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July 2008

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Associate Member:
Environmental Management, Inc.



Environmental Management, Inc.

Immediate solutions needed



Many Alaska Power Association members joined forces to send a powerful message to Alaska policymakers earlier this month: urgent solutions to the energy crisis are needed.

Since the proportion of energy used for power, heating, cooking, and transportation varies throughout Alaska, several concurrent approaches to energy cost mitigation are required. Solutions are complex and the State of Alaska needs to consider short, intermediate and long-term investments. APA member utilities have been at the forefront of providing customer energy options and education on the demand side, and installing efficient power generation alternatives on the supply side.

Below are three critical, immediate needs that deserve particular attention.

Direct payments to Alaska residents:

The \$1,200 proposed resource rebate program would help all Alaska families deal with cost increases in power, heating, and transportation as their individual circumstances dictate. APA supports such a program for FY09 as it is simple to implement and administer, and it provides a degree of equity in addressing varied requirements.

Reduce and stabilize the cost of power throughout Alaska by capping the delivered cost of fuel to electric utilities at \$10.00 per million BTU:

A fuel price cap program would allow communities that do not benefit from access to low-cost Alaska energy resources to maintain a reasonable cost relationship to those that do while alternative energy supplies, energy

provides comprehensive environmental consulting and training services to industrial, commercial, and governmental clients throughout Alaska.

EMI provides environmental procedures and safety training classes at its facilities in Anchorage, as well as on location throughout the state of Alaska.

EMI's training expertise includes: asbestos identification and removal, hazardous waste handling, transportation and remediation, lead inspections, assessments, and abatement; radiation worker and surveyor training, underground storage tank installation and removal, confined space, scaffold safety and fall protection, first aid and CPR, and other client-specific training.

EMI's consulting expertise includes: environmental site assessments, remedial investigations and actions, underground storage tank management, waste management, lead and asbestos inspection and management, hazardous building material evaluation and management, health and safety consulting, confined space consulting, OSHA compliance, data evaluation, and other multi-disciplined environmental management services.

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[Environmental Management, Inc.](#)

audits, and demand side efficiency programs are pursued.

Low-cost or no-cost financing for fuel inventories:

This year's dramatic fuel cost increase has outstripped the financial capability of many electric utilities to pay for fuel deliveries at the time they are made--during the summer and fall months. In addition, in some areas of the state, inventory financing costs may prevent fuel suppliers from ensuring they have adequate emergency fuel supplies on hand unless utilities are willing to prepay to keep fuel stocks on hand. Unless this problem is addressed, having utility fuel at any price where and when we need it during an emergency may be impossible.

We are today at a critical time in annual fuel delivery schedules and several APA members require the state's immediate help in financing fuel supplies.

These suggestions are not intended to reflect a comprehensive or exhaustive set of recommendations from APA as energy challenges facing the state are enormous. Rather, they reflect the most pressing short-term requirements of Alaska electric utility customers.

APA intends to continue working with the State and other stakeholders in ensuring energy policies that make sense for Alaska families and businesses

Until next time,
Marilyn Leland, Executive Director

\$5 million awarded for Alaska alternative energy projects

The Denali Commission and Alaska Energy Authority (AEA) recently announced the awarding of \$5 million for [alternative/renewable energy projects](#). The agencies will offer funding for 33 projects in the areas of wind, hydro, biomass, solar, and geothermal power.

Funding for the projects includes \$4 million from the Denali Commission and \$1 million from AEA for alternative energy solutions. In addition, five projects will be offered funding under the commission's energy cost reduction program.

The Denali Commission and AEA issued requests for proposals that garnered alternative/renewable and energy

cost reduction projects. This solicitation brought in 96 proposals from around Alaska for funding projects totaling over \$130 million.

Draft report issued on Railbelt Electrical Grid Authority study

The Alaska Energy Authority (AEA) recently posted a [draft report](#) of the Railbelt Electrical Grid Authority (REGA) study conducted by Black & Veatch. AEA also posted Black & Veatch's organizational cost model that provides detailed background information (i.e., input assumptions and results) regarding projections of power cost savings, organizational costs, and net savings for each organizational plan and evaluation scenario. The model is described on pages 35-37 of the draft report.

The agency seeks comments on the draft and model by Wednesday, August 20. Comments may be directed to Kevin Harper, Black & Veatch, at HarperKM@bv.com and Jim Strandberg, Alaska Energy Authority, at JStrandberg@aidea.org. All comments will also become part of the public record related to this project.

The REGA Advisory Working Group will meet after the public comment period to provide input to Black & Veatch and AEA regarding changes that should be made. For more information, contact Jim Strandberg, P.E. at 771-3069.

Movers & Shakers



Tyler Andrews recently joined Chugach Electric Association as Vice President, Human Resources. He worked for the State of Alaska in labor relations and human resources for more than 10 years. While working for the State, he served as a chief spokesperson in collective bargaining and as a department human resources manager. Most recently, he was the Senior Manager of Labor

Relations for Alaska Communications Systems since May 2007.

Lee Thibert was rehired at Chugach as the Senior Vice President of Strategic Planning & Corporate Affairs. Thibert most recently worked with Dryden & LaRue, an Anchorage electrical engineering consulting firm. Thibert is a former long-time Chugach employee who has served in a number of senior management positions.



Alaska Village Electric Co-op increasing wind energy penetration in villages

While many Alaskans celebrated the July 4 Independence Day spending time with friends and family, two Alaska Village Electric Cooperative (AVEC) crews worked towards another type of independence day: to reduce future dependence on diesel fuel to generate electric power.



Three wind turbines were constructed at Hooper Bay over the Fourth of July weekend. High winds slowed work down, but by

July 7 two sets of blades were installed on the turbines. The control systems for these turbines are scheduled to be completely operational in 2009.

Another crew worked through the weekend installing piles for two wind turbines at Savoonga on St. Lawrence Island. AVEC has two more wind turbine projects underway at Gambell and Chevak. Projects in other villages are also under study and development.

While there is a continuing need to utilize the reliable

diesel generators for a majority of electric generation, AVEC hopes to use wind power to displace 25% to 40% of the diesel fuel presently consumed at those locations and eventually achieve some independence from the ever-increasing cost of diesel fuel.

Photo: Three wind turbines were constructed at Hooper Bay during the Fourth of July weekend.

Chugach Electric Association implements rate change

Chugach Electric Association members have new rates that went into effect June 1 which will lower bills for most retail customers. The new rates are the result of a recently settled rate case Chugach brought before the Regulatory Commission of Alaska.

Different components of the bill have changed.

Retail monthly customer charges were lowered and rounded to even numbers. For residential customers the monthly charge dropped from \$8.42 to \$8.

The residential energy charge decreased from 9.282 cents to 6.848 cents per kilowatt-hour for two reasons. Most of it resulted from moving the portion of the charge that went to help pay for fuel and purchased power costs to the fuel adjustment charge. The remaining portion of the decrease came from a 4.8 percent base rate reduction.

The fuel adjustment for the month of June increased from 3.112 cents to 5.202 per kWh. The increase is the exact amount taken from the energy charge, reflecting the consolidation of all fuel and purchased power costs in one charge. This will allow customers to more easily see the total amount of their bill that is associated with fuel and purchased power costs, and to more easily see the impact of changes in these costs through time.

The June bill for an average Chugach residential customer using 700 kilowatt-hours of electricity decreased from \$97.26 to \$94.39.

Members of Golden Valley Electric receive letters about Healy Clean

Coal Project

Golden Valley Electric Association (GVEA) members recently began receiving letters regarding current updates on the Healy Clean Coal Project (HCCP).



The letter, signed by Board Chairman Bill Nordmark and GVEA President and CEO Brian Newton, details events

leading to the current legal status of HCCP and expresses GVEA's hope for resolution leading to the re-commission of the plant that has been off-line since 2000 after it failed to meet certain reliability and performance tests.

"Restarting HCCP would be in the best interests of GVEA members," said Nordmark.

Golden Valley is working with Alaska's Administration and with the board of the Alaska Industrial Development and Export Authority (AIDEA) to bring the plant on-line.

For information on HCCP, or to view the member letter, visit [GVEA's HCCP web page](#).

Copper Valley Electric launches updated web site

Copper Valley Electric Association launched the newly updated cvea.org. The web site offers useful tools for managing energy consumption.

The newly renovated web site has energy calculators designed to help co-op members understand where their energy is being used. The calculators can provide estimates on how much lighting, kitchen appliances, laundry, miscellaneous household appliances, and personal care items are costing members.

The web site also links to other energy information sites

that feature useful information for individuals who are remodeling, building, or looking for new appliances.

APA Annual Meeting bulletin

It's the time of year when Alaska Power Association and ARECA Insurance Exchange are very busy preparing for the [annual meeting](#) to be held August 13-15 in Barrow. Barrow Utilities and Electric Cooperative, Inc. and North Slope Borough Power & Light are rolling out the red carpet for attendees.

General session speakers include Representatives Kurt Olson and Reggie Joule, Senator Donny Olson, RCA Chairman Robert Pickett, and Jim Strandberg of the Alaska Energy Authority.



Members planning to attend the annual meeting who haven't already made airline reservations should do so as soon as possible. Several flights are full including the Alaska Airlines Anchorage-bound flight that leaves Barrow at 8 p.m. Friday, August 15. However, APA learned that Frontier Flying Service has a flight to Anchorage that leaves Friday at 1:25 p.m. and stops in Fairbanks.

There is still space available on Alaska Airlines flights departing Barrow on *Saturday*, the 16th, at 11 a.m. and 8 p.m.

See you in Barrow!

Meetings & events calendar

REAP Renewable Energy Fair: August 9, 2008,
Anchorage Park Strip

Alaska Power Association and ARECA Insurance Exchange Annual Meeting: August 13-15, 2008,
Barrow, Alaska

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

2008 Rural Energy Conference: September 16-18,
2008, Alyeska Prince Hotel

APA/AIE December Meetings: December 5, 2008,
Anchorage, Alaska

▶ [APA Meetings and Events](#)

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