energy Alaska Project

New Associate

Member: O.E.S., Inc.



O.E.S., Inc. provides a wide range of services in environmental management and remediation, oilfield services, and environmental training for private and public clients.

Services include:

Evaluations and Assessments

Regulatory Permitting and Compliance

Tank and Pipeline Cleaning, Inspection, and Related Services

Oil Well Support Services - Camp Operations, Oil Well Plugging, Abandonment and Drilling Supervision

Hazardous Waste Management - Collection, Disposal, Manifesting and Soil Remediation

Safety Training - HAZWOPER, ICS, Oil Spill Prevention

Business Preferences

OES is eligible to participate in the SBA 8(a) Business Development Program, HUBZone, Indian Incentive Program, and Direct Conversion.

OES services are also available through its [General Services Administration \(GSA\) Federal Supply Schedule Contract \(PDF\)](#).

The Olgoonik family of companies, inclusive of OES, employes over 450 staff worldwide with project operations management offices in Anchorage, AK, Arlington, VA.

- [O.E.S., Inc.](#)

Funding for Power Cost Equalization: Alaska Power Association urges the Legislature to continue the PCE benefit at 100% for FY08 and to fully fund PCE in the Administration's FY09 operating budget.

Funding for the research and development of alternative energy:

APA seeks legislation that includes prudent funding mechanisms from an appropriation, the general fund or an endowment to assist with the research, development and application of alternative energy sources. (SB 246, the Susitna Hydropower Project study, is a step in the right direction.)

HB 288, Net Metering: HB 288 would mandate a net metering program for electric utilities and their consumers in which utilities would be forced to purchase power from customers generating their own electricity. The Regulatory Commission of Alaska is considering adoption of federal net metering standards (R-06-5) as part of the Energy Policy Act of 2005. The commission must render an opinion by August 2008. This decision is better handled by the appropriate agency than by the Legislature.

Regulatory issues

- Request for an extension of Alaska's waiver against the imposition of unnecessary lower sulfur levels in Alaska fuels: The ultra **low sulfur diesel fuel** requirement in Alaska is not justified because of the open spaces, lack of dense industrial or transportation base, and non-existent spot congestion from fuel systems exhaust.
- Inclusion of ADEC equipment in **rural tank farm** spill response contingency plans: APA urges the Alaska Department of Environmental Conservation to permit fuel tank farms in rural Alaska to list the equipment in ADEC's response depots as available to tank farms in case of a spill.
- Streamlining of **air quality construction permits:** Alaska Power Association encourages the Alaska Department of Environmental Conservation to simplify permitting procedures for utilities and to become more familiar with power supply planning and reliability criteria.

Alaska Power Association's resolutions and positions may be downloaded from our web site. For more information,

contact me at 907-771-5703 or
mleland@alaskapower.org.

Until next time,
Marilyn Leland, Executive Director

APA legislative fly-in attracts Senate, House leadership and Governor Palin

Alaska Power Association hosted a very productive and well-attended legislative conference last week in Juneau. Speakers included Governor Sarah Palin, Senate President Lyda Green, House Speaker John Harris, House Finance Co-Chairs Reps. Kevin Meyer and Mike Chenault, Senate Majority Leader Johnny Ellis, DNR Commissioner Tom Irwin, and Harold Heinze, CEO of the Alaska Natural Gas Development Authority.



The compact and interactive nature of the House, Senate, Bush caucus, and Administration panel presentations received positive

evaluations from many of our members.

A hearing on House Bill 335, one of the Susitna Hydroelectric bills, was held while the conference was in Juneau.



Another bill that received attention from APA members during the conference last week was House Bill 288 that would mandate a net metering program in Alaska. More than 20 APA members met in the House Speaker's chamber

Wednesday with Representative Paul Seaton and his aide Louie Flora to discuss the legislation. The following organizations participated in this meeting: Alaska Power Association, Anchorage Municipal Light & Power, Alaska Village Electric Cooperative, Barrow Utilities & Electric Cooperative, Cordova Electric Cooperative, Copper Valley Electric Association, Golden Valley Electric Association, Kodiak Electric Association, Kotzebue Electric Association, Nushagak Cooperative and TDX Power.

The trade association will continue keeping members informed on industry issues with frequent legislative update e-mail messages and weekly bill status reports.

Captions:

Harold Heinze with ANGDA (right) speaks with Governor Sarah Palin (center) along with Marilyn Leland, APA Executive Director, and Brad Reeve, APA President.

Governor Sarah Palin (left) meets Helena Jones, a director from Ambler on the board of Alaska Village Electric Cooperative.

Kotzebue Electric receives regional award from IEEE

Kotzebue Electric Association received the IEEE Region 6 Outstanding Corporate Service Award from the Institute of Electrical and Electronics Engineers, Inc.

The award is for "leadership in implementing renewable energy technologies within the State of Alaska, outstanding support of the community, and significant reductions in energy costs for all Alaskans."

The award, which was presented in San Diego, was accepted on the utility's behalf by Dee Fultz, P.E., Chair, Northwest Area, IEEE Region 6. In a letter to **Brad Reeve**, General



Manager of Kotzebue Electric Association, Fultz said, "This award is very well deserved by KEA, and indeed, the Kotzebue community. KEA's service to the Kotzebue community, the engineering profession, and the State of Alaska through its leadership in renewable energy technologies is no less than outstanding. And, given that IEEE Region 6 encompasses the 12 western-most states within the USA, this represents national recognition as well."

Caption:

Brad Reeve, General Manager of Kotzebue Electric Association, stands near a turbine in his cooperative's world renowned wind farm.

ANGDA commissions Alaska Utility Creditworthiness report

The **Alaska Natural Gas Development Authority** (ANGDA) recently contracted with Mary Ann Pease of MAP Consulting, LLC and Mark Foster of Mark A. Foster & Associates (MAFA) to produce the Alaska Utility Creditworthiness report in preparation for the 2008 "open season" process.

The project was described in detail at an open season workshop February 13 hosted by ANGDA and Alaska Power Association. Pease said that participation by the Railbelt utilities, Enstar Natural Gas, and the large commercial customers is an integral part of the assessment of demand, volume and financial considerations that are part of the open season process.

ANGDA is assisting Alaska utilities with preparation for their potential participation in North Slope gas purchase and/or gas pipeline shipping commitments during a 2008 open season. The long-term binding financial commitments could total several billion dollars.

Each utility may choose to be an investor ("sponsor") in the construction of the multi-billion dollar in-state spur line. Each utility's financial capacity that will be defined in the utility creditworthiness report will ultimately affect the project financing and credit agency ratings.

The ability of the individual utilities to finance these substantial long-term commitments depends upon their ability to service additional financial commitments that are based on the underlying demand for natural gas and

electricity in the residential, commercial, government/institutional and industrial markets.

ANGDA seeks to develop a clear, accurate, and consistent assessment of the utilities' financial strengths, present and future gas needs, and their abilities to meet debt service requirements associated with potential gas purchase, gas shipping commitments, and spur line project sponsorship.

Pease and Foster are urging participation from electric and gas utilities as well as large commercial customers. New capital expenditures, operating budget forecasts, energy and integrated resource plans and credit ratings is some of the data they are seeking to compile in the report.

"Please assist us in developing the best model that will be utilized for the open season process and the credit worthiness of key players in Southcentral," Pease said. "After all, this is your model and the assumptions and components can be changed to deliver an easy assessment tool for gas supply and participation options going forward."

For more information on the Alaska Utility Creditworthiness report, contact Mary Ann Pease at 907-529-9719, mpease@acsalaska.net or Mark Foster at 907-440-2187, mafa@alaska.net.

Chugach granted new 50-year license for hydro project

The Federal Energy Regulatory Commission recently approved a new 50-year license for **Chugach Electric Association** to continue to operate its Cooper Lake Hydroelectric Project on the Kenai Peninsula. FERC issued its order in August, and after reviewing the conditions of the license, Chugach has accepted it.

The powerhouse for the Cooper Lake project sits on the shore of Kenai Lake near Cooper Landing. The water for the plant comes from a reservoir about 750 feet higher in elevation.



Chugach has owned and operated the plant since its construction in the late 1950s and subsequent commissioning in 1960. In the late 1990s the utility overhauled and upgraded the two turbine-generators at the plant, raising the capacity of the facility to 19.2 megawatts (9.6 Mw per unit). The project produces some of the most economical power on the Chugach system.

For Chugach and its customers, the 50-year license approved by FERC is a major benefit at a time when it is common for existing projects to be granted 30-year licenses.

There are a number of requirements of the new license that Chugach must meet in the next few years, including gaining new permits for the 90-mile transmission line that links the project to Anchorage.

Cooper Lake is one of three hydro projects in Chugach's generation mix. The others are the State-owned Bradley Lake hydroelectric project near Homer and the Eklutna hydroelectric project that Chugach jointly owns with Anchorage Municipal Light & Power and Matanuska Electric Association.

In 2006, 10 percent of the kilowatt-hours Chugach sold came from hydroelectric projects. The other 90 percent came from power plants fueled by natural gas.

Healy Plant has banner year

Golden Valley Electric Association's Healy power plant achieved its second best year of performance in 2007. Despite celebrating the plant's fortieth year of operation, a capacity factor for the year of 97.8 percent should place it in the top two or three coal-fired plants in the nation for 2007, beating out many newer plants, according to Healy Plant Manager Dave Hoffman.



"The past four years have been fantastic," Hoffman said. "Healy had the highest coal-fired capacity factor in

the nation in 2004 and 2005, and was third in 2006. Healy is the only plant that has finished in first place more than once."

A power plant's capacity factor is the plant's production compared to its rated ability. For example, if Healy ran at a rated capacity of 25 megawatts for 8,760 hours (one year) with no scheduled outages, it would have a capacity factor of 100 percent. Many factors contribute to overall production, including weather, maintenance and outages.

Coal remains GVEA's lowest cost fuel, helping the Healy power plant produce energy at the lowest cost to co-op members. In 2007, the plant burned nearly 200,000 tons coal.

"Healy has definitely established a reputation for achieving goals. Our goal for Healy in 2008 is our best year ever, saving our members as much as we can on energy costs," Hoffman noted.

AVEC and KEA receive approval for CREBs funding



Alaska Village Electric Cooperative received notification that all six applications it submitted for Clean Renewable Energy Bonds (CREBs) were approved, for a total of

\$6,160,000. The applications asked for allocation of federal bond fund proceeds for potential wind generation projects in the communities of Gambell, Chevak, Savoonga, New Stuyahok, Mekoryuk and Hooper Bay. **Kodiak Electric Association** received \$5 million. The issuance of these low-interest bond fund proceeds (loans) is handled through the National Rural Utilities Cooperative Finance Corporation and is awarded to electric utilities building power-generation facilities that use clean, renewable energy instead of fossil fuels.

Industry movers & shakers

Chugach Electric Association

Director **Uwe Kalenka** recently earned certification in the Credentialed Cooperative Director Program. Kalenka is Vice Chairman of the seven-member Chugach board of directors. He was elected in 2005. The director certification program is provided by the National Rural Electric Cooperative Association.



NRECA is a trade organization that represents more than 900 electric cooperatives across the country. The program requires utility directors to complete a five-course, 40-hour program of professional education. The training consists of courses in duties and liabilities, understanding the electric business, board roles, strategic planning and financial decision-making.

Golden Valley Electric Association President & CEO Brian Newton selected Purchasing Officer **Tom Hartnell** to fill the role of Vice President of Administrative Services and Vice President of Employee Services **Dave Gardner** to take on the newly created position of Vice President of Marketing and Member Services. Hartnell oversees several administrative sections of Golden Valley, including purchasing, human resources, safety and accounting. The new position of Vice President of Marketing and Member Services brings together sections of the co-op that have an external, member focus, such as member services, billing, credit, public relations and energy efficiency.

In Memory: Alan Christopherson

Alan Christopherson, a former Chugach Electric Association Chairman, died February 1 at Providence Alaska Medical Center.

He was an accomplished civil engineer with a long design career that centered largely on North Slope oilfield development. He was a shareholder and officer of PND Engineers Inc. He is survived by his wife, Mary; children, Andrew and Ashley; mother, Nadine Christopherson; and siblings, Art and Anne Christopherson.



In lieu of flowers, memorial contributions may be made to the Alan B. Christopherson Civil Engineering Scholarship Fund. Address these to UAA, 3211 Providence Drive, Suite 236, Anchorage 99508.

Energy grant funds available

The **USDA Rural Development** office is making available \$6.8 million in competitive grants under section 19 of the Rural Electrification Act of 1936. Under section 19, the Agency Administrator is authorized to make grants to "acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities" serving extremely high energy cost communities. Eligible communities are those in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy.

The purpose of this grant program is provide financial assistance for a broad range of energy facilities, equipment and related activities to offset the impacts of extremely high residential energy costs on eligible communities. Grant funds may be used to purchase, construct, extend, repair, upgrade and otherwise improve energy generation, transmission, or distribution facilities serving eligible communities.

Eligible facilities include on-grid and off-grid renewable energy systems and implementation of cost-effective demand side management and energy conservation programs that benefit eligible communities. Grant funds may not be used to pay utility bills or to purchase fuel. Grant projects under this program must provide community benefits and not be for the sole benefit of an individual applicant, household, or business.

Eligible applicants include for-profit and non-profit businesses, cooperatives and associations, States, political subdivisions of States, and other entities organized under the laws of States, Indian tribes, tribal entities, and individuals. Applications must be postmarked and mailed or shipped, or hand delivered to the agency, or filed with Grants.gov by March 28, 2008.

Federal energy assistance

program funds for Alaska

The U.S. Department of Health and Human Services will release \$3,558,253 to Alaska for the **Low Income Housing Energy Assistance Program (LIHEAP)**. This nationwide program is designed to help low-income families and senior citizens pay home energy costs.

The cost of energy is having a detrimental impact across the state, particularly in rural areas. This increase to LIHEAP will help the state provide assistance to more Alaskans during the critical winter months.

As the price of natural gas, heating oil, propane, and electricity continues to rise, home energy costs are increasingly unaffordable for millions of Americans, especially those living in rural areas.

LIHEAP provides a vital safety net for low-income households, disabled individuals, and senior citizens in Alaska and throughout the nation. The program also helps low-income homeowners weatherize their homes to save energy and lower their energy expenses.

In Alaska, LIHEAP is administered through the State Department of Health and Social Services. Additional information can be found by calling 1-888-804-6330 or visiting www.hss.state.ak.us/dpa/programs/hap

Employment opportunities

Cordova Electric Cooperative seeks qualified candidates for the position of **Journeyman Lineman**. Cordova Electric Cooperative is located in scenic Prince William Sound and is a progressive utility that encourages a participatory environment. Competitive salary with an excellent comprehensive IBEW benefits package. Come join a great team in a beautiful place that is renowned for breathtaking scenery and world class outdoor recreation.

Excellent compensation and benefit package. Submit resume and cover letter detailing your interest and qualifications for the position with three professional references to Cordova Electric Cooperative, Inc., P.O. Box 20, Cordova, AK 99574-0020, or e-mail this information to info@cordovaelectric.com. CEC is an Equal Opportunity Employer. Recruiting will continue

until a qualified applicant has been hired.

► [Employment opportunities](#)

Meetings & events calendar

NRECA Annual Meeting: February 25-27, 2008,
Anaheim, California

Governor's Safety & Health Conference
: March 20-21, 2008, Sheraton Anchorage Hotel

International Wind-Diesel Workshop: April 23-25,
2008, Girdwood, Alaska

NRECA Legislative Conference: May 4-7, 2008, Hyatt
Regency Hotel, Washington, DC

NWPPA Annual Meeting: May 18-22, 2008, Hilton
Anchorage Hotel

APA Annual Meeting: August 13-15, 2008, Barrow,
Alaska

NRECA Region IX Meeting:
September 15-17, 2008, St. George, Utah

► [APA Meetings and Events](#)

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