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January 15, 2015

To Whom it May Concern:

I write this letter to express the Greater Ketchikan Chamber of Commerce's support for an Alaska Competitive Energy Act which produces the following results for the benefit of Alaska's businesses and families:

- **Increased private sector investment in Alaska's electrical infrastructure.** Alaska currently ranks last among the 50 states in terms of private investment in the electrical energy sector. Our state also has the highest energy costs in the nation; this is particularly true for our commercial and industrial sectors, which struggle to grow and compete. Our state faces declining oil revenues and is challenged to fund its many billions of dollars of energy infrastructure needs using tax dollars alone. An increase in the sharing of infrastructure costs and risks with the private sector is one way we can assure that our State has the infrastructure it needs for future growth while keeping State spending at sustainable levels and maintaining our excellent credit rating.
- **Open access to spare transmission capacity on equal terms.** Alaska's regulatory framework should be modernized so that spare capacity on transmission lines is made available on an open basis and all users might enjoy equitable costs
- **Increased wholesale competition.** Alaska's regulatory framework should be updated and harmonized with federal requirements specifying that qualifying renewable energy projects can compete against utilities' avoided costs on an incremental basis. Avoided costs should be calculated on an incremental basis so that renewable energy developers can compete against the most costly increments of power in a region (ex. diesel fuel) rather than averages of all assets combined. This would not impact the financial viability of incumbent utilities, as utilities would still be able to recover existing fixed costs which cannot be avoided.
- **An RCA empowered to engage in rulemaking that supports Alaska's energy policy goals of 50% renewable energy by 2025 and increased private sector investment in infrastructure.** The State of Alaska should create language specifying that the RCA shall take actions that support our state's existing policy goals of increased renewable energy and private investment in renewable energy and resource development. This will help ensure that the RCA is empowered to support development of the clean, affordable energy our businesses and families need.

We support an Alaska Competitive Energy Act which will streamline and modernize regulation, instill wholesale competition, enable private investment in new infrastructure, generate new private sector jobs and tax revenues for state and local government, and help to provide affordable and competitively-priced energy for the benefit of Alaskan businesses and families.

Sincerely,

Chelsea Goucher, Executive Director
Greater Ketchikan Chamber of Commerce

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