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Growing Alaska Through Responsible Resource Development

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April 10, 2015

Senator Cathy Giessel, Chair
Senate Resources Committee
Alaska State Legislature
Juneau, AK 99801

Re: CSSB 57 Version S, Federal Clean Air Act Plan Implementation

Dear Senator Giessel:

The Resource Development Council (RDC) is writing to support CSSB 57 Version S, which would require the Alaska Department of Environmental Conservation (ADEC) to evaluate and report on the economic impacts of the implementation of a state plan as required under the 111(d) rule of the federal clean air act.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The EPA intends to finalize its 111(d) rule this summer. The rule would have devastating economic impacts on Alaska by increasing the cost of power. In an effort to transition Alaska to a lower carbon footprint for its power generation, the 111(d) rule leaves Alaska with no practical options to meet this federal mandate. Our understanding of the most immediate result would be the shutting down of coal-fired generation impacting the reliability and cost of power, particularly in the north end of the rail belt. The legislature and the administration have been working hard to find solutions to the high cost of energy in the Interior, and the 111(d) rule would be a major set back in those efforts.

The administration needs to have all available options to respond to this evolving rule, and we support an amended version of the bill (version S) that allows the State to submit a 111(d) rule plan in spite of its negative impacts. State submission of a plan may be preferable to a federally mandated plan, or one-size fits all plan. We understand there is an ongoing legal challenge supported by the State as well as efforts to seek an exemption. All of these solutions need to be on the table as the

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Senator Giessel

re: CSSB57

administration navigates this evolving issue. Version S as drafted keeps options on the table while requiring analysis and reporting on the consequences of the rule to Alaska energy consumers and our economy.

Thank you for your efforts to help mitigate the negative impacts of this pending federal rule on Alaska ratepayers.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Rogers", with a long horizontal flourish extending to the right.

Rick Rogers,
Executive Director