

ALASKA POWER ASSOCIATION R E S O L U T I O N

A Resolution Issuing an Urgent Legislative and Administrative Call to Action for an Energy Policy

The entire state of Alaska is facing an energy crisis. Alaska's economy was built on affordable energy. Communities statewide are faced with aging generation and transmission facilities. The unstable price and supply of fuel is increasingly impacting Alaskans everywhere.

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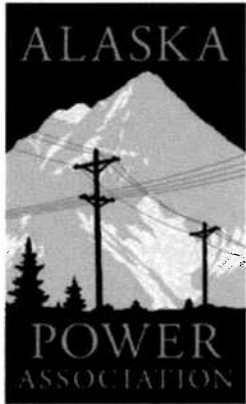
Without leadership from policy makers Alaska's entire economy will crumble. Policy makers must adopt and implement a statewide energy policy that focuses on regional priorities, provides commitments to short-, mid-, and long-term generation and transmission facilities, and facilitates fuel development and storage infrastructure projects with financial commitments from the State.

A large hydro electric project, developed similar to the Bradley Lake hydro project, should be the primary long-term generation priority of the State of Alaska, since it will meet the needs of 75% of Alaska's population well into the future. Additionally, the State should develop and implement viable long-term generation options for Alaskans not served by the Railbelt system, such that affordable, reliable electricity is available to every Alaskan, regardless of where they might reside.

Finally, the State of Alaska must ensure that reliable and affordable fuel is available for power generation across the state. The State of Alaska must do more to encourage natural gas exploration in Cook Inlet; and should financially participate in building natural gas storage and pipeline infrastructure. The State should ensure that generation fuel for non-interconnected utilities is available at a cost per BTU comparable to the cost of Railbelt fuel sources.

Alaska Power Association urges the Legislature and Administration to make energy policy development the highest priority for the 2010 legislative session.

(Adopted Dec. 2009)



ALASKA POWER ASSOCIATION R E S O L U T I O N

A Resolution Addressing Unaffordable Energy in Rural Alaska

Alaska's citizens are subject to the most extreme disparity in the cost of energy for homes and businesses of any state in the union. Electricity to a homeowner can cost as little as 10 cents a kilowatt-hour (kWh) and as much as \$1.20 per kWh. Heating fuel can cost as little as \$11 per million BTU (natural gas in Anchorage) and as much as \$75 and more in rural Alaska.

The cost of energy in rural Alaska has resulted in a tremendous financial burden on virtually every resident and business in these remote communities. New businesses are stymied due to the crippling cost of energy. Existing businesses are crippled and frequently forced into closure due to the high cost of energy. Schools must apply ever increasing percentages of their operating revenues towards energy costs, diverting funds from essential educational needs.

The survival of rural Alaska depends upon immediate and real relief from the cost of energy needed for electricity, heat and transportation. Rural Alaskans, despite their geographic location, are nonetheless entitled to reasonably priced energy equivalent to what it costs in urban Alaska.

The State of Alaska is strongly urged to take immediate, meaningful steps to ensure that every Alaskan has access to affordable, reliable energy for their electricity, heating and transportation needs.

(Adopted Dec. 2009)

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ALASKA POWER ASSOCIATION R E S O L U T I O N

A Resolution Urging the Removal of Statutes Restricting the Development of Appropriate Nuclear Power Technology in Alaska

Rural Alaska communities are highly dependent on electricity for heat, lights, refrigeration, and other basic needs. Many remote communities around the state are dependent on diesel-powered generators for their electric service needs since they are isolated and not on a power grid system.

The price of petroleum products including diesel are determined by world markets, and the increasing cost of fuel has caused a steep increase in the cost of electricity in rural Alaska. As a result, many communities are seeking alternatives to using petroleum products.

A few communities in Alaska are considering nuclear power as an alternative to diesel-powered generators. This alternative could serve other Alaska communities and/or remote industries.

The State of Alaska has statutes that restrict communities' abilities to consider this power source equal to other alternatives.

Alaska Power Association (APA) encourages the State to rescind statutes that restrict the use of appropriate nuclear technology in Alaska. Furthermore, APA urges key officials in the State Administration and Alaska Energy Authority to work with the Legislature to rescind statutes that restrict nuclear reactor technology development and/or deployment in Alaska.

(Adopted March 2009)

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ALASKA POWER ASSOCIATION R E S O L U T I O N

A Resolution Opposing the Implementation of Mandatory Renewable Electricity Standards in Alaska

Many states in the Lower 48 have enacted Renewable Electricity Standards (RES). These standards compel covered utilities to acquire a stated percentage of the energy they sell from specific renewable resources. The selection of resources, the deadline for meeting different percentages, the percentages themselves, and other details vary widely among the various state standards and proposals.

More than 90 percent of Alaska's electric consumers are served by locally owned, not-for-profit utilities — a unique situation in the U.S., mirrored only by Nebraska. Absent the profit-making motive, these utilities already strive to deliver safe, reliable and cost-effective power.

A broad, balanced power supply portfolio can help electric utilities reduce their power supply costs and risks. Renewable energy can provide one part of a balanced portfolio. Although there are states in which renewable energy resources are able to give a strong showing based on costs that are on a par with traditional generation resources, Alaska is simply not one of them. In many cases, the higher costs associated with renewable energy are outweighed by their non-economic benefits to the electric utility. Alaska's electric utilities pursue renewable energy projects when they make economic sense on behalf of the consumers.

Alaska Power Association (APA) strongly supports the research and development of renewable energy, the responsible inclusion of cost-effective renewable resources in the energy portfolio, and efforts to educate policymakers and the public about renewable energy.

Furthermore, the APA membership firmly believes that an arbitrary enforcement of a mandatory Renewable Electricity Standard by the State of Alaska for electric utilities would ultimately raise electric rates for consumers, thereby lowering the overall quality of life in the state and increasing economic disparity between rural and urban regions. A federal RES should allow states to define what counts as a renewable resource for at least half of the federal standard.

(Adopted Feb. 2006; updated Oct. 2007; updated Nov. 2009)

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ALASKA POWER ASSOCIATION R E S O L U T I O N

A Resolution Urging Support for the Adaptation of Emerging Renewable and Alternative Energy Technologies in Alaska

Alaska Power Association members are facing the challenge of providing reliable and cost-effective electric power service while paying rapidly escalating costs for fuel with no substantial financial relief in sight.

This unfortunate reality, coupled with advances in the application of alternative energy technology in cold weather climates, is moving the consideration of distributed generation and renewable energy sources to the forefront of many electric utilities' long-term strategic plans. The Alaska Power Association Board of Directors recognizes that established renewable energy projects such as wind farms and alternative energy sources such as nuclear may play an important role in Alaska's future energy supply.

Without a funding mechanism to assist Alaska's electric utilities with researching and developing renewable energy generation, whether it be in the form of alternative energy project grants, low interest loans or production tax credits, the utilities are forced to decide between either not pursuing such opportunities due to their extraordinarily high capital costs or raising electric rates to help offset the cost of adding new generation into the energy portfolio. Alaska's electric utilities will pursue renewable energy projects as long as they make economic sense on behalf of the consumers.

Alaska Power Association urges the Legislature to pass legislation that includes solid funding mechanisms from an appropriation, general fund or endowment designed to assist with the research, development and eventual application of alternative energy sources into the Alaskan electric utility generation portfolio.

(Adopted March 2006; updated Oct. 2007; updated Nov. 2009)

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