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Energy

Inspired by Trump's infrastructure initiative, Copper Valley dusts off plans to tie into railbelt utilities

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Hoping to cash in on President Donald Trump's \$1 trillion infrastructure initiative, Copper Valley power officials are dusting off old plans to tie the region to the electric grid along the Alaska railbelt between Anchorage and Fairbanks.

Supporters say the idea would allow utilities to sideline diesel-fueled power plants that now support small communities. That would reduce air-polluting fumes, lower power costs and create new economic opportunities.

But with the state facing a historic cash crunch, hope for the idea could hinge largely on whether Trump can push his initiative through Congress and the project makes the list.

"The only reason this has been re-energized is the Trump administration wanted to issue \$1 trillion to support new infrastructure," said Travis Million, chief operating officer of Copper Valley Electric Association, a proponent of the idea.

But other funding sources also might be tapped, supporters said.

The utility is backing the efforts of the state-recognized regional development group, the Copper Valley Development Association, which is bringing together experts and politicians to look at the idea.

Staffers from Alaska's congressional delegation, state lawmakers, utilities, Native organizations and others are expected to call in or attend a July 21 meeting in Glennallen to discuss the concept, said Jason Hoke, executive director of the development association.

Residential power costs in some smaller communities are more than double the national average of 12 cents a kilowatt-hour, even after accounting for a state power subsidy known as Power Cost Equalization. Businesses don't get the subsidy and pay even more, Hoke said.

"People are having to make decisions between groceries and electric bills," Hoke said. "This would help reduce the out-migration of people because of the high cost of energy here on the eastern side of the state."

The project, only recently revived after it was studied by utility experts about a quarter-century ago, wasn't on the infrastructure wish list that Gov. Bill Walker sent to Trump sent in May. But Hoke said he'll work to get it before the governor to make sure it's on the Trump administration's radar.

Sources of money could include the U.S. Department of Energy's Office of Indian Energy, or the U.S. Department of Agriculture's Rural Utilities Service program, Hoke said.

Similar concepts have surfaced in Alaska before. Alaska Village Electric Cooperative, an electric utility with power plants in dozens of Western Alaska communities, promoted a big power idea in 2012. It urged the Legislature at the time to support a feasibility study looking at construction of a North Slope power plant fueled by the region's vast reserves of natural gas. Hundreds of miles of power lines would extend to rural and Interior Alaska. The concept could have provided a use for stranded North Slope gas, replacing the costly gas-export pipeline project long pursued by state officials.

But even an electrical network would have run into the billions of dollars. Lawmakers didn't provide \$1.5 million for a study to demonstrate the project's feasibility, said Meera Kohler, AVEC president. The idea hasn't moved forward since then.

Kohler said the Copper Valley intertie could be an important "cog" in a statewide electric-transmission system, if one is ever built.

"Our economic activity in the state is smothered by the unavailability of affordable energy," Kohler said. "Anytime you can run a transmission line to a resource of any kind, whatever that might be, whether it's processing, extraction, whatever, you are creating an economy, jobs and wealth."

The Copper Valley concept calls for construction of transmission lines along the Glenn and Alaska highways extending more than 300 miles. It would tie Glennallen, Tok and related communities to the railbelt grid. The network would create a loop off the railbelt.

"They have the railbelt," said Hoke. "This would be the roadbelt."

If it came to fruition, power plants in the Copper Valley region could be shut down most of the year. But they would remain on standby, in case they're needed. The proposed route would provide an alternate for path for electricity, including for important military facilities such as Eielson Air Force Base, if there's a disruption along a portion of the railbelt.

"It would provide redundancy," Million said. "It's like the road system. If there was a big earthquake and you lost the Parks Highway, you could still get to Fairbanks through Glennallen."

Costs would be high. Million estimated the cost per mile at about \$1.75 million. If correct, that puts the cost at more than \$525 million total. But Million said smaller versions of the project, connecting fewer communities but costing less money, could also be pursued.

Hoke said costs could be reduced, thanks to work done in past studies and because some easements that would be needed already exist.

Kohler, who has not been involved in the revived discussions about the idea, said she's uncertain about where the federal money will come from to support Trump's plan.

"I have no idea, but electric infrastructure should rank highly," she said. "Alaska geographically is 20 percent of the U.S., and our infrastructure is not much better than a third-world country."

About this Author

Alex DeMarban

Alex DeMarban is a longtime Alaska journalist who covers the oil and gas industries and general assignments. Reach him at 907-257-4317 or alex@adn.com.

Comments