



February 25, 2026

Dear Members of the Alaska State Legislature.

We represent Alaska Village Electric Cooperative (AVEC), Alaska Power & Telephone Company (AP&T), and Inside Passage Electric Cooperative (IPEC). Collectively, our utilities serve more than 100 communities across Alaska — including many with the highest energy costs and the most challenging geographic, logistical, economic, and weather conditions in the state. Our organizations have decades of experience designing, permitting, constructing, and maintaining hydropower, wind, solar, and battery energy storage projects in Alaska.

We respectfully urge you to include robust funding for the Renewable Energy Fund (REF) in the FY budget at a level consistent with recent historical practice — \$14.2 million — and at minimum no less than \$10 million. Over the past three years, the Legislature has invested an average of \$14.2 million annually in this highly successful program.

The Renewable Energy Fund is Alaska’s flagship energy investment program. Through objective, data-driven evaluation criteria administered by the Alaska Energy Authority, the REF ensures that funded projects are technically sound, financially responsible, and deliver strong public returns. For nearly two decades, REF has been the State’s most effective tool available to lower energy costs, strengthen energy security, and reduce dependence on imported diesel by substituting locally produced, clean resources.

The fiscal case for continued investment is compelling. REF-funded projects currently offset an estimated 13 million gallons of diesel each year. Valued at a conservative \$4 per gallon, that equates to approximately \$52 million in annual fuel savings statewide. That savings figure exceeds the current annual payout capacity of the Power Cost Equalization (PCE) Endowment and is equivalent to a 5% annual draw on a \$1 billion fund.

Without these renewable investments, PCE would be able to cover only about half of its statutory obligation. Because the State is the primary beneficiary of reduced PCE payouts, continued REF funding is not only an energy policy decision — it is a sound fiscal strategy.

The Renewable Energy Fund enjoys broad, bipartisan respect across Alaska. Nearly every utility has utilized the program, and virtually every community — along with schools, families, and businesses — has benefited from it. Sustaining this program at \$14.2 million will protect its effectiveness and momentum. At a minimum, we urge an appropriation of no less than \$10 million to ensure the program remains viable and impactful.

Thank you for your service to the State of Alaska and for your careful consideration of this request.

Sincerely,



William R. Stamm

William Stamm, President & CEO – AVEC

Jason Custer

Jason Custer, VP Corporate Development – AP&T

Brandon Shaw

Brandon Shaw, CEO - IPEC