



**The Association of Village Council Presidents
Regional Housing Authority**
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March 12, 2012

Sen. Lyman Hoffman
Alaska State Senate
State Capitol Room 518
Juneau AK, 99801

Rep. Bob Herron
State House of Representatives
State Capitol, Room 411
Juneau, AK 99801-1182

RE: SB 203 Energy Relief Plan

Dear Sen. Hoffman and Rep. Herron,

After a short respite from the cold weather, our temperatures have dropped once again to the -20s at nights and our people continue to work at keeping their homes warmed with anything they could afford or find. The cost of trying to keep warm is still outrageous, to say the least.

The AVCP Regional Housing Authority (RHA) is in receipt of a press release and draft bill regarding SB 203. When the AVCP RHA Board of Commissioners met recently, they adopted a resolution, which is attached, supporting SB 203. The Commissioners believe the benefits from SB 203 will be very welcomed by us all in Alaska.

We recommend that SB 203 be amended to provide, if at all possible, the vouchers go to heads of families, and raise the vouchers to 500 gallons or 3,000 KWHs, and include wood vouchers as another option where available.

A cord of wood is about \$500. A cord in the long run supplies more BTUs than an equivalent cost of heating fuel. A cord (2,500 lbs) provides 7,000 BTUs per lb. or 17,500,000 BTUs. One gal. of stove oil has 135,000 BTUs; thus, 17.5 million divided by 135,000, gets about 130 gals worth of heating oil. If fuel oil costs \$6.40 (Bethel price), it costs \$830 to buy that 130 gals versus \$500 for a cord of wood. Immediately, one has a \$330 savings buying wood, or buys more BTUs with that \$830 when using it all on wood.

Rural Alaska, as you know, always suffers the most when it comes to paying for heating

and electricity. You might have heard on KYUK radio or read in the Anchorage Daily News about some people in Bethel paying up to \$800-plus monthly bills this winter for their heating. In villages around Bethel, people were burning trash, wood from abandoned buildings, and icy green brush from riversides.

Other villages have their own stories:

Kotlik

In Kotlik, a tribal council worker says nearly all community household are coming to the tribal council and asking for LIHEAP and/or emergency assistance. There are only 150 jobs for the 600 population. Stove oil costs \$6.65 and gas is \$7.25. Therefore, people that get pay checks first buy stove oil and food, and worry about bills later. Even wood gathering is hard to do, due to the cost of gasoline.

Nunam Iqua (Sheldon's Point)

As in Kotlik, a few jobs are available in Nunam per a tribal council worker, so most people cannot afford to buy heating fuel. Lucky for the village, there is a sandbar near the village where people can get wood to burn if they are able to get it. But elders who have little help are calling upon the tribal council for energy assistance every day, and such assistance is backlogged to November; they are even asking for any CITGO assistance. Nunam is assigned 11 emergency energy vouchers, but those are currently exhausted. People are asking for loans or try to borrow money to buy needed items and heating fuel, or to pay bills. One community member racked up \$800 in electricity using an electric heater and oven when a toyostove broke down for a few days.

Hooper Bay

In Hooper Bay, the city manager says people in his village are "looking" for anything that will burn, whether cardboard, old shoes, clothing and any scrap of wood that becomes available. He said people are chain-sawing down unused city property buildings at night and taking the lumber home for wood. Still members in town have been coming all winter long to the city asking for any scraps of lumber that may become available. People are stealing wood from each other, the city manager said, and collecting and burning low-quality woods such as cottonwood gotten from the shoreline.

Nunapitchuk

A head of household from Nunapitchuk said he was getting tired of getting their stove oil stolen from their tank so they set an old bear trap below it. In the middle of one night they finally caught a thief, who howled loudly and made a ruckus when caught. But, by the time they went out to go check the trap, the villain had escaped loose. The head of household said they have less stove oil stolen now.

Examples of stove oil and gas costs in Y-K Delta villages:

Mumtram Pikkai, Inc., Goodnews Bay, AK.

\$ 5.31 heating, \$ 6.17 gas, plus 3% sales tax. This winter, Goodnews Bay is using up two years' supply of heating fuel. The village is very low on stove oil now, and will have to request for more stove oil from any local available supplies like the school. Price will

go up at the spring barge delivery.

Qanirtuuq, Inc., Quinhagak, AK.

\$6.75 heating, \$ 6.82 gas, plus 3% sales tax. The supplier was out of stove oil in February, but bought some from the LKSD School and AVEC.

Nunapitchuk Ltd.

\$6.00 heating, \$6.85 gas, plus 4% sales tax.

City of Upper Kalskag.

\$6.50 for both heating and gas.

Iqfijouaq Co. Inc., Eek, AK.

\$7.00 for both heating and gas, plus 2% sales tax. Stove oil might not last to this coming spring.

Akiachak Fuel Sales, Inc.

\$6.86 heating, \$ 6.90 gas. Plus 5% sales tax.

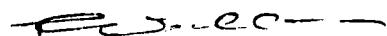
Kokarmiut Corp., Akiak, AK.

\$6.85 heating, \$ 6.80 gas.

In light of the above examples, AVCP Housing is very grateful that you, our representatives in Juneau, are trying to work on a plan to help rural Alaskans deal with their high energy costs. The Sarah Palin-era Energy Dividend was of great assistance when it was enacted and distributed – many rural Alaskans then received a very great benefit. But today, high energy costs are unrelenting and rural residents still need relief in this area, since there is rarely any kind of long-lasting relief for this, even for the wider population of Alaska. The lack of relief is resulting in a low-state of anarchy in a village like Hooper Bay, but since it's involving only wood, criminal matters aren't being brought up.

Therefore, thank you very much for your thoughtfulness in developing SB 203. On behalf of the AVCP RHA Board of Commissioners and staff, I thank you for your continued assistance to the Yukon-Kuskokwim Delta region, other rural Alaska areas, and the rest of the state and its people.

Sincerely,



Ron Hoffman
President/CEO

Cc: Sen. Joe Thomas, Fairbanks
Sen. Joe Paskan, Fairbanks
Sen. Tom Wagoner, Kenai
Sen. Johnny Ellis, Anchorage
Sen. Donny Olson, Golovin



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**BOARD OF COMMISSIONERS
ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
REGIONAL HOUSING AUTHORITY**

RESOLUTION 12-05

A RESOLUTION SUPPORTING SB 203, THE ALASKA ENERGY RELIEF PLAN

WHEREAS; Rural Alaskans were hit with one of the coldest weather spans in the winter of 2011-2012, causing a major hardship for struggling families (Alaska had an average 5.8°F between November-January, but dropped to the -20s and -30s for up to two weeks at a time); and

WHEREAS; The Alaska Senate is proposing to utilize a portion of the State's \$3.7 billion surplus to help Alaska families in coping with high energy prices via Senate Bill 203, and provide Alaskans with immediate energy relief through fuel vouchers and develop a program to help residents deal with high heating costs during the transition to more affordable energy supplies; and

WHEREAS; SB 203 would direct the Alaska Dept. of Revenue to send a voucher to every adult Permanent Fund Dividend recipient in the fall of 2012, which can be redeemed at the fuel distributor of their choice for either 250 gallons of heating oil, an equivalent amount of natural gas, or 1,500 KWH of electricity; and

WHEREAS; SB 203 calls for the State to evaluate several options for on-going energy relief and recommend by Oct. 1, 2012, the best or most viable program that can be put into effect for 2013 and beyond.

NOW, THEREFORE, BE IT RESOLVED That the AVCP RHA Board of Commissioners hereby supports SB 203, and wholeheartedly encourages the Alaska State Legislature to pass the bill as soon as possible and immediately send it to Gov. Sean Parnell for this signature.

CERTIFICATION

The foregoing resolution was passed by the Board of Commissioners of the Association of Village Council Presidents Regional Housing Authority in a duly called meeting where a quorum was present, this 23rd day of February, 2012, by a vote of 5 ayes, 0 nays and 0 abstaining.

Robert Nick
Chairman

ATTESTED TO:

Robert Nick
Secretary

